

Halifax Hotel Market Revitalization

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The Nova Scotia lodging market, particularly in Halifax, has experienced rapid growth in the years following the pandemic. With welcoming immigration policies and a perceived lower cost of housing, the province has seen substantial population growth and increased capital investment, fueling lodging demand. In 2024, provincial RevPAR levels are projected to reach 128% of their 2019 benchmark, driven by rising ADR and an enhanced hotel supply.

Major Capital Influx and Hotel Inventory Improvement Support Market Growth

Nova Scotia is experiencing a record population boom after years of limited growth and has set an ambitious goal of reaching 2 million residents by 2060. Thanks to the new facilitated immigration policies, the welcoming environment for refugees, and interprovincial migration (particularly from Ontario), Nova Scotia has gained 111,000 new residents over the past nine years—a remarkable turnaround for a province once facing population decline. This growth is largely driven by the perceived lower cost of housing, which attracts migration, capital, and jobs to the region. As a result, the province now benefits from a significant influx of capital investment, leading to major construction projects and expansions of cities across the province—driving hotel demand growth and new hotel developments.

Summary

The Nova Scotia lodging market, particularly in Halifax, has experienced rapid growth in the years following the pandemic. In 2024, provincial RevPAR levels are projected to reach 128% of their 2019 benchmark, driven by rising ADR and an enhanced hotel supply.

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Nova Scotia Historical Occupancy and Average Rate	Historical	Forecast as of November 2024		
	2019	2024	2025	2026
Occupancy	67.7%	68.5%	69.2%	70.6%
Percent Change	—	—	1.0%	2.0%
Average Rate	\$146.39	\$185.16	\$188.86	\$193.58
Percent Change	—	—	2.0%	2.5%
RevPAR	\$99.11	\$126.85	\$130.68	\$136.63
Percent Change	—	—	3.0%	4.5%

Halifax-Dartmouth Historical Occupancy and Average Rate	Historical	Forecast as of November 2024		
	2019	2024	2025	2026
Occupancy	70.1%	70.7%	71.8%	73.6%
Percent Change	—	—	1.5%	2.5%
Average Rate	\$152.88	\$197.13	\$201.07	\$207.10
Percent Change	—	—	2.0%	3.0%
RevPAR	\$107.17	\$139.45	\$144.37	\$152.42
Percent Change	—	—	3.5%	5.6%

Source: STR/HVS

Nova Scotia experienced steady RevPAR growth from 2015 to 2018 due to economic expansion and an increase in the number of overnight travellers. Despite a slight drop in occupancy in 2018, ADR rose, pushing RevPAR to a record high. In 2019, RevPAR dipped slightly due to a normalization in rates from the significant growth registered in the preceding years. Additionally, two downtown Halifax hotels (Hotel Halifax and Barrington Hotel) were de-flagged from the Delta Hotels brand, which placed further downward pressure on rates that year.

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In 2020, Nova Scotia experienced a significant decline in all performance metrics due to the fallout from the COVID-19 pandemic. The establishment of the 'Atlantic Bubble' in July 2020—a travel-restricted zone encompassing Nova Scotia, New Brunswick, Newfoundland & Labrador, and Prince Edward Island—further delayed recovery, as it limited inbound travel from provinces outside the bubble.

Halifax, which accounts for a large part of the Nova Scotian market, follows the same trends as the province. The pandemic losses were slightly more pronounced, but recovery was faster by way of greater ADR increases. The ADR rebound registered in 2022 was bolstered by the ramp-up of new high-end supply such as the **Muir Halifax, Autograph Collection Hotels** and the **Sutton Place Hotel Halifax**, as well as renovations of existing products which had opened in Halifax just before the onset of the pandemic.

The near-term outlook for the Nova Scotia market is favourable when considering the various major projects and ongoing hotel supply improvements taking place across the province. Moreover, potential investments in green energy projects—including hydrogen production and wind farms—could bring substantial long-term economic benefits. On the government spending front, the 2024 budget features a \$1.6-billion capital plan, exceeding the previous record set in 2023 by \$8 million. Key major projects are outlined below:

		Comments
Project Name:	Halifax Port Expansion	<ul style="list-style-type: none"> - The Halifax Port Authority's 50-year expansion plan includes an infilling project at Pier A-1 to create eight acres of yard space for a deep-water terminal. - The first phase involves placing 500,000 cubic metres of material into the ocean, with the area used for container storage until the terminal's second basin is completed. - Infilling began in November 2022 and is expected to take three to five years. - By 2070, the Port of Halifax is projected to handle up to 1.6 million TEUs and over 2.4 million cruise passengers annually.
Proponent:	Province of Nova Scotia	
Investment:	N/A	
Timeline:	2022–2070	
Project Name:	EverWind Green Hydrogen and Ammonia Facility	<ul style="list-style-type: none"> - EverWind Fuels plans a \$13.7-billion green hydrogen and ammonia production facility at Point Tupper, Cape Breton, the first facility of this kind in Atlantic Canada. - The project, supported by a \$125-million federal loan, will roll out in three phases and has the initial environmental assessment approval. - Phase one (\$3.4 billion), using power from three wind farms, aims to produce 240,000 tonnes of ammonia and 40,000 tonnes of hydrogen annually by 2026, contributing \$2.3 billion to GDP during construction and \$340 million annually post-construction. - Phase two (\$10.3 billion) will add onshore wind farms and aim to produce 800,000 tonnes of green ammonia and 145,000 tonnes of hydrogen annually by 2027, contributing \$7 billion to GDP during construction and \$1.1 billion annually post-construction. - Specific details for phase three have yet to be made available, however is scheduled for completion by 2030; the \$13.7-billion capital investment considers only phase one and phase two.
Proponent:	EverWind Fuels	
Investment:	\$13.7 Billion	
Timeline:	2023–2030	
Project Name:	Cape Breton Regional Hospital Expansions	<ul style="list-style-type: none"> - The Cape Breton Regional Hospital in Sydney is undergoing a major \$500-million expansion, including the emergency department, cancer centre, and critical-care department. - The new critical-care department will include the intensive care unit, coronary care unit, and other units. - New community health centres are planned for North Sydney and New Waterford hospitals; Glace Bay Hospital's emergency department will be expanded as well. The total investment for the remaining three projects is set at \$500-million. - The Cape Breton healthcare redevelopment was announced in 2018, with construction underway and completion expected by 2027.
Proponent:	Province of Nova Scotia	
Investment:	\$1 Billion	
Timeline:	2022–2027	
Project Name:	QEII Health Science Centre	<ul style="list-style-type: none"> - The \$3-\$5 billion QEII Health Science Centre redevelopment is transforming healthcare in Halifax and Nova Scotia. - Key projects include renovations to Dartmouth General Hospital, a new Community Outpatient Centre in Bayer's Lake, and an expanded Halifax Infirmary. - A new hospice residence is being built in Halifax, and the QEII Cancer Centre will relocate to updated facilities at the Infirmary. - The redevelopment will enable the closure of the Centennial, Dickson, and Victoria buildings, creating a modernized and streamlined healthcare network.
Proponent:	Province of Nova Scotia	
Investment:	\$3-\$5 Billion	
Timeline:	2024-2028	
Project Name:	Irving Shipbuilding Project	<ul style="list-style-type: none"> - The Halifax Shipyard, operated by Irving Shipbuilding Inc., has a long history of building and repairing Navy and civilian vessels. - Irving Shipbuilding employs around 1,800 people and has contributed billions to Halifax's economy. - The company secured a \$60-billion contract to build 23 warships, replacing frigates from the 1980s - Eight Arctic and Offshore Patrol Ships (AOPS) will be delivered by 2027, and 15 River-class destroyers will be delivered by 2050, with the first ship anticipated to enter service in the early 2030s.
Proponent:	Government of Canada & Irving Shipbuilding	
Investment:	\$60 billion	
Timeline:	2022–2050	
Project Name:	Michelin Plant Expansion	<ul style="list-style-type: none"> - Michelin will modernize and expand its Bridgewater plant to produce tires for the growing electric vehicle market. - The new tires will feature greater energy efficiency, reduced greenhouse gas emissions, and larger rim sizes. - The expansion is expected to create more than 70 new jobs.
Proponent:	Michelin	
Investment:	\$300 million	
Timeline:	2023–2025	

The major projects outlined above are central to a positive outlook for the Nova Scotian economy. In the travel and accommodation sector, these initiatives also underscore the upcoming hotel room supply shortages around Halifax. For example, the proponent for the QEII Infirmary expansion is considering using hotels to house the workers. Based on our market interviews, the QEII expansion will command 200 to 300 rooms per day for workers during its peak period in August 2026—welcoming roughly 5,000 workers by 2026 and will seek at least one hotel buyout. Based on this, the Halifax market is expected to experience significant compression from the reduction in room inventory, which would allow hoteliers to elevate room rates. This, combined with the ramp-up of new high-quality supply, should drive average rate growth rates higher in the near term. Furthermore, the QEII project is projected to occupy a fixed number of guestrooms on a fixed-term basis, resulting in substantial unaccommodated demand in the Halifax market. While this compression will support higher average rates, it will also limit the market's ability to meet peak-season demand, possibly leaving travellers without accommodations

and limiting Halifax's ability to host city wide events. Consequently, this could create opportunities for the short-term rental market to benefit from the insufficient hotel supply.

Supply Improvement

The quality of hotel supply in Halifax is improving, which in turn has driven significant rate increases across the market. Moreover, market-wide demand has surpassed the pre-pandemic price benchmark, indicating that this is a relatively price-insensitive market—travellers are willing to pay high prices for high-quality products and have accepted the rate increases. However, in the 2024 year-to-date period, rates across the province have begun to normalize, a trend we are seeing across the country in the post-Covid era.

The simultaneous opening of high-end supply induced the high-end demand mentioned above: the opening of the Muir Halifax, Autograph Collection Hotels, in 2021, illustrates this trend well. This property has achieved record-high ADRs and the new supply was quickly absorbed into the market, creating a new tier of product in Halifax. The Sutton Place Hotel Halifax is another luxury hotel that opened in 2020, and has also induced demand thanks to its convention centre location. Currently, these are the only two luxury properties in the market, both of which opened during the pandemic.

Another addition to new supply is the **Moxy Halifax Downtown**, which opened in 2024 and is a new lifestyle property designed with a trendy vibe, featuring attractive social spaces, weekend DJ sets, and a vibrant bar. This property is aimed at attracting younger travellers while still achieving high rates, reflecting a shift in demand in the Halifax market, which had previously catered to a more traditional client base. Such new players are redefining the city's hospitality offerings.

In addition to these newcomers, supply is improving with the upcoming renovations of the **Westin Nova Scotian** (2027), the **Barrington Hotel** (2025), and the Prince George Hotel Halifax (2025); the **Hotel Halifax** will also be renovated and rebranded to the Delta by Marriott affiliation following five years of independent operations after losing its flag. These renovations, and the implied reduction of rooms for a certain period, will further increase the compression in the market caused by the QEII Expansion Project workers, and cause growth in demand. Once those renovations are complete, however, it is expected that a higher-quality supply will result in increased ADR in the city.

Airport Expansion

The **Halifax Stanfield International Airport** is the main access point to the province by air. Its future expansion is therefore critical for the development of the tourism industry in the province. The **Halifax Stanfield International Airport Master Plan 2041**, which was released in 2021, focuses on the coming growth in passenger numbers and on the development of additional amenities to serve them, such as the expansion of ParkNFly, the construction of a new taxiway, extra gates that can be used peak hours, the addition of more security-check lanes, a luggage claim area, and the addition of retail stores.

The Master Plan also contains an \$8.3-million project aimed at providing the infrastructure necessary for facilitating intra-airport connections. Thanks to this initiative, international passengers arriving in Halifax and connecting to a final Canadian destination will be able to get through customs and domestic departures without having to pick up their luggage or pass through security again, shortening the layover duration. This initiative will further result in the addition of one floor at the airport and is expected to bring an increase in passenger numbers through greater flow efficiencies.

The Airport's goal is to reach 5.2 million passengers per year in 2030; by comparison, in 2024, this number was estimated to reach 4,052,065 passengers. The number of passengers is expected to reach pre-pandemic levels in 2025, as the airport is actively working towards the addition and reinstatement of flights. For instance, Pascan Airlines now offers daily direct flights to Sydney, Nova Scotia, after not having this connection since November 2022 due to the pandemic.

Halifax Convention Centre

The **Halifax Convention Centre** is the primary conference venue in the area. It opened on December 15, 2017, in Downtown Halifax, replacing the former World Trade and Convention Centre, which could not compete with other cities in the country for major events. The convention centre is part of the \$500-million Nova Centre project, which encompasses 1 million square feet of mixed-use space, making it the largest integrated development project in Nova Scotia's history.

In its inaugural year, the Halifax Convention Centre hosted 90 events including tradeshow, conventions and conferences, galas, and other social events, which brought in total 75,000 delegates.

The convention centre hosted the Canada–Korea Conference in September 2021; this was the first in-person international event since the pandemic began. In 2023/24, approximately 140 events took place at the Halifax Convention Centre, with 80,000 delegates participating.

Conclusion

The Nova Scotian hotel market is poised for sustained growth and success, propelled by a forward-looking approach adopted by the province, the business community, and various other stakeholders. Major infrastructure projects, the rise of green businesses, and significant investments are driving population growth, increased tourism, therefore boosting hotel demand and development. Leveraging its strong geographical advantages, new infrastructure, and improved hotel supply, the province is positioning itself as a key destination in Canada.

About **Lea Vaksman**



Léa Vaksman is a bilingual Associate based in the Montreal office. She graduated with a Master of Science in Hospitality Management (Institut de Management Hotelier International) from ESSEC Business School in Paris, France, with concentrations in Hotel Real Estate and Sustainability, showcasing her interests in both topics. Before joining HVS, Léa gained valuable experience in hotel development all across France, enhancing her expertise in real estate and supporting her analytical career. She also held various positions in F&B and Rooms operations in France, Luxembourg, and China, providing her with a comprehensive understanding of hotel operations. Léa is a member of the Appraisal Institute of Canada and is actively working towards her AACI designation. Contact Lea at 1 (514) 543-6736 or [\[email protected\]](#).

About **Lucas Bruce**



Lucas Bruce is a Senior Associate at the HVS Toronto office and holds a Bachelor of Commerce in Hospitality and Tourism Management from Toronto Metropolitan University (formerly Ryerson University). His background in the hotel and restaurant industries has provided him with comprehensive operational insights, which complement the analytical skills he developed during his studies and further refined at HVS. In 2023, Lucas became a member of the Appraisal Institute of Canada and is currently pursuing his AACI designation. Contact Lucas at 1 (416) 203-7093 or [\[email protected\]](#).

About **Monique Rosszell**



Monique Rosszell AACI, MRICS, is Senior Managing Partner of HVS Canada and leads the Toronto and Montreal HVS teams. Upon attaining a bachelor's degree in economics from Queen's University, she subsequently enrolled in the Master's program in Hotel and Restaurant Management at the Ecole Hôtelière de Lausanne, Switzerland and then attained both her AACI and her MRICS appraisal designations in Canada. Monique has been working in the hotel industry for over 30 years and has completed hundreds of valuations and feasibility studies, including transaction and portfolio valuations throughout Canada and the USA. She is fluent in French and therefore has a strong presence in the Province of Quebec and New Brunswick. She also offers litigation and expert witness support in partnership disputes, hotel expropriation, insurance claims, and general hotel industry norms. She speaks at numerous conferences and is the trusted go-to hotel industry investment advisor within the lodging industry in Central and Eastern Canada. Contact information for Monique Rosszell: Phone (416) 686-2260 ext 23 Email: [\[email protected\]](#)