

# NANAIMO/MID-ISLAND TOURISM BULLETIN

## April 2007

### Mid-Island Tourism Strong!

The start of 2007 has shown strong tourism performance on the mid-island. Nanaimo hoteliers should be very pleased with increased RevPAR performance of \$6.75 year to date and BC Ferries strong passenger performance.

Frank Bourree, Principal – Chemistry Consulting Group Inc.

### Industry Points of Interest

- ◆ Canadian Domestic marketing has been instrumental in driving growth in inter-provincial travel. In 2006, total domestic tourism revenue increased by 10.0% from 2005 to \$49.7 billion.
- ◆ Canadians are taking advantage of the cheaper airfare to Asia and Caribbean, staying an extra 5 and 2 days, respectively. Travel to Caribbean is up 23%, while travel to Asia is up 71%. Travel to Europe is on the rise as well with 14% more Canadians heading there this year. The top international destinations include London, Paris, Rome, Athens, Amsterdam and Barcelona.
- ◆ In 2005, a total of 1.65 million people were employed in the tourism sector in Canada, which represents 10.2% of the Canadian labour force. Ontario employed the most people (37%), followed by Quebec (21%) and British Columbia (17%).
- ◆ Demand for foodservice employees will grow by an average of 2.3% a year, compared to the industry average of 1.8% (Canadian Tourism Human Resource Council), meanwhile the working age population will grow by an average of just 0.7% a year (Statistics Canada).

TOURISM STATISTICS	APRIL		Variance	YEAR TO DATE		Variance
	2007	2006		2007	2006	
<b>Average Occupancy</b>	60.23%	59.58%	0.65%	59.17%	55.04%	4.13%
<b>Average Daily Room Rate</b>	\$94.41	\$86.94	\$7.47	\$88.18	\$82.54	\$5.64
<b>Revenue Per Available Room (RevPAR)</b>	\$56.86	\$51.80	\$5.06	\$52.18	\$45.43	\$6.75
<b>BC Ferries (Tsawwassen – Duke Point)</b>						
➤ Vehicles	47,104	44,084	6.85%	161,774	152,744	5.91%
➤ Passengers	106,583	102,226	4.26%	361,184	346,460	4.25%
➤ Buses*	93	75	24.00%	238	234	1.71%
<b>BC Ferries (Horseshoe Bay – Departure Bay)</b>						
➤ Vehicles	103,348	104,918	-1.50%	360,453	356,178	1.20%
➤ Passengers	274,191	286,542	-4.31%	956,008	953,527	0.26%
➤ Buses	709	735	-3.54%	2,592	2,604	-0.46%
<b>Nanaimo Airport</b>	11,318	11,564	-2.13%	37,370	40,933	-8.70%
<b>Comox Airport</b>	25,125	17,301	45.22%	87,262	68,678	27.06%

*Note: Comparative figures may vary due to an increase/decrease in the number of available rooms.*

*Quotations and reproductions of statistics provided in the Victoria Tourism Bulletin are permitted with credits to Chemistry Consulting Group Inc. and Grant Thornton LLP.*

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# VICTORIA LODGING RESULTS

## April, 2007

OCCUPANCY RATE %					
Lodging Type	Number of Rooms	Apr 2007	Apr 2006	YTD 2007	YTD 2006
<b>Number of Rooms</b>					
Greater than 150	2,159	79.38%	79.60%	65.38%	67.62%
100 - 150	757	74.07%	67.08%	65.55%	58.79%
50 - 99	1,144	62.49%	46.80%	55.70%	54.79%
Less than 50	357	71.18%	66.44%	61.65%	60.23%
<b>Location</b>					
Downtown/Inner Harbour	3,205	78.37%	75.63%	65.25%	64.69%
Suburban	488	67.58%	64.15%	56.77%	53.51%
Gorge Road/Esquimalt	329	55.49%	51.53%	53.45%	51.77%
Saanich Peninsula/Sidney	395	55.61%	60.11%	55.85%	56.37%
<b>Tier</b>					
Upper	2,479	79.16%	77.25%	66.20%	66.60%
Mid	1,365	73.36%	70.62%	63.66%	61.39%
Lower	573	48.80%	48.51%	44.61%	44.29%
<b>Lodging Type</b>					
Hotels	3,820	75.39%	73.25%	63.27%	62.60%
Motels	597	60.99%	56.06%	58.34%	56.04%
<b>Total Rooms</b>	<b>4,417</b>				
<b>Average Occupancy</b>		73.44%	71.04%	62.60%	61.75%
ROOM RATE					
Lodging Type	Number of Rooms	Apr 2007	Apr 2006	YTD 2007	YTD 2006
<b>Number of Rooms</b>					
Greater than 150	2,159	\$130.39	\$124.60	\$118.69	\$111.34
100 - 150	757	\$89.36	\$85.83	\$83.04	\$79.35
50 - 99	1,144	\$78.69	\$78.32	\$70.88	\$69.00
Less than 50	357	\$119.17	\$114.94	\$104.37	\$100.20
<b>Location</b>					
Downtown/Inner Harbour	3,205	\$116.64	\$113.10	\$106.61	\$101.22
Suburban	488	\$98.86	\$81.15	\$88.45	\$75.69
Gorge Road/Esquimalt	329	\$67.88	\$66.26	\$58.45	\$56.91
Saanich Peninsula/Sidney	395	\$101.53	\$92.24	\$86.40	\$80.94
<b>Tier</b>					
Upper	2,479	\$131.16	\$125.62	\$118.78	\$111.98
Mid	1,365	\$84.79	\$83.61	\$77.99	\$75.21
Lower	573	\$63.60	\$59.46	\$56.12	\$52.84
<b>Lodging Type</b>					
Hotels	3,820	\$116.61	\$109.87	\$105.69	\$98.70
Motels	597	\$67.26	\$70.26	\$61.64	\$60.66
<b>Total Rooms</b>	<b>4,417</b>				
<b>Average Room Rate</b>		\$111.06	\$105.85	\$100.13	\$94.25
REVENUE PER AVAILABLE ROOM (REVPAR)					
Lodging Type	Number of Rooms	Apr 2007	Apr 2006	YTD 2007	YTD 2006
<b>Number of Rooms</b>					
Greater than 150	2,159	\$103.50	\$99.19	\$77.60	\$75.28
100 - 150	757	\$66.19	\$57.57	\$54.43	\$46.65
50 - 99	1,144	\$49.17	\$36.65	\$39.48	\$37.80
Less than 50	357	\$84.82	\$76.37	\$64.34	\$60.35
<b>Location</b>					
Downtown/Inner Harbour	3,205	\$91.41	\$85.53	\$69.56	\$65.48
Suburban	488	\$66.81	\$52.06	\$50.22	\$40.50
Gorge Road/Esquimalt	329	\$37.67	\$34.15	\$31.24	\$29.46
Saanich Peninsula/Sidney	395	\$56.46	\$55.44	\$48.26	\$45.63
<b>Tier</b>					
Upper	2,479	\$103.82	\$97.05	\$78.63	\$74.58
Mid	1,365	\$62.20	\$59.04	\$49.65	\$46.17
Lower	573	\$31.04	\$28.84	\$25.03	\$23.40
<b>Lodging Type</b>					
Hotels	3,820	\$87.91	\$80.48	\$66.87	\$61.78
Motels	597	\$41.03	\$39.39	\$35.96	\$33.99
<b>Total Rooms</b>	<b>4,417</b>				
<b>Average REVPAR</b>		\$81.57	\$75.19	\$62.68	\$58.20

Note: Comparative figures may vary due to an increase/decrease in the number of available rooms.

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## Canadian Restaurant and Foodservices Association

RESEARCH - 2007

### Foodservice profit margin stalls at 3.8%

(Apr. 13, 2007) The average Canadian foodservice operator earns a pre-tax profit of just 3.8% of operative revenue, according to the latest survey by Statistics Canada. Profitability was relatively flat at 3.8% in 2005, the latest year covered by the Statistics Canada report, compared to 3.7% in 2004, and remains well below the pre-tax profit of 5.8 cents achieved in 2001.

Food and labour costs are the two largest expenses for foodservice operators, and account for two-thirds of operating revenue. Food and beverage costs consumed 35.6% of operating revenue in 2005, up from 35.4% in 2004. At the same time, rising wages pushed up the cost of salaries and wages to 31.5% of operating revenue in 2005 from 31.1% in 2004, while rental and leasing costs eased to 7.0% in 2005 from 7.3% in 2004.

With below-average labour costs, Saskatchewan and Alberta led the country in 2005 with pre-tax profit margins of 6.0% and 5.8% respectively. After leading the country in 2004, pre-tax profit margins in Manitoba fell from 5.5% to 5.3% in 2005 due to higher food and beverage costs.

At the other end of the spectrum, foodservice operators in British Columbia and Ontario recorded the lowest pre-tax profit margins in 2005. British Columbia had the highest food and beverage cost and the second-highest labour costs in the country in 2005. These two categories totalled 68.4% of operating revenue and limited pre-tax profitability to only 3.2%. For the second consecutive year, Ontario ranked last with the lowest pre-tax profit margin in Canada (2.9%) due to rising costs. Rental and leasing costs in Ontario equal 8.1% of operating revenue, the highest in the country.

