

# NANAIMO/MID-ISLAND TOURISM BULLETIN

## June 2007

### Labour Shortage continues to 'bite' the industry and the economy

A recent survey completed by Chemistry Consulting on behalf of the BC Restaurant & Foodservices Association indicated that 50% of operators surveyed have either lost business or have had to reduce services due to a shortage of staff. (see attached article).

Christine Stoneman, Principal – Chemistry Consulting Group Inc.

### Industry Points of Interest

- ◆ According to a Decima research survey, 48% of Canadians polled are cutting back on using cars due to higher gasoline prices. Albertans, with the lowest fuel prices in the country, were the least likely to drive less at 42%. The survey also suggests that 37% of Canadians are likely to change their vacation travel plans due to higher fuel prices.
- ◆ A new poll of 246 American Express Travel agents reveals a new trend in "girls-getaways". More than two-thirds (68%) of agents polled reported that vacations with girlfriends or female relatives are becoming more luxurious than in years past. The getaways are not weekend retreats, but rather a 4-7 day long trips, according to 56% of agents; women are spending \$2,600 - \$5,000 per person (35% of agents); while away women participate in ultra-customized tours and experiences (42%), traveling first of business class (36%) and staying in private villas (20%).
- ◆ From January through April, international tourist arrivals worldwide rose by over 6% to 252 million, which is an increase by 15 million arrivals compared to the same period in 2006, according to the latest UNWTO World Tourism Barometer. Asia and the Pacific achieved the strongest growth (9%), followed by Africa (8%), the Middle East (8%) and Europe (6%). The Americas showed the slowest growth rate of 4%, however, this performance doubled the 2007 forecast growth.
- ◆ Air Canada's international traffic and seat capacity increased by 1.0% and 1.7% respectively in June 2007 over June 2006. WestJet's load factor increased by 2.8%, resulting in the all-time high June load factor of 79.9%.

TOURISM STATISTICS	JUNE		Variance	YEAR TO DATE		Variance
	2007	2006		2007	2006	
<b>Average Occupancy</b>	77.95%	78.51%	-0.56%	64.11%	60.75%	3.36%
<b>Average Daily Room Rate</b>	\$105.22	\$100.27	\$4.95	\$93.66	\$88.17	\$5.49
<b>Revenue Per Available Room (RevPAR)</b>	\$82.02	\$78.72	\$3.30	\$60.05	\$53.56	\$6.49
<b>BC Ferries (Tsawwassen – Duke Point)</b>						
➤ Vehicles	55,194	52,397	5.34%	268,411	253,250	5.99%
➤ Passengers	127,017	119,091	6.66%	605,000	575,510	5.12%
➤ Buses*	62	94	-34.04%	413	427	-3.28%
<b>BC Ferries (Horseshoe Bay – Departure Bay)</b>						
➤ Vehicles	120,497	117,211	2.80%	593,142	582,720	1.79%
➤ Passengers	323,744	316,463	2.30%	1,581,304	1,572,566	0.56%
➤ Buses	821	862	-4.76%	4,127	4,418	-6.59%
<b>Nanaimo Airport</b>	11,650	12,341	-5.60%	61,208	66,406	-7.83%
<b>Comox Airport</b>	24,712	19,104	29.36%	138,477	106,841	29.61%

*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.*

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# VICTORIA LODGING RESULTS

## June, 2007

OCCUPANCY RATE %					
Lodging Type	Number of Rooms	June 2007	June 2006	YTD 2007	YTD 2006
<b>Number of Rooms</b>					
Greater than 150	2,159	83.25%	86.50%	71.26%	73.33%
100 - 150	757	79.53%	81.83%	70.28%	65.45%
50 - 99	1,143	64.31%	46.75%	58.62%	58.34%
Less than 50	356	77.12%	76.26%	65.80%	63.50%
<b>Location</b>					
Downtown/Inner Harbour	3,203	81.39%	83.42%	70.68%	70.13%
Suburban	488	71.52%	76.33%	61.43%	60.75%
Gorge Road/Esquimalt	329	54.99%	61.60%	53.50%	53.87%
Saanich Peninsula/Sidney	395	68.89%	66.19%	59.55%	59.14%
<b>Tier</b>					
Upper	2,478	83.12%	85.42%	71.69%	72.29%
Mid	1,365	77.40%	80.08%	68.40%	66.21%
Lower	572	51.18%	56.05%	46.29%	47.55%
<b>Lodging Type</b>					
Hotels	3,818	79.36%	81.62%	68.59%	68.21%
Motels	597	63.50%	65.79%	59.65%	58.18%
<b>Total Rooms</b>	<b>4,415</b>				
<b>Average Occupancy</b>		77.21%	79.52%	67.38%	66.90%
ROOM RATE					
Lodging Type	Number of Rooms	June 2007	June 2006	YTD 2007	YTD 2006
<b>Number of Rooms</b>					
Greater than 150	2,159	\$175.43	\$172.12	\$138.23	\$131.89
100 - 150	757	\$121.66	\$114.32	\$94.71	\$91.28
50 - 99	1,143	\$109.80	\$112.89	\$83.64	\$82.67
Less than 50	356	\$162.77	\$153.93	\$123.92	\$115.60
<b>Location</b>					
Downtown/Inner Harbour	3,203	\$160.50	\$158.63	\$124.92	\$120.35
Suburban	488	\$129.75	\$108.76	\$100.54	\$86.38
Gorge Road/Esquimalt	329	\$87.98	\$85.79	\$66.92	\$65.79
Saanich Peninsula/Sidney	395	\$126.16	\$112.02	\$99.60	\$89.55
<b>Tier</b>					
Upper	2,478	\$177.47	\$172.05	\$138.84	\$132.36
Mid	1,365	\$117.11	\$116.72	\$90.30	\$87.60
Lower	572	\$84.31	\$80.97	\$64.96	\$62.11
<b>Lodging Type</b>					
Hotels	3,818	\$158.29	\$153.25	\$123.42	\$116.69
Motels	597	\$90.59	\$88.30	\$69.98	\$69.32
<b>Total Rooms</b>	<b>4,415</b>				
<b>Average Room Rate</b>		\$150.76	\$146.10	\$117.02	\$111.33
REVENUE PER AVAILABLE ROOM (REVPAR)					
Lodging Type	Number of Rooms	June 2007	June 2006	YTD 2007	YTD 2006
<b>Number of Rooms</b>					
Greater than 150	2,159	\$146.04	\$148.88	\$98.50	\$96.72
100 - 150	757	\$96.76	\$93.55	\$66.56	\$59.74
50 - 99	1,143	\$70.61	\$52.77	\$49.03	\$48.23
Less than 50	356	\$125.53	\$117.38	\$81.54	\$73.40
<b>Location</b>					
Downtown/Inner Harbour	3,203	\$130.63	\$132.33	\$88.29	\$84.40
Suburban	488	\$92.79	\$83.02	\$61.77	\$52.48
Gorge Road/Esquimalt	329	\$48.39	\$52.85	\$35.80	\$35.44
Saanich Peninsula/Sidney	395	\$86.92	\$74.15	\$59.32	\$52.95
<b>Tier</b>					
Upper	2,478	\$147.51	\$146.97	\$99.53	\$95.69
Mid	1,365	\$90.65	\$93.47	\$61.77	\$58.00
Lower	572	\$43.15	\$45.38	\$30.07	\$29.53
<b>Lodging Type</b>					
Hotels	3,818	\$125.62	\$125.09	\$84.65	\$79.59
Motels	597	\$57.53	\$58.10	\$41.74	\$40.33
<b>Total Rooms</b>	<b>4,415</b>				
<b>Average REVPAR</b>		\$116.41	\$116.17	\$78.85	\$74.49

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**chemistry**  
BUSINESS & HUMAN RESOURCE CONSULTING

***“Labour Shortage continues to ‘bite’ the industry and the economy.”***

A recent survey completed by Chemistry Consulting on behalf of the BC Restaurant & Foodservices Association indicated that 50% of operators surveyed have either lost business or have had to reduce services due to a shortage of staff.

*Labour Shortages cont’d:*

The survey of foodservice operators also revealed that 39% of operators have increased their staffing in the past 12 months while 49% expect their staffing levels to increase over the next 12 months.

Recruiting foodservice staff is becoming increasingly difficult as response rates to ads are much slower and fewer people are applying for posted positions. Attracting staff from other industries is also getting harder and harder as these industries are facing their own staffing challenges. Additionally, many individuals are happy with where they're at in terms of employment and it's difficult to convince them of the opportunities offered by the foodservice sector.

Although foodservice employers are raising wages and are increasingly offering bonuses, incentives and flexible work schedules as a means to attract more employees, such tactics aren't that effective when there simply are not enough people to fill the positions available.

*“With the Olympic Games just five months away, the tourism industry is facing an embarrassing shortage of hospitality staff. Training programs are under way to try to boost staff numbers, but in a climate of low unemployment in Sydney and high demand, attracting interest is proving difficult.”  
Kelly O'Brien Australia*

Will B.C. be saying the same thing in 2010?

In Alberta, foodservice businesses are closing as a result of staff shortages. This situation is creating headlines: For example, a June 2007 *Edmonton Sun* article was headlined “Humpty's restaurant temporarily closes because it can't find workers”.

With this “writing on the wall”, it is clear that foodservice employers need to be proactive and look at all staffing sources, such as employing Seniors, Persons with Disabilities, Aboriginal People and Foreign Workers. Hopefully, by being pro-active, the labour shortage “bite” will be more like a nibble.

*Christine Stoneman*