

VICTORIA TOURISM BULLETIN

April 2007

2007 Off to a Great Start!

This year Victoria tourism industry is off to a very good start with hotels, air traffic, restaurant revenues and the conference centre performing very well. Hopefully this trend will continue and we will see a great summer season. Early reports from Royal BC Museum indicate very strong attendance at the Titanic exhibition.

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).
- ◆ April Sunshine 172.2 hours (norm: 189.5 hours) ◆ April Precipitation 37.2 mm (norm: 44.5 mm)

TOURISM STATISTICS	APRIL		Variance	YEAR-TO-DATE		Variance
	2007	2006		2007	2006	
Average Occupancy	73.44%	71.04%	2.40%	62.60%	61.75%	0.85%
Average Daily Room Rate	\$111.06	\$105.85	\$5.21	\$100.13	\$94.25	\$5.88
Revenue Per Available Room (RevPAR)	\$81.57	\$75.19	\$6.38	\$62.68	\$58.20	\$4.48
BC Ferries (Tsawwassen - Swartz Bay)						
➤ Vehicles	159,965	160,068	-0.06%	529,768	525,267	0.86%
➤ Passengers	477,272	479,836	-0.53%	1,518,695	1,519,635	-0.06%
➤ Buses	2,094	2,097	-0.14%	5,924	6,279	-5.65%
Victoria International Airport	124,534	113,651	9.58%	457,042	428,477	6.67%
Victoria Conference Centre (Delegate Days)	22,684	7,615	197.89%	43,386	17,217	152.00%

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
Number of Rooms					
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%
Location					
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%
Tier					
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%
Lodging Type					
Hotels	3,820	75.39%	73.25%	63.27%	62.60%
Motels	597	60.99%	56.06%	58.34%	56.04%
Total Rooms	4,417				
Average Occupancy		73.44%	71.04%	62.60%	61.75%
ROOM RATE					
Lodging Type	Number of Rooms	Apr 2007	Apr 2006	YTD 2007	YTD 2006
Number of Rooms					
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
Location					
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
Tier					
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
Lodging Type					
Hotels	3,820	\$116.61	\$109.87	\$105.69	\$98.70
Motels	597	\$67.26	\$70.26	\$61.64	\$60.66
Total Rooms	4,417				
Average Room Rate		\$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
Number of Rooms					
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
Location					
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
Tier					
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
Lodging Type					
Hotels	3,820	\$87.91	\$80.48	\$66.87	\$61.78
Motels	597	\$41.03	\$39.39	\$35.96	\$33.99
Total Rooms	4,417				
Average REVPAR		\$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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BUSINESS & HUMAN RESOURCE CONSULTING



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.

