

## SPECIAL FOCUS: ACCOMMODATION CATEGORIES

### The categories

The Tourism Room Revenue report contains data that detail the revenue earnings of five accommodation categories: fishing lodges, hotels (divided into four groups based on the number of rooms), motels, vacation rentals, and miscellaneous properties. Vacation rentals include cabins, resorts and lodges (notably wilderness lodges). The miscellaneous category is a catch-all that includes guest ranches, outdoor adventure (including guide outfitters), larger bed and breakfasts, and houseboats.

### Hotels dominate ...

That hotels earn more revenue than the other accommodators does not come as much of a surprise. Although motels outnumber hotels three to two, the hotels contain twice as many rooms – 55% of the provincial total. In 1996, 75% of B.C.'s room revenue was earned by hotels: a quarter of the properties, with half the rooms, earned three quarters of the revenue.

Further compounding the dominance of hotels has been above-average revenue growth in every year since 1993. In 1996, hotel revenue was up 11.7%, compared to a provincial growth rate of 9.8%. This means that the share of the accommodation dollars spent in hotels has risen from 73% in 1992 to 75% in 1996.

### ... but small hotels are declining in number

In 1996, there were 370 small hotels (those with 75 or fewer rooms) operating in B.C., 53 fewer than in 1989. It is suspected that much of the decline is in the small "beverage hotels"<sup>1</sup> which have been affected by the proliferation of neighbourhood pubs. Revenue growth in the category averaged 6.3% annually<sup>2</sup> between 1989 and 1996, one percentage point below the provincial rate of 7.3%.

<sup>1</sup> Hotels whose operations are centred around a beverage room or tavern.

<sup>2</sup> Compound rate.

### Motels in protracted slump

The importance of motels in the province's accommodation mix has been declining steadily since 1989 (the first year for which data is available). In that year motels earned 18% of the province's room revenue; by 1996, this share had fallen to 15%. Annual growth in motel revenue averaged 5.5%<sup>2</sup> between 1989 and 1996. 1996 was a particularly bleak year, with motel revenue falling 0.1% during a year when provincial revenue rose 9.8%.

More tellingly, the number of motel properties fell from 873 in 1989 to 825 in 1996, and while the total number of rooms in B.C. increased 7%, the number of motel rooms rose less than 1% over the same period.

### Niche properties show dynamic growth in both revenue and number

At a time when traditional motel and small hotel properties are declining in number, other forms of traveller accommodation are appearing to fill niches in the market. Both vacation rentals and miscellaneous properties have shown substantial growth since 1989. Annual average revenue growth<sup>2</sup> has been well above the provincial rate; vacation rentals have grown at an average of 9.9% each year between 1989 and 1996, while miscellaneous property revenue averaged 18.3% growth.

The number of properties in these two categories has also jumped. There are now over 100 more vacation rentals than in 1989. The number of properties in the miscellaneous category has grown even more, with 141 more properties. This growth in vacation rentals and miscellaneous properties has added nearly 4,900 rooms to the provincial accommodation supply.