

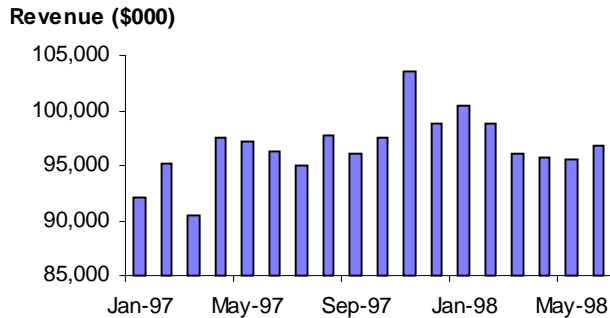
Tourism Room Revenue ♦ June 1998

Highlights

The Province

- British Columbia accommodation room revenue rebounded in June, growing 1.3% to \$96.8 million. This followed revenue decreases in four of the last six months. However, revenue declines have been tapering off since March, as total revenue climbs back to levels recorded in 1997.

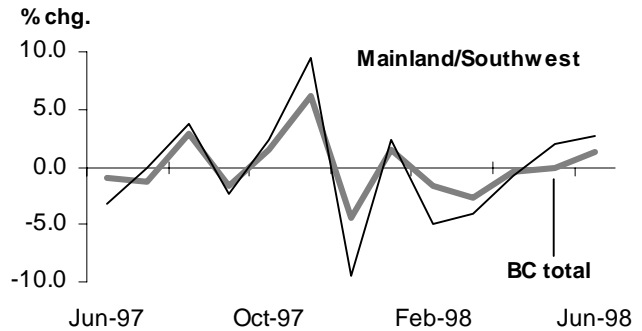
BC room revenue recovered in June



In the Regions

- Northeast (+6.2%) revenue rebounded from declines in the previous five months that resulted from a slowing in oil and gas exploration activity. Vancouver Island/Coast recorded both a dry warm June and an increase (+0.8%) in room revenue, the first since March.
- Mainland/Southwest revenue advanced 2.8%, rising to \$54.5 million. Over the last two years, Mainland/Southwest has averaged 56.8% of total BC accommodation revenue. In June, one in every five accommodation properties was located in the region, accounting for over one third of all rooms in BC. As a result, Mainland/Southwest revenue increases or decreases have significantly affected BC total revenue.

Mainland/Southwest leads BC revenue change



The Accommodation Types

- The largest (250+ rooms, +5.5%) and the smallest (1-75 rooms, +2.1%) hotels accounted for the majority of the revenue increase in June. While vacation rentals rose slightly (+1.1%) all other accommodation types recorded revenue declines.

Text Table 1. Room Revenue Summary

Accommodation Type			
	June 98 (\$000)	May 98 (\$000)	% change
Total	96,800	95,586	1.3
Hotels	71,717	71,463	0.4
Motels	14,060	14,139	-0.6
Other Acc.	11,282	11,220	0.6
Regions (Top 3)			
Northeast	2,075	1,954	6.2
Mainland/Southwest	54,495	53,029	2.8
Vancouver Island/Coast	17,790	17,643	0.8

All data reported in Highlights are seasonally adjusted. All comparisons are to the month previous except where noted.

Room Revenue Trends

British Columbia unadjusted room revenue advanced in June, rising 1.9% to \$120.8 million relative to June 1997. This followed two months of declines. Room revenue was higher than last year in four of the first six months of 1998. Total year-to-date revenue is 2.9% (\$2.3 million) above the level recorded for same period last year.

First half summary, 1998

Room revenue has remained above 1997 levels despite the adverse affects of the Asian flu on the accommodation industry in BC. Contributing factors to the continued revenue increase were the unseasonably warm and dry weather experienced by most BC regions, and the rise in US visitors taking advantage of a prosperous US economy and a strong currency. At the same time, BC has also recorded increases in the number of visitors arriving from the UK, Australia, and in the last few months, Hong Kong.

While hotel room occupancy has declined from 64.7% to 61.4% compared to the first half of 1997, this is as much a reflection of increased accommodation supply, and the rise of alternative accommodation preferences, as of lower overall demand. Although the average daily accommodation rate has increased 4.8% (to \$107.04), Pannell Kerr Forster reports that revenue per available room (\$65.74) was down slightly compared to last year.

Convention Centre delegate days have risen 12.0% in BC for the first half of 1998. All of this increase occurred in locations outside of Vancouver (Whistler (+22.0%), Victoria (+30.4%), Penticton (+76.1%) & Prince George (+211.8%)). The Vancouver Trade & Convention centre recorded a 9.8% decrease in delegate days. A decline in the number of large conventions and more competitive marketing by the smaller centres may be contributing to this phenomenon.

With the rise in US visitors has come a change in accommodation demand. Hotels with less than 150 rooms have recorded revenue increases while the larger hotels have experienced revenue declines. Vacation rentals (+19.8%) and miscellaneous accommodation types (including bed & breakfasts, guide outfitters, guest ranches, etc) (+12.0%) have increased substantially in the first six months of 98 compared to 97. This may be indicative of a slow-down in demand for package tours, more cost con-

sciousness on the part of the traveller, and/or an emphasis by visitors in 1998 on activities in areas of BC where there were fewer large hotels.

This was evident in year-to-date regional revenues. Mainland/Southwest (+0.6%), and in particular, Greater Vancouver (-0.9%) revenue was lower due to weakness in the large hotel sector. While Whistler was 5.7% up over last year, large hotels (-6.5%) were down. Northeast (+19.5%) continues to benefit from oil and gas activity. Thompson/Okanagan (+7.3%), Kootenay (+6.9%), and Vancouver Island/Coast (+5.6%), were all above levels recorded last year.

Text Table 2. BC Tourism Indicators

	Change from June 97	Total June 98
Hotel Industry		
Occupancy rate	-12.3 pp.	72.1%
Average room charge	4.9%	\$124.87
<i>(Pannell Kerr Forster)</i>		
Passenger Traffic (%) (000s)		
Vancouver International Airport		
Total traffic	4.9	1,421.3
US	12.3	375.1
Other International	3.7	301.7
Canada	2.0	744.5
<i>(YVR)</i>		
Victoria International Airport		
Total traffic	13.0	104
<i>(Victoria Airport Authority)</i>		
Transportation (%) (000s)		
Coquihalla Highway		
Passenger Vehicles	-3.5	226.8
<i>(Ministry of Transportation & Highways)</i>		
BC Ferries		
Vehicle Volume	-3.1	713
Passenger Volume	-4.5	1,972
<i>(BC Ferries)</i>		
Exchange Rates		
	chg. from May 98	June Cdn \$
US \$	0.020	1.465
UK Pound	0.050	2.418
Japanese Yen	0.000	0.010
Australian \$	-0.027	0.886
<i>(Statistics Canada)</i>		

All references in Room Revenue Trends are to unadjusted data. All comparisons for BC Tourism Indicators are for the reference month relative to the same month the previous year.

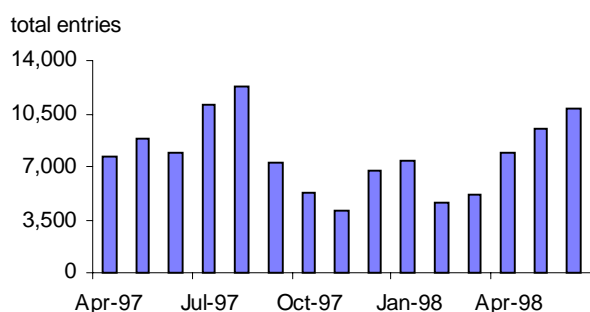
Traveller Entries to BC

- Entries to Canada via BC by residents of the US and overseas countries increased 3.4% to 854,862 in June. This marked the second greatest number of visitor entries recorded for the month of June (in Expo year of 1986 there were 964,251). For the first half of 1998, there were 6.1% more entries into BC than in the same period last year.

Asian 'flu' keeping travellers at home

- Visitor entries by residents of Asian countries decreased 14.5% to 72,812 relative to June 1997. There were 64,985 (-18.6%) fewer Asian resident entries for the first six months of this year compared to the same period last year.
- Entries by residents of Japan declined by 4.5% in June, the second consecutive decline. At the same time, however, there were 7.5% fewer Japanese visitors to Canada as a whole. Traveller entries from South Korea (-64.0%), Taiwan (-10.5%) and Other Asian countries (-36.2%), were all lower in June.
- Entries by Hong Kong residents increased 36.2% to 10,863 in June, the third consecutive month of increases. This would seem to indicate that the dramatic decreases recorded from April 1997 to March 1998 may be related to the uncertainty experienced by Hong Kong residents in the months leading to the July repatriation with China in 1997. The increases recorded in April, May and June 98 may indicate a resumption of usual business and leisure travel by Hong Kong residents.

Hong Kong stability promotes more travel to BC



Europeans prefer football in June

- Increased strength in European currencies in relation to the Canadian dollar in June did not immediately translate into increased entries. European resident entries to BC declined 2.1% in June, marking the second consecutive decline in European entries to the province. Even though the English pound rose to C\$2.42 (a ten year high), entries by UK residents decreased 1.5%, the first drop recorded in 1998. Visits from Germany (-7.5%) and France (-15.1%) were also down. Indications are that travel plans of European residents were significantly affected by the 1998 World Cup, held in France (June/July 1998).

Canadians find more bang for the buck at home

- Even with low, low, low prices, the Canadian dollar bought less American milk, cheese and gasoline in June. Same-day car trips from BC to the US declined 22.4% in June. Re-entries from same-day trips to the US have been down every month this year compared to last year.

Text Table 3. Traveller Entries

		% chg from June 97	June 98 (000)
American visitors			
Total		6.6	701
	Same-day	7.6	293
	Overnight	5.8	408
Overseas visitors			
Total		-8.9	154
Europe		-2.1	59
	UK	-1.5	23
Asia		-14.5	73
	Hong Kong	36.2	11
	Japan	-4.5	29
Oceania		-16.8	14
Canadian re-entries			
Total		-19.2	931
	From overseas	4.6	51
	From US	-20.3	880
	Same-day	-22.4	645

(Statistics Canada)

Note: All comparisons for *Traveller Entries to BC* are for the reference month relative to the same month the previous year.

SPECIAL FOCUS: Room Revenue Readership Survey

BC STATS is continually striving to provide relevant and reliable tourism data. The *Tourism Room Revenue* report has undergone several key changes to format and content in the last few months. To ensure that this report continues to provide information that meets the data needs of government, the tourism industry, and other interested stakeholders, we need your input. Please take the time to complete and return the following survey.

1. What kind of organisation do you represent?

- government
- hotel industry
- media
- consultant
- tourism association
- other _____

2. Rate your familiarity with the *Tourism Room Revenue* report

- very familiar
- somewhat familiar
- not familiar

3. How do you normally receive your copy?

- mail
- web
- Infoline (excerpts)
- internal distribution
- other _____

4. What do you use *Tourism Room Revenue* report data for?

- information only
- planning
- budgeting
- other _____

5. How often do you read the report?

- regularly
- occasionally
- infrequently

6. What do you find most or least useful?

Most Least

- | | | |
|-----------------------|-----------------------|---------------------|
| <input type="radio"/> | <input type="radio"/> | highlights |
| <input type="radio"/> | <input type="radio"/> | room revenue trends |
| <input type="radio"/> | <input type="radio"/> | traveller entries |
| <input type="radio"/> | <input type="radio"/> | special focus |
| <input type="radio"/> | <input type="radio"/> | data map |
| <input type="radio"/> | <input type="radio"/> | data tables |

7. Which of the following is more applicable to your needs?

- seasonally adjusted data
- unadjusted data
- both

8. Which type of data do you use most often?

- current month data
- historical time-series data
- both

9. Would you prefer more or less of the following:

More Less

- | | | |
|-----------------------|-----------------------|----------------------|
| <input type="radio"/> | <input type="radio"/> | analysis |
| <input type="radio"/> | <input type="radio"/> | data tables |
| <input type="radio"/> | <input type="radio"/> | text tables |
| <input type="radio"/> | <input type="radio"/> | data maps |
| <input type="radio"/> | <input type="radio"/> | data charts & graphs |
| <input type="radio"/> | <input type="radio"/> | explanatory notes |

10. Do you find the current data table format easy to use?

- yes
- no

If no, why not? _____

11. Do you subscribe to the *Tourism Room Revenue* report?

- yes
- no

12. Any suggestions on how we can improve this report?

Thank you for taking the time to complete this survey. Please return your completed form by fax to **(250) 387-0380**.