

Tourism Room Revenue ♦ January 1999

Highlights

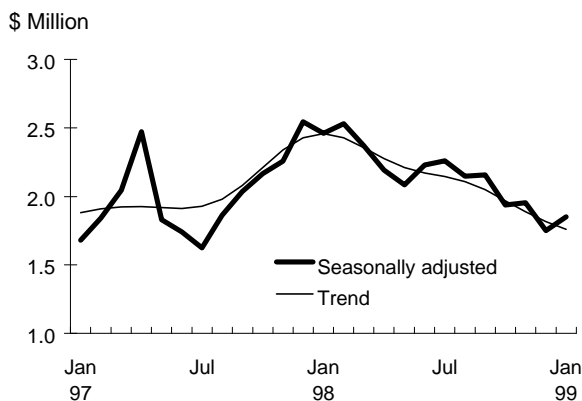
The Province

- Seasonally adjusted room revenue in BC rose 1.1% in January, continuing the upward direction begun in December.

In the Regions

- Vancouver Island/Coast continued to be the only region where revenue has grown consistently. Revenue was up for the sixth straight month (+3.8%).
- The opposite trend is in evidence in Nechako (-12.2%), which suffered a fourth straight drop in room revenue. Revenue was virtually unchanged in Mainland/Southwest (-0.1%) and Cariboo (-0.2%), and down in North Coast (-5.3%).
- Northeast continued to demonstrate volatility, leading the province with a 5.7% advance in room revenue. This comes on the heels of December's 10.4% revenue decline, the largest month-over-month drop posted by any region in all of 1998. Kootenay (+5.0%) and Thompson/Okanagan (+2.8%) also had solid growth.

Northeast revenue shows downward trend



The Accommodation Types

- Vacation rentals posted their second straight month of double-digit revenue growth (+16.9%). Hotels with fewer than 76 rooms (+5.4%) and those with 250 or more rooms (+1.8%) were the only other categories with more revenue than in December.
- After posting steadily increasing revenue through most of 1998, mid-size hotels (151 to 249 rooms) saw revenue drop for the third straight month in January (-6.0%).

Text Table 1. Room Revenue Summary

Accommodation Type			
	Jan. 99 (\$000)	Dec. 98 (\$000)	% change
Total	108,360	107,186	1.1
Hotels	78,420	78,982	-0.7
Motels	13,332	13,360	-0.2
Other Acc.	15,109	13,421	12.6
Regions (Top 3)			
Northeast	1,850	1,751	5.7
Kootenay	4,315	4,109	5.0
Vancouver Island/Coast	21,030	20,254	3.8

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

Room Revenue Trends (Unadjusted)

Room revenue, unadjusted for seasonal variation, was \$72.8 million in January. This was a 7.1% increase over January 1998.

South shows growth while north declines ...

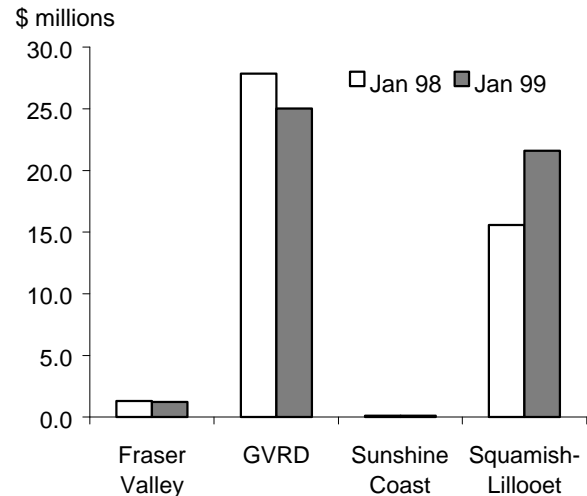
The trend of strong revenue growth in the southern regions and declines in the north, as reported in last month's issue of *Tourism Room Revenue*, continued into January. Revenue again jumped in all four of the province's southern regions. These increases were all at, or above, the overall provincial rate, led by a 27.0% surge in Vancouver Island/Coast. The four northern regions, by contrast, saw revenue levels fall below the same month of the previous year, with the declines as large as 27.7% (Northeast) and 25.8% in Nechako.

... but there are big variations within regions

The province-leading performance of the Vancouver Island/Coast region was boosted by a whopping 43.1% increase in the City of Victoria, which accounted for fully half of the region's \$9.0 million revenue in January. While the Royal British Columbia Museum's *Leonardo* exhibit has undoubtedly boosted revenue in Victoria, other regional districts in the region also saw double-digit growth in January, including Powell River (+39.2%), Comox-Strathcona (+22.6%), and Alberni-Clayoquot (+11.0%). But while these areas were growing, Cowichan Valley, Mount Waddington and Central Coast all saw revenue decline in January.

An even more dramatic situation was seen in Mainland/Southwest. In aggregate, the region's revenue was up a healthy 7.1%. But only two of the regional districts in the region had advances in revenue: tiny Sunshine Coast (with a 16.2% increase in revenue, to \$125,000), and the booming Squamish-Lillooet (+38.7%), led by Whistler's \$21.2 million in room revenue. The most notable drag on the region's performance was downtown Vancouver, where revenue slipped 10.9% to \$15.8 million.

Mainland/Southwest Development Region: Growth in Squamish-Lillooet offsets decline in GVRD



Text Table 2. BC Tourism Indicators

	Change from Jan 98	Total Jan 99
Hotel Industry		
Occupancy rate	-1.6 pp.	48.1%
Average room charge	6.3%	\$106.27
<i>(Pannell Kerr Forster)</i>		
Passenger Traffic (%) (000s)		
Vancouver International Airport		
Total traffic	2.0	1,139
US	3.5	316
Other International	-3.3	245
Canada	3.6	579
<i>(YVR)</i>		
Victoria International Airport		
Total traffic	10.8	89
<i>(Victoria Airport Authority)</i>		
Transportation (%) (000s)		
Coquihalla Highway		
Passenger Vehicles	5.5	95
<i>(Ministry of Transportation & Highways)</i>		
BC Ferries		
Vehicle Volume	3.5	479
Passenger Volume	2.7	1,225
<i>(BC Ferries)</i>		
Exchange Rates		
	chg. from Jan 98	Cdn \$
US \$	-0.078	1.519
UK Pound	-0.151	2.507
Japanese Yen	0.002	0.013
Australian \$	0.013	0.961
<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

International visitor entries reach new highs

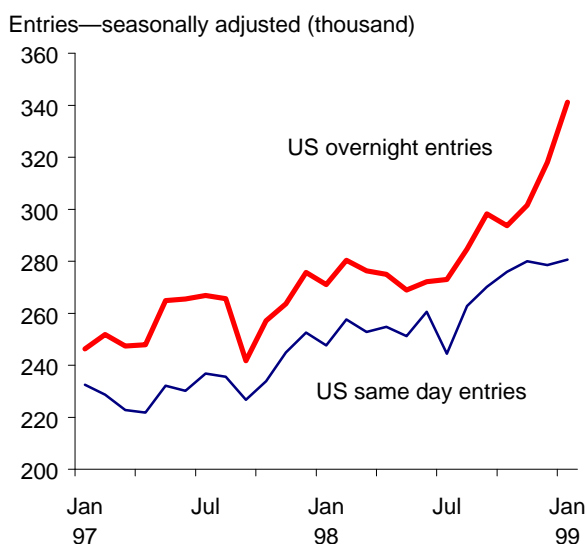
Entries by foreign residents to Canada via BC increased 18.3% to 437,374 in January. An increase in the number of American and European travellers more than made up for a drop in entries from Asia.

US entries continue off-season boom

The number of American entries was up 21.5% over January 1998, with a total of 377,888 Americans entering Canada via BC. Overnight trips rose 28.4% to 167,821, and same-day trips totalled 210,067, an increase of 16.5%.

US entries showed signs of slower growth through the summer months of 1998, but beginning in September the year-over-year increases rocketed upwards, and continued through January. Significantly, in each month except October overnight entries have outpaced same-day visits. This is surely good news for accommodation operators, who will be seeking alternative markets due to weaker performance in overseas and BC resident travel. If visitors from the States are to pick up the slack as the other markets falter, the challenge will be to get more US visitors into the province's northern regions. Room revenue figures suggest that this is not yet occurring, with growth concentrated in the south.

US overnight entries rocket upwards (seasonally adjusted)



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

Overseas entries up for first time in a year

Total customs entries to BC by residents of overseas countries edged up 1.5% in January. This was the first time since January 1998 that entries from overseas were up from the same month of the year before.

Entries to BC by residents of Asian countries declined for the eleventh straight month, falling 14.9%. There were 29,837 entries of Asian residents in January. European entries were up 21.0%, totalling 16,908. Entries from both the UK and Germany rose substantially in January.

Loon has yet to surface: Canadians still not travelling to US

The number of Canadians returning from the United States via BC fell for the thirteenth consecutive month in January. The decline was almost entirely due to a drop in same-day auto travel, which fell 18.2%. All other travel to the US was down 1.4%.

The number of Canadians returning to BC from overseas fell for the first time since August, slipping 8.2% from January 1998.

Text Table 3. Traveller Entries

	% chg from Jan 98	Jan 99 (000)
American visitors		
Total	21.5	378
Same-day	16.5	210
Overnight	28.4	168
Overseas visitors		
Total	1.5	59
Europe	21.0	17
UK	16.9	9
Asia	-14.9	30
Japan	-7.8	14
Taiwan	8.3	5
Oceania	33.0	9
Canadian re-entries		
Total	-12.8	685
From overseas	-8.2	92
From US	-13.5	593
Same-day	-18.2	404

(Statistics Canada)