

BC Tourism Resiliency Panel: Welcoming Visitors Back to BC

June 22, 2021



BRITISH COLUMBIA
HOTEL ASSOCIATION



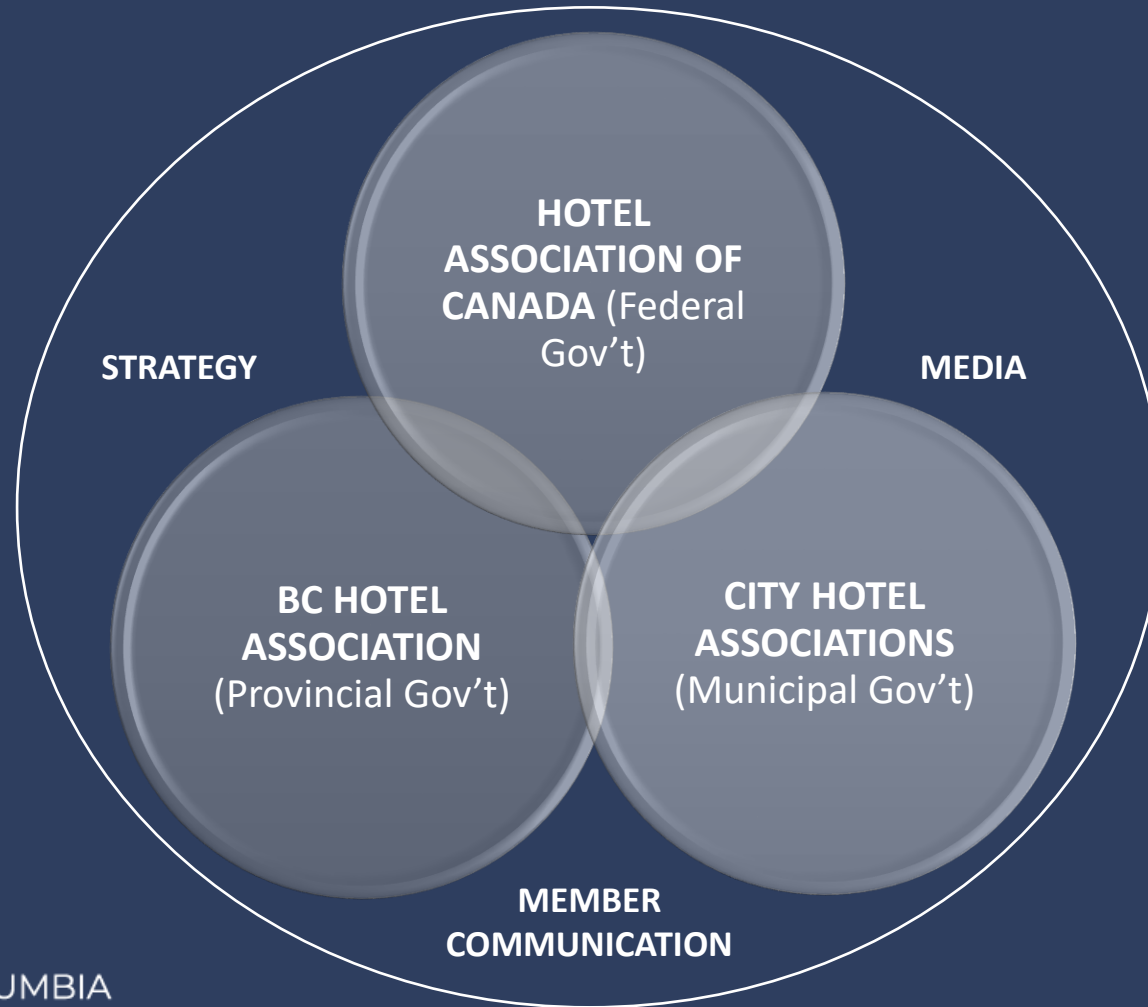
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President & CEO, BCHA



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Joint Approach: Working with National & City Hotel Associations





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CHALLENGE BEHIND AND AHEAD

16 + **16**

months shut down

difficult months ahead

= 32

months of losses

State of the Industry

- 63% of properties continue to operate with reduced hours, services, staffing due to COVID-19
- Close to 14% of operators have lost \$10+ million as a result of the COVID-19
- 31% indicated that without immediate government resources they would be unable to continue operating
- Length of time hotels will remain operation without access to new financing
 - 30-60 days – 11%
 - 60-90 days – 11%
 - 3-6 months – 26%
- 71% of respondents need to recruit workers immediately





Regional Averages

- Average provincial occupancy over the next 6 months (June – Oct) is at 44%. Current occupancy is sitting at 36%.
- July and August are busiest months for all regions in BC aside from Vancouver – the slight rise in fall occupancy is attributed to American business and the return of small meetings / events business.
- Northern BC continues to have most consistent occupancy over the next 6 months due to ongoing projects in the region.

Regional Expected Occupancy Averages (%)

	May	June	July	August	Sept	October
Downtown Vancouver	19	24	33	35	35	40
Surrounding Lower Mainland	30	33	40	41	37	34
Vancouver Coast	20	32	65	76	60	39
Cariboo Chilcotin Coast	25	28	33	33	34	32
Thompson Okanagan	27	36	64	66	48	33
Kootenay Rockies	25	30	55	59	51	29
Northern BC	47	52	57	57	56	52
Vancouver Island	29	38	61	67	60	49
Whistler	6	26	46	55	41	31



ADVOCACY ACROSS BRITISH COLUMBIA

Provincial Advocacy

Business Liquidity
Large Business Solvency
BC Hydro Relief
Property Tax Relief
Safe Reopening Plan
Circuit Breaker Relief
Vaccine Prioritization

Small & Medium Sized Business Recovery Grant

Short Term Rental
Insurance Issues
Pay Equity
OTA Commissions
Labour Shortage
Check in Canada

The BCHA is a bridge builder and positive force for change. We represent the BC accommodation community and we work collaboratively with our provincial and federal counterparts.

We are an integral part of the tourism and hospitality ecosystem in the province of British Columbia and are dedicated to survival, recovery, and long term contribution. We advocate at the community, provincial, and federal level.

**43+ ASSOCIATION
PARTNERSHIPS**



ADVOCACY ACROSS CANADA

Federal Advocacy

Canadian Emergency Wage Subsidy
Extension (CEWS)

Canada Emergency Rent Subsidy
Program (CERS)

Highly Affected Sectors Credit Availability
Program (HASCAP)

Canada Emergency Business Account
(CEBA)

New Loan Program

Fair Tax

Check in Canada

Canada Recovery Hiring Program
(CHRP)

The BCHA represents British Columbia with

- Hotel Association of Canada (HAC)
- Tourism Industry Association of Canada (TIAC)
- Tourism HR Canada
- Destination Canada (DC)
- Restaurants Canada
- Canadian Hotel & Lodging Association (CHLA)



Sheraton Vancouver Wall Centre

Liquidity – Other Measures

Reduction, deferral, or suspension of:

- Energy Costs
- Capping Commissions
- Property tax
 - Property assessment based on revenue vs. best use



Wage Subsidy (CEWS) VS Hiring Program (CRHP)

Wage Subsidy Extension

CEWS has been extended until September 25, 2021 and the subsidy rate is being reduced after June 6, 2021. The government indicated the possibility that it would consider a further extension to November 2021, should circumstances warrant.

Apply to the Program that Provides the Most Benefit

Hoteliers will only be able to apply to receive one of the supports in the same qualifying period but are not locked into one support program. This means that if CEWS is more beneficial to you for period 17, but CRHP is more beneficial for period 18, you can apply to CEWS for period 17, and then apply to CRHP for period 18.

CRHP Qualifying Structure

For the CRHP, the key design factor is the reference or baseline period against which payroll increases are calculated, which is compensation paid from March 14th, 2021 - April 10th, 2021. The CRHP will be calculated by determining the difference between the baseline period, and the qualifying period as the incremental remuneration. The qualifying periods are 4-week intervals between June 6th, 2021 and November 20th, 2021.



New Hiring Program

CRHP is designed to enable employers to bring on additional staff or cover increases in payroll costs. This program is being offered to Canadian-controlled private corporations and entities otherwise eligible for CEWS. This program will offset up to 50% of the incremental remuneration paid to employees.

CRHP Most Helpful for Hotels Ramping up Hires

For CEWS, one factor that is important to consider is the loss of revenue. The larger the loss of revenue that an applicant can demonstrate in relation to the reference period, the higher the benefit paid to the applicant. CRHP would generally be more advantageous when there is a significant increase in payroll over the reference period.

Outlook for the Canadian Lodging Industry



The following forecasts for the Canadian lodging industry reflect the current outlook of market participants, assuming the vaccination roll out is completed and the U.S. border re-opens by September 2021.

	Historical			Forecast			
	2018	2019	2020	2021	2022	2023	2024
Occupancy	66.3%	65.2%	32.0%	43.7%	56.4%	63.5%	65.0%
<i>Percent Change</i>		-1.7%	-50.9%	36.3%	29.0%	12.7%	2.4%
Average Rate	\$163.40	\$165.23	\$129.70	\$142.28	\$156.77	\$163.04	\$167.93
<i>Percent Change</i>		1.1%	-21.5%	9.7%	10.2%	4.0%	3.0%
RevPAR	\$108.33	\$107.73	\$41.56	\$62.15	\$88.35	\$103.53	\$109.16
<i>Percent Change</i>		-0.6%	-61.4%	49.6%	42.2%	17.2%	5.4%

Source: STR and HVS

This represents the current expectation for the timing and pattern of recovery, with occupancy expected to recover first, followed by ADR. All forecasts are in current dollars.

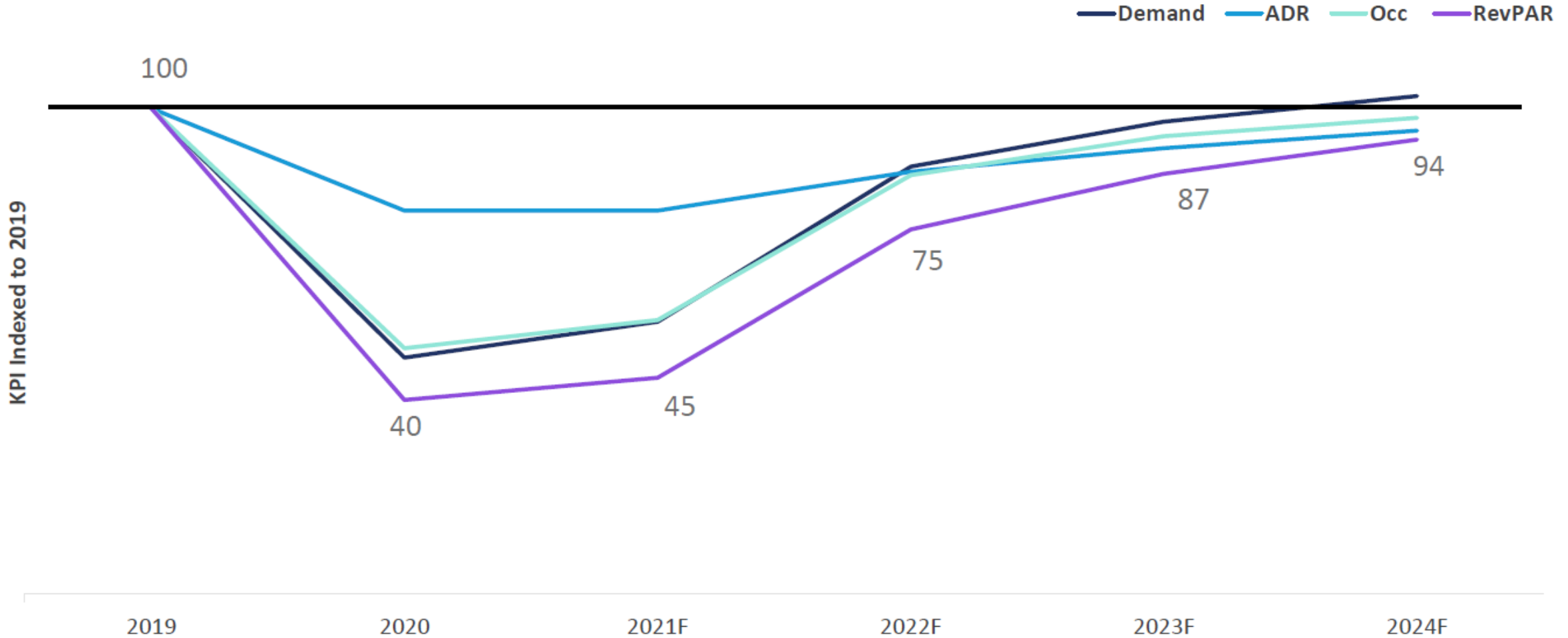
Total Canada: the recovery is expected to begin

Total Canada forecast, key performance indicators

	2020 Actual	2021 Forecast	2022 Forecast
Occupancy	32.9%	36.7	56.1%
ADR	\$130.42	\$130.37	\$143.66
RevPAR	\$42.95	\$47.83	\$80.61

Demand is expected to exceed 2019 levels in 2024

2019 – 2024F indexed to 2019





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THE STAR REPORT

Hospitality Benchmarking.

*The more businesses participate, the better
the data for all. 100% Free of Charge*

WHAT... is the STAR Report?

Powered by the world's largest hotel data sample, STR delivers confidential data on hotel occupancy, Average Daily Rate (ADR) and Revenue per Available Room (RevPar), for markets such as the tourism regions of BC.

STR collects rooms available, rooms sold and net room revenue on a monthly, weekly and daily basis from participating hotels. This is then fed back to all participants in reports for us to understand our own hotel's performance against the region and the province.



WHY... join?

Data equals information equals better, more informed decision-making. The more hotels participate, the more accurate the average occupancy rates, ADR and RevPar stats are for the WHOLE industry across our region, our province, and our country.

IT'S FREE



HOW... to sign up?

Hotels seeking marketplace insights can receive a free report on their market simply by submitting our room data to STR via our partnership with the BC Hotel Association (BCHA) and the BC Regional Tourism Secretariat (BCRTS).

Simply click on this enrollment form link or paste it into your browser and complete the form!

<https://surveys.str.com/s3/Hotel-Enrollment-Form>

START TODAY

See how your hotel is performing compared to others in our region and province.



GoGreen Energy Analysis



- **42** Virtual Energy Assessments booked
- **39** Virtual Energy Assessments completed
- **114** Properties pre-assessment stage

Green Step EcoFund

EcoFund is an eco efficiency and funding program that helps businesses reduce their carbon footprint and save thousands of dollars. All at no cost.

Extra Money



Generate thousands of dollars in an eco-fund each year. Invest in cost-saving green projects that reduce energy, fuel, waste and water bills along along with your carbon footprint.

Expert Guidance



Our experts provide energy, water and waste management, helping you select the best projects to reduce your emissions and generate the greatest savings and returns.

Brand Lift



The EcoFund Verified seal and branding materials help you gain recognition as a certified green business, while you continue to reduce your environmental impacts.



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Foodbuy Canada



Receive a Monthly Rebate cheque with itemized reporting while maintaining partnerships and programs with Sysco or GFS.

- Rebates average 2-4% of property spend
- Earn rebates on purchases automatically
- Monthly rebates consolidated across a mix of current programs or partnerships
- Itemized reporting
- Optimization support, Foodbuy will review the current spending and suggest products to increase the potential rebate return



Beach Club Resort, Parksville



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Check In Canada

- Destination Canada & Destination BC using for recovery <https://www.hellobc.com/book-your-bc-experience>
- See it in action at [Find your perfect stay | Keep Exploring \(canada.travel\)](#)

- Register at [Check In Canada](#)

- Learn more at <https://www.destinationbc.ca/news/check-in-canada-opportunity-for-accommodation-providers/>



Insurance Update

Fairmont Chateau Whistler

Insurance Strategic Session with Canadian Hotel and Lodging Assoc.

Identified the changes since the Hotel program was developed

Evaluating federal policy with Canadian Insurance Agency

Evaluating existing pooled program to ensure best in class for current conditions

HIP insurance program increasingly successful, hotel program is the challenge due to increased claims



Restart Tool Kit

This toolkit has several sections designed to help tourism operators navigate forward as B.C. reopens and restrictions are changed and removed. It includes:

- **Communications** – Some high-level language to help you describe to local residents, visitors, business travellers, and employees the current step of the Restart Plan we are in, the state of travel, and where we are heading together.
- **Health and Safety Protocols** – Public health orders are evolving, and this outlines those in place for the current Restart Plan step, which restrictions can be removed if operators are comfortable, and links to key information.
- **Workforce** – As some workers in the tourism sector found new work during the pandemic, hiring will be critical and challenging. This section has information on rehiring, recruiting, and training staff.
- **Marketing** – This provides a snapshot of the major marketing efforts planned, to help the sector be aligned as we recover together.



[Visit BCHA.com for Tool Kit & Updates](https://www.bcha.com)



The Westin Bayshore, Vancouver

Best Practices & Protocols

- Continue to update as we enter each reopening Step
- Changes coming following step 3 announcements July 1



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BC STEP 2 REOPENING PROTOCOL GUIDE



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<https://www.bcha.com/covid-19-recovery--guidelines.html>



Thank you

If you have any follow up questions or inquiries, please contact:
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Visit www.BCHA.com for more information.

