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# **Traveller Accommodation Survey A Report for the Year 2000**

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## Executive Summary

The Hotel/ Motor Hotel, Motel, and Other Accommodation industries are extremely interrelated. While often in direct competition with each other, it remains that the Motel and Hotel/ Motor Hotel industries, for example, thrive together when times are good, and struggle together when times are hard; all the while conserving their own particular character, and relying on their competitive advantages to adapt to changing social and economic environments.

As a whole the Traveller Accommodation industry is a vibrant and growing part of the Canadian Services Sector. Annually, the industry generates approximately \$11 billion in revenue and employs around 200,000 Canadians directly in more than 16,000 business establishments. Although the industry is sensitive to the general economic conditions of the Canadian economy, it is also very capable of generating significant positive economic impacts. Since the end of the last recession, revenues and the number of establishments in this industry have experienced steady growth.

The economic condition of the Traveller Accommodation industry can be an initial indicator of the health of the entire economy. During times of economic downturn, consumers normally cut expenditures on discretionary items, such as travel, first. The following are the significant highlights from each of the three segments of the Traveller Accommodation industry:

### ***Hotel/ Motor Hotel Industry:***

- The 2000 panel of reporting hotels and motor hotels consisted of 959 establishments from across the country, representing 100,663 guest rooms. The average hotel in the 2000 panel had 105 rooms.
- In 2000, the occupancy rate remained relatively stable at 66 per cent, while the average daily rate increased by 6 per cent from \$114 in 1999 to \$121 in 2000. The revenue per available room jumped 8 per cent from \$74 in 1999 to \$80 in 2000.
- The aggregate gross margin for the industry panel was 13 per cent in 2000, down from 17 per cent in 1999, and the operating margin dropped to 18 per cent, from 24 per cent in 1999. The gross margins for 2000 were higher for large size establishments (15%), than for small size establishments (9%) as were the operating margins at 19 per cent and 11 per cent respectively.
- The distribution of revenue and expenses remained relatively stable in 2000 compared to 1999. Accommodation revenues account for close to 60 per cent of the hotel revenues in 2000, while salaries, wages and benefits remained the most important expenditure category with a share of 31 per cent of the total.

### ***Motel Industry:***

- The 2000 panel of reporting Canadian motels consisted of 434 establishments, representing 21,028 guestrooms. The majority of motels are small and the average motel in the 2000 panel had 48 rooms.
- In 2000, the gross margin for the motel industry stood at 19 per cent, representing a decline from the 21 per cent margin recorded in 1999. Large motel establishments had a significantly higher gross margin, at 25 per cent in 2000, than medium or small size establishments, at 21 per cent and 11 per cent, respectively.
- The occupancy rate for the Canadian motel industry stood at 58 per cent in 2000 or two percentage points lower than in 1999. Large and medium size motels had higher occupancy rates in 2000, at 63 per cent and 62 per cent respectively, than did small motels, at 49 per cent.

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- Accommodation revenues accounted for a higher share of total revenues in the 2000 panel of motels at 78 per cent, than in the 1999 panel at 69 per cent.
  - Employment in the motel industry remained relatively stable in 2000 compared to 1999. About two-thirds were employed full-time while one-third part-time. In both years, close to half of the full-time staff were employed for the full year.

#### ***Other Accommodation Industry:***

- The 2000 panel for the Other Accommodation Industry contained 606 establishments representing 49,773 guest-units across Canada. The average accommodation in this industry in the 2000 panel had 82 units.
- The occupancy rate for the Other Accommodation Industry dropped between 1999 and 2000, from 70 per cent to 65 per cent. Large establishments experienced a reduction in the demand of their guest units from 71 per cent in 1999 to 67 per cent in 2000. Unseasonable temperatures and weather conditions, such as floods, storms and heavy rainfall that year accounted for a decrease in the demand for Other Accommodation Industries in general.
- At 10 per cent in 2000, the gross margin for the Other Accommodation Industry increased slightly from 9 per cent 1999. Mid-size establishments outperformed the small and large establishments, with a gross margin of 14 per cent in 2000. Large and small size establishments had margins of 9 per cent and 7 per cent respectively. There were significant variations across provinces.
- The clientele consisted mostly of domestic travellers, representing 67 per cent of the total in 2000, and international travellers that had a share of 33 per cent. This represents a slight drop in the share of foreign clients compared to the previous year, at 35 per cent and an increase in the domestic clients from 65 per cent in 1999. The drop in foreign travel can be attributed to the significant drop in the share of US travellers staying at these establishments in 2000. The share of US visitors staying in these establishments dropped by almost half from 29 per cent in 1999 to 15 per cent in 2000.
- Revenues from accommodation for the Other Accommodation Industry decreased slightly from a share of 78 per cent of total revenues in 1999, to a share of 76 per cent in 2000. Salaries, wages and benefits registered a similar share of the total revenue in 2000 as in 1999, at 28 per cent and 27 per cent, respectively.



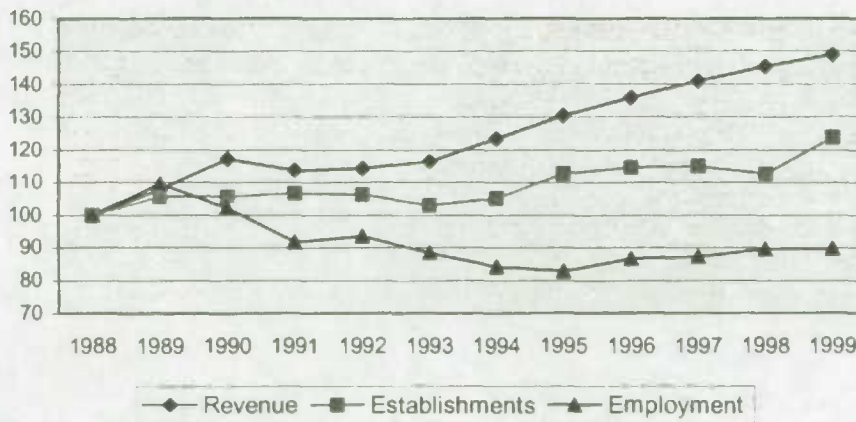
# Introduction and Overview

## Introduction

Service activities constitute an important sector in the Canadian economy that has grown to represent 67 per cent of economic output in 2000. Tourism related activities, including traveller accommodation, are a significant part of this growing service sector. Moreover, business travel is also very intertwined with the expanding and evolving service economy. Although the health of the traveller accommodation industry is affected by the general economic conditions of the country, the industry is capable of generating significant economic impacts.

Figure 1

**Traveller Accommodation Industries Trends Index,  
1988 to 1999 (1988=100)**



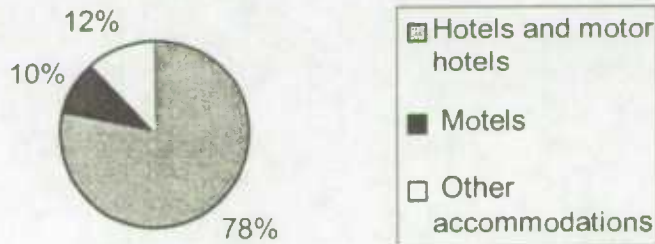
The traveller accommodation industry (NAICS 7211)<sup>1</sup> generates approximately \$11 billion in revenue and employs around 200,000 Canadians directly in more than 16,000 business establishments. In order to examine the number of establishments and industry revenue graphically over time, they are converted to an index in which 1988 values are set to 100 (Figure 1). As can be seen from the graph, revenues and the number of establishments in the traveller accommodation industry have been steadily increasing since the recession of the early 1990s while the number of persons employed by this industry has changed little over the same time period.

The traveller accommodation industry consists of three sub-categories, hotels and motor hotels, motels and other accommodations. The hotel and motor hotel industry includes resorts while the main types of services offered in other accommodations include bed and breakfasts, campgrounds and outfitters.

<sup>1</sup> North American Industry Classification System (NAICS) 7211 – Traveller Accommodation Industry

Figure 2

## Traveller Accommodation Industry, Share of Revenues, 1999



The majority of the revenue from the traveller accommodation industry comes from the hotel and motor hotel industry (78%) with motels and other accommodations sharing almost equal portions of the total industry revenue at 10 per cent and 12 per cent respectively. The breakdown of the total industry revenues has remained relatively constant over the last decade.

Table 1 indicates the portion of total revenue covered by the 2000 survey panel based on the 1999 accommodation services industry aggregates. The survey panel covers more than half of the estimated revenues of the traveller accommodation industry.

Table 1

### Industry Coverage by Revenue, 2000

	REPORT PANEL	2000 PANEL REVENUE (MILLIONS \$)	1999 TOTAL INDUSTRY REVENUE (MILLIONS \$)	ESTIMATED PANEL COVERAGE
Hotels and motor hotels	959	5,433.2	8,864.2	61.3%
Motels	434	378.4	1,157.3	32.7%
Other accommodations	606	251.1	1,325.1	19.0%
Accommodation Total	1,999	6,062.7	11,346.6	53.4%

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## Overview

The annual survey of traveller accommodation industries provides important supply-side data for tourism research, analysis and policy-making by government agencies, trade associations and business operators. For this report modifications have been made within the same basic structure used in previous reports. An analytical caveat section has been updated to ensure that important data considerations are identified at the outset. An industry profile section compiles summary indicators or benchmarks by size of establishment in one table for each respective major group, hotels and motor hotels, motels and other accommodations.

The statistical information contained in this report comes from the Traveller Accommodation Survey. The data are based on panels of establishments selected from the industry. Since new panels are used for each annual survey, comparisons between years may not only reflect changes in the industry but – to an extent - differences in the panels as well. The impact of such differences is mitigated by the size of the panels, which account for large proportions of the total establishments in the industry (universe); and this, to the extent that adjacent panels invariably share large numbers of common establishments. In addition, the indicators analysed consists mostly of industry averages and shares (rather than actual levels), and such measures tend to be more robust to differences in panels. Nevertheless, some anomalies are possible depending on the level of detail or stratification (e.g., size of establishment) and the variable of interest (e.g., revenue shares). As well, negligible changes from one year to the next should not be interpreted rigidly since they may not represent real changes (i.e., not statistically significant).

Separate estimates for key indicators were calculated using only these common establishments that reported data for both 1999 and 2000. Comparisons at the total industry level showed little differences between these (common respondent) estimates and the actual (all respondents) survey estimates.

This is the first report that is based on the 1997 North American Industry Classification System. As in previous reports, the presentation of the panel of survey reporting establishments is divided into three parts. Detailed analyses of general economic performance and **operating characteristics** of the *Hotel and Motor Hotels*<sup>2</sup> (NAICS 721111, 721112, 721113, 721120 and 721198), *Motels*<sup>3</sup> (NAICS 721114) are presented in the first two parts respectively. The third part of the report examines the six remaining industries of traveller accommodation services aggregated into *Other Accommodations*.<sup>4</sup>

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<sup>2</sup> Formerly in previous reports based on Standard Industrial Classification System (SIC 9111).

<sup>3</sup> Formerly SIC 9112.

<sup>4</sup> Under the North American Industry Classification System (NAICS) the NAICS codes are: 721191 Bed and Breakfasts, 721192 Housekeeping Cottages and Cabins, 721211 RV Parks and Campgrounds, 721212 Hunting and Fishing Camps, 721213 Recreation and Vacation Camps (excluding Hunting and Fishing Camps) and 721310 Rooming and Boarding Houses.



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## Analytical Caveats

Although the 2000 Traveller Accommodation Survey is not a full census, a significant degree of coverage for the major segments and key operating statistics of the industry is. The panel survey data in this report are presented to emphasize relative rather than absolute measures of the industries' business performance, structure and characteristics. However, in interpreting these data, the following considerations should be taken into account:

- For statistical purposes, the stratification of the survey sample ensures that maximum coverage by revenue of the total industry is obtained. The reporting establishments included in the 2000 panel for this Report represent over 61 per cent of the Hotel and Motor Hotel Group (NAICS 721111, 721112, 721113, 721120 and 721198) and more than 53 per cent of total Accommodation Services (NAICS 721) based on the 1999 industry aggregate revenue estimates.
- Commencing with the 1998 survey year, the sample design changed from a strictly top-down approach to a probability sample stratified by industry type, province and revenue. As a result of this change, the survey panels after the 1997 reference year contain fewer hotels (Part I), fewer motels (Part II) and more other accommodation services establishments (Part III). As well, the coverage of smaller-sized businesses has increased relative to the large establishments in the surveys subsequent to 1997.
- In preparing this report, Statistics Canada follows a thorough editing procedure with respondent follow-up for reported data but does not undertake any imputation for non-responding survey units. For this reason and because of a change in sample design, data are compiled based only on reporting businesses (the panel) and year-to-year comparisons are made between survey panels that are not statistically identical. A few tables have been prepared for purposes of analyzing the sub-panel of respondents who are common in two consecutive years (1999 and 2000).
- A residual grouping of other accommodation industries is examined in Part 3. It is somewhat heterogeneous and contains a diverse range of accommodation services from urban bed and breakfasts to remote hunting and fishing camps. As such, not all data presentations are appropriate for this grouping.
- Starting with the 1996 survey year, the questionnaire explicitly asked that interest on long-term debt (e.g. mortgages) be excluded from operating expenses. In previous years, some of these interest charges may have inadvertently been included in operating expenses. In order to enable greater comparability of business current operating conditions with earlier years, both gross margin and operating margin have been calculated.
- It is difficult for certain business establishments, such as outfitters, to breakdown revenues from packaged vacations into accommodation services and services such as meals, or the use of equipment and transportation. For this reason, the accommodation revenue category for the Other Accommodation Industries is somewhat overstated.
- In an establishment-based survey, some expenditure categories may be understated because of the expenses incurred by head office. For example, a portion of expenditures on advertising and marketing in the case of affiliated properties is indirectly made through the management fees paid by the franchisee.



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## Part I – HOTELS AND MOTOR HOTELS

### Highlights

- The 2000 panel<sup>5</sup> of reporting hotels and motor hotels consisted of 959 establishments from across the country, representing 100,663 guest rooms. The aggregate gross margin for the industry panel was 13 per cent in 2000, down from 17 per cent in 1999, and the operating margin dropped to 18 per cent, from 24 per cent in 1999.
- The occupancy rate remained relatively stable at 66 per cent in 2000. The average daily rate increased by 6 per cent from \$114 in 1999 to \$121 in 2000, while the revenue per available room jumped 8 per cent from \$74 in 1999 to \$80 in 2000.
- The gross margins for 2000 were higher for large size establishments (15%), than for small size establishments (9%) as were the operating margins at 19 per cent and 11 per cent respectively. Survey results indicate that Alberta maintained its top position by having the highest margin, at 20 per cent. Nova Scotia followed closely registering profits of 19 per cent. Ontario and Quebec had higher than average margins at 16 per cent and 15 per cent respectively.
- The distribution of revenue and expenses remained relatively stable in 2000 compared to 1999. Accommodation revenues account for close to 60 per cent of the hotel revenues in 2000, while salaries, wages and benefits remained the most important expenditure category with a share of 31 per cent of the total.
- The distribution of clientele for hotels and motor hotels in 2000 was relatively stable compared to 1999, with personal-leisure travellers accounting for 28 per cent of the total, business and government for 44 per cent and international visitors for 28 per cent. The most notable change was the overall drop in share of US visitors to Canada in 2000 to 8 per cent from 15 per cent in 1999. The drop in the share of US travellers in 2000 was widespread; every province experienced a decrease in their share of US visitors.
- Affiliated hotels accounted for 34 per cent of the industry panel in 2000. About half of these establishments were mid-sized. Not only was the occupancy rate for all affiliated hotels higher than the average establishments in the panel, but also these properties charged higher room rates (\$127) than the average hotel (\$121). Business clients tended to patronize these establishments more than the average hotel while fewer personal leisure travellers stayed in affiliated hotels compared to the average. In the 2000 panel, half of these establishments were located downtown and the majority catered to a mid-scale market. These establishments were much more likely to offer a reservation system and have a rating system than the average hotel.

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<sup>5</sup> The panel represents the group of business establishments, which responded to the survey by completing the survey questionnaires fully.

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## Industry Profile

The Canadian hotel (and motor hotel) industry offers important services to residents and visitors travelling in Canada. The nature of these services – such as providing accommodations and meals to its patrons – is such that the hotel industry is particularly sensitive to the performance of other industries in Canada's economy, as well as the performance of other countries in the global economy. As a result, Canada's hotel industry usually does better than average in times of growth - business travellers are on the move and tourism is up, and below average during economic slowdowns when the situation reverses itself; this is also the case for the motel and other accommodations industries (see Parts 2 and 3).

For this and other reasons the hotel industry is said to have a *derived demand*, and it can exhibit strong economic variations in (and between) times of booms or lulls, while undergoing periods of relative stability at other times. This potential for wide fluctuations accentuates the need for relevant statistics on the performance of the hotel industry. This analytical report presents a picture of the traveller accommodation industry for the year 2000. Separate analyses are provided for the hotel and motor hotel industry, the motel industry and for other accommodations. Complementary data are included for 1999.

The first part of this report provides a statistical profile of Canada's hotel industry for the reference year 2000. The data is based on completed questionnaires from a panel of 959 hotel establishments across the country, covering both the financial and operational structure of the industry, as well as some of its characteristics. The information is presented at the total industry level, but also provides a cross-sectional look at the hotel industry by size of establishment. The three size categories used - small, medium and large - are based on the number of guest rooms per establishment (see Glossary). Comparative data is also provided for 1999.

The **average number of rooms** per establishment gives an idea of the size of the hotels in the three categories. As Table 1.1a shows, in 2000 (and 1999), there were large and systematic differences in the average number of rooms across size categories. Indeed, in 2000 average sizes ranged from 25 rooms for small hotels, to 105 rooms for medium hotels and 340 rooms for large hotels – for an overall average of 105 rooms; a similar pattern as in 1999.

The **average number of employees** per establishment also gives some indication of the size of the hotels in each category. Indeed, as Table 1.1a indicates, the average number of employees was highly correlated with the average number of rooms in 2000 and 1999 - and consequently with the size category as well. Combining these two indicators by taking the ratio of the average number of rooms to the average number of employees (per hotel) can reveal interesting information about the level of personal services offered.



**Table 1.1a**

**Hotel and Motor Hotels Profile by Size, 2000**

	INDUSTRY	SMALL	MEDIUM	LARGE
Survey Panel	800	36%	45%	19%
Occupancy Rate	66%	50%	62%	70%
Average Number of Rooms	105	25	105	340
Average Number of Employees	93	25	71	256
Gross Margin	13%	9%	11%	15%
Operating Margin	18%	11%	16%	19%
Average Revenue (\$ 000's)	\$5,666	\$1,184	\$3,607	\$18,682
From Accommodation	59%	27%	57%	64%
From meals, beverages and merchandise	35%	62%	35%	26%
ADR	\$121	\$70	\$86	\$139
REVPAR	\$80	\$35	\$53	\$96
Average Expenses (\$ 000's)	\$4,996	\$1,089	\$3,257	\$16,218
For Labour Costs	31%	26%	30%	32%
For Costs of Goods	12%	33%	15%	8%

**Hotel and Motor Hotels Profile by Size, 1999**

	INDUSTRY	SMALL	MEDIUM	LARGE
Survey Panel	910	33%	47%	20%
Occupancy Rate	65%	48%	60%	67%
Average Number of Rooms	108	25	105	362
Average Number of Employees	93	25	73	255
Gross Margin	17%	15%	17%	17%
Operating Margin	24%	16%	25%	24%
Average Revenues (\$ 000's)	\$5,945	\$ 1,224	\$3,596	\$17,828
From Accommodation	58%	26%	56%	63%
From meals, beverages and merchandise	36%	63%	35%	27%
ADR	\$114	\$72	\$88	\$127
REVPAR	\$74	\$35	\$52	\$85
Average Expenses (\$ 000's)	\$5,102	\$1,105	\$3,067	\$15,252
For Labour Costs	32%	25%	31%	33%
For Cost of Goods	13%	35%	15%	9%

In 2000, the overall average for the number of rooms per hotel was 105 (over all size groups) while the overall average for the number of employees was 93, giving an overall ratio of 1.1 rooms per employee – compared with 1.0 for small hotels, 1.5 for medium hotels and 1.3 for large hotels (see Table 1.1a). Since a large proportion of the duties of hotel staff involve providing services to guests, the numbers suggest a tendency for small hotels to offer more personal services and for medium size hotels to provide less. The numbers must be interpreted carefully however since many important factors that impact the level of personal services are not accurately reflected by this indicator - such as, differences in economies of scale, organisational structure, division of labour, logistic and infrastructure.

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Table 1.1a indicates that the gross margin (**GM**) for the hotels on the survey panel averaged 13 per cent during 2000. While the gross margin for large hotels were above the industry average in 2000, small and medium hotels fared below average at 9 per cent and 11 per cent respectively.

**Accommodation revenues** accounted for the lion's share of total revenues for medium and large hotels in 2000, at 57 per cent and 64 per cent, respectively; a sharp contrast with the 27 per cent share registered for small hotels. In fact the sale of meals, alcohol and other merchandise have been an important source of revenues for small hotels in 2000 at 62 per cent, compared to 35 per cent and 26 per cent for medium and large hotels respectively. Overall, accommodation revenues accounted for 59 per cent of all revenues for the hotel industry (panel) in 2000. This is in sharp contrast with the motel industry for which accommodation revenues accounted for a 78 per cent of the total that same year (see Table 2.1a in next section).

**Labour cost** was the single largest expenditure category for hotels in 2000, representing 31 per cent of the total, with little differences between size categories. In contrast, at 12 per cent the **cost of goods sold** was the second largest expenditure source due largely to the noteworthy 33 per cent share registered by small hotels (see Table 1.1a).

A simple, yet revealing indicator that tells much about the hotel industry's performance is the **occupancy rate**; that is, the share of all *available* rooms that are *occupied*. In 2000, the hotel industry's occupancy rate stood at 66 per cent - about the same as in 1999. Its distribution across size categories was also very similar to that of 1999, with small and medium hotels performing below par at 50 per cent and 62 per cent, respectively, and large hotels faring better than average at 70 per cent.

For a hotel establishment to be profitable it must not only have enough patrons, but also rates that are competitive enough to attract these patrons, yet high enough to recover costs. An important measure used for such analyses is the **Average Daily Rate** or **ADR** - an indicator based on accommodation revenues per occupied room (see Glossary). Table 1.1a indicates that, as with occupancy rates, the ADR for 2000 was also correlated with hotel size. Indeed, with an overall rate of \$121 in 2000, the ADR for small hotels stood at \$70, medium hotels at \$86 and large hotels at \$139.

Accommodation Revenue per Available Room, or **REVPAR**, is an indicator that takes into account both the occupancy rates and ADRs. More specifically, the REVPAR consists of the ADR reduced by the rate of occupancy - or simply, the ADR multiplied by the occupancy rate. This can be observed from Table 1.1a, which shows the industry REVPAR at \$80 in 2000, which equals to the ADR of \$121 multiplied by the occupancy rate of 0.66. This is analogous to saying that the occupancy rate is the ratio of the ADR to the REVPAR.

Since the occupancy rate and ADR were similarly distributed across size groups in 2000, it follows that these two indicators were correlated with each other that same year (see Table 1.1a). That is, the higher the ADR was, the higher was the occupancy rate - suggesting that the industry generally had more success in attracting patrons to hotels with high rates, than to those with low rates. In the present context, this is equivalent to saying that larger (more expensive) hotels were generally more successful in attracting patrons than smaller (less expensive) hotels - indicating perhaps that many travellers were willing to pay higher rates in return for better comfort or more amenities.

**Table 1.1b****Hotel and Motor Hotels Profile by Size, 2000**

	INDUSTRY	SMALL	MEDIUM	LARGE
<b>CLIENT BASE:</b>				
Domestic	72%	84%	81%	68%
Personal	28%	42%	33%	25%
Business	37%	31%	40%	37%
Government	7%	10%	9%	7%
Foreign	28%	16%	19%	32%
<b>LOCATION:</b>				
Central	45%	38%	42%	66%
Suburban	17%	15%	22%	8%
Highway	14%	14%	19%	4%
Airport	5%	1%	4%	13%
Rural	20%	33%	14%	8%
<b>MARKET ORIENTATION:</b>				
Economy	21%	37%	15%	3%
Mid-Scale	52%	45%	64%	38%
Up-Scale	21%	13%	17%	41%
Luxury	6%	5%	3%	17%

**Hotel and Motor Hotels Profile by Size, 1999**

	INDUSTRY	SMALL	MEDIUM	LARGE
<b>CLIENT BASE:</b>				
Domestic	75%	83%	81%	71%
Personal	27%	42%	33%	24%
Business	39%	29%	39%	40%
Government	9%	12%	9%	7%
Foreign	25%	17%	19%	29%
<b>LOCATION:</b>				
Central	46%	39%	47%	62%
Suburban	15%	17%	17%	9%
Highway	15%	18%	18%	4%
Airport	6%	2%	9%	15%
Rural	17%	23%	8%	10%
<b>MARKET ORIENTATION:</b>				
Economy	20%	38%	15%	4%
Mid-Scale	52%	43%	65%	36%
Up-Scale	21%	14%	16%	43%
Luxury	7%	5%	3%	18%

Indeed, Table 1.1b shows that in 2000, about 41 per cent of large hotels (in the panel) reported that they were **up-scale** establishments, compared to 13 per cent for small hotels - and 21 per cent over the entire industry (panel). Similarly, 17 per cent of large hotels reported they were **luxury establishments**, compared to 5 per cent for small hotels - roughly the same as for the industry average. Mid-sized hotels had the greatest proportion of mid-scale hotels (64%) while economy establishments were mostly found among small hotels (37%).

A look at the client base for 2000 reveals that people travelling **domestically for personal** reasons preferred smaller hotels, while **domestic business travellers** typically frequented medium to large size hotels (see Table 1.1b). In contrast, government officials did not seem to have any particular preference when travelling domestically, choosing hotels of all sizes with almost the same frequency.

Comparing the distribution of clients in both 1999 and 2000 shows a similar pattern in both years. Overall, domestic clients continue to dominate, accounting for 72 per cent all those staying at hotels. Most foreign visitors tended to favour the large hotels (32%) over the small ones (16%).

As well, large hotels typically had more **facilities** than small or medium size hotels - meeting rooms being a prime example, and were more **often centrally located** - or 66 per cent of the time, compared to 38 per cent for small hotels, and 42 per cent of mid-sized establishments. Regardless of hotel size, however, a central location was the most popular spot for a hotel. Upon further examination, the survey results show that one in three small hotels had a rural setting and about one in five of the mid-sized hotels was located in the suburbs.

**Table 1.1c**

**Hotel and Motor Hotels Profile by Size, 2000**

	INDUSTRY	SMALL	MEDIUM	LARGE
<b>FACILITIES AVAILABLE:</b>				
Restaurant	83%	78%	82%	93%
Bars/Lounges	73%	67%	71%	86%
Meeting Facilities	67%	45%	76%	85%
<b>OTHER CHARACTERISTICS:</b>				
Reservation System	48%	15%	57%	87%
Rating System	65%	45%	72%	83%
Package Vacations	38%	29%	40%	51%

**Hotel and Motor Hotels Profile by Size, 1999**

	INDUSTRY	SMALL	MEDIUM	LARGE
<b>FACILITIES AVAILABLE:</b>				
Restaurant	85%	73%	86%	91%
Bars/Lounges	73%	60%	77%	85%
Meeting Facilities	57%	41%	57%	85%
<b>OTHER CHARACTERISTICS:</b>				
Reservation System	51%	14%	60%	92%
Rating System	68%	43%	78%	87%
Package Vacations	41%	24%	44%	61%

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Other factors may explain the success of larger more expensive hotels in attracting clients, such as the availability of reservation and rating systems, as well as of package vacations. As Table 1.1c indicates, in 2000, large hotels were more likely to have **reservation systems** (87%) and **rating systems** (83%) than any other size group, though less so than in 1999. **Package vacations** were also offered by roughly half of all large hotels in 2000 - easily the highest share of the three size groups, although less so than in 1999. **Advertising** can also boost patronage and this activity was especially popular with large hotels in 2000, both in terms of intensity and technique (see next sections).

## Provincial Dimension

This section offers a look at the performance of the hotel industry in each of Canada's provinces and territories in 2000. Different perspectives are presented by examining such indicators as occupancy rates and ADRs, and percentage share distributions for revenue sources, expenditure types, clientele and employment. The analysis highlights differences and similarities across provinces and provides insight into the reasons behind some of the findings.

There were 959 hotels and motor hotels reporting in the panel for the hotel industry in Canada in 2000. These establishments accounted for 100,663 thousand rooms with an average of 105 guest units per establishment. The 1999 panel consisted of 910 establishments. These survey units represented 98,625 rooms with an average 108 guest rooms per hotel.

In both 1999 and 2000, two-thirds of the establishments in the panel were found in Ontario, Quebec, Alberta and British Columbia. As well, Manitoba and Saskatchewan combined made up 15 per cent of the businesses reported. Of the Atlantic Provinces, Nova Scotia had the greatest number of reporting hotels while Prince Edward Island the fewest. The Territories had the least number of reporting establishments at around 5 per cent.

Ontario accounted for about one-third of the total number of rooms available in both 1999 and 2000. Ontario had around one-fifth of the establishments in the panel in both years had the greatest number of rooms per establishment. On average Ontario reported over 160 rooms while most of the other provinces had less than 100 rooms per establishment. Hotels and motor hotels reported an occupancy rate of 66 per cent in 2000. Ontario and Nova Scotia had the highest occupancy rates at 69 per cent.

The average daily rate (ADR) in 2000 was \$121 up from \$114 in 1999. Given that hotels and motor hotels also include resorts, the average price of this major group is higher than if it were to include only hotels. Resorts have higher average prices than do hotels and motor hotels. In 2000, the average daily rate of resorts was \$146. If resorts were excluded from this category, the average daily rate would be \$112, which is comparable to other industry indicators.<sup>6</sup> Similarly, the revenue per available room (REVPAR) for hotels and major group was \$80, but by excluding the resorts in this group the REVPAR becomes \$73, also comparable to other industry measures.<sup>7</sup>

Table 1.2 presents key indicators on the performance of the hotel industry in 2000 for Canada and each province and territory, as well as similar data for 1999. A quick look at Table 1.2 shows that, according to panel results, Ontario and British Columbia had the highest REVPAR in 2000, at \$ 92 and \$ 88, respectively. The principal reason for this can be traced to the high ADRs registered by both provinces in 2000, each almost reaching \$135 - compared to \$121 for the Canada average. However, while Ontario's occupancy rate in 2000 was slightly higher than average at 69 per cent, BC's occupancy rate was at a par with the Canadian average of 66 per cent that year.

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<sup>6</sup> Pannell Kerr Forrester. *Trends in the Hotel Industry*. 2001.

<sup>7</sup> Pannell Kerr Forrester. *Trends in the Hotel Industry*. 2001.

Nova Scotia also had a high occupancy rate in 2000 at 69 per cent, but at \$106 its ADR was below par that year, resulting in a lower than average REVPAR of \$73. The REVPARs for Quebec and Alberta were roughly the same as the national average (\$80) in 2000. Table 1.2 also shows that the top four provinces in terms of REVPARs were also the top four provinces for hotel size as well, confirming the positive correlation noted earlier between large hotels and high REVPARs.

**Table 1.2**

**Hotels and Motor Hotels, Panel Profile by Province, 2000**

	<b>SURVEY PANEL</b>	<b>TOTAL ROOMS</b>	<b>AVERAGE NUMBER OF ROOMS</b>	<b>OCCUPANCY RATE</b>	<b>ADR</b>	<b>REVPAR</b>	<b>GROSS MARGIN</b>
CAN	959	100,663	105	66%	\$121	\$80	13%
NF	27	1,782	66	63%	\$93	\$58	13%
PE	17	1,013	60	52%	\$103	\$54	11%
NS	44	4,198	95	69%	\$106	\$73	19%
NB	41	2,582	63	65%	\$86	\$56	11%
QC	151	15,382	102	65%	\$123	\$80	15%
ON	205	33,353	163	69%	\$133	\$92	16%
MN	75	3,952	53	62%	\$81	\$50	12%
SK	70	3,773	54	60%	\$73	\$44	10%
AB	141	16,102	114	66%	\$118	\$78	20%
BC	144	17,148	119	66%	\$134	\$88	12%
YT	16	650	41	54%	\$43	\$23	8%
NT	14	503	36	57%	\$118	\$67	5%
NN	14	225	16	41%	\$192	\$80	12%

**Hotels and Motor Hotels, Panel Profile by Province, 1999**

	<b>SURVEY PANEL</b>	<b>TOTAL ROOMS</b>	<b>AVERAGE NUMBER OF ROOMS</b>	<b>OCCUPANCY RATE</b>	<b>ADR</b>	<b>REVPAR</b>	<b>GROSS MARGIN</b>
CAN	910	98,625	108	65%	\$114	\$74	17%
NF	33	1,999	61	60%	\$92	\$55	15%
PE	14	593	42	53%	\$88	\$52	12%
NS	44	5,004	114	67%	\$87	\$58	16%
NB	36	2,540	71	67%	\$81	\$54	14%
QC	145	17,469	120	63%	\$121	\$77	10%
ON	172	30,809	179	69%	\$124	\$85	15%
MN	63	2,496	40	69%	\$83	\$57	14%
SK	64	3,470	54	65%	\$71	\$46	12%
AB	146	17,143	117	66%	\$113	\$75	22%
BC	140	15,547	111	63%	\$120	\$75	11%
YT	24	723	30	52%	\$45	\$23	5%
NT	14	565	40	66%	\$117	\$77	18%
NN	15	267	18	57%	\$133	\$76	12%

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In both years almost every region had profit margins that were greater than 10 per cent. Alberta led the way and maintained the highest profits attaining at least 20 per cent. Alberta's high profits are partly explained by a boost in their economy<sup>8</sup> in 2000.

## Revenues, Expenses and Employment

### Revenue Shares by Province

A look at the distribution of revenue sources for hotels in 2000 also reveals noteworthy differences across provinces. As shown in Table 1.3 in 2000, at the national level, revenues from renting rooms (or, accommodations) were the single most important source of revenues for Canadian hotels accounting for 59 per cent of total revenues. Meals came in second at 20 per cent, followed by the sale of alcohol at 11 per cent and client services at 4 per cent, with the balance going to other sources at 7 per cent - virtually the same distribution as in 1999.

Atlantic and Central Provinces had higher than average shares from room sales than the Western provinces. With the exception of British Columbia, provinces in Western Canada derived lower than average shares of their revenue from accommodation. Provinces with the highest portion of their revenues from room sales were Nova Scotia, Prince Edward Island and Ontario.

Manitoba and Saskatchewan continue to have the lowest portion of their revenues from the sale of rooms at 34 per cent and 43 per cent respectively. A closer look at the shares reveals noteworthy differences across provinces. For example, revenues from accommodations in 2000 were very important to Nova Scotia hotels, accounting for 70 per cent of total revenues, whereas in Manitoba this revenue source was much less important, representing only about a third of total revenues, or 34 per cent.

In sharp contrast, the sale of alcohol was much more important to motels in Manitoba where they represented well over one third of all revenues, at 36 per cent, and in Saskatchewan where they accounted for more than one-quarter of the total. This is due to the regulations on licenses, which allow liquor stores to operate on site at hotels in the western provinces. In contrast, alcohol sales in Ontario only had a 6 per cent share.

Hotels in Saskatchewan, Alberta and to a lesser extent British Columbia had revenue share distributions similar to the distribution of Manitoba hotels. Similarly, hotels in Ontario, Quebec, and provinces on the East coast had similar distributions as Nova Scotia's revenue distribution, albeit with smaller revenue shares from accommodation revenues.

Table 1.3 shows that overall, the distribution of revenue remained stable in 2000 compared to the year before. Accommodation revenues continued to represent close to 60 per cent of all the revenue in 2000. Meals maintained their share of one-fifth of the revenue generated from hotels while the sale of alcohol continued to account for 11 per cent of hotel revenues.

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<sup>8</sup> Alberta experienced among the highest GDP growths in 2000 at 6 per cent. Alberta's GDP growth in 1999 was modest at 2 per cent.

**Table 1.3****Hotels and Motor Hotels, Revenue Distribution by Province, 2000**

	<b>ROOMS</b>	<b>MEALS</b>	<b>ALCOHOL</b>	<b>SERVICE</b>	<b>OTHER</b>
<b>CAN</b>	59%	20%	11%	4%	7%
NF	61%	22%	8%	2%	7%
PE	66%	22%	6%	2%	4%
NS	70%	17%	5%	4%	4%
NB	63%	25%	6%	2%	4%
QC	62%	20%	8%	4%	5%
ON	65%	19%	6%	5%	5%
MN	34%	17%	36%	2%	11%
SK	43%	21%	26%	3%	8%
AB	54%	22%	14%	3%	7%
BC	60%	19%	11%	3%	6%
YT	36%	30%	15%	2%	18%
NT	48%	19%	19%	2%	13%
NN	50%	25%	19%	1%	6%

**Hotels and Motor Hotels, Revenue Distribution by Province, 1999**

	<b>ROOMS</b>	<b>MEALS</b>	<b>ALCOHOL</b>	<b>SERVICE</b>	<b>OTHER</b>
<b>CAN</b>	58%	20%	11%	5%	6%
NF	61%	21%	8%	2%	8%
PE	66%	24%	5%	2%	3%
NS	66%	20%	6%	4%	4%
NB	63%	26%	6%	2%	3%
QC	60%	22%	8%	4%	5%
ON	64%	19%	6%	5%	5%
MN	31%	18%	38%	2%	11%
SK	41%	21%	27%	2%	8%
AB	54%	21%	15%	4%	6%
BC	59%	18%	13%	3%	6%
YT	37%	22%	18%	2%	22%
NT	57%	21%	7%	1%	14%
NN	49%	25%	17%	1%	7%



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## Expenditure Shares by Province

In this section, activities contributing to the cost of running hotels are analysed for 2000, based on their share of total revenues. The information is provided in Table 1.4, and shows the distribution of expenditure shares for Canada and separately for each province or territory.

As Table 1.4 indicates, the distribution of hotel expenditure shares (relative to total revenues) was very similar in 2000 as in 1999, at the Canada level. Labour costs in 2000 represented almost one third of total revenues, with a share of 31 per cent, a relatively stable share similar to 1999. The cost of goods sold (COGS) followed but had a noticeably lower share than labour costs at 12 per cent, or almost the same as occupancy costs at 11 per cent, and depreciation and interest at 9 per cent. Of all provinces, Manitoba and Saskatchewan incurred the highest expenditure share from the cost of goods purchased at 27 per cent and 24 per cent respectively due to on-site liquor sales. Ontario and Nova Scotia maintained their position having the lowest share of their expenses derived from the cost of goods at 8 per cent each.

Table 1.4 indicates quite clearly that the share of labour cost relative to total revenues did not divert much from its national mean (31%) across most provinces. Provinces with higher than average labour costs were Newfoundland (36%), British Columbia (35%), Prince Edward Island and Yukon (each with 34%). The shares for the cost of goods sold by hotels did however deviate strongly from its mean in some provinces - Manitoba and Saskatchewan being cases in point, with shares at least twice as large as the Canadian average, or 27 per cent and 24 per cent, respectively. This is consistent with the earlier observation that in 2000 revenue shares from the sale of alcohol were markedly larger than average with respective shares of 36 per cent and 26 per cent for Manitoba and Saskatchewan.

Table 1.4

## Hotels and Motor Hotels. Expense Distribution as a share of Revenue by Province, 2000

	LABOUR COSTS	COST OF GOODS	OCCUPANCY COSTS	DEPRECIATION & INTEREST	OTHER EXPENSES	PROFIT
CAN	31%	12%	11%	9%	24%	13%
NF	36%	12%	8%	12%	19%	13%
PE	34%	11%	14%	15%	15%	11%
NS	30%	8%	13%	15%	15%	19%
NB	31%	13%	14%	9%	22%	11%
QC	30%	10%	10%	9%	26%	15%
ON	30%	8%	10%	12%	25%	16%
MN	25%	27%	9%	8%	19%	12%
SK	29%	24%	12%	10%	15%	10%
AB	28%	15%	10%	12%	15%	20%
BC	35%	12%	15%	9%	17%	12%
YT	34%	23%	9%	19%	7%	8%
NT	28%	20%	19%	16%	12%	5%
NN	23%	18%	17%	5%	25%	12%

## Hotels and Motor Hotels. Expense Distribution as a share of Revenue by Province, 1999

	LABOUR COSTS	COST OF GOODS	OCCUPANCY COSTS	DEPRECIATION & INTEREST	OTHER EXPENSES	PROFIT
CAN	32%	13%	11%	6%	21%	17%
NF	36%	13%	7%	5%	24%	15%
PE	35%	12%	12%	6%	23%	12%
NS	33%	9%	12%	8%	22%	16%
NB	33%	13%	14%	5%	21%	14%
QC	37%	10%	11%	6%	26%	10%
ON	32%	8%	13%	6%	26%	15%
MN	32%	8%	13%	6%	23%	14%
MN	23%	29%	8%	3%	23%	14%
SK	29%	25%	10%	5%	19%	12%
AB	28%	15%	8%	6%	21%	22%
BC	34%	13%	14%	5%	23%	11%
YT	32%	26%	9%	9%	19%	5%
NT	28%	14%	19%	4%	17%	18%
NN	21%	21%	19%	4%	23%	12%

The rent or lease of land and buildings as well as expenses on utilities, insurance and taxes comprise occupancy costs. These expenditures remained at 11 per cent of revenues in both 1999 and 2000.

## Employment

In 2000, one-third of those employed in the hotel industry were part-time while two-thirds were full-time. This reflects an overall increase in part-time employment from 29 per cent in 1999 to 33 per cent in 2000. In contrast, full-time employment<sup>9</sup> dropped from 71 per cent in 1999 to 67 per cent in 2000, as shown in Table 1.5.

**Table 1.5**

**Hotels and Motor Hotels, Canada,  
Shares of Employment, 1999 and 2000**

	1999	2000
<b>Full-Time</b>	<b>71%</b>	<b>67%</b>
Full-Time Full Year	62%	59%
Full-Time Part Year	9%	8%
<b>Part-Time</b>	<b>29%</b>	<b>33%</b>
Part-Time Full Year	24%	26%
Part-Time Part Year	5%	7%

The decline in the share of full-time employment is mostly reflected by a decrease in the proportion of those employed full-time throughout the year from 62 per cent in 1999 to 59 per cent in 2000. Conversely, those employed part-time on a full-year basis experienced an increase in their share of employment from 24 per cent in 1999 to 26 per cent in 2000.

## Client Base

The share of domestic clients dropped from 75 per cent to 72 per cent due mainly to the drop in business clients. The decrease in business clients can be explained, in part, by the widespread advances in technology such as email and conference calls, thereby reducing the need for business travel. As well, the general practice of many corporations to cut their travel budgets, in an attempt to keep costs under control, can also explain why the share of business clients dropped.

Another notable change in the distribution of clientele was the overall drop in the share of US visitors to Canada. Hotels and motor hotels experienced a considerable decrease in the share of revenue generated by US guests, from 15 per cent in 1999 to 8 per cent in 2000.

<sup>9</sup> The Labour Force Survey shows a relatively stable share of full-time to part-time employment at the Traveller Accommodation Service Industry (NAICS 7211). This level is an aggregate that includes the hotels and motor hotels, motels and the other accommodation industry. The average weekly earnings (including overtime) estimate for this industry as produced by SEPH show an increase of 6 per cent in 2000.

Figure 1.1

Clientele for Canadian Hotels and Motor Hotels,  
1999 and 2000

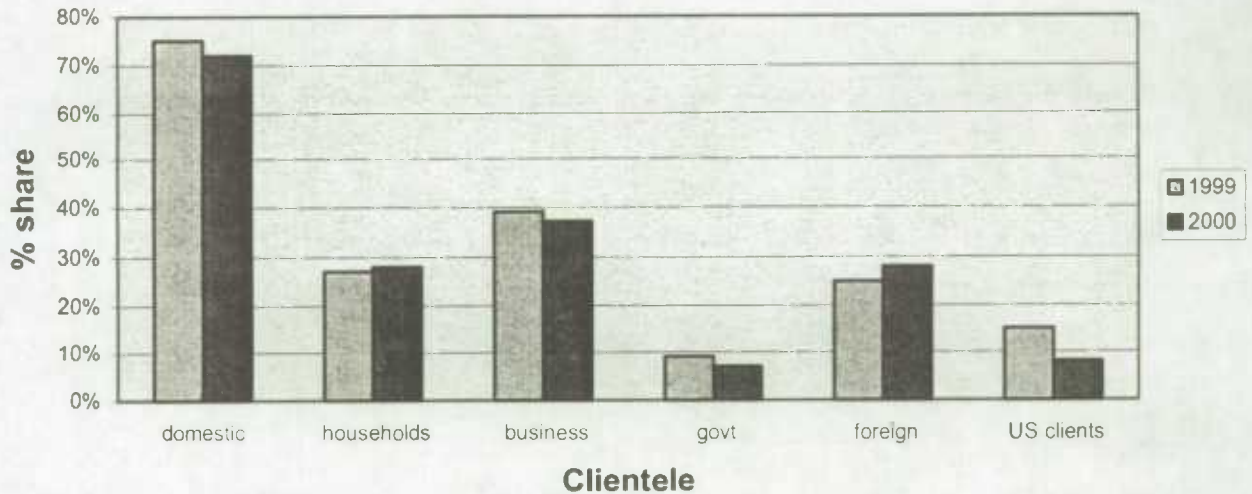


Table 1.6 shows that the share of US travellers declined in every province and region. The overall decline in the share of US visitors was comparable to the results from other international travel statistics that indicated residents of the United States took less same day and overnight trips to Canada than the previous year while travel by residents of other countries expanded by 5 per cent in 2000. Nevertheless, the overall share of revenue from foreign clients increased slightly, driven mostly by recovering Asian financial markets, as the number of Asian visitors to Canada rose 6 per cent. Additionally, same day travel by overseas residents experienced an increase of 5 per cent, the first increase in three years.<sup>10</sup>

Domestic clients include stays from all Canadian households, businesses and government. From a provincial viewpoint, regions in which domestic clients made up at least 90 per cent of those staying at hotels in 2000 included Saskatchewan, Nunuvut, Northwest Territories, Manitoba, New Brunswick and Newfoundland.

<sup>10</sup> *International Travel, 2000 (Statistics Canada – Catalogue no. 66-201)*

Table 1.6

## Hotels and Motor Hotels, Distribution of Clientele by Province, 2000

	DOMESTIC CLIENTS	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	FOREIGN - US
CAN	72%	28%	37%	7%	28%	8%
NF	96%	20%	54%	23%	4%	0%
PE	85%	45%	30%	10%	15%	1%
NS	88%	35%	41%	12%	12%	2%
NB	92%	29%	43%	20%	8%	2%
QC	74%	31%	36%	7%	26%	5%
ON	73%	29%	38%	6%	27%	12%
MN	95%	29%	51%	15%	5%	1%
SK	97%	34%	50%	12%	3%	0%
AB	65%	21%	39%	5%	35%	3%
BC	63%	27%	30%	6%	37%	12%
YT	50%	19%	22%	9%	50%	16%
NT	92%	10%	53%	29%	8%	0%
NN	97%	4%	39%	54%	3%	0%

## Hotels and Motor Hotels, Distribution of Clientele by Province, 1999

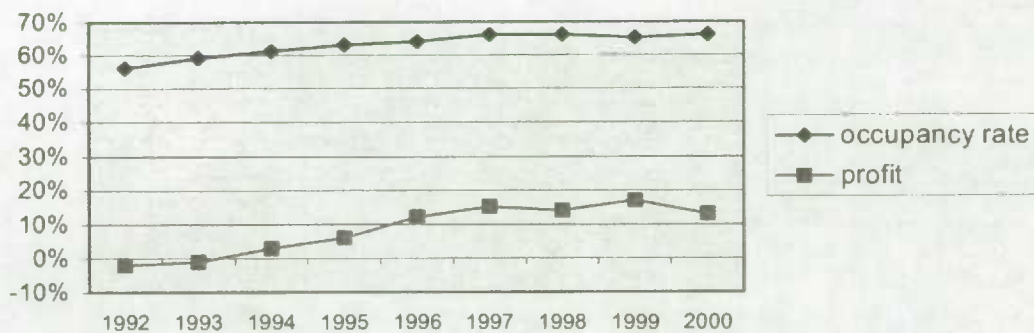
	DOMESTIC CLIENTS	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	FOREIGN - US
CAN	75%	27%	39%	9%	25%	15%
NF	90%	17%	52%	21%	10%	6%
PE	84%	49%	25%	10%	16%	14%
NS	78%	26%	40%	13%	22%	17%
NB	91%	25%	49%	17%	9%	7%
QC	76%	30%	37%	8%	24%	14%
ON	80%	29%	44%	7%	20%	14%
MN	93%	35%	45%	14%	7%	6%
SK	95%	28%	53%	14%	5%	5%
AB	64%	23%	36%	5%	36%	19%
BC	62%	25%	31%	6%	38%	20%
YT	63%	33%	21%	9%	37%	29%
NT	93%	16%	35%	42%	7%	5%
NN	97%	4%	35%	58%	3%	1%

## Performance Indicators

This section compares a number of key indicators for the Canadian hotel industry. A perspective over the last 8 years is shown in Figure 1.2 comparing occupancy rates and profits from 1992 to 2000. Hotels reported an increase in occupancy rates throughout most of the early part of the 1990's with the rate stabilizing around 1997 to remain constant near the 66 per cent level reported in 2000. After 1993, the last year hotels showed losses, profits grew each year to reach a peak of 17 per cent in 1999 and then dropped to 13 per cent in 2000.

Figure 1.2

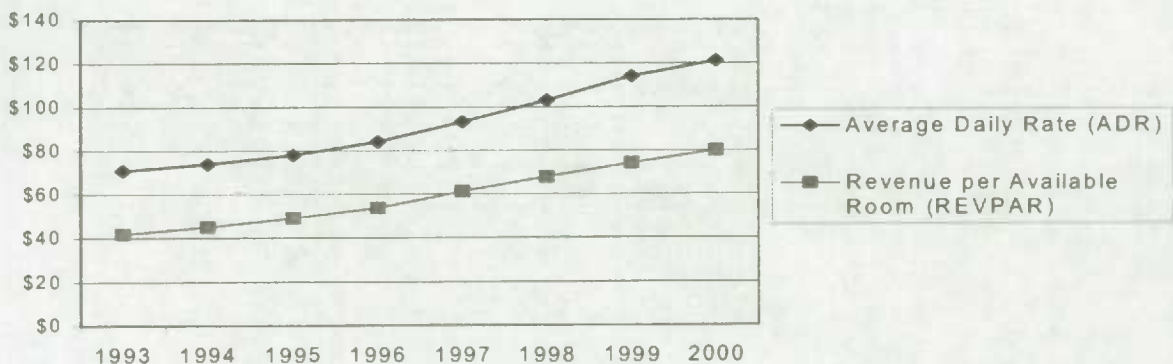
**Hotels and Motor Hotels 1992-2000, Occupancy Rates and Profits**



Contributing to the improved performance of hotels was the average price of hotel rooms, which jumped dramatically from 1995 to 1999 as shown in Figure 1.3. This year-to-year increase in the average room rate is consistent with the Consumer Price Index (CPI) for traveller accommodation, which indicates that prices have been on the rise in recent years.

Figure 1.3

**Hotels and Motor Hotels, 1993-2000, ADR and REVPAR**



The data in Table 1.7 indicates that the occupancy rate has remained relatively stable in 2000 when compared to 1999 at around 66 per cent or on average two out of three hotel rooms are occupied on a given day. This follows the long-term trend shown in Figure 1.2 that hotel occupancy rates while maintaining the high levels since the late 1990s, have reached a plateau. Overall key performance indicators in the hotel industry shown in Table 1.7 grew in 2000 compared to 1999.

**Table 1.7**

**Performance Indicators: Hotels and Motor Hotels**

	1999	2000	% CHANGE
Occupancy Rate	65%	66%	
Operating Margin	24%	18%	
Gross Margin	17%	13%	
Average Daily Rate (ADR)	\$114	\$121	6%
Revenue per Available Room (REVPAR)	\$74	\$80	8%
Accommodation Revenue per Room	\$25,283	\$27,451	9%
Meals & Alcoholic Beverage Revenue Per Room	\$13,833	\$14,204	3%
Average Total Revenue per Room	\$43,526	\$46,433	7%
Salary Dollars per Room	\$25,283	\$27,451	9%
Total Revenue per Salary Dollar	\$3.81	\$3.88	2%

Comparing common hotel respondents in both 1999 and 2000 to the entire hotel survey panel yielded almost identical results in the major variables. Table 1.8 shows the trends of the common respondents to be similar to that of the entire survey panel, with little differences in the occupancy rate, gross margin, ADR and REVPAR.

**Table 1.8**

	2000 PANEL INDUSTRY	2000 MATCHED SAMPLE	1999 PANEL INDUSTRY	1999 MATCHED SAMPLE
Occupancy rate	66%	66%	65%	64%
Gross margin	13%	14%	17%	19%
ADR	\$121	\$119	\$114	\$115
REVPAR	\$80	\$79	\$74	\$74

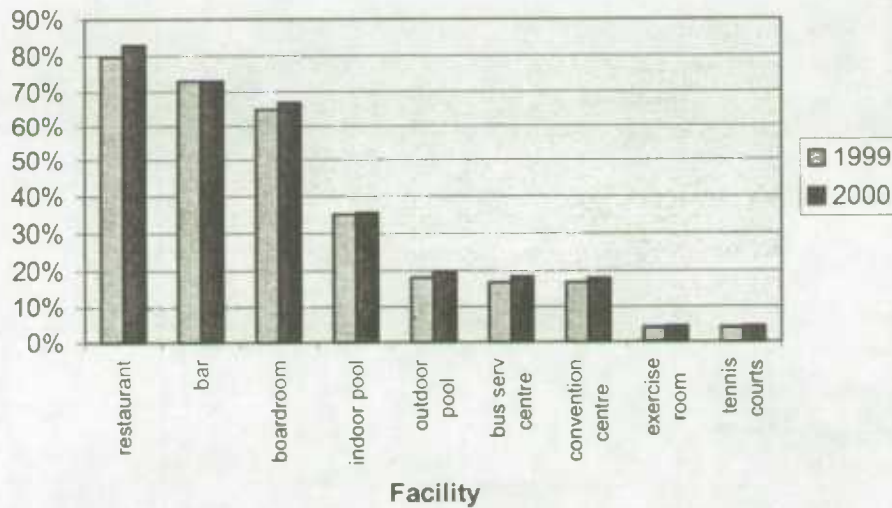
## Facilities and Packaged Vacations

Figure 1.4 shows the facilities offered by hotel and motor hotels. There is no significant change reported in the 2000 panel of hotels when compared to 1999. This appears to confirm a longer-term pattern that has been identified between the 1996 and 1997 panel<sup>11</sup> – at least 4 out of 5 hotels have a restaurant and 3 out of 5 hotels have a bar/lounge.

<sup>11</sup> *Services Industries. Statistics Canada. Report on the Traveller Accommodation Industry, 1997-98.*

**Figure 1.4**

**Facilities offered by Canadian Hotels and Motor Hotels,  
1999 and 2000**



The proportion of hotels that actually offered packaged vacations during 1999 and 2000 is presented in Table 1.9 and is compared to common hotels in both years that report vacation package deals. While the subset of common hotel respondents only represents around 60 per cent of the industry panel, it suggests that close to 40 per cent of hotel and motor hotel establishments offer packaged vacations and that on average the share of revenues derived from these vacations is relatively stable.

**Table 1.9**

**Establishments offering Packaged Vacations**

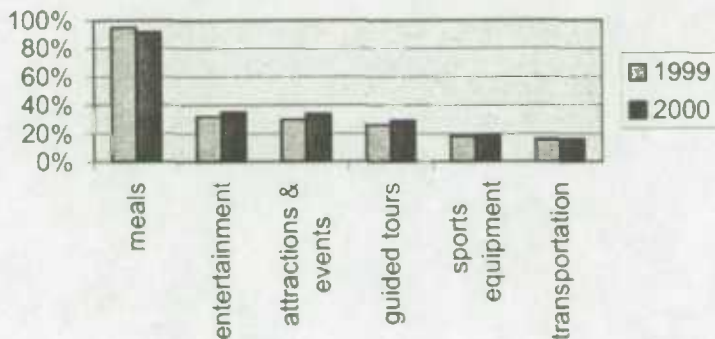
	<b>1999 PANEL INDUSTRY</b>	<b>1999 COMMON RESPONDENTS</b>	<b>2000 PANEL INDUSTRY</b>	<b>2000 COMMON RESPONDENTS</b>
% establishments	36%	41%	38%	41%
revenue from packages	20%	18%	19%	16%



Figure 1.5 shows what hotels having packaged vacations offer.

Figure 1.5

### Packaged Vacations in Hotels and Motor Hotels, 1999 and 2000



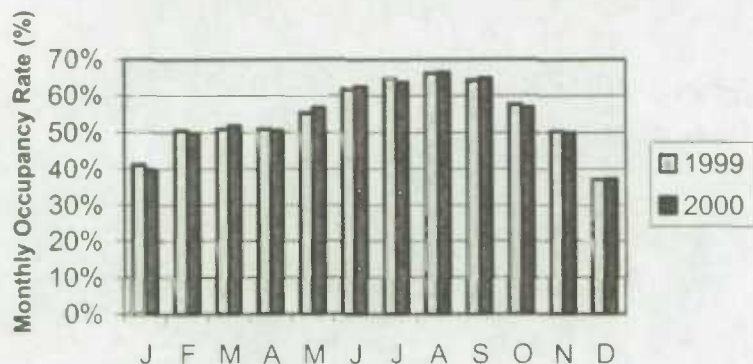
More hotels offer meals as part of their packaged vacation than any other deal at over 90 per cent, similar to past trends. However, a greater share of hotels reported offering more entertainment and attractions in 2000 than in 1999.

### Seasonal Trends

The seasonal pattern of hotel patronage is shown in Figure 1.6. As in the past<sup>12</sup>, results for 2000 show that occupancy rates for the hotel industry are the highest between June and September, peaking in August. The winter months of December and January show occupancy rates below 40 per cent.

Figure 1.6

### Monthly Occupancy Rates of Hotels and Motor Hotels, 1999 and 2000



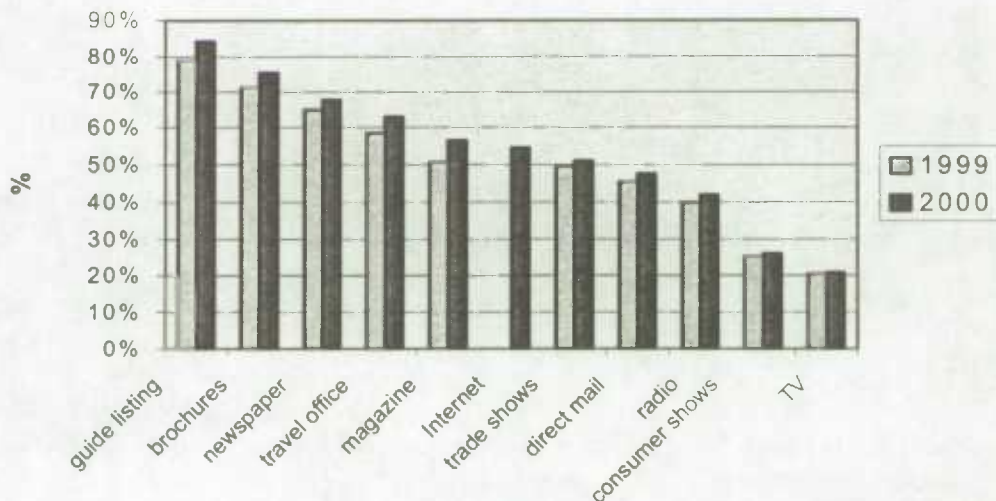
<sup>12</sup> Services Industries, Statistics Canada. *Report on the Traveller Accommodation Industry, 1997-1998*.

## Advertising and Marketing

Figure 1.7 describes the various advertising methods used by hotels. The most popular method of marketing continues to be the accommodation guide listing, followed by brochures and the newspaper. In 2000, all methods of advertising increased their share compared to 1999. The Internet was reported for the first time in 2000 and 55 per cent of hotels reported using this means, already bypassing traditional advertising methods such as mail and radio.

Figure 1.7

### Advertising Methods used by Hotels and Motor Hotels, 1999 and 2000



In terms of the target market, it is the mid-scale, upscale and luxury hotels that advertise more than the economy hotels. The Internet was a popular marketing tool and was used the most by the up-scale (73%) and the luxury (70%) hotels as shown in Figure 1.8.

Figure 1.8

### Advertising Methods used by Class of Hotels and Motor Hotels, 2000

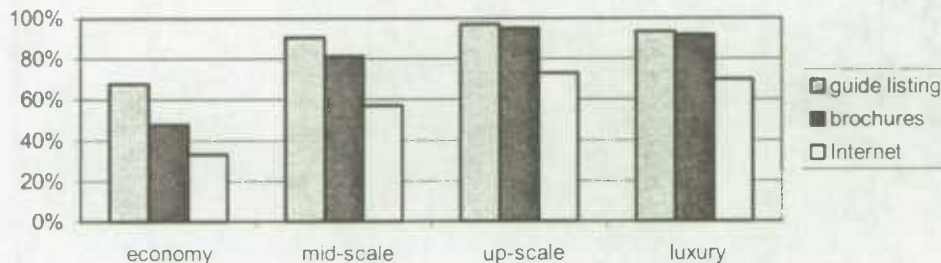


Table 1.10 compares advertising with business performance by examining advertising intensity with hotel occupancy rates and gross margins in 1999 and 2000. In both years, the results indicate that hotels that utilized more than 7 methods of advertising had the highest occupancy rates and also maintained high gross margins.

**Table 1.10**

**Advertising Intensity and Performance: 1999 and 2000**

	2000		1999	
	OCCUPANCY RATE	GROSS MARGIN	OCCUPANCY RATE	GROSS MARGIN
1 method	62%	12%	44%	16%
2 to 4 methods	59%	12%	57%	17%
5 to 7 methods	63%	12%	64%	17%
more than 7 methods	67%	15%	66%	17%

**Focus on Affiliation**

As shown in Table 1.11a, affiliated hotels regardless of size had equal or higher occupancy rates than the average hotel. However, only the large affiliated hotels had average room rates that were higher than the average large hotel. This was not the case for the smaller hotels; in both 1999 and 2000 the ADR of the affiliated properties was lower than the average smaller hotel.

**Table 1.11a**

**Hotels and Motor Hotels, Affiliated Properties Compared to Industry Panel, 1999 and 2002**

	1999		2000	
	AFFILIATED HOTELS	INDUSTRY PANEL	AFFILIATED HOTELS	INDUSTRY PANEL
<b>Establishments %</b>				
Small	5%	33%	3%	36%
Medium	20%	47%	18%	45%
Large	14%	20%	13%	19%
<b>Occupancy Rate</b>	<b>67%</b>	<b>65%</b>	<b>68%</b>	<b>66%</b>
Small	57%	48%	55%	50%
Medium	64%	60%	64%	62%
Large	68%	67%	70%	70%
<b>ADR</b>	<b>\$117</b>	<b>\$114</b>	<b>\$127</b>	<b>\$121</b>
Small	\$72	\$72	\$68	\$70
Medium	\$85	\$88	\$86	\$86
Large	\$132	\$127	\$145	\$139
<b>REVPAR</b>	<b>\$79</b>	<b>\$74</b>	<b>\$86</b>	<b>\$80</b>
Small	\$41	\$42	\$37	\$35
Medium	\$55	\$56	\$55	\$53
Large	\$90	\$85	\$101	\$96
<b>Gross Margin</b>	<b>16%</b>	<b>17%</b>	<b>13%</b>	<b>13%</b>

As in previous years<sup>13</sup>, the results show that affiliated hotels had a higher business client base than the average hotel (Table 1.11b). There are substantially fewer hotels located in rural areas. Less than 1 in 10 affiliated hotels are found in rural locations compared to 1 in 5 for the average hotel.

The majority of the affiliated properties are classified as mid-scale (57%) while one in four is up-scale and less than 10 per cent are either economy or luxury hotels. (Table 1.11b) The average hotel shows that half are mid-scale, one in five are either economy or up-scale and only 6 per cent are luxury class.

**Table 1.11b**

**Hotels and Motor Hotels, Affiliated Properties Compared to Industry Panel, 1999 and 2000**

	1999		2000	
	AFFILIATED HOTELS	INDUSTRY PANEL	AFFILIATED HOTELS	INDUSTRY PANEL
<b>Client Base:</b>				
Personal	26%	27%	26%	28%
Business	41%	39%	39%	37%
Government	7%	8%	6%	7%
Foreign	25%	25%	29%	28%
<b>Location:</b>				
Central	49%	46%	51%	45%
Suburban	17%	15%	16%	17%
Highway	15%	15%	15%	14%
Airport	11%	6%	8%	5%
Rural	8%	17%	9%	20%
<b>Market Orientation:</b>				
Economy	8%	20%	9%	21%
Mid-scale	57%	52%	57%	52%
Up-scale	24%	21%	25%	21%
Luxury	11%	7%	9%	6%

<sup>13</sup> *Services Industries. Statistics Canada. Report on the Traveller Accommodation Industry, 1997-1998*

Affiliated hotels tend to have more meeting facilities available and 9 out of 10 have a reservation system (Table 1.11c) a much higher number than the overall industry.

**Table 1.11c**

**Hotels and Motor Hotels, Affiliated Properties Compared to Industry Panel, 1999 and 2000**

	1999		2000	
	AFFILIATED HOTELS	INDUSTRY PANEL	AFFILIATED HOTELS	INDUSTRY PANEL
<b>Facilities:</b>				
Restaurants	87%	85%	87%	83%
Bars/lounges	74%	73%	75%	73%
Meeting Facilities Available	77%	57%	81%	67%
<b>Other Characteristics:</b>				
Reservation System	83%	51%	91%	48%
Rating System	76%	68%	81%	65%
Package Vacations	41%	41%	48%	38%



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## Part II – MOTELS

### Highlights

- The 2000 panel of reporting Canadian motels consisted of 434 establishments, representing 21,028 guestrooms. The majority of motels are small and the average motel in the 2000 panel had 48 rooms.
- The gross margin for the motel industry stood at 19 per cent in 2000, representing a decline from the 21 per cent margin recorded in 1999. Large motel establishments had a significantly higher gross margin, at 25 per cent in 2000, than medium or small size establishments, at 21 per cent and 11 per cent, respectively. With the exception of Manitoba and Saskatchewan, most provinces recorded double-digit profits. Motels in Ontario registered the highest gross margin in 2000, at 28 per cent, while Alberta ranked second with a margin of 25 per cent.
- The occupancy rate for the Canadian motel industry stood at 58 per cent in 2000 or two percentage points lower than in 1999. Large and medium size motels had higher occupancy rates in 2000, at 63 per cent and 62 per cent respectively, than did small motels, at 49 per cent.
- Accommodation revenues accounted for a higher share of total revenues in the 2000 panel of motels at 78 per cent, than in the 1999 panel at 69 per cent. In contrast, the revenue share from the sale of goods fell from 21 per cent to 17 per cent between 1999 and 2000, while the expenditure share for the cost of goods sold fell from 10 per cent to 7 per cent, during this same period.
- Nationally, 56 per cent of motels were offering mid-scale accommodations in 2000, with another 40 per cent of motels providing economy accommodations. At least four out of five motels that offer mid-scale accommodations are large. Close to half of the motels offering economy accommodations are small.
- Over half of the motels in the 2000 panel have a restaurant, while only 28 per cent have a bar and less than 20 per cent offer meeting facilities.
- Employment in the motel industry remained relatively stable in 2000 compared to 1999. About two-thirds were employed full-time while one-third part-time. In both years, close to half of the full-time staff were employed for the full year.

## Industry Profile

Motels are an important and integral part of Canada's traveller accommodation industry. Supplying services similar to, yet often distinct from those of hotels – Canadian motels offer lodging alternatives to personal, business and government travellers alike. **Typically smaller and more affordable** than hotels, motels are most often found along **highways** - where there is a low concentration of hotels, but can be found as well in **central locations** – which have the highest **concentration of hotels**.

While often in direct competition with each other, it remains that the motel and hotel industries thrive together when times are good, and struggle together when times are hard; all the while conserving their own particular character, and relying on their competitive advantages to adapt to changing social and economic environments. This section describes some of the key characteristics of the Canadian motel industry in 2000 (and to an extent 1999) and compares some findings with the hotel industry.

The performance of the motel industry in 2000 is summarized in Table 2.1a, based on a panel of 434 establishments, accounting for 21,028 rooms with an average of 48 guest rooms per motel. The data is presented for the entire motel industry (panel), and separately by size groups; that is, small, medium and large establishments. Comparable data for 1999 are also supplied.

As Table 2.1a shows, at 48 rooms per establishment **motels were – on average - about half the size of hotels** in 2000 (see Table 1.1a). Small motels however, were roughly the same size as small hotels that year - with 25 rooms each, on average.

According to the survey panel, in 2000 motels had a collective **gross margin (GM)** of 19 per cent, with larger establishments **fairing better than average** - as was also case for hotels; which had a GM of 13 per cent that same year (see Table 1.1a).

The **occupancy rate** for the panel of motels was 58 per cent in 2000, and although rates were positively correlated with the size categories, the range was not wide - or from 49 per cent to 63 per cent for small and large motels, respectively (see Table 2.1a). A similar relationship also existed between the **Average Daily Rates (ADR)** and motel sizes that year, though the range was slightly wider. With a collective ADR averaging \$66 in 2000, the ADRs ranged from \$54 to 77\$, for small and large establishments, respectively.

Each indicator supplies important information on the performance of the motel industry. The occupancy rate is clearly a measure of the industry's potential for revenues or profits. Simply put, the more patrons the industry attracts, the higher the potential for revenues, and therefore profits. But the occupancy rate is an incomplete measure since it tells us nothing about the (average) rates charged; which is obtained from the ADR. The higher any or both of these indicators are, the higher the revenues will be, *ceteris paribus*.

The data information provided by the occupancy rate and ADRs - together, can be encapsulated into one single number called the **revenue per available rooms (REVPAR)**. In essence, REVPAR is the ADR reduced (factorially) by the rate of occupancy or simply, the ADR (dollars) multiplied by the occupancy rate – in fraction form (and hence dividing the ADR by REVPAR gives the occupancy rate). By construct, REVPAR is (positively) correlated with revenues, since both ADR and occupancy rate are. That is, the higher the REVPAR the better the prospects for a good year - financially.



Table 2.1a

## Motel Industry Profile by Size, 2000

	INDUSTRY	SMALL	MEDIUM	LARGE
Survey Panel	434	57%	35%	8%
Occupancy Rate	58%	49%	62%	63%
Average Number of Rooms	48	25	69	126
Average Number of Employees	17	13	23	62
Gross Margin	19%	11%	21%	25%
Operating Margin	29%	17%	34%	38%
Average Revenues (\$ 000's)	\$872	\$440	\$1,202	\$2,529
From Accommodation	78%	56%	87%	88%
From meals, beverages and merchandise	17%	35%	10%	8%
ADR	\$66	\$54	\$66	\$77
REVPAR	\$38	\$27	\$41	\$48
Average Expenses (\$ 000's)	\$733	\$396	\$991	\$2,029
For Labour Costs	23%	27%	21%	19%
For Cost of Goods	7%	17%	4%	2%

## Motel Industry Profile by Size, 1999

	INDUSTRY	SMALL	MEDIUM	LARGE
Survey Panel	372	62%	32%	9%
Occupancy Rate	60%	49%	53%	69%
Average Number of Rooms	52	26	69	173
Average Number of Employees	19	14	23	34
Gross Margin	21%	13%	24%	32%
Operating Margin	31%	25%	32%	39%
Average Revenues (\$ 000's)	\$895	\$507	\$1,245	\$2,018
From Accommodation	69%	50%	78%	88%
From meals, beverages and merchandise	21%	31%	16%	7%
ADR	\$60	\$56	\$73	\$73
REVPAR	\$36	\$27	\$39	\$50
Average Expenses (\$ 000's)	\$741	\$447	\$1,008	\$1,534
For Labour Costs	25%	27%	25%	24%
For Cost of Goods	10%	18%	7%	3%

Looking at Table 2.1a we see that in 2000, the industry panel for motels had a collective **REVPAR** of \$38, the product of an ADR of \$66 and an occupancy rate of 0.58. And as expected, large motels fared significantly better than small motels, when occupancy rates and ADRs are considered together - their respective REVPARs standing at \$48 (large motels) and \$27 (small motels). We can also see in Table 2.1a, that in 2000 the relatively high REVPAR for large motels reflects firstly higher than average ADRs (\$77) and to a lesser extent higher than average occupancy rates (63%). In contrast, the relatively low REVPAR for small hotels (\$27) in 2000, reflects as much a lower than average ADR (\$54) as it does a lower than average occupancy rate (49%) that year.

Another obvious yet interesting aspect about the occupancy rate and the ADR is that they both relate solely to the accommodation facet of the industry; that is, the average fee per room and percentage of rooms occupied. Consequently, the higher either of these indicators are, the higher **accommodations revenues** will represent of total revenues. And therefore, it follows that the higher the REVPAR, the higher the share for accommodation revenues will likely be. Indeed, in 2000, there was a very strong and positive correlation between REVPAR and accommodation revenue share across size categories. Indeed, as shown in Table 2.1a, the accommodation revenue shares averaged 78 per cent over the entire industry, and ranged from 56 per cent for small motels to 88 per cent for large motels - suggesting a distribution across size categories very similar to that of REVPAR.

**Table 2.1b**

**Motel Industry Profile by Size**

	2000				1999			
	INDUSTRY	SMALL	MEDIUM	LARGE	INDUSTRY	SMALL	MEDIUM	LARGE
<b>Client Base:</b>								
Domestic	86%	85%	87%	88%	88%	87%	88%	90%
Personal	46%	48%	45%	46%	42%	44%	42%	40%
Business	34%	32%	36%	35%	41%	36%	41%	47%
Government	6%	5%	5%	8%	5%	7%	5%	3%
Foreign	14%	15%	13%	12%	12%	13%	13%	10%
<b>Market Orientation:</b>								
Economy	40%	48%	27%	14%	26%	35%	14%	10%
Mid-Scale	56%	48%	68%	82%	48%	44%	67%	41%
Up-Scale	3%	3%	3%	4%	19%	15%	16%	34%
Luxury	1%	0%	1%	0%	6%	5%	3%	15%

At 78 per cent, the share that accommodation revenues represented for motels in 2000 was quite higher than that of hotels, or 59 per cent (see Table 1.1a), suggesting that motels were less likely than hotels to derive revenues from ancillary activities such as operating restaurants and bars, or renting out conference rooms. Indeed, as Table 2.1c shows, these facilities were much more popular with hotels than motels. Moreover, Table 2.1a also shows that in 2000, the share of total expenses that the **cost of goods sold** (COGS) represented for motels was only 7 per cent - compared to 12 per cent for hotels. However, small motels stood out sharply with their COGS representing 17 per cent of total expenses - compared to a negligible 2 per cent for large motels. As shown in Part 1 of this report, the importance of selling goods for small hotels in 2000 was also higher than average at 62 per cent.

As for market orientation, the numbers indicate that in 2000 over half of all motels consisted of **mid-scale establishments** - or roughly the same proportion as for hotels. However, economy establishments represented 40 per cent of all motels - or twice the share registered for hotels. In contrast during 2000, up-scale and luxury accommodations represented a very small proportion of motels (less than 5%)- whereas for hotels it accounted for over a quarter of all establishments (see Table 1.1b).

Most patrons in Canadian motels in 2000 were domestic (rather than foreign) travellers; and this, in about the same proportion as for hotels - or more than four in five patrons. The client base was not much different among the size groups. Personal leisure travellers accounted for the highest share - over 45 per cent of those staying in motels in 2000 as they did in 1999. Business travellers followed, accounting for about a third of those staying in large and mid-sized motels.

**Table 2.1c**

**Motel Industry Profile by Size**

	2000				1999			
	INDUSTRY	SMALL	MEDIUM	LARGE	INDUSTRY	SMALL	MEDIUM	LARGE
<b>Facilities Available:</b>								
Restaurant	52%	38%	71%	64%	38%	42%	31%	33%
Bars/Lounges	28%	20%	35%	50%	30%	23%	22%	30%
Meeting Facilities	17%	15%	19%	19%	17%	14%	20%	19%
<b>Other Characteristics:</b>								
Reservation System	35%	23%	47%	64%	25%	20%	33%	64%
Package Vacations	12%	13%	9%	11%	17%	15%	22%	15%

Table 2.1c indicates that facilities such as restaurants, lounges and meeting rooms are found in motels to a lesser extent than in hotels. Mid-sized motels are the most likely to have a restaurant (71%) followed by the large motels (64%). One in two large motels have a lounge while only 35 per cent of mid-sized and 20 per cent of small motels do. Across all size groups, motels offer sparse meeting facilities – less than one in five.

Overall, motels are less likely to participate in a central reservation system or have a rating system than are hotels. The large motels are more likely to have a reservation system than the small ones. Reservation systems were found in close to two-thirds of large motels and less than half of the mid-sized motels. Packaged vacations offered in motels were not as significant across the size groups as in hotels (see Table 1.1c).

**Provincial Dimension**

In this section, the performance of the motel industry in 2000 is examined by province and territories; including complementary data for 1999. As was done for hotels, different facets of the motel industry are examined using indicators such as gross margins and motel size, as well as by comparing the provincial distributions of revenue sources, expenditure types, clientele and employment. The data reveals strong similarities between some provinces and marked differences between others.

Table 2.2

## Motels, Panel by Province, 2000

	SURVEY PANEL	TOTAL ROOMS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	ADR	REVPAR	GROSS MARGIN
CAN	434	21,028	48	58%	\$66	\$38	19%
NF	14	581	42	46%	\$59	\$27	13%
PE	14	447	32	43%	\$50	\$22	22%
NS	41	1,438	35	61%	\$55	\$33	22%
NB	31	1,191	38	56%	\$64	\$36	23%
QC	74	4,097	55	60%	\$68	\$41	22%
ON	97	5,775	60	64%	\$78	\$50	28%
MN	16	741	46	46%	\$58	\$27	8%
SK	22	1,513	69	52%	\$52	\$27	5%
AB	45	2,275	51	61%	\$61	\$37	25%
BC	68	2,781	41	54%	\$58	\$32	18%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential. Canada totals include confidential data.

## Motels, Panel by Province, 1999

	SURVEY PANEL	TOTAL ROOMS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	ADR	REVPAR	GROSS MARGIN
CAN	372	15,273	41	60%	\$60	\$36	21%
NF	15	434	29	47%	\$57	\$27	4%
PE	17	602	35	47%	\$44	\$21	16%
NS	28	843	30	61%	\$50	\$30	18%
NB	23	849	37	56%	\$44	\$25	20%
QC	48	2,657	55	60%	\$64	\$39	16%
ON	70	3,503	50	66%	\$72	\$48	26%
MN	21	763	36	63%	\$52	\$33	20%
SK	29	984	34	55%	\$46	\$25	4%
AB	53	2,187	41	62%	\$52	\$32	12%
BC	49	2,152	44	57%	\$64	\$36	21%
YT	X	x	x	x	x	x	x
NT	X	x	x	x	x	x	x
NN	X	x	x	x	x	x	x

x Confidential. Canada totals include confidential data.

Table 2.2 shows that in 2000 motels in Ontario had the highest gross margin (GM) among provinces, at 28 per cent, followed by Alberta at 25 per cent. As well, many provinces had gross margins above the national average; or more specifically, PEI, Nova Scotia, New Brunswick and Quebec. Saskatchewan and Manitoba registered by far the lowest margin.

Table 2.2 also shows that Ontario's strong performance in 2000 was also reflected in its REVPAR, which was by far the highest of all provinces, at \$50 compared to \$38 nationally. The numbers also show that this was largely the result of the high ADR registered by Ontario motels in 2000, which was again the highest of all provinces, at \$78 compared to \$66 nationally. Interestingly, Ontario also had the highest occupancy rate of all provinces in 2000, but at 64 per cent compared to 58 per cent nationally, its contributions to the high REVPAR were overshadowed by the comparatively much higher ADR. Quebec motels also collectively had a higher than average REVPAR in 2000, at \$41 – due mostly to its slightly higher than average ADR; its occupancy rate was a bit higher than the Canada average.

The motel average room rate in 2000 grew by 10 per cent to \$66 from \$60 in 1999. In general, the ability to increase room rates above the inflation rate contributes to the profitability of the lodging industry. In 2000, the revenue per available room increased to \$38 from \$36 in 1999.

The average size of a motel did not vary much from province to province in 2000. Most motels can be classified as small with less than 50 rooms. Only motels in Saskatchewan, Ontario and Quebec were mid-sized having 69, 60 and 55 rooms respectively. (Table 2.2) In 2000, the demand for motel rooms as measured by the occupancy rate was slightly lower than the year before at 58 per cent. However, most provinces reported below average occupancy rates. The only provinces boasting above average demand for their motel rooms were Ontario (64%), Alberta (61%), Nova Scotia (61%) and Quebec (60%).

## Revenues, Expenses and Employment

### Revenue Shares by Province

Motels rely on different revenue sources to compete, and the relative importance of these sources can vary markedly depending on the province. As indicated in Table 2.3 in 2000 revenues derived from accommodations (or renting rooms) represented 78 per cent of the motel industry total, while meals accounted for 11 per cent, and the sale of alcohol and merchandise for 4 per cent and 2 per cent, respectively. Table 2.3 also shows that distribution of accommodation revenue shares across provinces did not deviate much from the national average (78%), with the exception of Newfoundland, which had a share of only 41 per cent - or roughly the same as in 1999.

**Table 2.3**

**Motels, Revenue Distribution by Province, 2000**

	ROOMS	MEALS	ALCOHOL	MERCHANDISE	OTHER
CAN	78%	11%	4%	2%	5%
NF	41%	25%	12%	3%	19%
PE	70%	16%	10%	1%	3%
NS	77%	14%	2%	2%	6%
NB	73%	22%	2%	0%	3%
QC	79%	9%	3%	3%	6%
ON	83%	8%	2%	2%	5%
MN	72%	6%	15%	3%	4%
SK	76%	11%	7%	0%	6%
AB	78%	9%	8%	0%	5%
BC	80%	10%	4%	1%	4%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

### Motels, Revenue Distribution by Province, 1999

	ROOMS	MEALS	ALCOHOL	MERCHANDISE	OTHER
CAN	69%	12%	5%	4%	10%
NF	42%	27%	15%	3%	12%
PE	80%	11%	6%	0%	3%
NS	73%	16%	4%	2%	5%
NB	67%	23%	2%	3%	5%
QC	68%	12%	6%	1%	14%
ON	77%	8%	2%	6%	7%
MN	57%	10%	14%	6%	11%
SK	65%	15%	5%	0%	15%
AB	65%	9%	7%	10%	9%
BC	77%	8%	4%	3%	9%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential. Canada totals include confidential data.

In contrast, the motel industry's revenue shares for meals indicated noteworthy differences across provinces. Indeed, meals served in Newfoundland and New Brunswick in 2000 posted revenue shares at least twice as large as the national average, or 25 per cent and 22 per cent respectively. Moreover, meals served in the other two eastern Canadian provinces of Prince-Edward-Island and Nova Scotia also had larger than average shares of total revenues than average, while motels in central and western Canada all exhibited smaller than average revenue shares from serving meals.

As for the sale of alcohol, it accounted for only 4 per cent of Canada's total motels' revenues in 2000 (see Table 2.3). However, this revenue source accounted for a noteworthy share of revenues in Manitoba (15%), Newfoundland (12%) and PEI (10%).

Motels had a different revenue breakdown than hotels. The share of accommodation revenue was lower for hotels at 59 per cent compared to 78 per cent for motels. As in the previous year, the share of meals and alcohol sales in motels were about half of what they were for hotels. This is not surprising since major hotels have recently overhauled their coast-to-coast restaurant philosophy by offering Canadian cuisine and wines in all of their restaurants. These hotels sponsor events organized by Canada à la Carte.<sup>14</sup>

#### Expenditure Shares by Province

Table 2.4 offers a look at the expenditure distribution of Canada's motel industry by province. As per industry practice, the expenditure shares are calculated as a percentage of total revenues (and not of total expenditures). As Table 2.4 shows, the share that labour costs represented relative to total revenues was noticeably lower for the motel industry at 23 per cent than it was for the hotel industry, at 31 per cent (see Table 1.4). Labour costs for motels in Newfoundland, PEI and Saskatchewan however posted comparatively large shares at about almost 30 per cent each.

<sup>14</sup> Canadian Tourism Commission. *Tourism & Cuisine in Canada: a fact sheet. 2000*

Table 2.4

## Motels, Expense Distribution by Province as a share of Revenue, 2000

	LABOUR COSTS	COST OF GOODS	OCCUPANCY COSTS	DEPRECIATION & INTEREST	OTHER EXPENSES	PROFIT
CAN	23%	7%	13%	15%	23%	19%
NF	29%	19%	8%	9%	22%	13%
PE	28%	12%	10%	17%	11%	22%
NS	24%	7%	11%	13%	23%	22%
NB	25%	10%	11%	15%	16%	23%
QC	23%	8%	12%	14%	21%	22%
ON	17%	4%	13%	15%	23%	28%
MN	21%	15%	15%	24%	17%	8%
SK	29%	8%	18%	16%	24%	5%
AB	25%	9%	11%	12%	18%	25%
BC	27%	7%	14%	16%	18%	18%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

## Motels, Expense Distribution by Province as a share of Revenue, 1999

	LABOUR COSTS	COST OF GOODS	OCCUPANCY COSTS	DEPRECIATION & INTEREST	OTHER EXPENSES	PROFIT
CAN	25%	10%	12%	8%	24%	21%
NF	36%	23%	8%	7%	22%	4%
PE	28%	8%	16%	10%	22%	16%
NS	27%	9%	10%	9%	27%	18%
NB	24%	15%	12%	7%	22%	20%
QC	28%	8%	12%	6%	30%	16%
ON	19%	8%	13%	7%	27%	26%
MN	20%	15%	12%	8%	25%	20%
SK	30%	9%	19%	8%	30%	4%
AB	29%	17%	11%	8%	23%	12%
BC	25%	5%	12%	11%	26%	21%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

x Confidential. Canada totals include confidential data.



The cost of goods sold was a particularly large expenditure for Newfoundland in 2000, its share of total revenues standing at 19 per cent. This was also an important expenditure category in Manitoba, PEI and to a lesser extent, in New Brunswick as well. The numbers above are consistent with earlier findings discussed in **Table 2.3** that showed for example, that Newfoundland had the largest revenue share of all provinces for meals. As for Manitoba, it registered the largest share among all provinces from the sale of alcohol - or almost four times the national average. In the case of PEI we saw that it derived a particularly large proportion of its revenues from selling alcohol as well as serving meals (see Table 2.3). Finally, New Brunswick had a revenue share from the sale of meals twice as high as the national average.

## Employment

In 2000, 34 per cent of those employed in motels were part-time while 66 per cent were full-time. This reflected an overall increase in full-time employment from 64 per cent in 1999. Conversely, part-time employment dropped from 36 per cent in 1999 to 34 per cent in 2000. (Table 2.5)

The decline in the share of part-time employment is mostly reflected by a decrease in the proportion of those employed during the whole year on a part-time basis - from 29 per cent in 1999 to 22 per cent in 2000. Meanwhile those working seasonally and employed full-time experienced an increase in their share of employment from 16 per cent in 1999 to 19 per cent in 2000.

**Table 2.5**

### Motels, Canada, Shares of Employment, 1999 and 2000

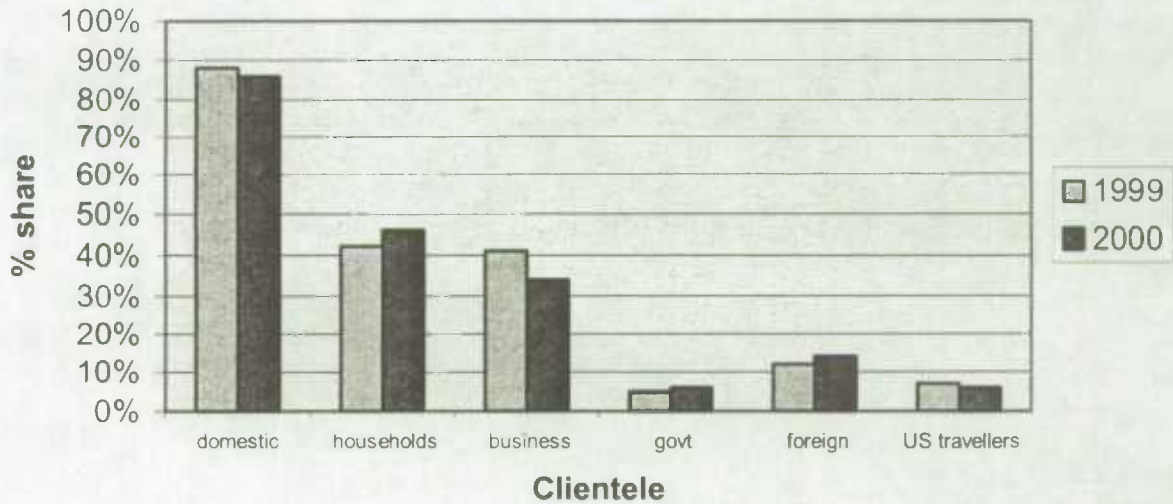
	1999	2000
<b>Full-Time</b>	<b>64%</b>	<b>66%</b>
Full-Time Full Year	48%	47%
Full-Time Part Year	16%	19%
<b>Part-Time</b>	<b>36%</b>	<b>34%</b>
Part-Time Full Year	29%	22%
Part-Time Part Year	7%	12%

## Client Base

Domestic clients made up 86 per cent while foreigners constituted 14 per cent of clients staying in motels in 2000 as shown in Figure 2.1. This compares to 88 per cent domestic and 12 per cent foreign clients in 1999. As in the case of hotels, domestic share dropped due to a major decline in business travellers patronizing motels. Table 2.6 illustrates that the decrease in business travel was widespread across many regions, particularly, Newfoundland, PEI, New Brunswick, Central Canada, Saskatchewan and British Columbia.

Figure 2.1

### Client Base of Canadian Motels, 1999 and 2000



At least 4 out of 5 of their motel patrons were domestic in every province. An increase in household clients staying at motels was found in more than half of the provinces; particularly, in Central Canada and most of the Western Provinces.

Table 2.6

### Motels, Distribution of Clientele by Province, 2000

	DOMESTIC CLIENTS	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	FOREIGN - US
CAN	86%	46%	34%	6%	14%	6%
NF	88%	48%	22%	18%	12%	4%
PE	87%	79%	7%	1%	13%	10%
NS	80%	46%	28%	6%	20%	12%
NB	86%	51%	32%	3%	14%	6%
QC	93%	57%	31%	5%	7%	3%
ON	80%	42%	34%	4%	20%	8%
MN	88%	43%	38%	7%	12%	2%
SK	98%	65%	25%	8%	2%	1%
AB	89%	38%	47%	4%	11%	5%
BC	85%	44%	33%	8%	15%	9%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

## Motels, Distribution of Clientele by Province, 1999

	DOMESTIC CLIENTS	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	FOREIGN - US
CAN	88%	42%	41%	5%	12%	7%
NF	81%	43%	28%	11%	19%	5%
PE	88%	77%	10%	1%	12%	9%
NS	81%	49%	25%	7%	19%	13%
NB	91%	38%	45%	8%	9%	7%
QC	92%	54%	34%	4%	8%	4%
ON	87%	34%	51%	2%	13%	8%
MN	90%	45%	37%	8%	10%	9%
SK	97%	62%	29%	5%	3%	1%
AB	89%	29%	57%	4%	11%	6%
BC	80%	39%	33%	7%	20%	10%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

x Confidential. Canada totals include confidential data.

## Performance Indicators

Key performance indicators for Canadian motels are shown in Table 2.7, for 1999 and 2000. The overall demand for motel rooms dropped to 58 per cent in 2000 from 60 per cent in 1999. The ADR rose 10 per cent and the REVPAR increased 6 per cent. In addition, the growth in accommodation revenue per room available increased to 18 per cent. Meals and alcoholic beverage revenue per room also experienced a healthy increase of 5 per cent between 1999 and 2000. Average total revenues per available room also grew by 5 per cent. The growth in these performance indicators would suggest that motels are operating more efficiently by cutting costs as can be seen by the 7 per cent decrease in the salary dollars per room. As a result, motel operators earned 12 per cent more revenue per salary dollar they spent in 2000.

**Table 2.7**

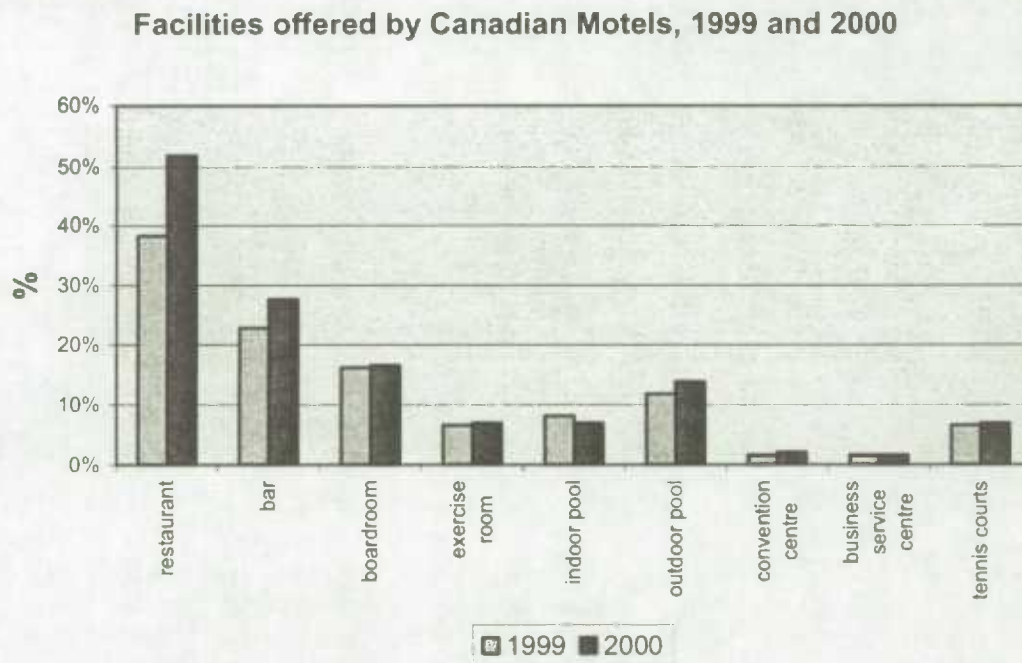
### Performance Indicators: Motels

	1999	2000	% CHANGE
Occupancy Rate	60%	58%	
Operating Margin	31%	29%	
Gross Margin	21%	19%	
Average Daily Rate (ADR)	\$60	\$66	10%
Revenue per Available Room (REVPAR)	\$36	\$38	6%
Accommodation Revenue per Room	\$11,882	\$14,013	18%
Meals & Alcoholic Beverage Revenue Per Room	\$2,562	\$2,685	5%
Average Total Revenue per Room	\$17,157	\$17,993	5%
Salary Dollars per Room	\$4,168	\$3,884	-7%
Total Revenue per Salary Dollar	\$4.12	\$4.63	12%

## Facilities and Packaged Vacations

Figure 2.1 shows that motels offer the same facilities as hotels yet not to the same extent. While restaurants, bars/lounges and meeting/boardrooms account for the three most popular facilities offered by motels, as they do for hotels, less than half of the motels had these facilities. The same cannot be said for hotels where at least two-thirds of the establishments in their survey panel offered a restaurant, bar or boardroom.

**Figure 2.1**



The share of establishments offering packaged vacations is considerably less significant for motels than for hotels. Results from the panel in Table 2.8 shows that only 12 per cent of the motels offer packaged vacations in 2000 compared to 38 per cent for hotels.

**Table 2.8**

### Establishments offering Packaged Vacations

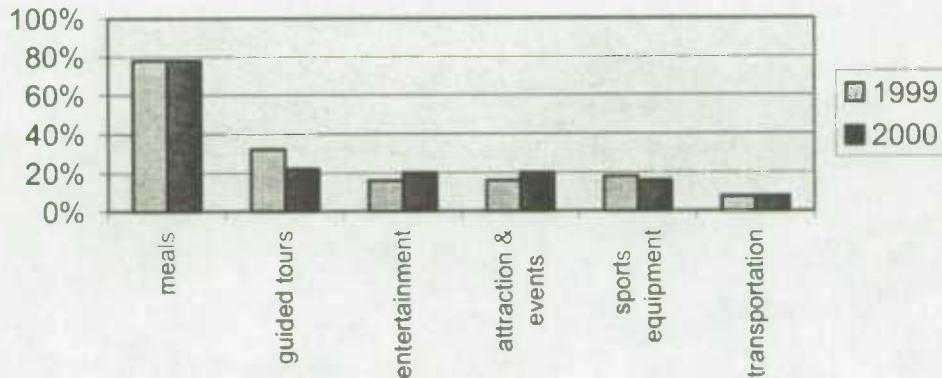
PANEL OF MOTELS	1999	2000
% Establishments	13%	12%
Share of Revenue from Packaged Vacations	14%	16%

Figure 2.2 shows that meals<sup>15</sup> are the most popular item included as part of a motel packaged vacation deal. Four out of five motels that offer packaged vacations include meals as part of their deal. While the panel in 2000 shows that fewer motels offer guided tours than in the panel of motels in 1999, motels did offer more entertainment and attraction events – as did hotels in 2000.

<sup>15</sup> Similarly for hotels as well – over 90 per cent include meals in their packaged vacations.

Figure 2.2

### Packaged Vacations offered by Motels, 1999 and 2000



### Seasonal Trends

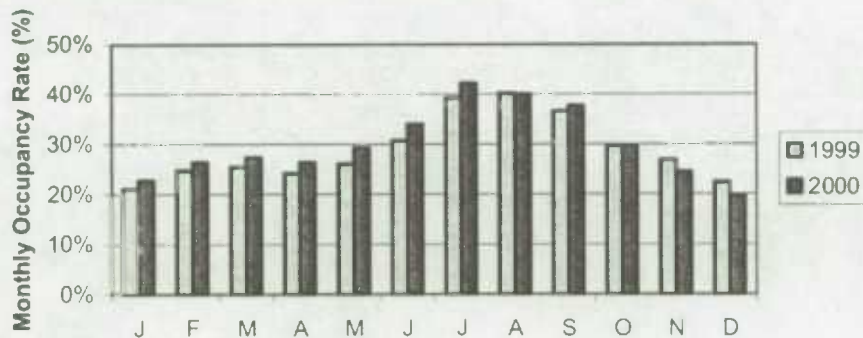
As in the case of hotels, the highest occupancy rates for motels occurred between June and September as depicted in Figure 2.3. July and August remain the peak months, while January and December had the lowest occupancy rates.

In 2000 more people stayed in motels in the spring and summer months while the fall shows a slight decline in occupancy rates when compared to 1999.

It is important to note that the annual occupancy rate derived from establishments that were able to report monthly data in both 1999 and 2000 differed from the annual rates calculated from the larger number of establishments of the motel industry panel. For both years, about half of the motels in the industry panel reported monthly data.

Figure 2.3

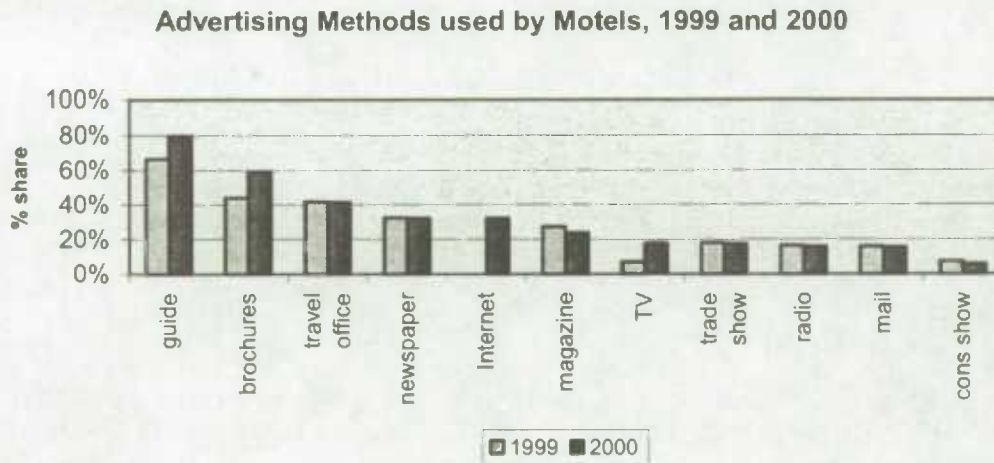
### Monthly Occupancy Rates for Motels, 1999 and 2000



## Advertising and Marketing

Motels depend on some form of marketing to promote their business as shown in Figure 2.4. As in the case of hotels, advertising in the form of brochures and in travel guides were the two most important marketing strategies employed by the motels in the panel. The travel office was the third most popular method of advertising followed by the newspaper. One in three of the motels in the panel reported using the Internet as a marketing tool compared to over half of hotels that use the Internet.

Figure 2.4



A comparison of the number of advertising methods with the occupancy rate and the gross margin is shown in Table 2.9 for 1999 and 2000. The data suggests that advertising is less important for the motel industry than for the hotel industry, as there appears to be little relationship between the number of methods utilized and performance.

Table 2.9

**Advertising Intensity and Performance: 1999 and 2000**

	2000		1999	
	OCCUPANCY RATE	GROSS MARGIN	OCCUPANCY RATE	GROSS MARGIN
1 method	53%	22%	46%	9%
2 to 4 methods	58%	21%	52%	22%
5 to 7 methods	56%	12%	56%	15%
more than 7 methods	58%	12%	17%	-1%

## Focus on Affiliation

Statistics on affiliated motels as a portion of the motel industry panel in 2000 is presented in Table 2.10. The occupancy rate of affiliated properties, regardless of the size, tended to be higher than the average motel in the panel for 2000. Prices for affiliated motels tended to be much higher than the average motel as the ADR for the affiliated motel was \$70 compared to \$66 for the average motel. The exception was large affiliated motels where their ADR and REVPAR were actually lower than the average motel.

**Table 2.10**

### Motels, Affiliated Properties Compared to Industry Panel, 1999 and 2000

	1999		2000	
	AFFILIATED MOTELS	INDUSTRY PANEL	AFFILIATED MOTELS	INDUSTRY PANEL
<b>Establishments %</b>	<b>26%</b>	<b>100%</b>	<b>15%</b>	<b>100%</b>
Small	4%	62%	3%	57%
Medium	17%	32%	8%	35%
Large	5%	6%	4%	8%
<b>Occupancy Rate</b>	<b>48%</b>	<b>60%</b>	<b>63%</b>	<b>58%</b>
Small	50%	49%	58%	49%
Medium	60%	53%	67%	62%
Large	35%	39%	61%	63%
<b>ADR</b>	<b>\$83</b>	<b>\$60</b>	<b>\$70</b>	<b>\$66</b>
Small	\$88	\$56	\$54	\$54
Medium	\$82	\$73	\$74	\$66
Large	\$85	\$73	\$70	\$77
<b>REVPAR</b>	<b>\$40</b>	<b>\$36</b>	<b>\$45</b>	<b>\$38</b>
Small	\$44	\$27	\$31	\$27
Medium	\$49	\$39	\$49	\$41
Large	\$30	\$28	\$43	\$48
<b>Gross Margin</b>	<b>33%</b>	<b>21%</b>	<b>16%</b>	<b>19%</b>
<b>Client Base:</b>				
Personal	42%	42%	46%	46%
Business	42%	41%	35%	34%
Government	4%	5%	7%	6%
Foreign	12%	12%	12%	14%

*For the most part, the share of clientele did not vary much between affiliated motels and the average establishment. Affiliated motels were just as popular among households and businesses as the average motel in both 1999 and 2000.*





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## Part III –OTHER ACCOMMODATION INDUSTRIES

### Highlights

- The 2000 panel for the Other Accommodation Industries contained 606 establishments representing 49,773 guest-units across Canada.
- The occupancy rate for the Other Accommodation Industries dropped between 1999 and 2000, from 70 per cent to 65 per cent. Large establishments experienced a reduction in the demand of their guest units from 71 per cent in 1999 to 67 per cent in 2000. The occupancy rates in 2000 dropped in Central Canada, Newfoundland, Manitoba and Saskatchewan compared to 1999. Unseasonable temperatures and weather conditions, such as floods, storms and heavy rainfall that year accounted for a decrease in the demand for Other Accommodation Industries in general.
- At 10 per cent in 2000, the gross margin for the Other Accommodation Industries increased slightly from 9 per cent in 1999. Mid-size establishments outperformed the small and large establishments, with a gross margin of 14 per cent in 2000. Large and small size establishments had margins of 9 per cent and 7 per cent respectively. There were significant variations across provinces, with Alberta and Prince Edward Island registering the highest gross margins, with 18 per cent and 15 per cent respectively. About half the provinces had gross margins well below average in 2000, particularly, Nova Scotia and Manitoba at 3 per cent and 4 per cent respectively. Stormy weather in Nova Scotia and record floods Manitoba experienced in the summer of 2000 can in part explain low profits in these regions.
- The clientele consisted mostly of domestic travellers, representing 75 per cent of the total in 2000, and international travellers that had a share of 25 per cent. There were noteworthy differences in terms of clientele across size groupings, with large establishments relying more on domestic tourists (90% of patrons) and small establishments benefiting more from foreign tourists (37%). As well there was a widespread drop in the proportion of US clients that occurred in almost every province.
- Revenues from accommodation for the Other Accommodation Industries decreased slightly from a share of 78 per cent of total revenues in 1999, to a share of 76 per cent in 2000. Salaries, wages and benefits registered a similar share of the total revenue in 2000 as in 1999, at 28 per cent and 27 per cent, respectively.

## Industry Profile

In addition to hotels and motels, there is another major group that covers other accommodations<sup>16</sup>. These accommodations include bed and breakfasts, hunting and fishing camps, trailer parks, recreational and sport camps, cottages and cabins as well as rooming and boarding houses. This part of the report will provide a profile of these industries and will present the revenue and expense structure of these operations. Employment, client base and advertising will also be presented. Performance for this category of industries declined in 2000 and that change can, in part, be explained by the weather across the country in 2000. This decline was expected given the seasonal nature of these businesses. The occupancy rate for this industry group dropped from 70 per cent in 1999 to 65 per cent in 2000.

**Table 3.1a**

### Other Accommodations Profile by Size

	2000				1999			
	INDUSTRY	SMALL	MEDIUM	LARGE	INDUSTRY	SMALL	MEDIUM	LARGE
Survey Panel	606	59%	27%	14%	460	58%	26%	16%
Occupancy Rate	65%	61%	62%	67%	70%	62%	54%	71%
Average Number of Guest Units	82	17	102	390	81	17	107	374
Average Number of Employees	22	15	46	47	24	16	26	53
Gross Margin	10%	7%	14%	9%	9%	9%	7%	11%
Average Expenses (\$ 000's)	\$496	\$352	\$499	\$827	\$543	\$428	\$607	\$851
For Labour Costs	27%	23%	27%	33%	28%	27%	28%	28%
For Cost of Goods	13%	18%	10%	9%	11%	11%	9%	10%

The panel for 2000 for other accommodation industries had 606 businesses accounting for 49,773 guest units. There were on average 82 guest units per establishment. The majority of these establishments are small at 59 per cent while mid-sized businesses made up 27 per cent and the remaining 14 per cent were large in 2000 (Table 3.1a). These establishments tend to be operated on a seasonal basis and the demand for these establishments is also greatly affected by the weather. In 2000 the summer was very wet and relatively cool across the country and this was reflected in the overall drop in the occupancy rate from 70 per cent in 1999 to 65 per cent.

<sup>16</sup> Under the North American Industry Classification System (NAICS) the NAICS codes are: 721191 Bed and Breakfasts, 721192 Housekeeping Cottages and Cabins, 721211 RV Parks and Campgrounds, 721212 Hunting and Fishing Camps, 721213 Recreation and Vacation Camps (excluding Hunting and Fishing Camps) and 721310 Rooming and Boarding Houses.

**Table 3.1b**

**Other Accommodations Profile by Size**

	2000				1999			
	INDUSTRY	SMALL	MEDIUM	LARGE	INDUSTRY	SMALL	MEDIUM	LARGE
<b>Client Base:</b>								
Domestic	75%	63%	75%	90%	75%	67%	75%	82%
Personal	69%	56%	66%	86%	68%	57%	63%	80%
Business	5%	6%	8%	2%	6%	8%	11%	1%
Government	1%	1%	0%	2%	1%	2%	1%	1%
Foreign	25%	37%	25%	10%	25%	33%	25%	18%
<b>Location:</b>								
Central	10%	11%	7%	12%	8%	9%	7%	5%
Suburban	10%	8%	15%	13%	5%	3%	8%	7%
Highway	10%	6%	17%	14%	13%	10%	17%	15%
Rural	49%	45%	51%	60%	49%	41%	55%	69%
Remote	20%	30%	9%	1%	25%	37%	13%	4%
<b>Market Orientation:</b>								
Economy	30%	25%	38%	33%	23%	20%	32%	29%
Mid-Scale	46%	43%	52%	51%	47%	43%	60%	51%
Up-Scale	19%	24%	9%	13%	21%	27%	6%	12%
Luxury	6%	8%	1%	4%	8%	9%	2%	8%

Given the nature of the accommodations provided in this category, it is not surprising that regardless of the size, personal travellers make up the majority of the client base. More personal leisure travellers stayed in the large establishments (85%) than the small ones (48%). Meanwhile more foreigners stay in small establishments (43%) than in the larger ones. (Table 3.1b)

Rural settings are where most of these businesses are found regardless of size. Significant shares of the small establishments (30%) are also found in remote locations. These establishments cater to mostly a mid-scale and economy market. Small establishments have the greatest share that services an up-scale market at 24 per cent. (Table 3.1b)

## Provincial Dimension

Table 3.2

### Other Accommodations, Panel by Province, 2000

	SURVEY PANEL	TOTAL GUEST UNITS	AVERAGE NUMBER OF GUEST UNITS	OCCUPANCY RATE	GROSS MARGIN
CAN	606	49,773	82	65%	10%
NF	44	677	15	56%	6%
PE	23	1,630	71	48%	15%
NS	39	3,925	101	69%	3%
NB	33	1,928	58	64%	6%
QC	116	17,646	152	57%	9%
ON	143	13,990	98	77%	13%
MN	34	1,148	34	77%	4%
SK	45	1,668	37	52%	12%
AB	44	3,342	76	61%	18%
BC	59	3,375	57	73%	12%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

### Other Accommodations, Panel by Province, 1999

	SURVEY PANEL	TOTAL GUEST UNITS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	GROSS MARGIN
CAN	460	37,230	81	70%	9%
NF	30	592	20	72%	7%
PE	18	1,864	104	41%	13%
NS	27	2,460	91	53%	13%
NB	30	2,140	71	58%	14%
QC	78	10,309	132	76%	2%
ON	105	12,329	117	81%	10%
MN	29	1,107	38	81%	10%
SK	29	780	27	73%	11%
AB	30	2,558	85	43%	3%
BC	52	2,556	49	67%	9%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential. Canada totals include confidential data.

Other accommodations experienced a major drop in the demand for their guest units as their occupancy rate dropped from 70 per cent in 1999 to 65 per cent in 2000. Many provinces experienced decreases in their occupancy rates especially Newfoundland, Quebec, Ontario, Manitoba and Saskatchewan. (Table 3.2)

A major contributing factor was the weather across Canada. Almost every region in the country had its share of weather problems in the summer of 2000. Unseasonable temperatures were found in Central Canada, and as well, the region experienced its third wettest summer on record in over 50 years. Between June 1 and October 31, it rained during 19 out of 22 weekends, including every long weekend. Business at marinas in the Great Lakes was down 25 per cent and park visitations in Quebec were down as much as 20 per cent. As well, both Manitoba and Saskatchewan experienced floods that summer.<sup>17</sup>

## Revenues, Expenses and Employment

### Revenue Shares by Province

Overall, the revenue distribution from 1999 to 2000 is relatively stable. As in the case of the motels, the share of accommodation revenues for other accommodations across most of the provinces was at least 70 per cent of total revenues.

The second most important source of revenue continued to be the sales of merchandise accounting for 6 per cent. This is in contrast with hotel and motel industries where meals and alcohol sales accounted for a greater share of the total and the share of merchandise sales was the least significant. The sale of alcohol was negligible across the country for these establishments.

**Table 3.3**

Other Accommodations, Revenue Distribution by Province, 2000

	GUEST UNITS	MEALS	ALCOHOL	MERCHANDISE	OTHER
CAN	76%	4%	1%	6%	12%
NF	86%	3%	2%	7%	2%
PE	82%	4%	4%	6%	4%
NS	66%	9%	1%	10%	13%
NB	75%	11%	2%	4%	8%
QC	78%	6%	2%	3%	12%
ON	72%	4%	1%	8%	16%
MN	80%	3%	1%	5%	11%
SK	73%	3%	2%	11%	12%
AB	86%	6%	0%	2%	6%
BC	83%	1%	0%	2%	13%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

<sup>17</sup> Environment Canada. *Top Weather Stories of 2000*.

### Other Accommodations, Revenue by Province, 1999

	GUEST UNITS	MEALS	ALCOHOL	MERCHANDISE	OTHER
CAN	78%	2%	1%	7%	12%
NF	83%	1%	1%	6%	9%
PE	76%	4%	0%	12%	8%
NS	80%	6%	1%	4%	10%
NB	72%	3%	0%	7%	18%
QC	74%	3%	1%	5%	16%
ON	76%	2%	1%	9%	12%
MN	87%	1%	2%	4%	5%
SK	77%	2%	1%	8%	12%
AB	82%	1%	0%	8%	9%
BC	83%	2%	0%	3%	11%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential. Canada totals include confidential data.

Other accommodations had a different revenue breakdown than the hotel and motor hotel industry panel. In 2000, the share of accommodation revenue was 78 per cent for other accommodations, considerably higher than for hotels at 59 per cent.

### Expenditure Shares by Province

Other accommodation establishments across Canada incurred the largest portion of their expenses as a share of total revenues from labour costs. In 2000, labour costs accounted for 27 per cent of revenues similar to 28 per cent in 1999. As in the previous year, Quebec had the highest share of labour costs at 33 per cent. (Table 3.4) Cost of goods purchased accounted for 13 per cent of the expense as a share of revenues in 2000 representing an increase from 11 per cent in 1999.

Table 3.4

Other Accommodations, Expense Distribution as a share of Revenue by Province, 2000

	LABOUR COSTS	COST OF GOODS	OCCUPANCY COSTS	DEPRECIATION & INTEREST	OTHER EXPENSES	PROFIT
CAN	27%	13%	9%	9%	32%	10%
NF	29%	13%	11%	11%	30%	6%
PE	27%	7%	11%	22%	18%	15%
NS	26%	18%	10%	12%	31%	3%
NB	32%	13%	12%	16%	21%	6%
QC	33%	11%	10%	9%	28%	9%
ON	25%	13%	9%	9%	31%	13%
MN	24%	12%	7%	10%	43%	4%
SK	24%	12%	7%	10%	27%	12%
AB	27%	21%	6%	7%	37%	18%
AB	25%	8%	6%	6%	37%	18%
BC	25%	12%	10%	12%	29%	12%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

Other Accommodations, Expense Distribution as a share of Revenue by Province, 1999

	LABOUR COSTS	COST OF GOODS	OCCUPANCY COSTS	DEPRECIATION & INTEREST	OTHER EXPENSES	PROFIT
CAN	28%	11%	9%	7%	36%	9%
NF	28%	7%	7%	9%	42%	7%
PE	28%	7%	7%	9%	42%	7%
PE	29%	11%	11%	12%	24%	13%
NS	30%	10%	13%	13%	21%	13%
NB	30%	9%	13%	12%	22%	14%
QC	33%	12%	11%	8%	34%	2%
ON	29%	13%	9%	7%	32%	10%
MN	29%	13%	9%	7%	49%	10%
MN	24%	5%	5%	7%	44%	11%
SK	26%	6%	5%	8%	44%	11%
AB	27%	13%	18%	11%	28%	3%
AB	27%	13%	18%	11%	28%	3%
BC	27%	4%	10%	10%	40%	9%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

x Confidential. Canada totals include confidential data.

## Employment

In 2000, 84 per cent of those employed in other accommodations were full-time while 16 per cent were part-time. This reflects an overall decrease in full-time employment from 88 per cent in 1999, and an increase in part-time employment to 16 per cent in 2000. (see Table 3.5) This trend is supported by the Labour Force Survey that reflects an overall increase in proportion of part-time workers in 2000 for other accommodations and a drop in full-time employment for this industry.<sup>18</sup>

Table 3.5

### Other Accommodations, Canada, Shares of Employment, 1999 and 2000

	1999	2000
<b>Full-Time</b>	<b>88%</b>	<b>84%</b>
Full-Time Full Year	12%	12%
Full-Time Part Year	76%	72%
<b>Part-Time</b>	<b>12%</b>	<b>16%</b>
Part-Time Full Year	2%	5%
Part-Time Part Year	10%	11%

The seasonal nature of other accommodation industries is apparent when examining the breakdown of the share of full-time and part-time workers. Although 84 per cent of employment in these other industries is full-time, the majority of those employed full-time are employed for only part of the year, as 72 per cent make up the employment of full-time part-year workers. Only 12 per cent are employed on a full-time basis all year round.

## Client Base

The share of domestic travellers remained stable in 2000 relative to the year before. Three out of four of the client base were domestic and over two-thirds of the clientele were households. While the share of foreign travellers remained the same at 25 per cent, there was a drop in the share of US travellers that was widespread across just about every province. This trend was also found in the hotel and motel sub-industries. Visitors from the United States took fewer same day and overnight trips to Canada in 2000.<sup>19</sup>

<sup>18</sup> LFS shows share of full-time workers to be 79 per cent in 1999 and 76 per cent in 2000 while part-time employment increases from 21 per cent in 1999 to 24 per cent in 2000.

<sup>19</sup> International Travel, 2000 (Statistics Canada – Catalogue no.66-201)



**Table 3.6**

**Other Accommodations, Distribution of Clientele by Province, 2000**

	DOMESTIC CLIENTS	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	FOREIGN - US
CAN	75%	69%	5%	1%	25%	16%
NF	78%	68%	8%	3%	22%	16%
PE	82%	81%	1%	0%	18%	6%
NS	82%	81%	1%	0%	29%	18%
NS	71%	66%	3%	1%	29%	13%
NB	81%	71%	8%	2%	19%	12%
QC	81%	76%	3%	2%	19%	12%
ON	74%	73%	1%	0%	26%	21%
ON	74%	73%	1%	0%	43%	35%
MN	57%	53%	3%	1%	4%	2%
SK	96%	87%	7%	1%	21%	11%
AB	79%	49%	28%	1%	21%	11%
AB	79%	49%	28%	1%	25%	10%
BC	75%	67%	6%	2%	25%	10%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

**Other Accommodations, Distribution of Clientele by Province, 1999**

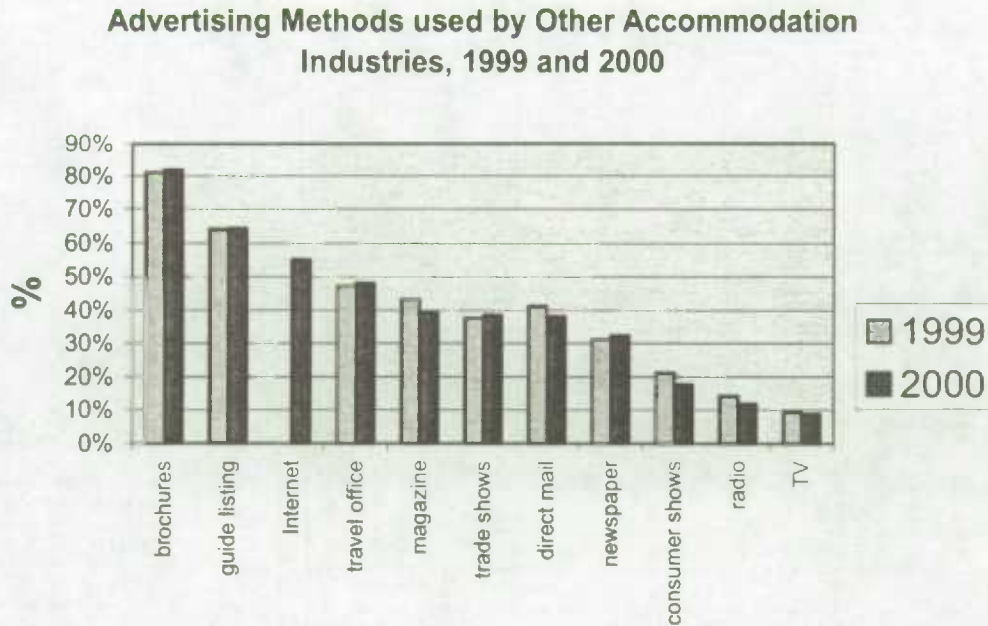
	DOMESTIC CLIENTS	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	FOREIGN - US
CAN	75%	68%	6%	1%	25%	18%
CAN	75%	68%	6%	1%	25%	18%
NF	62%	52%	9%	1%	38%	33%
NF	62%	52%	9%	1%	38%	33%
PE	84%	83%	1%	0%	16%	11%
PE	84%	83%	1%	0%	16%	11%
NS	84%	83%	1%	0%	31%	27%
NS	69%	61%	6%	2%	16%	8%
NS	69%	61%	6%	2%	16%	8%
NB	84%	80%	3%	1%	18%	7%
NB	84%	80%	3%	1%	18%	7%
QC	82%	77%	3%	2%	18%	17%
QC	82%	77%	3%	2%	18%	17%
ON	82%	79%	3%	0%	54%	46%
ON	82%	79%	3%	0%	54%	46%
MN	46%	40%	6%	7%	22%	6%
MN	46%	40%	6%	7%	22%	6%
SK	78%	60%	11%	0%	24%	12%
SK	78%	60%	11%	0%	24%	12%
AB	76%	35%	41%	0%	32%	18%
AB	76%	35%	41%	0%	32%	18%
BC	68%	63%	6%	0%	32%	18%
BC	68%	63%	6%	0%	32%	18%
YT	x	x	x	x	x	x
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x
NN	x	x	x	x	x	x

x Confidential. Canada totals include confidential data.

## Advertising and Marketing

Other accommodation industries used various methods of advertising as shown in Figure 3.1. For the most part there was not much change in 2000 from the previous year. Brochures continue to be the most popular way to advertise followed by guide listings. The Internet, reported for the first time in 2000, was the third most popular marketing tool used at 55 per cent of the other establishments in the panel. Internet use ranked higher for all other accommodations than for hotels (6<sup>th</sup>) and motels (5<sup>th</sup>) in 2000.

Figure 3.1



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# Appendix A

## Concepts and Methods

### Background

The annual survey of traveller accommodation, conducted by Statistics Canada for over four decades, has undergone a number of important changes in methodology. It started as a census survey for hotel businesses and eventually the remaining traveller accommodation industries were added to provide a census survey for all accommodation business establishments. In 1985, the survey unit was changed to the company level (i.e. legal entity) and a sample of the larger size segment of the business population by type of industry was introduced.

In 1992, to make the survey outputs more relevant and useful, a redesign of the survey was undertaken to convert it back to an establishment base. At the same time, the survey was expanded to collect new data elements including the number of guest-room units, average occupancy rates, business market locations and facilities. To complete the annual picture, the non-surveyed businesses continue to be measured using administrative sources of data.

In order to have a more effective survey instrument, two separate questionnaires were developed for the survey. The first is sent to the Hotel and Motor Hotel and to Motel establishments; the second is sent to the remaining six industries (see *Appendix B*). However, the questionnaires are conceptually similar and have been designed to allow for an aggregation of common data elements.

With the cooperation and support of Tourism Canada, and later the Canadian Tourism Commission, questions were added on reservation and rating systems, market classes, capital spending, type of employment, country origin of foreign clientele, packaged vacations and advertising practices. Additional questions on revenue from vacation packages, the cost of sales breakdowns and on monthly occupancy rates are asked for the first time with the 1996-97 survey.

### Methodology

Commencing with the 1998 survey year, the methodology is no longer a cut-off sample of large establishments. Rather, the new methodology is a random sample stratified by type of industry, province and establishment revenue size, designed to achieve a balanced representation of establishments from across accommodation services (NAICS 721). While larger establishments continue to be represented, smaller establishments are selected randomly. To contribute to industry totals, these sampled units are then multiplied by a sampling factor (i.e., "weighted up") to represent all the smaller units in the stratum. For purposes of this report, all data are unweighted (each survey establishment represents only itself).

For national accounting purposes, the original sample is drawn to obtain a significant coverage of total revenue. Support from the Canadian Tourism Commission allows for additional questionnaires to be mailed to establishments beyond the number required for national accounting.



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## Appendix B

### Sample and Coverage

The traveller accommodation survey covers establishments assigned to Major Group 721 – Accommodation Service Industries – of the North American Industry Classification System (NAICS), which contains the following twelve industries:

- **721111<sup>20</sup>**: *Hotels* – These establishments provide suites or guest rooms within a multi-story or high rise structure, accessible from the interior only, and they generally offer guests a range of complementary services and amenities, such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, and conference and convention facilities.
- **721112<sup>21</sup>**: *Motor Hotels* – These establishments are designed to accommodate clients travelling by motor vehicle and provide short-stay suites or guest rooms within a low-rise structure, characterized by ample, convenient parking areas, interior access to rooms, and their location along major roads. Limited complementary services and amenities may also be provided.
- **721113<sup>22</sup>**: *Resorts* – These establishments feature extensive indoor and/or outdoor leisure activities on the premises on a year-round basis. Resorts are designed to accommodate vacationers and provide full-service suites and guest rooms, typically in a non-urban setting next to lakes, rivers or mountains. Establishments of this type often provide access to conference facilities.
- **721120<sup>23</sup>**: *Casino Hotels* – The casino operation includes table wagering games and may include other gambling activities, such as slot machines and sports betting. These establishments generally offer a range of services and amenities, such as food and beverage services, entertainment, valet parking, swimming pools, and conference and convention facilities.
- **721198<sup>24</sup>**: *All Other Traveller Accommodations* – These establishments are not classified to any other industry and are primarily engaged in providing short-term lodging. Guest Houses, tourist homes and youth hostels are included in this category.
- **721114<sup>25</sup>**: *Motels* – These establishments are designed to accommodate clients travelling by motor vehicle, and provide short-stay suites or guest rooms, within a one or two story structure, characterized by exterior access to rooms and ample parking areas adjacent to the room entrances. Limited complementary services and amenities may also be provided.

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<sup>20</sup> Formerly part of SIC 9111 under the Standard Industrial Classification System – *Hotels and Motor Hotels*.

<sup>21</sup> Formerly part of SIC 9111 under the Standard Industrial Classification System – *Hotels and Motor Hotels*.

<sup>22</sup> Formerly part of SIC 9111 under the Standard Industrial Classification System – *Hotels and Motor Hotels*.

<sup>23</sup> Formerly part of SIC 9111 under the Standard Industrial Classification System – *Hotels and Motor Hotels*.

<sup>24</sup> Formerly part of SIC 9114 under the Standard Industrial Classification System – *Guest Houses and Tourist Homes*.

<sup>25</sup> Formerly SIC 9112 under the Standard Industrial Classification System – *Motels*.

- **721192<sup>26</sup>**: *Housekeeping Cottages and Cabins* – These establishments are designed to accommodate vacationers and may include access to private beaches and fishing.
  - **721191<sup>27</sup>**: *Bed and Breakfast* – These establishments provide guest rooms in private homes or in small buildings converted for this use, and they often possess a unique or historic character. Bed and Breakfast homes are characterized by a highly personalized service, and the inclusion in the room rate, of a full breakfast, served by the owner or owner-supervised staff.
  - **721310<sup>28</sup>**: *Rooming and Boarding Houses* – These establishments provide temporary or longer-term accommodation, which for the period of occupancy, may serve as a principal residence. These establishments may also provide complementary services, such as housekeeping, meals and laundry services.
  - **721211<sup>29</sup>**: *RV (Recreational Vehicle) Parks and Campgrounds* – These establishments are primarily engaged in operating serviced or unserviced sites to accommodate campers and their equipment, including tents, tent trailers, travel trailers and RVs (recreational vehicles). These establishments may provide access to facilities, such as washrooms, laundry rooms, recreation halls and facilities, and stores and snack bars.
  - **721212<sup>30</sup>**: *Hunting and Fishing Camps* – These establishments provide a range of services, such as access to outpost camps or housekeeping cabins, meals and guides, and they may also provide transportation to the facility, and sale of food, beverages, and hunting and fishing supplies.
- 721213<sup>31</sup>**: *Recreational (except Hunting and Fishing) and Vacation Camps* – These establishments are primarily engaged in operating overnight recreational camps, such as children’s camps, family vacation camps, and outdoor adventure retreats that offer trail riding, white-water rafting, hiking and similar activities. These establishments provide accommodation facilities, such as cabins and fixed campsites, and other amenities, such as food services, recreational facilities and equipment, and organized recreational activities.

Part 1 of this report examines establishments classified to the Hotels and Motor Hotels Industry, which is the aggregation of the following NAICS: 721111, 721112, 721113, 721120 and 721198. Part 2 examines the establishments classified to NAICS 721114 only. Part 3 examines the remaining six types of establishments aggregated into Other Accommodation Industries (NAICS 721191, 721192, 721211, 721212, 721213 and 721310).

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<sup>26</sup> Formerly SIC 9113 under the Standard Industrial Classification System - *Tourist Courts and Cabins*.

<sup>27</sup> Formerly SIC 9114 under the Standard Industrial Classification System – *Guest Houses and Tourist Homes*.

<sup>28</sup> Formerly SIC 9121 under the Standard Industrial Classification System – *Lodging Houses and Residential Clubs*.

<sup>29</sup> Formerly SIC 9131 under the Standard Industrial Classification System – *Camping Grounds and Travel Trailer Parks*.

<sup>30</sup> Formerly SIC 9141 under the Standard Industrial Classification System – *Outfitters (Hunting and Fishing Camps)*

<sup>31</sup> Formerly SIC 9149- under the Standard Industrial Classification System – *Other Recreation and Vacation Camps*.

The target population consists of all statistical establishments classified as **traveller accommodation services** according to the North American Industrial Classification System (NAICS 721) during the reference year 2000. Data users who wish to learn more about NAICS, its underlying principles, and many of the other statistical concepts discussed in this brief summary, are referred to the Introduction section of the Statistics Canada publication "North American Industrial Classification System: Canada 1997" (catalogue number 12-501).

The objective of the survey is to provide estimates for the whole industry. The portion of the population eligible for sampling was defined as all statistical establishments with revenue above \$50,000. The main motivation for the exclusion of unincorporated firms and incorporated firms below \$50,000 from direct data collection was to achieve major reductions in the response burden. The excluded portion represents a substantial proportion of the whole industry in terms of number, but its contribution to the overall estimate is modest at under 10 per cent. Firms below the exclusion thresholds are still part of the universe, but their contribution is accounted for in the final estimates through the use of administrative records as proxy data. Only basic information can be obtained from this source, that is, total revenue, expenses, depreciation and wages, salaries and benefits.

The frame is the list that identifies the firms classified to the industry in question. The frame is maintained by Statistics Canada's Business Register, using taxation account information (i.e. income tax, goods and services tax and payroll deductions records) submitted to Canada Customs and Revenue Agency. Provincial tourist accommodation guides and other directories, and internet newswire services are also used to ensure establishments are correctly identified prior to sample selection and survey mail out.

Table 2 provides the response rates by industry for the 2000 sample.

**Table 2**

**Response Rate by Industry, 2000**

	2000		
	SURVEY SAMPLE SIZE	REPORT PANEL	PANEL RESPONSE RATE
Hotel and Motor Hotel	1,390	959	69.0%
Motel	645	434	67.2%
Other Accommodation	932	606	65.0%
<b>Total Establishments</b>	<b>2,967</b>	<b>1,999</b>	<b>67.4%</b>

*Note: Response rate equals questionnaires mailed back and accepted as complete divided by the total number of establishments sampled.*





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## Appendix C

### Glossary of Terms

#### Affiliation

Association with a brand name chain through the use of market operating name and management techniques and services, marketing practices, reservation system, quality standards and training, etc. A business may be operated as a franchise with an owner-manager or a franchise-manager.

#### Accommodation Revenue per Room

The annual accommodation revenue received divided by the total number of available rooms.

#### Average Daily Rate (ADR)

A calculation of accommodation revenue per day divided by the total number of rooms sold.

#### Capital Expenditure

The value of expenditure on fixed capital, or non-current account expenditure incurred by the business owner. This includes purchases such as fixed assets, major furnishings, renovations and construction.

#### Depreciation

The proportion of the book value of tangible fixed assets that are charged to the current year for bookkeeping purposes. This would include any amortization of leasehold improvements.

#### Economy Accommodation

Basic accommodation provided with minimal or no facilities, amenities and guest services.

#### Establishment

A statistical concept used to denote the smallest business unit capable of providing a basic set of industrial statistics (e.g. a mine, store, factory, hotel, farm, airline).

#### Full-time Full-year Employee

A regular employee who worked more than 30 hours per week for a full year as observed by the business.

#### Full-time Seasonal Employee

A regular employee who worked more than 30 hours per week for only part of the year (seasonal) as observed by the business.

#### Gross Margin

A financial performance measure calculated by dividing the difference between total revenue and total expenses (gross profit/loss) by total revenue.

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### **Large Size Properties**

Properties with 200 or more rooms (units) for hotels and motor hotels, and 100 or more rooms (units) for motels and other accommodation.

### **Luxury Accommodation**

The highest standard of accommodation that offers an extensive range of facilities, amenities and guest services.

### **Meals & Alcoholic Beverages per Room**

Total annual revenue received from meals and alcoholic beverages divided by the total number of available rooms.

### **Medium Size Properties**

Properties with 50 to 199 rooms (units) for hotels and motor hotels, and 50 to 99 rooms (units) for motels and other accommodation.

### **Mid-scale Accommodation**

Basic accommodation provided with some amenities, but limited facilities and guest services.

### **Occupancy Expenses**

The total cost of rent or lease of land and buildings, heat, hydro, water, insurance, taxes, permits and licenses.

### **Occupancy Rate**

The total number of units occupied divided by the total number of units available for a given reporting period, normally expressed as a percentage.

### **Operating Margin**

A financial performance measure calculated by dividing the difference between operating revenue and operating expenses (gross operating profit/loss) by total operating revenue. Interest and depreciation are excluded from operating expenses.

### **Part-time full-year employee**

One who is employed for less than 30 hours per week for a full-year as observed by the business.

### **Part-time, seasonal employee**

One who is employed for less than 30 hours per week for only part of the year (seasonal) as observed by the business.

### **Rating System**

Quality rankings of accommodation, based on the range and the standard of its amenities, facilities and services using a star or other similar rating system.

### **Reference Year**

For the 2000 Annual Survey of Traveller Accommodation, businesses are asked to report for the calendar year or for the most recently completed fiscal year ending no later than March 31, 2001.

### **Reservation System**

A guest booking system using a centralized computer or telephone answering system. This is usually found in establishments affiliated with a chain or franchise.

### **Revenue per Available Room (REVPAR)**

A calculation of accommodation revenue per day divided by the total number of available rooms. This is a measurement of the direct relationship of the average daily rate (ADR) and the occupancy rate.

### **Salaries, Wages and Benefits**

Include the commissions, bonuses, vacation pay, and employers' contributions to pension, medical, unemployment insurance and worker's compensation plans.

### **Salary Dollars per Room**

The annual labour costs divided by the total number of available rooms.

### **Small Size Properties**

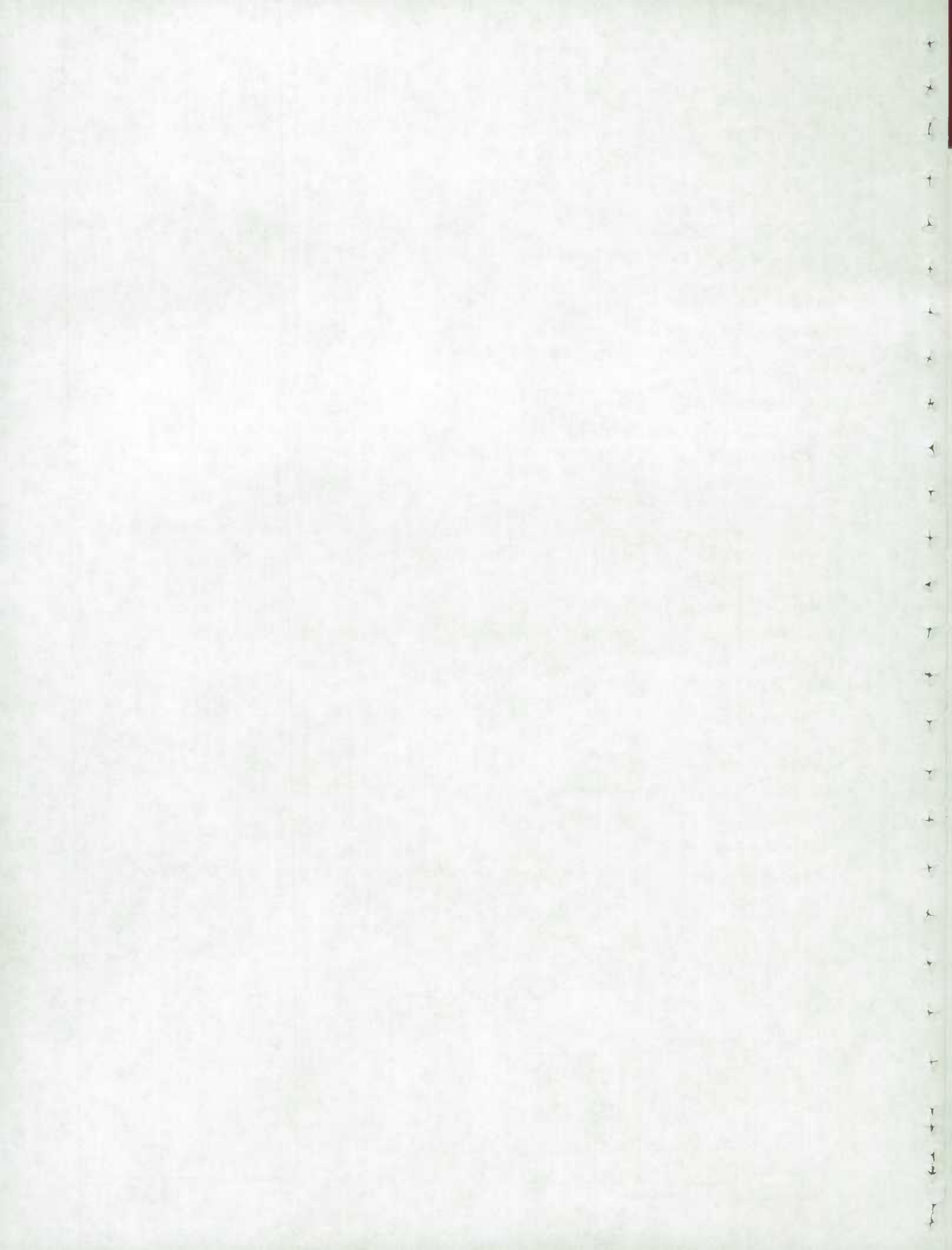
Properties with up to 49 rooms (units) for all types of accommodation.

### **Total Revenue per Room**

Total annual operating revenue received divided by total available rooms.

### **Upscale Accommodation**

More comfortable and attractive accommodations provided along with a broad range of facilities, amenities and services.





# Annual Survey of Traveller Accommodation, 2000

**Authority**

This survey is conducted under the authority of the Statistics Act, Revised Statutes of Canada, 1985, chapter S-19.

Completion of this questionnaire is a legal requirement under this Act.

In all correspondence concerning this questionnaire please quote this nine digit reference number below



**Mailing Address**

**Operating Address**



Please make **correction** or **addition** to the above labelled business operating name, legal ownership name, mailing address and operating address, where necessary, in the space provided below:

<b>Ownership name (Corporation, proprietorship or partnership)</b>		<b>Operating (trade) name</b>	
050	<input type="text"/>	051	<input type="text"/>
<b>Mailing address</b>		<b>Operating address</b>	
<input type="text"/>		<input type="text"/>	
<input type="text"/>		<input type="text"/>	
049	Postal Code	052	Postal Code
	<input type="text"/>		<input type="text"/>

### Information for Respondents

#### Survey Objective

This annual survey of traveller accommodation businesses is conducted by Statistics Canada to collect business operating information for statistical and economic analysis of the industries as mandated by the agency to fulfil the demand of many users. The results of the survey are used by business operators and associations for market analysis and assessment of industry performance, operating characteristics and trends, by governments to develop national and regional economic policies, by agencies such as the Canadian Tourism Commission for analysis and policy making and for providing valuable statistics and information feedback to the industries, and by Statistics Canada for maintaining important data input to the preparation of the Canadian System of National Accounts.

#### Survey Reporting Unit

The reporting unit for this survey questionnaire is the business operating establishment (accommodation property) of the traveller accommodation businesses. The operating establishment may be owned by a corporation, a sole proprietor, a limited partnership or a joint-venture partnership. The identification of such legal entity and the operating or trade name of this operating establishment have been labelled in this questionnaire. Please make corrections or additions to the label above if necessary.

#### Confidentiality

Statistics Canada is prohibited by law from publishing any statistics which would divulge information relating to any identifiable business without the previous written consent of that business. **The data reported on this questionnaire will be treated in strict confidence, used for statistical purposes, and published in aggregate form only.** The Confidentiality provisions of the Statistics Act are not affected by either the Access to Information Act or by any other legislation.

#### Note of Appreciation

Canada owes the success of its statistical system to a long-standing co-operation involving Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

### Reporting Instructions for Respondents

Please complete and return this questionnaire within 30 days of receipt. If you require assistance in the completion of the questionnaire or have any questions regarding the survey, please contact:

Operation and Integration Division  
Statistics Canada  
Tunney's Pasture  
Ottawa, Ontario  
K1A 0T6

Phone No. 1-800-916-9316  
Fax No. 1-888-605-2493



### 1. Business Activity and Classification

**023** Please check (✓) below the **one** type of accommodation category which **most accurately describes** your business establishment.

- 721191  **Bed-and-Breakfast**
- provides short stay guest rooms in private homes or in small buildings converted for this use
  - often possesses a unique or historic character
  - characterized by a highly personalized service
  - room rate includes a full breakfast, served by the owner or owner-supervised staff
- 721192  **Housekeeping Cottages and Cabins**
- provides short-term lodging in facilities known as housekeeping cottages and cabins
  - designed to accommodate vacationers
  - may include access to private beaches and fishing
- 721211  **RV (Recreational Vehicle) Parks and Campgrounds**
- provides serviced or unserviced sites to accommodate campers and their equipment, such as tents, tent trailers, travel trailers or RVs
  - may also provide access to facilities such as washroom, laundry rooms, recreation halls, stores and snack bars
- 721212  **Hunting and Fishing Camp (Outfitter)**
- primarily engaged in operating hunting and fishing camps
  - provides a range of services, such as access to outpost camps or housekeeping cabins, meals and guides
  - may also provide transportation to the facility, services of food, beverages, and hunting and fishing supplies
- 721213  **Recreational (except Hunting and Fishing Camps) and Vacation Camps**
- operates **overnight** recreational camps, such as children's camps, family vacation camps, and outdoor adventure retreats
  - offers trail riding, white-water rafting, hiking and similar activities
  - provides accommodation facilities, such as cabins and fixed camp sites
  - also provides other amenities, such as food services, recreational facilities and equipment, and organized recreational activities
  - *excludes* day camps
- 721310  **Rooming and Boarding Houses**
- provides temporary or longer-term accommodation which, for the period of occupancy, may serve as a principal residence
  - includes rooming and boarding houses, fraternity and sorority houses, off-campus dormitories, residential clubs and workers' camps
  - may also provide complementary services, such as housekeeping, meals and laundry services
- 721198  **All Other Traveller Accommodation**
- provides short-term lodging but is not yet classified to any other industry
  - examples are youth hostels; tourist homes; dormitories; university residences which may be open only seasonally to the public
  - please provide a brief description:

**038**

**None of the above** (please describe briefly below, the nature of your business activity)

**025**

### 2. Form of Organization

Please check (✓) and report the **legal status** of this business operation below:

- 027** 3  Incorporated
- 2  Unincorporated – partnership
- 1  Unincorporated – individual proprietorship
- 5  Unincorporated – limited partnership
- 4  Other (please specify) **032**

### 3. Reporting Period Information

Please report information for your **most recent available 12-month fiscal period** ending between January 1, 2000 and March 31, 2001. Please indicate below the period covered by this questionnaire.

**230** From 

D	M	Y

 To **231**

D	M	Y

Did you operate this business unit for the **full year**?

- 235** 7  Yes (If yes, please go to Section 4)
- No (If no, please check the appropriate box(es) below.)
- 2  **Seasonal operation** (please specify **period**): **238** From 

D	M	Y

 To 

D	M	Y
- 3  **Newly built property** (please specify **date of opening**): **239**

D	M	Y
- 5  **Change of fiscal year-end**: **240** From 

D	M	Y

 To 

D	M	Y
- 8  **Change of ownership** (please specify **effective date**): **236**

D	M	Y
- 4  **Ceased operation** (please specify **effective date**): **211**

D	M	Y
- 6  **Temporarily closed** (please specify **effective date and reason**): **212**

D	M	Y

Reason **213**

#### 4. Revenue

Please report (estimate if necessary) sales and receipts of your business operation for the 2000 reporting period by type of revenue or service listed below, where applicable. Where possible, please provide the breakdown of the receipts from packaged vacation, by type of revenue and services listed. If total revenue only of packaged vacation is available, please report in Box 110, and indicate (✓) below the type of services included. Please exclude GST and all other taxes collected by you for remittance to a government agency.

		Dollars (omit cents)
a)	Guest Accommodation – Report revenue from the sales of room, suite, cabin, cottage, tent and/or trailer campsite accommodation .....	113
b)	Meals and Non-Alcoholic Beverages – Include prepared meals and non-alcoholic beverages from restaurants and snack bar, (exclude sales by concessionaires) .....	104
c)	Alcoholic Beverages Served – Include beer, wine and liquor served in restaurants, lounges and bars .....	105
d)	Service Revenue – Include revenue from guest laundry, telephone, parking services, and charges from entertainment, sports, health, recreation and amusement facilities and transportation service .....	101
e)	Sales of Merchandise – Include revenue from vending machines, newsstands, gifts and pro shops and sales of recreational and sports equipment and accessories, oil, gasoline, supplies etc. (exclude sales by concessionaires) .....	103
f)	Facility Rental Revenue – Report revenue from the rental of banquet halls, meeting rooms, ballrooms and concession spaces .....	109
g)	Other Rental Revenue – Include revenue from rental of machinery boat, motor and sports equipment .....	108
h)	Packaged Vacation Revenue – Indicate (✓) below the types of services included .....	110
<input type="checkbox"/> 293 Accommodation <input type="checkbox"/> 285 Meals <input type="checkbox"/> 288 Sports Equipment <input type="checkbox"/> 286 Transportation <input type="checkbox"/> 287 Guides <input type="checkbox"/> 292 Other		
i)	Other Operating Revenue – Include all operating revenue not reported above (please specify major items)	
035	<input style="width: 500px; height: 15px;" type="text"/>	106
j)	Total Operating Revenue (sum of items a) to i)) .....	115
k)	Non-Operating Revenue – Include interest and all other revenue not directly related to the operation of this business (please specify major items) .....	
036	<input style="width: 500px; height: 15px;" type="text"/>	120
l)	Total Revenue (sum of Boxes 115 and 120) .....	130

#### 5. Employment

Please report the average monthly number of persons employed in this business establishment during the 2000 reporting period.

	No. of Employee ( Full Year)	No. of Employee (Seasonal)	Total Number
a) Paid Employees – to whom you paid salaries and wages as shown in Operating Expenses, (Section 7, Box 160)			
– Full-time Employees – Worked more than 30 hours per week .....	198	199	152
– Part-time Employees – Worked less than 30 hours per week .....	200	201	151
b) Working proprietors and/or working partners of unincorporated businesses .....	153		

#### 6. Client Base

Please report (estimate if necessary) the percentage of your guest accommodation revenue (Section 4, Box 113) derived from the following clientele:

Please report (estimate if necessary) the percentage breakdown of foreign visitors by their country of origin. (Please note that the percentages may sum up to 100% or to the total percentage of foreign visitors as reported in Box 185)

	Percent (%)	
<b>Domestic clients</b>		
a) Households or individual (for leisure purposes) .....	180	
b) Companies or individual (for business purposes) .....	181	
c) All levels of governments .....	183	
<b>Foreign clients</b>		
d) All foreign visitors (for leisure or business purposes) .....	185	
<b>Total</b> (total of above boxes must equal 100%) .....	189	100%

	Percent (%)	
U.S. ....	401	
U.K. ....	402	
France ....	403	
Germany ....	404	
Japan ....	405	
Other Foreign .....	406	
<b>Total</b> (total of above boxes must equal 100% or box 185) .....	407	

### 7. Operating Expenses

Please report (estimate if necessary) the following expenses incurred during the 2000 reporting period (complete only those expense categories which are applicable to your establishment). Please indicate in your reporting if a particular expense item is included with another item reported. Please include GST except the portion which is refundable by government. Do not include capital expenditures (to be reported in Section 8, e)). If it is detailed enough, you may also attach a copy of your expense statements and proceed to section 8.

		Dollars (omit cents)
a)	Cost of sales (purchases plus opening inventory minus closing inventory). Report the cost of food products, alcoholic beverages and merchandise purchased for resale. Exclude other costs, such as office supplies and materials used. These should be reported in Box 177 below .....	159
b)	Salaries, wages, bonuses and commissions paid to your employees .....	160
c)	Employee benefits (e.g., employer's contribution to pension, medical, employment insurance and Worker's Compensation plans) .....	161
d)	Rent and/or lease of land and building .....	162
e)	Rent and/or lease of machinery, equipment, computer and motor vehicles .....	163
f)	Repairs and maintenance to buildings, furnishings, machinery and equipment (do not include capital expenditures, to be reported in section 8, e)) .....	166
g)	Legal, accounting and auditing .....	167
h)	Management and consulting fees .....	190
i)	Marketing, advertising and promotion .....	168
j)	Insurance .....	169
k)	Property taxes, permits, licenses, business tax and other tariffs/taxes (exclude income tax) .....	195
l)	Heat, light, power and water .....	171
m)	Telephone, telegraph, telex, facsimile and postage .....	172
n)	Travel (transportation, accommodation, food, entertainment expenses while travelling) .....	173
o)	Depreciation (for buildings, equipment and leasehold improvement) .....	175
p)	Interest expense: on short-term loans .....	176
	on long-term loans and mortgages .....	197
q)	Office and all other supplies and materials used in the business (do not include purchases reported under cost of sales - Box 159 above) .....	177
r)	All other operating expenses not specified above (please specify major items) .....	
037		178
037		178
s)	Total Operating Expenses (sum of items a) to r) ) .....	179

### 8. Other Operating Characteristics and Facilities

Please check (✓) and report the following operating characteristics and facilities:

		Number
a)	Number of Guest Accommodation Units - Please report the total number of units of guest accommodation (including campsites) available for sale (occupancy) on average per day .....	241
b)	Guest Accommodation Unit Occupancy - Please report either 1) or 2) below:	Percent (%)
1)	Average Occupancy Rate - Please report the ratio of guest accommodation units sold (occupied) to the total number of units available for the reporting period .....	242
2)	Average Actual Unit Nights Sold - Please report the average daily number of guest accommodation units sold (occupied) .....	256



**8. Other Operating Characteristics and Facilities - Continued**

c) **Locality of Establishment** – Please check (✓), **only one**, the closest identification of your **business location**:

- 255**    1  **Centre city** – located in the town core or central business district  
 2  **Suburban** – located in the outskirts of town or city limits  
 3  **Highway** – located off a major highway or throughway  
 4  **Airport** – located near an airport with regularly scheduled passenger service  
 5  **Rural** – facilities located in a rural atmosphere  
 6  **Remote location** – not accessible by automobile or bus

d) **Market Orientation** – Please check (✓) below, one category which most accurately describes the **major targeting market segment** of your business operation:

- 264**    1  **Economy**                      2  **Mid-scale**                      3  **Up-scale**  
 4  **Luxury**                              5  **Don't know**

e) **Capital Expenditure** – Please report total expenditure of **capital upgrade** or **renovation**, if any, incurred during the **2000** reporting period and specify amount:

**265**    1  **No**                              2  **Yes (please specify)** — Amount

**9. Marketing Information**

Please check (✓) the following questions, **where applicable**, relating to the **marketing practices** of your establishment during the **2000** reporting period (**more than one box may be checked**).

- 271**     Accommodation Guide Listing                       **276**     Brochures                               **295**     Internet  
 **272**     Radio Ads     **277**     Direct Mail  
 **273**     Newspaper Ads     **278**     Travel information Offices  
 **274**     Magazine Ads     **279**     Trade Shows  
 **275**     Television Ads     **280**     Consumer Shows  
 **281**     Other (please specify) —

**10. Multi-Establishment**

The information of **one** business operating **establishment** only should be reported in this questionnaire. If more than **one** business establishment is included here, please report the total **number** of establishments  and specify the **names, addresses and revenues** below. In addition, please indicate, below, the **name and address** of any **newly acquired** or **newly built** accommodation establishments by your **legal entity** during the reporting period:

Names	Addresses	Revenues (\$)



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