

March 30, 2022

Greater Victoria hotel bookings recovering more quickly than forecast

VICTORIA, B.C. – Analysis of Greater Victoria hotel data from the first quarter of 2022 and bookings through July 2022 reveal the Greater Victoria visitor economy is recovering from the COVID-19 pandemic more quickly than forecast. Forward-looking hotel booking data for the next 120 days also suggests hotel booking pace is returning to close to 2019 levels.

Year-to-date 2022 hotel occupancy is 123 per cent when compared to hotel occupancy during the same period in 2021. Year-to-date 2022 average daily hotel room rate is 144 per cent when compared to the same period in 2021 and year-to-date revenue per available room (RevPAR) is 178 per cent when compared to the same period in 2021.

There are several drivers of Greater Victoria hotel bookings recovery. These include:

1. Pent-up demand for travel and a backlog of events such as weddings.
2. Easing of restrictions for gatherings, which means in-person events such as meetings and conferences can take place. The Victoria Conference Centre held its first major conference on March 2-5, 2022, following the easing of these restrictions, welcoming 300 delegates for the Fountain Tire Conference.
3. Initiating recovery marketing and promotional campaigns in source markets for visitors such as Vancouver, Calgary, Toronto, Seattle, and San Francisco. Recovery marketing campaigns commenced March 1, 2022, when restrictions eased.

Upcoming milestones in Greater Victoria visitor economy recovery include restarting transportation services that were reduced or shut down during the COVID-19 pandemic. Examples are the Seattle-Victoria Kenmore Air flight service (restarting April 1), the return of cruise ships (April 6), and the Seattle-Victoria Clipper V passenger ferry service (restarting April 15). Victoria Airport Authority passenger numbers continue to build, seeing 60-70 per cent of 2019 numbers and a 300 per cent increase year-over-year.

Recovery is trending better than what is predicted by sources such as Destination Canada, who predict full recovery in 2026. There is still some uncertainty regarding the timing of full Greater Victoria visitor economy recovery. However, Destination Greater is confident the Greater Victoria visitor economy will recover fully before 2026.

The Greater Victoria visitor economy continues to face challenges such as significant debt loads incurred during the COVID-19 pandemic, tight labour market conditions, and inflationary pressures. Abundant risks remain; however, the quick return of top-line visitation is an exciting development and creates confidence for a return to stable and sustainable revenue for Destination Greater Victoria members.

The investment profile for Greater Victoria's visitor economy is also improving. For example, the City of Victoria approved two new downtown hotels in fall 2021. The two new hotels will be located at Broad St.'s 1300-block between Yates St. and Johnson St., and at Fort St. and Blanshard St. There are also two

DESTINATION GREATER VICTORIA

hotels in the planning stage at Pandora St. and Government St., and Blanshard St. between Fairfield Rd. and Burdett Ave., as well as experiential attraction investments such as a new wellness spa at Ship Point.

Quotes:

“Last year as we went through budgeting and business planning processes our members made it clear to us that small businesses, owners and family businesses simply needed to see recovery come more quickly. They asked us to innovate, to be ready and to drive recovery for them. They simply could not afford another poor year. That is why we hit the market hard and early as soon as restrictions eased. We are very grateful for the support and efforts of our members as well. Destination Greater Victoria is executing the recovery plan, but it is the input and ideas of Greater Victoria visitor economy leaders that are contributing to its success.” Paul Nurse – CEO, Destination Greater Victoria

“The last two years have been extremely challenging for all of us in the visitor economy. We are delighted to see vibrancy return to the destination, and increased revenue for important business segments. This is an unusually busy spring season, and we could not be happier.” Darlene Hollstein – Chair, Destination Greater Victoria.

“Greater Victoria hoteliers are excited to welcome back travellers. Seeing our book of business build for the coming season is a promising sign and leaves us optimistic for a strong season in the entire sector. Over the past two years the COVID-19 pandemic created many challenges for our industry and for those that earn a living in the visitor economy, but many businesses are now preparing for a busy spring and summer. Specifically, it is great to see many of our transportation partners getting back to business, including Victoria Clipper and Blackball Ferry, as well as the increasing volumes at Victoria International Airport.” Bill Lewis, Chair – Hotel Association of Greater Victoria.

“Victoria International Airport will continue to see increased passenger traffic as more people travel to Greater Victoria. Destination Greater Victoria’s marketing efforts will drive visitation as the year progresses. We are also pleased to welcome new airlines and routes with more non-stop flights to the destination from places like Kelowna, Calgary, Edmonton, Toronto, Ottawa, and Montreal.” Geoff Dickson, CEO – Victoria Airport Authority

Destination Greater Victoria (Greater Victoria Visitors and Convention Bureau) is our region’s official, not-for-profit destination marketing organization working in partnership with nearly 1,000 businesses and municipalities in Greater Victoria.

-30-

MEDIA CONTACT: Matthew Holme

Manager of Corporate Communications and Destination Management, Destination Greater Victoria

Cell: 778-871-2545

matthew.holme@tourismvictoria.com

DESTINATION GREATER VICTORIA

Mailing address: Suite 200 – 737 Yates Street, Victoria, B.C. Canada V8W 1L6 Tel: (250) 414-6999 Fax: (250) 361-9733

Visitor Centre: 812 Wharf Street, Victoria, B.C. Canada V8W 1T3 Tel: (250) 953-2033 Fax: (250) 382-6539

www.tourismvictoria.com

DESTINATION GREATER VICTORIA

BACKGROUNDER

Destination Greater Victoria collaborates with a range of hotels in Victoria to track forward-looking hotel room bookings on a weekly basis. Aggregated data are compiled for each 15-day period up to 120 days (four months) in advance. Because bookings increase over time as arrival dates approach, these data do not show the destination's actual hotel room occupancy (which can only be known after visitors stay, not in advance). Rather, the data show the **pace of forward bookings**, which is an indicator of how well bookings and business are building. This is shown in the chart below for the next 120 days commencing March 21, 2022.

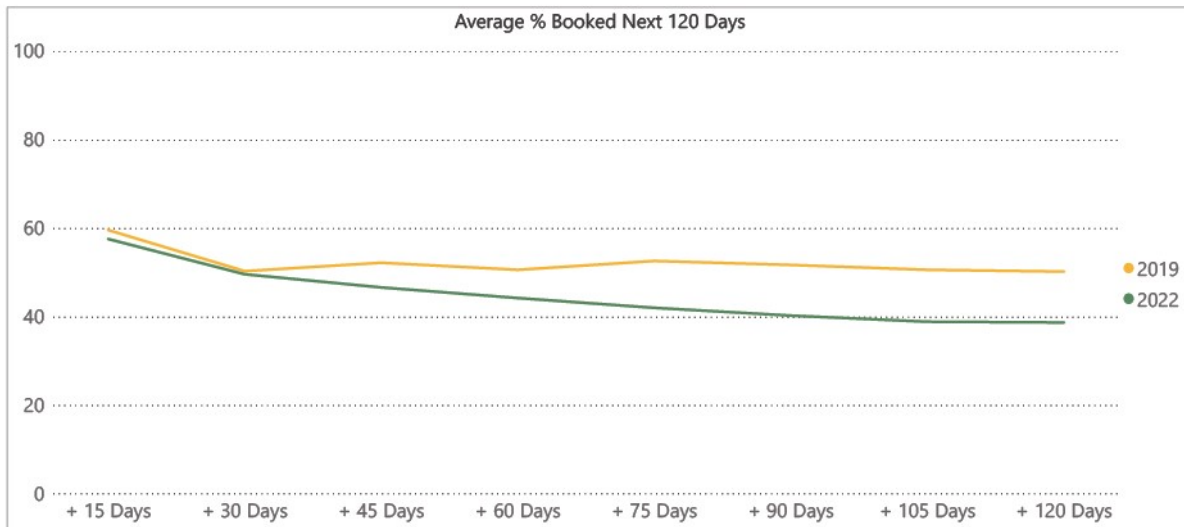
As the chart shows, the pace of hotel bookings in Greater Victoria for the next 120 days is tracking very closely to the levels of bookings for the equivalent period in 2019, before the COVID pandemic. In fact, bookings for March to early April 2022 (50 per cent to 60 per cent of available rooms) are the same as for March to early April 2019, pre-pandemic.

Because hotel room bookings are a forward indicator of prospects for the broader tourism sector, the outlook shown in the chart is very positive for Greater Victoria's visitor economy overall. Bookings are returning quickly to the levels of 2019, confirming that recovery is well underway.

Figure 1: Business on the Books - Pace Summary Average % Booked

Business on Books
Pace Summary: Average % Booked

120 Days from: Monday, March 21, 2022



Legend

Week Commencing: ● Monday, March 21, 2022 ● Monday, March 18, 2019

DESTINATION GREATER VICTORIA

Mailing address: Suite 200 – 737 Yates Street, Victoria, B.C. Canada V8W 1L6 Tel: (250) 414-6999 Fax: (250) 361-9733
Visitor Centre: 812 Wharf Street, Victoria, B.C. Canada V8W 1T3 Tel: (250) 953-2033 Fax: (250) 382-6539
www.tourismvictoria.com