

TOURISM

The Kelowna area has developed into an international destination that attracts tourists year round from all over the globe. As a result, tourism is now a major employment and economic contributor to the Central Okanagan. Okanagan Lake and the abundant and accessible beaches, water recreation and parkland have provided the primary draw for summer vacationers for many years. In addition, the Kelowna area is truly a golf destination with 14 quality golf courses, and more under construction. Dotting the surrounding countryside are 13 wineries where visitors can sample the renowned of the Okanagan Valley throughout the year. In Kelowna's Cultural District, a wide range of galleries, museums, theaters, fine dining restaurants, and unique shops are poised for discovery. Lake City Casino, numerous festivals and cultural events add to the vibrancy of the area. During the winter months, skiing, snowboarding and other winter activities are available at nearby Big White and Silverstar Ski Resorts and other wilderness lodges.

Meetings, conventions and sporting events play a vital role in supporting the local tourism industry. Kelowna has become a desirable destination for these activities, which are expected to grow due to the continued improvement in the region's air access.

There are a number of dimensions to the economic impact of tourism in the Central Okanagan. These include:

Accommodations: There are over 45 hotels, motels and resorts, and over 100 bed and breakfasts in the region, as well as nearby campsites, supplying a large number of jobs and tax revenue for the local economy.

Attractions: The world renowned wineries, golf courses, ski resorts, galleries, museums and other attractions in the region also generate a significant number of employment opportunities.

Kelowna International Airport: Kelowna International Airport is Canada's largest municipally owned and operated airport. YLW has over 30 departures per day with non-stop service to Calgary, Edmonton, Las Vegas, Prince George, Seattle, Toronto, Vancouver and Victoria on five air carriers; Air Canada, AC Jazz, Central Mountain Air, Horizon Air and WestJet. Seasonal charter service is also offered to Los Cabos, Cancun and Puerto Vallarta.

Other business benefit from tourism: Tourist spending benefits a wide range of businesses, including retail, food and beverage providers, and ground transportation (taxis, buses etc.).

TOURIST VISITOR SPENDING

Statistics Canada estimates that there were a total of 1.2 million person visits to the Kelowna area in 2004 by non-local residents. Of the 1.2 million visitors, 1 million (83%) stayed overnight in the Kelowna area, with the remainder being day visitors.

Each visitor to the Kelowna area spent an average of \$425 during their stay on accommodation, retail, food and beverage, attractions, and other expenditures. In total, it was estimated that visitors to the area spend approximately \$346 million per annum.

ECONOMIC IMPACT OF TOURISM

Tourism in the Kelowna area generates 6,900 direct jobs, equal to 5,100 full-time equivalents (FTEs). Total wages associated with tourism related employment are \$130 million.

Including multiplier impacts (direct and induced), a total of 9,800 jobs (FTEs) may be generated across BC by the region's tourism industry.

In addition to employment, the region's tourism industry generates roughly \$220 million in direct Gross Domestic Product (GDP) and \$390 million in direct economic output.

Including indirect and induced impacts, tourism in the region generates \$320 million in GDP, and \$610 million in economic impact for the province.

ECONOMIC IMPACT OF TOURISM¹

Total Impacts	Employment		Wages (\$ millions)	GDP (\$ millions)	Output (\$ millions)
	Jobs	FTEs			
Direct	6,900	5,100	130	220	390
Indirect	2,100	1,600	30	70	160
Induced	800	600	10	30	60
Total	9,800	7,300	170	320	610

ACCOMMODATION SECTOR²

The accommodation sector experienced a difficult year in 2008 compared to the past decade. Room revenues remained essentially flat with economic conditions placing downward pressure on both business and leisure travel, particularly in the latter half of the year.

Accommodation Room Revenue 2008³

	Revenue		Properties		Rooms	
	2008	% Change from 2007	2008	# Change from 2007	2008	# Change from 2007
Central Okanagan	95,336	1.6	59	4	3,934	49
Hotels	61,162	2.0	22	2	2,114	173
76-150 Rooms	34,968	6.7	11	1	1,186	99
Motels	13,325	-5.6	19	0	896	0
City of Kelowna	82,618	0.0	49	3	3,307	35

Note: Significant revision to past data make the 2008 data incompatible for comparison with previous releases.

¹ Tourism Kelowna, November 2006, *The Economic Impact of Tourism in Kelowna*

² Tourism Sector Monitor, March 2009, <http://www.bcstats.gov.bc.ca/pubs/tour/tsmdata.pdf> (Accessed April 15, 2009)

³ IBID

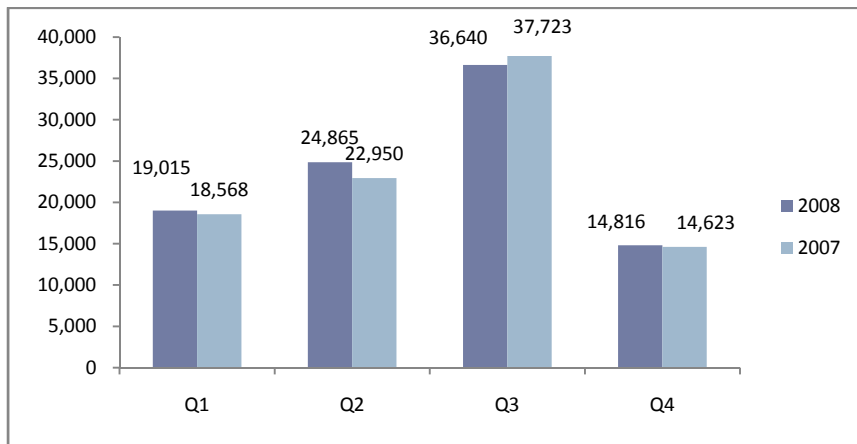
SEASONALITY⁴

The accommodation sector in the Central Okanagan exhibits significant seasonality. Roughly two thirds of room revenue is earned in the middle quarters of the year (spring, summer and fall). July and August are the key revenue months.

Central Okanagan Quarterly Room Revenue 2004 to 2008

Year	Total	Q1	Q2	Q3	Q4
2004	68,490.7	12,684.4	16,481.2	28,144.8	11,180.2
2005	75,118.5	15,744.7	17,429.4	29,610.0	12,334.5
2006	80,372.7	15,215.0	20,014.2	31,568.2	13,575.3
2007	93,864.2	18,568.3	22,949.8	37,722.8	14,623.3
2008	95,336.1	19,015.2	24,864.6	36,639.9	14,816.3

2007-2008 Central Okanagan Quarterly Room Revenue



⁴ BC Stats, Quarterly Regional Statistics, Central Okanagan, First Quarter 2008, <http://www.bcstats.gov.bc.ca/pubs/qrs/rd35.pdf> (Accessed June 16, 2008)