

## **1.1 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 Ski Resort 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 (YLW) was the 9th busiest airport in Canada during the first quarter of 2008, slightly ahead of Victoria. 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:** The spending of tourists benefits a wide range of businesses including retail, food and beverage providers, and ground transportation (taxis, buses etc.).

### **1.1.1 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.

### 1.1.2 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.

### 1.1.3 ECONOMIC IMPACT OF TOURISM<sup>1</sup>

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

### 1.1.4 ACCOMMODATION SECTOR<sup>2</sup>

The accommodation sector in the Central Okanagan is composed of 89 properties with 4,743 rooms in total. Room revenue in 2007 totaled \$93.9 million up 16.9% from 2006. Room inventory grew from 4,743 units in 2006 to 4,863 in 2007. A number of properties changed ownership between 2006 and 2007 which impacted property counts and room counts between categories.

The City of Kelowna accommodation industry accounts for three quarters of properties in the region and 88.0% of room revenue.

	2006			2007		
	Revenue (\$ thousands)	Properties	Rooms	Revenue (\$ thousands)	Properties	Rooms
Central Okanagan	80,373	89	4,743	93,864	89	4,863
Hotels	52,902	23	2,036	59,970	27	2,246
Motels	13,469	27	1,116	14,117	25	1,048
Vacation Rentals	11,020	28	1,016	14,046	26	994
City of Kelowna	72,053	66	3,849	82,599	67	3,882

<sup>1</sup> Tourism Kelowna, November 2006, *The Economic Impact of Tourism in Kelowna*

<sup>2</sup> BC Stats, 2008, *Tourism Room Revenue*, [http://www.bcstats.gov.bc.ca/data/bus\\_stat/busind/tourism/trra2007.csv](http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism/trra2007.csv) (Accessed June 16, 2008)

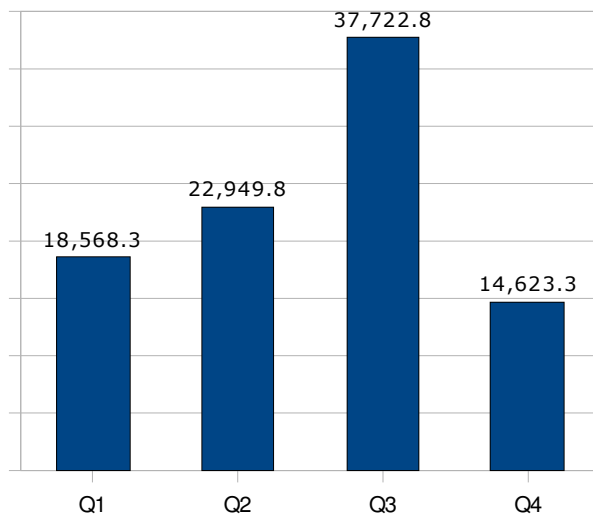
### 1.1.5 SEASONALITY<sup>3</sup>

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 1999 to 2007

Year	Total/YTD	Q1	Q2	Q3	Q4
1999	49,068.3	8,952.3	11,900.4	20,333.0	7,882.5
2000	56,052.8	9,207.4	13,552.5	24,265.4	9,027.5
2001	58,965.4	9,993.0	14,855.4	24,727.8	9,389.3
2002	64,463.0	12,033.3	15,520.2	27,015.8	9,893.7
2003	65,114.3	12,263.6	15,866.0	25,786.5	11,198.1
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

#### 2007 Central Okanagan Quarterly Room Revenue



<sup>3</sup> BC Stats, Quarterly Regional Statistics, Central Okanagan, First Quarter 2008, <http://www.bcstats.gov.bc.ca/pubs/qrs/rd35.pdf> (Accessed June 16, 2008)

**Tourism Room Revenue 2004 to 2008<sup>4</sup>**

	2004	2005	2006		2007			
	Revenue (\$ 000)	Revenue (\$ 000)	Revenue (\$ 000)	Properties	Rooms	Revenue (\$ 000)	Properties	Rooms
<b>BRITISH COLUMBIA</b>	1,590,956	1,688,343	1,815,312	2,542	102,556	1,967,921	2,501	100,714
Fishing lodges	19,504	20,580	21,880	157	1,836	24,322	159	1,958
Hotels	1,173,911	1,242,682	1,337,621	700	60,415	1,450,406	705	59,024
251+ Rooms	467,820	481,581	506,995	40	15,774	535,478	34	13,365
151-250 Rooms	198,608	211,406	230,059	50	9,471	251,128	49	9,272
76-150 Rooms	321,679	346,528	379,442	185	19,079	425,146	194	19,963
1-75 Rooms	185,804	203,166	221,126	425	16,091	238,654	428	16,424
Motels	195,070	210,861	234,346	805	21,946	244,151	766	21,032
Vacation Rentals	123,473	134,245	135,407	442	9,313	149,385	421	9,206
Miscellaneous	78,999	79,975	86,058	438	9,046	99,658	450	9,494
<b>THOMPSON/OKANAGAN</b>	231,041	251,869	273,102	611	20,568	306,729	613	20,983
Fishing lodges	1,829	1,889	1,860	28	282	1,856	28	292
Hotels	121,576	131,862	141,305	119	7,974	157,016	127	8,689
76+ Rooms	91,474	97,471	107,091	42	5,075	121,546	47	5,608
1-75 Rooms	30,102	34,391	34,214	77	2,899	35,470	80	3,081
Motels	71,350	76,107	83,310	268	7,855	88,521	251	7,331
Vacation Rentals	23,985	27,336	28,724	102	2,310	32,697	101	2,351
Miscellaneous	12,299	14,675	17,903	94	2,147	26,639	106	2,320
<b>Central Okanagan</b>	68,491	75,119	80,373	89	4,743	93,864	89	4,863
Hotels	45,165	49,979	52,902	23	2,036	59,970	27	2,246
Motels	13,623	13,665	13,469	27	1,116	14,117	25	1,048
Vacation Rentals	7,384	9,195	11,020	28	1,016	14,046	26	994
City of Kelowna	61,184	68,070	72,053	66	3,849	82,599	67	3,882

<sup>4</sup> BC Stats, British Columbia Tourism Room Revenue by Region, June 2008  
[http://www.bcstats.gov.bc.ca/data/bus\\_stat/busind/tourism/trra2007.csv](http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism/trra2007.csv)