

BCHA INDUSTRY UPDATE

KOOTENAY ROCKIES TOURISM ASSOCIATION

ANNUAL GENERAL MEETING | OCTOBER 24, 2024



BRITISH COLUMBIA
HOTEL ASSOCIATION





PAYING OUR RESPECTS

In the Spirit of Truth and Reconciliation, we would like to acknowledge that this meeting is happening on the traditional territories of the Sinixt (sin-eye-ch-kiss-ta), the Syilx (see-yeel-x), and the Ktunaxa (k-too-nah-ha) peoples, and is home to many other indigenous persons, including the Inuit and Metis.

We thank them for allowing us to live, work, and play on their traditional and ancestral territory.



BRITISH COLUMBIA
HOTEL ASSOCIATION

ADVOCACY REPORT



ADDRESS

948 Howe Street
Vancouver, BC

CONTACT

Ingrid Jarrett
Ingrid@bcha.com

MISSION

SHAPING THE FUTURE OF
HOSPITALITY



ADVOCACY



EDUCATION



COMMUNICATION

BCHA VALUES

ADVOCACY | RESPECT | COLLABORATION

BOARD OF *DIRECTORS*



NORTH - 2 | EAST - 2 | INTERIOR - 3 | VANCOUVER - 2
WHISTLER 1 | VANCOUVER ISLAND NORTH - 1 | + 3 SEATS

OUR ADVOCACY APPROACH



**YOUR
VOICE**

RESEARCH



STRATEGY

**GOVERNMENT
ENGAGEMENT**



**PUBLIC
AMPLIFICATION**

**MEASURING
RESULTS**



OUR ADVOCACY APPROACH

ENGAGEMENT SURVEYS

- Short-Term Rentals
- Access to Housing
- MRDT

DIRECTION FROM BOARD

MEMBER FEEDBACK & ENGAGEMENT

- Cost of Doing Business
- Training and Upskilling
- People & Careers

**YOUR
VOICE**

STRATEGY

**PUBLIC
AMPLIFICATION**

**MEASURING
RESULTS**



OUR ADVOCACY APPROACH

INDUSTRY ADVOCACY COLLABORATION

CROSS INDUSTRY IMPACT SURVEYS

ASSESS RESEARCH REPORTING NEEDS

GOVERNMENT COMMUNICATIONS STRATEGY



OUR ADVOCACY APPROACH

- Ministry of Tourism, Arts, Culture and Sport
- Ministry of Labour
- Ministry of Municipal Affairs
- Ministry of Housing
- Ministry of Finance
- Ministry of Jobs, Economic Development and Innovation (JEDI)
- Ministry of Technology, Innovation and Citizens' Services (MTICS)
- Ministry of Public Safety and Solicitor General - Emergency Management BC (EMBC)

GOVERNMENT ENGAGEMENT

RESEARCH

MEASURING
RESULTS

YOUR
VOICE

STRATEGY

PUBLIC
AMPLIFICATION



OUR ADVOCACY APPROACH



MENTIONS:
480+



AD VALUE:
\$4.7 Million



REACH:
500+ Million

GOVERNMENT
MANAGEMENT

MEASURING
RESULTS

**PUBLIC
AMPLIFICATION**

OUR ADVOCACY *APPROACH*



WHAT YOU *TOLD US*

89%

Trust the BCHA

- Short-term vacation rentals
- Emergency Management Booking Portal

92%

Net Promoter Score

Respondents told us they would recommend BCHA membership to others

81%

Value for Money

Advocacy Work | Industry Newsletter
Education & Training | Member Services



INDUSTRY
PERFORMANCE

Confidential

Occupancy across BC: how is your area performing?

British Columbia Submarkets, March YTD Occupancy



Seeing YoY ADR declines in some BC submarkets

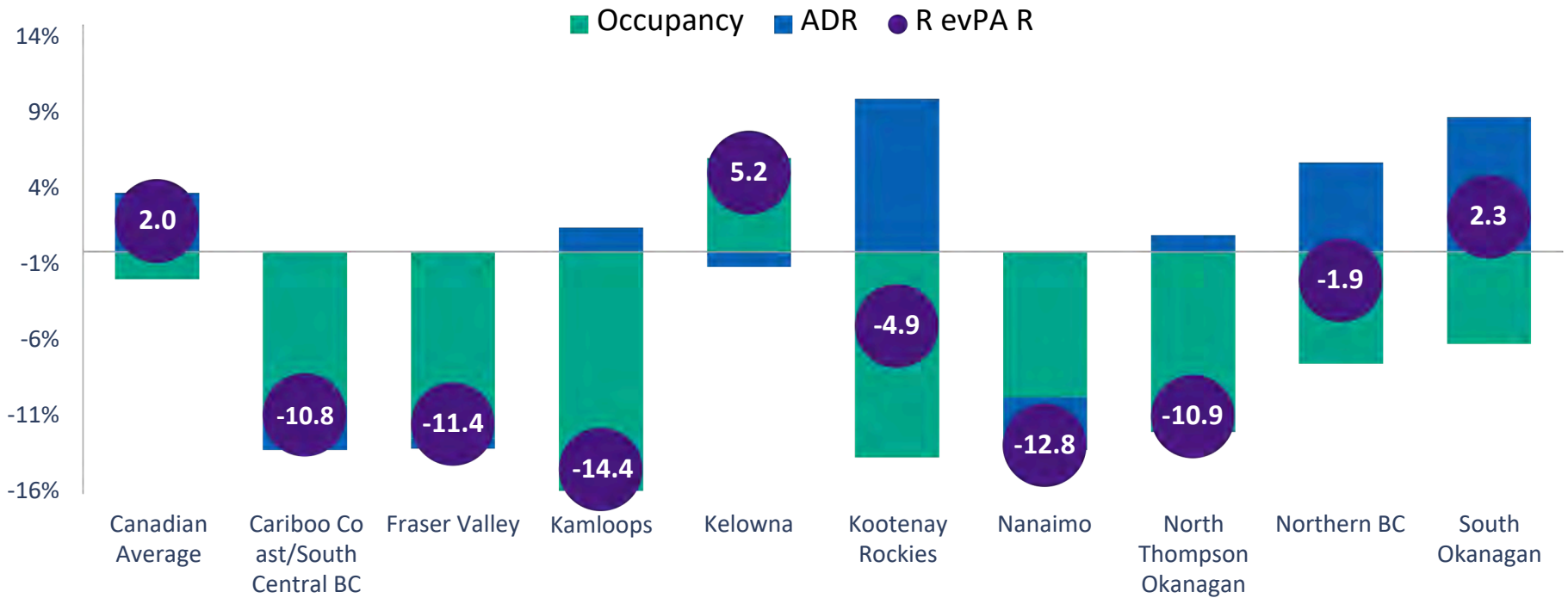
British Columbia Submarkets, March YTD ADR (CAD)



Confidential

Kelowna bucks the trend with occupancy-driven RevPAR growth

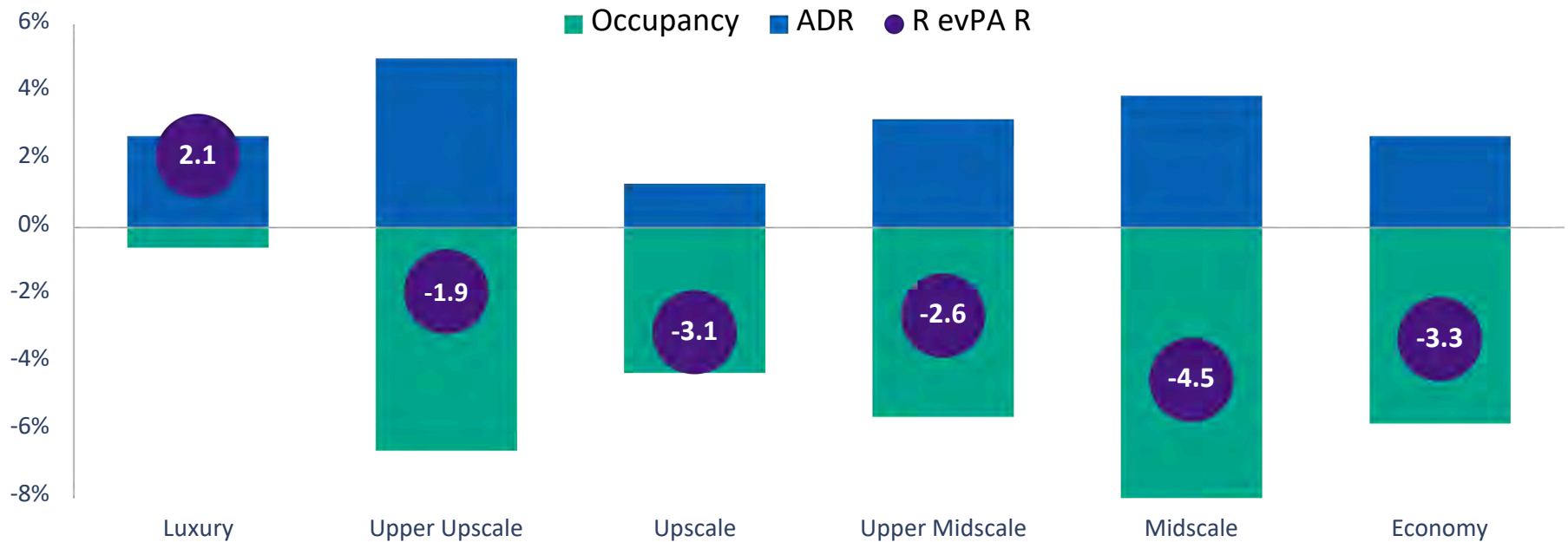
British Columbia Submarkets, KPI % chg. YoY, March YTD 2024



Confidential

Luxury is the only class growing RevPAR this year

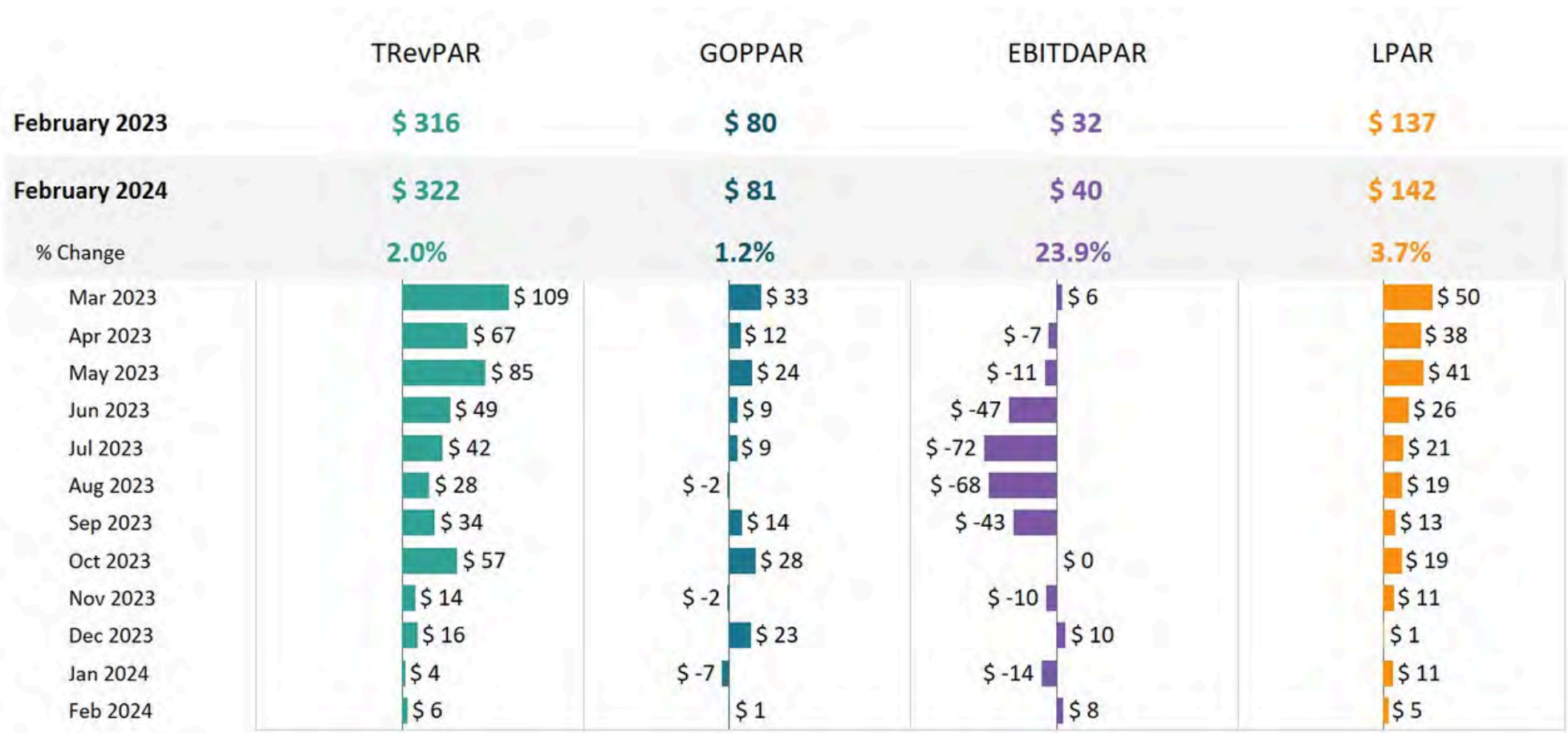
British Columbia by Class, KPI % chg. YoY, March YTD 2024



Confidential

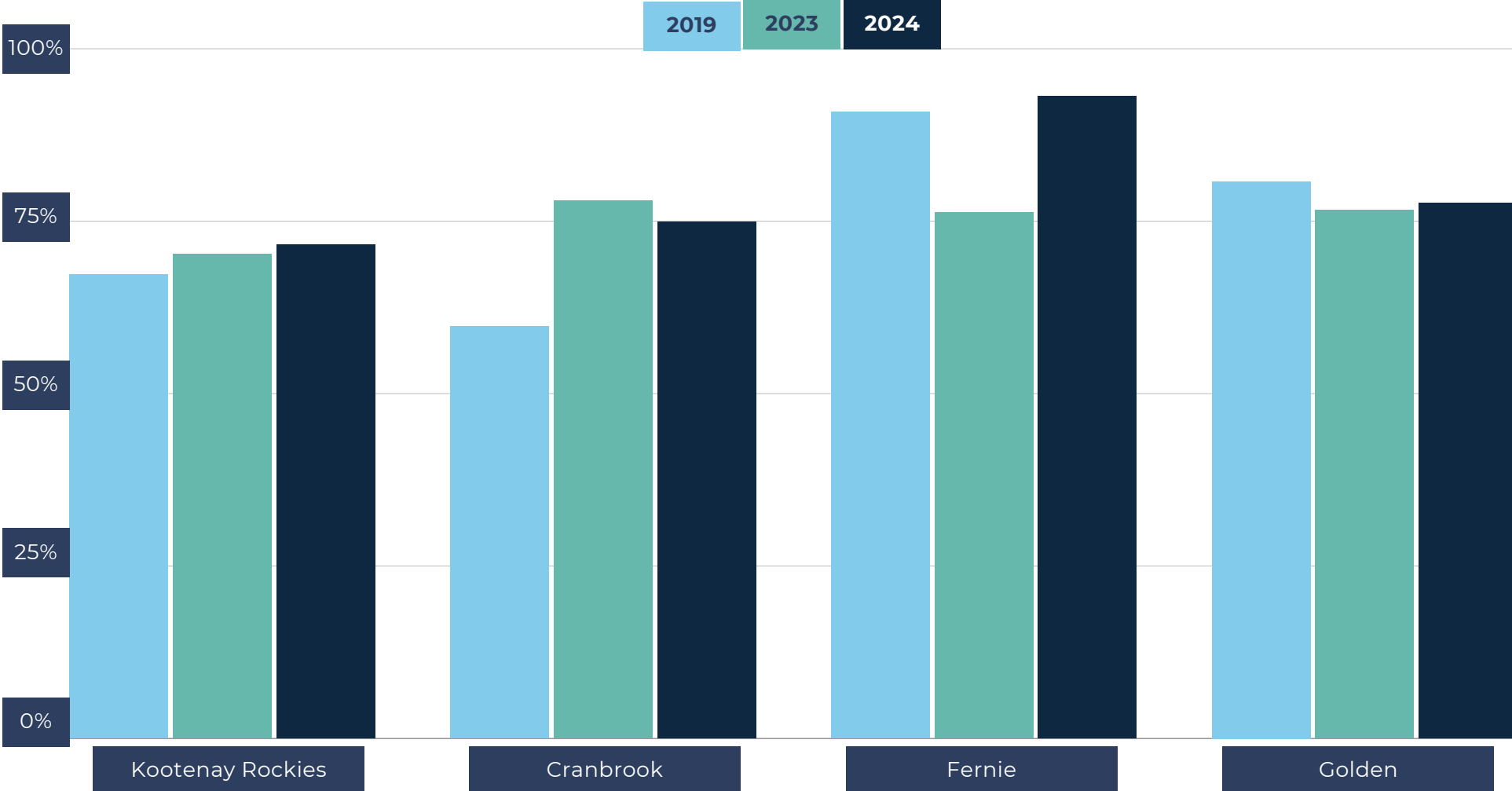
Labour costs still putting a damper on profits

Total Canada | Profitability KPI difference from same month previous year | CAD



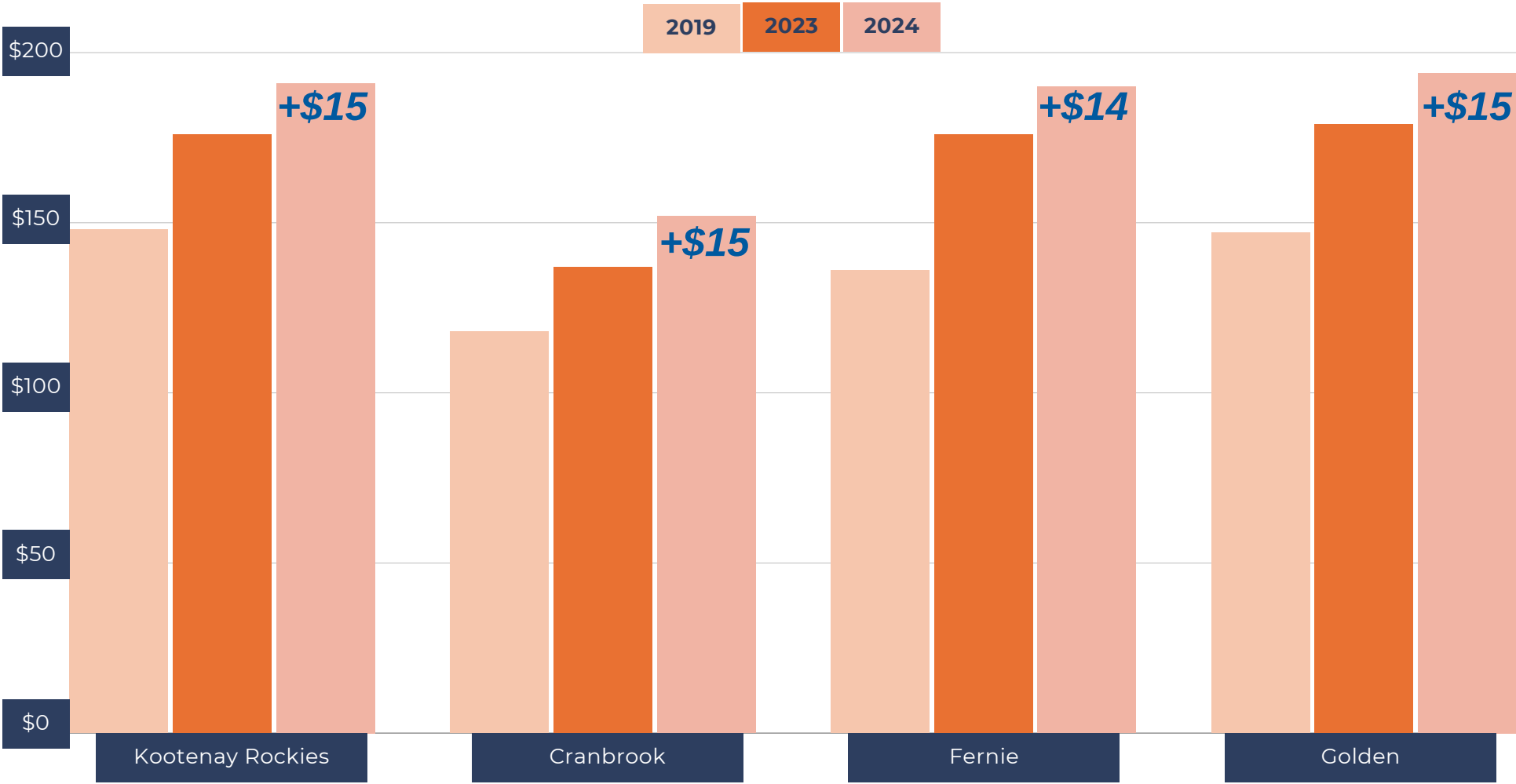
Occupancy growth varies across Kootenay Rockies submarket

Kootenay Rockies Submarket, September YTD Occupancy



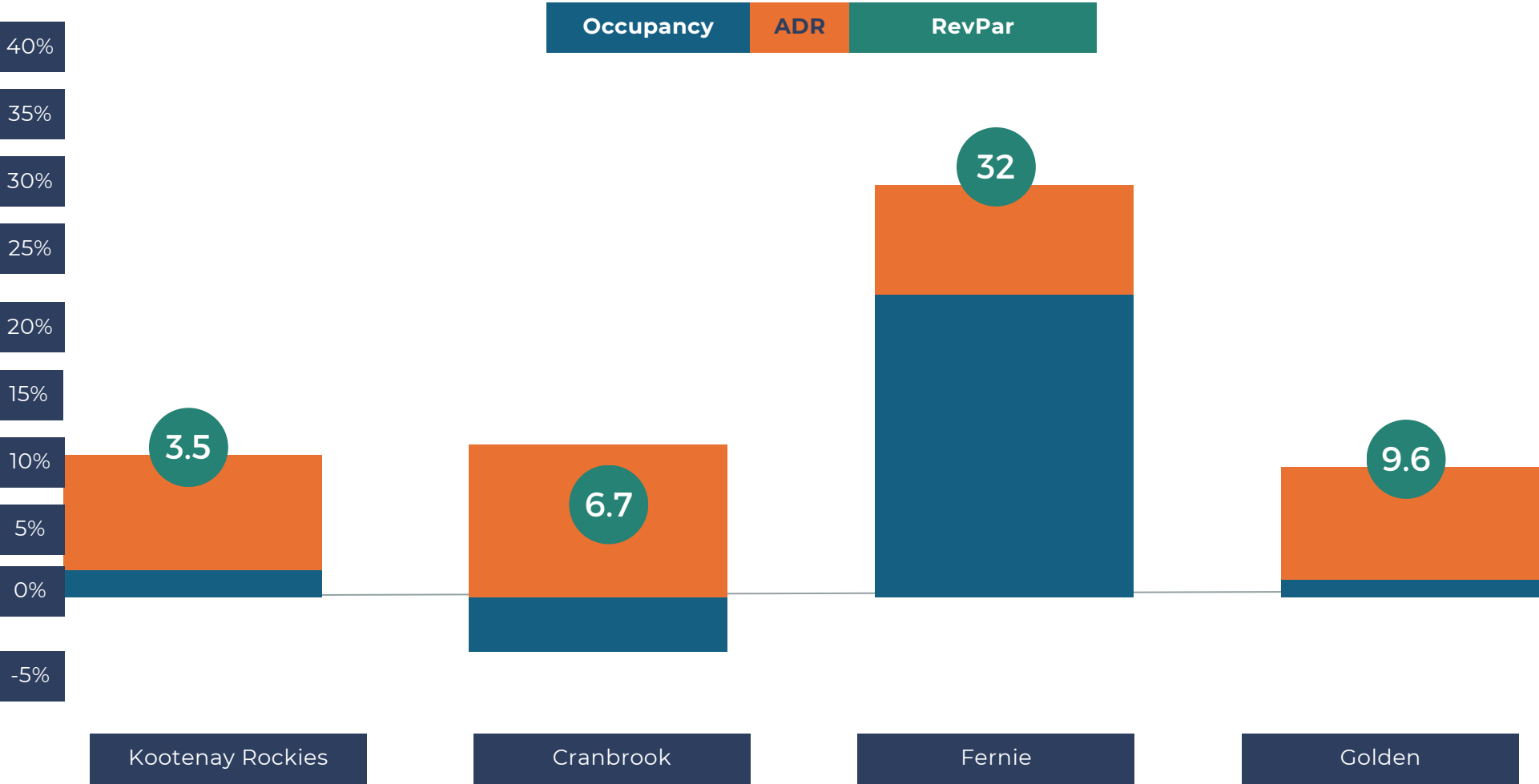
Strong ADR growth through the Kootenay Rockies submarket

Kootenay Rockies Submarket, September YTD ADR (CAD)



Fernie leading the way in RevPAR growth

Kootenay Rockies Submarket, KPI % chg. YoY, September YTD 2024



SHORT TERM RENTALS





WHY?

AFFORDABILITY & LIVEABILITY

Housing

Affordable, available housing for employees

Recruitment & Retention

Attracting and keeping hospitality staff

Supply & Demand

Low vacancy rate, higher rental rates

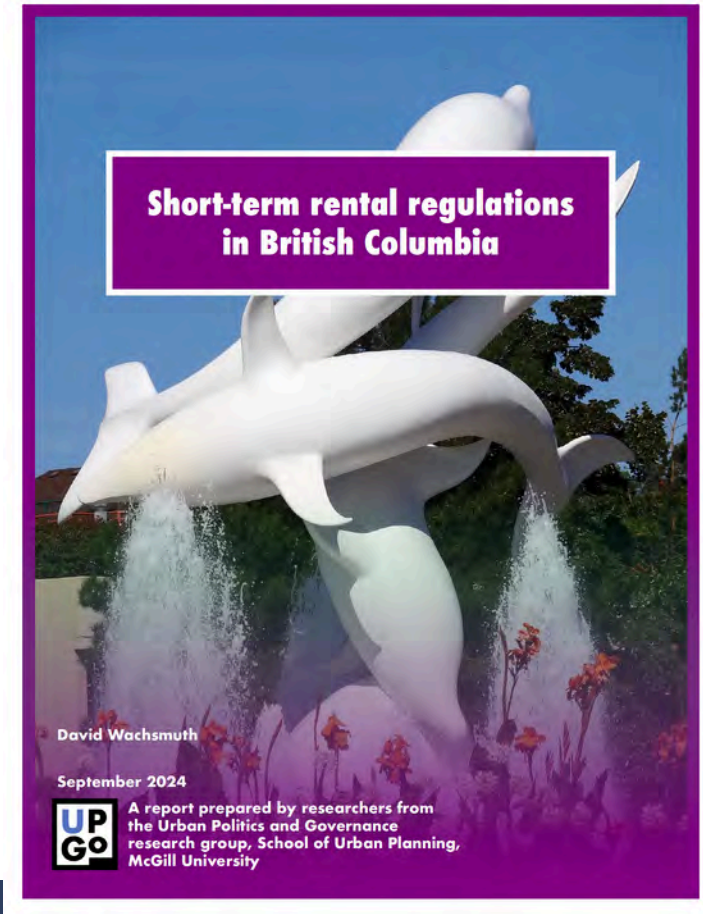
Bottom Line

Hotels are housing employees as there is no affordable housing available in their communities. Hotels are funding employee housing where they can find it.

OUR RESEARCH

URBAN POLITICS AND GOVERNANCE RESEARCH GROUP AT MCGILL

- **48.4%** of active listings in June 2023 were owned by hosts with multiple short-term rental properties.
- As of June 2023, **16,810 housing units** were converted from residential units to dedicated short-term rentals.
- Sept 2024 Year-over-Year Impact of STR legislation:
- Municipal STR regulations saved BC renters more than **\$600 million** last year
- If Provincial legislation has same effect, renters will be saving **\$592 million** per year by 2027
- If repealed after 2024, within two years renters will pay an extra **\$1 billion** in rent



PROVEN *SOLUTIONS*



- Principal Residence Requirement
- Province-Wide Registry
- Platform Accountability
- Real-Time Data Sharing for efficient market monitoring within municipalities

MUNICIPAL TOOLKIT

ENGAGING OUR COMMUNITIES

- Tool to support municipalities develop their own policy
- Enforcement

HOTEL ASSOCIATION OF CANADA
ASSOCIATION DES HÔTELS DU CANADA

B.C. HOTEL ASSOCIATION

**A FRAMEWORK FOR
CANADIAN REGULATORS**

**DEVELOPING A
MODERN APPROACH
TO SHORT-TERM VACATION
RENTALS IN A DIGITAL ECONOMY**

THE LANDSCAPE

Governments at all levels are grappling with the implications of the growing short-term rental industry. There is an acute need for federal, provincial, and municipal governments to put in place a modern regulatory framework to address the stresses and unintended consequences created by short-term accommodation rentals.

OBJECTIVES

- Minimize the displacement of affordable and accessible housing
- Minimize community nuisance while protecting public safety and with adherence to municipal bylaws
- Ensure a level competitive playing field by collecting appropriate taxes and tourism levies
- Enable compliance while minimizing the administrative burden for hosts, home-renting platforms and governments.

THE ROADMAP

Based on emerging best practices, municipal regulators should adopt these five steps when developing regulations.

- 01 RESEARCH**
 - Understand how short-term rentals and the commercialization of principal residences are impacting on communities and neighborhoods. Consider leading and best practices from other jurisdictions.
- 02 EXISTING REGULATION**
 - Review the policies and regulations that are in place today. Canadian municipalities should also review what is in place and being contemplated at the provincial level, provincial regulatory web-platform accountability is the best practice, as it allows the municipal governments and / or regional districts to identify all STRs in their jurisdiction which enables appropriate enforcement and reduces the administrative burden of municipal staff.
- 03 CONSULTATION**
 - Consult with the local tourism, hotel, and housing sectors to assess the impact of short-term rentals on the community. Also review the community plan, neighborhoods, and livability goals of the community along with zoning, transportation and amenities.
- 04 APPLY REGULATORY TOOLS**
 - Define each of the right key tools and how they can best be applied in response to local conditions.
 - Engage stakeholders on proposals and past regulations that are sustainable and effective over the long term. This could include specific locations and/or home sharing only, and implement commercial licenses for one year to review the impact of commercialization.
- 05 MONITOR AND ASSESS**
 - Actively monitor the reported results against expected outcomes, pay close attention to resident complaints.
 - Proactively investigate regulatory compliance and refine policy as circumstances and experience dictate.

BCHA.COM | **HOTELASSOCIATION.CA**



COST OF DOING BUSINESS

NAVIGATING *RISING COSTS*

- Property Tax
- Labour Wages
- Energy Costs
- Capital Gains Exemption





PATHWAYS TO HIRING

PEOPLE & CAREERS



ADJUSTMENTS TO TEMPORARY FOREIGN WORKER *PROGRAM*

Changes effective September 2024 include:

- A refusal to process Labour Market Impact Assessments (LMIAs) in urban areas with unemployment rates of 6% or higher
- A reduction in the cap on TFWs to 10% of an employer's workforce
- A decrease in the maximum duration of employment for workers hired through the Low-Wage stream from 2 years to 1
- HAC engaging federal government

CHANGING WORK HOUR RULES FOR INTERNATIONAL STUDENTS

*FEDERAL REFORMS TO INTERNATIONAL STUDENT
PROGRAM:*

- Permitted to work 24 hours per week off-campus, up from 20
- In effect as of September 16
- Flexible, cost-effective labour solution
- Co-Op Students: BCHA Workspace



DESTINATION CANADA MOBILITY FORUM

Connecting member hotels with
LMIA-Exempt Workers!

Recruit & Hire

- **February 14 - 15, 2025 | Paris, France**
- Meet with job seekers to explain pathways to employment
- Vet qualified candidates in different positions
- Many preferred to live in smaller towns, rural areas





INTERNATIONAL EXPERIENCE CANADA

Connecting member hotels with
LMIA-Exempt Workers!

- Workers are eligible to work anywhere in any occupation
- Work permits valid for 1-2 years

Three Streams:

1. Working Holiday Permit - Popular
2. Young Professionals
3. International Co-Op (Internship)



Alison Langford,
BCHA Workforce Strategist

- Complimentary Recruiting Consultation
- 1 on 1 session
- Discuss options and strategies
- Support your hiring efforts

alison@bcha.com

PEOPLE & CAREERS *SUPPORT*



COMBATING
HUMAN
TRAFFICKING





NOT IN *OUR HOTEL*

PARTNERSHIP WITH *NOTINMYCITY*

- Collaborative initiative between provincial counterparts:
 - Saskatchewan Hotel & Hospitality Association
 - Alberta Hotel & Lodging Association
 - Ontario Restaurant & Hospitality Association
 - Manitoba Hotel Association
- Develop human trafficking awareness and prevention training and resources to hotels
- ***Our Message: We will not tolerate human trafficking in the hotel industry***



MRDT &
TAXATION

MUNICIPAL & REGIONAL DISTRICT TAX

MRDT is #1 issue identified by hotels

- Tri-Party System
- Gold Standard
- Transparent
- Results-Driven
- Provincial Alignment



HOTEL DEVELOPMENT *AND INFRASTRUCTURE*



**TASK FORCE CO-CHAIRLED BY
ROYCE CHWIN AND INGRID
JARRETT**

- Assessment
- Identify Challenges
- Stakeholder Collaboration
- Develop Recommendations

NEW AND EXISTING STAFF *ACCOMMODATIONS*

- Access to CMHC mortgage insurance and preferential lending rates for stand-alone staff housing and portions of hotels dedicated to staff accommodation.
- Rental housing GST-refund eligibility for hotels that are building mixed use and stand-alone staff accommodations.
- Higher Capital Cost Allowance rate for staff housing, with the ability to use those losses to offset income in the main hotel property.

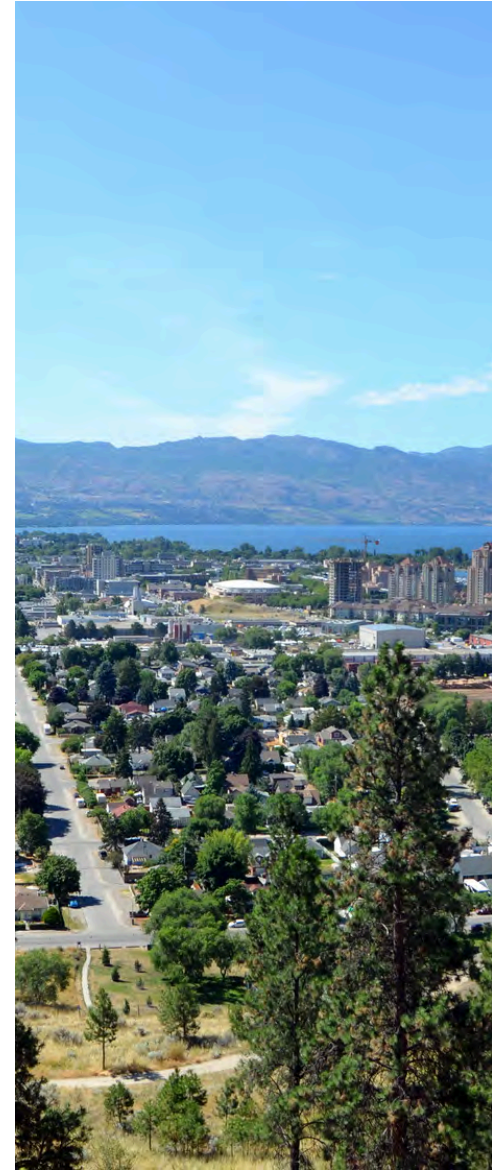




EMERGENCY PREPAREDNESS

OUR AIM: PLANNING *NOT REACTING*


- Over 100,000 rooms contracted for floods and fires from 2021 - 2023
- Travel ban hastily enacted to ensure hotel availability
- Excess in hotel capacity across the entire Okanagan region





A MODERN SOLUTION TO AN *EVOLVING* *ISSUE*

Emergency Management
Booking Portal


Sort By: None ▼ 63 Properties found on August 12 - August 15









SUPER 8 KELOWNA
2592 Hwy 97 N, Kelowna, BC, V1X 4J4, Canada
250-762-8222

P  


[Website](#) [Map](#)








HOLIDAY INN EXPRESS & SUITES KELOWNA EAST
1620 Powick Road, Kelowna, BC, V1X 7G5, CANADA
778-484-2999


P      

[Website](#) [Map](#)



ACCENT INN - KELOWNA
1140 Harvey Ave., Kelowna, BC, V1Y 6E7, CANADA
250.862.8888 Toll Free: 800.663.0298

 **P**    

[Website](#) [Map](#) 

A close-up photograph of a person's hands working at a desk. One hand is writing in a spiral notebook, while the other is using a calculator. In the foreground, a stack of gold coins and a single silver coin are visible on a wooden surface. The background is softly blurred, showing the person's blue sleeve and the notebook's pages.

MEMBERSHIP BENEFITS

**MEMBER VALUE
OPPORTUNITIES**

FAST TRACK YOUR FUTURE

BCHA's Education Series



High value training from the industry's leading experts and trainers!

Signature Series

Housekeeping Management & Methods
Human Resources Principles & Approaches
Food & Beverage Operational Optimization
Financial Literacy & Logistics
Leadership for Hospitality Professionals

Spotlight Series

Social Media & Communication Strategies
Food Efficiency & Reducing Waste
Managing Crisis Communication



[Learn More & Register at BCHA.com/Fast-Track-Your-Future](https://www.bcha.com/fast-track-your-future)

COST SAVINGS THROUGH MEMBERSHIP



Lien Chang
Member Services Coordinator

lien@bcha.com



SAVINGS FROM A NETWORK OF 100+ ALLIED MEMBERS

Featuring hotel amenities, supplies, training and consulting services, and housekeeping equipment—all crafted to help you save on a wide range of products and services.



UNLOCK EXCLUSIVE RATES AND BOOST PURCHASING POWER WITH 8 PREMIER PARTNERS

Enjoy significant savings and enhanced benefits through our carefully selected partners, designed to maximize your value as a member.



HOTEL-PROTECTED SELF INSURANCE *PROGRAM*

- Insurance Program Tailored to the Hospitality Industry.
- Led by the provincial associations on behalf of you, our industry.



CANADIAN HOSPITALITY HEALTH PLAN



BRITISH COLUMBIA
HOTEL ASSOCIATION



ALBERTA HOTEL &
LODGING ASSOCIATION

CANADIAN
HOSPITALITY
HEALTH PLAN

PROGRAM STRUCTURE



Emulating the Advantages of Large corporate Benefits Plans

Health & Dental

- Economies of Scale - bringing members together under one large entity
- Self-Insured under an Administrative Services Only (ASO) program
- Annual Financial Reporting and Governance (Deposits, Claims & Expenses)
- Ability for program to own year-end surpluses

Life & Disability

- Fully insured under a major Canadian insurer.

KEY FEATURES



Ownership	Structure enables Program to <u>own annual surpluses</u> .
Cost Savings	<u>Reduced costs</u> through collective negotiating power and removal of insurer mark-ups.
Rate Stability	Program is renewed as a large pool providing members a <u>spread of risk</u> and <u>stabilization of rates</u> .
Tailored Coverage	<u>Coverage flexibility</u> to meet the unique needs of the hospitality industry.



Third Party Administrator & Payor

Leader in Benefits administration in Canada with over \$900M in premium and over 30,000 clients

Headquartered in Winnipeg with over 400 employees nationally

Specialize in Employee Benefits plan administration and claims adjudication services

Offering best-in-class online experience for Benefits administration and plan member services through proprietary technology



CANADIAN
HOSPITALITY
HEALTH PLAN

How to join the program? - Visit www.chhp.ca

Program Manager, will provide program overview:

- Side-by-side plan comparison
- Premium comparison outlining savings under new program
- Overview of plan enhancements



Phone: 866-744-1632

Email: info@avancegroup.ca

www.avancegroup.ca

SUSTAINABILITY TOOLS & RESOURCES

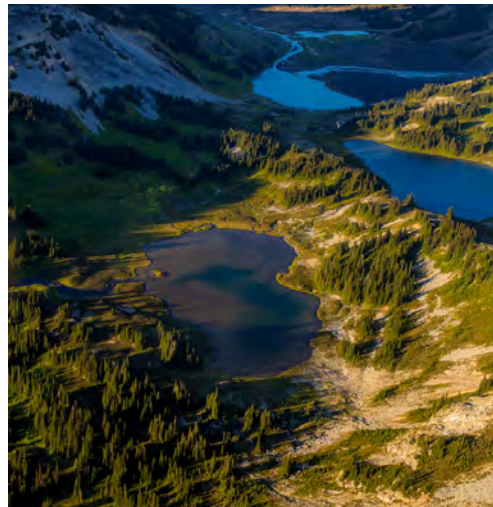
Sustainability Playbook

Available to all BCHA
members



GoGreen Program

Complimentary energy
analysis



EcoFund | GreenStep

Generate budget for energy
efficiency upgrades



COST OF MEMBERSHIP *COVERED!*



**Improve Purchasing
Power**

Foodbuy

ECNG
energy group



**Save Money on
Products**

SHERWIN-WILLIAMS®

SONA

ECOLAB®



**Customized Solutions
for Industry**

HIP | HOSPITALITY
INSURANCE
PROGRAM

GreenStep



**Solve Labour
challenges**

**CANADIAN
HOSPITALITY
HEALTH PLAN**

GET IN TOUCH

MEMBER SUPPORT & INQUIRIES

Member Services Manager,
Samantha Glennie -
Samantha@bcha.com

ADVOCACY INQUIRIES

President & CEO, Ingrid Jarrett -
Ingrid@bcha.com

