



CCHPA Year in Review

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It has been a great year for CHPA -- and the CCHPA Chapter as well. There has been a lot of activity and planning at both the Association and Chapter levels. Here is an update on recent activities and upcoming initiatives for Chapter members.

Industry Update

While there is no single source of industry data in Canada, there are other sources of information that can provide Canadian market insight. Jeffrey Brookhouser, CCHPA Board Vice President, summarizes other key indicators of interest for Canadian providers.

There are, however, several sources of information that when taken in context, provide some Canadian market insight. The *National Tourism Indicators, Quarterly Estimates* publication provide a snapshot of tourism revenues by sector, including accommodations. PKF Consulting (PKF) is a Canadian Management-consulting firm nationally and internationally recognized as one of the foremost specialists in the hospitality and tourism industries. PKF compiles timely statistical data for the lodging industry in Canada including rate, occupancy and inventory. This supplements the industry specific information in select Canadian markets – Calgary and the Greater Toronto Area, in the most recent *Corporate Housing Industry Report 2010*, compiled by The Highland Group.

According to PKF consulting, “In 2009, the Canadian Lodging industry has been hit hard by the recession. Demand is expected to have contracted by 6.5%, from where it was a year ago. Coupled with a 1.6% increase in supply, this fall-off in demand will result in a forecasted 58% occupancy nationally.”

They go on to say: “This decade’s previous industry challenges of 9/11 and SARS pale in comparison to the erosion of demand caused by the current recession. In 2001, the Canadian accommodation industry experienced a decline of -4.3% in demand, while SARS resulted in negative growth of -3.7% - compared to the steep erosion of -6.5% forecast for 2009.”

According to the *Corporate Housing Industry Report 2010*, demand for corporate housing in the United States declined by 15% from \$2.8 billion to \$2.4 billion. Unlike Canada, corporate housing providers in the United States are able to adjust inventory quickly because of the short term leases available in those markets. As such, the industry shed more than 16% of its inventory in 2009, resulting in occupancy levels of nearly 90%, relatively flat to the previous year. Average rates held relatively steady as well at \$115.00.

While we don’t have access to research related to the extended-stay or corporate housing market in Canada, from Premier’s own extensive research, we estimate that it represents 3% of \$10.8 billion accommodation market in Canada – approximately \$325 million, down from roughly \$340 million in 2008. The *Corporate Housing*

Industry Report 2010 suggests that occupancy was a full ten (10) points below that of the United States average. In reviewing the critical third quarter 2009, the deficit was a full thirteen (13) points. As Canadian providers don't have short-term leases and cannot therefore shed inventory as easily as their US colleagues, this likely resulted in increased wholesaling within the Canadian market. Rates also declined as well – in the range of 3% to 6%.

The *Corporate Housing Industry Report 2010* is available from The Highland Group free of charge to those who participated in the survey. It is also available at a discounted cost for CCHPA members for those that did not participate. Statistics Canada's National Tourism Indicators can be found at on their website: <http://cansim2.statcan.gc.ca>. And Canadian Lodging information can be found at PKF Canada's website: <http://www.pkfcanada.com>.

Chapter Update

CHPA has an ambitious strategic plan and goals for 2010. Components of the plan include Industry Growth, Increased Awareness, Education and Profitability. It is an aggressive plan that will require significant resources. CCHPA members attending the CHPA Annual Conference in San Diego met to dialogue on how to specifically support the CHPA strategic plan. Chapter member efforts will focus on the following:

Goal 1: Increase Corporate Housing Market Share

- 1.2 Create a corporate housing industry awareness campaign that targets decision makers.
- 1.3 Provide members with communication tools

Goal 2: Create a Baseline of Business Practices and Services

- 2.1 Establish a three-tier "ranking" system, defining product/service levels.

A task force for each goal has been established and will be working in tandem with their U.S. counterparts. All CHPA members are encouraged to review the strategic plan and volunteer for a task force. The real value of the association lies in collaboration, the sharing of information and participation. To volunteer, please go to www.chpaonline.org, under Member Resources and Get Involved.

In addition, the CCHPA and CHPA Boards encourage all members to participate in CHIP. The sharing of statistical data will provide industry information that will enable the market to make informed and strategic decisions. Statistical data is the underpinning of any good strategic and business plan, helping to inform your management decisions with real-time data. To subscribe to CHIP, go to data.chpaonline.org.

Currently, CHIP data is available in the Toronto markets. With a few more companies subscribing to the system, we could soon begin reporting monthly data in the following markets as well:

Sudbury, Ontario; Vancouver, British Columbia; Calgary, Alberta

Upcoming CCHPA Network Connection Events:

- May 12, Calgary (M. Stern)

- May 27, Toronto (M. White, D. Bar-Dayan)
- TBD, Vancouver
- Montreal or Ottawa are both potential sites for a CHPA event. If a CCHPA member would like to coordinate an event in one of these two cities, please contact map@chaponline.org.