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NOVA SCOTIA
Tourism, Culture and Heritage

ACCOMMODATION BULLETIN | NUMBER 5 | FALL 2008

Performance of Roofed Accommodation by Tourism Regions

HIGHLIGHTS

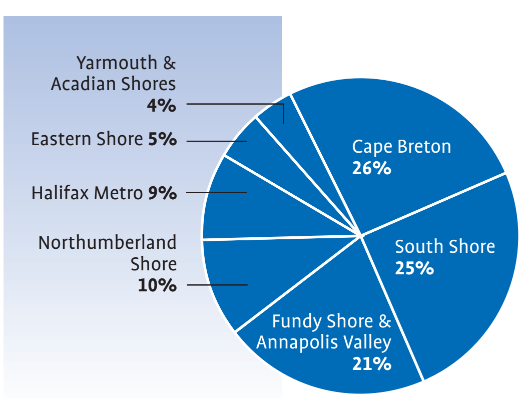
- Accommodation properties are concentrated in Cape Breton, the South Shore and the Fundy Shore and Annapolis Valley regions. However, Halifax Metro has by far the highest proportion of accommodation units – over 40%.
- Metro Halifax received 52% of total room nights sold in 2007.
- All regions except the Northumberland Shore and Halifax Metro had a decline in room nights sold between 2003 and 2007. The decline was particularly evident in the Yarmouth & Acadian Shores region.
- Annual occupancy rates in all regions were below 60%, with Halifax Metro outperforming all other regions.

SUPPLY

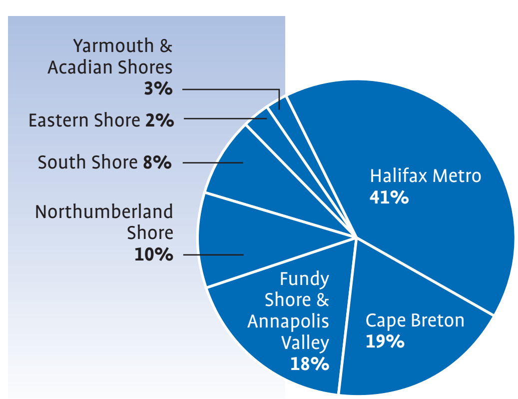
Supply of Roofed Accommodation

- Accommodation properties are concentrated in Cape Breton, the South Shore and the Fundy Shore and Annapolis Valley regions which, together, have 72% of the properties in Nova Scotia. However, these regions have only 45% of the rooms, indicating that many of the properties are small operations such as B&Bs, cottage/cabins, and vacation homes.
- Halifax Metro has over 40% of the units, and fewer than 10% of the properties. This reflects the concentration of large hotels in the region.
- Between 2003 and 2007, the supply of accommodations increased in most regions. The most notable increases were in the Northumberland Shore region (+32% in accommodation units) and Halifax (+20% in accommodation units). Small decreases in the number of units occurred in the South Shore and the Fundy Shore & Annapolis Valley regions between 2003 and 2007.

Supply of Accommodation Properties by Tourism Region 2007



Supply of Rooms by Tourism Region 2007

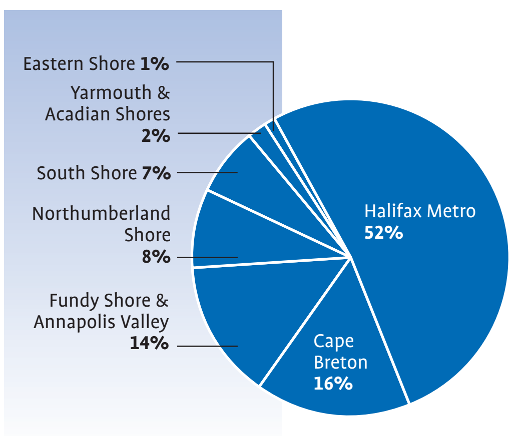


DEMAND

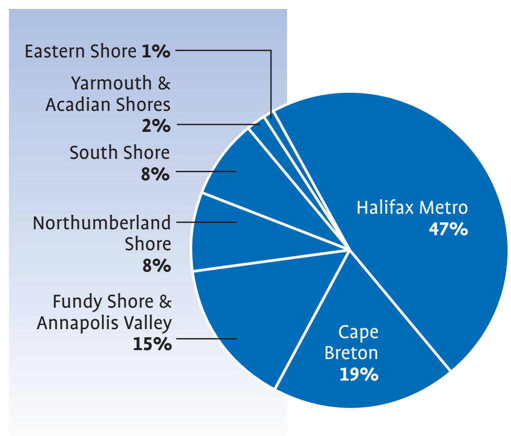
Demand for Roofed Accommodation

- 52% of the 2.59 million room nights sold in Nova Scotia in 2007 were at properties in Halifax Metro, with 16% in Cape Breton and 14% in the Fundy Shore & Annapolis Valley region.
- All regions except Halifax Metro attracted fewer room nights sold, based on the available room nights in each region.
- For May to October, Halifax Metro's share of room nights sold declined to 47% while the share received by Cape Breton increased to 19%.
- All regions except the Northumberland Shore (+20%) and Halifax Metro (no change) had a decline in the number of room nights sold between 2003 and 2007. The most significant decline was in the Yarmouth & Acadian Shores (-29%) region.

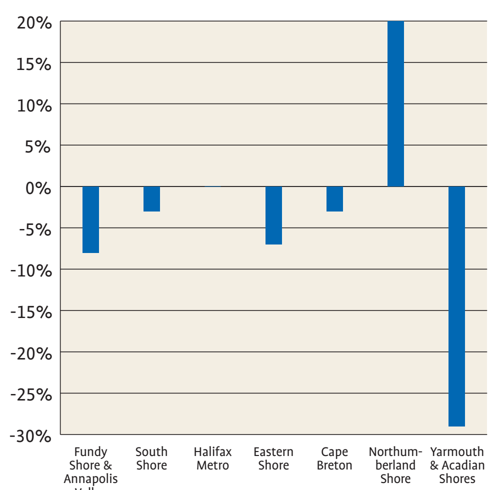
Percentage of Room Night Sold by Tourism Region
Annual 2007



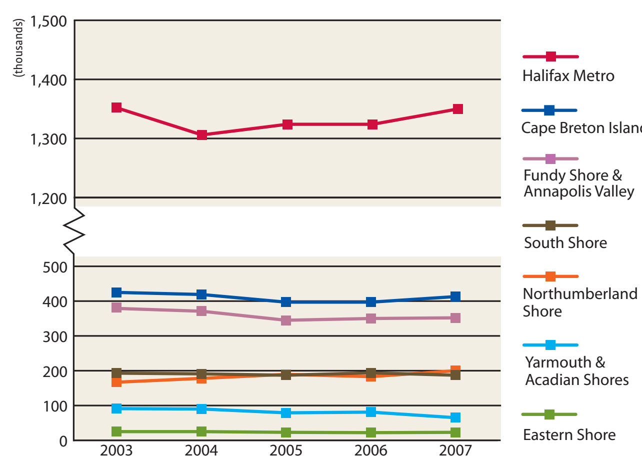
Percentage of Room Night Sold by Tourism Region
May to October 2007



Percentage Change in Annual Room Nights Sold by Tourism Region 2003 to 2007



Accommodation Demand – Room Nights Sold by Region
2003 to 2007

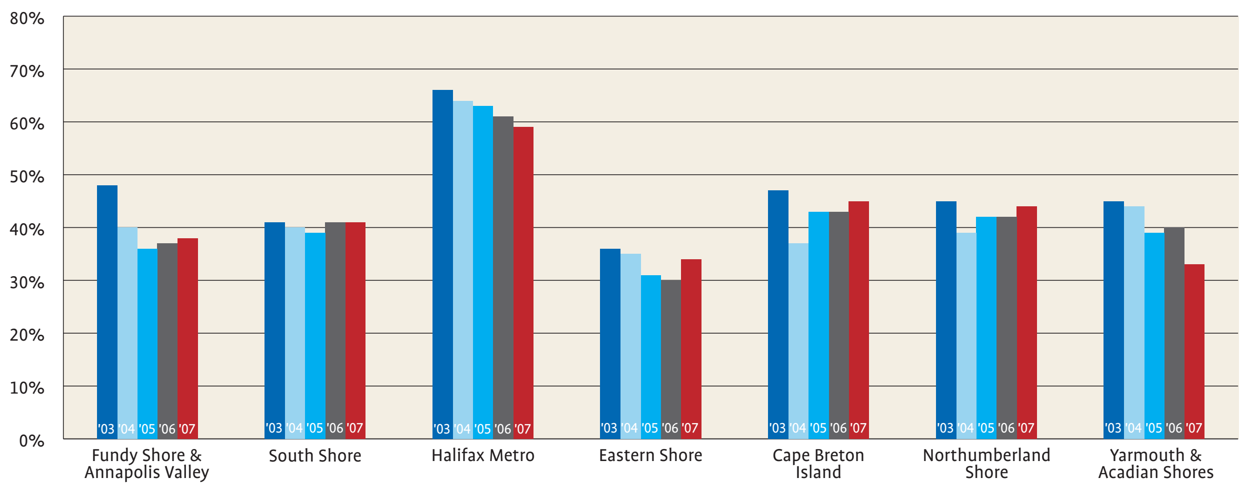


Occupancy Rates

- In 2007, annual occupancy rates in all regions were below 60%, with occupancies in Halifax Metro falling to 59%, down from 66% in 2003.
- Outside of Halifax Metro, the highest occupancy rates were on Cape Breton Island and the Northumberland Shore, with the lowest on the Eastern Shore and Yarmouth & Acadian Shores.
- A similar pattern exists for the May to October season, although occupancy rates are slightly higher. Only Halifax Metro has an occupancy rate above 60%; the South Shore region and Cape Breton Island have occupancy rates just above 50% and all other regions had occupancy rates below 50%.
- A combination of increased supply and decreased demand, led to occupancy rate declines in all regions, both annually and for May to October, between 2003 and 2007. The most significant decline was in the Yarmouth & Acadian Shores region, down from 56% in 2003 to 35% in 2007.

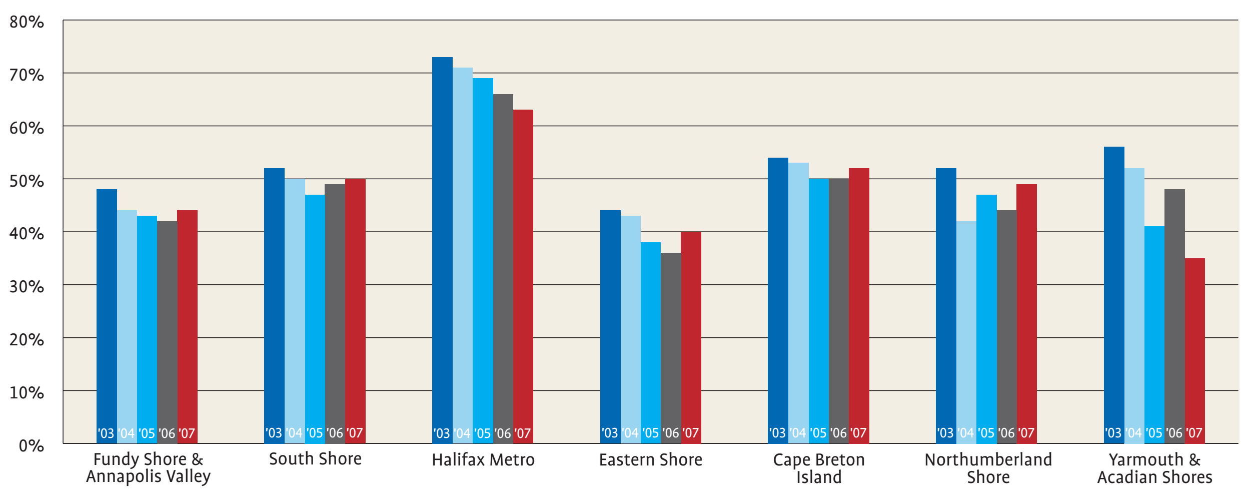
Annual Occupancy Rates by Tourism Region

2003 to 2007



May to October Occupancy Rates by Tourism Region

2003 to 2007



DISCUSSION

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- Roofed accommodation properties in Halifax Metro attract approximately one half of all demand in the province and outperform all other regions. This is due to several factors including business, meetings and convention activity, special events, and the desire of visitors to stay in urban centres with a full range of services. However, even Halifax experienced a softening in demand in 2007.
- Challenges with the ferry service from Maine have impacted accommodation activity in the Yarmouth & Acadian Shores region.
- The Northumberland Shore is the only region to see an increase in demand. This is a reflection of an increase in supply (+32%) with a number of new quality cottage and resort properties, as well as new branded motel operations. Even so, occupancies in this region remain below 50% on average.
- Outside Halifax, occupancies throughout the province remain below levels normally considered commercially viable. It should be noted, however, that this data includes the eight universities in Nova Scotia that make their rooms available for rent during the summer. Occupancy rates at the universities are significantly below average and therefore pull down the average occupancy rates. This is particularly true for Halifax Metro, Cape Breton, the Fundy Shore & Annapolis Valley region and the Northumberland Shore.

BACKGROUND

BACKGROUND

Introduction

The Accommodation Bulletins are designed to provide insights into the supply and demand for Nova Scotia's roofed accommodation and campgrounds. Each bulletin addresses a different theme.

These bulletins complement *Tourism Insights* which provides monthly and annual data on accommodation activity for the province and tourism regions. The accommodation bulletins provide a five year trend analysis and show results by type of accommodation.

The audience for these bulletins includes:

- Accommodation and campground operators
- Potential investors and developers
- Real Estate appraisers
- Regional and municipal development agencies
- The tourism industry in general
- Consultants and researchers

Research Methods

Accommodation and campground businesses provide monthly occupancy data to the Department of Tourism, Culture and Heritage. Due to the significant cooperation of this sector, the reporting rate is 99%. To protect the confidentiality of individual operators, a minimum of 6 properties of similar size must be in a category for data to be released.

Definitions

Room Nights Available – The number of rooms (or units) of accommodation multiplied by the number of days that the property is open for business. A 'room' means one rentable unit. For cottages, cabins, and apartments, there may be several bedrooms in the unit but it is registered as one rentable accommodation unit. In contrast, for hostels, each bed is a separate rentable unit.

Room Nights Sold – The total number of rooms sold in a given period. For example, a motel selling 25 rooms each night during a 31 day month would have 775 room nights sold. Also referred to as occupied room nights.

Occupancy Rate – The number of room nights sold divided by the number of room nights available for any particular period. Expressed as a percentage.

Property Types

Bed & Breakfast (B&B) – usually up to 4 guestrooms available in a private home with ensuite, private or shared bathrooms, common living room, full or continental breakfast included in room rate.

BACKGROUND continued

B&B Inn – a bed & breakfast property with five or more rooms with breakfast included.

Inn – a property with ensuite or private bathrooms, guest living room, dining room serving breakfast and full evening meals. May have heritage or historic characteristics.

Cottage/Cabin – free-standing unit with one or more bedrooms (linens supplied) or bed-sitting area, a bathroom, possibly separate kitchen and/or living room.

Hotel – a property providing internally accessible, guestrooms, ensuite bathrooms, food service facilities, meeting and conference rooms.

Motel – a property with guestrooms under one roof, ensuite bathrooms, external and/or internal access to each guestroom.

Resort – a property (may include cottages), with ensuite bathrooms, food service and extensive on-site recreational facilities; may offer conference facilities.

Tourism Regions – The seven tourism regions identified by the Department of Tourism, Culture and Heritage in the fall of 2007. For a map showing the boundaries of these regions, please see the 2008 Doers' and Dreamers' Guide.