

Effects of Citywide Conventions on Vancouver Hotels in 2011

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PURPOSE

The purpose of this project was to analyze the effects of citywide conventions on the occupancy of both “large” and “small” hotels in Vancouver during 2011. We have defined large hotels to be hotels with a capacity exceeding 300 rooms, and small hotels to be hotels with a capacity of less than 300 rooms. The large hotels are typically the hotels which host conventions as they are able to facilitate a larger number of convention attendees, have a greater total meeting space, and a greater total number of guest rooms than the small hotels.

The specific goal of the project was to quantify the average change in hotel occupancy rates at large hotels (>300 rooms) and small hotels (<300 rooms) during citywide conventions held in Vancouver in 2011.

APPROACH

There were a total of 21 citywide conventions held in the city of Vancouver in 2011. During this 365 day period there were 108 days where there was one citywide event being held in the city, as well as nine days where there were two events being held. There were no instances of days with three or more citywide events being held simultaneously. Thus, it is possible to separate the days during this time period into two classes: those days where there were no citywide conventions in the city, and those days where there were citywide conventions. (Because there are only a small number of days with two citywide conventions, we have simply combined these types of days into the one class.)

Table 1: Citywide convention days

Days with one or more citywide convention	117
Days with no citywide conventions	248
Total	365

Using historical room sales figures from the Vancouver “On the Books” Project (OTB), we estimated daily occupancy rates for large and small hotels on days with and without citywide conventions.

The hotels that participate in the Vancouver OTB Project were divided into the two classes based on the amount of meeting space that each hotel possesses, and whether or not they are able to host a large convention. The large hotels are:

- Fairmont Hotel Vancouver
- Fairmont Pacific Rim
- Hyatt Regency Vancouver
- Pan Pacific
- Sheraton Vancouver Wall Centre
- Fairmont Waterfront Centre
- Four Seasons
- Westin Bayshore
- Marriott Pinnacle
- Renaissance

The small hotels are:

- Metropolitan
- Listel Vancouver
- Coast Coal Harbour
- Delta Suites Vancouver
- Coast Plaza
- Ramada Downtown Vancouver
- Opus Hotel
- Wedgewood Hotel
- Westin Grand

ANALYSIS

Using daily Vancouver OTB data and monthly occupancy rates we were able to estimate daily occupancy rates. The following two figures show the average occupancies for large and small hotels for the two classes of days (i.e., days with a citywide convention and days without a citywide convention) for each month in which there was a citywide convention during 2011.

Figure 1: Occupancy rates at large hotels

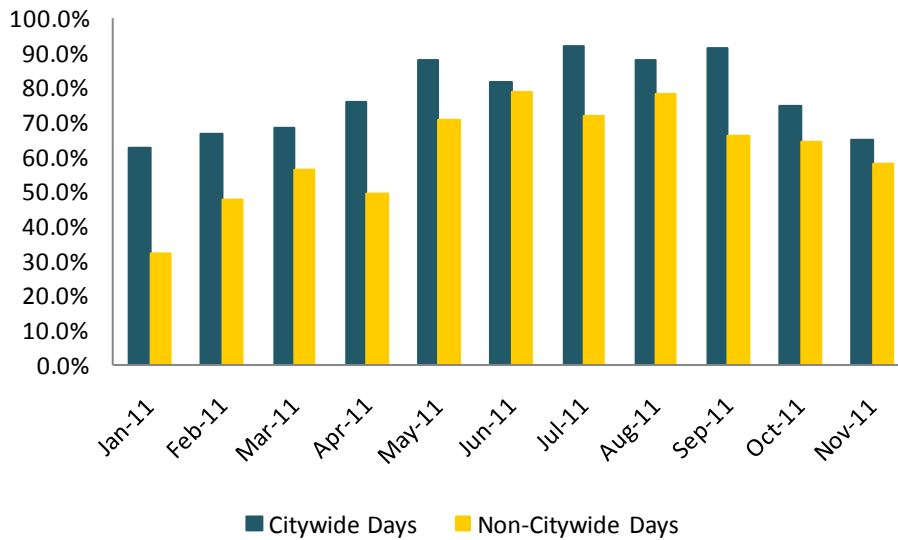
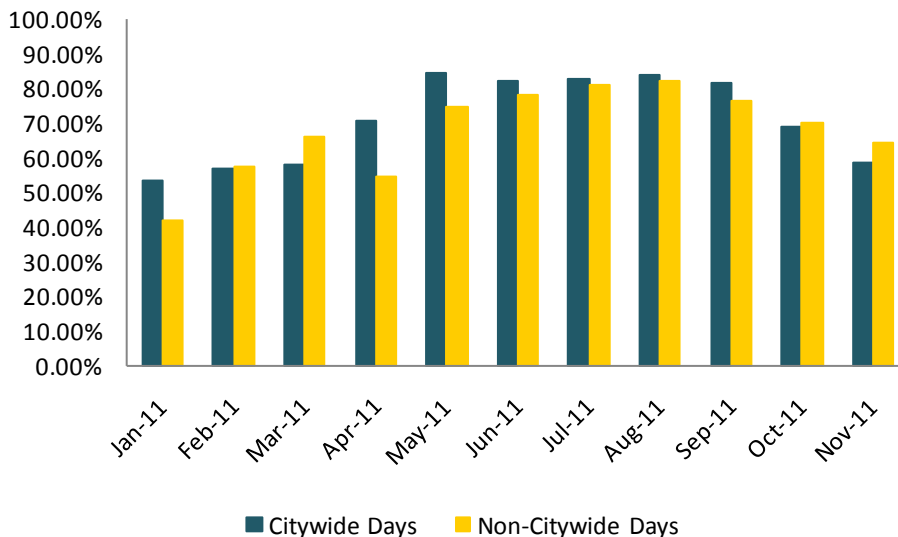


Figure 2: Occupancy rates at small hotels



Occupancy rates at large hotels for days with a citywide convention were consistently higher in all months than on days without a citywide convention. Occupancy rates at small hotels for days with a citywide convention were higher in 7 out of 11 months. The following two tables summarize the average occupancies for large and small hotels for the two classes of days.

Table 2: Average occupancy for large hotels

Average occupancy for days with a citywide convention	77.72%
Average occupancy for days with no citywide conventions	61.33%
Difference	16.39 percentage points

Table 3: Average occupancy for small hotels

Average occupancy for days with a citywide convention	71.09%
Average occupancy for days with no citywide conventions	67.96%
Difference	3.13 percentage points

Table 2 shows that the occupancy at large hotels was higher by approximately 16 percentage points on days in which there was a citywide convention. Table 3 shows that occupancy rates rose by approximately 3 percentage points in small hotels on days in which there was a citywide convention.

To confirm that these differences were statistically significant, we performed statistical t-tests for both the large and small hotel groups. The results of these tests showed that, for both large and small hotels, there was a statistically significant increase in occupancy rates between the days in which there was a citywide convention versus those days in which there was no citywide convention¹.

¹ The outcome for large hotels is statistically significant at the 1% significance level and the outcome for small hotels is significant at the 10% significance level, meaning there is less than a 1% and 10%

YEAR OVER YEAR COMPARISON

Using reports from previous years we are able to compare the results from 2009, 2010 and 2011. The table below shows that there have been an increasing number of days with one or more citywide convention held in Vancouver over the past three years.

Table 4: Conventions held in Vancouver, 2009 to 2011

	2009	2010	2011
Number of citywide conventions	15	23	21
Days with one or more citywide convention	65	105	117

For both large and small hotels, average occupancy rates have been consistently higher on days when a citywide convention was held. Examining the data from all three years, large hotels have seen an overall average increase of 12.80% on days with a citywide convention and small hotels have seen an overall average increase of 4.37% on days with a citywide convention. These results are statistically significant².

Table 5: Average occupancy for large hotels, 2009 to 2011

	2009	2010	2011	Overall
Average occupancy for days with a citywide convention	74.28%	75.87%	77.72%	76.14%
Average occupancy for days without a citywide convention	65.04%	64.31%	61.33%	63.35%
Difference	9.24%	11.56%	16.39%	12.80%

Table 6: Average occupancy for small hotels, 2009 to 2011

	2009	2010	2011	Overall
Average occupancy for days with a citywide convention	72.13%	72.79%	71.09%	71.93%
Average occupancy for days without a citywide convention	67.20%	67.39%	67.96%	67.56%
Difference	4.93%	5.40%	3.13%	4.37%

² The results are statistically significant at the 1% significance level, meaning there is less than a 1% probability the outcomes occurred by chance.

CONCLUSION

On days in which there was a citywide convention in 2011, there was an average increase in occupancy at large hotels of approximately 16 percentage points and an average increase in occupancy at small hotels of approximately 3 percentage points.

APPENDIX A

2011 CITYWIDE CONVENTIONS

Organization Name	Conference Dates	Meeting Name
American Society for Parenteral & Enteral Nutrition	Jan 27 - Feb 2	ASPEN Clinical Nutrition Week
American Academy of Hospice and Palliative Medicine	Feb 15 - 18	Annual Assembly
American College of Medical Genetics	Mar 16 - 20	Annual Clinical Genetics
International Society of Nephrology	Apr 8 - 12	World Congress
Risk and Insurance Management Society	Apr 27 - May 6	RIMS Annual Conference & Exhibition
Association for Computing Machinery	May 7 - 12	CHI Conference on Human Factors in Computing Systems
Canadian Labour Congress	May 9 - 13	Triennial
American Society Of Colon and Rectal Surgeons	May 14 - 19	Annual Meeting
International Confederation for Plastic Reconstructive and Aesthetic Surgery	May 22 - 27	Congress of the International Confederation for Plastic, Reconstructive and Aesthetic Surgery
NAFSA: Association Of International Educators	May 26 - June 3	Annual Conference & International Education Exposition
International Gas Turbine Institute	June 6 - 10	ASME Turbo EXPO
American Society For Engineering Education	June 23 - 30	Annual Convention
International Council for Industrial and Applied Mathematics	July 18 - 22	International Congress on Industrial and Applied Mathematics
Gay & Lesbian International Sports Assn	July 25 - 31	North American Outgames
American Association of Physicists in Medicine	July 31 - Aug 4	Annual Meeting
SIGGRAPH	Aug 8 - 12	SIGGRAPH
International Brotherhood Of Electrical Workers	Sep 19 - 23	IBEW Quinquennial Meeting
Pacific Coast Society Of Orthodontists	Sep 22 - 24	Annual Session
Canadian Wind Energy Association	Oct 4 - 7	CanWEA Annual Conference and Trade Show
Canadian Cardiovascular Society	Oct 22 - 26	Canadian Cardiovascular Congress
Canadian Union Of Public Employees	Oct 27 - Nov 6	National Convention

APPENDIX B

ABOUT MNP

MNP is the fastest growing chartered accountancy and business advisory firm in Canada. Founded in 1945, MNP has grown from a single office in Manitoba to more than 50 offices and 2,600 team members across Canada. In British Columbia MNP has more than 450 staff located in 15 offices across the province.

MNP is a member of Praxity AISBL, a global alliance of independent firms, which enables us to access a broad range of industry specific expertise worldwide.

At MNP, our professionals are the driving force behind our success. They continue to demonstrate our culture and values which is integral to the way we conduct business, both internally and externally. As such, MNP is proud to be recognized for the third year in a row as one of the *50 Best Employers in Canada* by *Maclean's* magazine.



MNP provides a wide range of accounting, finance and business advisory services to clients. These include:

- Assurance
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- Enterprise Risk Services
- Consulting
- Succession
- Taxation
- Mergers and Acquisitions
- Forensic Accounting
- Insolvency and Corporate Recovery
- Valuations and Litigation Support