

COVID-19 Research Roundup

October 12, 2020

Cathedral Provincial Park, Thompson Okanagan

British Columbia is in Phase 3 of BC's Restart Plan

On June 24, 2020, it was announced that British Columbia is taking the next step in [BC's Restart Plan](#) with a gradual transition to Phase 3, including the smart, safe and respectful return of travel and tourism within the province.

On September 18, 2020, Canadian and US officials agreed to keep the border between the two countries closed to non-essential travel until at least October 21, 2020.

While BC is in Phase 3 of the BC Restart Plan, and is not open to non-essential travel from the US or International countries, information provided in this Research Roundup Report highlights not only local insights, but global insights which may be applicable to BC now.





Destination BC is rounding up relevant research and articles each week related to the travel and tourism industry and COVID-19. **This report focuses on the labour market and tourism employment.**

Last week in brief:

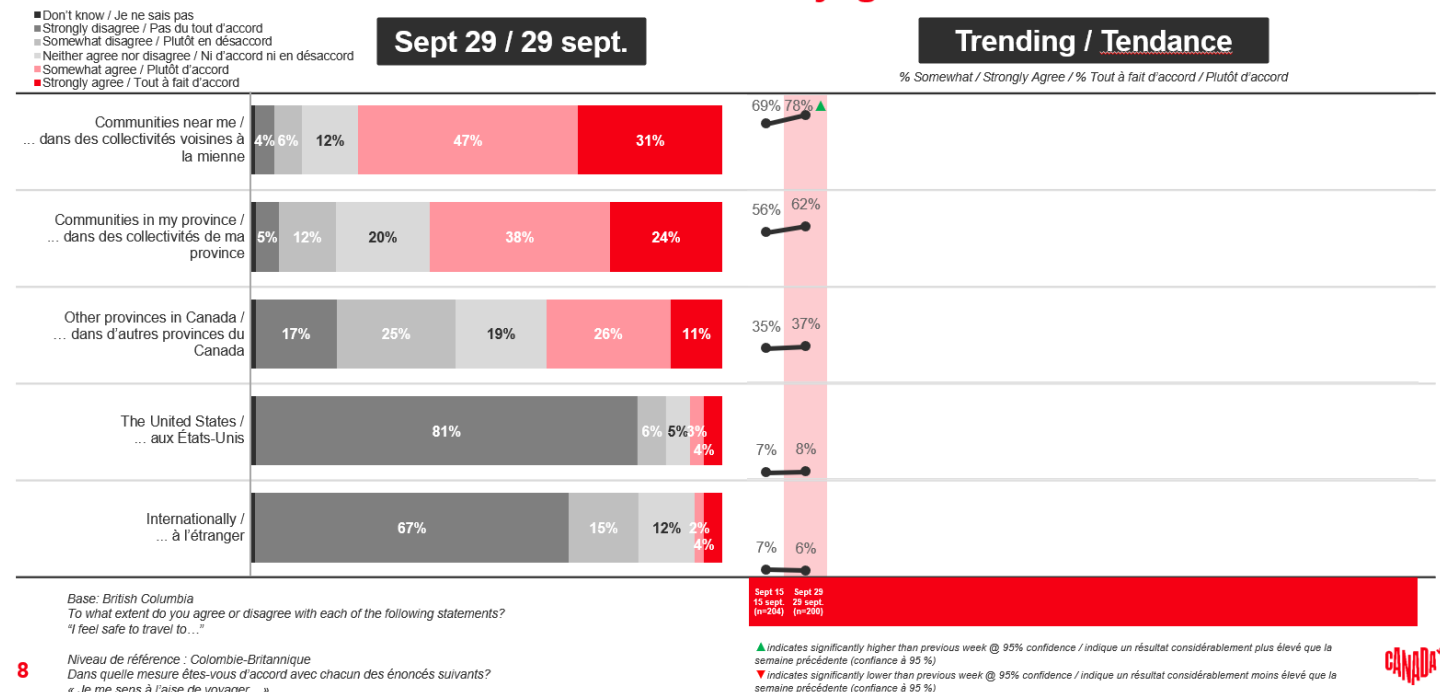
- Feelings of safety around community travel increases significantly for BC residents
- Over half of BC residents intend to travel to nearby communities in the next 4 weeks
- Week-over-week domestic movement up across the province since early September
- Year-over-year domestic movement down overall for the province, but up in some tourism regions
- BC's average daily room rate declines -29.3% year-over-year
- BC communities among the best performing in Canada for RevPAR in July
- BC wineries face staffing challenges and labour shortages
- BC is regaining jobs, but tourism is still behind
- Canada tourism employment is regaining footing, but still far from 2019 levels
- Employment in hard-hit sectors forecast to trend higher, however with smaller monthly gains than limited-impact sectors
- Tourism GDP for Canada down -71.6% in Q2
- Over half of American travellers are ready to travel
- Shorter booking windows are the “new normal”
- Second wave of pandemic brings concerns over open businesses
- Tourism and COVID-19 dashboard and reporting resources available

Feelings of safety around community travel increases significantly for BC residents

- Destination Canada has begun asking residents how safe they feel to travel to various destinations in their bi-weekly Resident Sentiment research.
- In Destination Canada's Wave 19 (September 29) report, feelings of safety increased significantly for BC residents towards travel to nearby communities compared to the previous week, up to 78% comfortable from 69%.
- BC residents also more likely to feel safe visiting other communities in the province, rising to 62% from 56%.

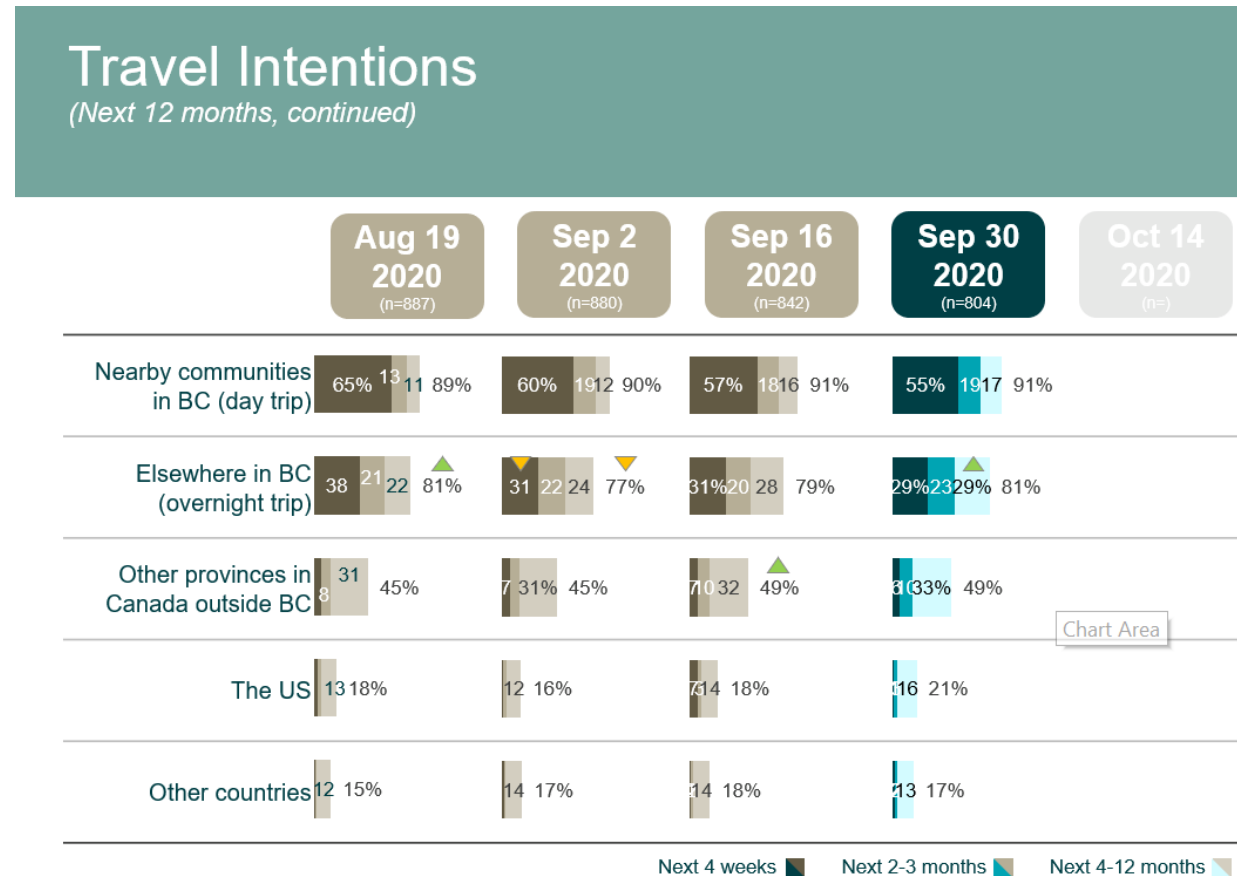
British Columbia / Colombie-Britannique

I feel safe to travel / Je me sens à l'aise de voyager



Over half of BC residents intend to travel to nearby communities in the next 4 weeks

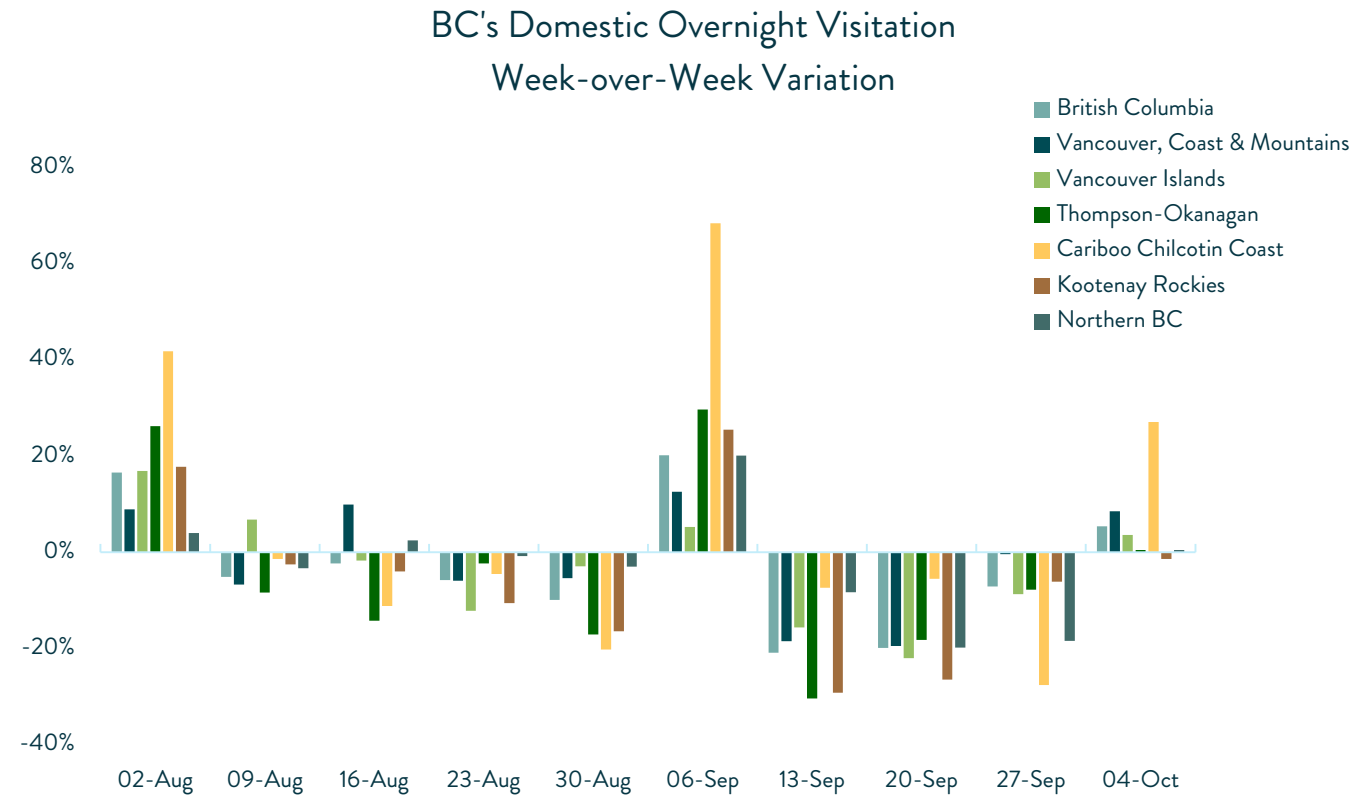
- Wave 11 (October 5) of Destination BC's BC Residents' Public Perceptions survey shows that 55% of BC residents intend to travel to nearby communities in BC within the next 4 weeks; this remains unchanged from Wave 10.
- 29% of BC residents intend to travel elsewhere in BC for an overnight trip within the next 4 weeks. This proportion has remained stable since early September.
- 32% of BC residents are concerned to welcome BC resident visitors from nearby communities, compared to 91% of BC residents who are concerned to welcome visitors from the US.
- 33% of BC residents will travel to the US only if there is a vaccine, down from 38%.



Source: [Destination BC's BC Residents Public Perceptions: COVID-19 Travel and Tourism Wave 11, Insights West, October 5, 2020](#)

Week-over-week domestic movement up across the province since early September

- According to Environics Analytics Weekly COVID Tracker Report, during the week ending October 4, BC experienced a week-over-week increase in domestic overnight visitation (+5.4%) from the previous week; the first increase since early September.
- Nearly all regions across the province saw week-over-week increases in movement as well, compared to the previous week.
 - Cariboo Chilcotin Coast (+27.1%)
 - Vancouver, Coast & Mountains (+8.5%)
 - Vancouver Island (+3.6%)
 - Thompson Okanagan (+0.5%)
 - Northern BC (+0.5%)
- Kootenay Rockies was the only region that experienced a decrease in domestic movement (-1.4%) during the same period, compared to the previous week.

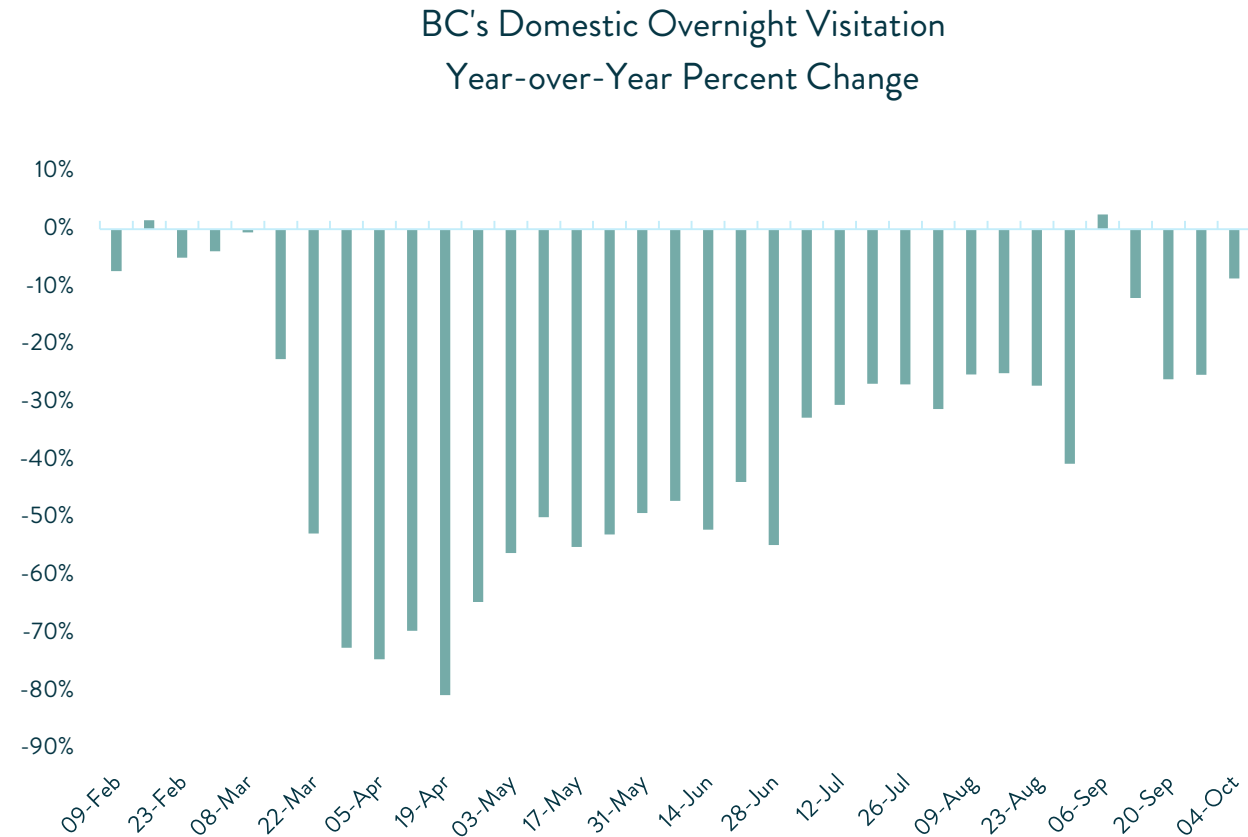


Source: [Environics Analytics Weekly COVID Tracker Report, September 27, 2020](#)



Year-over-year domestic movement down overall for the province, but up in some tourism regions

- Environics Analytics also reports year-over-year analysis in the Weekly COVID Tracker Report.
- Following the first year-over-year increase since mid-February during the week ending September 6, BC resumed the year-over-year decrease in visitation trend for the fourth consecutive week. For the week ending October 4, overnight domestic visitation was down -8.5%, compared to the same week in 2019.
- Year-over-year increases in visitation were seen in some tourism regions across BC, such as in the Cariboo Chilcotin Coast (+12.9%), Kootenay Rockies (+8.4%), and the Thompson Okanagan (+6.3%), and but not all, such as Northern BC (-19.7%), Vancouver Island (-16.0%) and Vancouver, Coast and Mountains (-15.6%).



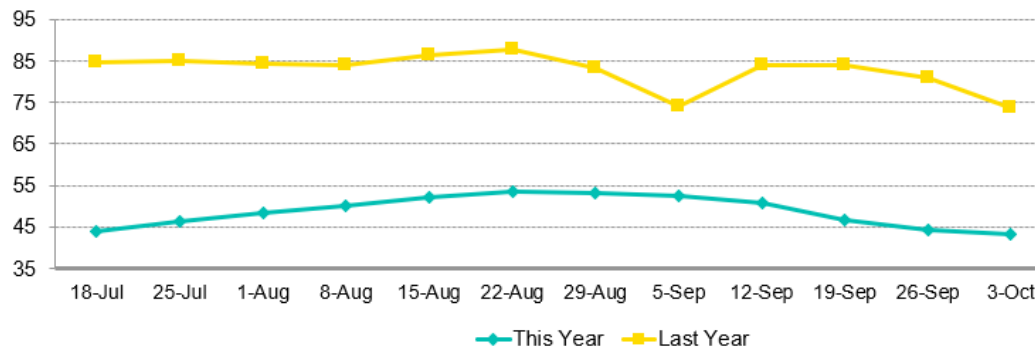
Source: [Environics Analytics Weekly COVID Tracker Report, September 20, 2020](#)



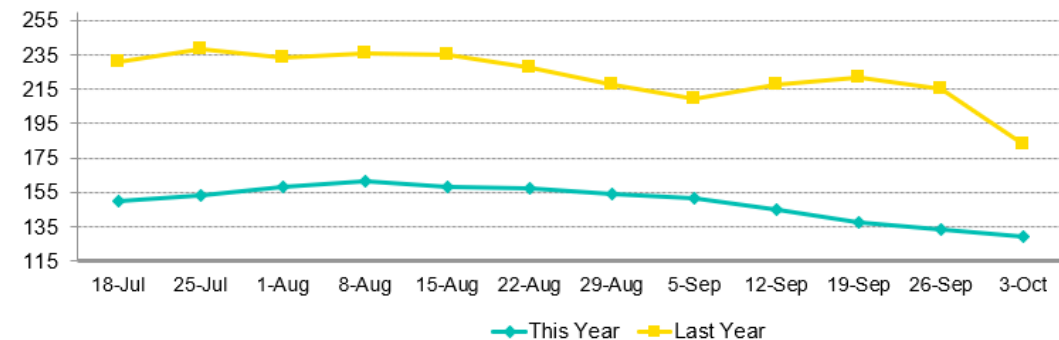
BC's average daily room rate declines -29.3% year-over-year

- STR, an agency which captures BC hotel performance, shows the average weekly ADR for BC was \$129.48 for the week of September 27 - October 3, which represents a -29.3% change year-over-year (September 29 - October 5, 2019).
- Of the six cities tracked, the City of Vancouver saw the highest year-over-year rate of ADR percent change at -42.1%, followed by Richmond (-32.4%), Victoria (-19.7%), Kamloops (-14.1%), Kelowna (-9.6%), and Whistler (-3.5%).
- BC hotel occupancy was 43.2% for the week of September 27 – October 3. This represents a decrease of -0.8 points from the previous week and a decrease of -41.4 points compared to the previous year.

Weekly Occ (%) - Jul 18, 2020 to Oct 03, 2020



Weekly ADR - Jul 18, 2020 to Oct 03, 2020

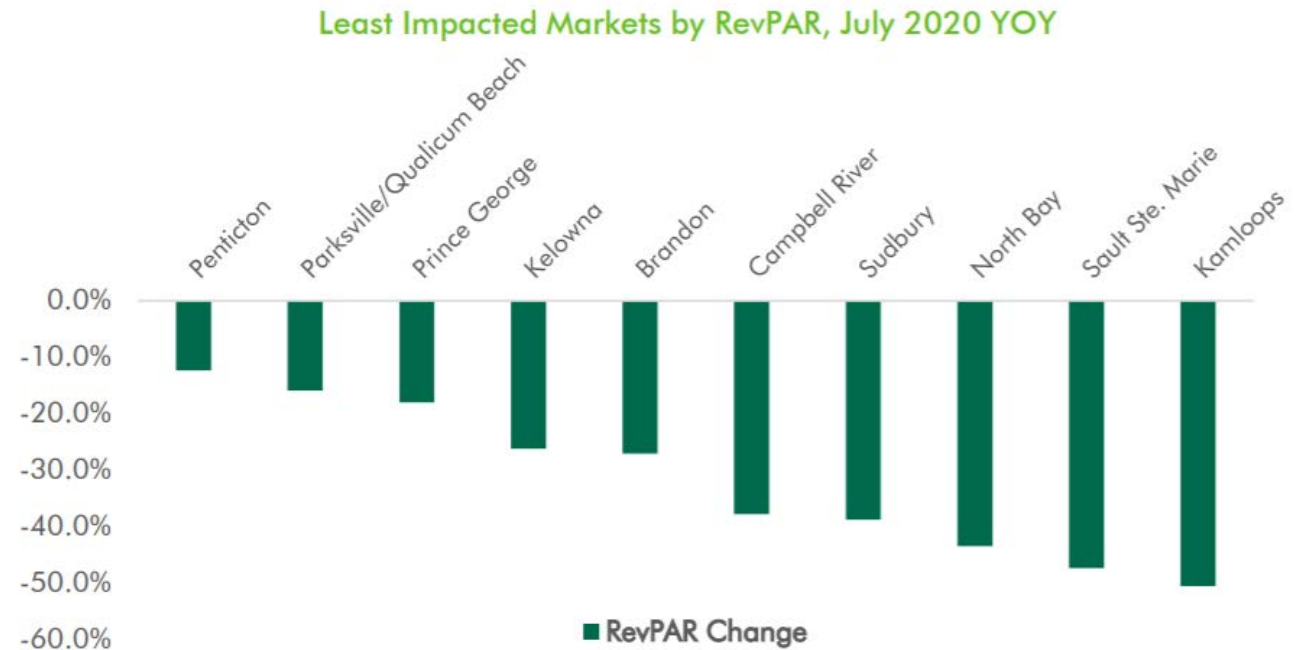


Source: [2020 STR, STR Global Ltd](#)



BC communities among the best performing in Canada for RevPAR in July

- A new report by CBRE reports the RevPAR for Canada and select Canadian markets for July 2020. Of the top 10 least impacted markets in Canada year-over-year, 6 were in BC. Penticton was the least impacted market in the country.



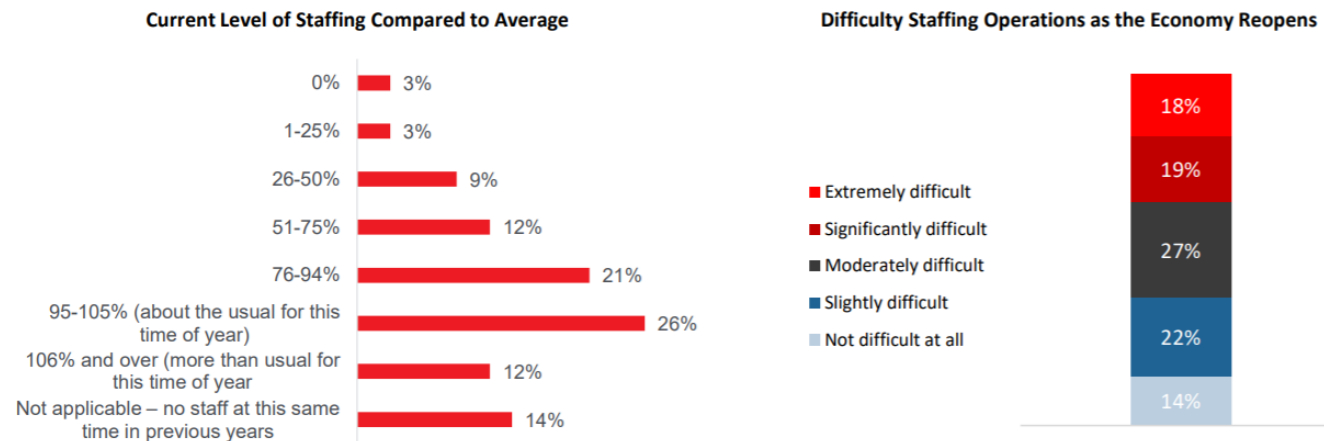
Source: [Q3 2020 COVID-19 Update, CBRE](#)

BC wineries face staffing challenges and labour shortages

- A study for the BC Wine Institute shows that 86% of respondents have experienced difficulty staffing their operations, including 37% who are having significant or extreme difficulties.
- Staffing challenges are widespread, with a third of respondents saying their greatest operational concern over the next three months is being unable to source staff for the 2020 harvest/crush (36% concerned), while another one-third have concerns for management of the 2020 harvest/crush (29% concerned).
- 60% of businesses relying on domestic labour have had difficulty bringing back domestic workers.

Current Level of Staffing (compared to average levels)

Q. How much of your usual staffing capacity for this time of year is your business currently using?(Base n=100) As the economy has started to reopen, how difficult has it been for you to staff your operations?(Base n=85)

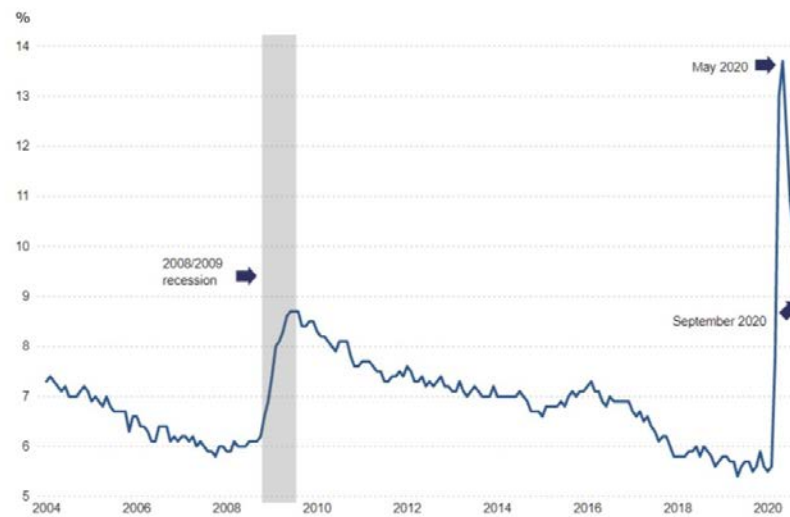


Source: [BC Wine Institute Industry Survey to Assess COVID-19 Impacts, Leger, August 26, 2020](#)

BC is regaining jobs, but tourism is still behind

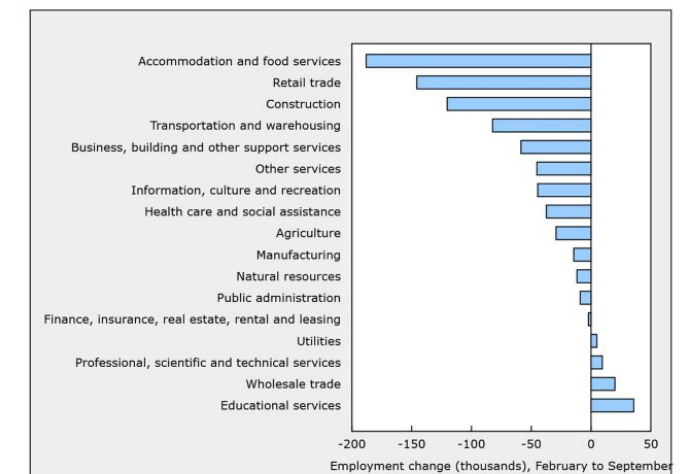
- A labour force survey by Statistics Canada shows that BC gained 54,800 jobs in September, with over 70% being full-time.
- This total 301,700 jobs regained since the beginning of the pandemic, returning to 96.3% of pre-closure employment.
- However, accommodation and food services and retail trade are still disproportionately hit by unemployment.

Unemployment rate continues to fall from May's record high



Source(s): Labour Force Survey, table 14-10-0287-01.

Employment in accommodation and food services, retail trade and construction furthest from pre-shutdown levels



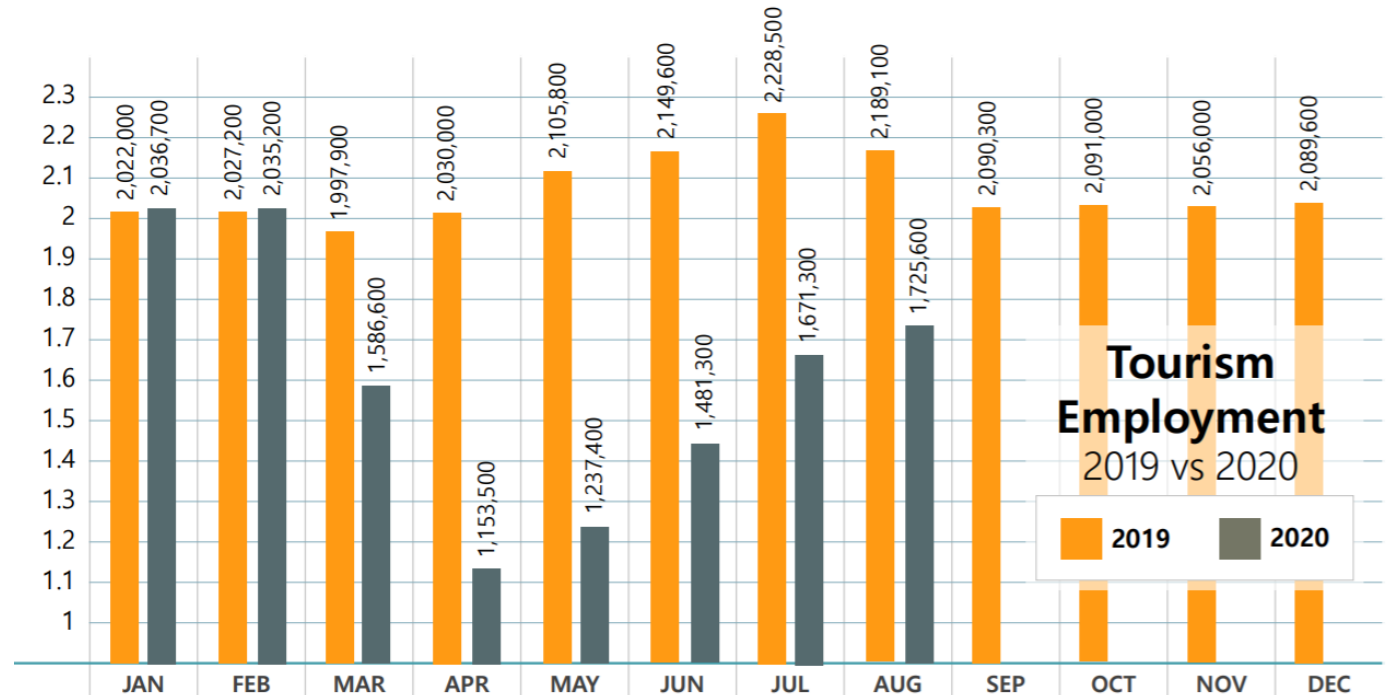
Source(s): Labour Force Survey, table 14-10-0355-01.



Source: [Statistics Canada, Labour Force Survey September 2020, October 9, 2020](#)

Canada tourism employment is regaining footing, but still far from 2019 levels

- Findings from Tourism HR Canada's September 28 2020 report show that while tourism employment is on the climb since April, it still has a way to go before reaching 2019 levels.
- The report says that recovery in sectors, such as art, entertainment and recreation, and accommodation and food services could take over five years to recover completely.

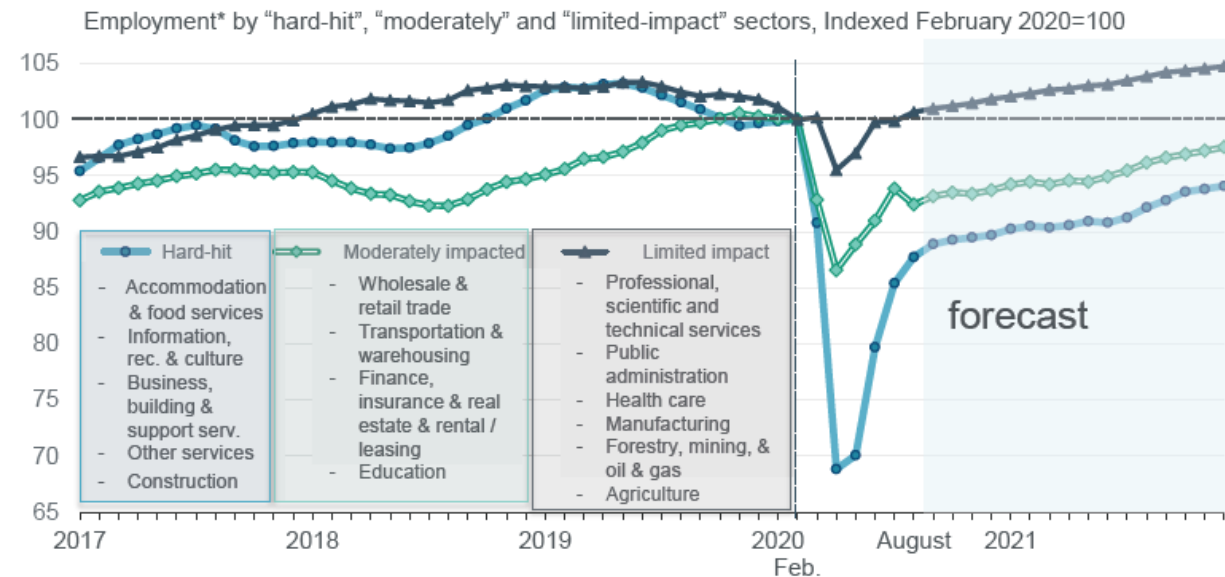


Source: [Growth, Interrupted, Tourism HR Canada, September 28, 2020](#)

Employment in hard-hit sectors forecast to trend higher, however with smaller monthly gains than limited-impact sectors

- The Business Council of BC (BCBC) Q3 BC Economic Review and Outlook shows that collectively, employment in hard-hit industries is expected to trend higher over the next two years. However, the monthly gains are smaller than limited-impact industries, until mid-2021 when employment growth is projected to pick up.
- Hard-hit sectors include tourism-related industries, such as accommodation and food service and information, recreation and culture.
- Metro Vancouver lost the most jobs relative to any region in the province, many of which are forecast to not recover for years.
- The BCBC expects the BC economy to shrink by -7.5% in 2020. This is a slight improvement from their previous projection, reflecting a stronger-than-anticipated rebound in consumer spending.

FIGURE 7: **EMPLOYMENT IMPACT DIFFERS ACROSS INDUSTRIES**



Source: Statistics Canada, Labour Force Survey, Table 14-10-0294-01. Latest: August 2020. *Aged 15 and over, seasonally adjusted, 3-month moving averages

Source: [The Long and Winding Road to Recovery, Business Council of BC, October 1, 2020](#)



Tourism GDP for Canada down -71.6% in Q2

- The latest National Tourism Indicators for Q2 2020 from Destination Canada showed a decrease in tourism GDP by -71.6%.
- Jobs sustained by tourism activities were down -47.4%.
- Tourism export was down -97.6%.
- Single purpose tourism consumer durable goods (pre-trip expenditures) decreased by just -4.4% as many Canadians staying close to home purchased items, such as camping equipment, motor homes and travel-related trailers.

Table 1 National tourism performances over the first two quarters of 2020 relative to 2019

	2019 Q1	2020 Q1	20/19 Q1	2019 Q2	2020 Q2	20/19 Q2	YTD
Total Tourism Demand (\$million)	20,169	17,645	-12.5%	25,259	7,301	-71.1%	-45.1%
Domestic Demand (\$million)	16,453	14,600	-11.3%	19,116	7,156	-62.6%	-38.8%
Tourism Export (\$million)	3,716	3,045	-18.1%	6,143	145	-97.6%	-67.6%
GDP (\$million) ¹	8,257	7,196	-12.8%	10,606	3,007	-71.6%	-45.9%
Tourism GDP Share ²	1.6%	1.4%	-0.2%	2.0%	0.7%	-1.3%	
Employment (thousand jobs) - Seasonally adjusted	745	705	-5.3%	746	392	-47.4%	-26.4%
Tourism Implicit Price Index (100=2012)	107.4	109.5	2.1	109.1	104.7	(4.4)	



Source: [National Tourism Indicators, Destination Canada, Q2 2020](#)

Over half of American travellers are ready to travel

- According to Destination Analysts' October 4, 2020 report, 57% of Americans are ready to travel.
- Over 40% of those surveyed anticipate taking a trip before the end of the year as confidence in safe travel grows.
- While outdoor destinations are still alluring, well over one-third of American travellers marked a city or metropolitan area as their destination of choice.
- 68% still have high degrees of concern about contracting COVID-19, down from the week before, and personal financial concerns are at a 30-week low.

AMERICANS' TRAVEL STATE-OF-MIND

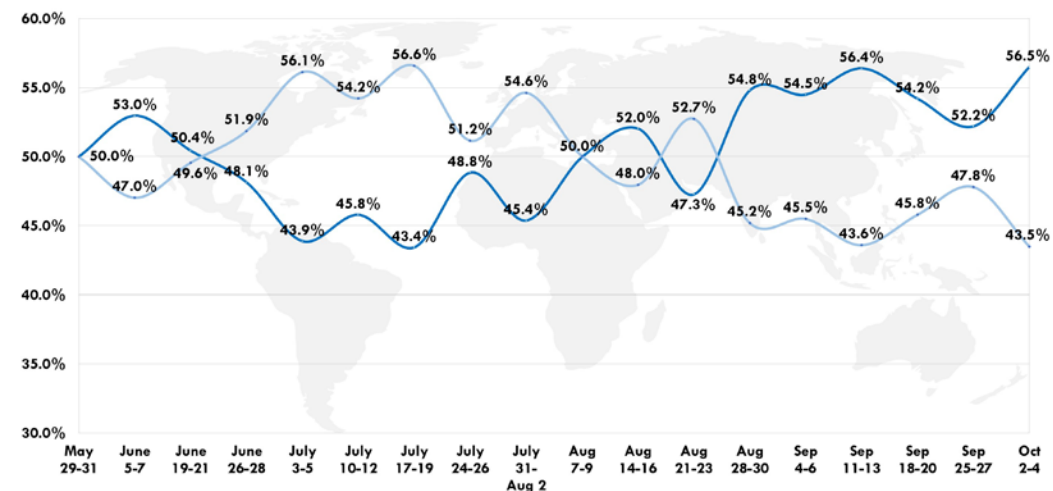
MAY 29 – OCTOBER 4



READY TO TRAVEL



NOT READY TO TRAVEL



QUESTION: WHEN IT COMES TO GETTING BACK OUT AND TRAVELING AGAIN, WHICH BEST DESCRIBES YOUR CURRENT STATE OF MIND? (SELECT ONE)

(Base: Waves 12-13 and 15-30. All respondents, 1,257, 1,214, 1,205, 1,231, 1,365, 1,213, 1,200, 1,206, 1,224, 1,201, 1,202, 1,207, 1,250, 1,225, 1,205, 1,200, 1,205 and 1,203 completed surveys.)

Destination Analysts
DO YOUR RESEARCH



Source: [Destination Analysts, October 4, 2020](#)

Shorter booking windows are the “new normal”

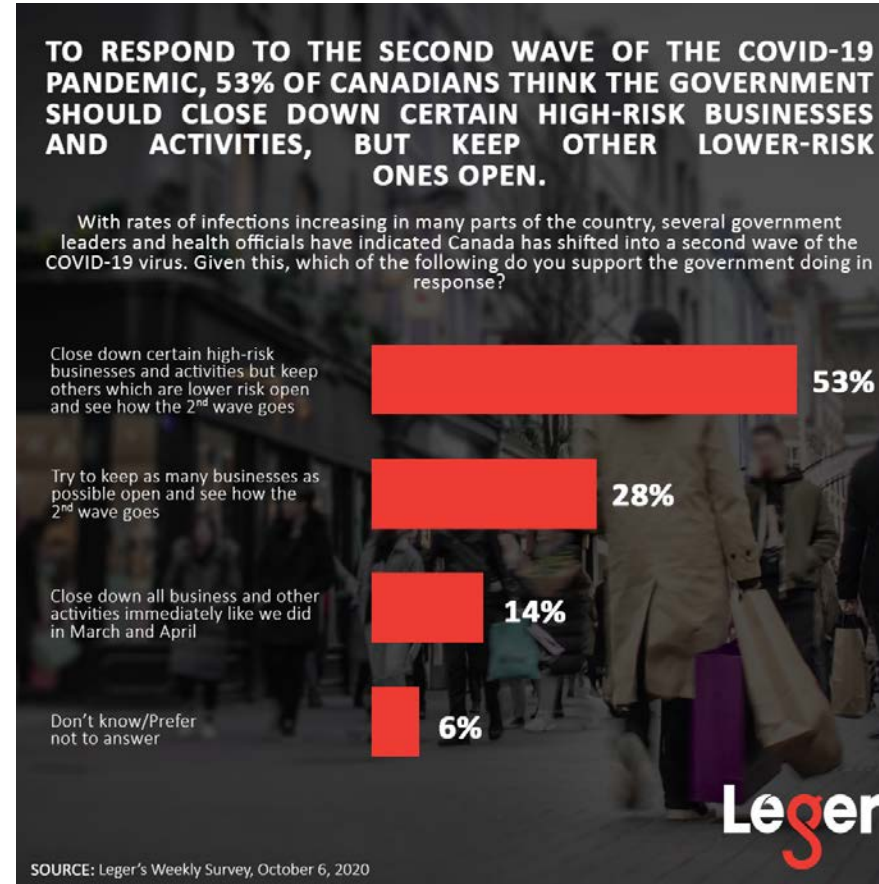
- Hotel giant IHG is experiencing a new normal of “drastically shorter booking windows”. 63% of Americans are making reservations with them within two days of their stay, up substantially from 39% in 2019.
- Almost 40% of British travellers are doing the same, almost double from 2019.
- Shorter booking windows at these rates introduce the new challenge of appropriate staffing and growth planning.



Source: [Skift, October 7, 2020](#)

Second wave of pandemic brings concerns over open businesses

- Leger's Weekly Survey (October 5, 2020) shows that 53% of Canadians think the government should close high-risk businesses and activities to respond to the second wave of the pandemic.



Source: [Leger's Weekly Survey, Leger, October 6, 2020](#)

Tourism and COVID-19 dashboard and reporting resources

- Destination BC developed a [Signals & Sentiment dashboard](#) to follow core markets and inform their approach through COVID-19. We also conduct and commission general [research and insights](#) related to travel and tourism in British Columbia, as well as [COVID-19 Research and Insights](#).
- The UNWTO has [launched a new tourism recovery tracker](#), the most comprehensive tourism dashboard to date.
- The UNWTO has an [online dashboard of international statistics](#) on the impact of COVID-19 on the tourism sector.
- MPI has created a [coronavirus resource page](#) that pulls together meetings and events information as well as links to several other resources helpful to the Business Events segment in our industry.
- PhocusWire has a live roundup of [coronavirus-related tourism news](#).
- Skift has a [global travel reopening timeline](#).
- The BC Tourism Resiliency Network hosts [tourism impact reports and travel pattern studies](#).
- The Travel and Tourism Research Association links to many [research & analytics companies](#) on their COVID-19 Resource Centre.





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This report can be found online on the [Destination BC Research & Insights COVID-19](#) webpage

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