

High Performance starts here: **The Telfer MBA**  
www.telfer.uOttawa.ca



# OTTAWA BUSINESS JOURNAL

The power to build business

Advertising | Subscriptions | Reprints | Contact Us

Archive Search:

February 20, 2008

Career Centre | Local Business | National/World | Technology | Discussion Boards | Home

**This Week**



- [This Week's News](#)
- [Editorials & Opinions](#)
- [Biz Savvy](#)

**Ottawa Restaurants**

Area:

Cuisine:

[ottawafood.com](http://ottawafood.com)

**Career Centre\*NEW**

- [Find a Job](#)
- [Post a Job](#)

**For the Record**

- [People on the Move](#)
- [Who's Getting Sued](#)
- [Judgments](#)
- [Hats Off](#)
- [Incorporations](#)
- [Contracts](#)

**Special Publications**

- [Book of Lists](#)
- [Ottawa Tech Guide](#)
- [BOMA Space Directory](#)
- [Ottawa HR](#)
- [Meeting in the Capital](#)

**Special Events**

- [CEO of the Year](#)
- [Forty Under 40](#)
- [Mayor's Breakfast Series](#)

**Services**

- [Advertising](#)
- [E-mail News](#)
- [Reprints](#)

**News Story**

**Ottawa leads in hotel occupancy rates**

*By Ottawa Business Journal Staff  
Tue, Feb 19, 2008 12:00 AM EST*

*Lack of new development helps drive up business for area hotels*

Ottawa is leading the province in hotel occupancy rates, according to a new report, so much so that the time is ripe for new development, say industry insiders.

According to the Ontario Ministry of Tourism, the Ottawa area had the highest hotel occupancy rate in all of Ontario last year, at 72 per cent between January and November 2007. That compared to a provincial average of 63.7 per cent.

Compared to the GTA, traditionally Ontario's strongest market, downtown Ottawa, east Ottawa and west Ottawa are seeing a real boon.

Dick Brown, executive director of the Ottawa Gatineau Hotel Association, credits this growth to the increase in tourism marketing for the city.

"When we put this destination marketing program in place in 2004, we indicated that it would take three or four years to really kick into gear. (Last year) was also a very strong season in terms of tourism offers such as the FIFA soccer tournament and the Rideau Canal designation," he said.

The numbers were collected by PKF Consulting, which monitors about 80 per cent of the hotel industry in Ottawa, as well as across the country and throughout the world. PKF director Brian Stanford said supply, as well as demand, is the reason for Ottawa's strong showing.

"One of the benefits that Ottawa has had is fairly minimal new development, which has allowed the industry to recover," he said. "As recently as 2005, this was a market that was running around 60 per cent occupancy and since then we have only seen about one per cent increase in supply. As a result, the demand has been able to outpace supply and we've seen occupancy improve in 2007."

Mr. Stanford said PKF has been monitoring the industry in Ottawa for many years. He believes one of the major issues contributing to this stalled growth has been the low price points hotels had to maintain to compete for public sector employees.

continued from previous page



Dick Brown. (Darren Brown, OBJ)

[SUBSCRIBE TO E-NEWS](#)

[BUSINESS CALENDAR](#)

A BLACK TIE EVENT

featuring

Opera's

GREATEST HITS

FEBRUARY 23

OBJ WebTV

Brought to you by

PROCOM

GOING BEYOND STAFFING



Book your Corporate Ski Day  
or Conference today!

CALABOGIE PEAKS  
RESORT

Business Matters

[Subscriptions](#)

[Box Locations](#)

[About Us](#)

[Contact Us](#)

**Reader Poll 02/19/2008**

How did you pass the time on Ontario's first Family Day holiday?

- As intended: I reconnected with family
- I spent the time with friends and acquaintances
- I caught up on sleep, errands, and cleaning
- I had to work
- Other

[Vote Results](#)

But with the resurgence in high tech and other private industries, the market has changed, and this is reflected in the higher price points in the 2007 survey.

With an increase in supply of only one per cent – compared to Toronto which saw a seven-per-cent increase over the same year – that combination of growth in demand and a relatively stable level of supply has allowed the market to improve its occupancy and its average daily rates.

"Ottawa's daily rates are somewhere around \$130, and that's only a few dollars behind Toronto. That's a very positive point for the industry and as we look at limited supply growth, that should allow the hotels to increase their price points. That's good for owners," Mr. Stanford said.

With more than 70 per cent occupancy already, Mr. Stanford said there is no question that there is sufficient demand to support additional hotels in the city.

Already, there are two hotels being built near the Ottawa International Airport. A Hilton Garden Inn is opening next summer, and construction for a Holiday Inn Express at the intersection of Uplands Road and Hunt Club Road began last November, and it's expected to open in late 2008.

Then there are projections of the increase in demand that a newly expanded Ottawa Congress centre will bring. According to projection by the Congress Centre board, an expanded convention facility could double the 80,000 out-of-town delegates that the existing centre brings to the city each year and lead to one or even two new downtown hotels.

"The bulk of the hotels are in downtown Ottawa, but it becomes harder to (build new hotels in that area) with higher fees and higher taxes. There is a market for it downtown, but whether developers can make that happen is another thing. Over the next few years, someone will find a way, whether it is retrofitting an existing building or whatever, to make something work in the downtown around the Congress Centre," said Mr. Stanford.

"I think we're certainly going to see something in Kanata. That market has rebounded very well in the past few years. Plus it's easier to build in the suburbs, obviously."

According to Mr. Brown, there have already been signs of interest among developers in both those markets, and it is just a matter of time before someone decides to build.

"We know of a number of other hotel companies (looking) into Kanata and downtown Ottawa. I know that there have been some inquiries around the Congress Centre, as well as out in Kanata, but those are basically just tire kicking at this point," he said.

**By Julie Fortier**

*Special to the Ottawa Business Journal*

 [Email Story to a Friend](#)

 [Printer Friendly Version](#)

\* To print this page, click on the "Printer Friendly Version" link above. When the new window opens, right-click with your mouse in the new window and select "Print".



**Holograph Wills**

**Sally Burks**

Perley-Robertson Hill & McDougall LLP/s.r.l.



**Team Building Best Practices**

**Jill Geddes**

Trillum Teams

**BrazeauSeller.LLP**  
*Business People. Business Live.*

**Mortgage Interest Deductibility & the GAAR**

**Nicole Ewing**

BrazeauSeller.LLP



**Attracting and retaining employees**

**Steve Roeske**

TK Group



**The Market Always Stabilizes – But What About You?**

**Alan MacDonald**

Richardson Partners Financial Limited

[Click here for Business Matters archive articles](#)

**Special Projects**

