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## Tourism downturn continues to dog Whistler

2004 showing signs of recovery, but hotel occupancy and U.S. traffic still down compared with other B.C. areas

Peter Mitham

Whistler hoteliers and tourism businesses continue to feel the impact of a strong dollar and security fears, even as the rest of B.C.'s \$10-billion tourism sector recovers from the woes dogging the industry for the past three years.

Occupancies at Whistler hotels were down 6.7 per cent this past winter from the previous winter, said **Tourism Whistler's Michele Comeau Thompson**. While there was a strengthening in April, the last month of Whistler's winter season, Comeau Thompson said U.S. business in particular has been slow.

"There seems to be a lot of fallout from that still with U.S. travellers sticking a little closer to home, not wanting to cross borders," she said.

But Comeau Thompson noted that stronger results in April have continued, with May occupancies up 25 per cent over May 2003 and up six per cent over May 2002.

Tourism Whistler estimates average occupancy of the village's 5,400-plus rooms at 63 per cent in winter and 54 per cent annually.

But Whistler isn't out of the woods, said **Eric Pateman**, an associate with Vancouver-based hotel broker **Tyne Hospitality Services Ltd.**

"I think Whistler will come back, but it's going to come back a lot slower than many of the

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other markets."

Pateman said Whistler has seen "stiff competition" from resorts in the Okanagan, Colorado and other U.S. destinations.

Colorado resorts capitalized on security fears and a strong Canadian dollar last winter to draw visitors, he said, and the state posted its first increase in out-of-state visitors in seven years.

"It's the opposite of what we're seeing so it would definitely indicate that the Canadian dollar is having a fairly strong impact," he said.

The competition put pressure on local hotels and pushed down room rates. Vancouver-based hotel consulting firm **PKF Consulting** reports that despite Whistler seeing average room revenues rise to \$112.66 in April, the figure is still down 9.4 per cent from the previous year.

"You just weren't getting the same clientele, the same length of stay," said **Tim Morrison**, general manager of the **Pan Pacific Lodge**, which saw occupancies in the 63-per-cent range last winter. "We had to be more aggressive."

Morrison doesn't expect significant growth until the coming winter, with real improvement taking hold next year.

"It's not going to be anything in the double digits or anything like that," he said of growth in the months ahead. "In 2005, we should be able to see larger growth."

The return of conferences and corporate business will help, said **Victor Burt**, general manager of the **Westin Resort & Spa** in Whistler.

"We had a much improved May, June is looking strong, and I think a lot of it, at least from what we see, is the return of the meeting planners," he said.

Meetings declined in 2002 and 2003, Burt said, as businesses retrenched.

While a resurgence in corporate business hasn't made up fully for the lack of U.S. tourists, Burt said occupancies at the Westin averaged 50 per cent in May.

"For a May, that's pretty good," Burt said. "Whistler can run in the 20s."

Westin director of sales and marketing **Marion Harper Treskin** said current conference business is primarily from Canada and the Pacific Northwest.

While interest has doubled over the past quarter, the meetings typically have smaller budgets and are booking closer to arrival - sometimes within two months or a month of the event. She expects the pattern to continue until well into 2005, with a return to pre-2001 levels of activity not likely until 2006.

"I think [the recovery] is going to be a little slower than we all hoped," she said.

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