

Tourism Langley

**Langley Value of Tourism Study  
(High Level Assessment of the Value of  
the Tourism Economy)**

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## Executive Summary

Using existing secondary source information, this report documents what is known about aspects of the value of tourism in the Langley area (which encompasses the City and Township of Langley). It has been prepared for Tourism Langley and aims to raise awareness of the contribution of tourism to the local economy. This contribution is measured using a mix of supply and demand indicators as summarized in the following table.

Note that the economic contributions shown in the table should not be summed. This is because, for example, the assessed value figure noted in the first row is the basis on which the property tax revenue noted in the second row is derived. Also, the room revenue noted in the fourth row reflects a portion of the visitor spending noted in the last row.

<b>Summary of Key Langley Area Value of Tourism Indicators</b>		
<b>Supply Indicators</b> (data related to the products and services 'supplied' to visitors such as hotels and attractions)		
Number and assessed value of tourism businesses	<ul style="list-style-type: none"> <li>There are an estimated 277 tourism-related properties in the Langley area based on the "actual use codes" used by BC Assessment to code properties for assessment purposes. These properties represent a total assessed value of \$647 million of which an estimated \$151 million (23%) is attributable to tourism.</li> </ul>	\$151 million assessed value of tourism-related properties
Property tax revenue	<ul style="list-style-type: none"> <li>Tourism-related property tax revenue associated with the properties referenced above, is estimated at \$2.7 million of which \$310,000 and \$1.04 million accrue to the City and Township of Langley. Property tax revenue also benefits the Regional District, schools and hospitals.</li> </ul>	\$2.7 million property tax revenue from tourism-related properties
Business licence revenue	<ul style="list-style-type: none"> <li>In 2009, 498 tourism-related businesses (versus "properties") in the Langley area paid approximately \$172,000 in business license fees of which about \$30,000 (18%) is estimated to be attributable to tourism.</li> </ul>	\$30,000 business license revenue from tourism properties

<b>Summary of Key Langley Area Value of Tourism Indicators</b>		
Tourism accommodation room revenue	<ul style="list-style-type: none"> <li>Between 2000 and 2009, the number of tourism accommodation properties with four or more rooms increased from 12 to 18, the number of tourism accommodation rooms increased from 563 to 1,666, and the amount of room revenue increased from \$6.6 million to \$16.3 million (+147%).</li> </ul>	\$16.3 million in hotel room revenue in 2009
Tourism-related employment	<ul style="list-style-type: none"> <li>There is no existing, meaningful source of information on tourism employment in the Langley area. However, tourism creates a range of direct, indirect and induced employment opportunities in, for example, the hotel, attractions, transportation and retail sectors.</li> </ul>	Many tourism-related jobs
Spending impacts of tourist accommodation properties	<ul style="list-style-type: none"> <li>Based on total room revenue of \$16.3 million in 2009, tourism accommodation properties (with four or more rooms) spent an estimated \$4.2 million on wages, benefits and labour costs, almost \$3.8 million in purchases and sub-contract costs, and almost \$701,000 in professional and business fees (e.g., accounting, legal fees). Other costs are summarized in Table 6.</li> </ul>	\$15.5 million spent by tourist accommodation properties in 2009
<b>Demand Indicators</b> (data related to the visitors who come to the community, such as what they spend money on)		
Estimated spending by overnight visitors	<ul style="list-style-type: none"> <li>Based on total Langley area tourism room revenue of \$16.3 million, total estimated spending by <u>overnight</u> visitors in 2009 was \$51.2 million. Of this total, it is estimated that \$13.3 million benefited the foodservices sector, \$9.7 million benefited the retail sector, \$7.2 million benefited the transportation sector, and the remaining \$4.7 million benefited the recreation/entertainment sector.</li> </ul>	\$51.2 million in estimated visitor spending in 2009

# **1.0 Introduction**

## **1.1 Background and Objectives**

Tourism Langley has been in operation for a relatively short period of time (since January 2008). As a not-for-profit Destination Management Organization (DMO), the role of Tourism Langley is to market the Langley region so as to generate increased visitation, extended stays, more revenues and increased daily spending in City and Township of Langley businesses. The organization currently receives some of its funding through the 2% Additional Hotel Room Tax (AHRT) which has been collected by the City of Langley since August 2005.

With the decline in the overall tourism economy, and concerns regarding the potential loss of, or changes to, current funding should the 2% AHRT program be discontinued after July 2011, Tourism Langley is faced with the impending need to pursue other sources of funding in order to maintain operations. At the same time, both industry stakeholders, as well as agencies being approached about contributing funding, are asking questions about the economic value of tourism in Langley. In order to respond to these questions, to raise awareness of the contribution of tourism to the local economy, and to support applications for funding, the overall objective of this report is to existing secondary source data to prepare a high level assessment of the value of tourism in the Langley area.

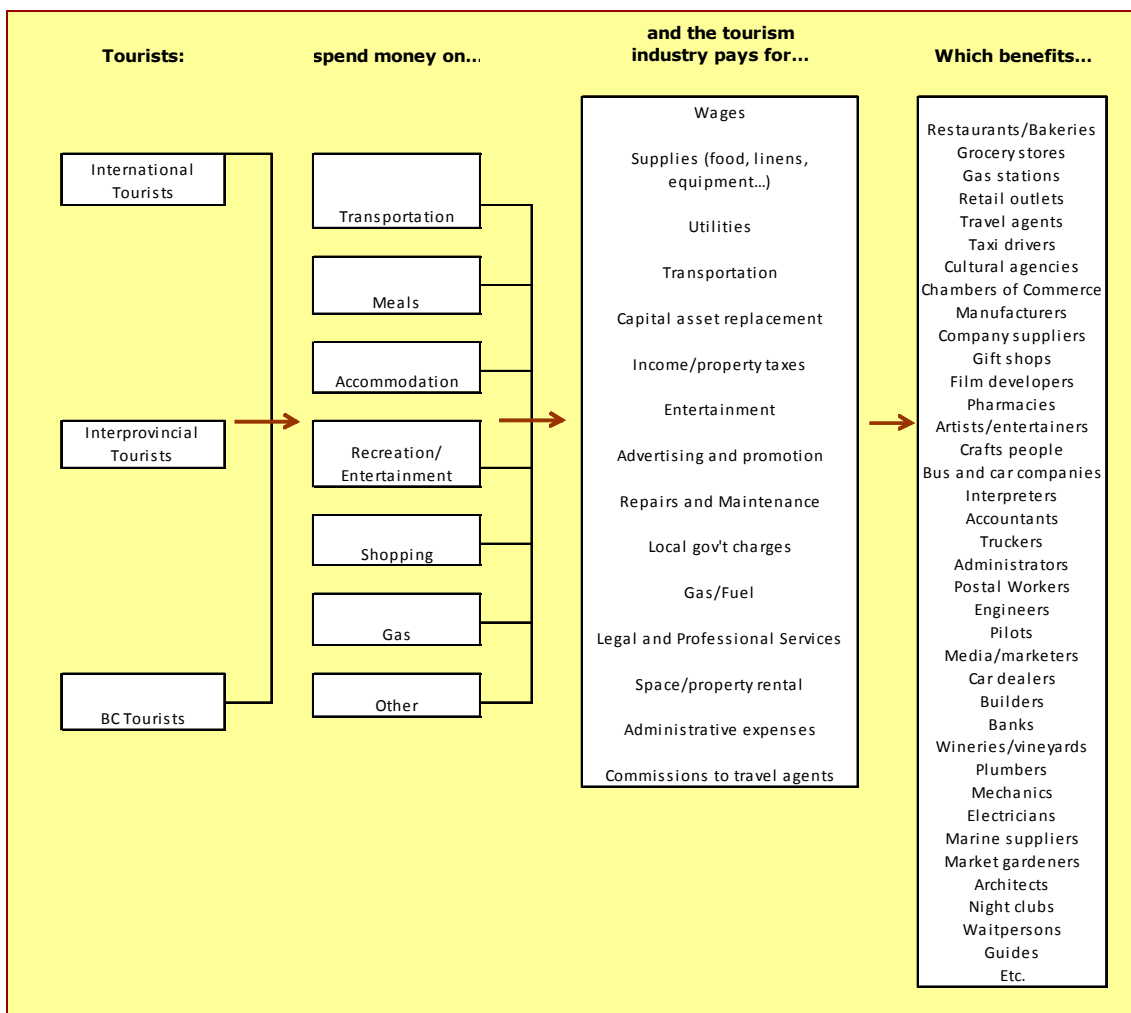
## **1.2 Understanding the Tourism Economy**

In order to provide a context for this value of tourism assessment, it is important to understand that, unlike most other sectors, tourism is not defined as an industry under the North American Industry Classification System (NAICS). This is because tourism spending generates benefits across a range of industry sectors. Typically, a tourist is someone who is travelling 50+km from their home for business or pleasure and all related spending (e.g., transportation, communications, accommodation and foodservices, retail trade, entertainment/recreation) is considered tourism spending. At the provincial level, tourism industry spending accounted for an estimated 4.4% of provincial GDP in 2008 – up from 4.1% in 2002 (based on chained \$2002). By way of comparison, the combined activities of forestry/logging and wood products manufacturing, accounted for 3.9% of GDP in

2008 (chained \$2002).<sup>1</sup> Figure 1 below presents a fairly commonly used illustration of the cross-sector distribution of tourism spending impacts.

When considering the economic contribution of tourism to the Langley economy, it is, therefore, important to recognize that visitor spending goes way beyond hotels and high profile attractions and benefits a range of sectors including the agricultural (e.g., agri-tourism operations, farm stands, wineries), transportation, retail, professional services, and recreation and entertainment sectors.

**Figure 1: Scope of Tourism Spending Impacts**



<sup>1</sup> "BC GDP by Industry NAICS Aggregations" prepared by BC Stats based on Statistics Canada data (CANSIM tables 379-0025 and 379-0026) released on: April 27, 2009.

## **1.2 Methodology**

As there are no existing, secondary data sources that would readily enable the calculation of the overall value of tourism in Langley (i.e., contribution to Langley's GDP), this assessment has been prepared using various secondary information sources to document what is known about specific aspects of the value of tourism in the Langley area. These sources include a mix of 'supply' and, to a lesser extent, 'demand' information<sup>2</sup>. No primary data research (e.g., surveys, interviews) was required as part of this assessment although key data gaps identified in the course of preparing the assessment are outlined in Chapter 3 and can be used to guide future research activities.

The steps involved in preparing the Langley Value of Tourism Assessment included the following:

- Conducting a telephone meeting with representatives of Tourism Langley (Deborah Kulchinski and John Aldag) to discuss and confirm the objectives of the project and the data sources to be used to prepare the assessment;
- Compiling data and background information via telephone or e-mail requests and Internet searches; and,
- Reviewing and summarizing the above information to focus on what it indicates regarding the value of tourism in Langley (including documenting data sources and assumptions).

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<sup>2</sup> Supply data relates to the products and services "supplied" to visitors such as hotels and attractions. Demand data relates to the visitors who come to the community such as what they spend money on.

## 2.0 Value of Tourism Assessment

### 2.1 Introduction

This chapter summarizes what available secondary source supply and demand information reveals about the value of tourism in the Langley area<sup>3</sup>. In general, there is more supply-related than demand-related secondary source information available. Additionally, much of the supply-related data focuses on the tourism accommodation sector. The seven tourism value indicators reviewed in this chapter include the following:

#### Supply Indicators

- Number and assessed value of tourism-related businesses
- Property tax revenue from tourism-related businesses
- Business licence revenue from tourism-related businesses
- Annual room revenue from tourism accommodation properties
- Tourism-related employment
- Spending impacts of tourism accommodation properties

#### Demand Indicators

- Estimated spending by overnight visitors to Langley

### 2.2 Supply Indicators

**2.2.1 Number and assessed value of tourism businesses:** Table 1 summarizes data related to the number and assessed value of tourism-related businesses in the Langley area<sup>4</sup>. For the purposes of presenting this information, BC Assessment "Actual Use Codes" are used to distinguish business types (as listed in the first column of the table). It is important to note that the data in Table 1 is understated

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<sup>3</sup> Note that all references to "the Langley area" refer to the area encompassed by the City of Langley and the Township of Langley.

<sup>4</sup> Tables A1 and A2 in the Appendix present assessment information in separate tables for the City and the Township of Langley.

and does NOT reflect the actual number and assessed value of tourism-related properties in the Langley area. This is because BC Assessment codes properties based on their “highest and best use”. As such, a property may be coded, for example, as a “retail strip” – which does not account for the number of different businesses that collectively make up this retail strip (e.g., restaurants, craft shops, etc.). Due to this coding approach, the number of tourism-related properties included in the table is believed to under-represent the actual number of tourism-related properties in the Langley area (see also the discussion on business licenses in Section 2.1.3 which represents another way of determining the number of tourism-related businesses).

**Table 1**

<b>Number and Assessed Value of Tourism-Related Businesses in the Township and City of Langley (2009)</b>					
<b>BC Assessment Actual Use Code # and Name</b>	<b>Total # of Establishments</b>	<b>Total Assessed Value</b>	<b>Est. Tourism Dependence (See Footnote)</b>	<b>Assessed Value Attributable to Tourism</b>	
200 Store(s) and Service Commercial	147	\$ 258,808,700	5%	\$ 12,940,435	
222 Service Station	8	\$ 9,489,000	5%	\$ 474,450	
224 Self-Serve Service Station	5	\$ 8,419,000	5%	\$ 420,950	
230 Hotel	12	\$ 67,175,600	100%	\$ 67,175,600	
232 Motel & Auto Court	3	\$ 2,825,609	100%	\$ 2,825,609	
236 Campground (Commercial)	3	\$ 5,127,600	100%	\$ 5,127,600	
237 Bed & Breakfast Operation Less Than 4 Units	1	\$ 1,556,100	100%	\$ 1,556,100	
239 Bed & Breakfast Operation More Than 4 Units	9	\$ 7,598,000	100%	\$ 7,598,000	
254 Neighbourhood Pub	6	\$ 9,158,300	10%	\$ 915,830	
256 Restaurant Only	20	\$ 25,321,500	10%	\$ 2,532,150	
257 Fast Food Restaurants	14	\$ 28,455,800	10%	\$ 2,845,580	
258 Drive-in Restaurant	1	\$ 1,161,000	10%	\$ 116,100	
409 Winery	1	\$ 963,204	50%	\$ 481,602	
515 Airports, Heliports, Etc.	7	\$ 15,116,500	30%	\$ 4,534,950	
600 Recreational & Cultural Buildings	31	\$ 148,805,200	20%	\$ 29,761,040	
612 Golf Courses (Public and Private)	9	\$ 56,953,003	20%	\$ 11,390,601	
<b>Total</b>	<b>277</b>	<b>\$ 646,934,116</b>		<b>\$ 150,696,597</b>	

Source: BC Assessment data as compiled by Landcor Data Corporation

As shown in the table, there are an estimated 277 tourism-related properties in the Langley area as of 2009 that reflect the BC Assessment “actual use codes” listed in the second column. These properties represent a total assessed value of \$647 million. In order to determine what share of this assessed value can be attributed to tourism (recognizing that businesses such as restaurants serve both residents and tourists), the degree to which each property category is estimated to be dependent on tourism is presented in column 6<sup>5</sup>. These percentages are applied to the total assessed value figures in column 5 resulting in the estimates of tourism-related assessed values shown in the last column. These latter figures are important because they are used to calculate the tourism-related property tax revenue impacts presented in Section 2.1.2.

<sup>5</sup> These dependency rates are estimates only and reflect the professional opinion of Chemistry Consulting Group.

**2.1.2 Property tax revenue:** The tourism-related properties summarized in Section 2.1.1 above generate property tax revenue for both the City and Township of Langley, as well as for a range of other agencies. The amount of property tax paid annually is determined by applying applicable Variable Tax Rates (VTRs – also referred to as mill rates) as set by the City and Township, to the assessed value of properties as set by BC Assessment<sup>6</sup>. For the purposes of this study, the property tax contribution of tourism-related properties has been determined by applying the 2009 business VTRs summarized in Table 2 below, against 2009 property assessments as reported in the 2010 Assessment Roll<sup>7</sup>.

**Table 2**

<b>"Business Class" Property Tax Rates for the City and Township of Langley (2009)</b>		
<b>Municipality</b>	<b>Purpose of Tax Rate</b>	<b>Business</b>
City of Langley	Municipal	8.5331
	Reg'l District	0.1639
	School	7.0000
	Other	1.9327
	<b>Total</b>	<b>17.6297</b>
Township of Langley	Municipal	9.0900
	Reg'l District	0.1616
	School	7.0000
	Other	1.9327
	<b>Total</b>	<b>18.1843</b>

Source: Ministry of Community and Rural Development "Tax Rates - Schedule 702-2009"

<sup>6</sup> There are ten classes of property (classification of a property is determined by BC Assessment) as defined in the *Assessment Act* "Prescribed Classes of Property Regulation" (which has recently been under review). Almost all tourism-related properties fall into either Class 6 (Business and Other), Class 8 (Recreational Property/Non Profit Organization), or Class 10 (Split Classification – e.g., a campground could include a business component and a recreational component). However, the majority of tourism-related business will be classed as Business and Other so, for the purposes of this assessment, only the business tax rates are used.

<sup>7</sup> The 2010 Assessment Roll reflects property values as of July 2009. Local governments will use VTRs established in 2010 (and not yet available at the time of writing) to calculate 2010 property taxes.

As summarized in Table 3 below, the 277 properties represented in Table 1 paid an estimated \$2.7 million in property tax that can be attributed to tourism in 2009<sup>8</sup>. Of this total, an estimated \$310,000 and \$1.04 million of this property tax accrued to the City and Township of Langley respectively, while remaining revenue benefitted the Regional District, schools, and other agencies. Note that the tourism-related property tax revenue benefits as summarized in this table may be understated because the estimates of the degree to which tourism-related businesses are dependent on tourism (see Tables A3 and A4) are conservative.

**Table 3**

<b>Estimated Property Tax Revenue Attributable to Tourism-Dependent Properties in the City and Township of Langley (2009)</b>			
<b>Property Tax Categories</b>	<b>City of Langley</b>	<b>Township of Langley</b>	<b>Total Est. Property Tax Revenue from Tourism</b>
Municipal	\$ 310,461	\$ 1,039,108	\$ 1,349,569
Reg'l District	\$ 5,963	\$ 18,473	\$ 24,436
Hospital	\$ -	\$ -	\$ -
School	\$ 254,682	\$ 800,194	\$ 1,054,876
Other	\$ 70,318	\$ 220,934	\$ 291,251
<b>Total</b>	<b>\$ 641,424</b>	<b>\$ 2,078,709</b>	<b>\$ 2,720,133</b>

**2.1.3 Business licence revenue:** Each year, businesses operating in the Langley area pay a business license fee to the City or Township of Langley. Detailed information on the number of business licenses by type and associated revenue is provided in Tables A5 and A6 in the appendix. In total, 498 tourism-related businesses in the Langley area paid approximately \$172,000 in business license fees in 2009. By applying the percentages shown in Table 1 regarding estimated degree of tourism-dependence, it is estimated that about \$30,000 (or 18%) of this \$172,000 in business license fee revenue is attributable to tourism.

Although historical business license data for the City of Langley was not available, Table 4 below presents data related to the number of tourism-related business licenses issued in the Township of Langley in 2006 and 2010. As shown, the number of tourism-related businesses has increased by 15% over this four-year period rising from 328 to 377.

<sup>8</sup> Refer to Appendix A, Tables A3 and A4 for separate and more detailed City of Langley and Township of Langley data.

**Table 4**

<b>Change in # of Tourism-Related Establishments in the Township of Langley (2006 to 2010)</b>			
<b>NAICS # and Name</b>	<b>2006</b>	<b>2010</b>	<b>% Change</b>
Heritage Institutions	2	4	100%
Amusement Parks & Arcades	3	4	33%
Gambling Industries	6	6	0%
Other Amusement & Recreation Industries	39	39	0%
Traveller Accommodation	17	21	24%
RV Parks and Recreation Camps	6	8	33%
Foodservice Places	239	281	18%
Drinking Places	14	14	0%
Charter Bus Industries	0	0	0%
Scenic and Sightseeing	2	0	-100%
<b>Total</b>	<b>328</b>	<b>377</b>	<b>15%</b>

**2.1.4 Annual room revenue from tourism accommodation properties:**

According to data compiled by the B.C. Ministry of Finance and BC Stats, tourist accommodation properties in the Langley area with four or more rooms, generated room revenue of almost \$16.3 million in 2009<sup>9</sup>. This revenue figure represents an increase of 147% over nine years as shown in the following figure and table. Over this same period, the total number of tourism accommodation establishments with four or more rooms increased from 12 to 18 while the associated number of rooms increased from 563 to 1,666. The 2009 total room revenue figure is important as it is used as the basis for preparing the estimate of 2009 overnight visitor spending presented in Section 2.1.7 of this report.

<sup>9</sup> Note that separate room revenue data for the City and Township of Langley are not available due to BC Stats confidentiality agreements which only permit the release of data when there are at least ten accommodation properties reporting hotel tax within the domain of interest.

**Figure 2**



**Table 5**

Tourism Accommodations (4 or more rooms), Rooms and Revenue in City and Township of Langley (2000 to 2009)				
Year	Establishments	Rooms	Estimated revenue (000s)	Estimated RevPAR
2000	12	563	\$ 6,614	\$ 1,174.78
2001	14	1,240	\$ 7,601	\$ 612.98
2002	13	1,236	\$ 7,058	\$ 571.04
2003	13	1,236	\$ 7,289	\$ 589.72
2004	15	1,322	\$ 8,093	\$ 612.18
2005	16	1,399	\$ 10,385	\$ 742.32
2006	17	1,521	\$ 12,496	\$ 821.56
2007	18	1,665	\$ 15,669	\$ 941.08
2008	18	1,666	\$ 17,694	\$ 1,062.06
2009	18	1,666	\$ 16,308	\$ 978.87

Source: BC Stats; The figures in the last column were calculated by Chemistry Consulting Group by dividing est. revenue (column 4) by the number of rooms (column 3). Note that these RevPAR calculations don't account for any seasonal property/room closures.

**2.1.5 Tourism-related employment (direct and indirect):** There are no existing secondary data sources which identify the number of Langley area residents whose employment is dependent on tourism. While the Census identifies labour force by industry to quite a high level of detail, it is important to note that this data does not identify the types of jobs done in a particular community. Rather, it identifies the types of jobs done by people who live in a particular community (i.e., a Langley resident who works as a hotel manager in downtown

Vancouver would show up in the Langley Census labour force data as being employed in the accommodation sector).

However, as noted in Section 2.1.3, and detailed in Tables A5 and A6 in the appendix, there are 498 tourism-related businesses with a business license located in the Langley area. If we apply the same tourism-dependency estimates as shown in tables A5 and A6<sup>10</sup>, then it is reasonable to suggest that at least 18% of the total jobs associated with these businesses are attributable to tourism.

In addition to direct employment, spending by tourism-related businesses in Langley on both wages/salaries and the purchase of goods and services (see also Section 2.1.6), creates indirect and induced employment. *Indirect employment* results when tourism workers spend their wages (e.g., on groceries, household goods, activities). *Induced employment* results when tourism operators make purchases in support of their business (e.g., linen, cleaning supplies, furniture).

**2.1.6 Spending impacts of tourist accommodation properties:** The Langley area benefits from three main categories of tourism spending including: spending by tourists (see Section 2.1.7); spending by Langley residents employed by tourism-related businesses, and spending by the businesses that provide products and services to tourists. While there is no secondary source data that documents this latter category of spending, Table 6 below uses data related to total room revenue for tourism accommodation properties with four or more rooms, together with business spending ratios for tourism accommodation properties prepared by Stats Canada, to estimate the spending impacts of tourism accommodation properties in the Langley area.

While it is not known what portion of the estimated 2009 spending summarized in Table 6 occurred within the Langley area, the figures show that spending by Langley area tourism accommodation properties (with four or more rooms) included an estimated \$4.2 million in wages, benefits and labour costs, almost \$3.8 million in purchases and sub-contract costs, and just over \$701,000 in professional and business fees (e.g., accounting, legal fees).

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<sup>10</sup> As noted on page 5, the dependency rates that are used in this report are estimates only and reflect the professional opinion of Chemistry Consulting Group.

**Table 6**

<b>Estimated Spending Impacts of Tourism Accommodation Properties in the Langley Area in 2009</b>		
<b>Business ratio category</b>	<b>2006 Ratios</b>	<b>Est. 2009 Spending</b>
<b>Total Revenue</b>	<b>100%</b>	<b>\$16,308,000</b>
<b>Cost of Sales:</b>	<b>28.1%</b>	<b>\$ 4,582,548</b>
Wages & benefits	5.9%	\$ 962,172
Purchases, materials and sub-contracts	23.5%	\$ 3,832,380
Opening inventory	3.2%	\$ 521,856
Closing inventory	4.4%	\$ 717,552
<b>Operating Expenses:</b>	<b>67.1%</b>	<b>\$ 10,942,668</b>
Labour & Commissions	20.1%	\$ 3,277,908
Amortization and depletion	6.4%	\$ 1,043,712
Repairs & maintenance	4.2%	\$ 684,936
Utilities, telephone, telecommunications	5.1%	\$ 831,708
Rent	2.4%	\$ 391,392
Interest and bank charges	7.2%	\$ 1,174,176
Professional and business fees	4.3%	\$ 701,244
Advertising and promotions	2.4%	\$ 391,392
Insurance	1.5%	\$ 244,620
Other expenses	13.3%	\$ 2,168,964
<b>Total expenses</b>	<b>95.2%</b>	<b>\$ 15,525,216</b>
<b>Net profit/loss</b>	<b>4.8%</b>	<b>\$ 782,784</b>

Source: The 2006 Business Ratios (more recent available) come from Statistics Canada Small Business Profiles for NAICS 7211 - Traveller Accommodation. These ratios are for B.C. as a whole but are based on a large sample size of 1,858 properties. The spending amounts in the third column have been calculated by applying the ratios to Langley's total 2009 room revenue figure.

## **2.3 Demand Indicators**

**2.1.7 Estimated spending by overnight visitors to Langley.** From a 'demand' perspective, the primary contributor of revenue to the tourism economy results from spending by visitors. In the absence of data related both to the number of visitor nights and to the per person or per party visitor spending occurring in the Langley area, a commonly employed approach has been used to calculate total annual visitor spending. This approach involved applying existing data on the percentage of total trip expenditures that GVRD visitors spend by industry sector (as determined by Stats Canada and shown in Column 2 of Table 7), to data on

actual spending by visitors on tourism accommodation in the Langley area with four or more rooms (from Table 6).

Note that the spending calculations in the following table should be considered under-stated because the accommodation spending figure, which serves as the basis for the other spending calculations, only accounts for spending in properties with four or more rooms (and does not include B&Bs, campgrounds, or people staying with friends and relatives).

Based on this approach, and as summarized in the following table, total estimated spending by overnight visitors in the Langley area in 2009 was \$51.2 million. Of this total, \$13.3 million benefited the foodservices sector and \$9.7 million benefited the retail sector.

**Table 7**

<b>Estimated Total Spending by Overnight Visitors to Langley in 2009</b>			
<b>Visitor Spending Category</b>	<b>% of Spending</b>		<b>Estimated Spending in Langley</b>
Accommodation	31.9%	\$	16,308,000
Food and Beverage	26.0%	\$	13,287,049
Retail	19.0%	\$	9,723,355
Private Transportation	8.8%	\$	4,521,181
Recreation/Entertainment	9.2%	\$	4,720,871
Public Transportation	5.2%	\$	2,636,929
<b>Total</b>	<b>100.0%</b>	<b>\$</b>	<b>51,202,500</b>

Source: Spending percentages are from Stats Canada's *Tourism in Canadian Cities - A Statistical Outlook*. This table uses visitor spending percentages for Greater Vancouver as reported in Tourism Vancouver's 'Visitor Expenditures by Industry Sector - 2007'. In turn, estimated tourism spending in the Langley area as presented in this table is calculated by extrapolating Langley's room revenue figure (see Table 5) using the percentages in the second column to estimate spending in the other five spending categories. Note that total spending does not add precisely due to rounding.

## 3.0 Conclusions

### 3.1 Summary of Findings

The following table provides a summary of the key findings of the Langley value of tourism study. Note that the economic contributions shown in the table should not be summed. This is because, for example, the assessed value figure noted in the first row is the basis on which the property tax revenue noted in the second row is derived. Also, the room revenue noted in the fourth row reflects a portion of the visitor spending noted in the last row.

Summary of Key Langley Area Value of Tourism Indicators		
<b>Supply Indicators</b> (data related to the products and services 'supplied' to visitors such as hotels and attractions)		
Number and assessed value of tourism businesses	<ul style="list-style-type: none"> <li>There are an estimated 277 tourism-related properties in the Langley area based on the "actual use codes" used by BC Assessment to code properties for assessment purposes. These properties represent a total assessed value of \$647 million of which an estimated \$151 million (23%) is attributable to tourism.</li> </ul>	\$151 million assessed value of tourism-related properties
Property tax revenue	<ul style="list-style-type: none"> <li>Tourism-related property tax revenue associated with the properties referenced above, is estimated at \$2.7 million of which \$310,000 and \$1.04 million accrue to the City and Township of Langley. Property tax revenue also benefits the Regional District, schools and hospitals.</li> </ul>	\$2.7 million property tax revenue from tourism-related properties
Business licence revenue	<ul style="list-style-type: none"> <li>In 2009, 498 tourism-related businesses (versus "properties") in the Langley area paid approximately \$172,000 in business license fees of which about \$30,000 (18%) is estimated to be attributable to tourism.</li> </ul>	\$30,000 business license revenue from tourism properties
Tourism accommodation room revenue	<ul style="list-style-type: none"> <li>Between 2000 and 2009, the number of tourism accommodation properties with four or more rooms increased from 12 to 18, the number of tourism</li> </ul>	\$16.3 million in hotel room revenue in

<b>Summary of Key Langley Area Value of Tourism Indicators</b>		
	accommodation rooms increased from 563 to 1,666, and the amount of room revenue increased from \$6.6 million to \$16.3 million (+147%).	2009
Tourism-related employment	<ul style="list-style-type: none"> <li>There is no existing, meaningful source of information on tourism employment in the Langley area. However, tourism creates a range of direct, indirect and induced employment opportunities in, for example, the hotel, attractions, transportation and retail sectors.</li> </ul>	Many tourism-related jobs
Spending impacts of tourist accommodation properties	<ul style="list-style-type: none"> <li>Based on total room revenue of \$16.3 million in 2009, tourism accommodation properties (with four or more rooms) spent an estimated \$4.2 million on wages, benefits and labour costs, almost \$3.8 million in purchases and sub-contract costs, and almost \$701,000 in professional and business fees (e.g., accounting, legal fees). Other costs are summarized in Table 6.</li> </ul>	\$15.5 million spent by tourist accommodation properties in 2009
<b>Demand Indicators</b> (data related to the visitors who come to the community, such as what they spend money on)		
Estimated spending by overnight visitors	<ul style="list-style-type: none"> <li>Based on total Langley area tourism room revenue of \$16.3 million, total estimated spending by <u>overnight</u> visitors in 2009 was \$51.2 million. Of this total, it is estimated that \$13.3 million benefited the foodservices sector, \$9.7 million benefited the retail sector, \$7.2 million benefited the transportation sector, and the remaining \$4.7 million benefited the recreation/entertainment sector.</li> </ul>	\$51.2 million in estimated visitor spending in 2009

### 3.2 Data Gaps

While the data presented in this report provides meaningful information regarding the value of tourism in the Langley area, a more thorough understanding of the contribution of tourism to the local economy could be obtained if a visitor survey process was conducted. Recognizing that such survey processes are costly and need to be properly designed and administered to ensure data validity, the key benefit of visitor surveys (e.g., the kind where visitors complete a 'diary' documenting activities and expenditures) is that they provide insight into the demographic, motivational and spending characteristics of visitors that can be

cross-tabulated and used to understand who comes to the area, why they come, how long they stay, where they stay, and what they do and spend while in the area.

For example, the estimate of annual visitor spending presented in Section 2.1.7 focuses only on spending by overnight visitors to the area. However, it is likely that the area hosts many day visitors and spending by these visitors is not accounted for in Table 7. However, a visitor survey would help identify the proportion of same day versus overnight visitors.

In addition to the lack of visitor information specific to the Langley area, other key data gaps include:

- Lack of awareness of the proportion of revenue generated by businesses that serve both residents and visitors that is attributable to visitor spending (e.g., retail outlets, restaurants, transportation services);
- Linked to the above, lack of awareness of the proportion of employment generated by businesses that serve both residents and visitors that is attributable to visitor spending;
- Or, in lieu of the previous point, lack of current and detailed labour force information both for the tourism sector specifically and the economy generally (e.g., there is no current data that identify where [geographically speaking] and in what industry, Langley residents are employed).

# Appendix

## A. Detailed Statistical Tables

## Appendix A - Detailed Statistical Tables

### Number and Assessed Value of Tourism-Related Businesses

**Table A1**

Number and Assessed Value of Tourism-Related Businesses in the Township of Langley (2009)					
BC Assessment Actual Use Code # and Name	Total # of Establishments	Total Assessed Value	Est. Tourism Dependence	Assessed Value Attributable to Tourism	
200 Store(s) and Service Commercial	79	\$ 181,315,800	5%	\$	9,065,790
222 Service Station	8	\$ 9,489,000	5%	\$	474,450
230 Hotel	9	\$ 49,851,600	100%	\$	49,851,600
236 Campground (Commercial)	3	\$ 5,127,600	100%	\$	5,127,600
237 Bed & Breakfast Operation Less Than 4 Units	1	\$ 684,100	100%	\$	684,100
239 Bed & Breakfast Operation More Than 4 Units	9	\$ 7,598,000	100%	\$	7,598,000
254 Neighbourhood Pub	4	\$ 5,779,900	10%	\$	577,990
256 Restaurant Only	13	\$ 19,080,500	10%	\$	1,908,050
257 Fast Food Restaurants	9	\$ 20,510,000	10%	\$	2,051,000
409 Winery	1	\$ 963,204	50%	\$	481,602
515 Airports, Heliports, Etc.	7	\$ 15,116,500	30%	\$	4,534,950
600 Recreational & Cultural Buildings	31	\$ 115,087,500	20%	\$	23,017,500
612 Golf Courses (Public and Private)	8	\$ 44,704,003	20%	\$	8,940,801
<b>Total</b>	<b>182</b>	<b>\$ 475,307,707</b>			<b>\$ 114,313,433</b>

**Table A2**

Number and Assessed Value of Tourism-Related Businesses in the City of Langley (2009)					
BC Assessment Actual Use Code # and Name	Total # of Establishments	Total Assessed Value	Est. Tourism Dependence	Assessed Value Attributable to Tourism	
200 Store(s) and Service Commercial	68	\$ 77,492,900	5%	\$	3,874,645
224 Self-Serve Service Station	5	\$ 8,419,000	5%	\$	420,950
230 Hotel	3	\$ 17,324,000	100%	\$	17,324,000
232 Motel & Auto Court	3	\$ 2,825,609	100%	\$	2,825,609
239 Bed & Breakfast Operation Less Than 4 Units	2	\$ 872,000	100%	\$	872,000
254 Neighbourhood Pub	2	\$ 3,378,400	10%	\$	337,840
256 Restaurant Only	7	\$ 6,241,000	10%	\$	624,100
257 Fast Food Restaurants	5	\$ 7,945,800	10%	\$	794,580
258 Drive-in Restaurant	1	\$ 1,161,000	10%	\$	116,100
600 Recreational & Cultural Buildings	9	\$ 33,717,700	20%	\$	6,743,540
612 Golf Courses (Public and Private)	1	\$ 12,249,000	20%	\$	2,449,800
<b>Total</b>	<b>106</b>	<b>\$ 171,626,409</b>			<b>\$ 36,383,164</b>

## Estimated Property Tax Attributable to Tourism-Dependent Properties

### Table A3

<b>Estimated Property Tax Revenue Attributable to Tourism-Dependent Properties in the City of Langley (2009)</b>			
<b>Property Tax Categories</b>	<b>2009 VTR - Business &amp; Other Per \$1,000 taxable value</b>	<b>Taxes Paid Based on Tourism-Related Assessed Value of...</b>	
		<b>\$</b>	<b>36,383,164</b>
Municipal	8.5331	\$	310,461
Reg'l District	0.1639	\$	5,963
School	7.0000	\$	254,682
Other	1.9327	\$	70,318
<b>Total</b>	<b>17.6297</b>	<b>\$</b>	<b>641,424</b>

### Table A4

<b>Estimated Property Tax Revenue Attributable to Tourism-Dependent Properties in the Township of Langley (2009)</b>			
<b>Property Tax Categories</b>	<b>2009 VTR - Business &amp; Other Per \$1,000 taxable value</b>	<b>Taxes Paid Based on Tourism-Related Assessed Value of...</b>	
		<b>\$</b>	<b>114,313,433</b>
Municipal	9.0900	\$	1,039,108
Reg'l District	0.1616	\$	18,473
School	7.0000	\$	800,194
Other	1.9327	\$	220,934
<b>Total</b>	<b>18.1843</b>	<b>\$</b>	<b>2,078,709</b>

## Business License Revenue Attributable to Tourism-Dependent Businesses

The following tables present estimates of the 2009 business license revenue that accrued to the City and Township from properties dependent on tourism. Data for the City and Township are presented separately because the City of Langley uses the 1980 Standard Industrial Classification (SIC 80) system to categorize business licenses while the Township of Langley uses the North American Industry Classification System (NAICS). Note that the Township of Langley provided the business license revenue information presented in Table A6 while the business license revenue for the City of Langley was calculated by applying business license fees to data (provided by the City) on the number of establishments by type.

**Table A5**

Business License Revenue Attributable to Tourism-Dependent Businesses in the City of Langley (2009)						
SIC1980 # and Name	Total # of Establishments	Business License Fee (1)	Est. Business License Revenue	Est. Tourism Dependence	Est. Bus. License Rev. Attributable to Tourism	
4581	Taxicab industry	3	\$153	\$459.00	20%	\$91.80
6582	Gift, Novelty and Souvenir Stores	9	\$153	\$1,377.00	60%	\$826.20
6593	Art Galleries and Artists' Supply Stores	6	\$153	\$918.00	20%	\$183.60
9111	Hotels and Motor Hotels	6	\$153	\$918.00	100%	\$918.00
9112	Motels	1	\$153	\$153.00	100%	\$153.00
9211	Restaurants, Licensed	10	\$195	\$1,950.00	10%	\$195.00
9212	Restaurants, Unlicensed	38	\$195	\$7,410.00	10%	\$741.00
9213	Take-out Food Services	25	\$195	\$4,875.00	10%	\$487.50
922	Taverns, Bars and Night Clubs (see note 2)	6	\$5,000	\$30,000.00	10%	\$3,000.00
9651	Golf Courses	1	\$153	\$153.00	20%	\$30.60
9659	Other Sports and Recreation Clubs	5	\$153	\$765.00	20%	\$153.00
966	Gambling Operations	1	\$6,004	\$6,004.00	40%	\$2,401.60
9961	Ticket and Travel Agencies	9	\$153	\$1,377.00	20%	\$275.40
9962	Tour Wholesalers and Operators	1	\$153	\$153.00	50%	\$76.50
<b>Total</b>	<b>121</b>			<b>\$56,512.00</b>		<b>\$9,533</b>

**Note 1:** Fees quoted below are the annual renewal fees which are less than the initial application fee.

**Note 2:** City of Langley business license fees are \$4,240/yr for Bars/Pubs and \$6004 for cabarets/nightclubs. Because these two categories of businesses are combined in the SIC listings, \$5,000 is used as an approximate average.

**Table A6**

Business License Revenue Attributable to Tourism-Dependent Businesses in the Township of Langley (2009)					
NAICS # and Name	Total # of Establishments (Jan. 2010)	Business License Revenue	Est. Tourism Dependence	Est. Bus. License Rev. Attributable to Tourism	
7121	Heritage Institutions	4	\$325.00	50%	\$162.50
7131	Amusement Parks & Arcades	4	\$6,442.50	10%	\$644.25
7131	Gambling Industries	6	\$1,027.50	40%	\$411.00
7139	Other Amusement & Recreation Industries	39	\$7,771.25	20%	\$1,554.25
7211	Traveller Accommodation	21	\$5,362.50	100%	\$5,362.50
7212	RV Parks and Recreation Camps	8	\$3,556.25	100%	\$3,556.25
7221/22/23	Foodservice Places	281	\$57,938.75	10%	\$5,793.88
7224	Drinking Places	14	\$33,025.00	10%	\$3,302.50
4885	Charter Bus Industries	0	\$0.00	10%	\$0.00
487	Scenic and Sightseeing	0	\$0.00	100%	\$0.00
<b>Total</b>	<b>377</b>		<b>\$ 115,448.75</b>		<b>\$20,787.13</b>