



Keeping Inn Touch

Newsletter of the Innkeepers Guild - www.innkeeperguild.com

August . 2010

70 Years of Professional Innkeepers and Quality Properties



President's Message

Peter Sheehan

The Innkeepers Guild is a group of accommodations and tourism business owners who work to improve our tourism business. We aim to help member owners sell more rooms and other tourism products. We also work as a "spokesperson" for the group.

Tourism seems to have evolved into a three tier industry. First, we have the multi-national hotel and motel brands which operate in each province, owned out of province. The next tier is the smaller independently owned (usually by a company or family residing in the province) smaller hotels, motels, B&B's, cottages, inns, restaurants, etc. The third tier has become "government" itself, government and agencies, and then a growing number of tourism and marketing associations. These three then have quite different financial objectives.

A result of the three tiered industry is that revenues benefit an out-of-province investor, one benefits a local investor, and then government benefits from the sales tax and property tax dollars. Independent owners are seldom "at the table" so organizations like the Innkeepers Guild can be the "spokesperson" for owners.

Competition has changed too. The brand name properties continue to add locations and numbers of rooms. The number of independent (provincial) owners has decreased. Independently owned properties along the coast of any of the four Atlantic Provinces have seen increased competition from properties added along the Trans Canada Highway, and also from the increased number of the (illegal) "vacation home" rentals.

Government involvement has changed too. Government used to "regulate" as

a way to ensure a level playing field and to increase revenues from sales taxes and property taxes. These provincial and municipal tax revenues are now at risk when there is no regulation. The New Brunswick and Nova Scotia Governments no longer seem to be interested in making sure that 100% of our accommodations meet a single set of standards. We seem to be opting for "buyer beware" instead of "satisfaction guaranteed."

As an owner and as a member, we urge you to use our MEMBER TO MEMBER email system to talk about the tourism business in your area. What is improving? What isn't? What do YOU want to see changed? Simply prepare your email and use this email to reach over 200 fellow owners. innkeepers@innkeeperguild.com



Changing to Help Owners

The first change Innkeepers will make is to reduce your membership cost and, give members more options. Your membership renewal at a reduced rate for 2010-2011 will be sent in the next two weeks.

The second change will be the creation of a new web site for the 2011 season which will give you a property listing that is intended to help you compete with the many sites that have "unlicensed" properties and illegal summer vacation home rentals. Members will then have their property displayed on three websites as part of their memberships.

The third change will depend on the members. We need a few members to act as regional contacts. Owners need to talk to one another so we want to help with communications at the regional level, especially in Nova Scotia, as now there are several regional tourism associations that have ceased to have a legal membership arrangement.

Contact us at admin@innkeeperguild.com if you can help as a contact for your region or trail. No work, just help us reach owners in your area.

It's In the Numbers

Provincially as of the of May 31/2010: Here is what we know:

Nova Scotia sold 766,000 rooms, (over 440,00 were in Metro Halifax), a 2% increase.

New Brunswick: 586,605 room nights sold, a 0% change from 2009.

Prince Edward Island: 105,104 room nights sold, a 7% decrease from 2009.

Newfoundland Labrador: Occupancy was 41.3%, up 2.5 % from 2009. Ferry traffic of non-residents to Newfoundland is up 7%.

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Ferry Systems

There is a clear indication that attracting tourists from the USA has a direct connection to the time it takes to travel to Atlantic Canada. There are still thousands who don't mind driving a day or two to reach their destination point. The success of Newfoundland tourism is clearly helped by the ferry experience of the trip.

The "deal" was that the ferry connections from the USA to Nova Scotia would be "studied" by ACOA. The 176 page study is now available at the <http://www.acoa-apeca.gc.ca>

The Illegal & the Unlicensed

We have all heard how our provincial and municipal governments are struggling to balance their budgets. So the question is: "Why are they not trying to get the revenues they deserve?"

How can they say they have revenue problems when they have known for years they are losing millions in revenue when by making no effort to ensure tourism accommodations are licensed and rental properties are assessed properly as commercial properties.

What is wrong with this picture? The next time you talk to a municipal councilor, just ask this question. "Why don't you make sure that all the illegal rentals in our county are assessed properly? We don't need the money?"

Every \$100,000 of lost assessment is worth \$100-\$200 or more annual revenue in most counties. Assume \$1,000,000 in real estate is not assessed properly and you have now lost \$1000-\$2000 every year.

If you have properties licensed, you have the simplest administrative central control to ensure revenues are not lost. It is also the simplest process to ensure a single system of standards, as opposed to the two or three different (hybrid) systems now being used by New Brunswick and Nova Scotia.

No province has explained to the owners that licensing is not cost effective, nor that a single set of

standards is less effective than three different sets of standards.

Green Lights

Most communities in Atlantic Canada rely on volunteer fire departments for their fire protection. Several provinces (Alberta, Ontario) have allowed the volunteer fire departments to use what are known as the "Green Lights". These are basically a flashing light that shows people that the vehicle is a first responder; they are often called a "courey light" (legal term) as they are not intended to serve as a warning like the red and blue flashing lights. We understand there is resistance in the Atlantic Provinces. What is your opinion? Write us at admin@innkeeperguild.com. It seems like a reasonable idea especially if it has proven effective in other provinces.

Tourism Designation

2001 Seasonal Tourism Business Designation in Nova Scotia

Properties eligible for this Commercial Property Tax Discount, provided through your assessment, are reminded that applications have been mailed out and are due September 1, 2010.

For information contact: Property Valuation Service Corporation in your municipality. Web site: <http://pvsc.ca> Contact : JThorburn 1 800 380 7775

Saint John - Digby Ferry

Owners are urged to advise their clients to check the ferry schedules and available space, as there have been several crossings this summer that were "full" so tourists were stuck or had to cancel part of their trip to Nova Scotia.

Maintenance Mike's Tip

Recently a letter to the editor in the Halifax Chronicle Herald talked about getting rid of ants. The gentleman said that it's easy. He wrote: All you have to do is sprinkle coarse salt around the exterior of the building or foundation. Well folks, we tried it and it works!

Island Tourism

From Tourism PEI

Why is tourism important to Islanders? Tourism Industry Association of Prince Edward Island, along with government and industry partners, has launched a full month of activities to promote awareness and appreciation for the role of tourism in this province. June is Tourism Month in PEI!

In 2009, tourism in Prince Edward Island generated \$372.9 million in direct revenue. This equates to \$42.9 million in provincial tax revenue.

The 'ripple effect' of tourism activity touches almost all facets of the Island economy - from arts and culture, entertainment and heritage to grocery stores, mechanics, service repair technicians and carpenters. 7,337 jobs (full time equivalents) are generated directly from tourism.

In Canada, Tourism is a Key Economic Sector: It generates as much economic activity as forestry, fishing, agriculture combined, with 71.5 billion in revenue resulting in more than \$19.7 billion in revenue for all levels of government.

Publication Information

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To have your property featured in the next newsletter, send your request to: info@innkeeperguild.com