



# Why Tourism Investment

Ministry of Tourism, Culture and Sport

September 14, 2016

# Ontario's Tourism Sector

---

- Tourism is an essential part of the province's overall economic development and investment attraction strategy
- Tourism is an important economic driver. In 2013, there were 141 million visits in Ontario and these visitors spent \$22.7 billion
- In 2013, tourism supported over 362,000 jobs and generated over \$28.5 billion for Ontario's economy
- Tourism receipts also generated over \$25 billion for Ontario's GDP and contributed \$4.9 billion in provincial taxes and \$1.3 billion in municipal taxes
- Tourism remains the single largest employer of youth in the province.

# Tourism subsectors

---

Retail



Restaurants & foodservices



Attractions & entertainment



Accommodation



Recreation



Travel Trade



Tourism related transportation



# Reasons to Invest in Ontario

---

## **Retail**

- Comparatively low retail density
- 50% greater sales per sq. ft. than US
- Top performing malls in NA
- Lower competition

## **Restaurant & foodservice**

- Increasing urban density in GTA
- Growing foodie culture
- Fast casual and other emerging segments are under represented
- Great talent and culinary schools

# Reasons to Invest in Ontario

---

## **Accommodation**

- Stable real-estate market
- Sophisticated and available funding
- Good opportunities for niche players
- Improving fundamentals and low forecast supply growth

## **Attractions**

- Significant and affluent market that is underserved across most/all permanently situated amusement facilities

# Reasons to Invest in Ontario

---

<b>Tourism-related transportation</b>	<ul style="list-style-type: none"><li>• Inland water transportation</li><li>• Northern access</li><li>• Major infrastructure</li></ul>
<b>Tourism-related trade</b>	<ul style="list-style-type: none"><li>• Large market and growing visitation</li><li>• Highly customizable travel experiences</li></ul>

# Tourism Investment Successful Examples

---



# Outreach to Investors

---

- MTCS works closely with the Ministry of Economic Development and Growth on investment attraction.
- The province's International Investment Development Representatives and the Senior Economic Officers in the province's International Marketing Centres support efforts to generate tourism investment leads.
- An international outreach plan has been developed for 2016-17 including investment conferences which provide an opportunity to meet investors, gain competitive and sector intelligence and develop a network of contacts.



# Investment Strategy - Support for New Developments

---

- When investment leads are identified, the Ministry provides a one-window service to investors including:
  - Providing the latest information about Ontario's economy and business climate.
  - Cutting through red tape and addressing regulatory requirements.
  - Conducting province-wide searches for unique sites and properties specific to an investor's needs.
  - Providing information on government programs and services.
  - Supporting community familiarization visits.
  - Providing one-window access to federal, provincial and municipal officials.
  - Making introductions to business facilitators.

# Investment Strategy - Support for New Developments

---

- The Ministry is taking a proactive approach to working with other ministries and stakeholder organizations to ensure Tourism is considered in decision making.
  - An Inter-ministerial ADMs Working Group for Tourism was established in 2012 to provide a forum to share key developments and investment opportunities in tourism, and collaborate with other ministries on policies, programs, services, legislation and regulations that have implications for the tourism industry.
  - The Ministry is working with the Ministry of Economic Development and Growth on the Jobs and Prosperity Fund to ensure potential eligible projects from Tourism and Cultural Industries are considered in the program.
  - The Ministry sits on the ADM Review Committee for the Eastern Ontario Development Fund (EODF) and Southwestern Ontario Development Fund (SWODF) to provide feedback on projects including tourism related proposals.

# Investor Outreach – International Opportunities

---

- In March 2016, MTCS working the Economic Developers Council of Ontario (EDCO) attended Le marché international des professionnels de l'immobilier (MIPIIM) conference in France.
- The Ontario delegation included representatives from the Cities of Toronto, Brampton, Brockville, Hamilton, Simcoe County, SW Ontario Marketing Alliance, Waterfront Toronto and the Town of Whitby. City of Kingston provided promotional materials.
- A lead generation company set up over 23 meetings with qualified investors and during the four days trade-show event, the group conducted over 125 meetings with potential investors.
- For MIPIIM 2017, the Cities of Toronto and Hamilton, Simcoe County, SW Ontario Marketing Alliance and Waterfront Toronto are committed to attend, with more responses expected.

# MIPIM 2016 Feedback

---

- The general feeling among many investors is of a softening economic outlook for the European Union. Factors include:
  - The possibility of the UK pulling out of the Euro zone, **now realized!**
  - Potential break-up of the European Union;
  - Flat or negative growth for many European countries;
  - Stagnant economic outlook for South America and Asia;
  - Strain on countries resources from displaced refugees; and
  - Uncertainty of the outcome of the US election.
- Given recent events, many investors are looking to shelter funds and move them to secure jurisdictions with steady growth projections.
- Ontario has demonstrated a need for new attractions, hotels and waterfront developments, and Ontario's communities should be encouraged to engage foreign direct investors.

# Investor Outreach – Domestic Opportunities

---

- In 2014 and 2015, MTCS working with EDCO created the “Meet the Tourism Investment Dragons” Marketplace events.
- During the one-day session, 20 municipalities met with up to 10 investors to “pitch” their tourism related investment opportunities. From those events, investments has been made and productive relationships are on-going.
- Investors/influencers included: David Compton Group, Cushman / Wakefield, Holloway Lodging, LJM Developments, LiveWorkLearnPlay, Masterbuilt Hotels, Pacrim Hospitality, RKF Group Reality, PFK/CBRE, and Wyndham Hotel Group.

# Background to Next steps

---

- In 2008, MTCS provided a grant to the Ontario East Economic Development Commission to hire McSweeney and Associates to create an investment readiness and attraction workbook titled “Tourism Investment, Pre-Feasibility Assessment: A Community Workbook”, and delivered two workshops in Eastern Ontario.
- In 2015, McSweeney and Associates updated the workbook to reflect the current state of tourism investment in Ontario.
- In 2015, McSweeney and Associates conducted two workshops to assist municipalities prepare for the December 15, 2015 “Meet the Investment Dragons” event in Toronto and for MIPIM 2016.

# Next steps – What You Need to Know

---

- McSweeney and Associates along with EDCO and the ON East Economic Development Commission with financial assistance from MTCS will be managing four tourism investment workshops.
  1. **Kingston, November 2**
  2. **North Bay, November 10**
  3. **Burlington, November 15**
  4. **Southwestern Ontario (TBD), Nov. 16**
- The purpose of attending these workshops is to help you prepare for one of two “Meet the Investor Dragon’s” events planned in partnership with EDCO and the ON East Ec. Dev. Commission.
  - **Ottawa – December 7<sup>th</sup>**
  - **Toronto – December 16<sup>th</sup>**
- Registration details for these two events will be released shortly through EDCO and ON East Ec. Dev. members e-blasts. Participation at these workshops will also prepare you for MIPIM 2017 and other investment focused conferences and trade fairs.



**Thank you**

**James Lynn  
Senior Development Consultant  
Ontario Ministry of Tourism, Culture and Sport  
[James.lynn@ontario.ca](mailto:James.lynn@ontario.ca)**