Re: Item No. 3

NATIONAL MEETINGS INDUSTRY DAY

# The Business of Meetings

## *An MPI Foundation Canada White Paper*

National Meetings Industry Day 2007

April 19-20, 2007

Lyle Hall, managing director of HLT Advisory Inc., a Toronto-based leisure and tourism consultancy, warned that the supply of meeting space exceeds demand. Yet Niagara Falls is investing $35 million in a new convention centre, and facility expansions are in progress or under discussion in Windsor, Ottawa, Vancouver, and Calgary. Similar growth is going on around the world.

LODGING

HLT ADVISORY

# CONVENTIONAL THINKING ABOUT THE ROLE OF CONVENTION CENTRES

The hotel industry has become accustomed to significant room night generation from major events held in the larger Canadian convention facilities even though the Canadian convention centre "industry" is relatively new. The first purpose-built, downtown convention facility in Canada was the Calgary Convention Centre (now the Calgary Telus Convention Centre) which opened in 1974 adjacent to the Four Seasons Hotel (now a Marriott). Since then, almost all major Canadian municipalities, and several resort areas, have developed convention centres. Several of the more successful Canadian convention centres have been expanded (in some cases in multiple stages). Today, these large, complex buildings are often taken for granted.

**Canadian Convention Centres (selected publicly owned and operated)**

| Convention Centre | Built/ Expanded (Year) | Main Exhibit Area (s.f.) | Attached Headquarters Hotel | Owned/ Controlled by |
|---|---|---|---|---|
| Metro Toronto Convention Centre | 1984/1998 | 450,000 | Intercontinental | Province |
| Palais des Congres de Montreal | 1983/2002 | 199,000 | n/a | Province |
| Shaw Conference Centre (Edmonton) | 1983/2006 | 105,000 | n/a | Municipality |
| Vancouver Convention and Exhibition Centre* | 1986(2008) | 91,000 | Pan Pacific | Province |
| Winnipeg Convention Centre | 1975 | 78,000 | n/a | Municipality |
| Quebec City Convention Centre | 1996 | 75,000 | Hilton | Province |
| Ottawa Congress Centre | 1983 | 54,000 | Westin | Province |
| Calgary Telus Convention Centre | 1974/2000 | 47,000 | Marriott | Municipality |
| World Trade and Convention Centre (Halifax) | 1985 | 30,000 | n/a | Province |
| Hamilton Convention Centre | 1981 | 30,000 | Sheraton | Municipal |
| Victoria Conference Centre | 1989 | 14,000 | The Empress | Municipal |
| Telus Whistler Conference Centre | 1985/2001 | 11,000 | n/a | Municipal |

Source: HLT Advisory and individual convention centres
Note: Does not include trade centres and privately-owned convention/trade/conference centres
*The expanded Vancouver Convention and Exhibition Centre (220,000 sq. ft of exhibition space) opens in 2008

## The Role of a Convention Centre

Most Canadian (and North American) convention centres were built and are operated as a means of generating economic impact in a given city and/or region. As a result, most are owned (if not operated, at least in Canada) by the public sector. Economic impacts are maximized by giving priority to those events attracting the largest number of out-of-town visitors (i.e., delegates of regional, national and international conventions). Bottom-line orientation of the building is often not a priority, as the "success" of many convention centres is not measured by convention venue profitability itself, but rather the volume of spending at the community level. As a result, convention centres are often used as low-cost attractors with competition on a "price" basis becoming much more common. In fact, some destinations not only have the ability to provide the convention centre for free but are also aggressively doing so, provided the economic impact of the event is significant enough. But what is "enough"?

Not all events are created equally and conventions are just one of several types of events suitable for convention facilities. Trade shows, consumer shows and smaller-scale conferences and meetings may also be held in convention facilities in addition to a range of social, entertainment and banquet events. The extent to which these events are targeted by a convention centre, as opposed to a local hotel or trade/consumer show facility depends on the aggressiveness and mandate of the convention centre in a specific location—as well as the number/quality of and the relationships with these other space providers.

| Event Characteristics | Conventions | Tradeshows | Conferences & Meetings | Consumer Shows |
|---|---|---|---|---|
| Market Focus | Information exchange between professional groups and associations. | Forum to bring industry buyers and sellers together. Sometimes sponsored by trade or technical associations. Can be accompanied by conventions and meetings. | Smaller corporate or association meetings. More specific in purpose than a convention. | Public shows where suppliers display/sell goods directly to public. Typically charge admission. |
| Attendance Profile | Mostly out-of-town attendance. Visit often combined with vacation, spouse often comes along. | Some out-of-town attendees and exhibitors. Visit seldom combined with vacation, spouse rarely accompanies delegate. | Varies by event. | Local attendees. |
| Facility Needs | Quality meeting rooms, banquet facilities, moderate exhibition area, adjacent hotel rooms. | Exhibit/display services, suitable loading facilities, some meeting rooms, nearby hotel rooms. | Quality meeting rooms, nearby hotel rooms. | Exhibit space intensive, extensive parking requirement. |
| Rotation | Rotation determined by association charter. Prefer tourist destinations. | Little rotation; meet in major markets to maximize number of buyers and sellers. | No rotation. | Locally produced. |
| Economic Impact | High | Moderate | Low | Low |

Source: HLT Advisory Inc.

Conventions remain the primary focus of convention centre managers and marketers as the economic impacts generated from this event type surpass all other events, most of the time.

## Mixed Mandates

The trade off between convention centre profitability and economic impact is the subject of much debate across Canada currently as several convention centres look to expand and/or rejuvenate dated facilities. In those markets where economic impact is the primary mandate

## The Bottom Line

Conventions can provide predictable room blocks well into the future (HLT tracks future bookings at several centres, with some holding confirmed events as far forward as 2017). In strong convention markets, this predictability can be most helpful in determining rates and establishing booking policies on a hotel-by-hotel basis. Convention-generated demand should not be taken for granted however. The supply of convention space will continue to increase, competition will likely become more intense and past experience teaches us that geopolitical and economic issues will challenge the industry going forward.

# THE CASE FOR HALIFAX

# Assessing the Potential for Expanded Convention/Trade Show Facilities in Halifax

**Prepared for the Halifax World Trade & Convention Centre**

May 2009

HLT ADVISORY

# 3. Current Situation
## Attendees by event type

The average number of attendees/convention peaked in 2006. Since 2006, the average number of delegates per convention event has been relatively consistent at about 500.

The majority of convention events are generated from regional or national associations and corporate uses. The WTCC has also demonstrated the capability of hosting international events. National, United States and international conventions have consistently attracted more delegates on average than local/regional conventions.

**Number of Events and Attendees/Event at the World Trade and Convention Centre (Years Ending March 31)**

| | 2005 | | 2006 | | 2007 | | 2008 | | 2009 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Conventions | | | | | | | | | | |
| Local/Regional | 19 | 261 | 16 | 396 | 10 | 280 | 14 | 443 | 14 | 418 |
| National | 11 | 415 | 12 | 570 | 18 | 613 | 12 | 555 | 20 | 478 |
| United States | 0 | n/a | 0 | n/a | 2 | 400 | 1 | 800 | 1 | 1,200 |
| International | 0 | n/a | 3 | 1,360 | 1 | 600 | 1 | n/a | 1 | 500 |
| Total Conventions | 30 | 314 | 31 | 529 | 31 | 494 | 28 | 508 | 36 | 474 |
| Trade Shows | 7 | 816 | 7 | 317 | 8 | 315 | 14 | 332 | 8 | 531 |
| Consumer Shows | 5 | 1,942 | 5 | 2,238 | 2 | 3,350 | 2 | 3,350 | 4 | 2,600 |

*Source: HLT Advisory Inc. analysis of data provided by the World Trade and Convention Centre*

Redeveloped World Trade and Convention Centre Event Load Projections

| | 2005 - 2009 Average | | | Projected Stabilized Year Average | | |
|---|---|---|---|---|---|---|
| | Events | Delegates | Length* | Events | Delegates | Length* |
| Conventions | | | | | | |
| Local/Regional | | | | | | |
| Current Size | 15 | 358 | 3.3 | 19 | 350 | 3.0 |
| Future Size | n/a | n/a | n/a | 5 | 1,000 | 3.5 |
| Local/Regional Subtotal | 15 | 358 | 3.3 | 24 | 485 | 3.1 |
| National | | | | | | |
| Current Size | 14 | 529 | 5.2 | 12 | 500 | 5.0 |
| Future Size | n/a | n/a | n/a | 9 | 1,200 | 5.0 |
| National Subtotal | 14 | 529 | 5.2 | 21 | 800 | 5.0 |
| International/United States | | | | | | |
| Current Size | 2 | 887 | 5.5 | 3 | 700 | 5.5 |
| Future Size | n/a | n/a | n/a | 3 | 1,000 | 5.5 |
| International Subtotal | 2 | 887 | 5.5 | 6 | 850 | 5.5 |

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# *Economic Impact Assessment of the Proposed Redevelopment of a World Trade and Convention Centre in Halifax*

## *FINAL REPORT*

*Prepared for:*

***Department of Transportation and Infrastructure Renewal***

*Prepared by:*

***Gardner Pinfold***

*December, 2009*

| Demand by Size and Geographic Source<br>Redeveloped World Trade and Convention Centre Event Load Projections | | | | | | |
|---|---|---|---|---|---|---|
| | 2005-2009 Average | | | Projected Stabilized Year Average | | |
| | Events | Delegates | Length* | Events | Delegates | Length* |
| **Conventions** | | | | | | |
| Local/Regional | | | | | | |
| Current Size | 15 | 358 | 3.3 | 19 | 350 | 3.0 |
| Future Size | n/a | n/a | n/a | 5 | 1,000 | 3.5 |
| Local/Regional Sub-Total | 15 | 358 | 3.3 | 24 | 485 | 3.1 |
| National | | | | | | |
| Current Size | 14 | 529 | 5.2 | 12 | 500 | 5.0 |
| Future Size | n/a | n/a | n/a | 9 | 1,200 | 5.0 |
| National Sub-Total | 14 | 529 | 5.2 | 21 | 800 | 5.0 |
| International/United States | | | | | | |
| Current Size | 2 | 887 | 5.5 | 3 | 700 | 5.5 |
| Future Size | n/a | n/a | n/a | 3 | 1,000 | 5.5 |
| International/US Sub-Total | 2 | 887 | 5.5 | 6 | 850 | 5.5 |

# Economic Impact Assessment of Updated Delegate Projections for Proposed Redevelopment of the Halifax World Trade and Convention Centre

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## *FINAL REPORT*

*Prepared for:*

*Trade Centre Limited (TCL), Halifax, Nova Scotia*

*Prepared by:*

*Gardner Pinfold*

*July, 2010*

# PROJECTED DELEGATES AND EVENTS

It is not the purpose of this study to provide advice on the feasibility of the new proposed convention facility in HRM. Work has been completed on this through other studies. Projected events under this scenario are based on the market analysis in the TCL report, *"Market Projections for a Proposed New Convention Centre: 10-Year Projections By Market Segment", (2010)* and a loss projection table, also provided by TCL. A summary of projected demand by market segment is set out in the tables below.

**Proposed New Convention Centre (WTCC II)**

Projected Events

| | | Year | | | | | | | | | | | Projected | Projected | 4 Year Stbl. | Projected 5 | Projected 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Base | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | 5 Year Avg. | 10 Year Avg. | HCT Report | Year Total | Year Total |
| International | | | | | | | | | | | | | | | | | |
| Category A | 1 | 1 | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 4 | 4 | | 2 | 3 | 3 | 9 | 28 |
| Category B | 2 | 2 | 3 | 3 | 3 | 4 | 4 | 4 | 5 | 5 | 5 | | 3 | 4 | 3 | 15 | 38 |
| Category C | 2 | 1 | 4 | 5 | 5 | 7 | 8 | 10 | 10 | 12 | 12 | | 4 | 7 | - | 22 | 74 |
| Category D | 2 | 3 | 3 | 3 | 4 | 4 | 5 | 6 | 6 | 6 | 8 | | 3 | 5 | - | 17 | 48 |
| Sub Total | 7 | 7 | 11 | 13 | 14 | 18 | 20 | 24 | 25 | 27 | 29 | | 15 | 19 | 6 | 63 | 188 |

Trade Centre Limited

# Market Projections For A Proposed New Convention Centre

## 10 Year | By Market Segment

Internal Staff Report
June 2010


International Events
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7
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*Market Trends:*

The industry grew by more than 800 international conferences between 2007 and 2008. The average attendance at these events has also grown at an average of 15%[iv].

International organizations are weighing security, air transportation access and currency stabilization with greater importance when selecting a host city.

[iii] *ICCA Statistics Report 2008*
[iv] *ICCA Statistics Report 2007*

International Congress and Convention Association

ICCA

# Statistics Report

## The International Association Meetings Market

Abstract for non-members

1999-2008

## Number of meetings analysed

The number of events per year in the ICCA Association Database has grown with more than 3.000 events over the past 10 years. Partly this reflects the strength of the market, partly it is thanks to a record number of ICCA members sending us their calendar information to help identify new events, and partly it is thanks to increased research investment.

| Year | # Events |
|---|---|
| 1999 | 4,424 |
| 2000 | 5,101 |
| 2001 | 5,069 |
| 2002 | 5,898 |
| 2003 | 5,978 |
| 2004 | 7,147 |
| 2005 | 7,232 |
| 2006 | 7,648 |
| 2007 | 7,578 |
| 2008 | 7,475 |

**Venues used**

Since 2005, “Meeting facilities in Hotels” has taken over as most popular type of venue to organise an event from “Conference/Exhibition Centres”. In 2008 the usage of meeting facilities in hotels consolidated its first place with 41.5%. Usage of Conference/Exhibition Centres lost another 2.1% in 2008. The use of universities has risen more than two percentage points and is now 19.2%.

International Congress and Convention Association

# Statistics Report

## The International Association Meetings Market

Abstract for non-members

2000-2009

thanks to a record number of ICCA members sending us their calendar information to help identify new events, and partly it is thanks to increased research investment.

| Year | # Events |
|---|---|
| 2000 | 5,186 |
| 2001 | 5,187 |
| 2002 | 5,979 |
| 2003 | 6,198 |
| 2004 | 7,274 |
| 2005 | 7,634 |
| 2006 | 8,094 |
| 2007 | 8,586 |
| 2008 | 8,715 |
| 2009 | 8,294 |

## Participant numbers

In 2008 the average number of particpciapnts per meeting was 638, an increase of 20 compared to 2007. Most meetings in the ICCA Association Database (almost 27%) have between 250 and 500 participants.

## Participant numbers

The average number of participants per meeting reached its lowest point of the past decade in 2007 with 593 participants per international meeting. In the year 2000 the average number of participants per meeting was the highest over the past 10 years with an average of 812 participants per international meeting.

Since 2000 the average number of participants per meeting dropped each year, until reaching an average of 602 participants in 2005. Since then the average number of participants per event seems to be stabilising, putting an end to the trend of international meetings getting smaller.

# Proposed Convention Centre
# *Technical Briefing*

***October 6, 2010***

# Trade Centre Limited
# Business Overview

TRADE CENTRE LIMITED

# Future Potential – Market Validation

*National Corporate*

-Facility & amenities drive choice for national corporate planners, current WTCC not a viable option

-88% of national corporate event planners, representing a total of 189 clients, would consider Halifax with a new convention facility (Thinkwell Research)

*National Association*

-National association market mandated to meet annually

-625 national associations with eastern rotation pattern, roughly 200 events rotate east annually

- 75% of national association customers would consider Halifax with a new convention facility (Thinkwell Research)

*International*

-Not a mature market, Canada's share grew from 132 events in 1999 to 231 events in 2008, roughly 5% per year which is expected to continue

-Projecting WTCC market share of the Canadian share of the international market to grow from 3.5% (in base) to 6.5% in year 10 of operations

-With new facility, over 1,400 international conferences available to Halifax with estimated attendance over one million delegates (GRAIN)

## 1. Number of meetings per country

| Rank | Country | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | U.S.A. | 456 | 529 | 465 | 567 | 563 | 610 | 603 | 612 | 564 | **507** |
| 2 | Germany | 274 | 328 | 292 | 316 | 328 | 409 | 389 | 428 | 484 | **402** |
| 3 | Spain | 194 | 209 | 222 | 302 | 300 | 384 | 346 | 318 | 332 | **347** |
| 4 | France | 224 | 296 | 261 | 278 | 271 | 368 | 347 | 358 | 297 | **334** |
| 5 | United Kingdom | 270 | 320 | 229 | 303 | 317 | 317 | 363 | 357 | 316 | **322** |
| 6 | Italy | 213 | 235 | 267 | 288 | 316 | 317 | 299 | 296 | 291 | **296** |
| 7 | Brazil | 80 | 119 | 98 | 102 | 111 | 156 | 171 | 230 | 213 | **254** |
| 8 | Japan | 154 | 174 | 210 | 206 | 194 | 199 | 218 | 227 | 241 | **247** |
| 9 | Canada | 132 | 163 | 157 | 189 | 160 | 194 | 178 | 193 | 218 | **231** |

# 1. Number of meetings per country

| Rank | Country | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | U.S.A. | 538 | 468 | 571 | 587 | 620 | 648 | 645 | 651 | 637 | **595** |
| 2 | Germany | 325 | 299 | 314 | 339 | 409 | 415 | 449 | 525 | 450 | **458** |
| 3 | Spain | 212 | 221 | 304 | 302 | 387 | 352 | 316 | 365 | 385 | **360** |
| 4 | Italy | 243 | 278 | 293 | 317 | 329 | 324 | 323 | 350 | 350 | **350** |
| 5 | United Kingdom | 321 | 231 | 310 | 323 | 315 | 389 | 390 | 368 | 381 | **345** |
| 6 | France | 297 | 273 | 283 | 283 | 372 | 360 | 370 | 340 | 397 | **341** |
| 7 | Brazil | 124 | 105 | 107 | 128 | 161 | 186 | 231 | 223 | 255 | **293** |
| 8 | Japan | 176 | 213 | 211 | 197 | 205 | 232 | 243 | 265 | 281 | **257** |
| 9 | China-P.R. | 83 | 79 | 130 | 81 | 229 | 226 | 255 | 264 | 262 | **245** |
| 10 | Austria | 101 | 103 | 111 | 156 | 165 | 188 | 240 | 243 | 212 | **236** |
| | Netherlands | 191 | 186 | 170 | 190 | 230 | 234 | 229 | 235 | 253 | **236** |
| 12 | Switzerland | 106 | 117 | 154 | 170 | 169 | 193 | 189 | 205 | 204 | **214** |
| 13 | Canada | 168 | 156 | 190 | 168 | 204 | 199 | 209 | 247 | 270 | **213** |

# Number of meetings per city (continued)

| Rank | City | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 43 | Toronto, ON | 27 | 18 | 35 | 20 | 36 | 30 | 35 | 42 | 42 | **36** |
| 44 | Boston, MA | 25 | 12 | 30 | 25 | 32 | 27 | 30 | 27 | 39 | **35** |


International Events
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Base
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International Delegates
3,100
3,325
5,200
6,575
6,725
9,225
9,750
11,650
12,400
13,150
13,450
Base
1
2
3
4
5
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# BUSINESS CASE STUDY and ANALYSIS for the RECOMMENDED EXPANSION of the ST. JOHN'S CONVENTION CENTRE
# Final Report

**Prepared for:**

**DESTINATION ST. JOHN'S**

**Prepared by:**

PKF Consulting

*In association with:*

TRACT CONSULTING INC.

**April 2009**

January 2009. For the purposes of this analysis, the Centres have been segmented into three Tiers as follows:

- **TIER 1** Convention Centres are defined as those with greater than 250,000 square feet of rentable space;
- **TIER 2** Convention Centres are defined as those with between 100,000 to 250,000 square feet; and
- **TIER 3** Centres offer less than 100,000 square feet of total rentable space.

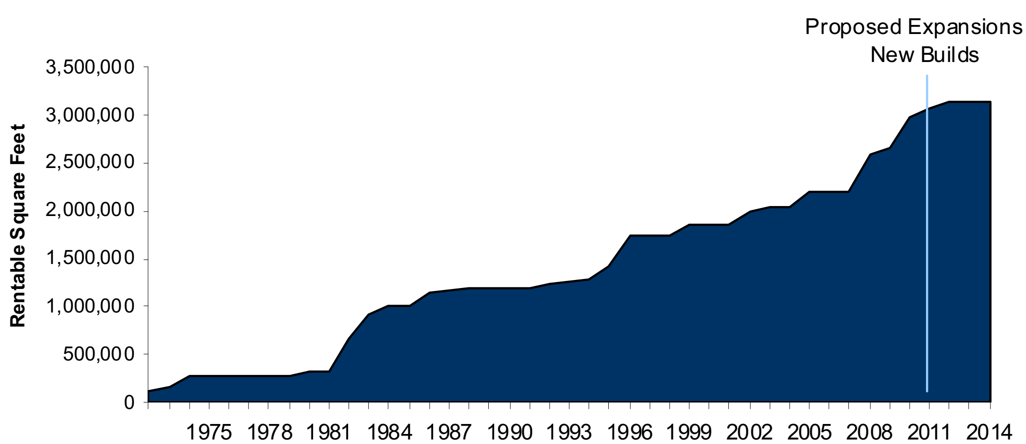
**TIER 1 Convention Centres**
Metro Toronto Convention Centre
Palais des Congrès de Montreal

**TIER 2 Convention Centres**
Calgary Telus Convention Centre
Shaw Conference Centre (Edmonton)
Winnipeg Convention Centre
Palais des Centre des Congrès de Quebec
Vancouver Convention Centre
Saskatoon Centennial Auditorium & Convention Centre

**TIER 3 Convention Centres**
Victoria Conference Centre
Penticton Trade & Convention Centre
Prince George Civic Centre
Telus Whistler Conference Centre
Cleary International Centre (Windsor)
London Convention Centre
Hamilton Convention Centre
Ottawa Congress Centre
Halifax World Trade and Convention Centre
St. John's Convention Centre & Mile One Centre
Venue Saint John
Blue Mountain Conference Centre
Mont Tremblant Congress Centre
Vancouver Island Conference Centre (Nanaimo)

Figure 4-1 provides a picture of the growth in rentable Convention Centre space in Canada since 1974. Since 1981, rentable Convention Centre space has increased at an annualized compounded pace of about 17.4% per annum. Major growth spurts occurred in the mid 1980's and again in the mid 1990's.

**Figure 4-1**
**CANADIAN CONVENTION CENTRE RENTABLE SPACE SUPPLY**




*Source: PKF Consulting*

| TABLE 4-3<br>COMPETITIVE TIER 3 CONVENTION CENTRES<br>CONVENTION DEMAND, 2006-2008 | | | |
|---|---|---|---|
| | **2006** | **2007** | **2008** |
| **Total Conventions** | **276** | **289** | **254** |
| Avg Per Centre | 28 | 29 | 25 |
| # of Tier 3 Competitive Convention Centres | 10 | 10 | 10 |
| **Conventions by Size** | **2006** | **2007** | **2008** |
| < 250 Delegates | 186 | 197 | 171 |
| 251-500 Delegates | 36 | 34 | 33 |
| > 500 Delegates | 54 | 57 | 51 |
| **Total Conventions** | **276** | **288** | **254** |

*Source: PKF Consulting*

Of the 254 Conventions hosted by Tier 3 Convention Centres in 2008, the majority (171 events) were events of less than 250 delegates in size (67%); with 33 (13%) being conventions of 251 to 500 delegates, and 51 were events of over 500 delegates in size.

### 4.6 Trade Show Demand - Competitive Tier 3 Performance 2006-2008

The competitive Tier 3 Canadian Convention Centre market hosted 41 Trade Shows in 2008, for an **average of 4 Trade Shows per Centre**. The number of Trade Shows ranged from a low of 0 to a high of 8.

| TABLE 4-4<br>COMPETITIVE TIER 3 CONVENTION CENTRES<br>TRADE SHOW DEMAND, 2006 - 2008 | | | |
|---|---|---|---|
| | **2006** | **2007** | **2008** |
| **Total Trade Shows** | **42** | **42** | **41** |
| Avg Per Centre | 4 | 4 | 4 |
| # of Tier 3 Competitive Convention Centres | 10 | 10 | 10 |
| **Trade Shows by Size** | **2006** | **2007** | **2008** |
| < 30,000 sq.ft. | 42 | 42 | 41 |
| 30,000 to 75,000 sq.ft. | 0 | 0 | 0 |
| Total Trade Shows | 42 | 42 | 41 |

*Source: PKF Consulting Research*

Of the 41 Trade Shows hosted by Tier 3 Convention Centres in 2008, all of them utilized less than 30,000 square feet of exhibit space.

### 4.7 Meeting/Conference Demand - Competitive Tier 3 Performance 2006-2008

The competitive Tier 3 Canadian Convention Centre market hosted an estimated 1,630 meetings in 2008, of which approximately 74% (1,212) were non-local meetings and conferences of more than one-day in duration, and the balance (418) were local one-day meetings not requiring overnight accommodation. On average, each Centre attracted 121 non-local meetings and 42 local meetings in 2008, with the number of

Furthermore, there were concerns over the shortage of large hotel room blocks nearby. Since the St. John's Convention Centre does not have the right configuration for a typical Tier 3 Convention Centre facility, it will continue to lose market share unless this issue is addressed.

### 4.12 Overall Tier 3 Market Projection Summary

In summary, Tier 3 Convention Centres across Canada hosted an estimated 3,096 events in 2008, which is projected to increase by an average 1.1% per annum to 3,340 events by 2015 (see Table 4-11).

Over the 2009 to 2015 period, in addition to the subject St. John's Convention Centre expansion in 2012, 2 new Convention Centres will be added to the Tier 3 market, while the Halifax expansion will result in transference of available rental space out of the Tier 3 segment. The combination of additions and expansions will result in a net increase of 11,650 square feet of rentable space over the 2009 to 2015 period. This is equivalent to a 3% increase in supply or about a 1.7% increase per annum.

**TABLE 4-11**
**OVERALL MARKET PROJECTIONS**
**TIER 3 COMPETITIVE CANADIAN CONVENTION CENTRES, 2009 - 2015**

| Segment | Events per Centre | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Conventions | 254 | 251 | 253 | 266 | 253 | 257 | 259 | 262 |
| Trade Shows | 41 | 38 | 38 | 39 | 39 | 39 | 40 | 40 |
| Non-Local Meetings & Conferences | 1,212 | 1,194 | 1,206 | 1,325 | 1,431 | 1,445 | 1,460 | 1,474 |
| Local Meetings | 418 | 397 | 401 | 434 | 441 | 445 | 449 | 454 |
| Consumer Shows | 53 | 48 | 48 | 50 | 46 | 46 | 47 | 47 |
| Banquets | 773 | 657 | 664 | 680 | 701 | 708 | 715 | 722 |
| Other | 345 | 342 | 345 | 360 | 331 | 334 | 338 | 341 |
| **TOTAL Events Per Centre** | **3,096** | **2,926** | **2,955** | **3,154** | **3,240** | **3,274** | **3,307** | **3,340** |
| *% Demand Growth* | *--* | *-5.5%* | *1.0%* | *6.7%* | *2.7%* | *1.0%* | *1.0%* | *1.0%* |
| **# Centres** | **10** | **9** | **9** | **10** | **10** | **10** | **10** | **10** |
| **Square Feet** | **362,993** | **346,278** | **346,278** | **366,478** | **357,928** | **357,928** | **357,928** | **357,928** |
| *% Supply Growth* | *--* | *-4.6%* | *0.0%* | *5.8%* | *-2.3%* | *0.0%* | *0.0%* | *0.0%* |

*Source: PKF Consulting*

Demand levels are forecasted to remain relatively consistent within the Convention, Trade Show, Consumer Show, Banquet and Other Demand segments. However, total non-local and local meetings are projected to increase by 10% and 8% respectively, as new Convention Centre supply is added to the market, inducing further meetings and conference demand to Atlantic Canada and a portion of meetings and conference demand held in hotels are converted to Convention Centre demand.