



# Market, Community, & Socio-Economic Impact



## **5.0 MARKET, COMMUNITY, & SOCIO-ECONOMIC IMPACT**

### **5.1 Market Commentary**

#### **5.1.1 Current Demand**

Big White Ski Resort is British Columbia's second most visited winter destination, hosting over 650,000 skier visits and over 1 million resort guests annually. Visitation has increased since 2009 through all seasons, but with notable growth in summer season visitation resulting from the addition of summer activities, programming, and the Big White Bike Park.

Overnight visitation has likewise increased over this period, with significant growth in guests from the USA (68%), Australia (45%), New Zealand (42%), and Canada (14%). Reflecting this, resort accommodation occupancy rates are typically between 87% and 95% during the winter season. Significant growth has also occurred in food & beverage, events, shuttle bus service, ski rental and repairs, and the ski & board school over this same period. In summary, all aspects of operations at Big White Ski Resort are experiencing continued growth and increasing demand. The concepts presented in this Master Plan have been developed to meet this demand while maintaining the positive experience and guest environment that has generated such success.

#### **5.1.2 Market Context and Market Trends**

The British Columbian ski industry has recovered well after the 2008 financial crisis with skier visits rebounding to 6.75 million in 2017/18, up from 5.75 million in 2008/09<sup>13</sup>. Over this period skier visits in BC have increased 1.76% annually on average, even when the poor snow year of 2014/15 is accounted for. This renewed visitation has been led by skiers aged 23 to 53, which make up 70% of the Canadian market. Since 2005/06 the number of active skiers in this group has grown by 28% and is the largest it has been in over a decade. Both nationally and provincially, the skier marketplace is healthy and stable.

The market for Big White Ski Resort is similarly strong and well balanced. Historically, 60% of skier visits have come from the regional market and 40% have come from

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<sup>13</sup> Canadian Ski Council (2019). Facts + Stats Ski & Snowboard Industry 2017/18: Outlining Demographic trends affecting the ski and snowboard industry in Canada.

destination guests travelling from other parts of BC, Ontario, Washington State, Hawaii, Australia, and New Zealand.

The regional market is expected to continue to provide a strong foundation for annual visitation at Big White. It is estimated that there are approximately 346,000 residents within a 2-hour drive of the resort, of which most (214,000) live in the Kelowna Census Metropolitan Area (CMA)<sup>14</sup>. Applying the most recent Provincial participation rates, the region is estimated to be home to 83,000 skiers who account for 564,000 skier days annually<sup>15</sup>.

While regional population projections do not exist, the CMA is projected to grow by 25% by 2040, amounting to 54,000 new residents<sup>16</sup>. Given this, applying the same participation rates as above, the CMA alone will grow by approximately 13,000 skiers who will create an additional 88,400 skier days per year by 2040. If the areas outside the CMA are included, it is realistic to estimate that additional skier days will surpass 120,000 annually. This growth will undoubtedly create demand for the proposed developments and recreation experiences offered at Big White.

It should also be noted that residents in the region are increasingly looking to participate in recreation activities. A 2016 survey in Kelowna found that participation in local sport organizations was increasing by 4.8% annually on average – almost three times faster than regional population growth<sup>17</sup>. This suggests that there is a strong interest in sport and recreation in the region, one that the all-season activities and facilities presented in the Big White Master Plan will cater to and support.

The regional population growth has been matched by an improving quality of life. As of 2015, median household income was \$71,127 and had increased 19.6% since 2010 – 3.6% greater than the Provincial average<sup>18</sup>. Recognizing the increasing affluence of the region and assuming the proportion of regional residents that ski at Big White remains stable, it is evident that the regional market will continue to grow and support the proposed developments at Big White.

Big White will also continue to be supported by strong visitation from national and international destination markets. Using website traffic as a measure of guest

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<sup>14</sup> Statistics Canada (2020). Data Product, 2016 Census. <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/index-eng.cfm>

<sup>15</sup> Based on a 24% participation rate with no crossover and an average of 6.8 days skied annually (Canadian Ski Council, 2019)

<sup>16</sup> BC Stats (2020). Kelowna Census Metropolitan Area. <https://bcstats.shinyapps.io/popProjApp/>

<sup>17</sup> City of Kelowna (2018). Kelowna Community Sport Plan. [https://www.kelowna.ca/sites/files/1/docs/kelowna\\_sportsplan\\_fullreport\\_web-ready.pdf](https://www.kelowna.ca/sites/files/1/docs/kelowna_sportsplan_fullreport_web-ready.pdf)

<sup>18</sup> Central Okanagan Economic Development Commission (2018). 2018 Central Okanagan Economic Profile. [https://www.investkelowna.com/application/files/7715/3815/6564/2018\\_Central\\_Okanagan\\_Economic\\_Profile\\_-\\_RSPDF.pdf](https://www.investkelowna.com/application/files/7715/3815/6564/2018_Central_Okanagan_Economic_Profile_-_RSPDF.pdf)

interest, Big White has seen interest jump 28%, from 885,000 users in 2015 to 1,130,000 users in 2019. This trend spans the globe with growing interest from Canada (+27%), the USA (+37%), Australia (+36%), the UK (+11%), New Zealand (+53%), and Mexico (+134%).

This growth in interest reflects British Columbia's strong international reputation as a ski destination. International visitors account for 32% of total skier visits in BC each year<sup>19</sup>. For comparison, this is three times greater than rates seen in Alberta or Quebec. Review of national statistics indicates that while international visitation has varied +/- 3% year over year due to factors such as exchange rates and regional snow conditions, it has remained relatively stable since 2008.

Big White is also supported by the growing reputation of the City of Kelowna and the Okanagan Valley more broadly as a tourism destination. Currently, Kelowna hosts 1.8 million overnight visitors annually, with most coming from other parts of Canada (80%), followed by international visitors (13%), and visitors from the USA (6%)<sup>20</sup>. The high quality of the experience being offered is confirmed by that fact that 64% of guests are repeat visitors. However, despite the strong and growing tourism industry in Kelowna, winter season visitation (Nov. - Apr.) is approximately 50% of peak summer visitation. This underlines the opportunity winter season attractions, such as Big White, have to grow and ensure tourism in the region becomes a four-season economic driver.

Big White is uniquely positioned to capitalize on this opportunity and the national and international interest in the Okanagan and the Province's ski resorts. It is located less than 1 hour from the Kelowna International Airport which has daily connections to major hubs in western North America and Toronto. The airport currently receives 2 million passengers annually but is projected to welcome 3.5 million passengers annually by 2045. The City of Kelowna has developed an airport master plan to ensure the needed infrastructure and amenities are in place to meet the projected growth<sup>21</sup>.

As evident in the market trends noted above, the proposed expansion and development detailed in the Big White Master Plan will be supported by a growing regional skier marketplace and the strong reputations of the Province and the Kelowna region as premiere tourism destinations. Collectively, these forces will continue to increase demand for outdoor recreation activities, supporting the developments proposed in the Big White Master Plan.

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<sup>19</sup> Destination British Columbia (2018). The Value of Ski Areas to the British Columbia Economy – Phase Two: All Alpine Ski Areas. [https://www.destinationbc.ca/content/uploads/2015/04/Value-of-Ski-Areas\\_Phase-Two\\_Final.pdf](https://www.destinationbc.ca/content/uploads/2015/04/Value-of-Ski-Areas_Phase-Two_Final.pdf)

<sup>20</sup> Kelowna Tourism (2019). Report to the Community. <https://www.tourismkelowna.com/community/report-to-the-community/>

<sup>21</sup> City of Kelowna (2020). Airport Master Plan 2045. <https://ylw.kelowna.ca/business/airport-master-plan-2045>

## 5.2 Socio-Economic Analysis

The total capital investment required to realize the concepts presented in the Master Plan is estimated at approximately \$2.03 billion (CAD)<sup>22</sup>. As envisioned, the majority of this investment would occur in the first three phases.

Unsurprisingly, investment of this magnitude will generate significant employment opportunities at the resort and surrounding communities. Construction activities undertaken to realize the proposed development are projected to create to 9,300 person years of direct employment and 4,900 person years of indirect employment at the completion of buildout (Table 5-1). These jobs are projected to generate \$489 Million (CAD) in direct wages and \$252 Million (CAD) in indirect wages over the construction period.

Table 5-1. Projected Construction Investment, Jobs, and Wages by Phase

Phase	Cost (\$ CAD)	Jobs (Person Years Employment)		Wages (\$ CAD)	
		Direct	Indirect	Direct	Indirect
1	527,600,000	2,400	1,300	127,500,000	65,500,000
2	617,360,000	2,800	1,500	148,700,000	76,800,000
3	711,000,000	3,300	1,700	171,800,000	88,300,000
Buildout	171,800,000	800	400	40,500,000	21,700,000
Total	2,027,760,000	9,300	4,900	488,500,000	252,300,000

The economic benefits of the proposed concepts will continue during resort operations. At buildout, based on a projected visitation of 2.7 million guests annually<sup>23</sup>, operations are projected to support 3,114 person years of direct employment and 697 person years of indirect employment annually, leading to wages estimated at \$74 million (CAD) and \$350,000 (CAD), respectively.

Table 5-2. Projected Annual Revenue, Jobs, and Wages by Phase

Phase	Annual Revenue (\$ CAD) <sup>†</sup>	Jobs (Person Years Employment)		Wages (\$ CAD)	
		Direct	Indirect	Direct	Indirect
1	82,410,000	1,141	255	26,950,000	170,000
2	110,210,000	1,526	342	36,040,000	220,000
3	162,450,000	2,250	503	53,120,000	250,000
Buildout	224,890,000	3,114	697	73,540,000	350,000

<sup>†</sup> Based on lift ticket sales and on-mountain skier services (e.g. restaurant, rentals, etc.).

<sup>22</sup> All financial projections are in 2020 dollars

<sup>23</sup> Based on Comfortable Carrying Capacity and assumes that the resort utilization rate and ratio of summer to winter guests remains unchanged from historic values.

If realized, it is anticipated that Big White will contribute \$1.4 billion (CAD) to Gross Domestic Product (GDP) and generate \$63 million (CAD) in taxes through construction activities, and that at buildout resort operations will contribute approximately \$227 million (CAD) to GDP and generate \$25 million (CAD) in tax revenue annually<sup>24</sup>.

The above estimates were arrived at by applying direct and indirect multipliers for jobs, wages, GDP, and taxes obtained from Statistics Canada for the Province of British Columbia<sup>25</sup>. The industry sectors used included residential and non-residential construction, forestry and logging, and amusement and recreation industries.

### **5.3 Economic Feasibility**

Big White Ski Resort is a successful, long-standing, well-established destination ski resort that has seen increased demand and growth across all seasons and areas of operations. To facilitate ongoing success, the Resort wishes to proactively apply their years of resort development and operational experience. To that, the proposed expansion and diversification of mountain facilities, guest experiences and base area amenities, as presented in this Master Plan, have been identified and developed through comprehensive analyses guided by industry best practices, catering to marketplace and resort trends, and aligned with the vision for Big White. All of the activities that are proposed are designed to improve the guest experience and address guest requirements and expectations, while realizing a net financial gain for the Resort that will ensure its financial viability for the long-term. Big White commits to continue to work closely with Mountain Resorts Branch to illustrate the economic feasibility of the phased and market driven components of the Master Plan as they come on-line. The approval of a new Master Plan will act as a placeholder of opportunity will enable Big White to move forward with confidence to the benefit of British Columbia. In the interim, the Resort will be happy to share their financial records with Mountain Resorts Branch in confidence in an effort to demonstrate the Resort's financial ability to maintain its success into the future.

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<sup>24</sup> These values do not include the sale of resort real estate.

<sup>25</sup> Statistics Canada (2020). Table 36-10-0595-01 Input-output multipliers, provincial and territorial, detail level. DOI: <https://doi.org/10.25318/3610059501-eng>.





# Appendices



## 6.0 APPENDICES

This section includes additional reference documents, studies, and reports produced by BHA, other consultants, or project contributors. It is provided to detail information previously presented in this Master Plan.

The documents were created over the length of the master planning process, extending over multiple years. As such, some of the concepts presented in these documents are no longer current and readers should instead review the concepts presented in Section 4 for the final ideas, designs, and associated commentary. However, as the footprint of the proposed concepts has not changed, assessment and review of the concept's potential impacts are still regarded as accurate and comprehensive.







Brent Harley and Associates Inc. (BHA)  
4 – 1005 Alpha Lake Road  
Whistler, BC, V8E 0H5  
[www.brentharley.com](http://www.brentharley.com)  
[bha@brentharley.com](mailto:bha@brentharley.com)  
604.932.7002