

# DESTINATION GREATER VICTORIA

## WORKING GROUP ISSUES RECOMMENDATIONS TO FACILITATE HOTEL DEVELOPMENT IN GREATER VICTORIA

New report highlights time-sensitive opportunity to address hotel room shortage and ways to simplify, de-risk and accelerate hotel development

**Victoria, B.C. (April 23, 2026)** – Recent shifts in the real estate market and lower land costs have created a generational opportunity for local municipalities, developers and tourism stakeholders to address the region’s significant hotel room shortage, according to a [new report](#) by the Greater Victoria Hotel Development Working Group. The report includes several recommendations to simplify, de-risk and accelerate the hotel development process.

Greater Victoria is experiencing a growing demand for hotel accommodation driven by tourism, business travel, population growth and an increase in conference business. By contrast, the region’s hotel inventory has declined significantly over the past decade, falling by 25 per cent since 2016. This is largely due to the removal or conversion of existing, older hotel stock that has not been replaced at the same pace by new hotel development. Destination Greater Victoria has [identified a hotel supply gap](#) of at least 2,000 rooms over the next decade and estimates 800 full-service hotel rooms could be accommodated in the Victoria market immediately.

The Greater Victoria Hotel Development Working Group was assembled to bring together Industry experts, lenders, hotel developers, local governments, and First Nations economic development corporations to advance shared understanding and practical solutions around hotel development in the region.

In addition to the wide range of community benefits hotels provide, the Greater Victoria Hotel Development Working Group estimates the development of 2,000 net new hotel rooms will generate substantial ongoing economic benefits across Greater Victoria, including 1,180 direct jobs in hotel operations, 1,580 indirect jobs supported across the local economy, approximately \$85 million in annual wages, and more than \$100 million in annual visitor spending. Additionally, hotel activity is projected to generate significant tax revenues annually, including: \$15.8 million in municipal taxes, \$15.8 million in provincial taxes, and \$17.9 million in federal taxes.

“The city was happy to collaborate and be a partner at the table for the discussions around future potential for hotel developments. This has a direct correlation to our Victoria conference centre and our visitor economy,” says Jocelyn Jenkyns, City Manager, City of Victoria.

“The hotel sector in Victoria is gaining some real momentum—and this report offers a vital roadmap to navigate the permitting system and unlock projects that will meaningfully strengthen our region's economy. With several hotel projects already in our pipeline, we're committed to working alongside government and our business partners to make new hotel development in Victoria a reality,” says Chris Quigley, Director of Development for Aryze Developments.

Recognizing that hotel development is complex and comes with unique design standards, operating requirements, and financial risk, the Working Group identified six generalized recommendations for consideration by municipal leaders and destination developers, recognizing that the recommendations will not apply universally across the region.

### **Recommendation 1: Apply targeted zoning and land use policies to unlock hotel development sites**

- Identify, expand, and prioritize suitable hotel development areas.
- Introduce targeted density increases or incentives in priority areas to support viable hotel scale.
- Update planning policies and zoning frameworks to allow more flexible combinations of hotel, residential and commercial uses.

**Recommendation 2: Address permitting process complexities early to reduce permitting time.**

- Provide clear, up-front guidance to hotel developers and brands on key design expectations related to street interface, neighbourhood character, and public realm objectives.
- Update parking requirements to better reflect actual hotel demand.
- Make permitting process improvements to reduce the need for hotel design iterations.

**Recommendation 3: Deliver hotel development education and technical support to municipal staff**

- Co-fund a shared resource to support hotel development education and project evaluation.
- Deliver formal and informal hotel planning and permitting support to municipalities.

**Recommendation 4: Pursue First Nations hotel partnerships**

- Promote partnership structures that create genuine equity participation and decision-making parity for First Nations partners.
- Establish a commercial engagement protocol that supports transparency, early information sharing, Nation-led decision making, and meaningful discussion of partnership structures.
- Support industry development through a shared learning forum for hotel developers, municipal planning staff, financial institutions and First Nations participants.

**Recommendation 5: Support regional hotel investment attraction**

- Update the Greater Victoria Hotel Development Prospectus to outline municipal hotel development opportunities and highlight specific site opportunities.

**Recommendation 6: Establish supportive policy and financial tools for hotel conversion and revitalization**

- Expand the use of financial and policy tools to support the conversion of underutilized buildings.
- Support the retention, renewal, and expansion of existing hotels.

“Addressing the hotel supply gap in Greater Victoria will require a coordinated effort by destination developers, landowners, municipal governments, Indigenous development corporations, private developers and investors, and hotel operators,” adds Paul Nursey, CEO, DGV. “I want to thank all members of the Working Group for their contributions to this collaborative process as well as this report, and their commitment to supporting Greater Victoria’s tourism sector and the communities, residents and organizations it serves across the region.”

View the final report of the Greater Victoria Hotel Development Working Group at [destinationgreatervictoria.com/about-us/destination-development](https://destinationgreatervictoria.com/about-us/destination-development).

**About the Greater Victoria Hotel Development Working Group:** Created by Destination Greater Victoria (DGV), the Greater Victoria Hotel Development Working Group is a collaborative task force that includes DGV, Province of BC (Ministry of Tourism, Arts, Culture, and Sport), BC Hotel Association, local municipalities (City of Victoria, District of Saanich, District of Sooke, Township of Esquimalt, City of Colwood, Town of View Royal), Songhees Development Corporation, Aryze Developments, Reliance Properties, CIBC Commercial Banking, Pelan Hospitality, and Cascadia Partners.

**About Destination Greater Victoria:** Destination Greater Victoria (Greater Victoria Visitors and Convention Bureau) is our region’s official, not-for-profit destination marketing and management organization working in partnership with approximately 950 businesses and municipalities in Greater Victoria. For more information, visit the Destination Greater Victoria [website](#).

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