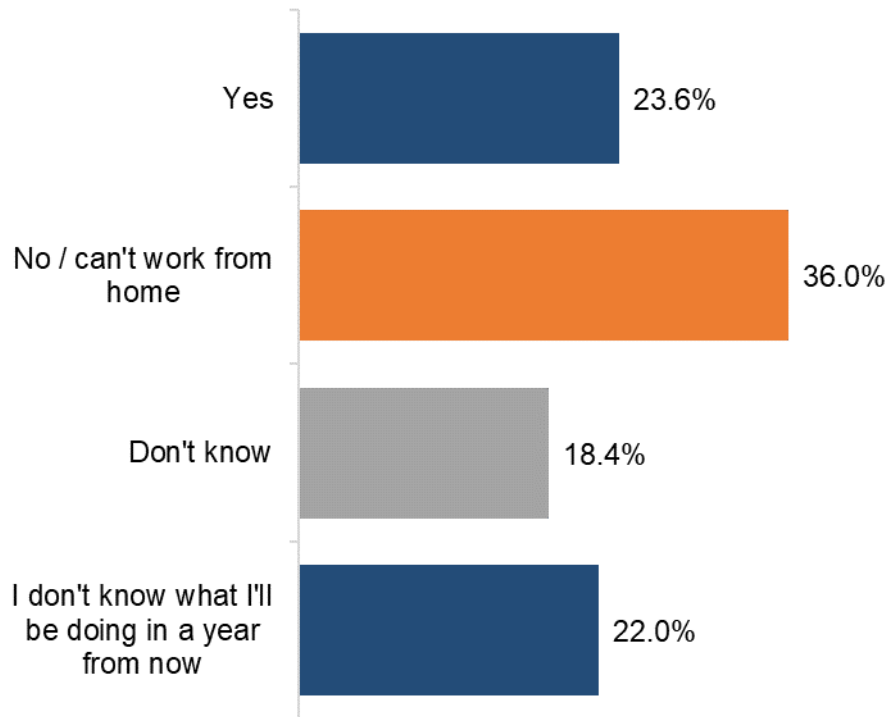


New report suggests Canadian hospitality industry could loose up to \$20b in revenues in the next year, of which 30% may be due to telecommuting

HALIFAX, NS. (August 11, 2020) – Since the start of the pandemic many Canadians have spent months working from home, likely for the first time. Recent reports suggest many are considering working from home more often, even after the pandemic is over.¹² The **Agri-Food Analytics Lab at Dalhousie University**, in partnership with **Caddle**, conducted a highly comprehensive nation-wide survey to assess how many Canadians are thinking of changing their lifestyle to spend more time working from home. **10,851 Canadians** were surveyed on telecommuting and food expenses at the end of July 2020.

Are you planning to work from home more often in a year from now?



Firstly, a total of 23.6% of Canadians intend to work more often at home in a year from now, although many Canadians either don't know (18.4%) or won't know what they will do in a year from now (22%). **Quebec** has the highest percentage with 28.9% of respondents saying that they want to work more

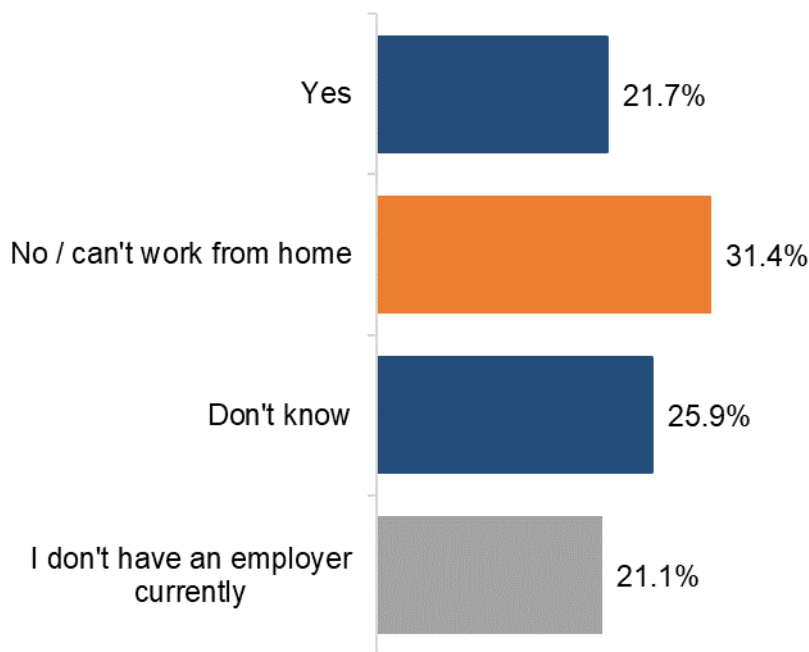
¹ <https://www.ctvnews.ca/health/coronavirus/remote-work-lower-interest-rates-driving-record-cottage-real-estate-sales-1.5041963>

² <https://www.theglobeandmail.com/investing/personal-finance/household-finances/article-vacation-properties-see-spike-in-demand-as-canadians-look-for-safe/>

often at home. **Ontario** is second at 24.8%. **Millennials** (1981-1996) have the highest percentage with 25.3%. Of the group who said yes, 20.6% said they would work from home on a full-time basis. Again, of the people who intend to work from home, 57% plan to spend less at the restaurant because of working from home. The highest rate in the country is **Ontario**, at 59%.

A total of 36.4% of respondents admitted that they enjoyed working from home more than expected prior to the pandemic. The highest satisfactory rate was measured in **Quebec**, at 38.5%.

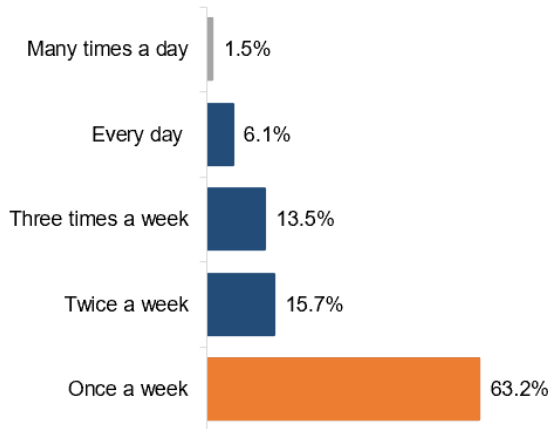
Is your employer currently planning to allow more people to work from home in the future?



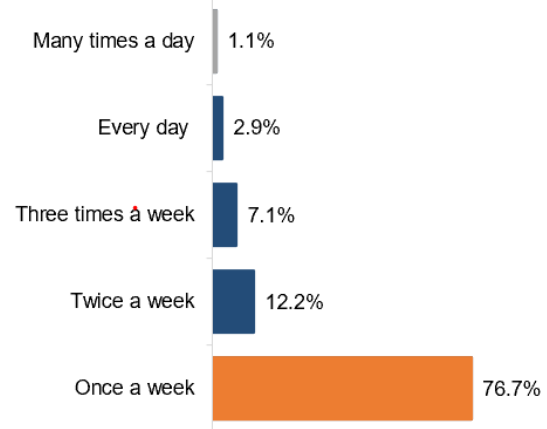
Prior to the pandemic 36.8% of respondents were going to a restaurant for a meal/break at least twice a week. That number goes down to 23.3% when asked about plans after the pandemic is over. **This is a significant drop of 36.6% of people who intend to visit restaurants at least twice a week, during the work week.** Numbers show though that more people are willing to visit a restaurant only once a week after the pandemic (76.7% after versus 63.2% for before).

When asked about employers, 21.7% of respondents stated that their employers are planning to allow people to work from home more often. The highest rate is in **Quebec**, at 26.5%. **Interestingly, of respondents whose employer is considering allowing staff to telecommute, 35.1% intend to relocate within a year.** Of respondents who stated that their employer plans to allow more people to work from home 52.9% intend to do it permanently. Of these respondents 70.1% intend to spend much less time and money at restaurants.

How many times did you go to the restaurant/order out for a meal/coffee break during the workday, prior to the pandemic?



How many times are you planning to go to the restaurant/order out for a meal/coffee break during the workday, after the pandemic?



A total of 10.7% of respondents are looking at relocating since telecommuting is possible. The highest rate is in **Quebec**, at 14.1%. A total of 17.4% of **Gen Zs** are planning to relocate due to the possibility of telecommuting, the highest rate of all generations.

The financial impact on the food industry will be significant as more people work from home and potentially outside of urban cores. Before the pandemic, the food retail/service ration stood at 59/41. Monthly food retail sales in Canada were approximately \$7.7b, versus \$5.3b for food service, according to StatsCan.³⁴ In May 2020, the last month before restaurants started to re-open, the ratio went to 91/9, with food retail generating \$7.8b in sales in May 2020 versus \$891m in food service.

Lower aggregate numbers in the spring may be due to overstocking in the early days of the pandemic. Households are likely wasting less food as well which may explain why combined sales are down.⁵ Based on numbers generated by our survey and sales results so far this year, we are expecting a retail/service ratio to be at 70/30 by July 2021. While the future lies in uncertainties, this may represent a loss of up to \$20b over the entire year for the hospitality industry. As more people stay home to telecommute there is a notable shift seen in the economy. This shift in work locations may be responsible for at least 30% of lost sales in food service for this coming year alone. Restaurants located in urban cores across the country will be affected the most.

³ <https://www150.statcan.gc.ca/n1/daily-quotidien/200722/t001f-eng.htm>

⁴ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2010007801>

⁵ <https://www.theguardian.com/environment/2020/jul/04/reality-bites-how-the-pandemic-changed-the-way-we-eat>

The forecasting methodology applied for these results was an iterative process. A model-based statistical forecast was generated to which judgmental adjustments were made by consulting experts in the field.

End of report. More data/results are available upon request.

Methodology: A total of 10,851 Canadians were surveyed in July 2020. Omnibus panel, Caddle, July 27-29, 2020. The sample carries a margin of error of +/- 3.1 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. Data was collected by Caddle.

Research Ethics Board Approval #: 2020-5215.

Disclosure: Funding for this survey was provided by **Caddle** (<https://getcaddle.com/partners/solutions/>) and Dalhousie University.