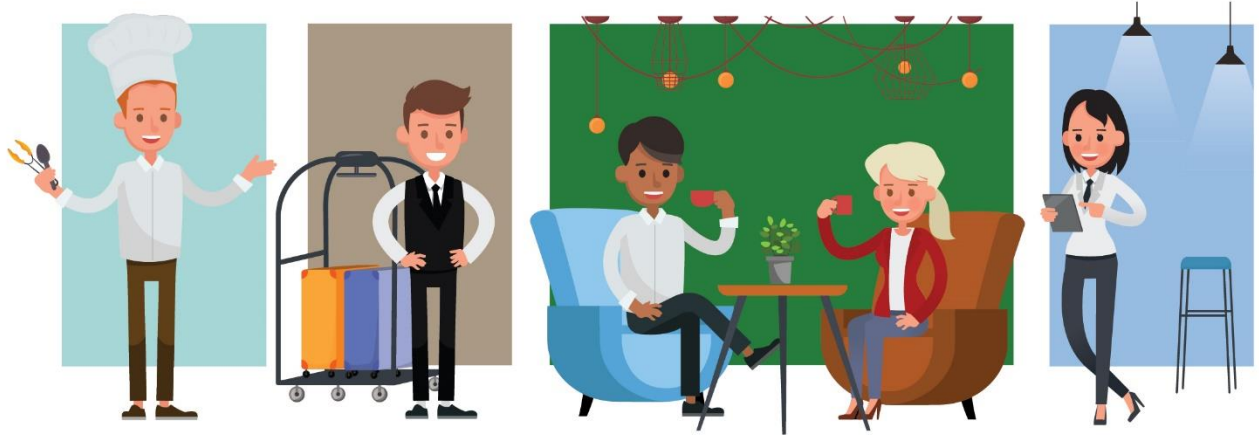




Sector Profile for London's Accommodation and Food Services (NAICS 72)

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Sector Profile for London: Accommodation and Food Services (NAICS 72)

Sector Profile Highlights

The Accommodation and Food Services¹ industry was home to approximately 835 establishments and employed 17,785 people in 2023, making up 8.1% of the employment share, thus making it one of London's key sectors (top 5) (Lightcast, December 16, 2024², London CY). The city's accommodation and food services sector was predicted to make healthy output gains in 2024, despite the overall slowdown in economic activity. Looking ahead into 2025, the arts and entertainment industry will lead the way on output growth, as real GDP in this sector is forecast to grow by 4.2%. The city's accommodations and food services sector won't be far behind, with output projected to rise by 2.8%³.

Tourism in London supported almost 10,200 jobs in Ontario in 2023, with most of these jobs (7,864) in London. Overall employment in the London metropolitan region was 306,800 in 2023, with 2.6% of the region's employment supported by tourism. In total, tourism activity in London helped generate a total of \$1,051.5 million in GDP for the province and roughly \$616.1 million for the local economy of London.

London's tourism sector contributed an estimated \$503.1 million in tax revenues across all levels of government. Of this, almost \$233.8 million was accrued to the federal government, \$200.1 million to the provincial government, and \$69.2 million to municipal governments⁴. In the city of London, it is estimated that \$50.6 million was paid by London businesses and citizens in municipal taxes⁵.

The UNESCO City of Music designation strengthens the accommodation and food services industry by attracting more visitors, encouraging longer stays, and providing opportunities for creative partnerships and marketing. This designation reaffirms that London is an international hub for music and culture⁶ which is likely to generate sustained economic benefits for hotels, restaurants, and other hospitality businesses.

In addition, London is strategically located in the heart of southwestern Ontario between Toronto and Detroit⁷, two major urban centers. The city sits within two hours of three major U.S. border crossings - Sarnia/Port Huron, Windsor/ Detroit, and Niagara/Buffalo⁸. This location makes London an ideal stopover point for travelers, providing a large customer base for the accommodation and food services industry.

¹ [NAICS 2022 Version 1.0 - 72 - Accommodation and food services - Sector \(statcan.gc.ca\)](#)

² [Industry Overview « Lightcast Analyst](#)

³ Conference Board of Canada, Major City Insights London, November 21, 2024.

⁴ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

⁵ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

⁶ [London designated as Canada's first UNESCO City of Music | City of London](#)

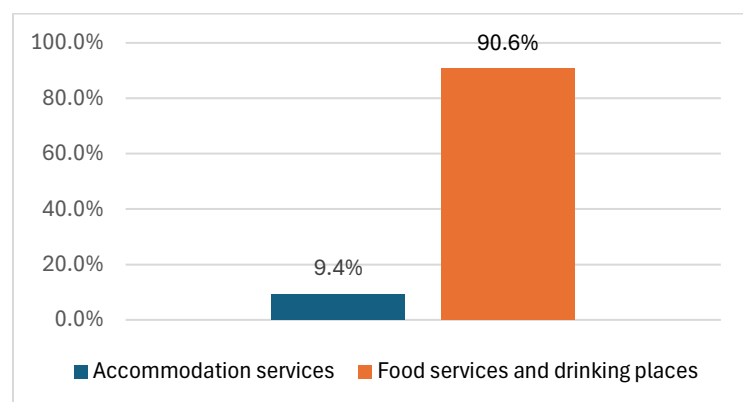
⁷ [Why London | London Economic Development Corporation \(ledc.com\)](#)

⁸ [Advanced Manufacturing | London Economic Development Corporation \(ledc.com\)](#)

Accommodation and Food Services NAICS 72 (London CY⁹)

- Number of employees/Number of jobs:
 - The number of employees by place of work status (CY) in 2021: 10,275¹⁰ (2021 Census Data, Statistics Canada)
 - The number of jobs (CY) in 2023: 17,785¹¹ (Lightcast, December 16, 2024)

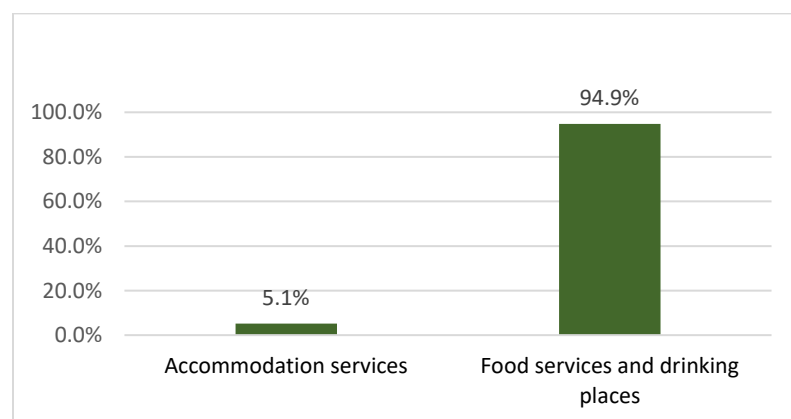
Graph 1. Employment Share by Subsector (London CY) in 2023



Source: Lightcast¹², December 12, 2024

- Canadian business counts:
 - Total number of establishments in 2022: 826¹³ (2022 Canadian Business Counts, Statistics Canada)
 - Total number of establishments in 2023: 835¹⁴ (Lightcast, December 12, 2024)

Graph 2. Establishment Share by Subsector (London CY) in 2023



Source: Lightcast¹⁵, December 12, 2024

⁹ London, City (CY), or Census subdivision (CSD). Census subdivision is the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes (e.g., Indian reserves, Indian settlements and unorganized territories). ([Statistical Area Classification by Province and Territory - Variant of SGC 2016 - Introduction - Definitions; Profile table, Census Profile, 2021 Census of Population - London, City \(CY\) \[Census subdivision\], Ontario](#))

¹⁰ [Add/Remove data - Place of work status by industry sectors, occupation broad category and gender: Canada, provinces and territories, census divisions and census subdivisions \(statcan.gc.ca\)](#)

¹¹ [Industry Overview « Lightcast Analyst](#)

¹² [Industry Overview « Lightcast Analyst](#)

¹³ [Add/Remove data Canadian Business Counts, with employees, census metropolitan areas and census subdivisions, December 2022 \(statcan.gc.ca\)](#)

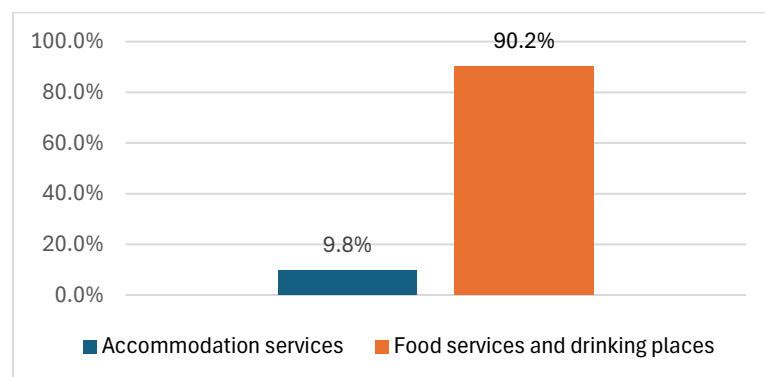
¹⁴ [Industries by Business Location Size « Lightcast Analyst](#)

¹⁵ [Industries by Business Location Size « Lightcast Analyst](#)

Accommodation and Food Services NAICS 72 (London CMA¹⁶)

- Number of employees/Number of jobs:
 - The number of employees by place of work status (CMA) in 2021: 12,745¹⁷ (2021 Census Data, Statistics Canada)
 - The number of jobs (CMA) in 2023: 21,978¹⁸ (Lightcast, December 12, 2024)

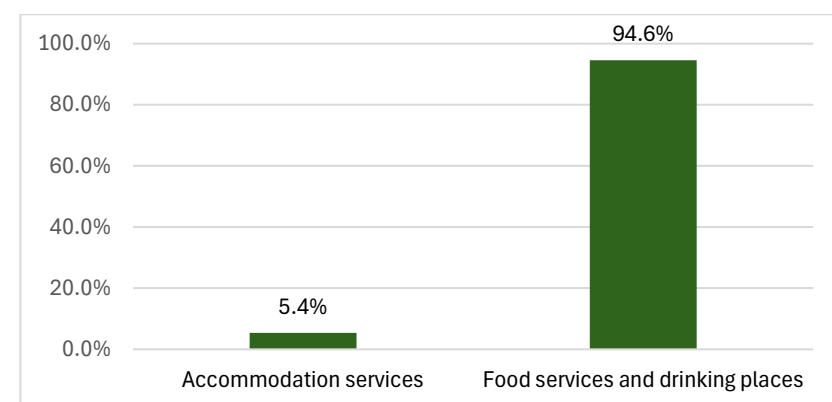
Graph 3. Employment Share by Subsector (London CMA) in 2023



Source: Lightcast, December 12, 2024

- Canadian business counts:
 - Total number of establishments in 2022: 997¹⁹ (2022 Canadian Business Counts, Statistics Canada)
 - Total number of establishments in 2023: 1,003²⁰ (Lightcast, December 12, 2024)

Graph 4. Establishment Share by Subsector (London CMA) in 2023



Source: Lightcast²¹, December 12, 2024

¹⁶ A census metropolitan area (CMA) is formed by one or more adjacent municipalities centred on a population centre ([Dictionary, Census of Population, 2021 – Census metropolitan area \(CMA\) and census agglomeration \(CA\)](#)). The London CMA includes the municipalities of London, St. Thomas, as well as Thames Centre, Middlesex Centre, Strathroy-Caradoc, Adelaide Metcalfe, Central Elgin and Southwold ([What is the London Census Metropolitan Area \(CMA\)? | MLHU - Health Status Resource; Statistical Area Classification by Province and Territory - Variant of SGC 2016 - 35555 - London](#)).

¹⁷ [Add/Remove data - Place of work status by industry subsectors, occupation broad category, age and gender: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts \(statcan.gc.ca\)](#)

¹⁸ [Industry Overview « Lightcast Analyst](#)

¹⁹ [Add/Remove data - Canadian Business Counts, with employees, census metropolitan areas and census subdivisions, December 2022 \(statcan.gc.ca\)](#)

²⁰ [Industries by Business Location Size « Lightcast Analyst](#)

²¹ [Industries by Business Location Size « Lightcast Analyst](#)

Strengths and Opportunities Highlights

Strengths

- Tourism has a significant economic impact on London's economy.
 - The Conference Board's Tourism Economic Assessment Model results estimate that tourism in London supported almost 10,200 jobs in Ontario in 2023, with most of these jobs (7,864) in London. Given that overall employment in the London metropolitan region was 306,800 in 2023, the analysis suggests that tourism supported 2.6% of the region's employment. In total, tourism activity in London helped generate a total of \$1,051.5 million in GDP for the province and roughly \$616.1 million for the local economy of London²².
 - In addition, London's tourism sector contributed an estimated \$503.1 million in tax revenues across all levels of government. Of this, almost \$233.8 million accrued to the federal government, \$200.1 million to the provincial government, and \$69.2 million to municipal governments. In the city of London, it is estimated that \$50.6 million was paid by London businesses and citizens in municipal taxes²³.
- The accommodation and food services industry in London, Ontario has access to a skilled workforce supported by educational institutions and training programs. Graduates enter the workforce with formal education and training, which enhances the skill level within the industry.
 - For example, Fanshawe College offers specialized programs for culinary management²⁴, food and beverage management²⁵, and hotel management²⁶, supplying a workforce skilled in the hospitality sector.
 - Western University provide programs in foods and nutrition²⁷ or nutrition management, supplying a workforce skilled in the food service subsector.
 - London Training Centre offers the Local Food Skills program where learners will gain real skills and work with real food in a state-of-the-art commercial kitchen²⁸.
 - The Grove²⁹, an agri-food accelerator run by the Western Fair Association, helps develop skilled workforce and talent pool through partnering with educational institutions/industry organizations.
- In 2022 there were 16,005 people employed in London's accommodation and food services industry (as per London Subdivision), comprising 7.5% of London's total workforce, which was higher than Ontario (6.6%) and Canada (6.9%). Between 2022 and 2023 the sector grew by 11.1% to 17,785 jobs, which was 14% above the national average, and was one of London's key sectors (top 5), making up 8.1% of the total workforce (Lightcast³⁰, December 16, 2024).

²² Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

²³ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

²⁴ [Culinary Management | Fanshawe College](#)

²⁵ [Food and Beverage Management | Fanshawe College](#)

²⁶ [Hospitality - Hotel and Resort Services Management | Fanshawe College](#)

²⁷ [Foods and Nutrition | Western University | London, Ontario, Canada \(uwo.ca\)](#)

²⁸ [London Training Centre - Local Food Skills](#)

²⁹ [The Grove WFD | Western Fair District](#)

³⁰ [Industry Overview « Lightcast Analyst](#)

- London is strategically located in the heart of southwestern Ontario between Toronto and Detroit³¹, two major urban centers. The city sits within two hours of three major U.S. border crossings - Sarnia/Port Huron, Windsor/Detroit, and Niagara/Buffalo³². This location makes London an ideal stopover point for travelers, providing a large customer base for the accommodation and food services industry.
- London's accessibility via major highways (such as Highway 401) and London International Airport makes it convenient for both domestic and international visitors. The 401-402 corridor is a job growth driver – it carries \$1.5 billion in trade every day and provides access to 150 million consumers in a one-day drive³³. London International Airport had a catchment area of around 2.5 million residents (as of August 11, 2023)³⁴.
- Housing and living expenses in the Forest City are more affordable than in many other major cities in Canada. This relative affordability will continue to draw people to move to London³⁵, which might help to boost the accommodation and food services industry.

Opportunities

- The sector's growth will be supported by a growing population in London. According to the Conference Board of Canada (Major City Insights London, November 21, 2024), London's population would increase by an estimated 2.5% in 2024 and is projected to grow a further 1.6% in 2025. Elevated federal international migration targets will also add to London's population. The population growth suggests that there is a growing customer base for businesses in the food services industry to serve. In particular, the intensification of residential units in London's core, supported by The London Plan^{36 37}, will bring a growing consumer base to support the sector.
- Even though leisure travel may be reduced due to inflationary pressures, hotels have been experiencing demand via increasing business travel and bookings for company-related events³⁸.
 - Hard Rock Hotel, a United Kingdom brand, is set to open in London, Ontario at 100 Kellogg's Lane³⁹. The 353-room hotel will be the chain's second hotel in Canada after Ottawa and is expected to bring in tourism for London⁴⁰.
- Much of the growth in London's economy in 2023 was expected to come from the city's arts, entertainment, and recreation industry, as well as its accommodation and food services industry. Output in these two sectors has dramatically increased since pandemic-related restrictions have been lifted. This resurgence indicates a robust recovery and potential for continued growth⁴¹.

³¹ [Why London | London Economic Development Corporation \(ledc.com\)](https://www.ledc.com/why-london/)

³² [Advanced Manufacturing | London Economic Development Corporation \(ledc.com\)](https://www.ledc.com/advanced-manufacturing/)

³³ [LEDC 2019 London Magazine Virtual.pdf](https://www.ledc.com/ledc-2019-london-magazine-virtual.pdf)

³⁴ [London International expands its network | Aviation Week Network](https://www.ledc.com/london-international-expands-its-network/)

³⁵ Conference Board of Canada, Major City Insights London, March 15, 2023

³⁶ [The London Plan \(Official Plan\) | City of London](https://www.cityoflondon.ca/en/development/the-london-plan/)

³⁷ [The London Plan - Our City](https://www.cityoflondon.ca/en/development/the-london-plan/)

³⁸ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](https://www.jobbank.ca/news/accommodation-and-food-services-ontario-2023-2025)

³⁹ [London Hits the Right Note with New Hard Rock Hotel | TravelPulse Canada](https://www.travelpulse.ca/news/london-hits-the-right-note-with-new-hard-rock-hotel/)

⁴⁰ [New Hard Rock Hotel coming to London | Student Life | westerngazette.ca](https://www.westerngazette.ca/news/new-hard-rock-hotel-coming-to-london/)

⁴¹ Conference Board of Canada, Major City Insights London, August 10, 2023.

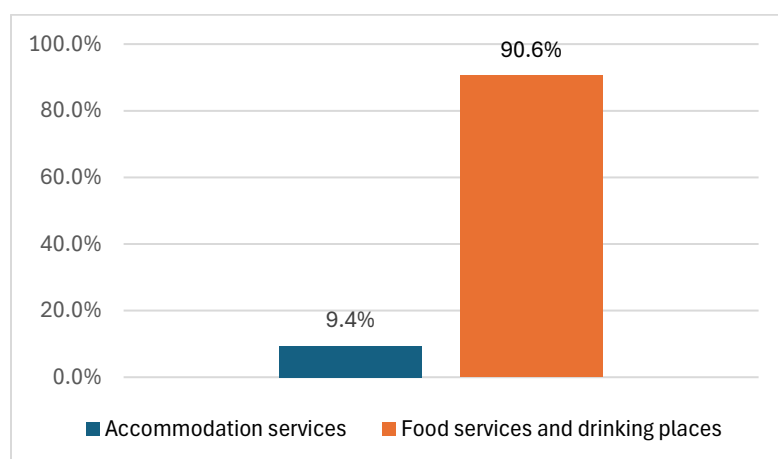
Industry Overview

The accommodation and food services sector is integral to the economic, social, and cultural fabric of London, Ontario. It supports employment, stimulates tourism, drives consumer spending, and contributes to the city's attractiveness as a place to live, work, and visit. The accommodation and food services industry consist of two key subsectors: accommodation services (721) and food services and drinking places (722)⁴². The industry comprises establishments primarily engaged in providing short-term lodging and complementary services to travelers, vacationers and others in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps. This sector also comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer orders, for immediate consumption on and off the premises⁴³. These establishments contribute significantly to the economic growth of London and support its long-term growth and prosperity.

Accommodation and Food Services NAICS 72 (London CY)

- Number of employees/Number of jobs:
 - The number of employees by place of work status (CY) in 2021: 10,275⁴⁴ (2021 Census Data, Statistics Canada)
 - The number of jobs (CY) in 2023: 17,785 (Lightcast, December 16, 2024)
 1. Accommodation services (721): 1,663⁴⁵
 2. Food services and drinking places (722): 16,122⁴⁶

Graph 1. Employment Share by Subsector (London CY) in 2023



Source: Lightcast⁴⁷, December 12, 2024

⁴² [NAICS 2022 Version 1.0 - 722 - Food services and drinking places - Subsector \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/22-001-x/2022001/article/00001-eng.htm)

⁴³ [NAICS 2022 Version 1.0 - 72 - Accommodation and food services - Sector \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/22-001-x/2022001/article/00001-eng.htm)

⁴⁴ [Add/Remove data - Place of work status by industry sectors, occupation broad category and gender: Canada, provinces and territories, census divisions and census subdivisions \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/22-001-x/2022001/article/00001-eng.htm)

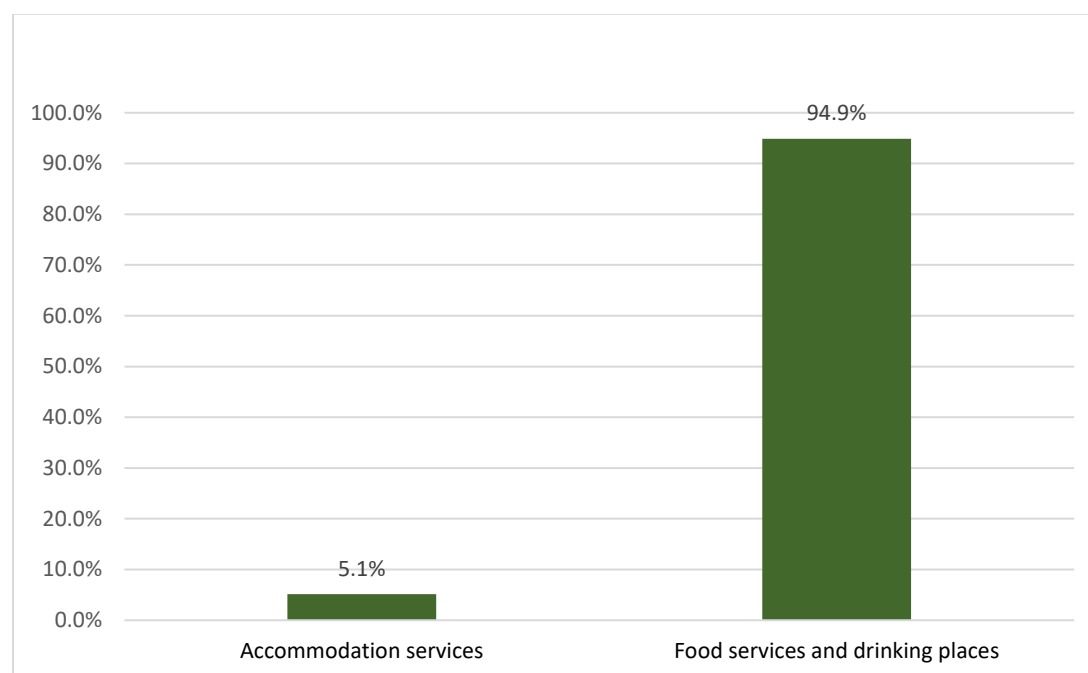
⁴⁵ [Industry Overview « Lightcast Analyst](#)

⁴⁶ [Industry Overview « Lightcast Analyst](#)

⁴⁷ [Industry Overview « Lightcast Analyst](#)

- Canadian business counts:
 - Total number of establishments in 2022: 826⁴⁸ (2022 Canadian Business Counts, Statistics Canada)
 - Total number of establishments in 2023: 835⁴⁹ (Lightcast, December 12, 2024)
 1. Accommodation services (721): 43
 2. Food services and drinking places (722): 792

Graph 2. Establishment Share by Subsector (London CY) in 2023



Source: Lightcast⁵⁰, December 12, 2024

Accommodation and Food Services NAICS 72 (London CMA)

- Number of employees/Number of jobs:
 - The number of employees by place of work status (CMA) in 2021: 12,745⁵¹ (2021 Census Data, Statistics Canada)
 - The number of jobs (CMA) in 2023: 21,978⁵² (Lightcast, December 12, 2024)
 3. Accommodation services (721): 2,147⁵³
 4. Food services and drinking places (722): 19,831⁵⁴

⁴⁸ [Add/Remove data Canadian Business Counts, with employees, census metropolitan areas and census subdivisions, December 2022 \(statcan.gc.ca\)](#)

⁴⁹ [Industries by Business Location Size « Lightcast Analyst](#)

⁵⁰ [Industries by Business Location Size « Lightcast Analyst](#)

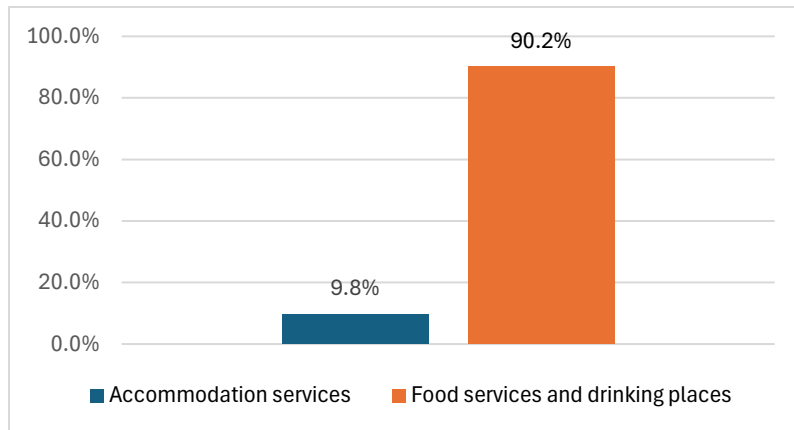
⁵¹ [Add/Remove data - Place of work status by industry subsectors, occupation broad category, age and gender: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts \(statcan.gc.ca\)](#)

⁵² [Industry Overview « Lightcast Analyst](#)

⁵³ [Industry Overview « Lightcast Analyst](#)

⁵⁴ [Industry Overview « Lightcast Analyst](#)

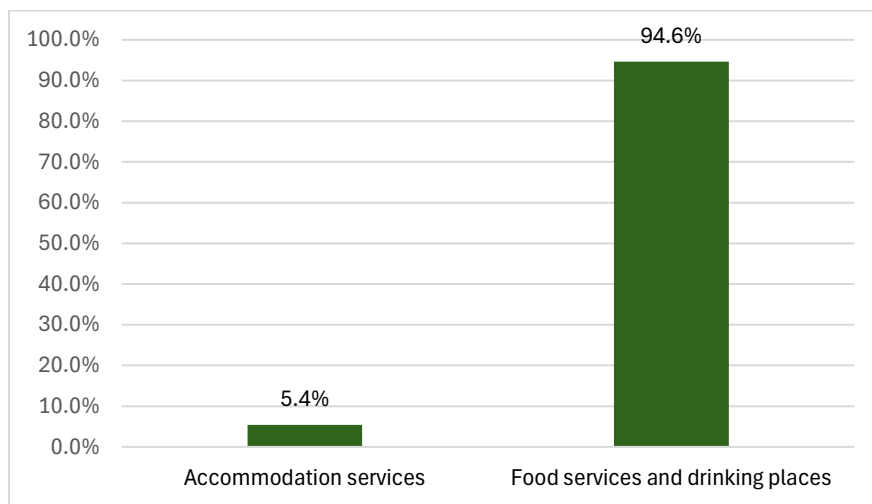
Graph 3. Employment Share by Subsector (London CMA) in 2023



Source: Lightcast⁵⁵, December 12, 2024

- Canadian business counts:
 - Total number of establishments in 2022: 997⁵⁶ (2022 Canadian Business Counts, Statistics Canada)
 - Total number of establishments in 2023: 1,003⁵⁷ (Lightcast, December 12, 2024)
 1. Accommodation services (721): 54⁵⁸
 2. Food services and drinking places (722): 949

Graph 4. Establishment Share by Subsector (London CMA) in 2023



Source: Lightcast⁵⁹, December 12, 2024

⁵⁵ [Industry Overview « Lightcast Analyst](#)

⁵⁶ [Add/Remove data - Canadian Business Counts, with employees, census metropolitan areas and census subdivisions, December 2022 \(statcan.gc.ca\)](#)

⁵⁷ [Industries by Business Location Size « Lightcast Analyst](#)

⁵⁸ [Industries by Business Location Size « Lightcast Analyst](#)

⁵⁹ [Industries by Business Location Size « Lightcast Analyst](#)

Economic Overview

There were 389,700 people employed in the accommodation and food services industry in Ontario, comprising 5.1% of Ontario's workforce in 2022. Employment in the Ontario accommodation and food services industry increased by 9.4% in 2022. Employment is expected to see moderate growth over the 2023-2025 forecast period. The sector's recovery may be tempered by lower discretionary spending due to inflation and the industry's ongoing labor shortage. The province's accommodation and food services sector produced \$13.0 billion in gross domestic product (GDP) in 2022, representing 1.7% of Ontario's total GDP⁶⁰.

Table 1 shows the London Economic Region's share of employment between 2020-2022⁶¹.

Table 1: Geographical Distribution of the Sector

	Share of Employment in Ontario (%)	Sector Share of Employment (%)
	2020-2022 Average	2020-2022 Average
Ontario	100.0%	4.9%
Ottawa	9.5%	4.7%
Kingston-Pembroke	3.6%	6.0%
Muskoka-Kawarthas	3.2%	6.6%
Toronto	42.3%	4.3%
Kitchener-Waterloo-Barrie	11.3%	5.3%
Hamilton-Niagara Peninsula	12.6%	6.1%
London	5.6%	5.5%
Windsor-Sarnia	5.0%	6.1%
Stratford-Bruce Peninsula	1.8%	4.0%
Northeast	3.5%	5.1%
Northwest	1.7%	6.2%

Source: Statistics Canada, Labor Force Survey

Table 2 shows the London Economic Region's share of the accommodation and food services industry in 2022 as compared to Ontario. Across the province, the economic region (ER) with the highest proportion of workers in the accommodation and food services sector as of 2022 was the Toronto ER (44.1%)⁶².

⁶⁰ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

⁶¹ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

⁶² [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

Table 2: Employment by Economic Region

Economic Region	Employed 2022	Sector Share (%)
Ottawa	38,700	9.9%
Kingston-Pembroke	13,100	3.4%
Muskoka-Kawarthas	9,200	2.4%
Toronto	171,700	44.1%
Kitchener-Waterloo-Barrie	42,100	10.8%
Hamilton-Niagara Peninsula	49,600	12.7%
London	21,600	5.5%
Windsor-Sarnia	18,800	4.8%
Stratford-Bruce Peninsula	5,200	1.3%
Northeast	14,300	3.7%
Northwest	5,400	1.4%

Source: Statistics Canada, Labour Force Survey

Women accounted for more than half (54.6%) of Ontario's accommodation and food services workforce in 2022, compared to 47.3% for all industries⁶³.

Table 3: Top 5 Occupations

	Employed 2022	Sector Share (%)
6711 Food counter attendants, kitchen helpers and related support occupations	100,800	25.9%
6513 Food and beverage servers	50,600	13.0%
0631 Restaurants and food service managers	48,500	12.4%
6322 Cooks	42,900	11.4%
6611 Cashiers	22,700	5.8%

Source: Statistics Canada, Labour Force Survey⁶⁴

As noted in Table 3, the top two occupations in 2022 in the sector were: food counter attendants, kitchen helpers and related support occupations; and food and beverage servers.

London's Sectoral Performance

The accommodation and food services⁶⁵ industry was home to approximately 835 establishments and employed 17,785 people in 2023, making up 8.1% of the employment share, thus making it one of London's key sectors (top 5) (Lightcast, December 16, 2024⁶⁶, London CY). The city's accommodation and food services sector would make healthy output gains in 2024, despite the overall slowdown in economic activity. Looking ahead into 2025, the arts and entertainment industry will lead the way on output growth, as real GDP in this sector is

⁶³ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

⁶⁴ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

⁶⁵ [NAICS 2022 Version 1.0 - 72 - Accommodation and food services - Sector \(statcan.gc.ca\)](#)

⁶⁶ [Industry Overview « Lightcast Analyst](#)

forecast to grow by 4.2%. The city's accommodations and food services sector won't be far behind, with output projected to rise by 2.8%⁶⁷.

Overnight Visits to London⁶⁸

In 2023, the City of London was host to approximately 2.1 million overnight visitors, a 4.6% increase from 2022. The number of overnight visitors to London includes 136,000 visitors from the United States, 25,000 visitors from other international countries, and nearly 2.0 million domestic tourists (see Table 4).

As a share of total visitors, the percentage of overnight visitors coming to London from the United States rose from 5.3% in 2022 to 6.4% in 2023, while the share of other international visitors rose from 0.9% to 1.2% over the same period. Despite the 3.0% year-over-year increase in the number of overnight domestic tourists to London, the share of overnight domestic tourists fell 1.4 percentage points from 2022 to 2023 (see Table 5).

Table 4: Overnight Visitors to London (Person-Trips)

Visitor Origin	2022e	2023e	Percentage Change (2023 vs. 2022)
Canada	1,899,000	1,956,000	3.0%
United States	107,000	136,000	27.1%
Other International	18,000	25,000	38.9%
Total	2,024,000	2,117,000	4.6%

Source: The Conference Board of Canada

Table 5: Overnight Visitors to London (As a share of total visitors)

Visitor Origin	2022e	2023e
Canada	93.8%	92.4%
United States	5.3%	6.4%
Other International	0.9%	1.2%
Total	100.0%	100.0%

Source: The Conference Board of Canada

Tourism Spending in London⁶⁹

In 2023, spending by both same-day and overnight visitors to London was estimated to be roughly \$1,088.9 million, 10.8% greater than in 2022. As in 2022, the largest share of tourism spending in London in 2023 was driven by purchases of food and beverages. Overall, spending on food and beverages was \$417.3 million or 38.3% of total spending in 2023, about three-quarters of which (\$311.0 million) was spent in restaurants, and the remaining \$106.3 million in stores (see Table 6).

Tourists spent \$229.0 million (21.0%) on retail spending, nearly two-thirds of which (\$151.6 million) was spent on clothing while the remaining third (\$77.5 million) was spent on other goods. In addition, tourists spent \$207.7 million on private transportation (19.1%), namely the use of personal vehicles, including vehicle parts and maintenance.

⁶⁷ Conference Board of Canada, Major City Insights London, November 21, 2024.

⁶⁸ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

⁶⁹ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

Accommodation spending by visitors accounted for \$112.7 million (10.4%). Tourists also spent \$35.1 million (3.2%) on public transportation, which includes ticket fares for intercity trains and buses (see Table 6).

Table 6: Purchases of Food and Beverages Account for Largest Share of Tourism Spending (\$000's)

Expenditure Category	2023e	Share of Total
Food & Beverages	\$417,338	38.3%
Food & Beverages – Restaurants	\$311,051	28.6%
Food & Beverages – Stores	\$106,287	9.8%
Retail Spending	\$229,046	21.0%
Retail Spending – Clothing	\$151,553	13.9%
Retail Spending – Other Goods	\$77,493	7.1%
Private Transportation	\$207,744	19.1%
Accommodation	\$112,746	10.4%
Recreation & Entertainment	\$69,032	6.3%
Public Transport	\$35,143	3.2%
Rental Cars	\$10,977	1.0%
Local Transport	\$6,893	0.6%
Total	\$1,088,921	100.0%

Source: The Conference Board of Canada

Year-over-year, rental cars (18.1%), retail spending on clothing (13.5%), and food and beverage spending at restaurants (12.7%) experienced the greatest growth in tourism spending (see Table 7).

Table 7: Tourism Spending in London, Year over Year (\$000's)

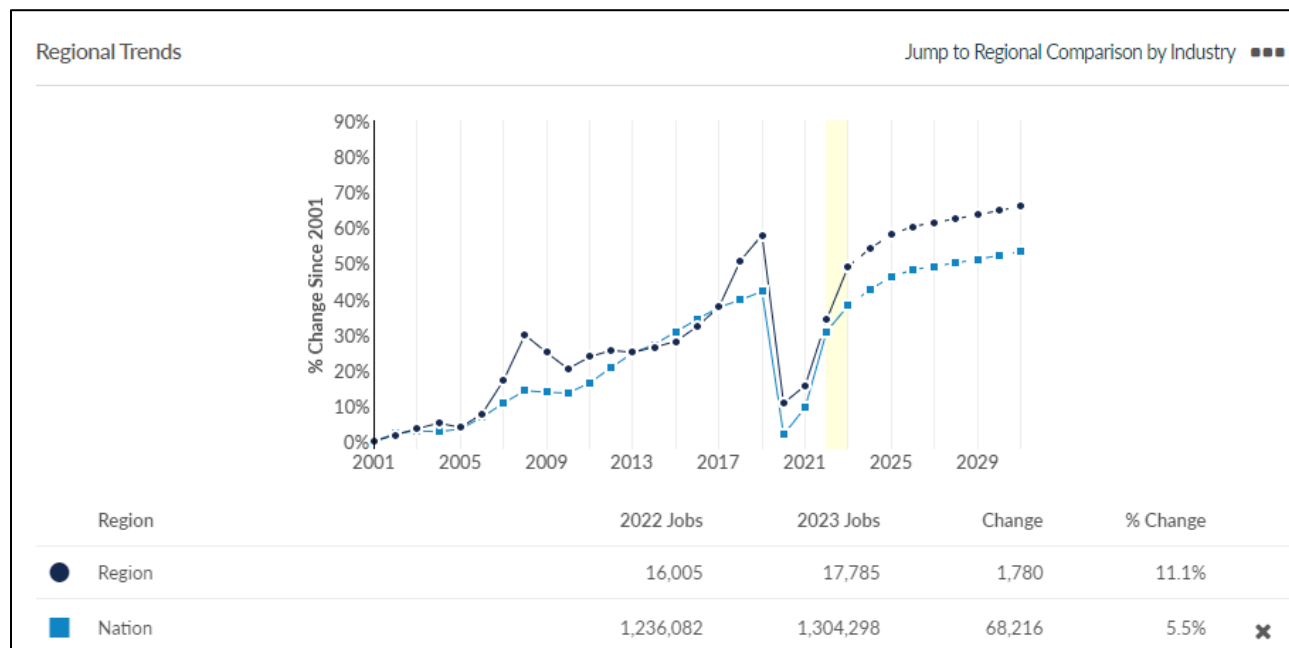
Expenditure Category	2022e	2023e	Percentage Change (2023 vs. 2022)
Food & Beverages	\$371,098	\$417,338	12.5%
Food & Beverages – Restaurants	\$276,018	\$311,051	12.7%
Food & Beverages – Stores	\$95,079	\$106,287	11.8%
Retail Spending	\$202,626	\$229,046	13.0%
Retail Spending – Clothing	\$133,547	\$151,553	13.5%
Retail Spending – Other Goods	\$69,080	\$77,493	12.2%
Private Transportation	\$193,135	\$207,744	7.6%
Accommodation	\$104,455	\$112,746	7.9%
Recreation & Entertainment	\$61,921	\$69,032	11.5%
Public Transport	\$33,520	\$35,143	4.8%
Rental Cars	\$9,298	\$10,977	18.1%
Local Transport	\$6,393	\$6,893	7.8%
Total	\$982,445	\$1,088,921	10.8%

Source: The Conference Board of Canada

In 2023, London's average wage per job in the accommodation and food services sector was \$21,893, which was 12.7% lower than Ontario's at \$25,069, and 13.2% lower than Canada's at \$25,213. Additionally, in 2022, as

seen in Graph 5, London had 16,005 jobs in this industry, which was 9% above the national average, and experienced a 11.1% growth between 2022 - 2023, resulting in 17,785 jobs in 2023, which was higher than the national growth (Lightcast, December 16, 2024).

Graph 5: Employment Trends - London (CY) Compared to Canada (2022 - 2023)⁷⁰



Source: © Copyright 2024 Lightcast⁷¹, December 16, 2024

Table 8 shows that in 2023 'Food counter attendants, kitchen helpers and related support occupations' made up 30.8% of the total jobs in this industry followed by 'Cooks' at 11.1%.

Table 8: Occupations Employed by the Accommodation and Food Services Industry in London

Description	Employed in Industry (2022)	Employed in Industry (2023)	Change (2022 - 2023)	% of Total Jobs in Industry (2023)
Food counter attendants, kitchen helpers and related support occupations	5,167	5,485	318	30.8%
Cooks	1,906	1,973	67	11.1%
Food and beverage servers	1,811	1,875	64	10.5%
Cashiers	1,269	1,485	216	8.3%
Food service supervisors	928	1,018	90	5.7%

Source: Lightcast⁷², December 16, 2024

⁷⁰ The entire trend line is displaying the % change from 2001 to 2031. The highlighted section and the table underneath it is displaying the % change from 2022 to 2023. The slope for the Region and Nation is the same.

⁷¹ [Industry Overview « Lightcast Analyst](#)

⁷² [Industry Overview « Lightcast Analyst](#)

London's Competitive Analysis Findings in Comparison with Other Municipalities (2022 - 2023)

This section presents London's competitive analysis findings in comparison with other municipalities in Ontario. The competitive analysis results are based on using the location quotient and shift-share approach. It is important to note that this is one analysis method for a competitive analysis.

- Location quotient analysis involves the computation of a ratio that measures each industry's share of total local employment relative to the same industry's share of a reference area's total employment. The reference area can be a region, a province, or a nation. This sector profile presents the location quotient analysis for London as the local community and Ontario as the reference area. The location quotient reflects the contribution of accommodation and food services industry to London's economy relative to the contribution of the same industry to Ontario.
- Shift-share analysis focuses on changes that have taken place in the industrial composition of the community. This technique examines variations in local employment relative to changes in employment observed in a reference area. The reference area can be a region, province, or nation. Shift-share analysis is conducted based on the industrial mix effect and differential shift effect:
 - Industrial mix effect measures the change in employment in a local industry attributed to whether the industry is growing or declining in the reference area.
 - Differential shift effect, also known as competitive effect, measures the difference between the rate of change in industry employment at the local level and the rate of change in industry employment at the reference area level. This effect is especially relevant because it highlights location advantages or disadvantages responsible for an industry's growth or decline within a community relative to other locations.

Based on the competitive analysis results for 2022 and 2023, accommodation and food services were positioned as a *driving industry* in London in 2023. Detailed findings are presented below. London was compared to other municipalities in Ontario, including Toronto, Ottawa, Windsor, Kingston, Waterloo, Kitchener, Cambridge, and Hamilton.

For findings of the competitive analysis completed for 2016 and 2021 (Statistics Canada Census Data), please see Appendix A.

Location Quotient Findings

Table 9 presents location quotient results for the accommodation and food services industry in different municipalities in Ontario in 2023. Ontario was employed as the reference area.

Table 9: Location Quotient and Shift-Share Findings of Municipalities in Ontario (2022 - 2023)

Municipalities	2022 Location Quotient	2023 Location Quotient	Shift-Share Industrial Mix Effect	Shift-Share Differential Shift Effect	Position of Industry in Municipality
London	1.15	1.20	478	860	Driving
Toronto	0.94	0.93	2,778	-1,926	Modest
Ottawa	0.91	0.91	1,055	-442	Modest
Windsor	1.32	1.32	255	-80	Promising
Kingston	1.45	1.41	223	-131	Promising
Waterloo	1.17	1.19	161	52	Driving
Kitchener	0.93	0.93	210	51	Rising
Cambridge	0.86	0.90	147	148	Rising
Hamilton	1.05	1.05	521	120	Driving

Source: Custom Data Analysis - March 3, 2025

As presented in Table 9, London is one of five municipalities (alongside Windsor, Kingston, Waterloo, and Hamilton) that had a location quotient greater than one in 2023. A location quotient higher than one points to the concentration or specialization of the accommodation and food services industry in the municipality. London's location quotient of 1.20 suggests that the accommodation and food services industry's contribution to London's economy surpasses the same industry's contribution to the economy of Ontario. Compared with other municipalities, London had the third highest location quotient result in 2023.

Other municipalities (Toronto, Ottawa, Kitchener, and Cambridge) had a location quotient less than one. A location quotient less than one suggests that the accommodation and food services industry's share of the municipality's employment falls short of the same industry's share of total employment in Ontario in 2023. This implies that the accommodation and food services industry's contribution to the municipality's economy lags the same industry's contribution to the economy of Ontario.

Shift-Share Findings

Industrial Mix Effect Findings

Similar to other municipalities, as illustrated in Table 9, London's accommodation and food services industry had a positive industrial mix effect relative to Ontario between 2022 and 2023. A positive industrial mix effect indicates that the accommodation and food services industry in London experienced a higher growth rate than the overall rate of growth for Ontario. This could be a growth industry with job producing opportunities.

Differential Shift Effect Findings

As illustrated in Table 9, London is one of five municipalities (alongside Waterloo, Kitchener, Cambridge, and Hamilton) that had a positive differential shift effect relative to Ontario between 2022 and 2023. A positive differential shift effect suggests that the accommodation and food services industry in London experienced a higher rate of growth than Ontario's industry growth rate. Specifically, the positive differential shift effect

indicates that London's businesses performed better than businesses in Ontario's accommodation and food services industry, suggesting that London offers some sort of competitive advantage favoring businesses in the accommodation and food services.

Toronto, Ottawa, Windsor, and Kingston are municipalities that had a negative differential shift effect for the accommodation and food services industry. A negative differential shift effect indicates that the accommodation and food services industry in these municipalities experienced a rate of growth below Ontario's industry growth rate. In other words, these municipalities do not offer competitive advantages favoring businesses in the accommodation and food services industry.

Shift-Share and Location Quotient Findings Combined

Based on the Carvalho Classification System of Economic Performance, which uses a combination of shift-share and location quotient results, accommodation and food services was positioned as a *driving industry* in London between 2022 and 2023. This indicates that London is highly specialized in this sector, which is growing provincially and growing at an even higher rate locally. Accommodation and food services was also positioned as a *driving industry* in Waterloo and Hamilton.

Accommodation and food services was positioned as a *promising industry* in Windsor and Kingston between 2022 and 2023. This suggests that these municipalities had a high specialization in the accommodation and food services industry, which grew provincially; the local growth was slower than the provincial growth in this industry.

Accommodation and food services was positioned as a *rising industry* in Kitchener and Cambridge, suggesting a relatively low proportion of local employment but will likely increase due to growth in this sector, which is growing provincially and growing at an even higher rate locally.

Accommodation and food services was positioned as a *modest industry* in Toronto and Ottawa. This suggests that these municipalities had relatively slow specialization in the accommodation and food services industry which grew provincially; the municipality's growth was slower than provincial growth in this industry.

1. Subsector Analysis

The accommodation and food services sector comprises establishments primarily engaged in providing short-term lodging and complementary services to travelers, vacationers, and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps. This sector also comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer orders for immediate consumption on and off the premises⁷³. The accommodation and food services industry are comprised of two key subsectors:

- Accommodation services (721)
- Food services and drinking places (722)

A detailed analysis of the two key subsectors is provided below. For information related to London's competitive analysis as it pertains to the two key subsectors, please see Appendix B.

1.1. Accommodation Services (721)

This subsector comprises establishments primarily engaged in providing short-term lodging for travelers, vacationers, and others. In addition to lodging, a range of other services may be provided. For example, many establishments have restaurants, while others have recreational facilities. Lodging establishments are classified in this subsector even if the provision of complementary services generates more revenues.

Establishments that operate lodging facilities primarily designed to accommodate outdoor enthusiasts, are also included in this subsector. These establishments are characterized by the type of accommodation and by the nature and the range of recreational facilities and activities provided to their clients.

Establishments that manage short-stay accommodation establishments, such as hotels and motels, on a contractual basis are classified in this subsector if they provide both management and operating staff. These establishments are classified according to the type of facility they manage⁷⁴.

The industry groups within this subsector are traveler accommodation; recreational vehicle (RV) parks and recreational camps; and rooming and boarding houses.

- Total establishments in London (CY) as of December 2023: 43⁷⁵
 - 1 to 4 employees: 8
 - 5 to 9 employees: 3
 - 10 to 19 employees: 9
 - 20 to 49 employees: 13
 - 50 to 99 employees: 5

⁷³ [NAICS 2022 Version 1.0 - 72 - Accommodation and food services - Sector \(statcan.gc.ca\)](#)

⁷⁴ [NAICS 2022 Version 1.0 - 721 - Accommodation services - Subsector](#)

⁷⁵ [Industries by Business Location Size « Lightcast Analyst](#)

- 100 to 199 employees: 4
- 200 to 499 employees: 1
- 500 plus employees: 0
- As per data retrieved from Lightcast, London had 1,318 jobs in the accommodation services industry subsector in 2022, which was 37% below the national average. Between 2022-2023 there was a 26.2% increase in the number of jobs in this industry subsector, resulting in 1,663 jobs in 2023 (Lightcast, December 16, 2024⁷⁶).
- London's average wage per job for this subsector in 2023 was \$29,133 which was 17.2% lower than Canada's at \$35,196 and 18.9% lower than Ontario's at \$35,916⁷⁷ (Lightcast, December 16, 2024).

1.2. Food Services and Drinking Places⁷⁸ (722)

This subsector comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer order, for immediate consumption on and off the premises. This subsector does not include food service activities that occur within establishments such as hotels, civic and social associations, amusement and recreation parks, and theatres. However, leased food-service locations in facilities such as hotels, shopping malls, airports and department stores are included. The industry groups within this subsector reflect the level and type of service provided⁷⁹. The industry groups within this subsector are special food services; drinking places (alcoholic beverages); and full-service restaurants and limited service eating places⁸⁰.

- Total establishments in London (CY) as of December 2023: 792⁸¹
 - 1 to 4 employees: 136
 - 5 to 9 employees: 190
 - 10 to 19 employees: 186
 - 20 to 49 employees: 195
 - 50 to 99 employees: 61
 - 100 to 199 employees: 20
 - 200 to 499 employees: 3
 - 500 plus employees: 1
- As per data retrieved from Lightcast, in 2022, London had 14,687 jobs in the food services and drinking places industry subsector, which was 17% above the national average. Between 2022-2023 there was a 9.8% increase in the number of jobs in this industry subsector, resulting in 16,122 jobs in 2023 (Lightcast, December 16, 2024⁸²).
- London's average wage per job for this subsector in 2023 was \$21,146 which was 9.9% lower than Canada's at \$23,468 and 10.2% lower than Ontario's at \$23,561 (Lightcast, December 16, 2024⁸³).

⁷⁶ [Industry Overview « Lightcast Analyst](#)

⁷⁷ [Industry Overview « Lightcast Analyst](#)

⁷⁸ [NAICS 2022 Version 1.0 - 722 - Food services and drinking places - Subsector \(statcan.gc.ca\)](#)

⁷⁹ [NAICS 2022 Version 1.0 - 722 - Food services and drinking places - Subsector \(statcan.gc.ca\)](#)

⁸⁰ [NAICS 2022 Version 1.0 - 722 - Food services and drinking places - Subsector \(statcan.gc.ca\)](#)

⁸¹ [Industries by Business Location Size « Lightcast Analyst](#)

⁸² [Industry Overview « Lightcast Analyst](#)

⁸³ [Industry Overview « Lightcast Analyst](#)

2. SWOT Analysis: Accommodation and Food Services Sector

2.1. Strengths

2.1.1. Economic Impact of the Sector in London

Economic Impact of Tourism in London

The Conference Board's Tourism Economic Assessment Model results estimate that tourism in London supported almost 10,200 full-year jobs in Ontario in 2023, with most of these jobs (7,864) in London (see Table 10). Given that overall employment in the London metropolitan region was 306,800 in 2023, the analysis suggests that tourism supported 2.6% of the region's employment. In total, tourism activity in London helped generate a total of \$1,051.5 million in GDP for the province and roughly \$616.1 million for the local economy of London (see Table 11)⁸⁴.

Table 10: Impact of Tourism in London on Employment, 2023 (Full-year jobs)

Impact Phase	Employment in Ontario	Employment in London
Direct	5,505	5,406
Indirect	2,555	1,155
Induced	2,136	1,302
Total	10,196	7,864

Source: The Conference Board of Canada⁸⁵

Table 11: Impact of Tourism in London on Gross Domestic Product (GDP), 2023 (\$000's)

Impact Phase	GDP in Ontario	GDP in London
Direct	\$369,503	\$356,308
Indirect	\$411,205	\$135,494
Induced	\$270,744	\$124,305
Total	\$1,051,452	\$616,107

Source: The Conference Board of Canada⁸⁶

In addition, London's tourism sector contributed an estimated \$503.1 million in tax revenues across all levels of government. Of this, almost \$233.8 million accrued to the federal government, \$200.1 million to the provincial government, and \$69.2 million to municipal governments. In the City of London, it is estimated that \$50.6 million was paid by London businesses and citizens in municipal taxes (see Table 12).

⁸⁴ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

⁸⁵ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

⁸⁶ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

Table 12: Impact of Tourism in London on Taxes, 2023 (\$000's)

Level of Government	Taxes in Ontario	Taxes in London
Federal	\$233,794	\$155,044
Provincial	\$200,123	\$144,816
Municipal	\$69,227	\$50,626
Total	\$503,145	\$350,487

Source: The Conference Board of Canada⁸⁷**2.1.2. Skilled Workforce**

- The accommodation and food services industry in London, Ontario has access to a skilled workforce supported by educational institutions and training programs. Graduates enter the workforce with formal education and training, which enhances the skill level within the industry.
 - For example, Fanshawe College offers specialized programs for culinary management⁸⁸, food and beverage management⁸⁹, and hotel management⁹⁰, supplying a workforce skilled in the hospitality sector.
 - Western University provide programs in foods and nutrition⁹¹ or nutrition management, supplying a workforce skilled in the food service subsector.
 - Combining 30 years of food skills training, advocacy for careers in food service and commitment to a local, sustainable food system, London Training Centre offers the Local Food Skills program where learners will gain real skills and work with real food in a state-of-the-art commercial kitchen⁹².
 - The Grove⁹³, an agri-food accelerator run by the Western Fair Association, helps develop skilled workforce and talent pool through partnering with educational institutions/industry organizations.
- In 2022 there were 16,005 people employed in London's accommodation and food services industry (as per London Subdivision), comprising 7.5% of London's total workforce, which was higher than Ontario (6.6%) and Canada (6.9%). Between 2022 and 2023 the sector grew by 11.1% to 17,785 jobs, which was 14% above the national average, and was one of London's key sectors (top 5), making up 8.1% of the total workforce (Lightcast⁹⁴, December 16, 2024).
- Employment by industry as based on CMA data in the accommodation and food services sector was 15,200⁹⁵ in 2020, the first year of the pandemic. In 2022, when all mask mandates, travel restrictions and capacity limits were lifted, employment was 17,200 (+13.2% from 2020).

⁸⁷ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.⁸⁸ [Culinary Management | Fanshawe College](#)⁸⁹ [Food and Beverage Management | Fanshawe College](#)⁹⁰ [Hospitality - Hotel and Resort Services Management | Fanshawe College](#)⁹¹ [Foods and Nutrition | Western University | London, Ontario, Canada \(uwo.ca\)](#)⁹² [London Training Centre - Local Food Skills](#)⁹³ [The Grove WFD | Western Fair District](#)⁹⁴ [Industry Overview « Lightcast Analyst](#)⁹⁵ [Employment by industry, census metropolitan areas, annual \(statcan.gc.ca\)](#)

2.1.3. Presence of Major Employers

Table 13 presents top employers (100+ employees) in London's accommodation and food services sector.

Table 13: Top Employers in London's Accommodation and Food Services Sector by Number of Employees (100+ employees)

Accommodation Services (721)

Company Name	Total Employees (in London)	NAICS CODE 3 Digit	Brief Summary
Four Points by Sheraton London	• 127 employees (full-time and part-time) ⁹⁶	721 ⁹⁷	Four Points by Sheraton Hotel & Suites London is located minutes from downtown and across from the city's largest shopping mall ⁹⁸ . With more than 18,000 square feet of conference space and 15 meeting rooms, Four Points by Sheraton London is one of the best business and group hotels on Wellington Road ⁹⁹ .
Delta Hotels by Marriott London Armouries	• 119 employees ¹⁰⁰	721 ¹⁰¹	The Delta Hotels by Marriott London Armouries is in the heart of downtown London, within blocks of VIA Rail Station and Canada Life Place. The London International Airport is within a 20-minute drive and has close access to the 400 series highways. The hotel offers 13 meeting rooms to accommodate conferences, individual meetings or elaborate social events ¹⁰² .
Doubletree by Hilton Hotel	• 140 employees (full-time and part-time) ¹⁰³	721 ¹⁰⁴	The DoubleTree by Hilton is in the core of the downtown and is the largest full-service hotel in London ¹⁰⁵ . The hotel is connected by skywalk to RBC Place, within blocks of VIA Rail Station and Canada Life Place, with Covent Garden Market a 10-minute walk away ¹⁰⁶ .

⁹⁶ Data was collected via telephone with HR department on July 7, 2023.

⁹⁷ Environics

⁹⁸ [Four Points by Sheraton London | Tourism London \(londontourism.ca\)](#)

⁹⁹ [Hotel in London, Ontario | Four Points by Sheraton London \(marriott.com\)](#)

¹⁰⁰ Data was collected via telephone with HR department on July 7, 2023, at 11:33 am.

¹⁰¹ Environics

¹⁰² [Delta Hotels by Marriott London Armouries | Tourism London \(londontourism.ca\)](#)

¹⁰³ Data was collected via telephone with HR department on July 11, 2023, at 2:52 pm.

¹⁰⁴ Environics

¹⁰⁵ [DoubleTree by Hilton London Ontario | Tourism London \(londontourism.ca\)](#)

¹⁰⁶ [DoubleTree by Hilton London, Ontario Hotel](#)

Company Name	Total Employees (in London)	NAICS CODE 3 Digit	Brief Summary
Ramada London	• 100+ employees ¹⁰⁷	721 ¹⁰⁸	Ramada London is a hotel that prioritizes accessibility, functionality, and exceptional service. Located near London City Airport and the 401 Highway, the hotel is designed to cater to a diverse range of needs from business, a special event, or a sports-related stay ¹⁰⁹ .
Hard Rock Hotel London	• 100+ ¹¹⁰	721	Hard Rock Hotel London, Ontario is Canada's first Hard Rock Hotel and is perfectly located in Canada's UNESCO City of Music. Situated in the vibrant 100 Kellogg Lane complex, the property transcends the conventional hotel experience. The hotel blends style and amenities, featuring 164 meticulously crafted guest rooms, Sessions® Restaurant, 1913 – a music-centric speakeasy, a unique indoor/outdoor pool, bar/lounge, and valet (fee) ¹¹¹ .

Source: Direct contact with employers, Environics, LEDC, Mergent Intellect by FTSE Russell, and reputable websites.

Note*: Other notable employers that are under 100 employees are Ivey Spencer Leadership Centre; Fanshawe College Residence & Conference Centre; and Best Western PLUS Lamplighter Inn & Conference Centre¹¹². Conference Services at Western is also a notable employer.

Food Services and Drinking Places (722)

Company Name	Total Employees (in London)	NAICS CODE 3 Digit	Brief Summary
Mandarin Restaurant	• 300 employees ¹¹³ (Mandarin Restaurant at 1790 Hyde Park Road)	722 ¹¹⁴	Mandarin Restaurant Franchise Corporation is a chain of all-you-can-eat Chinese Canadian buffet restaurants. It was founded in 1979 and currently has its headquarters in Brampton, Ontario. The chain consists of licensed restaurants across Southern Ontario offering over 100 Chinese Canadian buffet menu items, take-out, and delivery, as well as à-la-carte ordering ¹¹⁵ .

¹⁰⁷ Data was collected via telephone with Ramada London on August 30, 2024.

¹⁰⁸ Primary NAICS Code: 721110: Hotels (except Casino Hotels) and Motels (Mergent Intellect by FTSE Russell)

¹⁰⁹ [What Sets Us Apart | Ramada in London \(ramadainnlondon.com\)](https://www.ramadainnlondon.com/What-Sets-Us-Apart)

¹¹⁰ <https://ca.linkedin.com/company/hard-rock-hotel-london-ontario>

¹¹¹ londontourism.ca/hard-rock-hotel-london-ontario

¹¹² Data was collected via telephone with employers on August 30, 2024.

¹¹³ Data was collected via telephone with Mandarin Restaurant on August 30, 2024.

¹¹⁴ Primary NAICS Code: 722511: Full-Service Restaurants (Mergent Intellect by FTSE Russell)

¹¹⁵ [Mandarin Restaurant - Wikipedia](https://en.wikipedia.org/wiki/Mandarin_Restaurant)

Company Name	Total Employees (in London)	NAICS CODE 3 Digit	Brief Summary
The Spoke/Spoke Tavern at Western University	• 206 employees ¹¹⁶	722 ¹¹⁷	Located in the heart of Western University's campus, The Spoke is the place to dine and socialize. Proudly owned and operated by the University Students' Council, The Spoke is a business that is run by students for students. The Spoke is a unique casual dining restaurant that boasts a 400-person dining capacity and three components to the restaurant, a cafe, a quick service kitchen, and a bar ¹¹⁸ .
The Keg Steakhouse + Bar - Masonville	• 100 employees ¹¹⁹	722 ¹²⁰	Located in North London on the northwest corner of the newly renovated Cadillac Fairview mall, the Keg Steakhouse + Bar – Masonville includes a beautiful dining room, sleek bar, and inviting street front patio ¹²¹ . The Keg Steakhouse + Bar experience is centered around high-quality meats and great service in a refined casual atmosphere.
Palasad London Ontario	• 180 employees ¹²²	722 ¹²³	Palasad is a cornerstone of entertainment and dining, as well as a consistent live music location, in London. Since opening its doors in 1994, Palasad has grown into a beloved destination, now proudly operating two locations: Palasad South and Palasad Socialbowl ¹²⁴ .
Great Hall Catering at Western	• 100+ employees ¹²⁵	722 ¹²⁶	Established in the 1950s, Great Hall Catering is located in the heart of Western University Campus in the historic building of Somerville House. Great Hall Catering has been serving the campus community and the surrounding London area with exceptional cuisine, caring and reliable services ¹²⁷ .

¹¹⁶ Data was collected via telephone with The Spoke on August 30, 2024.

¹¹⁷ Primary NAICS Code: 722410: Drinking Places (Alcoholic Beverages) (Mergent Intellect by FTSE Russel)

¹¹⁸ [The Spoke & Rim Tavern \(the-spoke.ca\)](https://the-spoke.ca)

¹¹⁹ It hovers around 100 employees: sometimes higher and sometimes lower in staff. Data was collected via email with Masonville Keg in London on August 27, 2024.

¹²⁰ Primary NAICS Code: 722511: Full-Service Restaurants (Mergent Intellect by FTSE Russel)

¹²¹ [The Keg Steakhouse + Bar - Masonville | Tourism London \(londontourism.ca\)](https://londontourism.ca)

¹²² Palasad has 2 locations in London. Based on the data, which was collected with the director of operations, Palasad South has 120 and Palasad Social Bowl has 60 employees.

¹²³ Primary NAICS Code: 722511: Full-Service Restaurants (Mergent Intellect by FTSE Russel)

¹²⁴ [Celebrating 30 Years in London | Palasad South](#)

¹²⁵ They have more than 100 employees and the data was collected via email with the associate director.

¹²⁶ NAICS Code: 722320: Caterers (Enviroconics)

¹²⁷ [Great Hall Catering - London, ON - Wedding Venue](#)

Company Name	Total Employees (in London)	NAICS CODE 3 Digit	Brief Summary
Barney's Lounge & Bar/The Ceeps	• 100 employees ¹²⁸	722 ¹²⁹	Built and opened in 1890, The Ceeps is one of London's oldest bars. It is an iconic place not just in the Forest City but known across Canada and further ¹³⁰ .
The Out Back Shack Bar & Grill at Fanshawe	• 194 employees ¹³¹	722 ¹³²	Located in the Student Union Building (SUB), Fanshawe College, The Out Back Shack is a student-operated venue that features a variety of gastro pub-style food services. People can dine in and enjoy the 180-seat bar and grill or order for pick-up ¹³³ .

Source: Direct contact with employers, Environics, LEDC, Mergent Intellect by FTSE Russell, and reputable websites

Note*: Other notable employers that have under 100 employees are the Mandarin Restaurant (387 Wellington Road); Earls Kitchen + Bar; Jack Astor's Bar & Grill (88 Fanshawe Park Road East); Jack Astor's Bar & Grill (1070 Wellington Road South); Moxies; The Factory (100 Kellogg); and The Wave at Western University¹³⁴.

2.1.4. Local Food Education

Local food education programs in London contribute to workforce development, culinary innovation, and community engagement.

- For example, Growing Chefs! Ontario is a registered charity that unites chefs, growers, educators and community members in children's food education projects¹³⁵. Growing Chefs! Ontario offers a variety of [Food Education Projects](#) to get kids and communities excited about healthy, wholesome food! For 16+ years, Growing Chefs! Ontario has proven itself as a leading organization in Ontario, creating and providing programming for schools, children, youth and families. Over 100,000 children and youth across London and area have participated to date¹³⁶.
- London Training Centre offers the Local Food Skills program where learners will gain real skills and work with real food in a state-of-the-art commercial kitchen¹³⁷.
- The Culinary Pre-Apprenticeship Program at London Training Centre is fully funded by The Ministry of Labour, Training and Skills Development (no cost to students) and an ideal opportunity for a person currently working in the industry or someone seeking to launch a culinary career with the foundational skills needed to be successful¹³⁸.

¹²⁸ It currently has close to 100 employees, but the number varies in the summer and winter. Data was collected via telephone with Barney's Lounge & Bar on August 30, 2024.

¹²⁹ Primary NAICS Code: 722410: Drinking Places (Alcoholic Beverages) (Mergent Intellect by FTSE Russell)

¹³⁰ [Barney's Lounge & Bar / The Ceeps | Tourism London \(londontourism.ca\)](#)

¹³¹ The organization is currently employing 194 staff members, the majority of whom are seasonal. Of this total, 99 employees work within the hospitality department. Data was collected via email with the director of people and culture.

¹³² NAICS Code: 722511: Full-Service Restaurants (Environics)

¹³³ [FSU | The Out Back Shack](#)

¹³⁴ Data was collected via telephone with employers on August 30, 2024.

¹³⁵ [Growing Chefs! Ontario | Tourism London](#)

¹³⁶ [Homepage | Growing Chefs! Ontario](#)

¹³⁷ [London Training Centre - Local Food Skills](#)

¹³⁸ [London Training Centre - Culinary Pre-Apprenticeship Program](#)

2.1.5. Affordability

Housing in the Forest City is more affordable than in many other major cities in Canada. This relative affordability will continue to draw people to move to London¹³⁹, which might help to boost the accommodation and food services industry.

- Housing affordability and the cost of living in a community are among the key factors employees look at when deciding whether to relocate because of a job¹⁴⁰.
- Compared to communities closer to the Greater Toronto Area, London offers a more affordable place to rent or own a home while still offering locals the comforts of big city living¹⁴¹. The Conference Board of Canada (Major City Insights London, November 21, 2024) expect housing starts to maintain an upward trajectory throughout the forecast period (2024-2028). The deal reached with the federal government under the Housing Accelerator Fund will help the city build 2,000 new homes over the next few years.
- According to Statistics Canada, London gained about 3,400 people who moved from other parts of Ontario between 2020 and 2021. The year after that, the net gain in intra-provincial migration went up to nearly 4,500. Between 2022 and 2023, the latest available data, that number dropped to about 3,175¹⁴².

2.1.6. Strategic Location

London's strategic location offers many advantages for the accommodation and food service industry.

- London is strategically located in the heart of southwestern Ontario between Toronto and Detroit¹⁴³, two major urban centers. The city sits within two hours of three major U.S. border crossings - Sarnia/Port Huron, Windsor/Detroit, and Niagara/Buffalo¹⁴⁴. This location makes London an ideal stopover point for travelers, providing a large customer base for the accommodation and food services industry.
- London's accessibility via major highways (such as Highway 401) and the London International Airport makes it convenient for both domestic and international visitors. The 401-402 corridor is a key driver of job growth as it carries \$1.5 billion in trade every day and provides access to 150 million consumers in a one-hour drive¹⁴⁵. The London International Airport has a catchment area of around 2.5 million residents (as of August 11, 2023)¹⁴⁶.

2.1.7. Canada's first UNESCO City of Music

On November 8, 2021, London was recognized as Canada's first UNESCO City of Music¹⁴⁷. The UNESCO City of Music designation strengthens the accommodation and food services industry by attracting more visitors, encouraging longer stays, and providing opportunities for creative partnerships and marketing. This designation

¹³⁹ Conference Board of Canada, Major City Insights London, November 21, 2024.

¹⁴⁰ [Why London is losing its lustre for out-of-town homebuyers | London Free Press \(lfpres.com\)](#)

¹⁴¹ [Why London is losing its lustre for out-of-town homebuyers | London Free Press \(lfpres.com\)](#)

¹⁴² [Why London is losing its lustre for out-of-town homebuyers | London Free Press \(lfpres.com\)](#)

¹⁴³ [Why London | London Economic Development Corporation \(ledc.com\)](#)

¹⁴⁴ [Advanced Manufacturing | London Economic Development Corporation \(ledc.com\)](#)

¹⁴⁵ [LEDC 2019 London Magazine Virtual.pdf](#)

¹⁴⁶ [London International expands its network | Aviation Week Network](#)

¹⁴⁷ [London, Ontario | Canada's first UNESCO City of Music \(londoncityofmusic.ca\)](#)

reaffirms that London is an international hub for music and culture¹⁴⁸ which is likely to generate sustained economic benefits for hotels, restaurants, and other hospitality businesses.

- London has over 55 live music venues, including [Centennial Hall](#), [Call the Office](#), [Aeolian Hall](#), [London Music Hall](#), [Canada Life Place](#), [The Siskinds LLP Stage](#), [Rum Runners at London Music Hall](#), and The Rosewood Room at the Forest City London Music Hall of Fame, in addition to restaurants with a performance stage across the city, which has hosted global acts including Elton John, Pearl Jam, The Weeknd, Ed Sheeran, Brett Kissel, Sam Roberts Band, and Calvin Harris¹⁴⁹.
- London also hosts many events such as [Rock the Park](#), [London Ribfest](#), [Pride London Festival](#), [International Food Festival](#), the [London Fringe Theatre Festival](#), [TD Sunfest](#), and the [Ontario Summer Games](#)¹⁵⁰. These events attract visitors to London who will need accommodation and food services during their stay.

2.2. Weaknesses

2.2.1. Labor Force Shortages

As in many other industries, the accommodation and food services sector continues to grapple with labor shortages, exacerbated demanding and physical in-person work, unstable hours and working conditions, and poor compensation. All these factors have been pushing current and potential workers to other sectors, given that other jobs with similar entry-level requirements tend to offer steadier hours, more upwards mobility and less reliance on tips. Worker attraction and retention will continue to be a major challenge for this industry¹⁵¹.

- Labour shortages have been an ongoing issue for the accommodation and food services sector in the province even prior to the pandemic and continue to plague the industry: at the start of 2019, the sector had approximately 17,930 unfilled positions, representing a 3.6% job vacancy rate. Four years later, in 2023, the rate increased to 6.0%, around 29,750 unfilled positions. These labour challenges were also reflected in the industry's employment data. Ontario's employment in this sector totaled 463,800 in August 2019 and dropped 2.9% to 450,400 by August 2023. This aligns with the recent trend of workers migrating between sectors for better compensation and benefits¹⁵².
- While employment in London's accommodations and food services sector bounced back quickly from job losses in the first year of the pandemic, it has since weakened again. Employment dropped by 3.2% in 2022, and a further 2.0% drop was expected for 2023. Given the pandemic-related volatility in accommodations and food services, as well as recent increases in the cost of living, workers may have left jobs in these sectors for higher-paying jobs or enrolled back in school to acquire skills for higher-paying jobs¹⁵³.
- London's average wage per job in 2023 in the accommodation and food services sector was \$21,893¹⁵⁴, which was 12.7% lower than Ontario's at \$25,069¹⁵⁵, and 13.2% lower than Canada's at \$25,213 (Lightcast, December 16, 2024).

¹⁴⁸ [London designated as Canada's first UNESCO City of Music | City of London](#)

¹⁴⁹ [Playing in London | London Economic Development Corporation \(ledc.com\)](#)

¹⁵⁰ [London Sport Tourism sees boost due to Ontario Summer Games | CTV News](#)

¹⁵¹ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

¹⁵² [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

¹⁵³ Conference Board of Canada, Major City Insights London, March 15, 2023.

¹⁵⁴ [Industry Overview « Lightcast Analyst](#)

¹⁵⁵ [Industry Overview « Lightcast Analyst](#)

2.2.2. Economic Dependency

Consumer demand for tourism and discretionary goods and services are key drivers for growth in the accommodation and food services sector¹⁵⁶. However, the sector's recovery may be tempered by lower discretionary spending and leisure travel due to inflation¹⁵⁷.

- Inflation remains a concern for households across Canada. London's inflation rate would not fall close to the 2.0 % target range until the fourth quarter of 2024¹⁵⁸.
- The economic outlook and global macroeconomic conditions are already affecting Canadians' discretionary spending patterns. Recent data signaled a drop in discretionary spending, likely due to inflationary pressures weighing on households. Specifically, a May 2023 survey found that seven in 10 Canadians were not dining out as much as they used to in order to save money. As well, consumers reported employing cost-reducing measures when they dine out, such as choosing cheaper main dishes on the menu (39%), looking for daily specials and deals (37%), and choosing less expensive restaurants to eat at (36%)¹⁵⁹.

2.3. Opportunities

2.3.1. Rising Population Fuels London's Food and Accommodation Growth

The growth of the food and accommodation services sector in London will be bolstered by the city's increasing population. According to the Conference Board of Canada (Major City Insights London, November 21, 2024), London's population is expected to rise by approximately 2.5% in 2024 and an additional 1.6% in 2025. Elevated federal international migration targets will further contribute to this population increase. This growth indicates an expanding customer base for businesses in the food services industry. The intensification of residential units in London's core, as outlined in The London Plan, will bring more consumers to the area, providing robust support for the sector¹⁶⁰ ¹⁶¹. Additionally, population growth often introduces greater diversity, leading to a more varied customer base. This diversity encourages businesses to expand their offerings to cater to a wide range of tastes and preferences¹⁶².

2.3.2. Collaborative Growth: Leveraging Arts and Hospitality for Economic Success

In 2023, much of London's economic growth was anticipated to come from the city's arts, entertainment, and recreation industry, as well as its accommodation and food services industry. Output in these sectors has dramatically increased since pandemic-related restrictions were lifted, indicating a robust recovery and potential for continued growth¹⁶³. Based on this resurgence, the following may be some opportunities for the sector:

¹⁵⁶ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

¹⁵⁷ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

¹⁵⁸ Conference Board of Canada, Major City Insights London, March 15, 2023.

¹⁵⁹ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

¹⁶⁰ [The London Plan \(Official Plan\) | City of London](#)

¹⁶¹ [The London Plan - Our City](#)

¹⁶² [What Are the Benefits of Tourism to the Local Community | TouristSecrets](#)

¹⁶³ Conference Board of Canada, Major City Insights London, August 10, 2023.

Collaborative Events: Leverage the growth in the arts and entertainment industry by hosting collaborative events. Restaurants and hotels can partner with local artists and performers to create unique dining and entertainment experiences, attracting both locals and tourists; Culinary Tourism: Develop culinary tourism packages that highlight London's diverse food scene. Partner with local food producers, breweries, and wineries to offer tours and tastings, drawing food enthusiasts to the city; Local Partnerships: Form partnerships with local businesses and organizations to create bundled packages and cross-promotions, enhancing the overall customer experience.

2.3.3. New Hard Rock Hotel to Elevate London's Hospitality Sector

Despite potential reductions in leisure travel due to inflationary pressures, hotels have been experiencing steady demand through business travel and company-related event bookings¹⁶⁴. In 2023, the City of London hosted approximately 2.1 million overnight visitors, marking a 4.6% increase from 2022¹⁶⁵. The new Hard Rock Hotel in London, Ontario, set to open in Spring 2025, presents several exciting opportunities in the accommodation sector:

- **Job Opportunities:** The hotel will create numerous job openings across various roles, including hospitality, management, culinary, and entertainment; **Tourism Boost:** As part of Canada's largest indoor entertainment complex at 100 Kellogg Lane, the Hard Rock Hotel is expected to attract tourists from across the country and beyond, benefiting local businesses and the broader hospitality industry.
- **Event Hosting:** The hotel will feature state-of-the-art event spaces, making it an ideal venue for conferences, weddings, and other large gatherings; **Collaborations:** Local businesses can explore partnerships with the hotel for cross-promotions, events, and other collaborative efforts to enhance the guest experience and drive mutual growth.

2.3.4. Post-Pandemic Recovery

Much of the growth in London's economy in 2023 was expected to come from the city's arts, entertainment, and recreation industry, as well as its accommodation and food services industry. Output in these two sectors has dramatically increased since pandemic-related restrictions have been lifted. This resurgence indicates a robust recovery and potential for continued growth¹⁶⁶.

2.4. Threats

2.4.1. Global Supply Chain Disruption

Canadian businesses have been experiencing supply chain challenges since the beginning of the COVID-19 pandemic in early 2020 that have been exacerbated by the 2022 conflict in Ukraine. The proportion of businesses experiencing worsening supply chain conditions declined over the year, shining a spotlight on the strength, resilience, and optimism of Canadian supply chains. Nonetheless, the status of supply chains and the

¹⁶⁴ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

¹⁶⁵ Economic Impact Analysis of Tourism in the City of London (Internal Report), prepared by The Conference Board of Canada, May 7, 2024.

¹⁶⁶ Conference Board of Canada, Major City Insights London, August 10, 2023.

impact they have on the economy remain of great interest¹⁶⁷. Global supply chain disruption, therefore, is still a threat to the food services sector in London, Ontario, given its dependency on imported goods.

2.4.2. Economic Uncertainty

- Global economic uncertainties, such as trade disputes, geopolitical tensions, and fluctuations in commodity prices, could impact the accommodation and food services sector in London. These uncertainties may lead to reduced demand, higher input costs, or disruptions in supply chains, affecting the profitability and viability of businesses in the sector.
- One of the key trends affecting the outlook of the accommodation and food services sector between 2023 and 2025 is inflationary pressures, both on establishments and consumers¹⁶⁸.

2.4.3. Labor Market Challenges

The sector might face the challenge of attracting and retaining skilled workers in the near-term future.

- The growing skills gap and competition for labor force with larger neighboring cities such as Toronto can make it difficult for businesses in the sector to find employees.
- Workers in London's accommodation and food services sector might gravitate towards other industries or cities due to London's average wage per job in 2023 for the sector (\$21,893) being 12.7% lower than Ontario's at \$25,069 and 13.2% lower than Canada's at \$25,213 (Lightcast, December 16, 2024).
- High housing costs can reduce worker mobility, making it more difficult for businesses to attract and retain the best talent¹⁶⁹. High housing costs harm London businesses by making them less competitive, especially when they are required to pay an employee higher wages to make up for cheaper real estate in cities such as Calgary or Edmonton, where the average single-family home in May 2023 cost \$674,000 and \$512,000 respectively as compared to London at \$743,195. The evidence is a net 20,000 people left Ontario for Alberta, driven west by the high cost of living in central Canada¹⁷⁰.

2.4.4. Regulatory Changes

Regulatory changes can be a significant threat to the food services sector in London, Ontario.

- Changes in labor laws, such as increases in minimum wage, mandatory benefits, or changes in overtime rules, can significantly impact the cost structure for food service businesses. Higher labour costs can reduce profit margins, especially for smaller establishments. For example, effective October 1, 2024, Ontario increased its minimum wage from \$16.55 to \$17.20 per hour, following the annual inflation adjustment¹⁷¹.

¹⁶⁷ [Analysis on supply chain challenges and conditions in Canada, first quarter of 2023 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/28-263-x/2023001/article/00001-eng.htm)

¹⁶⁸ [Accommodation and Food Services: Ontario 2023-2025 - Job Bank](#)

¹⁶⁹ [How housing affordability's 'crisis levels' damage the economy | CBC News](#)

¹⁷⁰ [How housing affordability's 'crisis levels' damage the economy | CBC News](#)

¹⁷¹ [Minimum Wage by Province | Retail Council of Canada](#)

- Stricter health and safety regulations can increase the operational costs for food service businesses¹⁷². This includes requirements for food handling, sanitation, and employee training, which may necessitate additional investments in infrastructure and staff education.
- President Donald Trump has threatened 25% across-the-board tariffs on imports from Canada, though lower tariffs are reportedly being considered¹⁷³. This tariff is the most urgent threat facing Canadian and American businesses today.

¹⁷² [Legal Requirements For Food Premises In Ontario Under The HPPA | Substance Law](#); [Ontario Food Safety Laws and Requirements | Food Safety Training | CIFS](#)

¹⁷³ [Trump inauguration: Canadian business leaders await tariff news](#)

Appendix A - London's Competitive Analysis Findings in Comparison with other Municipalities in Ontario (2016 - 2021)

Detailed findings from London's competitive analysis completed for 2016 and 2021 are presented below. London was compared to other municipalities in Ontario including Toronto, Ottawa, Windsor, Kingston, Waterloo, Kitchener, Cambridge, and Hamilton.

Location Quotient Findings

Table 14 presents the location quotient results for the accommodation and food services industry in different municipalities in Ontario in 2021. Ontario was employed as the reference area.

Table 14: Location Quotient and Shift-Share Findings of Municipalities in Ontario in 2021

Municipalities	2021 Location Quotient	Shift-Share Industrial Mix Effect	Shift-Share Differential Shift Effect	Position of Industry in Municipality
London	1.22	-4,319	1,136	Transitional
Toronto	0.97	-31,322	-8,851	Marginal
Ottawa	0.94	-9,696	506	Moderate
Windsor	1.44	-2,587	180	Transitional
Kingston	1.44	-1,702	179	Transitional
Waterloo	1.02	-1,136	276	Transitional
Kitchener	1.00	-2,483	371	Transitional
Cambridge	0.97	-1,377	-34	Marginal
Hamilton	1.07	-5,291	1,119	Transitional

Source: Custom Data Analysis - January 25, 2024

Compared with other municipalities as presented in Table 14, London had the third highest location quotient result at 1.22 in 2021. Other municipalities that had a location quotient greater than one are Windsor, Kingston, Waterloo, and Hamilton. A location quotient higher than one points to the concentration or specialization of the accommodation and food services industry in the municipality. London's location quotient of 1.22 suggests that the accommodation and food services industry's contribution to London's economy surpasses the same industry's contribution to the economy of Ontario.

Other municipalities (Toronto, Ottawa, and Cambridge) had a location quotient less than 1, which indicates that the accommodation and food services industry's share of these municipalities' employment falls short of the same industry's share of total employment in Ontario in 2021. This implies that the accommodation and food services industry's contribution to these municipalities' economy lags the same industry's contribution to the economy of Ontario.

Shift-Share Findings

Industrial Mix Effect Findings

Similar to other municipalities, as illustrated in Table 14, London's accommodation and food services industry had a negative industrial mix effect relative to Ontario between 2016 and 2021. A negative industrial mix effect suggests that the accommodation and food services industry in London experienced a growth rate below Ontario's overall rate of growth.

Differential Shift Effect Findings

As illustrated in Table 14, London is one of seven municipalities (alongside Ottawa, Windsor, Kingston, Waterloo, Kitchener, and Hamilton) that had a positive differential shift effect relative to Ontario between 2016 and 2021. A positive differential shift effect suggests that the accommodation and food services industry in London experienced a higher rate of growth than Ontario's industry growth rate. Specifically, the positive differential shift effect indicates that London's businesses performed better than businesses in Ontario's accommodation and food services industry, suggesting that London offers some sort of competitive advantage favouring businesses in the accommodation and food services industry.

Toronto and Cambridge are municipalities that had a negative differential shift effect for the accommodation and food services industry. A negative differential shift effect suggests that the accommodation and food services industry in these municipalities experienced a rate of growth below Ontario's industry growth rate. In other words, these municipalities do not offer competitive advantages favouring businesses in the accommodation and food services industry.

Shift-Share and Location Quotient Findings Combined

Based on the Carvalho Classification System of Economic Performance which uses a combination of shift-share and location quotient results, accommodation and food services was positioned as a *transitional industry* in London between 2016 and 2021. This indicates that London had an average specialization in this sector which grew provincially at a slower rate than the overall growth; suggesting that London's growth exceeded the provincial growth in this sector. Other municipalities that had accommodation and food services positioned as a *transitional industry* like London were Windsor, Kingston, Waterloo, Kitchener, and Hamilton.

Accommodation and food services was positioned as a *moderate industry* in Ottawa. This indicates that the accommodation and food services industry, which grew provincially at a slower rate than the overall growth, was relatively underrepresented in the community; the local growth exceeded the provincial growth in this industry.

Accommodation and food services was positioned as a *marginal industry* in Toronto and Cambridge, suggesting that the industry was under-represented in the community.

Appendix B - London's Competitive Analysis Findings for Subsectors in the Accommodation and Food Services Industry

Table 15 presents the location quotient and shift-share results for subsectors in London Subdivision's accommodation and food services industry between 2022 and 2023. Ontario was employed as the reference area.

Table 15: Location Quotient and Shift-Share Findings of Subsectors in London's Accommodation and Food Services Industry (2022 - 2023)

Subsectors (3-digit NAICS)	2023 Location Quotient	Shift-Share Industrial Mix Effect	Shift-Share Differential Shift Effect	Position of Subsector in London
Accommodation Services (721)	0.88	112	14	Rising
Food Services and Drinking Places (722)	1.21	350	18	Driving

Source: Custom Data Analysis – August 9, 2024

Location Quotient Findings

As presented in Table 15, the food services and drinking places (722) subsector in London's accommodation and food services industry had a location quotient greater than one in 2023. A location quotient higher than one points to the concentration or specialization of the subsector in the region¹⁷⁴. For example, the location quotient of 1.21 for food services and drinking places (722) suggests that the subsector's contribution to London's economy surpassed the same subsector's contribution to the economy of Ontario.

The accommodation services (721) subsector had a location quotient less than one, indicating that the sub-sector's share of London's employment falls short of the same sub-sector's share of total employment in Ontario. This implies that the sub-sector's contribution to London's economy lags the same sub-sector's contribution to the economy of Ontario. However, the accommodation services (721) subsector had a location quotient higher than 0.75, which as per the OMAFRA interpretation indicates that the local needs were being met by this sub-sector.

Shift-Share Findings

Industrial Mix Effect Findings

As presented in Table 15, all sub-sectors in London's accommodation and food services industry had a positive industrial mix effect relative to Ontario during the years of 2022 and 2023. A positive industrial mix effect implies that the subsector in London experienced a growth rate higher than the overall rate of growth for Ontario. This may be a growth subsector with job producing opportunities.

¹⁷⁴ Economic Development Information System – Guide one: Performing a Community Competitive Analysis (page 17). This guide was prepared by the Niagara Economic and Tourism Corporation in partnership with Bell Canada Inc.

Differential Shift Effect Findings

As illustrated in Table 15, all sub-sectors in London's accommodation and food services industry had a positive differential shift effect relative to Ontario between 2022 and 2023. A positive differential shift effect implies that the subsector in London experienced a higher rate of growth than Ontario's subsector growth rate. Specifically, the positive differential shift effect indicates that London's businesses in accommodation services (721) and food services and drinking places (722) performed better than Ontario's businesses in these two subsectors. It suggests that London offered some sort of competitive advantage favouring businesses in in these two subsectors.

Shift-Share and Location Quotient Findings Combined

Based on the Carvalho Classification System of Economic Performance which uses a combination of shift-share and location quotient results, food services and drinking places (722) was positioned as a *driving subsector* in London. This suggests that London was highly specialized in this subsector, which was growing provincially and growing at an even higher rate locally.

Accommodation services (721) was positioned as a *rising subsector*, which suggests relatively low proportion of local employment, but will likely increase due to growth in this sub-sector, which is growing provincially and growing at an even higher rate locally.

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