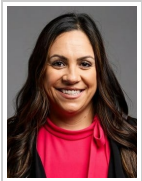


The U.S. Virgin Islands: An Anticipated Record-Breaking Year

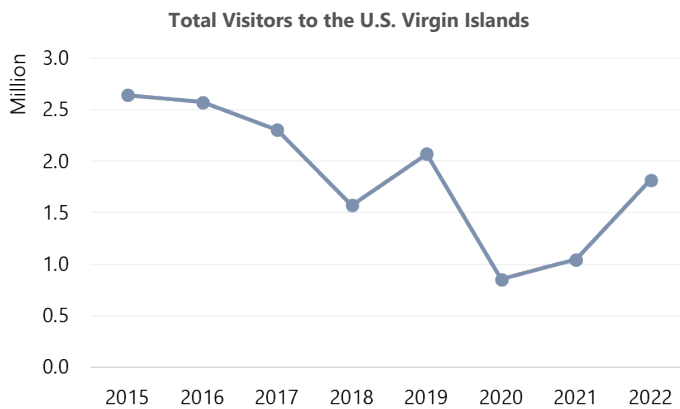
March 15, 2023 / By Kristina M. D'Amico



An Uptick in Airlift

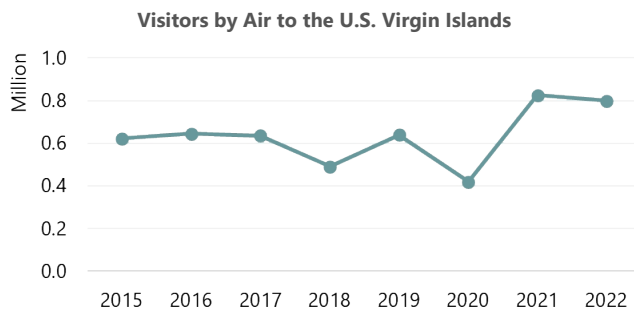
After the devastating impacts of Hurricanes Irma and Maria in 2017, the **U.S. Virgin Islands**, which comprise the islands of **St. Thomas**, **St. John**, and **St. Croix**, faced a significant rebuilding effort to reopen their hotel inventory. As the renovations and reopenings from the 2017 hurricane season were nearing completion, COVID-19 began to affect the islands.

However, the U.S. Virgin Islands have a significant competitive advantage over the other islands in the Caribbean because they benefit from U.S. territory status. As a result, the U.S. Virgin Islands avoided the complicated COVID-19 travel restrictions that existed in other Caribbean destinations, allowing the islands to increase visitation numbers after 2020 significantly faster than other Caribbean islands.



Source: USVI Bureau of Economic Research

For the past three years, the U.S. Virgin Islands have seen a significant increase in airlift to both airports (**Cyril E. King Airport** on St. Thomas and **Henry E. Rohlsen Airport** on St. Croix), with a 21% increase in nonstop flights from the U.S. in 2022 compared to 2019. There are currently 21 nonstop daily flights from the U.S. to both airports.



Source: USVI Bureau of Economic Research

Joseph Boschulte, Commissioner of Tourism for the **U.S. Virgin Islands Department of Tourism**, commented, "USVI's tourism sector showed great resilience in 2022, with a 116.6% increase in visitor

Summary

Following the devastating impacts of Hurricanes Irma and Maria and the effects of COVID-19, the U.S. Virgin Islands achieved the highest percentage increase in visitors between 2019 and 2022 of any Caribbean nation. This article explores tourism trends in this growing Caribbean destination.

1 Comments

FILED UNDER CATEGORIES

Hotel Operations

Development & Construction

Travel & Tourism

Economic Trends and Cycles

COVID-19

Virgin Islands, U.S.

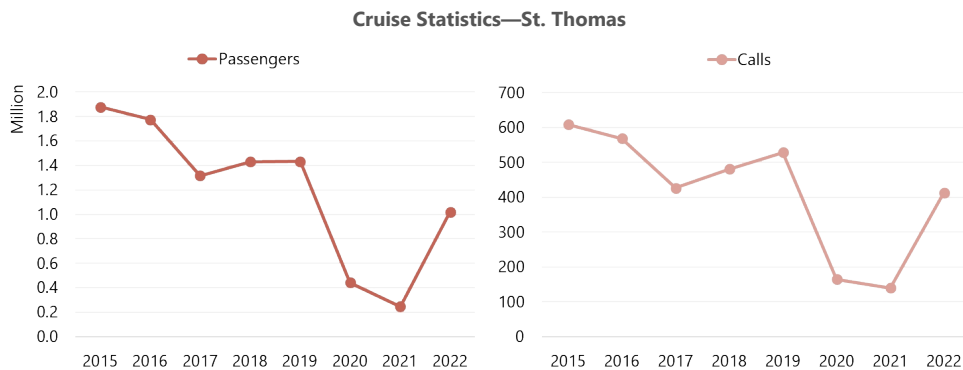
Caribbean

arrivals over the corresponding period in 2021. We expect that 2023 will be a record-breaking year as visitors seek out our beautiful harbors, world-class snorkeling, pristine beaches, top-notch hotels, and delicious local cuisine!”



Cruising Right Along

St. Thomas has been the second-largest cruise port in the Caribbean for the past several years, with some days seeing as many as seven large ships in Charlotte Amalie harbor at a time. Virtually all of the major Caribbean cruise lines dock in St. Thomas, sailing out of major ports in New York, Florida, and other U.S. cities. After all cruises were ceased in 2020 due to COVID-19, cruises to St. Thomas resumed in July 2021, with total passengers ending 2022 at 71% of 2019 levels.

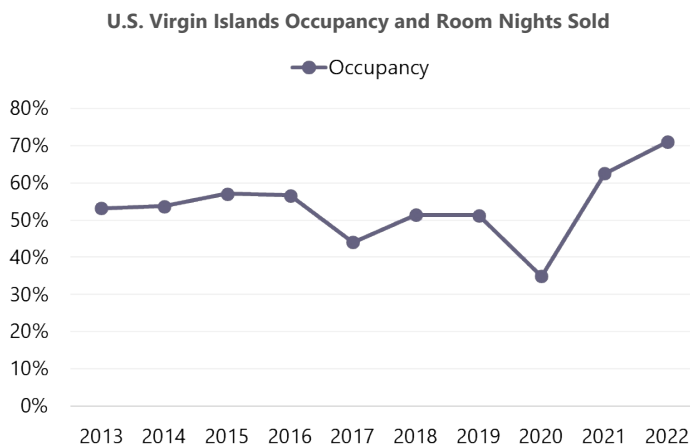


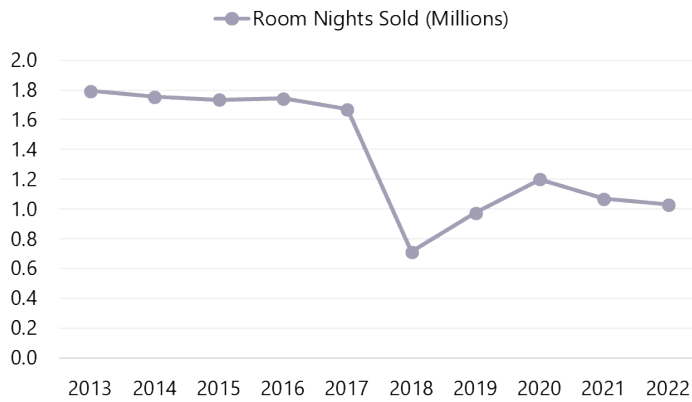
Source: USVI Bureau of Economic Research

The St. Thomas port continues to welcome new ships, including the first voyage of the **Celebrity Beyond** in November 2022. The **West Indian Company Limited (WICO)** has projected that St. Thomas will host an additional 200,000 cruise visitors in 2023, and cruise-ship passenger volumes for 2024 are expected to exceed 2019 levels in the U.S. Virgin Islands.

Continued Hotel Demand and New Development

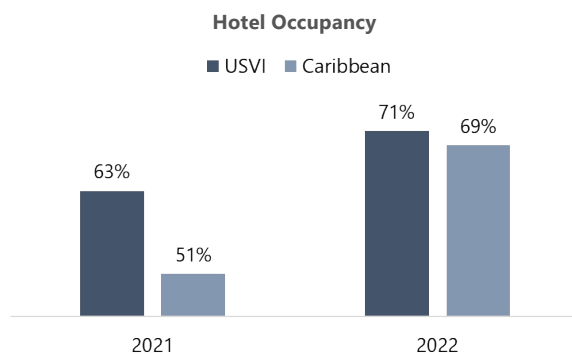
The travel and tourism industry anchors the local economy. The U.S. Virgin Islands saw record-breaking occupancy levels in 2022, despite that the territory-wide occupancy rate includes a significant number of unbranded properties.





Source: USVI Bureau of Economic Research

As illustrated below, the U.S. Virgin Islands have been able to outpace the overall occupancy in the Caribbean over the last two years given the ease of access into the islands and increased arrivals from U.S. travelers.



Source: STR, USVI Bureau of Economic Research

The U.S. Virgin Islands Department of Tourism continues to support new investors and investment into the island with many hotel projects in various stages of planning. These projects include the **Westin Beach Resort & Spa at Frenchman's Reef** (formerly known as the Frenchman's Reef Marriott Resort & Spa) and the **Morningstar Buoy Haus Beach Resort at Frenchman's Reef, Autograph Collection**, which are both anticipated to reopen in the spring of 2023 after an extended closure since September 2017. The reopening of these hotels is significant for St. Thomas given their collective size, offering 486 rooms and over 20,000 square feet of indoor meeting and event space.

Conclusion

The U.S. Virgin Islands has a significant competitive advantage over the other islands in the Caribbean because it benefits from U.S. territory status. As a result, U.S. Virgin Islands tourism has benefited from a robust recovery from the effects of COVID-19, supported by the significant increase in tourism from U.S. citizens. With the opening of the Westin Beach Resort & Spa at Frenchman's Reef and the Morningstar Buoy Haus Beach Resort at Frenchman's Reef, Autograph Collection this spring, the development of other new hotel projects, and continued increases in air and cruise arrivals, the future remains bright for the destination.

To learn more about the Caribbean hotel industry, as well as investment and development in the U.S. Virgin Islands and throughout the Caribbean, join us November 12–14, 2023, for the 12th edition of **CHICOS: The Caribbean Hotel Investment Conference & Operations Summit**, which will be held at the Westin Beach Resort & Spa at Frenchman's Reef in St. Thomas.

"On behalf of the U.S. Virgin Islands, we are honored to be hosting CHICOS 2023 at the Westin Beach Resort & Spa at Frenchman's Reef. Following a more than \$425-million investment at this property and its sister property, both will open this spring as the first new properties in 30 years for St. Thomas.

These new hotels represent the growth and investment into our islands, and we can't wait to showcase them to our colleagues and friends during CHICOS this fall." – Joseph Boschulte, Commissioner for the U.S. Virgin Islands Department of Tourism



CHICOS 2023

The Caribbean Hotel Investment Conference & Operations Summit (CHICOS) is the premier hospitality conference in the region. Having completed its 11th edition in the Dominican Republic in 2022, CHICOS brings together over 350 regional and international investors and operators, as well as the region's leading decision makers. Attendees or speakers include government representatives, opinion leaders, developers, developers seeking investors, bankers and other lenders, tourism officials, investment fund representatives, hotel brand executives, franchise and operations company delegates, public and private institution members, consultants, advisors, architects, and designers. Conference attendees network and discuss the region's markets and possibilities, while analyzing the most important trends that can affect their investment decisions. The 2023 event will take place November 12–14 at the Westin Beach Resort & Spa at Frenchman's Reef in St. Thomas, U.S. Virgin Islands. Further details, including [registration](#), can be found on the [conference website](#). Please direct all inquiries to [Nicole Roantree](#).

About [Kristina M. D'Amico](#)



Kristina is Managing Director and Leader of the firm's Caribbean Region consulting and valuation practice. Kristina's significant international consulting, advisory, and appraisal experience includes assets in the Caribbean Basin across 23 Caribbean islands, as well as the Riviera Maya region of Mexico and many countries in Latin America. Given her analytical skills, her creative-thinking ability, and her aptitude for solving problems that arise in complex projects, clients particularly value Kristina's insights and recommendations regarding hotel room counts, product positioning, amenities, and branding for many types of proposed properties, including hotels, all-inclusive resorts, and mixed-use resorts with complementary real estate. Contact Kristina at (305) 338-0354 or [\[email protected\]](#).