



CHICOS WELCOMES YOU!

***Riding the Wave!
Overview of the Caribbean Lodging Market***

***Kristina D'Amico
Managing Director, Leader – Caribbean Region
November 14, 2024***

This presentation will cover:



1

Quick Facts on the Region & Arrival Trends

2

Hotel Analysis by Island: Six-Year Trailing-Twelve-Month Performance Overview Through September 2024

3

Trends, Observations, & Closing Thoughts



Quick Facts on the Region & Recent Arrival Trends

Caribbean Region Quick Facts



Top four countries comprise 66.0% (rounded) of total room supply

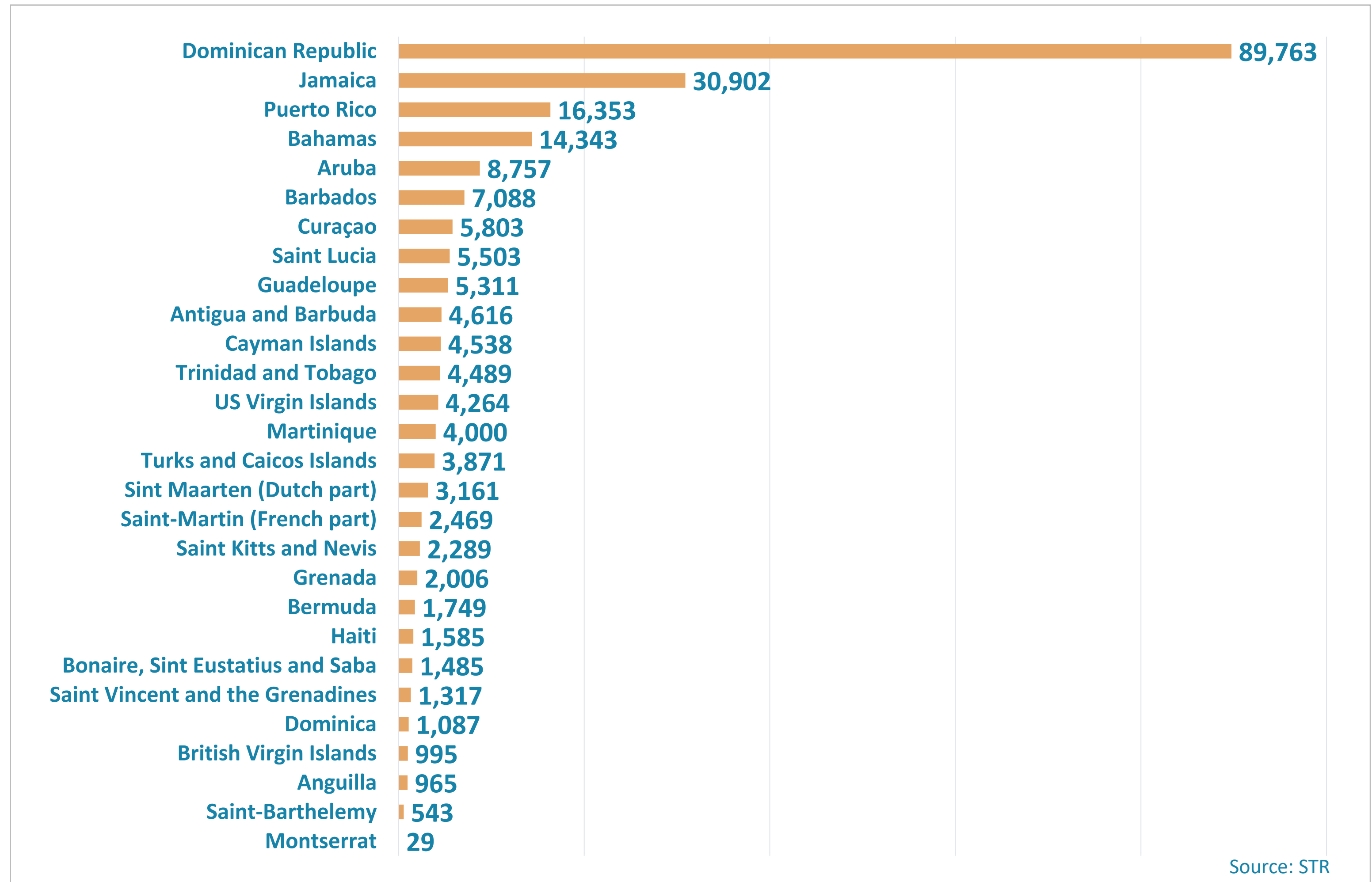
32
Island Nations

45
Million Residents

230,000
Hotel Rooms
(excluding Cuba)

\$60 Billion
GDP from Travel & Tourism Industry

40%
of total rooms in Dominican Republic,
followed by Jamaica and Puerto Rico



Source: STR

Caribbean Region Quick Facts

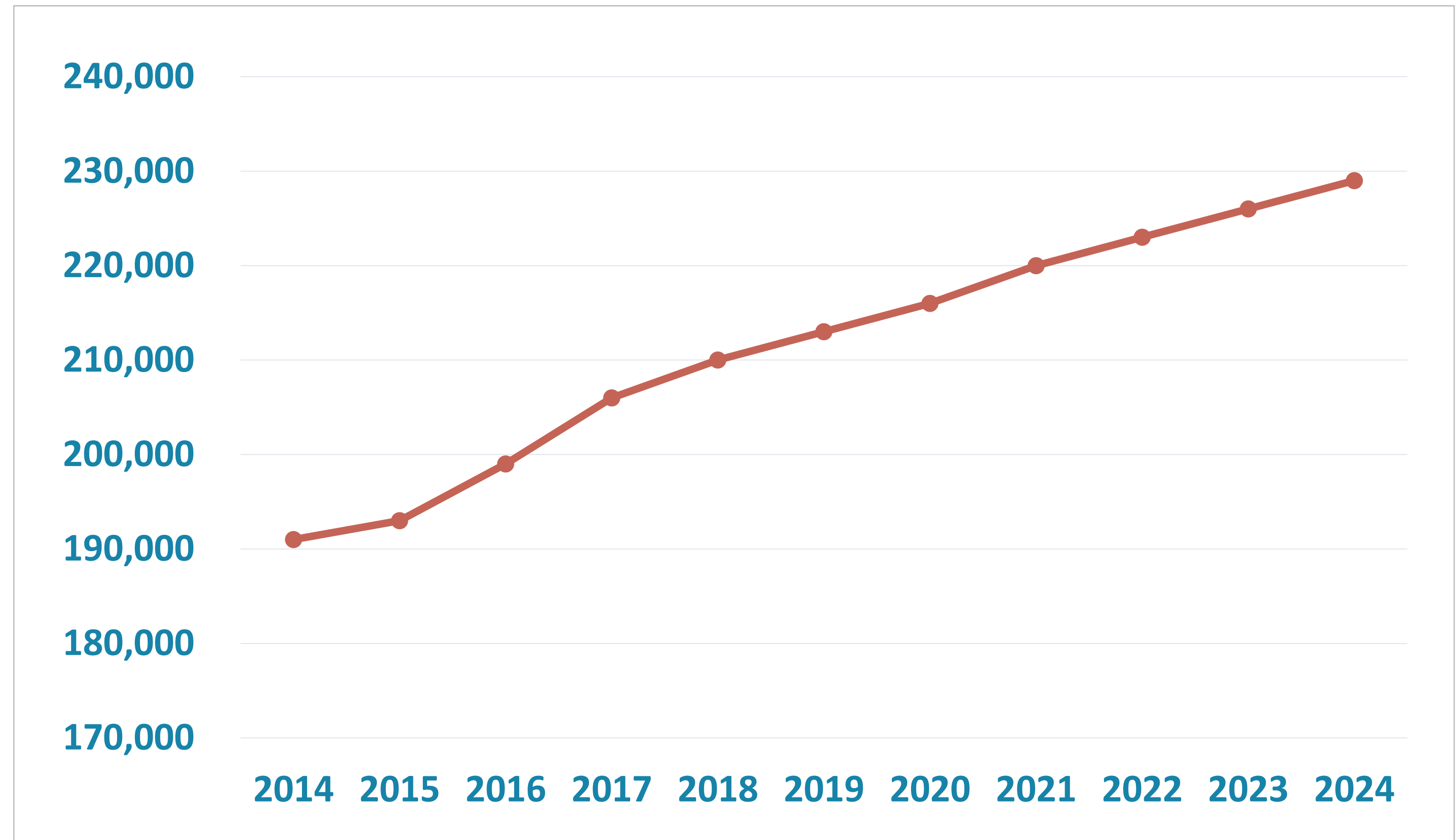


Despite development slowdown during the pandemic, region on pace to achieve 4.0% room supply growth over next two years

1.67%
annualized consistent compounded room supply growth
over 10-year period

20,000
new rooms in development
over next 2 years

30,000
in various planning stages
over next 4 years

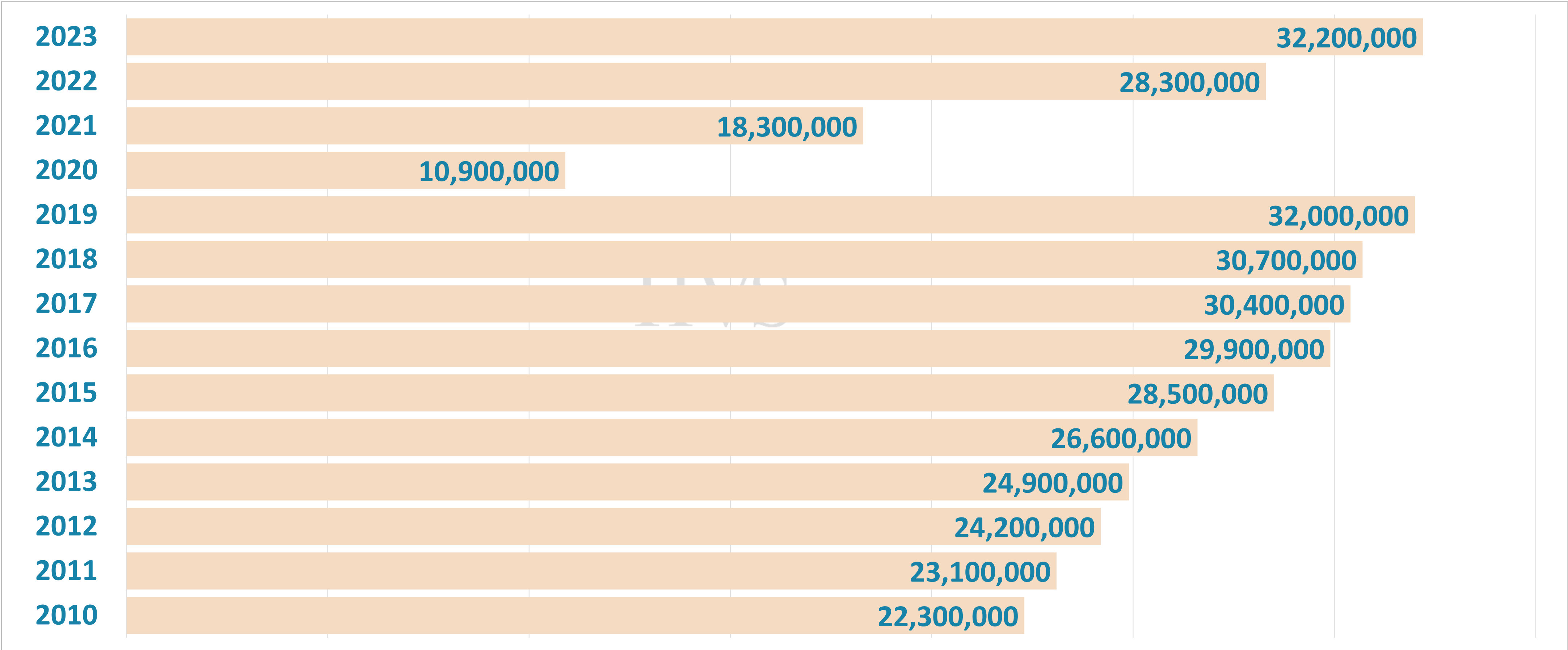


Source: STR

Total Air Arrivals to the Region



Record arrival numbers in 2023, with YTD Sept. 2024 arrivals 8.0% greater than YTD Sept. 2023!



Top Countries for Arrivals



Dominican Republic



Jamaica



Bahamas

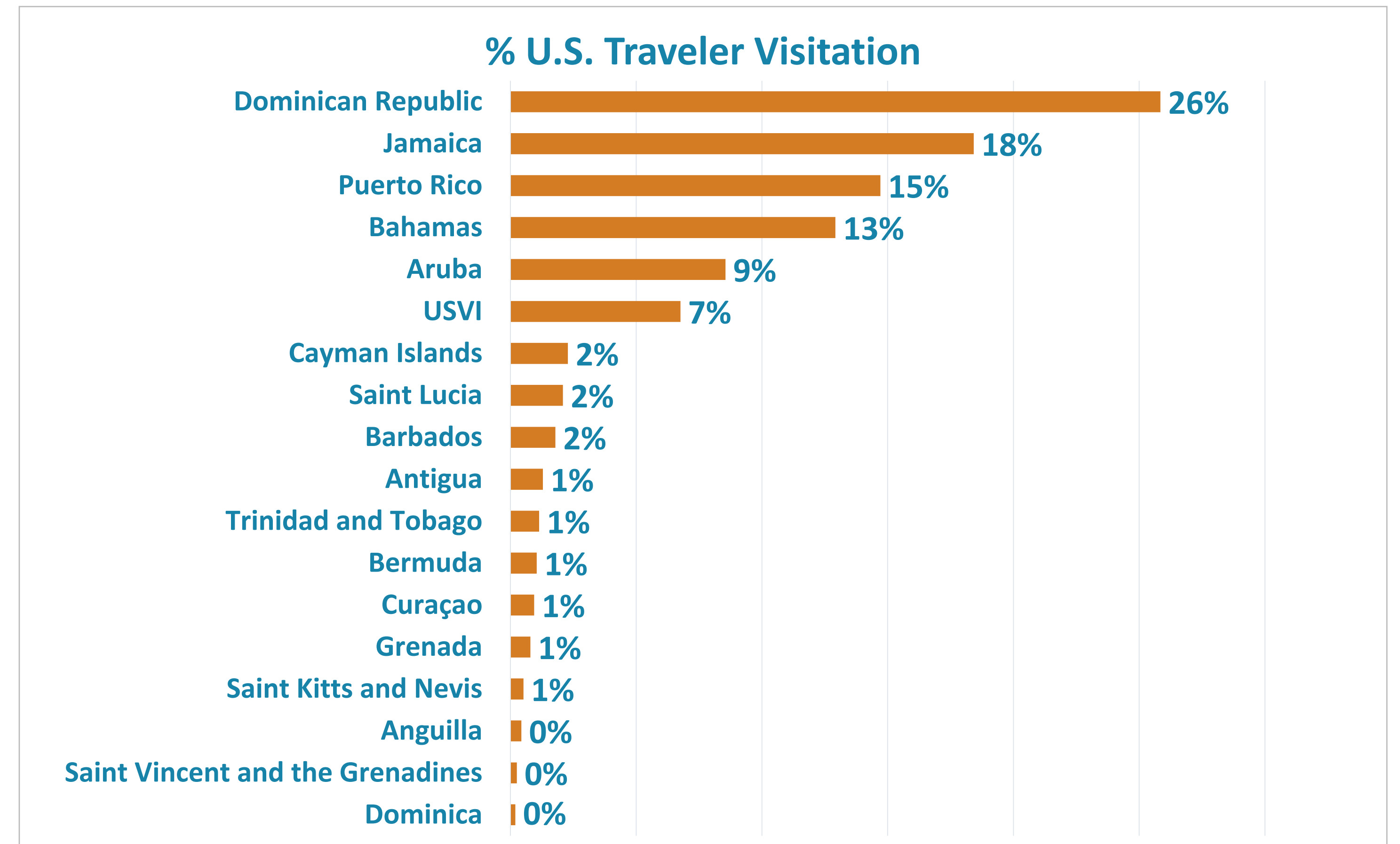
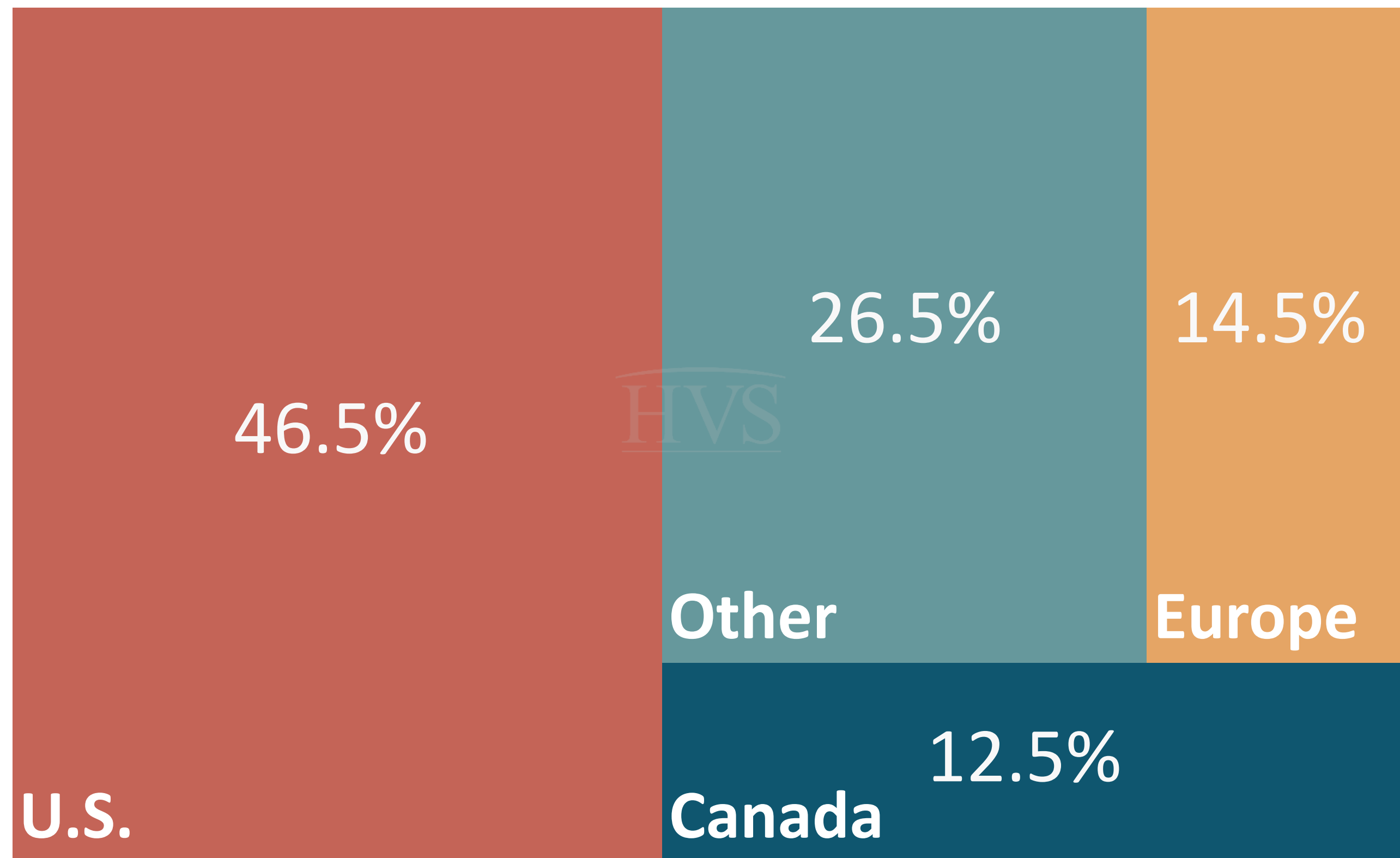


Puerto Rico

Source: Caribbean Tourism Organization, HVS Research

Where Are They From?

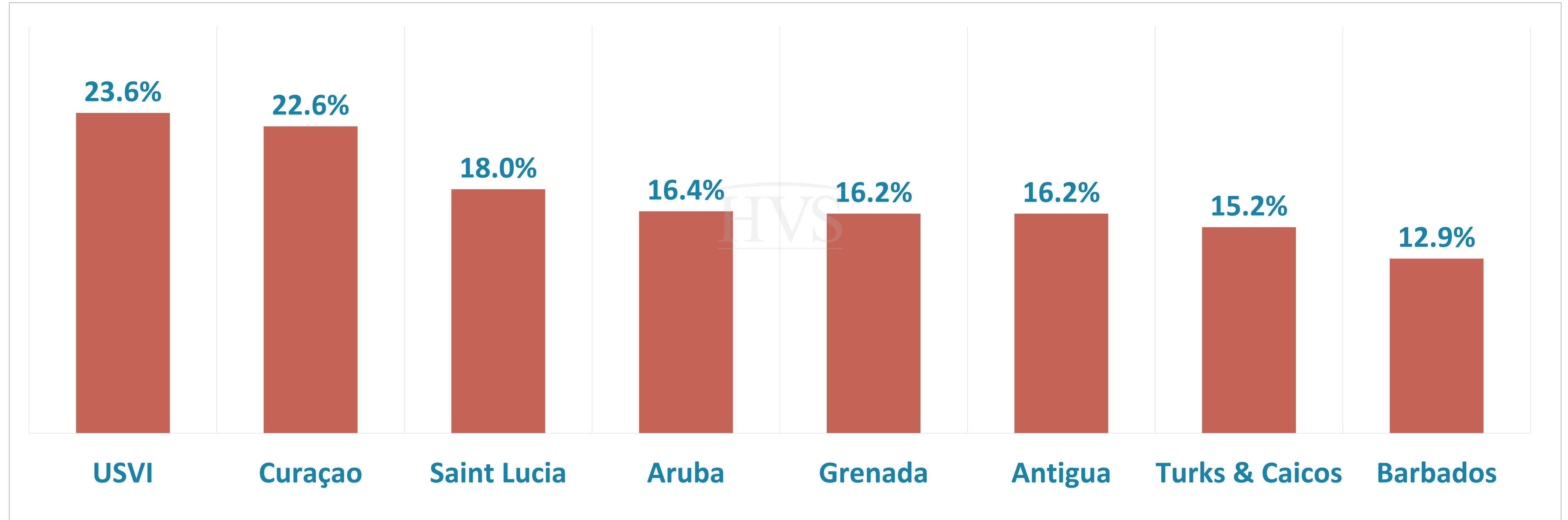
U.S. travelers continue to dominate the region. On a percentage basis, Canada has increased the most.



Greatest % Change in Visitation YTD Sept. '24 vs. YTD Sept. '23



Comparing YTD data, double-digit growth in visitation registered for eight island nations in 2024

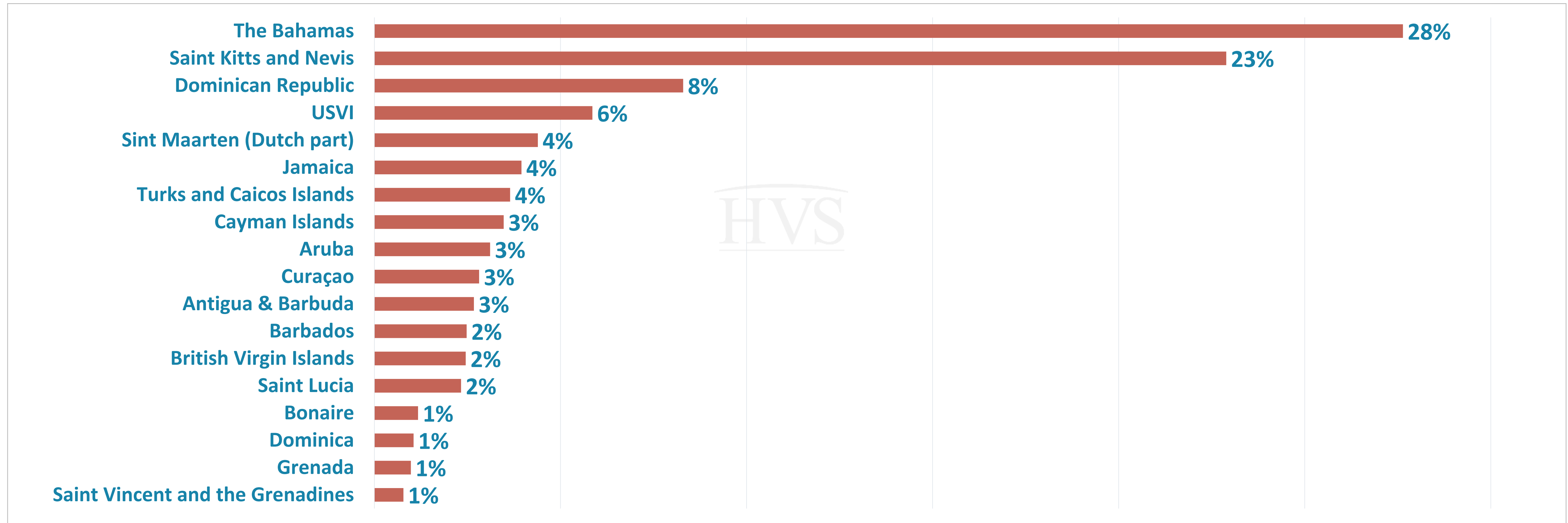


Source: Various Caribbean Sources, HVS Research

Cruise-Passenger Visitation



As a percentage of total arrivals, YTD Sept. 2024 cruise-passenger visitation up 34.0% over YTD Sept. 2023





Hotel Analysis by Island: Six-Year Trailing-Twelve-Month Performance Overview (TTM Sep 2019–TTM Sep 2024)

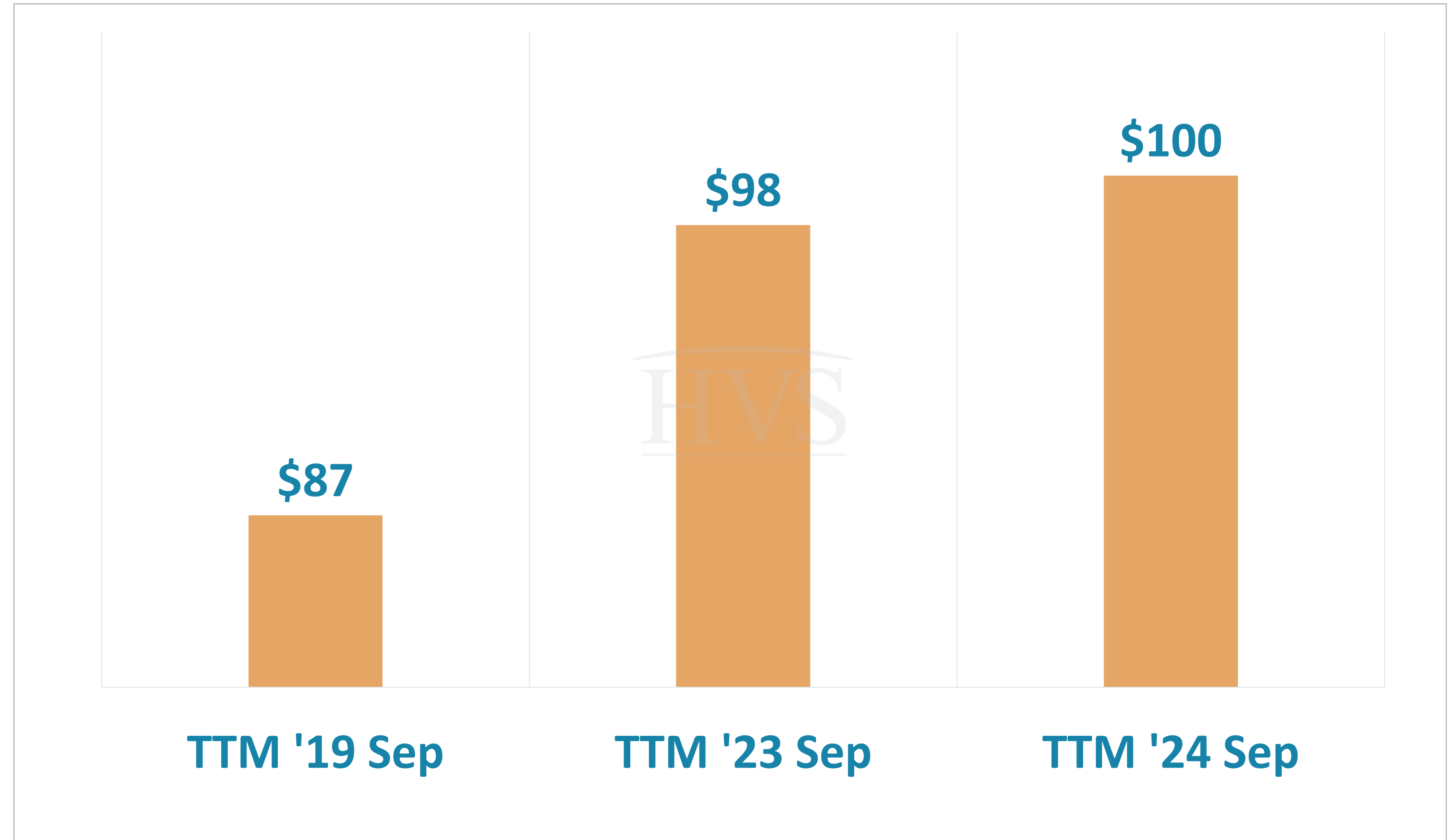
United States: TTM RevPAR Comparisons



↑ 2.4%

**RevPAR Change
(6-year annual compounded rate)**

- TTM Occupancy: No Change**
- TTM ADR: ↑ 1.9%**
- TTM RevPAR: ↑ 1.9%**

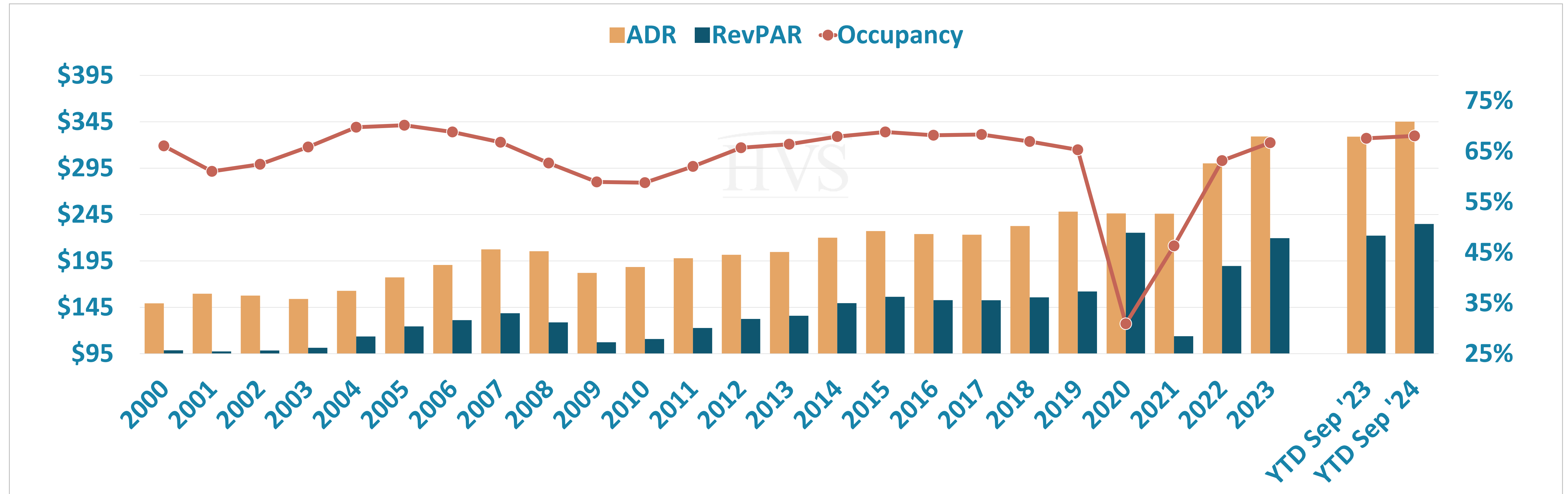


Historical 24-Year Caribbean Trends & Latest YTD Comparison



Record ADR and RevPAR performance registered in 2023, with continued growth across all metrics YTD Sept. 2024

(Excluding Cuba)



Source: STR

Caribbean: Six-Year TTM Through September Performance



Occupancy relatively consistent, but the story is all ADR



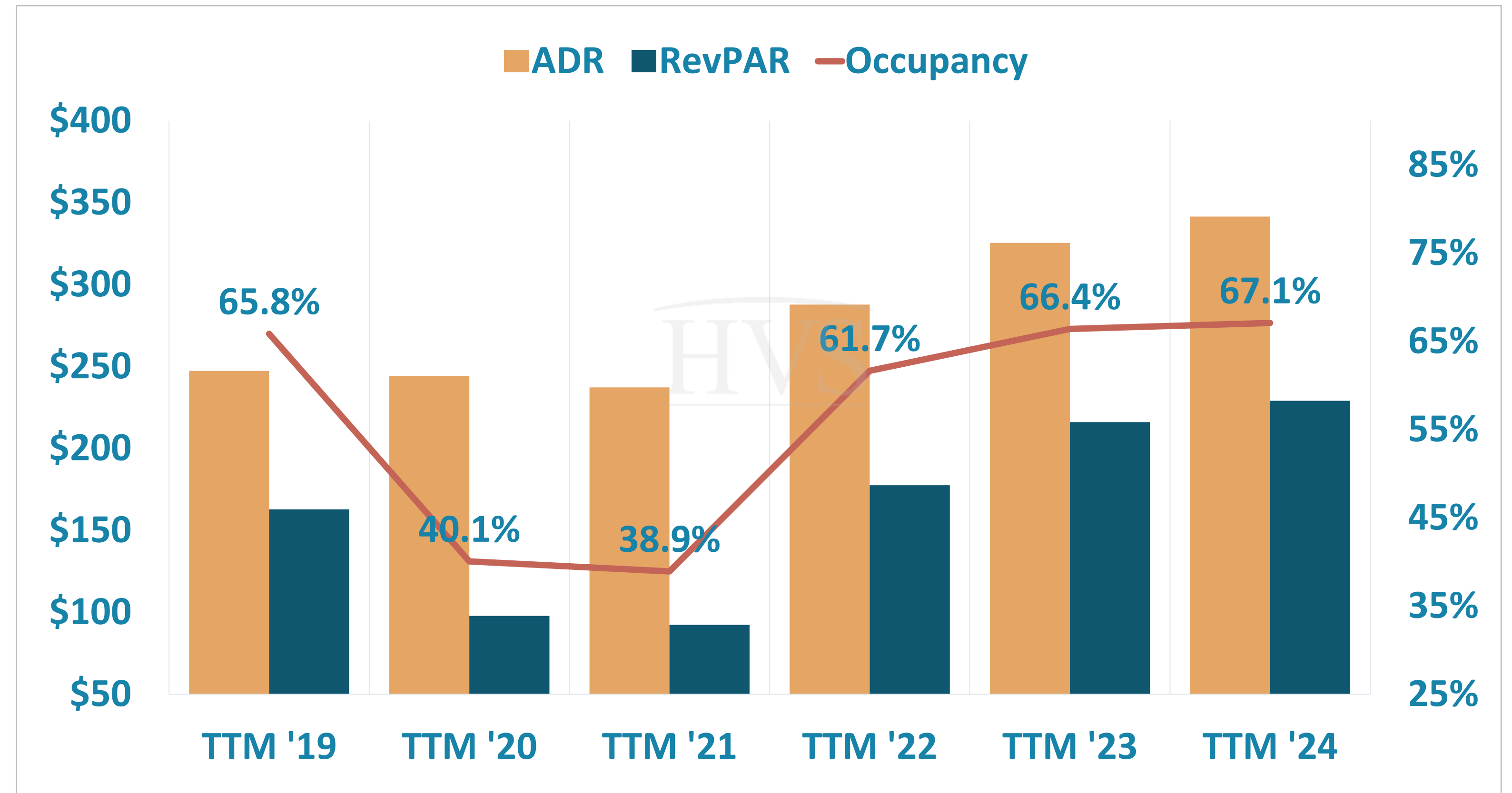
↑ 5.9%

**RevPAR Change
(6-year annual compounded rate)**

☀️ **TTM Occupancy: ↑ 1.0%**

☀️ **TTM ADR: ↑ 5.0%**

☀️ **TTM RevPAR: ↑ 6.0%**

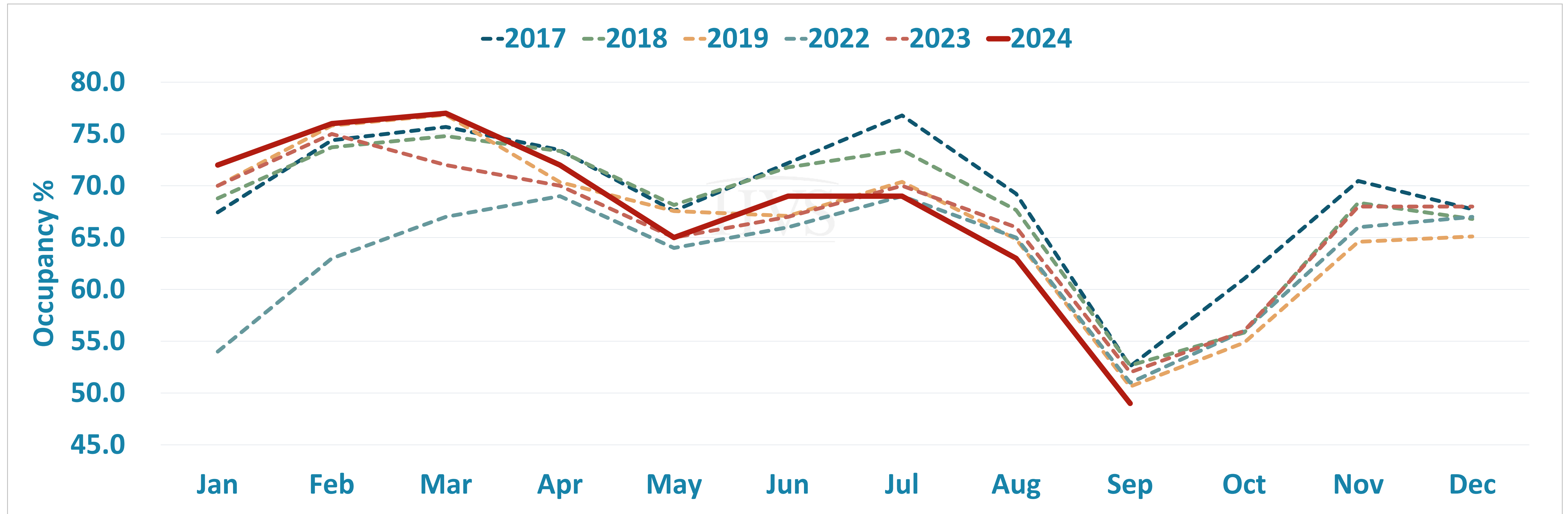


Source: STR

Caribbean Monthly Occupancy



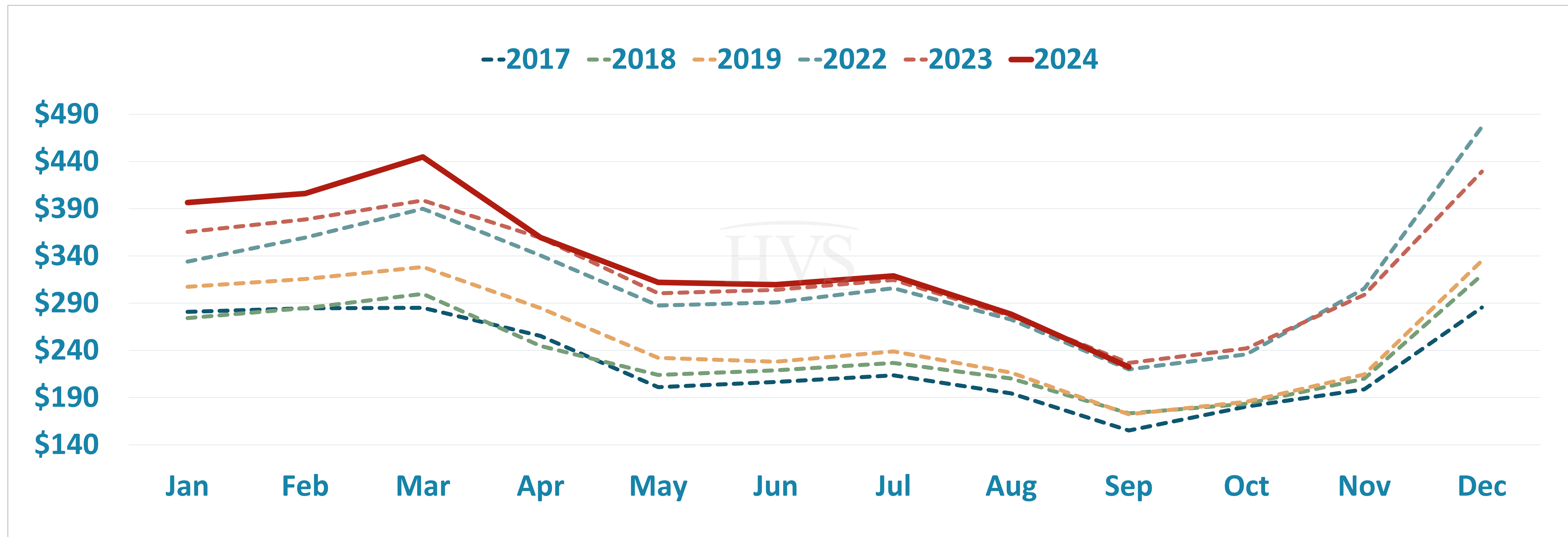
Apart from 2022, there is no question that seasonality is consistent!



Caribbean Monthly Average Rate



ADR patterns consistent, pushed the boundaries in Q1 2024



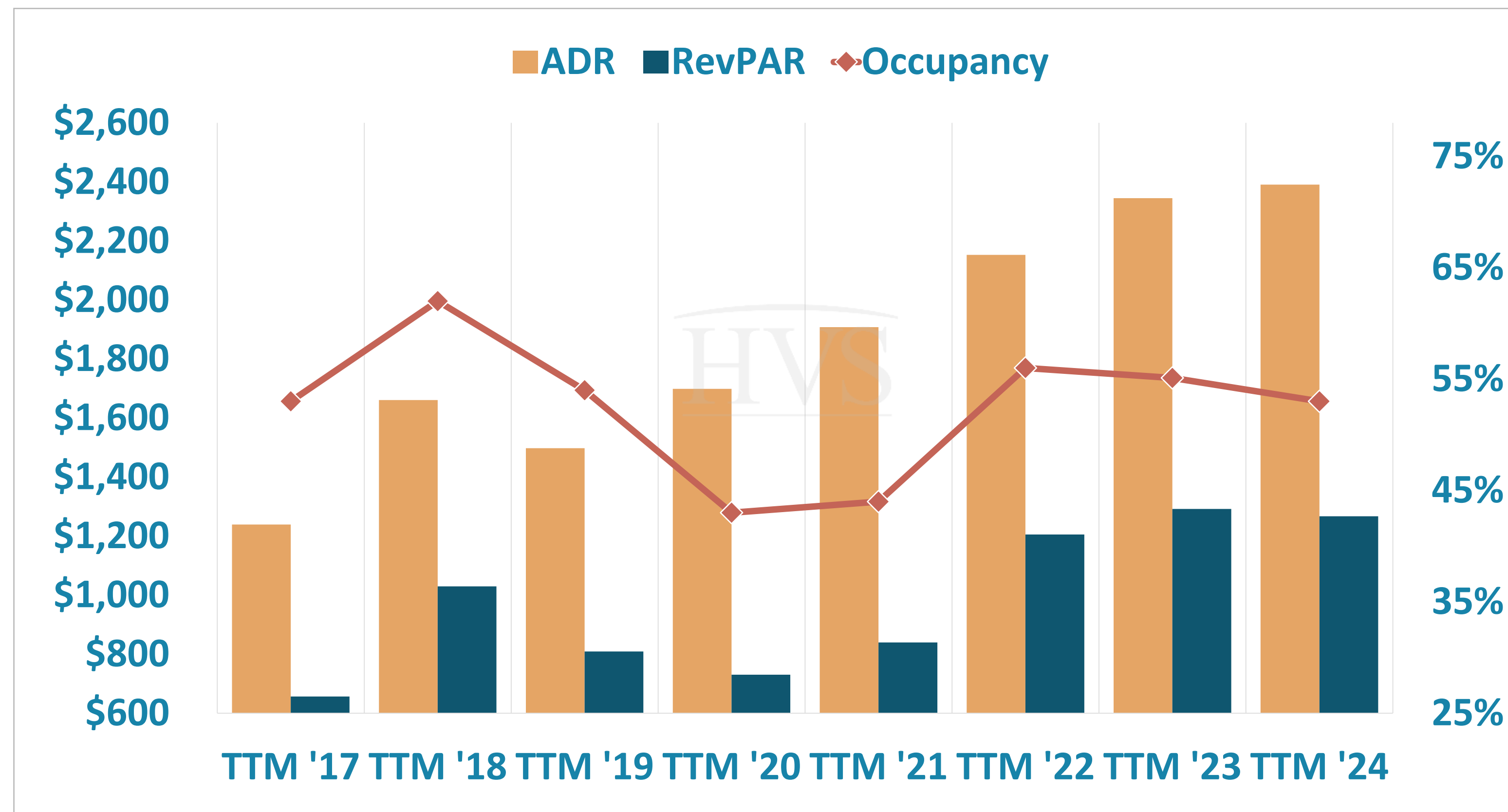
Ultra-Luxury Perspective

Top 10 performing hotels with more than 30 rooms display significant ADR growth

↑ 7.8%

**RevPAR Change
(6-year annual compounded rate)**

- ☀️ RevPAR Change Since 2017: **↑ 8.6%**
- ☀️ TTM Occupancy: **↓ 3.8%**
- ☀️ TTM ADR: **↑ 2.0%**
- ☀️ TTM RevPAR: **↓ 1.9%**
- ☀️ ADR displaying signs of a slowdown at top end of the market



Source: STR

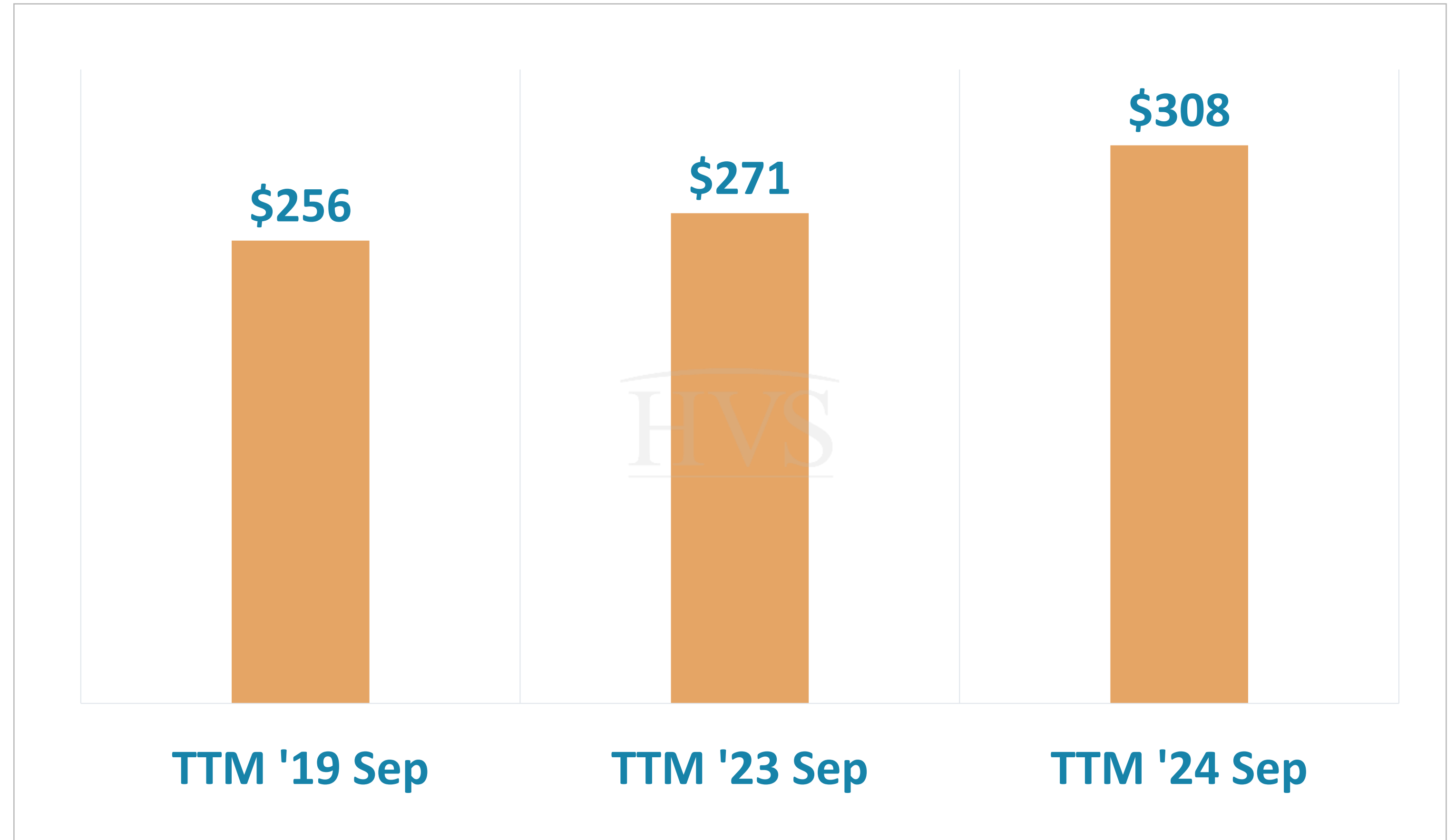
Aruba: RevPAR TTM Comparisons



↑ 3.2%

**RevPAR Change
(6-year annual compounded rate)**

- ☀️ **YTD Visitation: ↑ 16.4%**
- ☀️ **TTM Occupancy: ↑ 5.9%**
- ☀️ **TTM ADR: ↑ 7.5%**
- ☀️ **TTM RevPAR: ↑ 13.9%**
- ☀️ **Significantly boosted tourism by implementing a visa-free entry policy for 100 countries**



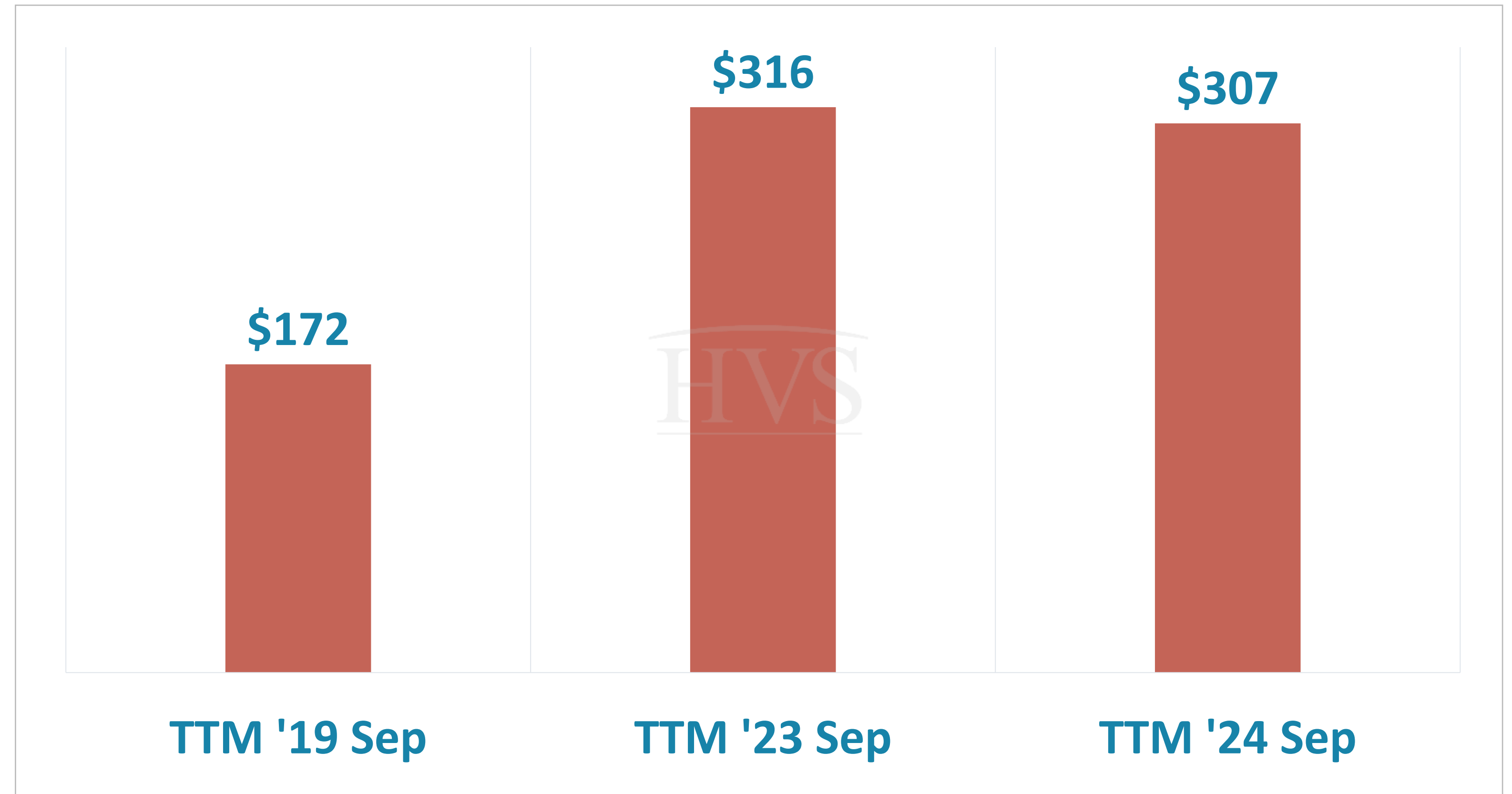
Bahamas: RevPAR TTM Comparisons



↑ 10.1%

**RevPAR Change
(6-year annual compounded rate)**

- ☀️ **YTD Visitation: ↑ 2.7%**
- ☀️ **TTM Occupancy: ↓ 2.9%**
- ☀️ **TTM ADR: No Change**
- ☀️ **TTM RevPAR: ↓ 2.9%**
- ☀️ **Q1 RevPAR affected by U.S. State Department safety alert and negative media coverage**



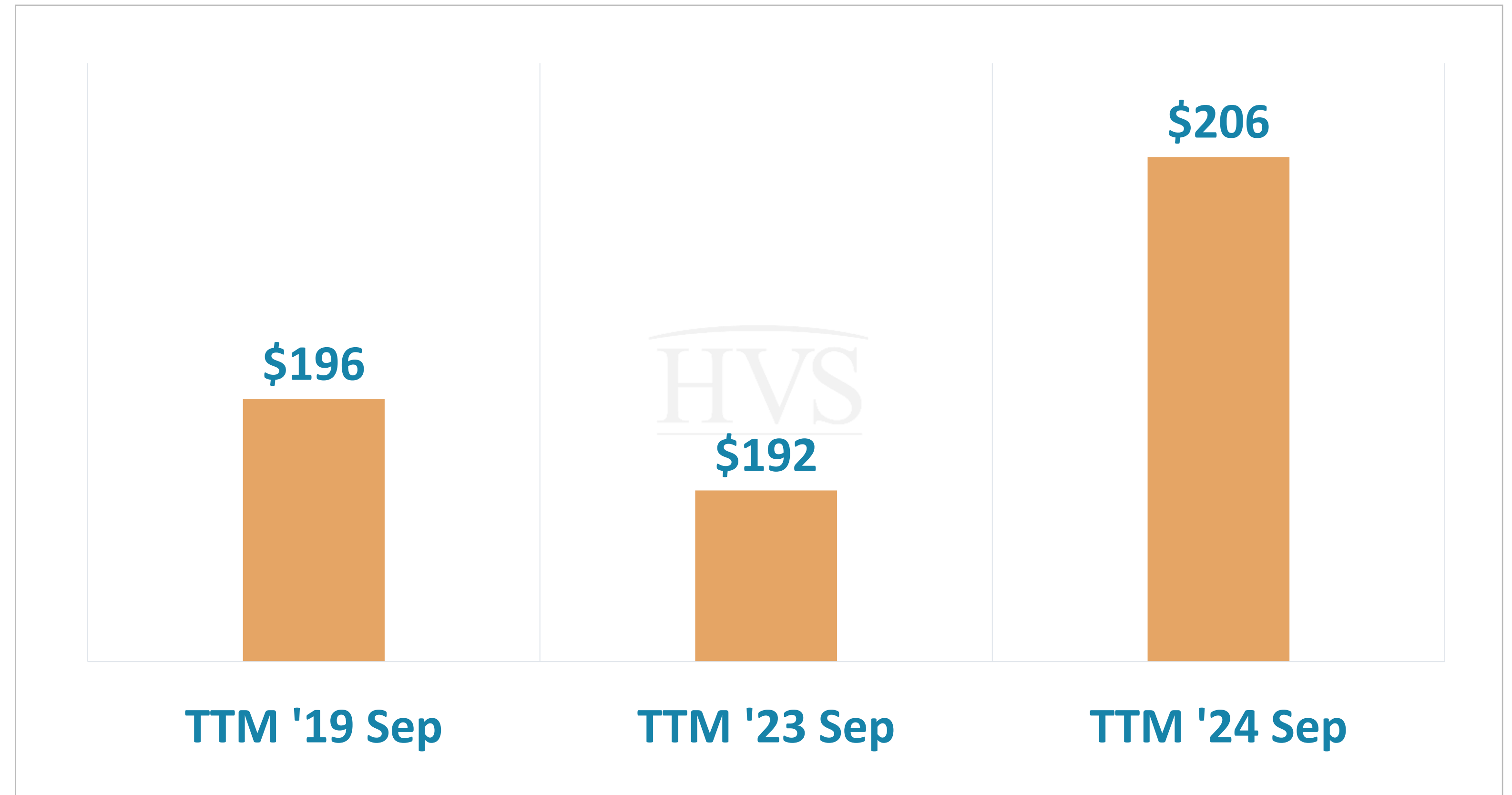
Barbados: RevPAR TTM Comparisons



↑ 0.8%

**RevPAR Change
(6-year annual compounded rate)**

- ☀️ **YTD Visitation: ↑ 12.9%**
- ☀️ **TTM Occupancy: ↑ 1.6%**
- ☀️ **TTM ADR: ↑ 5.6%**
- ☀️ **TTM RevPAR: ↑ 7.2%**
- ☀️ **Recovered to pre-COVID levels with focus on marketing to U.S. traveler**



Cayman Islands: RevPAR TTM Comparisons



↑ 3.8%

**RevPAR Change
(6-year annual compounded rate)**

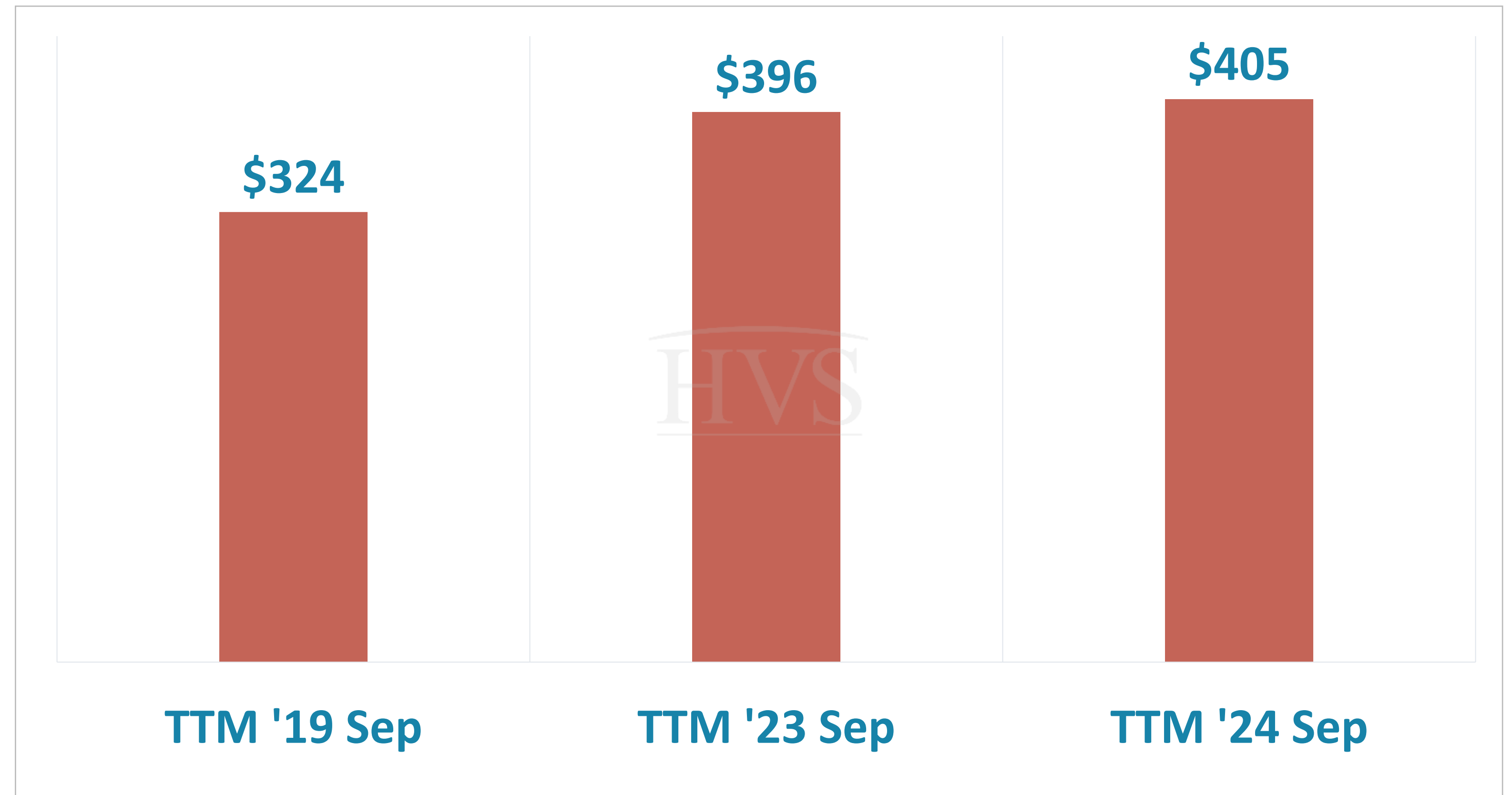
☀️ YTD Visitation: ↑ 2.9%

☀️ TTM Occupancy: ↓ 7.8%

☀️ TTM ADR: ↑ 11.0%

☀️ TTM RevPAR: ↑ 2.3%

☀️ Occupancy affected by the opening of Hotel Indigo, but ADR continues to grow



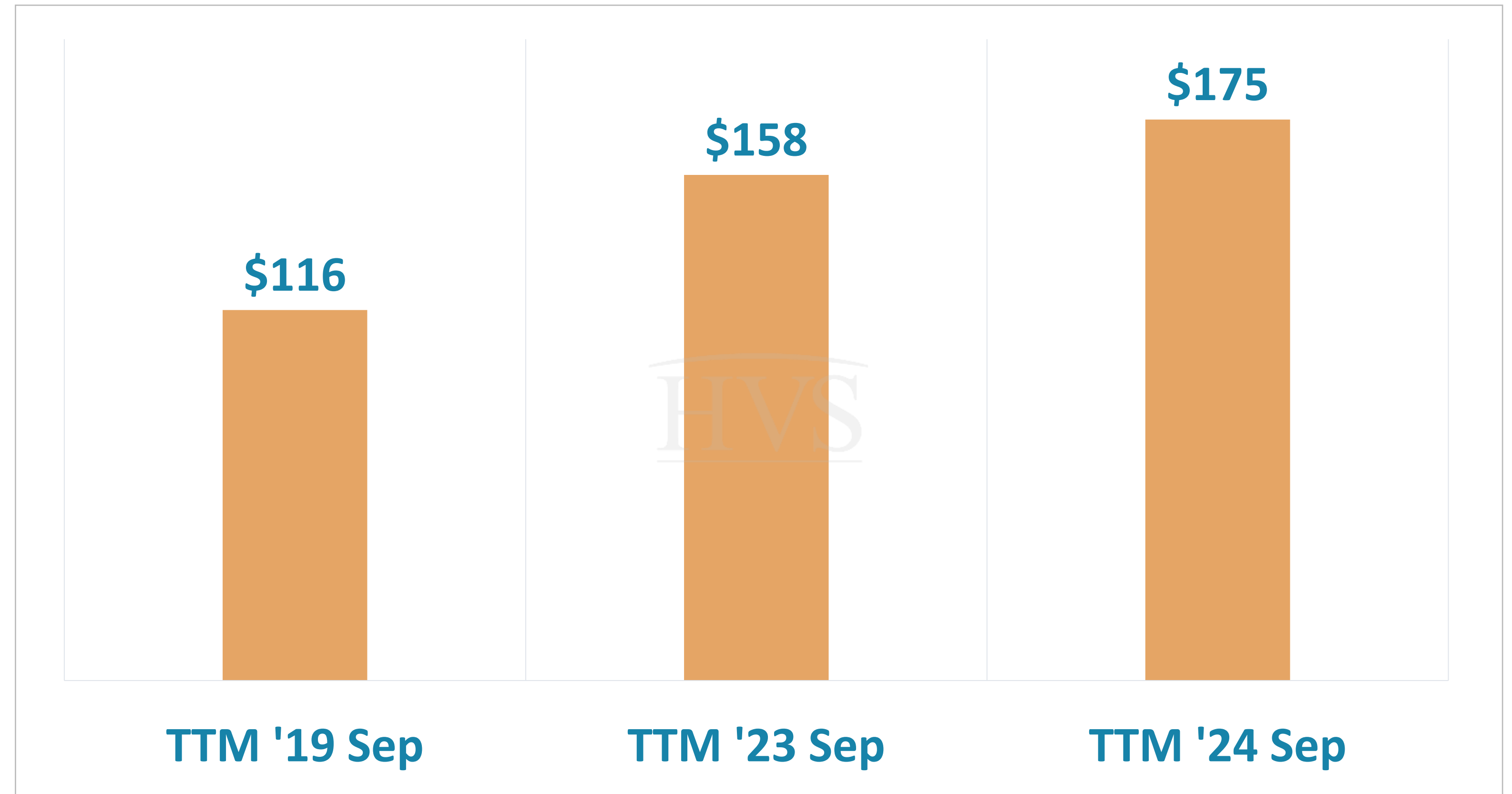
Curaçao: RevPAR TTM Comparisons



↑ 7.2%

**RevPAR Change
(6-year annual compounded rate)**

- ☀️ **YTD Visitation: ↑ 22.6%**
- ☀️ **TTM Occupancy: No Change**
- ☀️ **TTM ADR: ↑ 11.0%**
- ☀️ **TTM RevPAR: ↑ 11.0%**
- ☀️ **Boom buoyed from new hotels and significant airlift increases, with equal visitation from the U.S. and Holland for the first time**



Dominican Republic: RevPAR TTM Comparisons



↑ 9.3%

**RevPAR Change
(6-year annual compounded rate)**

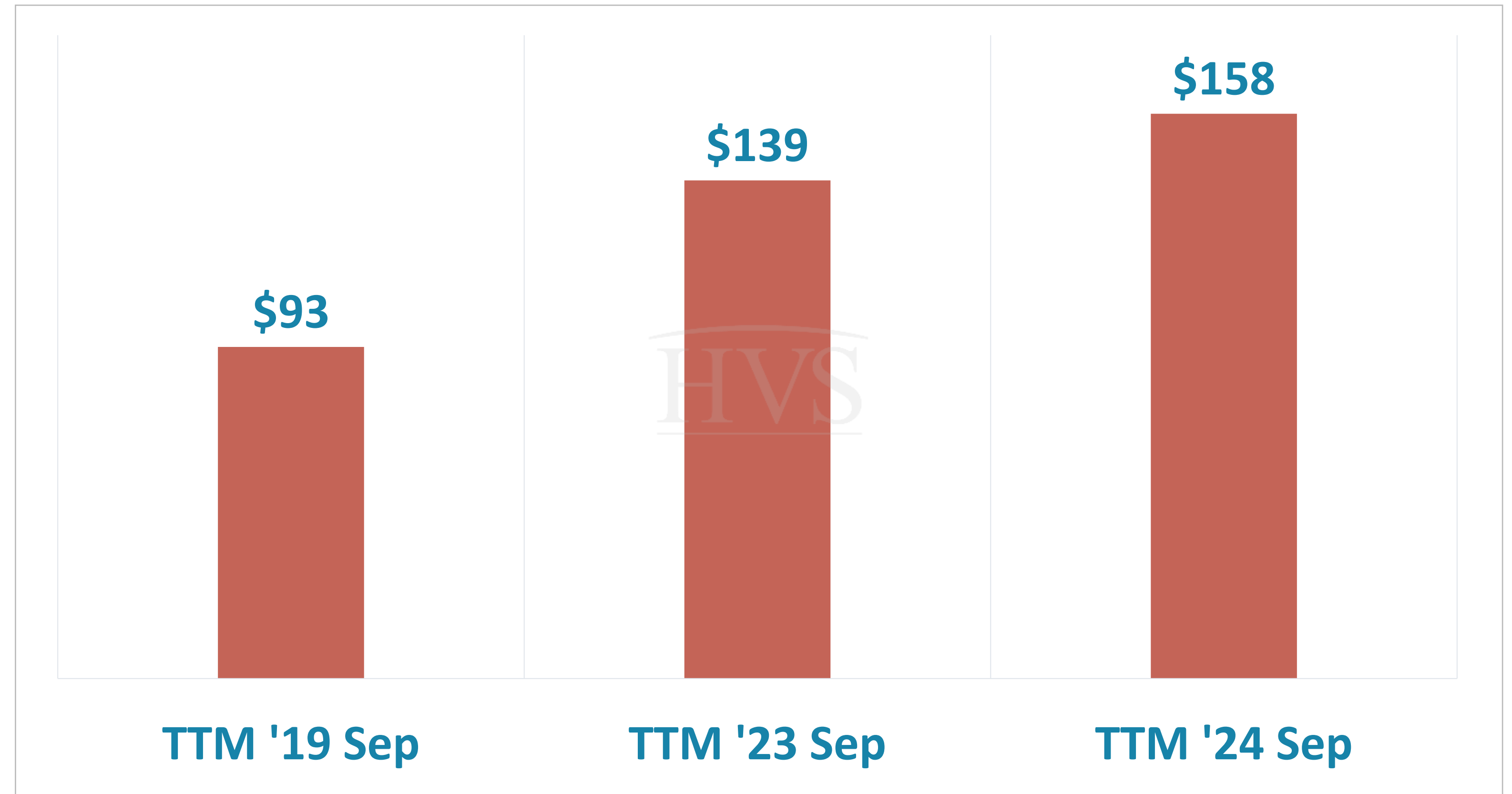
☀️ YTD Visitation: ↑ 7.5%

☀️ TTM Occupancy: ↑ 3.0%

☀️ TTM ADR: ↑ 10.1%

☀️ TTM RevPAR: ↑ 13.4%

☀️ No slowing down, even with the new supply increases; July hit a record for the highest non-resident arrivals that month



Jamaica: RevPAR TTM Comparisons



↑ 7.2%

**RevPAR Change
(6-year annual compounded rate)**

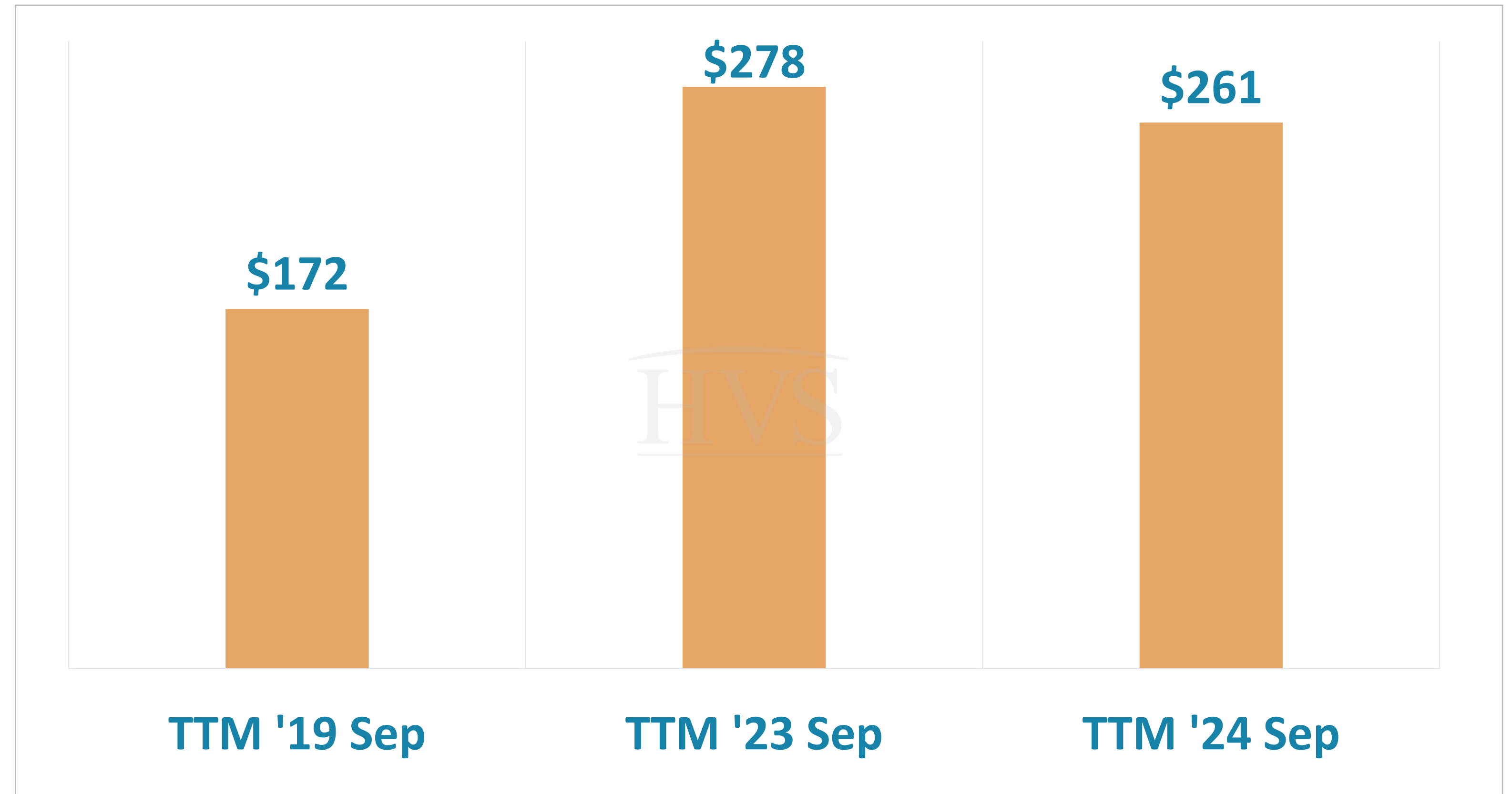
☀️ YTD Visitation: ↑ 1.9%

☀️ TTM Occupancy: ↓ 5.4%

☀️ TTM ADR: ↓ 0.8%

☀️ TTM RevPAR: ↓ 6.2%

☀️ Significantly affected by U.S. State Department travel advisory and negative media coverage, as well as Hurricane Beryl



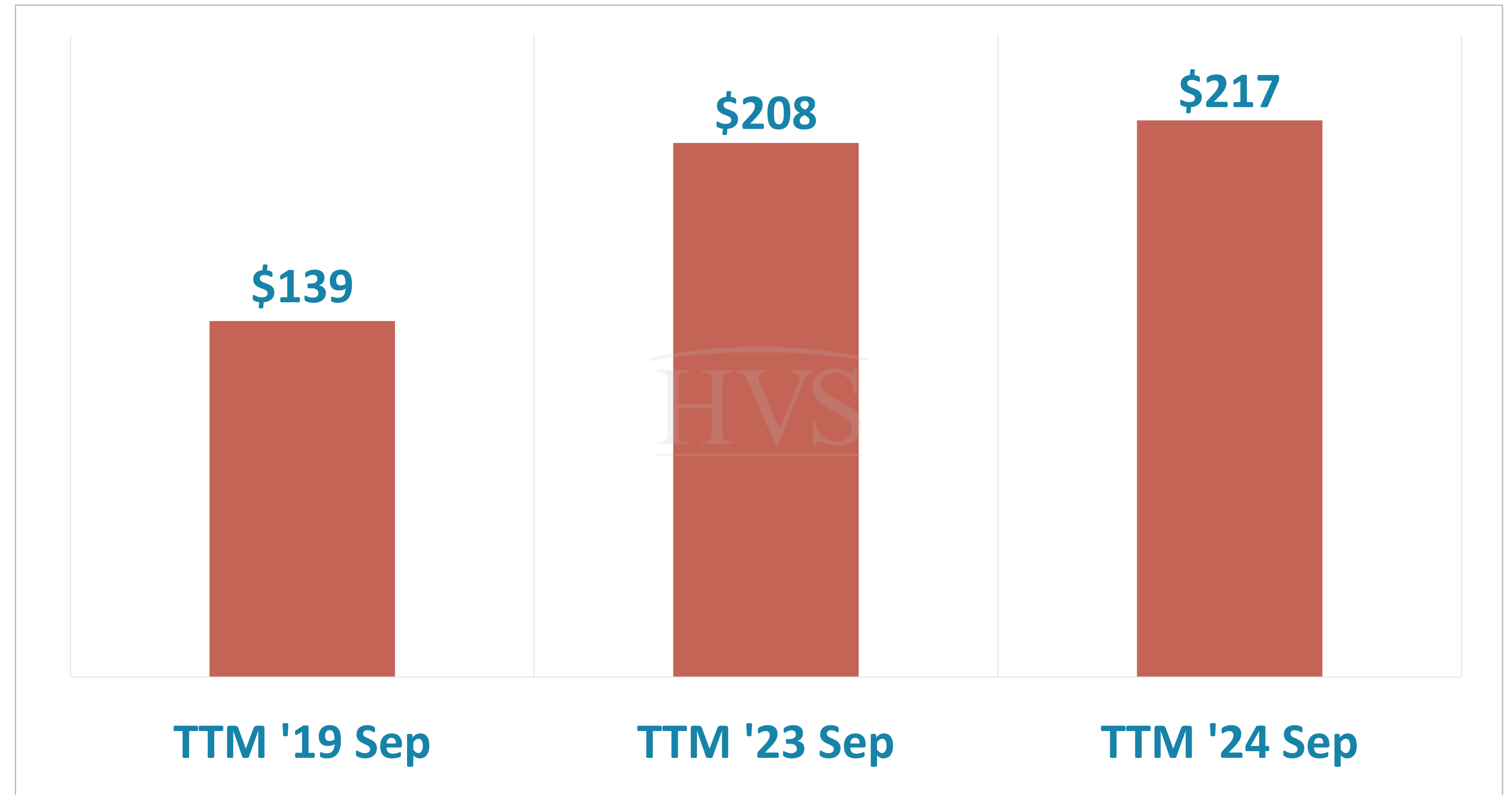
Puerto Rico: RevPAR TTM Comparisons



↑ 7.7%

**RevPAR Change
(6-year annual compounded rate)**

- ☀️ **YTD Visitation: ↑ 8.3%**
- ☀️ **TTM Occupancy: ↑ 1.4%**
- ☀️ **TTM ADR: ↑ 2.8%**
- ☀️ **TTM RevPAR: ↑ 4.2%**
- ☀️ **All-time-high tourism revenues and significant growth in meetings & convention segment driving demand**



Source: STR

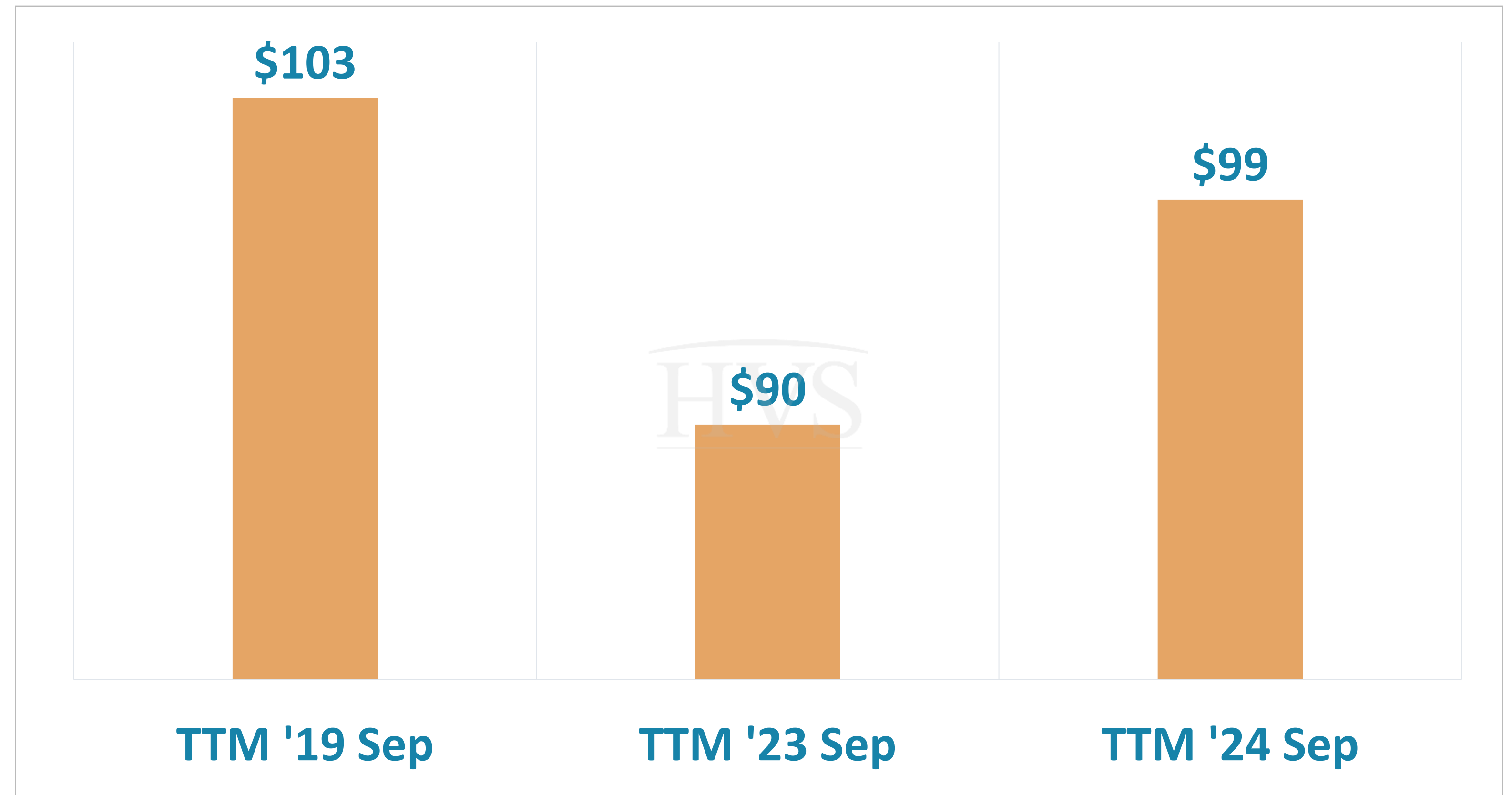
Trinidad & Tobago: RevPAR TTM Comparisons



↓ **0.7%**

**RevPAR Change
(6-year annual compounded rate)**

- ☀️ **YTD Visitation: ↑ 7.7%**
- ☀️ **TTM Occupancy: ↑ 8.0%**
- ☀️ **TTM ADR: ↑ 1.7%**
- ☀️ **TTM RevPAR: ↑ 9.8%**
- ☀️ **Nearly back to pre-pandemic levels, with tourism boosted by allowing visa-free entry to citizens from 121 countries**



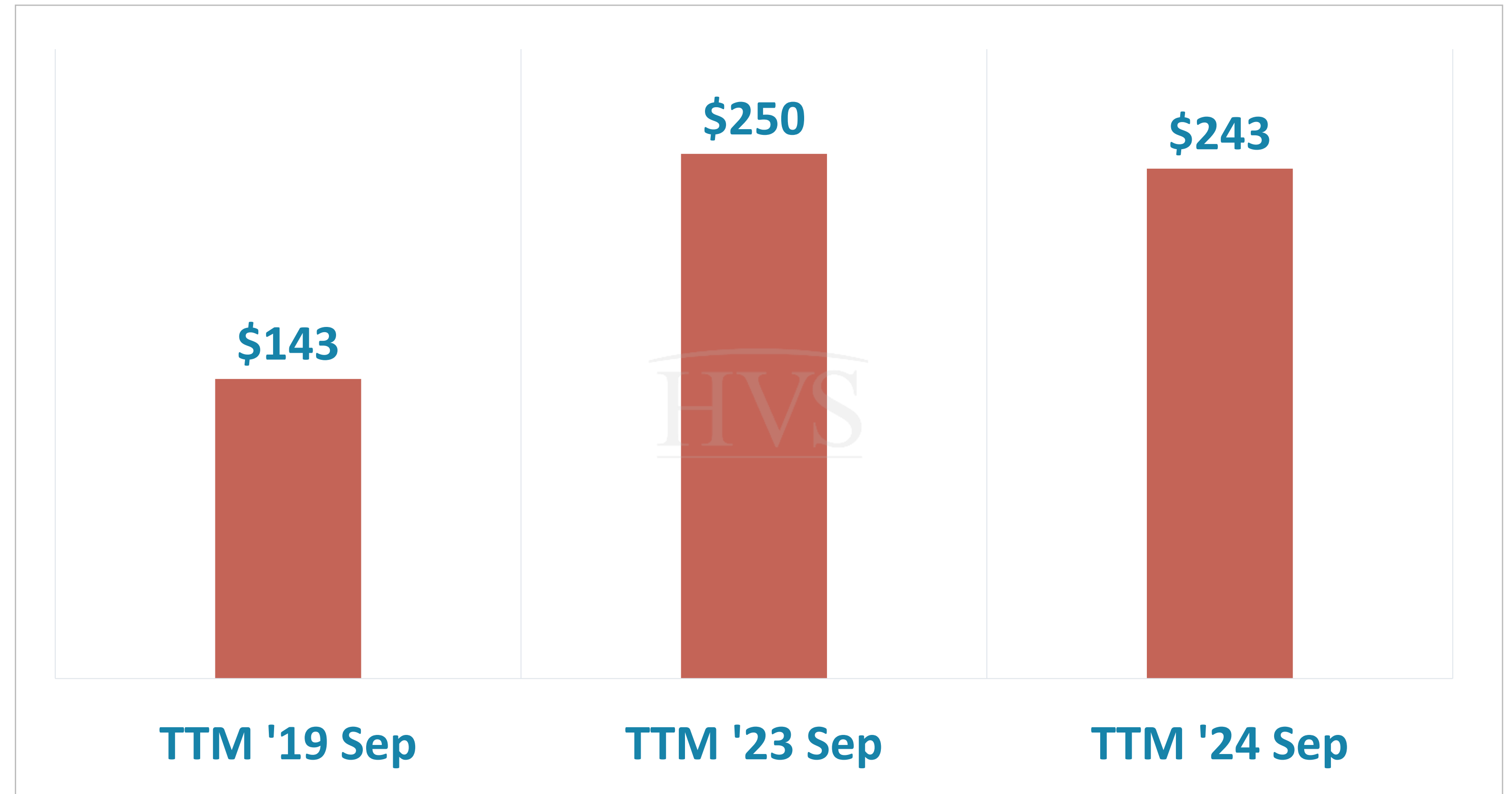
U.S. Virgin Islands: RevPAR TTM Comparisons



↑ 9.3%

**RevPAR Change
(6-year annual compounded rate)**

- ☀️ **YTD Visitation: ↑ 23.6%**
- ☀️ **TTM Occupancy: ↓ 7.7%**
- ☀️ **TTM ADR: ↓ 9.8%**
- ☀️ **TTM RevPAR: ↓ 2.8%**
- ☀️ **Double-digit visitation growth, but limited hotel supply has increased alternative accommodation pressure**



RevPAR Change: Six-Year CAGR Comparison vs. Recent TTM

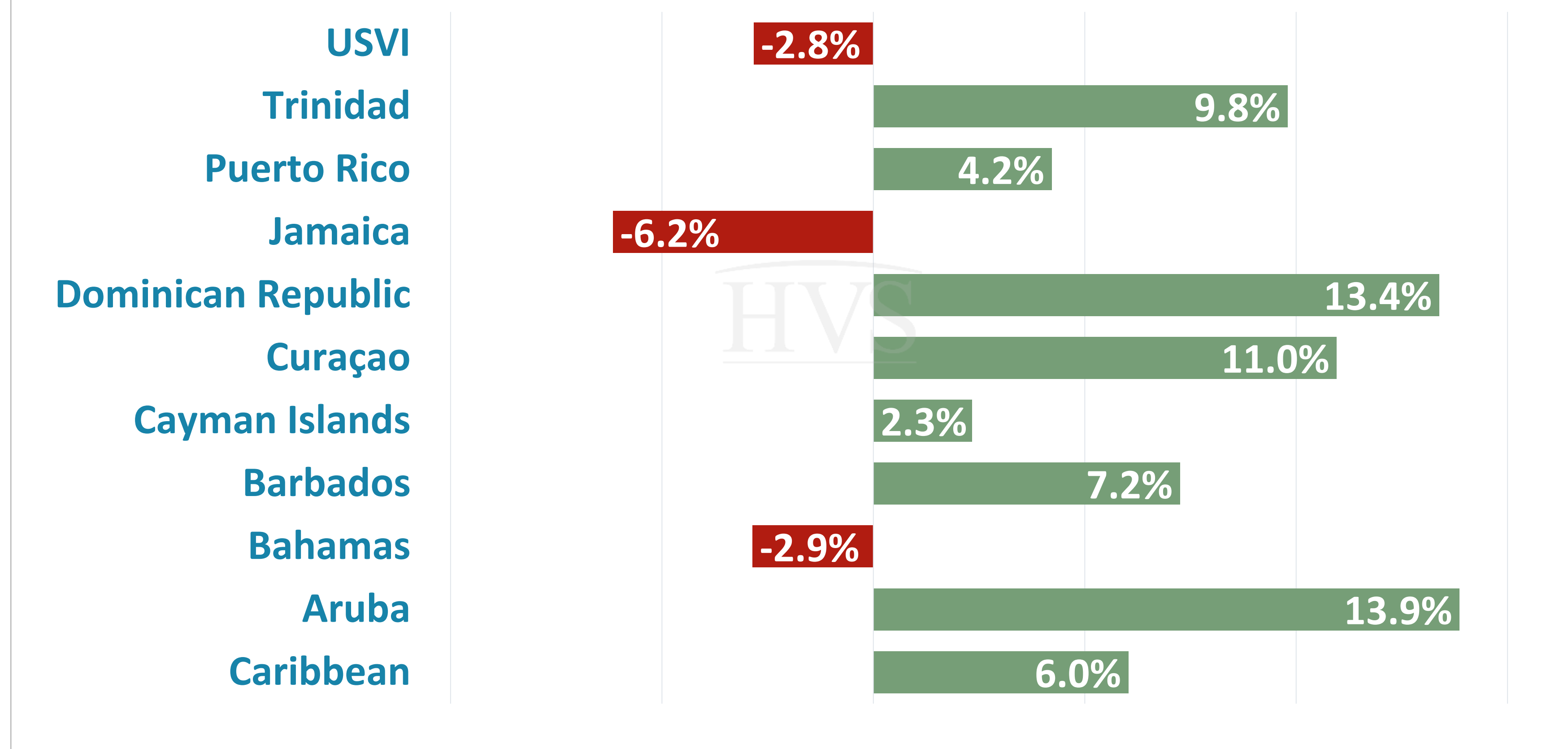


Six-Year RevPAR Compounded Annual Growth Rate

Caribbean	5.9%
United States	2.4%

Bahamas	10.1%
Dominican Republic	9.3%
Puerto Rico	7.7%
Jamaica	7.2%
Curaçao	7.2%
Cayman Islands	3.8%
Aruba	3.2%
Barbados	0.8%
Trinidad	-0.7%

TTM Sep 2023 vs. TTM Sep 2024 % Change





Trends, Observations, & Closing Thoughts

The Region Continues to Ride the Wave!

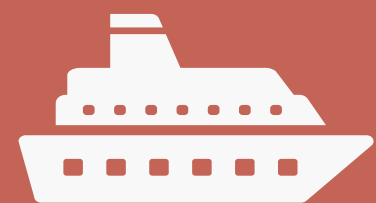


Record performance metrics for the region!



ADR ↗

Drive RevPAR
Growth



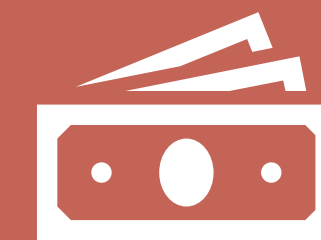
Arrivals ↗

Many
Destinations
Double-Digit
Growth



Occupancy

Shoulder Season
Boosts
Occupancy



RevPAR

Most Islands'
6-Year RevPAR
CAGR Surpasses
U.S.



Luxury

Ultra-Luxury
Hotels Excel,
Cautious of New
Supply

Notable New Routes



International and inter-island connectivity improving, with AA offering 11% more departures this winter, compared to the same time last year—the largest ever!



- First flight to Bonaire (2x weekly from Amsterdam)



- Added second hub in PUJ
- PUJ to Montreal
 - PUJ to Toronto



- Miami to La Romana
- Philadelphia and JFK to Barbados



- Atlanta to Puerto Plata



- Providence, Westchester, Santiago, St. Croix, Cancun, and Medellin to San Juan
- JFK to St. Vincent
- JFK to Bonaire



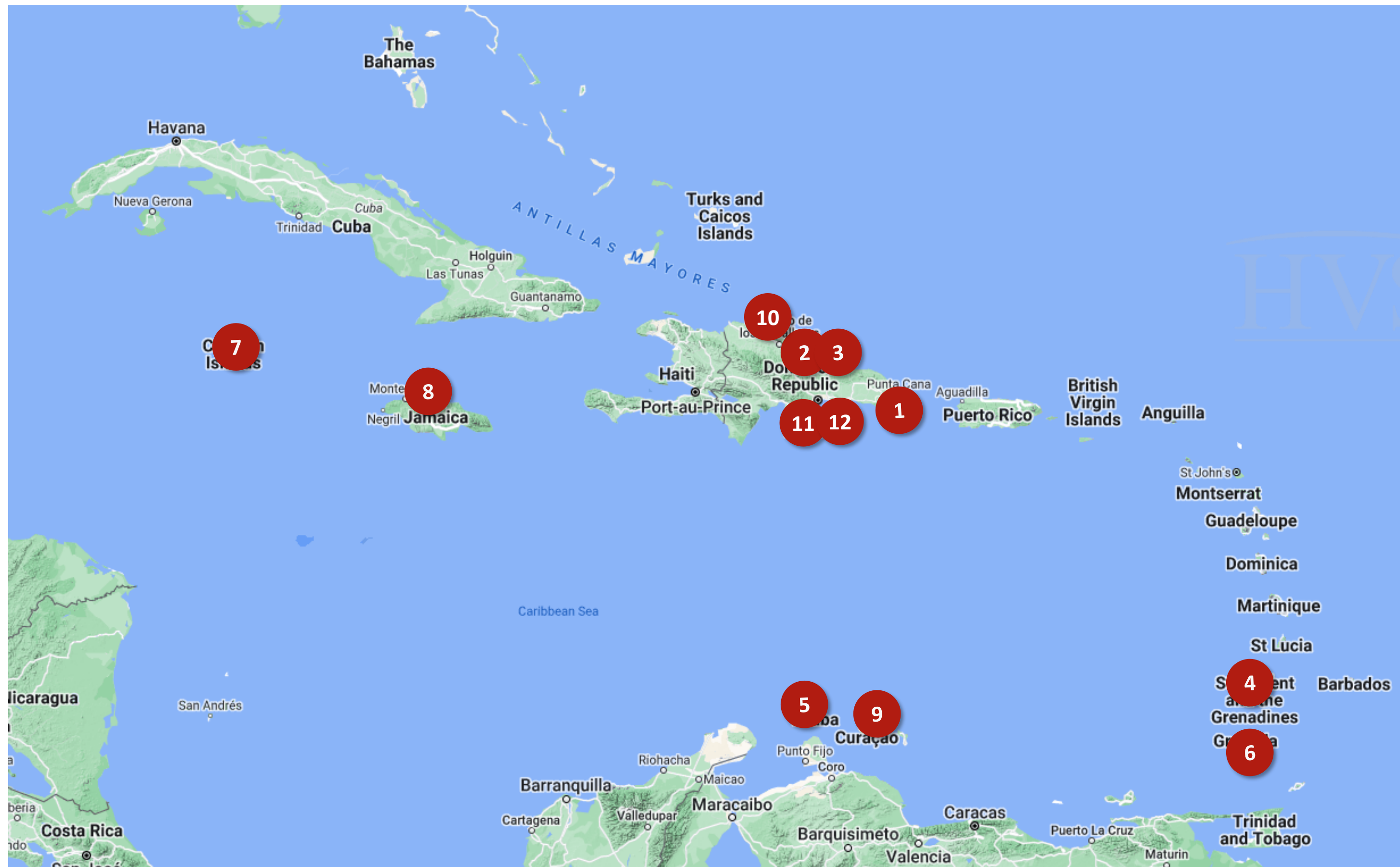
- Interisland connecting St. Vincent, Saint Lucia, Dominica, and Antigua



- St. Thomas to Anguilla

Notable Openings & Re-Brandings in 2024

Dominican Republic leads in new supply with an ever-expanding pipeline of new hotels, as well as new airlift (goal of 14 million visitors by 2028)



- 1 Secrets Tides Punta Cana – January 2024
- 2 Courtyard by Marriott Santo Domingo Piantini – February 2024
- 3 Santo Domingo Marriott Piantini – March 2024
- 4 Sandals Saint Vincent – March 2024
- 5 Aruba Boutique & Art Hotel, BW Signature Collection – April 2024
- 6 Six Senses La Sagesse – Grenada – April 2024
- 7 Hotel Indigo – Grand Cayman – May 2024
- 8 Hotel RIU Palace Aquarelle – Jamaica – May 2024
- 9 Courtyard by Marriott – Curaçao – June 2024
- 10 Residence Inn by Marriott Santiago de Los Caballeros – June 2024
- 11 Kimpton Las Mercedes – Santo Domingo – July 2024
- 12 Hyatt Centric Santo Domingo – October 2024

Notable Projects Under Construction with 2025 Openings



Many new developments and new brands entering the region over the next few years



Dominican Republic

Q1 AC Hotel Santiago de Los Caballeros

Viva Miches by Wyndham, a
Trademark All Inclusive Resort

Wyndham Alltra Punta Cana

Zemi Miches All-Inclusive Resort,
Curio Collection by Hilton

Q2 St. Regis Cap Cana Resort

Secrets and Dreams Playa Esmeralda

Fiesta Americana Funeeq Punta Cana

Q3 La Quinta by Wyndham Punta Cana

Q4 BW Premier Collection La Estancia
Hotel Romana



Turks and Caicos

Q1 Salterra, a Luxury Collection Resort &
Spa

Q4 Andaz Turks & Caicos



Barbados

Q2 Hotel Indigo



Grand Cayman

Q3 Kailani, Curio Collection by Hilton

Q4 Grand Hyatt Grand Cayman Resort &
Spa



Saint Lucia





Q1 Secrets Saint Lucia

Trends & Observations

Caribbean market continues to show resiliency year after year

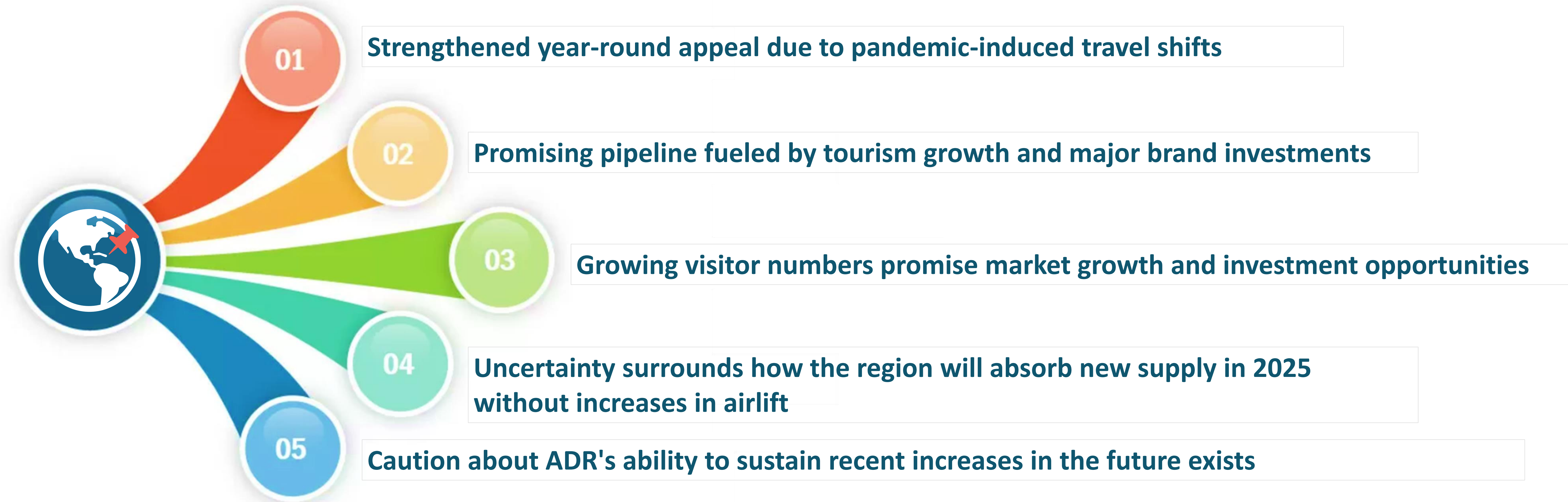
-  **New investment/supply in emerging destinations, such as Miches, but is current airlift enough?**
-  **More private equity investment into the region**
-  **Construction costs still elevated; development budgets must include staff housing**
-  **Strong demand for luxury branded residences; caution on oversupply**



-  **Hyatt's alliance with Bahia Principe; everyone is "all in" on the all-inclusive!**
-  **Overwater bungalows are the new resort development trend**
-  **Hurricane Beryl hit the Lesser Antilles in July; overall quiet season**
-  **Limited transaction activity, with some sales in Puerto Rico and the Dominican Republic**

Closing Thoughts

Let's keep riding the wave!





Thank you!

Kristina D'Amico
kdamico@hvs.com
+1 (305) 338-0354