



# **Caribbean Hotel Market Overview**

## **February 2012**

### **BHA Presentation**

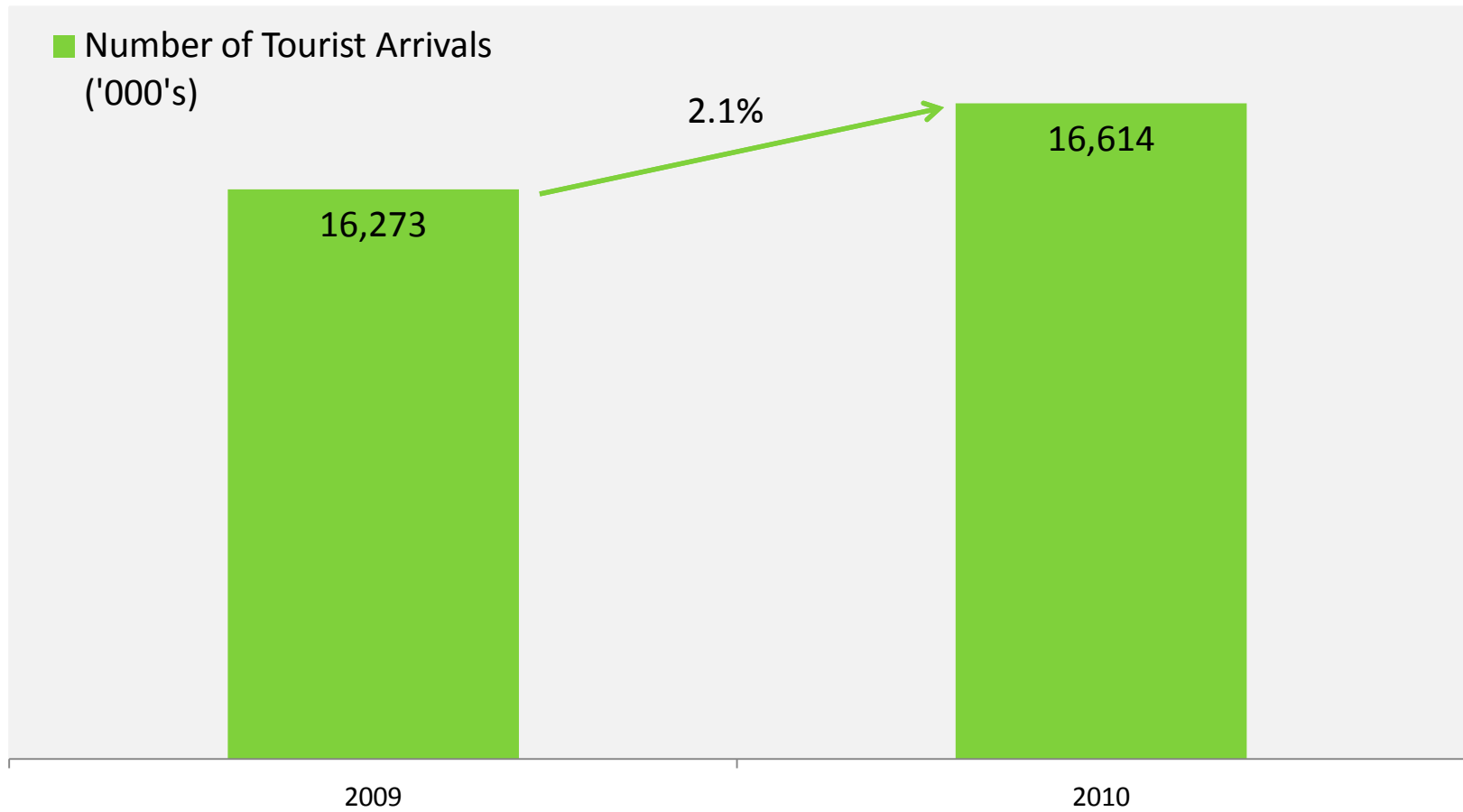
**Parris E. Jordan**

Managing Director

HVS Caribbean

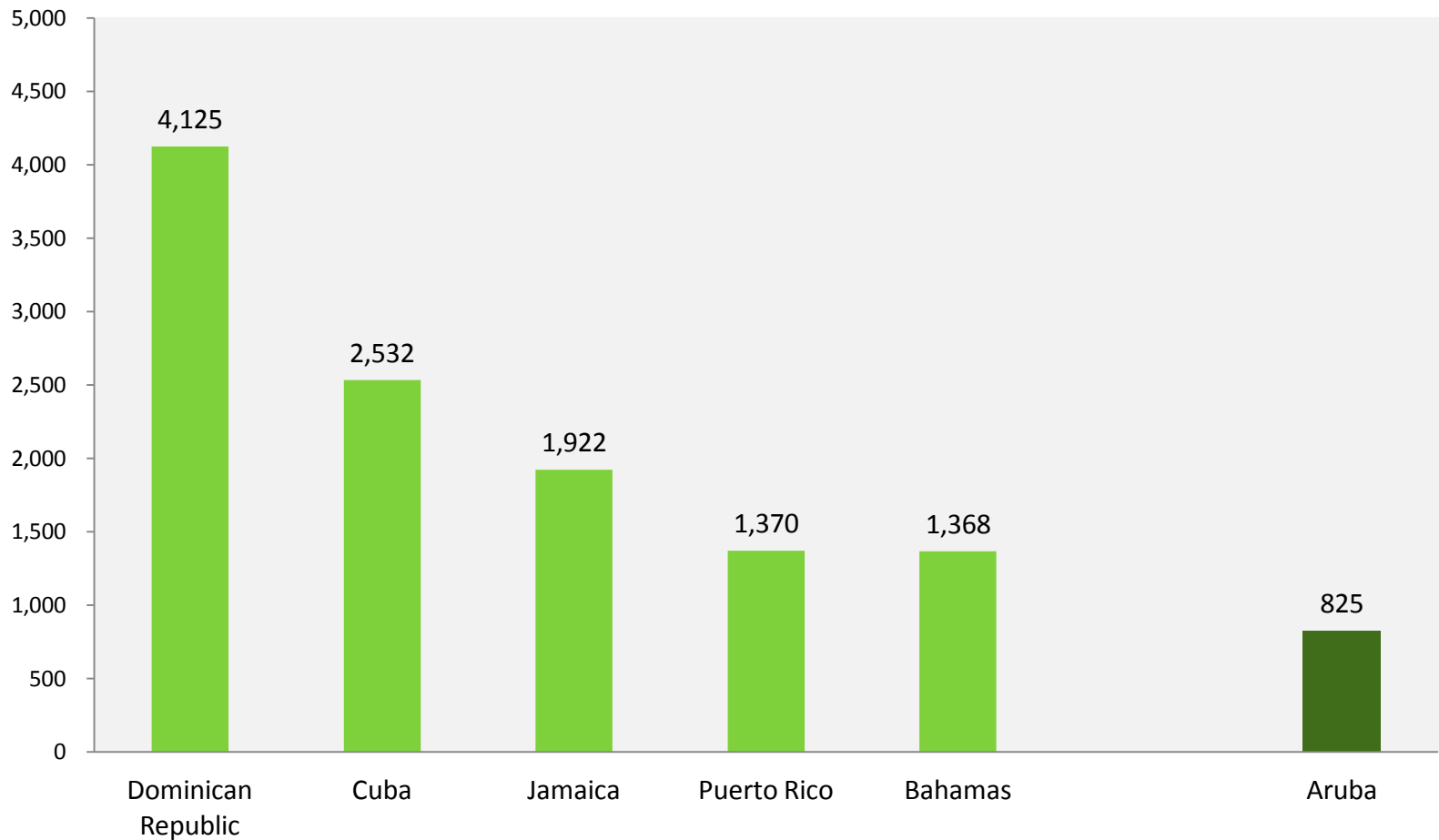
# Total Caribbean Tourist Arrivals

## Change from 2009 – 2010



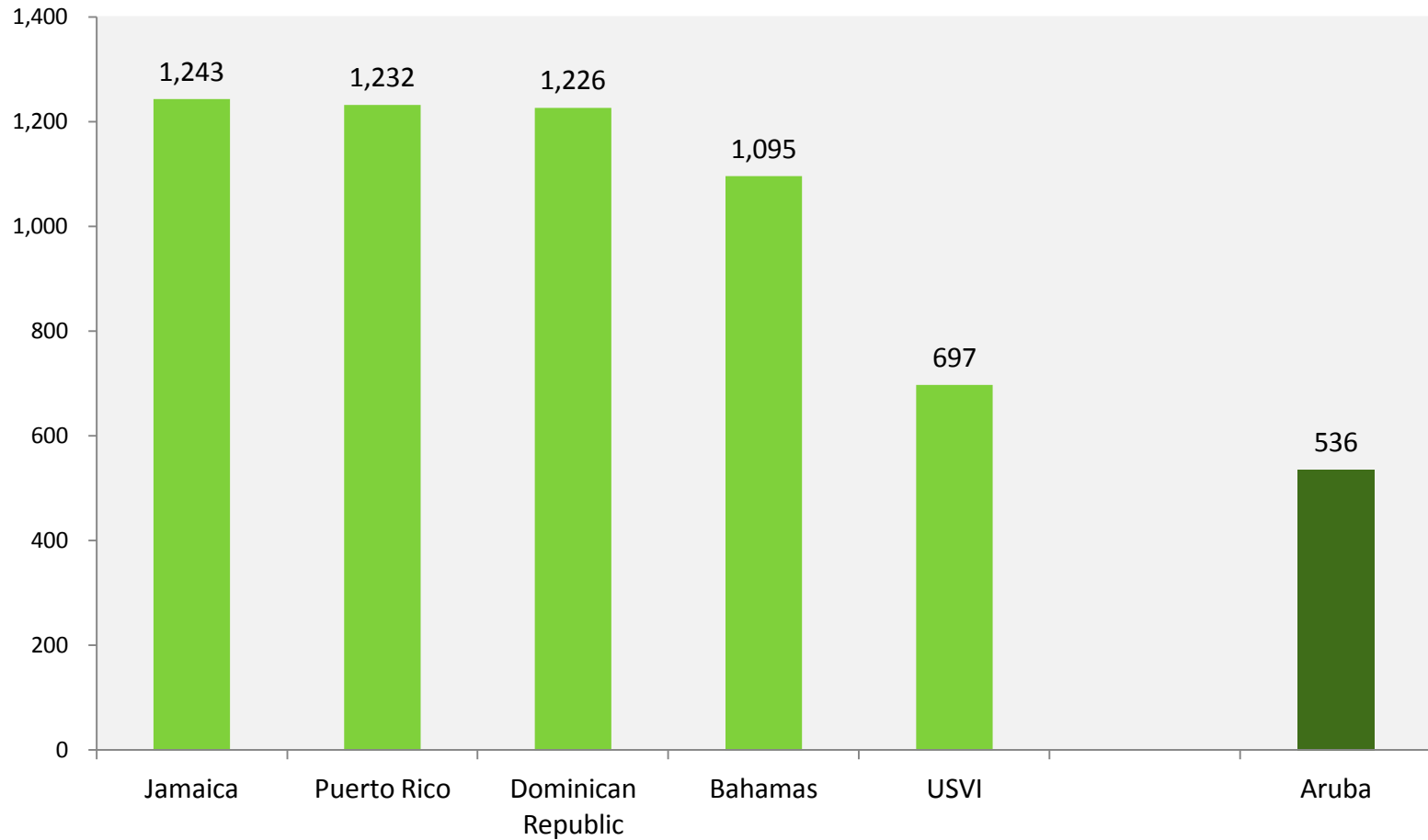
# Island Nations Receiving the Most Tourists

## 2010 Total Arrivals ('000's)



# Island Nations Receiving the Most American Tourists

## 2010 Total US Arrivals ('000's)

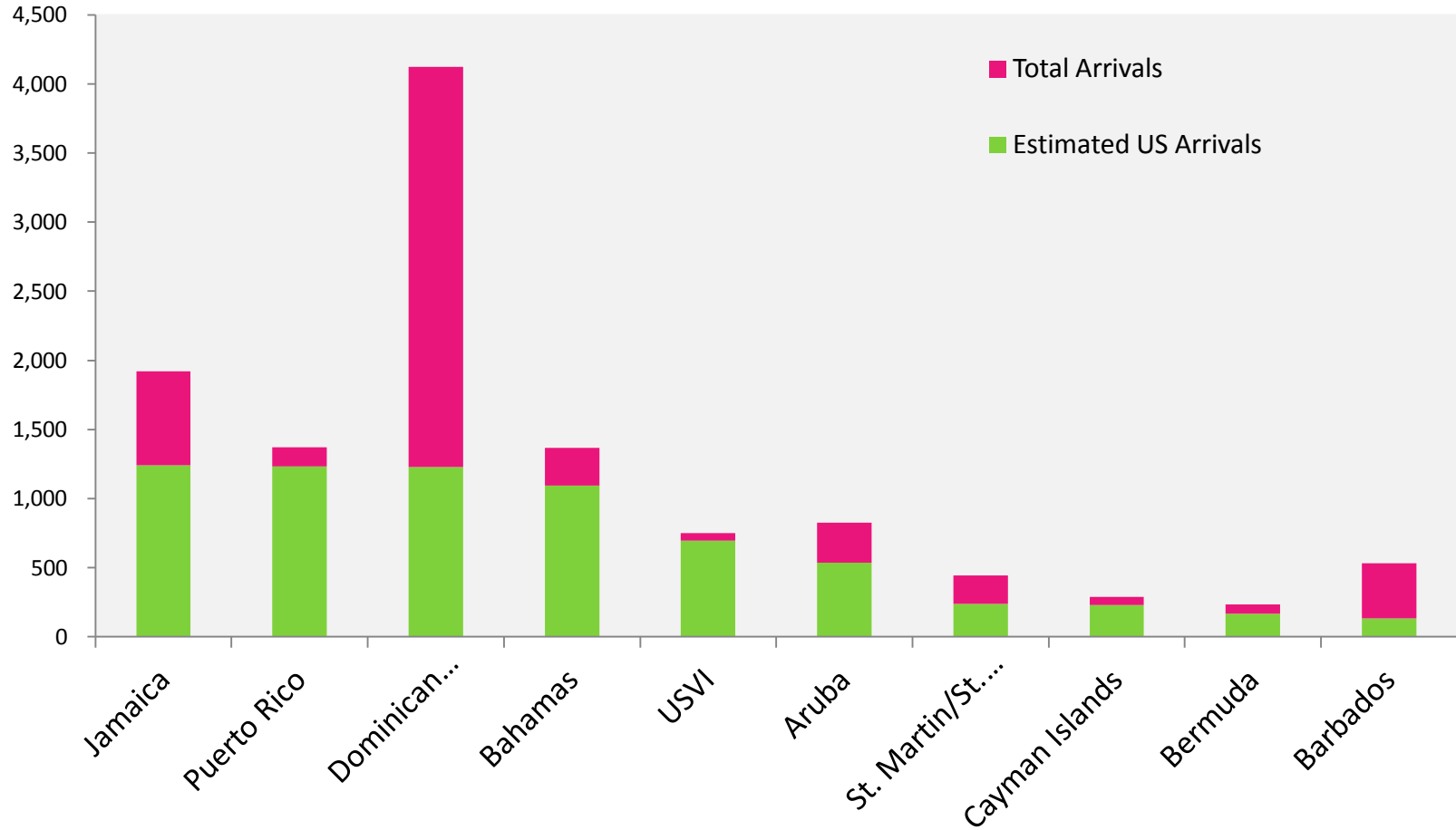


# Island Nations Receiving the Most American Tourists (2010)

<b>Rank</b>	<b>Island</b>	<b>Estimated US Arrivals</b>	<b>US as % of Total Arrivals</b>
1	Jamaica	1,242,943	65 %
2	Puerto Rico	1,231,748	90
3	Dominican Republic	1,226,367	30
4	Bahamas	1,095,272	80
5	USVI	696,878	93
6	Aruba	535,814	65
7	St. Martin/St. Maarten	236,379	53
8	Cayman Islands	228,461	79
9	Bermuda	166,016	71
10	Barbados	134,969	25

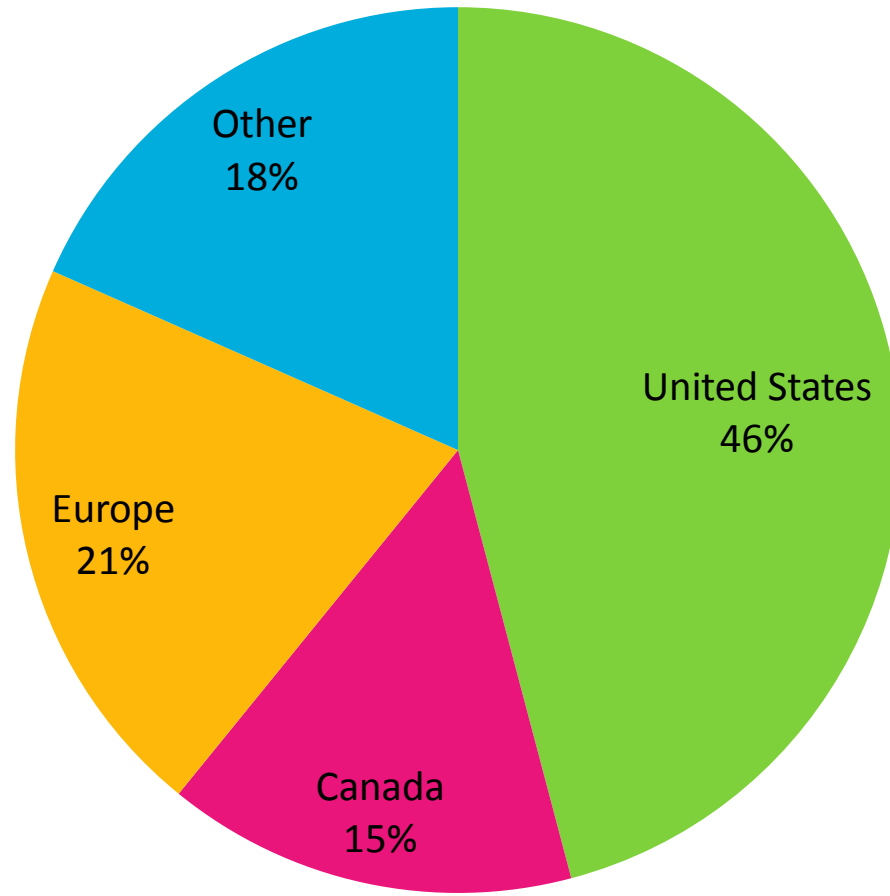
# Countries Receiving the Most American Tourists

## 2010 Number of Arrivals (000's) vs. % of Total



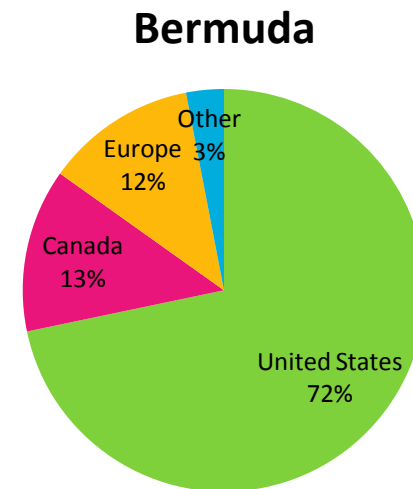
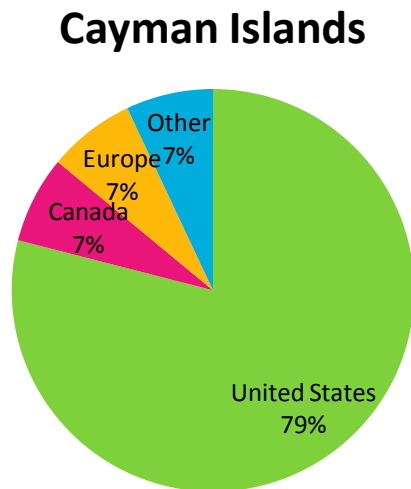
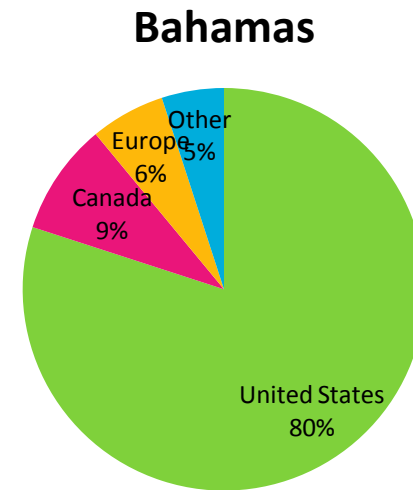
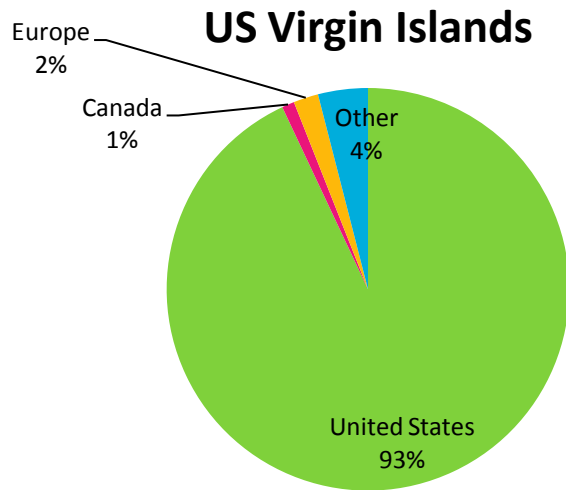
# Tourist Arrivals, by Country of Origin

## Caribbean



# Island Nations Reliant Upon US Tourists

## Arrivals by Country of Origin (%)

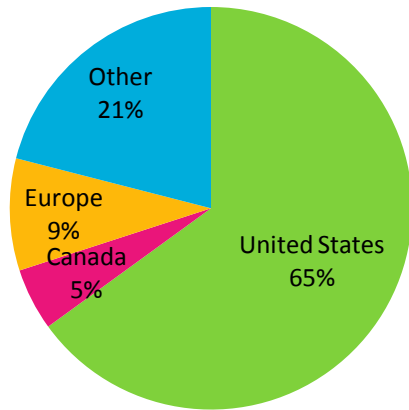




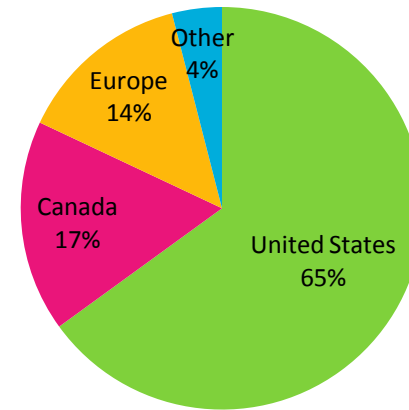
# Island Nations Reliant Upon US Tourists, Cont'd

## Arrivals by Country of Origin (%)

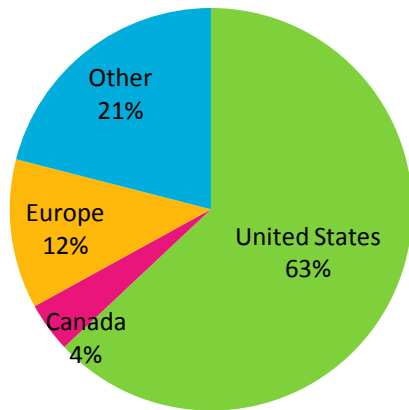
**Aruba**



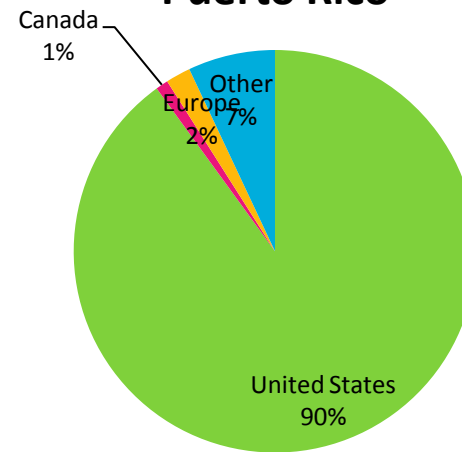
**Jamaica**



**Anguilla**



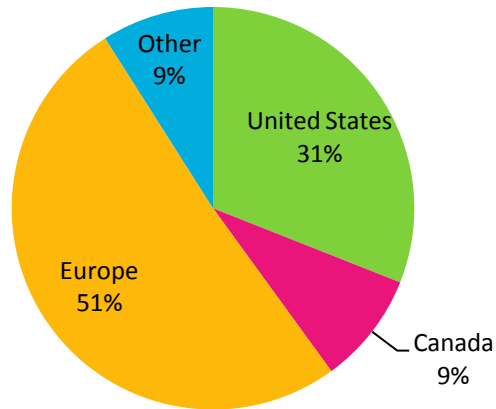
**Puerto Rico**



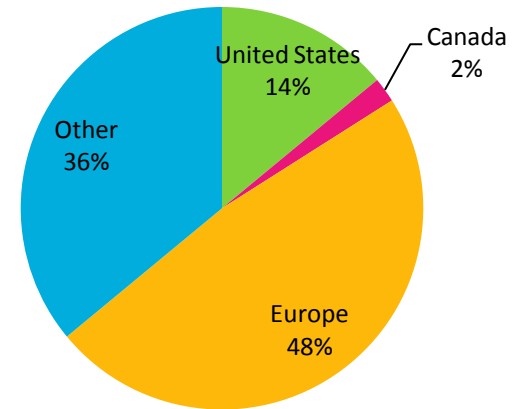
# Island Nations Reliant Upon European Tourists

## Arrivals by Country of Origin (%)

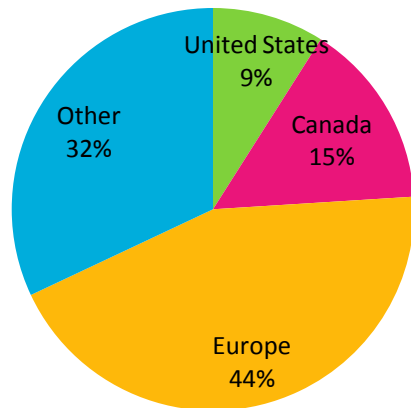
### Saba



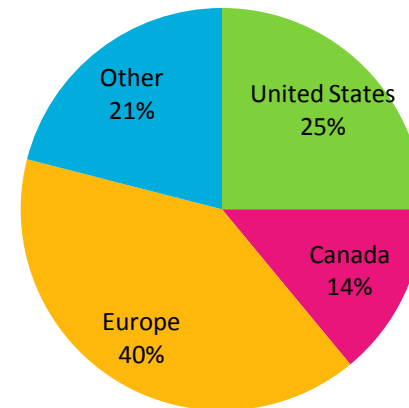
### Curacao



### St Vincent & the Grenadines



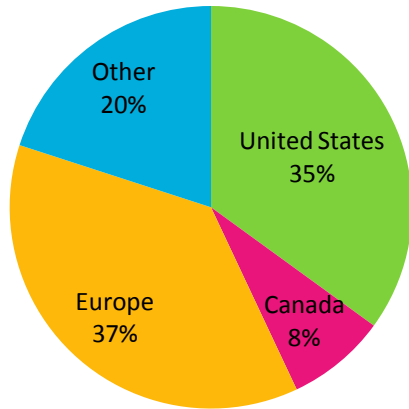
### Barbados



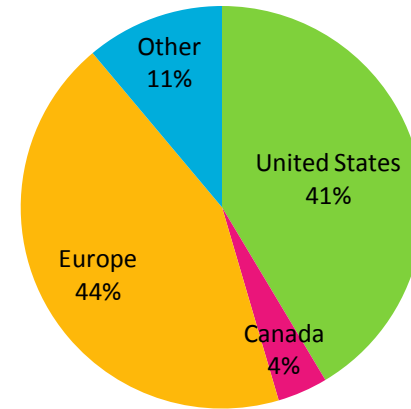
# Island Nations that Draw From Various Markets

## Arrivals by Country of Origin (%)

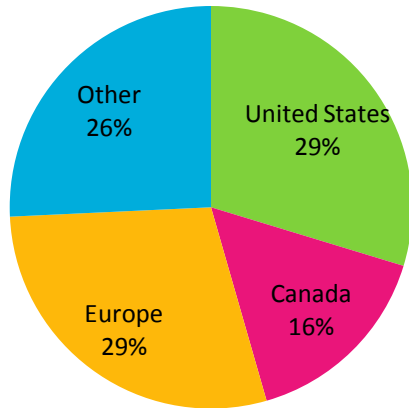
**Antigua & Barbuda**



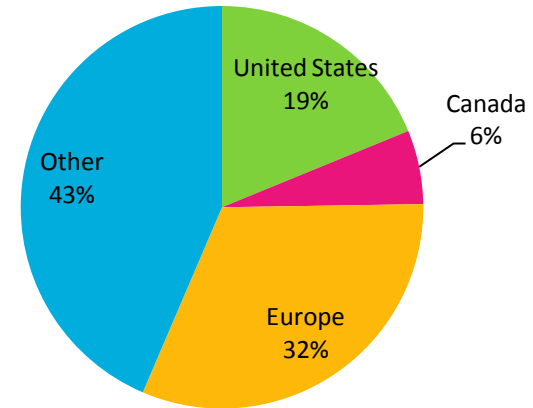
**Bonaire\***



**Dominican Republic**



**Grenada**



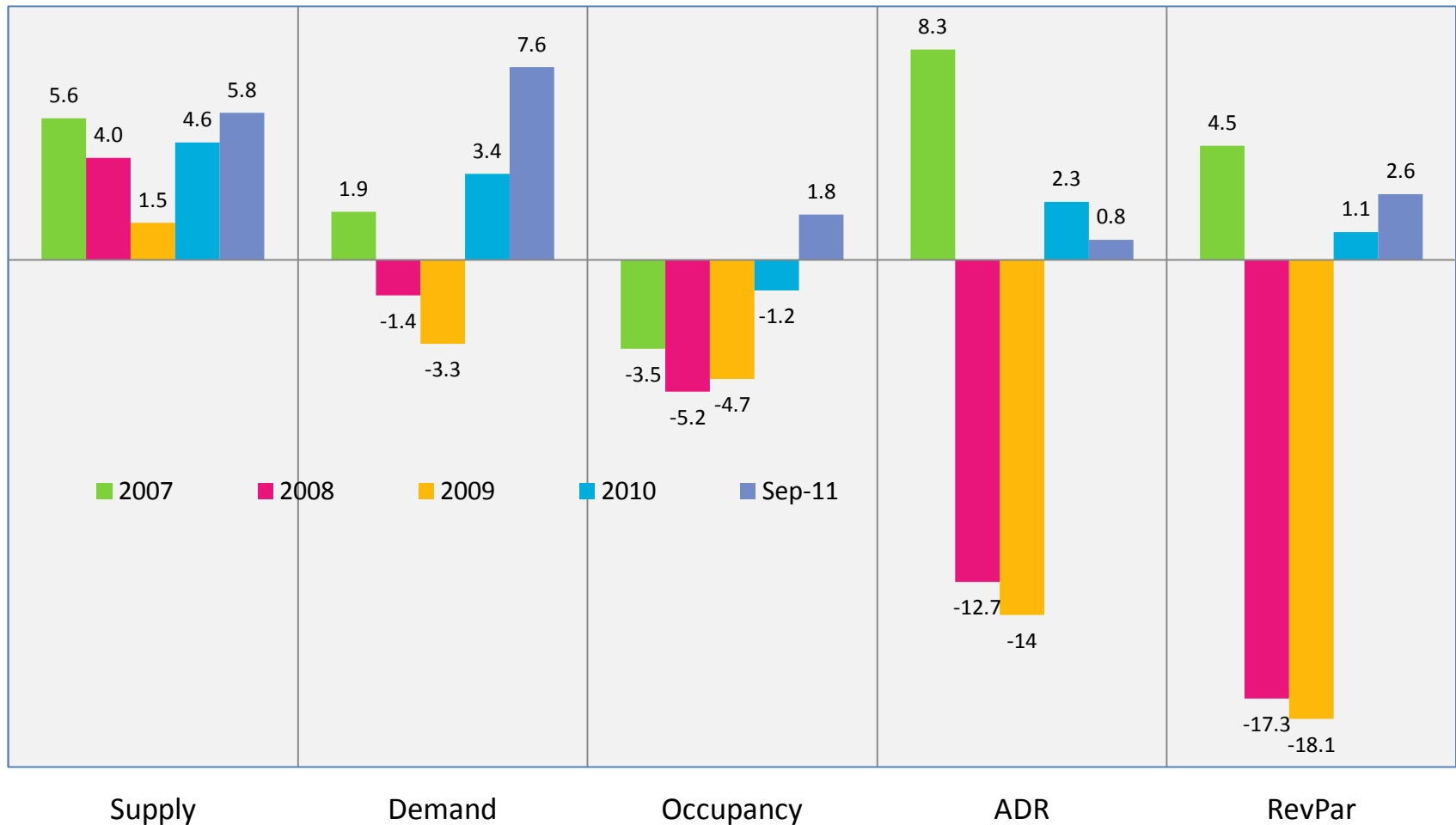
\* Indicates partial year data

# Caribbean Lodging Market Trends at a Glance

Year	Average Daily Available Room		Occupied Room		Average		RevPAR	Change		
	Room Count	Nights	Change	Nights	Change	Occupancy			Rate	
2000	41,197	15,036,800	—	10,525,841	—	70.0 %	\$165.01	—	\$115.51	—
2001	42,001	15,330,238	2.0 %	10,028,219	(4.7) %	65.4	167.95	1.8 %	109.87	(4.9) %
2002	42,322	15,447,408	0.8	10,173,920	1.5	65.9	165.74	(1.3)	109.16	(0.6)
2003	43,047	15,712,296	1.7	10,682,082	5.0	68.0	168.41	1.6	114.50	4.9
2004	43,742	15,965,656	1.6	11,598,062	8.6	72.6	176.39	4.7	128.14	11.9
2005	44,856	16,372,412	2.5	11,680,634	0.7	71.3	187.16	6.1	133.53	4.2
2006	45,245	16,514,323	0.9	11,690,256	0.1	70.8	198.98	6.3	140.86	5.5
2007	47,778	17,438,979	5.6	11,911,448	1.9	68.3	215.55	8.3	147.23	4.5
2008	49,706	18,142,696	4.0	11,742,071	(1.4)	64.7	188.14	(12.7)	121.76	(17.3)
2009	50,431	18,407,461	1.5	11,359,047	(3.3)	61.7	161.64	(14.1)	99.75	(18.1)
2010	52,770	19,261,090	4.6	11,740,032	3.4	61.0	165.42	2.3	100.83	1.1
<b><u>Year-to-Date Through September</u></b>										
2010	52,686	14,383,326	—	9,046,459	—	62.9 %	\$166.37	—	\$104.64	—
2011	55,719	15,211,334	5.8 %	9,736,036	7.6 %	64.0	167.66	0.8 %	107.31	2.6 %
Average Annual Compounded										
Change: 2000-2010			2.5 %		1.1 %			0.0 %		(1.4) %

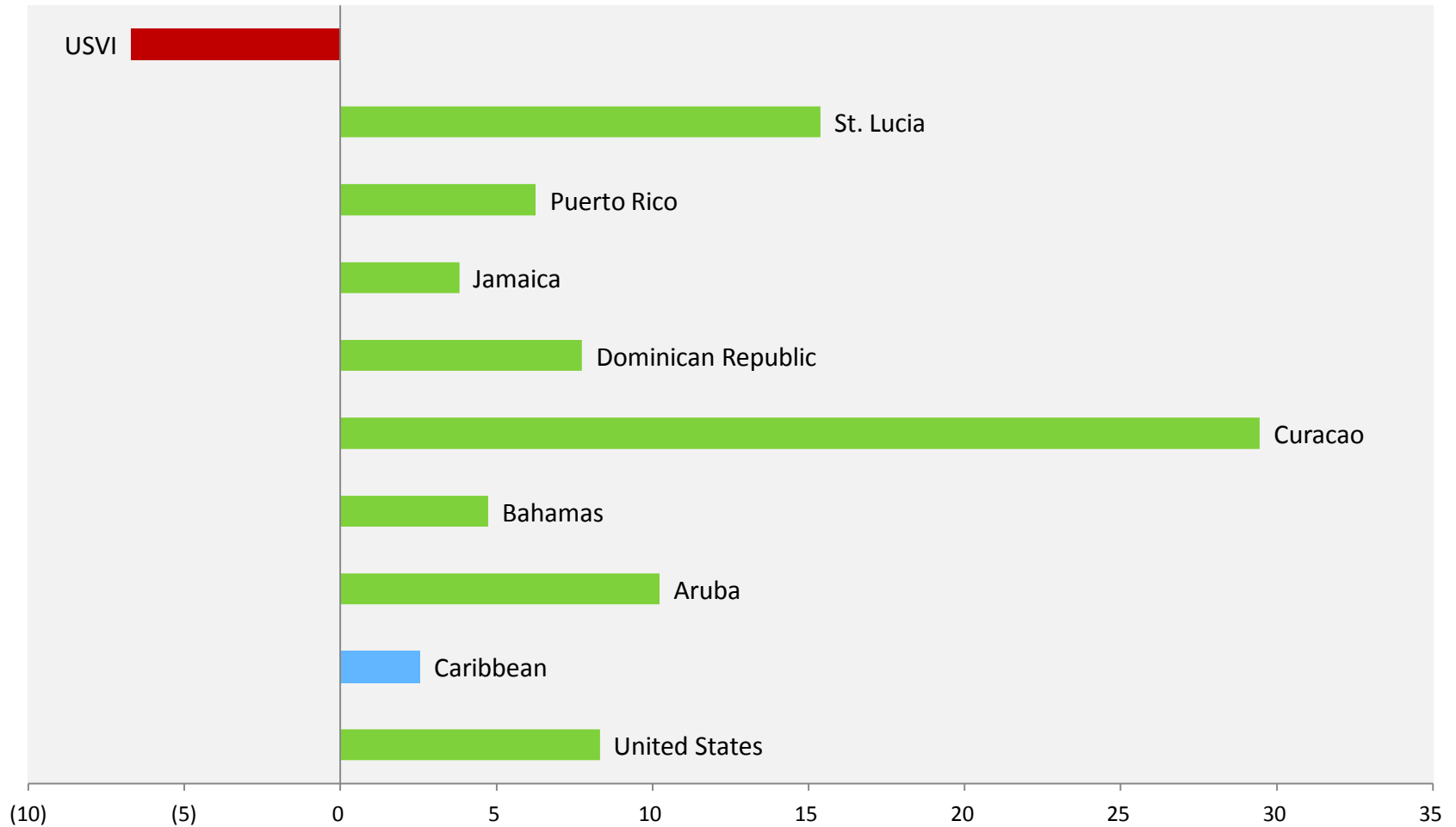
# Caribbean Metrics:

% change from 2007 – 2010 and YTD September



# Select Caribbean Market Performance

## YTD RevPAR Change (%)



# Observations & Trends

- Compared to other markets, the **Caribbean has less supply entering the region**, thus to an easier path to recovery (**Jamaica and Puerto Rico lot of new supply – Baha Mar?**)
- **Demand is back strongly**
- **Group demand returning** – rates still a challenge but increasing
- **Operators slowly gaining confidence** – should yield better
- **Deferred maintenance** – products in need of renovations
- **Increasing competition** from other destinations – new hotels (**Both within the Caribbean and outside of the region**)
- **Airlift** – American Eagle has reduced flights in the region – Jetblue has added new flights

# Observations & Trends

- Flights out of the UK – costing more due to tax imposed by government – **destinations with UK as a main source market impacted**
- **Chinese investment** interest both private and public – interested in large projects with construction opportunity
- **Banks** that are committed to region looking at **new deals** again – more so existing properties, very selective 40-50% equity required - strong branding, location, airlift essential
- **Difficult to secure financing for large mixed-use projects** that were developed on the basis of residential sales – existing backlog of condominium supply
- **Performance of Caribbean lodging market** – reliant on the economies of source markets - stronger economic recovery helps





## **For More Information, Please Contact:**

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