LATIN AMERICA & CARIBBEAN HOTELS MONITOR

MAY 2025

ISSUE 14

WHITE BRIDGE

Whitebridge Hospitality is a specialist advisor to investors, developers and operators in the hospitality industry around the globe. We provide investment, operational and planning advice, and guidance in respect of the entire hospitality spectrum, including: hotels, mixed-use resorts, leisure facilities, casinos, visitor attractions and sporting venues. Our uniquely qualified team can provide services throughout an asset's life cycle.

RLB Rider Levett Bucknall

We are a global independent construction, property and management consultancy that offers a full range of services to maximise value in all areas of the built environment. We provide cost management, project and programme management, sustainability, digital and asset advisory solutions across the whole life cycle. For more than 240 years, we have thrived by bringing together the right people and doing things the right way. Our expertise has helped deliver some of the world's most iconic projects including Sydney Opera House, the 2012 London Olympic Games and Louvre Abu Dhabi. Today we have more than 4,500 talented, diverse and amazing people operating in 34 countries around the world, all working together to make progress for our clients and communities.
RLB.com.

HOTSTATS
a Duetto company >

HotStats provides a unique monthly profit and loss data benchmarking service to hoteliers from across the globe that enables monthly comparison of hotels' performance against competitors. It is distinguished by the fact that it maintains in excess of 500 key performance metrics covering revenue, cost, profit and other statistics, providing far deeper insight into the hotel operation than any other tool.

Join the league of informed decision-makers who trust HotStats for game-changing performance insights. Discover the power of HotStats data reports today at hotstats.com.

LAC HOTELS MONITOR
MAY 2025

Introduction

According to World Bank, the LAC region is expected to grow by +2.1% in 2025 and +2.4% in 2026, making it the slowest growth region in the world for these years. Low investment (reflected in the limited number of deals done, below), high debt costs, local issues and an uncertain external environment are major barriers to the region's development. Despite this somewhat pessimistic backdrop, the region's tourism industry has boomed, with UNWTO recording that LAC exceeded 2019 (pre-C19) levels. Compared to 2023, the region witnessed +7% growth. But the key stat is surely #20 for those who know.

The encouraging UNWTO trends were reflected in actual hotel data, whereby there was lots of positive territory within the performance numbers, with Rio de Janeiro being the star (+23.3% in occupancy and +51.1% in GOPPAR) and Miraflores its understudy (+17.5% in ADR and +39.1% in GOPPAR). At the bottom end of the order, Cartagena GOPPAR fell by -10.6% and Cayman Islands by -6%.

The development of multiple luxury resort projects and the need to build resilient infrastructure are sustaining construction cost inflation across much of the Caribbean.

The number of transactions was quite limited again this last year and transparent deal data remains very limited. Elsewhere, new developments continue to be realised and refurbishments to be undertaken as properties rebadge and/or defend their market positions.

> Despite the pessimistic backdrop, the region's tourism industry has boomed.

Many thanks to our friends at HotStats for their back page feature contribution, a deep-dive into Laura's beloved Argentina.

Philip Camble
Director, Whitebridge Hospitality
Editor, LAC Hotels Monitor

Performance Trends

Apr-Mar	2024/25				2023/24				Growth			
City	ADR	Occ	RevPAR	GOPPAR	ADR	Occ	RevPAR	GOPPAR	ADR	Occ	RevPAR	GOPPAR
	€	%	€	€	€	%	€	€	%	%	%	%
Aruba	471.45	73.7%	347.40	239.98	446.27	73.0%	325.81	230.15	5.6	0.9	6.6	4.3
Bogota	148.13	58.0%	85.95	56.27	144.87	55.2%	79.95	51.56	2.2	5.1	7.5	9.1
Cartagena	160.77	65.3%	104.97	60.32	158.22	68.1%	107.77	67.47	1.6	-4.1	-2.6	-10.6
Cayman Islands	813.74	62.2%	506.54	341.50	807.31	65.1%	525.17	363.21	0.8	-4.3	-3.5	-6.0
Los Cabos	968.36	60.2%	583.19	355.78	935.16	57.1%	534.29	316.95	3.6	5.4	9.2	12.3
Mexico City	208.72	68.8%	143.52	98.55	175.55	66.6%	116.93	77.83	18.9	3.2	22.7	26.6
Miraflores	124.02	61.3%	76.04	41.15	112.43	52.2%	58.70	29.57	10.3	17.5	29.6	39.1
Rio de Janeiro	157.13	71.3%	113.69	64.98	127.45	65.9%	84.05	42.99	23.3	8.2	35.3	51.1
Santiago	211.69	66.9%	141.52	73.42	183.76	61.7%	113.44	58.10	15.2	8.3	24.8	26.4
Sao Paulo	175.62	66.3%	116.45	83.62	158.69	60.6%	96.15	63.29	10.7	9.4	21.1	32.1
Total Caribbean	404.85	71.6%	290.00	165.88	397.90	72.0%	286.74	173.02	1.7	-0.6	1.1	-4.1

Source: HotStats

- Profitability boomed in Brazil and Chile in the rolling 12-month period, led by double digit increases in ADR that facilitated the flow of revenue growth to the bottom line.
- While Argentina struggled with international visitors, Brazil and Chile achieved significant increases of foreign tourists during this period, fueling their outsized RevPAR growth.
- While beach resort destinations, like the Caribbean and Los Cabos, achieved the greatest ADR and occupancy results, their growth was on the lower end, pointing to a stabilisation of this market and the maturity of the post-pandemic boom.
- A stabilised top line coupled with growing expenses resulted in a GOPPAR fall in the Caribbean.

Hotel Construction Costs

Country	Mid market – low	Mid market – high	Luxury
	USD per sqm	USD per sqm	USD per sqm
Anguilla	3,350 - 5,260	3,830 - 6,240	4,660 - 8,610
Antigua and Barbuda	3,480 - 4,660	3,780 - 5,770	4,230 - 8,080
Aruba, Bonaire & Curacao	2,010 - 3,460	2,370 - 4,410	3,350 - 6,000
Bahamas	3,180 - 7,560	4,280 - 7,540	4,880 - 11,530
Barbados	2,560 - 4,030	2,930 - 4,850	3,830 - 6,390
Bermuda	4,070 - 4,780	4,250 - 5,470	4,780 - 6,510
British Virgin Islands	3,910 - 5,370	4,280 - 6,660	5,860 - 7,870
Cayman Islands	3,480 - 5,040	3,870 - 5,720	4,730 - 7,210
Cuba	3,550 - 5,040	3,920 - 5,320	4,140 - 7,100
Dominica	3,920 - 4,610	4,090 - 4,100	3,460 - 5,070
Dominican Republic	1,680 - 3,360	2,100 - 3,500	2,520 - 4,970
Grenada	2,880 - 4,840	3,370 - 3,950	3,330 - 4,880
Guadeloupe	3,270 - 3,970	3,450 - 5,050	4,390 - 6,050
Guyana	2,090 - 3,780	2,510 - 4,010	3,120 - 5,340
Haiti	1,630 - 2,720	1,900 - 3,670	3,070 - 4,560
Jamaica	2,380 - 3,440	2,650 - 4,780	3,740 - 6,330
Martinique	3,130 - 4,190	3,400 - 5,050	4,250 - 6,260
Mexico	2,510 - 2,940	3,310 - 4,660	3,990 - 5,690
Montserrat	3,120 - 4,420	3,450 - 5,460	4,420 - 7,020
Panama	2,410 - 3,330	2,640 - 3,930	3,260 - 4,940
Puerto Rico	3,110 - 4,190	3,380 - 5,520	4,750 - 6,670
St Kitts & Nevis	3,020 - 3,840	3,230 - 4,920	4,080 - 6,170
St Lucia	2,780 - 4,080	3,110 - 5,960	4,660 - 7,910
Sint Maarten	**2,380 - 4,510**	**2,910 - 5,900**	**4,700 - 7,690**
St Vincent & the Grenadines	3,090 - 3,920	3,300 - 5,280	3,970 - 7,240
Trinidad & Tobago	2,550 - 3,890	2,890 - 5,060	3,890 - 6,810
Turks & Caicos Islands	2,980 - 4,480	3,360 - 5,720	4,600 - 7,390
US Virgin Islands	5,640 - 7,350	6,070 - 8,680	7,730 - 10,100

Source: Rider Levett Bucknall

These costs have been prepared from a survey of Rider Levett Bucknall offices. Costs are expressed per square metre of gross internal floor area. The costs include FF&E, but exclude operator's stock and equipment. Fees, land costs and local taxes (VAT or similar) are also excluded. Costs are generally based on constructing international hotels to international specifications. Data is prepared to highlight key cost trends and differences between markets. Users should verify the suitability of general cost data to their specific circumstances. Exchange rates and inflation can distort generic data, for specific project guidance please contact Rider Levett Bucknall.

- Many Caribbean countries are experiencing economic growth fed by tourism and construction.
- Much of the construction activity is driven by luxury hospitality and residential projects.
- Creating resilient infrastructure is a key priority for many islands - resulting in infrastructure sectors also driving construction inflation in some locations.
- With many hotel projects in construction, as these head towards completion, general contractors will be looking to replenish workload.
- Exchange rate fluctuations will impact costs compared against a common currency.

Transaction Tracker

Region	Hotel	Location	No. of Keys	Total Price	Per Key
Single Asset Transactions				USD	USD
Dominican Republic	Jewel Palm Beach	Punta Cana	500	68,000,000	136,000
Jamaica	Jewel Paradise Cove Resort	Runaway Bay	225	28,500,000	127,000

Region	Hotel	Opening	Location	No. of Keys	Total Price	Per Key
Selected Development Projects					USD	USD
Puerto Rico	Hyatt Centric Isla Verde [1]	2025	San Juan	223	25,000,000	112,000
Cayman Islands	Grand Cayman Marriott Beach Resort [2]	2024	Seven Mile Beach	295	20,000,000	68,000
Bahamas	Atlantis Paradise Island [2]	2025	Nassau	3,805	150,000,000	39,000
Saint Lucia	East Winds Resort [2]	2024	Gros Islet	26	1,500,000	58,000
Bahamas	new resort in Baha Mar	2029	Nassau	350	350,000,000	1,000,000
Dominican Republic	Lopesan Costa Bavaro Resort	tbc	Punta Cana	990	300,000,000	303,000
Puerto Rico	San Juan Marriott [2]	2024	San Juan	527	80,000,000	152,000
Dominican Republic	Royalton + Hideaway at Royalton [2]	2024	Punta Cana	675	32,000,000	47,000
Argentina	Gran Melia Ushuaia	2028	Ushuaia	200	50,000,000	250,000

Source: Whitebridge Hospitality

[1] conversion only
[2] refurbishment only

The last 12 months have seen a few transactions but available data was very limited as buyers and sellers kept deal information under wraps. Here below summaries of some of the more interesting deals.

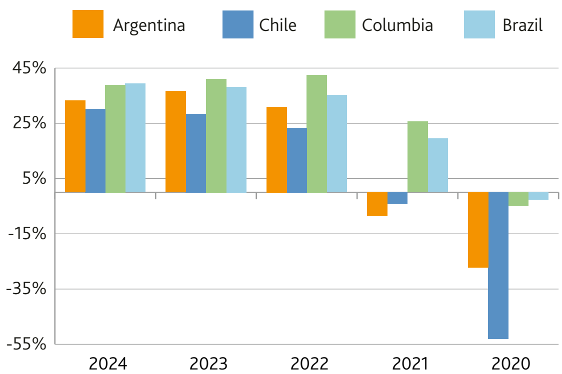
- Catalonia Hotels of Spain acquired the 518-key Holiday Inn Resort in Montego Bay, Jamaica.
- AccorHotels of France acquired Our Habitas, Mexico (formerly Habitas Group, with hotels in Central America, Saudi Arabia and Africa).
- AJ Capital Partners of USA acquired the 41-key Coral Sand Hotel in Harbour Bay, Bahamas.
- Dart of Cayman Islands acquired the 77-key Jewel Paradise Cove Resort on north coast, Anguilla.
- Hyatt Hotels of USA acquired outstanding shares in Playa Hotels, USA (with hotels in Caribbean and Mexico, USD2.6bn).

Prices have been rounded where appropriate. We do not warrant the accuracy of this data which was obtained from publicly available sources and reported in industry journals. Conversions to USD were made according to the exchange rate at the time of the announcement.

ARGENTINA OVERVIEW

In 2024, Argentina recorded its first gross operating profit (GOP) margin year-over-year contraction since the start of the pandemic recovery, falling by 3.5 percentage points to 33.2%. This was in sharp contrast to the growth the country experienced in 2023, and the reasons behind this drop in performance are manifold, ranging from currency exchange rate shifts to inflationary trends.

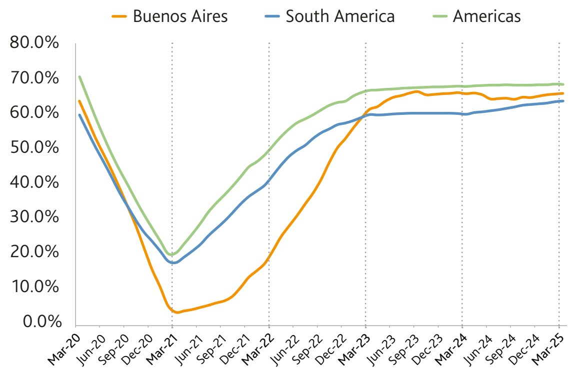
Evolution of GOP margins



During the COVID pandemic, the Argentine government put in place a severe action plan, but once restrictions were lifted at the end of 2021, hotel performance accelerated back into recovery. During 2022 and 2023, Argentina recouped 45.2 percentage points of GOP margin, moving from -8.5% to 36.7%, largely surpassing Chile and closing the gap to Brazil.

This recovery was facilitated by the devaluation of the Argentine peso, which resulted in a surge of international travellers. A change in the direction of the economic policy in 2024, though, resulted in a stronger peso and a year-over-year fall of 8.4% of international visitors, according to the country's National Institute of Statistics and Census (INDEC). The appreciation of the currency also made it cheaper for Argentines to travel abroad and as a result, occupancy lost 3.4 percentage points year-on-year.

Pandemic and currency effects on occupancy



Despite this, there were improvements in the business transient and corporate group segments, which increased their participation as percentages of Rooms revenue by 0.8 and 2.5 percentage points, respectively. In turn, this segmentation shift brought about a change in the makeup of F&B revenue. While conference food revenue increased its share by 7.4 percentage points, venues (like restaurants and bars) decreased by 7 points. Similarly, conference beverage revenue was up 5.6 points, but its venue counterparts were down 5.5 points.

The peso's appreciation capped the ability of hotels to increase rates while making operations more expensive, particularly through heightened labor costs. Payroll as a percentage of total revenue climbed to 33.3% in 2024, a 3.9-point annual jump. Non-management salaries and wages in the Rooms and F&B departments accounted for 71% of the increase, and this trend remained strong in the first quarter of 2025 as union negotiations continued to push wages and benefits up to keep up with inflation.

The Argentine political and economic landscape is moving toward stabilization in 2025, with decreasing inflation rates and improved predictability. These are all factors that can continue to fuel business transient and corporate group expansion, as international and local companies increase their travel spend in the country. We also expect a further normalization of costs of sales and other expenses as the year progresses, and a more moderate collective labor agreement between unions and hotel companies, which should help alleviate GOP margin erosion in the following quarters.

WHITE BRIDGE

Telephone: +44 (0)20 7195 1480
philip.camble@whitebridgeh.com
whitebridgehospitality.com

RLB | Rider Levett Bucknall

Telephone: +1 758 452 2125
david.piper@lc.rlb.com
paul.beeston@uk.rlb.com
rlb.com

HOTSTATS
a Duetto company >

Telephone: +44 20 7892 2222
enquiries@hotstats.com
hotstats.com