

2024 REPORT

CARIBBEAN REPORT

CONSTRUCTION MARKET
INTELLIGENCE



WELCOME

THE CARIBBEAN REPORT

The Rider Levett Bucknall (RLB) Caribbean Report is published annually and provides detailed local construction market intelligence and data. The insights within it are advised by more than 40 years of local experience.

With a network that covers the globe and a heritage spanning over two centuries, Rider Levett Bucknall is a leading independent organisation in cost management and quantity surveying, project and programme management, asset advisory and specialist consultancy.

Our achievements are renowned: from the early days of pioneering quantity surveying to landmark projects such as the Sydney Opera House, HSBC Headquarters Building in Hong Kong, the Rio de Janeiro 2016 Olympic and Paralympic Games, and the MSG Sphere in Las Vegas.

We continue this successful legacy with our dedication to the value, quality and sustainability of the built environment. Our innovative thinking, global reach, and flawless execution push the boundaries. After over two centuries of taking ambitious projects from an idea to reality, we know we do more than quantity surveying – we're 'Bringing imagination to life'.

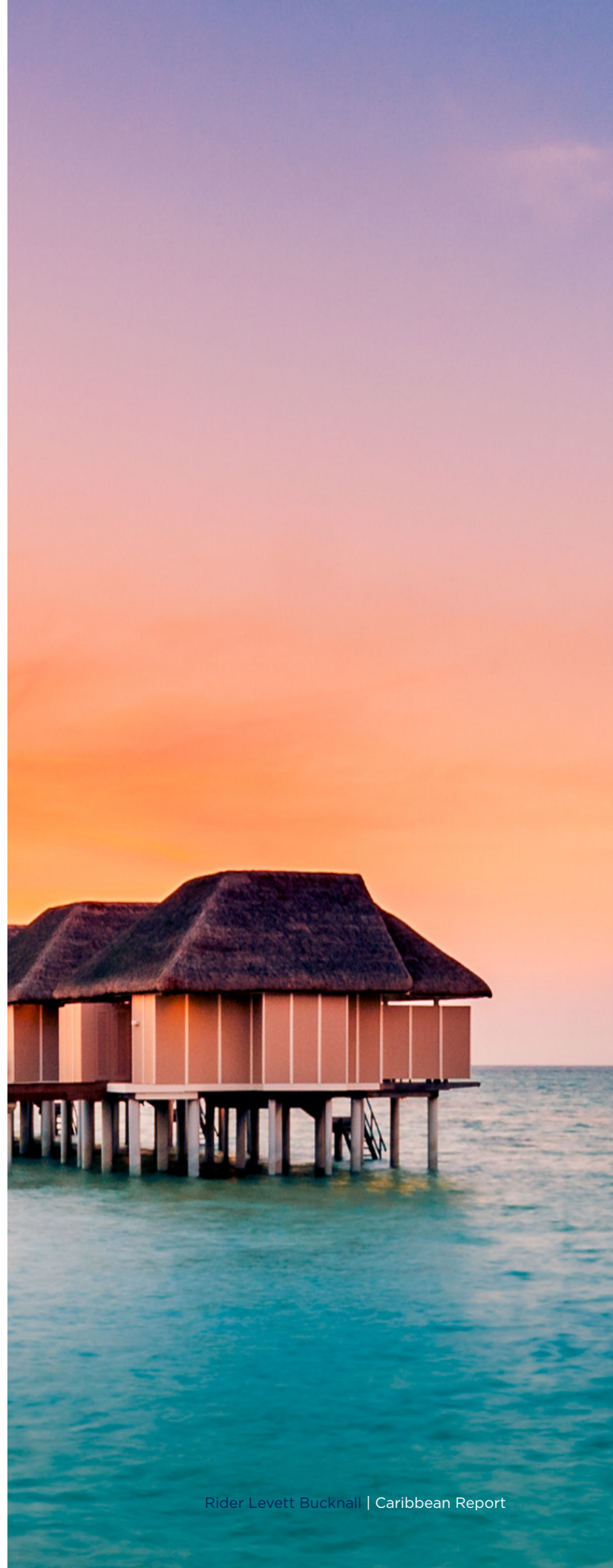
4,300
STAFF

40+
COUNTRIES

200+
YEARS

DAVID PIPER BENG (CIVIL) ASSOCIATE PRINCIPAL

(m) +1 758 520 1963
(t) +1 758 452 2125
(e) david.piper@lc.rlb.com



CARIBBEAN REPORT 2024 OVERVIEW

2024 is off to a cautiously optimistic start, with the predicted global recession expected to be relatively mild and shallow (if it happens at all), and indications that late 2024 and 2025 should see lower volatility and greater predictability. Inflation is also expected to trend lower than initially projected.

In 2023, Latin America and the Caribbean experienced a significant economic slowdown, growing just 2.2%. The outlook for the region is good, with the exception of Guyana, which is experiencing a resource boom. Caribbean economies are expected to grow by 4.1% in 2024 and 3.9% in 2025, partly due to the ongoing expansion of the tourism sector.

Guyana's transformation over the last five years from one of the poorest countries in the western hemisphere to the fastest growing economy in the world in 2023 has fueled an impressive infrastructure and construction boom that could have wide reaching positive implications for the Caribbean region. Despite this, the global economy overall is unlikely to thrive in 2024 as states continue to battle inflation and high interest rates, and in the Caribbean the challenge of intra-regional travel among the small island states of the sub-region presents an additional hurdle.

While the global economy faces challenges such as inflation and high interest rates, the outlook for 2024 remains fair. The resilience and adaptability of economies globally offer hope for gradual recovery and sustained growth in the years ahead.

RLB IN THE CARIBBEAN

WHO WE ARE

At RLB, our approach allows us to deliver successful outcomes to property and construction projects by tailoring our services to match client goals and needs. Our team specializes in creating, evaluating, and managing project controls that address the critical issues of time, cost, scope, and quality in the built environment.

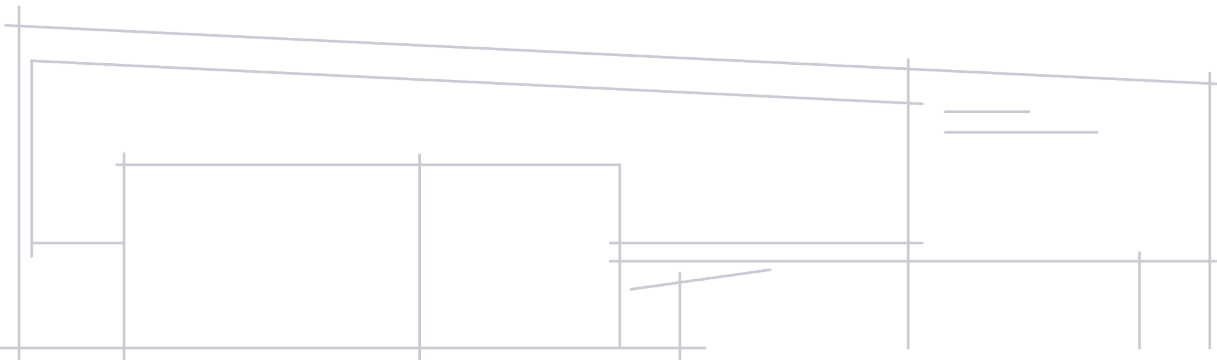
We are a recognized industry leader and a trusted advisor to our clients, with a network that covers the globe and a heritage spanning over two centuries. Our experience has taught us that to achieve success in today's market, it is vital to manage risks and opportunities. From pre-construction, through construction, to turnover, our primary goal is to afford clients the level of certainty they need to make critical, real-time decisions to ensure the commercial success of their projects.



RLB IN THE CARIBBEAN

Spanning 1,500 miles, the Caribbean is a diverse region with unique regulations in each country; these include the need to import the vast majority of materials, the use of a limited and less mechanized work force, immigration controls and construction contracts unique to the region. With a presence going back to 1969, RLB has demonstrated construction expertise and further developed it to manage challenges unique to the Caribbean. We provide expertise on a wide array of project management, cost management, and quantity surveying, as well as advisory services, enabling us to be one of the most recognized firms in the property and construction industry.

With unparalleled local market knowledge, our offices in St. Lucia continue to provide superior service throughout the Caribbean.



WHAT WE DO

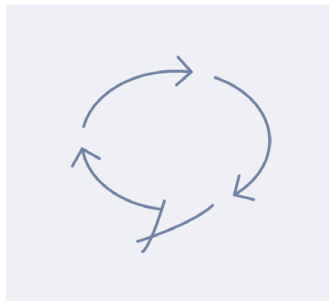


PROJECT MANAGEMENT

At RLB, project management is a multi-faceted core specialty.

Project managers combine cost consultancy knowledge, project management ability, and communication skills to run construction jobs from concept to completion. They understand the balance needed to meet budget and milestones within time frames without compromising quality.

- Owner's Representative
- Planning & Scheduling
- Project Management
- Project Evaluation
- Project Monitoring
- Risk Management
- Transition Planning

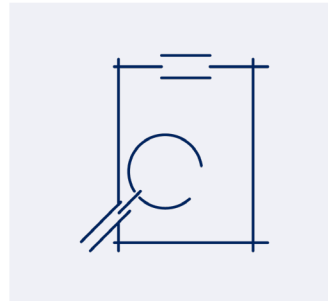


COST MANAGEMENT & QUANTITY SURVEYING

Cost management is at the core of RLB's specialties.

This specialty encompasses cost estimating, cost management, the production of tender and contract documents, the financial administration of building contracts and dispute resolution.

- Bid Evaluation & Reconciliation
- Cost Modeling
- Cost Planning
- Feasibility Studies
- Life-Cycle Cost Modeling/ RELifing
- Pre-Construction & Construction Cost Management
- Special Cost Studies & Reports
- Specialized MEP Cost Advice

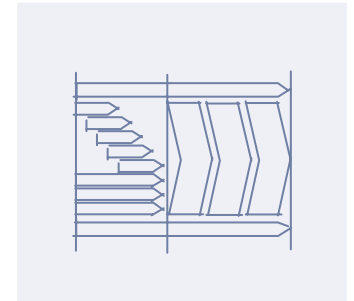


ADVISORY

Our advisory specialty was developed in response to client needs for total asset management.

We employ a more sophisticated approach to the questions of conception, delivery, operation, and disposal of build assets throughout the property life cycle. Today, RLB's expertise and experience across the property cycle makes a real difference to a customer's corporate performance.

- Alternative Dispute Resolution
- Change Order Analysis
- Claims for Additional Compensation
- Construction Defect Investigation



SCHEDULING

Our scheduling specialty allows us to provide clients with commercial success.

Our scheduling services span a diverse and wide range of offerings, including: portfolio and program schedule management, contract review and specification writing, contractor schedule auditing, forensic delay analyses, time performance dash boarding, and formal schedule risk management.

- Scheduling Services for Construction Owners
- Master Program Scheduling
- Forensic Delay Analysis
- Project Controls
- Risk Management
- Stakeholder Resource

MARKET DATA

CARIBBEAN COSTS

The following data represents estimates of current building costs in the respective market. Costs may vary as a consequence of factors such as site conditions, climate conditions, standards of specification, market conditions etc. Costs are given per square foot of gross floor area.

LOCATION	OFFICES				RETAIL				INDUSTRIAL	
	PREMIUM		GRADE A		SHOPPING CENTRE		STRIP SHOPPING		LOW	HIGH
	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH		
(US\$) - COSTS ARE GIVEN PER SQUARE FOOT OF GROSS FLOOR AREA										
ANGUILLA	286	473	209	330	220	418	176	352	110	198
ANTIGUA & BARBUDA	275	440	242	396	198	358	187	352	121	231
ARUBA, BONAIRE & CURACAO	326	446	242	389	210	263	200	252	105	189
BAHAMAS	440	715	374	638	242	418	220	358	165	330
BARBADOS	286	479	264	418	209	330	187	297	88	248
BERMUDA	418	561	418	528	358	462	308	413	275	374
BRITISH VIRGIN ISLANDS	358	385	308	468	253	418	198	275	132	264
CAYMAN ISLANDS	374	572	352	528	336	451	308	418	198	336
CUBA	420	580	360	520	420	580	300	405	180	280
DOMINICA	226	252	184	252	231	273	179	225	168	273
DOMINICAN REPUBLIC	137	231	116	189	116	1838	105	158	74	110
GRENADA	310	400	314	325	240	325	215	300	165	240
GUADALOUPE	284	336	210	310	179	267	205	268	131	205
GUYANA	165	308	154	264	121	198	110	176	82.5	132
HAITI	248	330	165	248	132	220	121	204	55	104
JAMAICA	273	326	210	336	190	170	158	236	90	180
MARTINIQUE	297	352	220	325	187	286	215	280	125	195
MONTSERRAT	229	380	195	311	184	345	150	299	92	184
PANAMA	198	330	165	275	165	275	149	225	105	187
PUERTO RICO	328	437	258	368	258	328	130	210	100	160
ST KITTS & NEVIS	263	378	215	294	194	273	205	273	100	215
ST LUCIA	315	483	236	378	200	294	225	294	110	230
SAINT MAARTEN	374	616	286	468	210	330	205	320	130	240
ST VINCENT & THE GRENADINES	231	273	205	284	168	252	200	257	110	147
TRINIDAD & TOBAGO	291	515	258	459	180	310	140	210	115	270
TURKS AND CAICOS ISLANDS	407	649	308	572	231	528	220	319	125	190
US VIRGIN ISLANDS	384	564	360	516	300	432	228	312	192	288

LOCATION	HOTELS				RESIDENTIAL MULTI-STOREY				
	5 STAR		3 STAR		INVESTMENT		OWNER OCCUPIED		
	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	
(US\$)									
ANGUILLA	429	792	308	484	319	528	550	935	
ANTIGUA & BARBUDA	374	715	308	413	231	440	385	688	
ARUBA, BONAIRE & CURACAO	305	546	184	315	184	289	273	446	
BAHAMAS	440	1040	286	682	242	462	506	1001	
BARBADOS	330	550	220	347	352	473	473	550	
BERMUDA	440	599	374	440	358	440	440	638	
BRITISH VIRGIN ISLANDS	528	710	352	484	253	374	308	528	
CAYMAN ISLANDS	418	638	308	446	264	369	330	605	
CUBA	350	600	300	425	N/A	N/A	N/A	N/A	
DOMINICA	315	462	357	420	231	320	252	441	
DOMINICAN REPUBLIC	221	436	147	294	100	179	136	263	
GRENADA	300	440	260	340	200	340	336	450	
GUADALOUPE	389	536	289	352	273	378	315	431	
GUYANA	264	451	176	319	104.5	187	159.5	275	
HAITI	248	369	132	220	132	204	193	253	
JAMAICA	330	560	210	305	210	360	340	475	
MARTINIQUE	380	560	280	374	286	396	330	440	
MONTSERRAT	391	621	276	391	230	391	391	472	
PANAMA	297	450	219	303	182	286	231	335	
PUERTO RICO	420	590	275	370	200	290	280	420	
ST KITTS & NEVIS	368	557	273	347	252	368	294	483	
ST LUCIA	420	714	250	368	260	390	315	483	
SINT MAARTEN	424	693	215	407	242	396	330	561	
ST VINCENT & THE GRENADINES	352	641	273	347	210	383	242	399	
TRINIDAD & TOBAGO	350	615	230	350	150	280	250	426	
TURKS AND CAICOS ISLANDS	407	655	264	396	286	462	418	671	
US VIRGIN ISLANDS	624	816	456	594	288	402	324	492	

MARKET INTELLIGENCE



ANGUILLA

After GDP growth in 2022 of 21.6%, the Eastern Caribbean Central Bank (ECCB) predicts that economic activity will grow by 5.5% in 2023, supported by a steady, albeit slower, global expansion that will encourage tourist activity and FDI related construction activity.

Following completion of Phase One of the Aviation Masterplan - relating to the enabling works of the Clayton J. Lloyd International Airport - Phase Two will see the construction of the Cargo Facility, the design of the new terminal building and continued air and land side ground works. A total of EC\$267 million will be allocated to investing in the international airport to develop the modern terminal and an expanded runway.

Hotel developments underway or planned include Ani Private Resorts, a new 150-suite resort on Shoal Bay, which is set to open in 2024. Following the acquisition by AJ Capital Partners, there are plans to make significant improvements to the Malliouhana Hotel & Spa, overlooking Meads Bay and Turtle Bay.



ANTIGUA & BARBUDA

The economies of Antigua and Barbuda are expected to remain buoyant, with growth of 5% forecast for 2023, following 6% in 2022, with 4% expected for 2024. In this, it will be helped by a recovery in tourist numbers, with arrivals up by 10% in the first nine months of 2023 on 2022 levels. Cruise visitors are particularly significant, with the first nine months of 2023 seeing more than double the number of 2022 figures.

Antigua's appeal as a tourist destination has been increased by American Airlines adding more daily nonstop flights to Antigua and Barbuda. It is expanding its service to Antigua out of Miami, with plans for a second daily nonstop flight between Miami and Antigua beginning in June 2024.

The hotel sector is witnessing a significant increase in the room inventory. Openings in the final quarter of 2023 include the 111 refurbished rooms at Hawksbill, the \$2.2 million renovations at the Curtain Bluff Resort, Halcyon Resort reopening as Royalton Chic with 260 rooms and the restoration of 200 rooms at Jolly Beach. Over 500 Airbnb, bed and breakfasts, and villa units have also added to the portfolio, which has increased the destination's room count by 1,100. Other new hotels planned or under construction include the Rosewood Barbuda, Moon Gate (featuring 40 units), the Nikki Beach Project, the Peace Love & Happiness Resort with 240 rooms in Barbuda and Robert De Niro's \$733 million investment in a new resort to be built on the abandoned K Club Resort site at Nobu Beach. One&Only Resorts is planning to open its first property in the Caribbean, with a 132-acre site in Half Moon Bay offering a hotel and community of private homes. It is scheduled to open in 2027.



ARUBA, BONAIRE, AND CURACAO

Aruba's real GDP returned to pre-crisis levels in 2023, driven by a sustained recovery in private consumption. The IMF has forecast real GDP growth of 1.6% in 2023 and 1.2% in 2024. The continued recovery in the tourism sector will be a significant factor, with tourist arrivals up by 12% in the first nine months of 2023 over the previous year.

A number of large hotel projects are being constructed in upcoming years. The new Ritz-Carlton Aruba is due to open at the end of 2023 with 320 rooms, while the Marriott Aruba Ocean Club, a 344-room tower extension, is set to open in 2024. Meanwhile, the 583-room Tropicana Aruba Resort & Casino is undergoing renovation. These developments will be helped by the planned expansion in flights from Baltimore to Aruba by Southwest Airlines in summer 2024.

After growing by nearly 12% in 2021, after an 8% contraction in 2020, the economy of Bonaire is growing at 2.5-3% per annum. Tourism is the largest sector within Bonaire's economy, representing around 40%. The government is currently developing its Masterplan 2030 to secure the future of the country. It includes sections on infrastructure, sustainable tourism and energy, and technology.

The IMF predicts that after a robust 8% recovery in 2022, output growth in Curacao is expected to moderate. Further expansion of the hospitality sector would support GDP growth of 3% in both 2023 and 2024.

Two of the main contributors to the growth of the economy are the resumption of operations at the Isla oil refinery plant (closed in 2018) and the lifting of travel restrictions. Tourist arrivals were up by 18% in the first nine months of 2023 and for the first time stay-over arrivals have exceeded 0.5 million in a single year. The opening of the Sandals Royal Curacao resort has helped to spur significant growth in arrivals, particularly from the United States, while at the end of 2023 Hilton opened the new Rif at Mangrove Beach Corendon Curacao.



BAHAMAS

The Bahamas' tourism-dependent economy has recovered from the Covid-19 pandemic, with over seven million, mostly American, tourists in 2023. The World Bank estimates real GDP growth of 4.3% in 2023 and 2% in 2024. The government will continue to support the tourist sector and continue efforts to enhance transparency in the financial sector. However, the economy remains vulnerable to any economic slowdown in the USA.

Several infrastructure developments will boost tourism in the Bahamas. In terms of airports, these include a new international airport terminal at Grand Bahama Airport and a new airport on Cat Island. The Nassau Cruise Port has recently completed the first phase of a \$300 million redevelopment project. (In the first nine months of 2023, the port welcomed 3.2 million cruise passengers, more than the total for 2022.) Finally, the Grand Bahama Shipyard is planning a \$600 million "transformation" project to ensure that the docks are capable of servicing all existing and currently planned cruise ships.

A series of additional flights will also enhance tourist appeal. Bahamasair has started its first-ever nonstop service between Fort Lauderdale and George Town, Great Exuma with two flights a week, while Southwest Airlines is to establish a new route from Orlando to Nassau. JetBlue has opened a new non-stop route between Los Angeles and Lynden Pindling International Airport in Nassau. Alaska Airlines is launching its own first-ever service to the Bahamas, with service from both Los Angeles and Seattle.

In 2023, the country welcomed a record eight million visitors, including cruise passengers and stayover arrivals.

The legendary British Colonial Nassau resort has officially reopened its doors following a dramatic renovation, while there are two additions to the hospitality offering that are due to open in 2024. Firstly, the private-island resort at Montage Cay will feature 50 all-suite accommodations, while the Abaco Club at Winding Bay will open its latest development.



BARBADOS

According to the Central Bank, the economy was expected to have seen 4-5% growth in real GDP in 2023, although other forecasts go as high as 6.5%. This marks only the second year of expansion since 2017. This growth has been led by a continued recovery in tourism numbers and increased construction activity.

Barbados has a goal of transitioning to a fully renewable-based economy by 2030. This is supported by a US\$100 million loan from the World Bank to support low carbon economic development and resilience to climate change.

Hospitality developments include the 421-room Sam Lord's Castle Barbados, a Wyndham Grand Resort, due to open in

late 2024. Pendry Hotels and Resorts plan to open two hotels in 2026 – Pendry Barbados and Pendry Residences Barbados – in St Peter. Meanwhile, the Grove Group are developing Eden Grove, a 20-acre, \$100M project consisting of 150 homes, a hotel and a range of facilities.

Bridgetown Port is undergoing a major development, which will include the expansion of Berth 6, a container freight station and a central container examination facility.



BERMUDA

Following a 3.5% growth in GDP in 2022, Bermuda's economy is forecast to have grown by 3% in 2023. The government's National Economic Report of Bermuda predicts a growth for 2024 to be of a comparable size to 2023. As with a number of Caribbean islands, tourism is a key element in economic recovery. In the first nine months of 2023, total visitor arrivals exceeded 0.5 million, an increase of 33% on 2022.

The 2023/24 budget has the highest level of capital spending in 13 years. The government is prioritising critical infrastructure projects, which will work as stimuli for economic growth and job creation. One of the most important is Morgan's Point Project, with a proposed new redevelopment vision and investment plans for the first development phase. It also includes investment in the Hamilton floating dock, Tynes Bay Water and Waste Treatment Facility, and Parish primary school education facilities. In addition, the Government aims to support the construction of residential developments in Bermuda's three economic empowerment zones.

The Fairmont Southampton, an iconic resort set in 100 acres, is scheduled to reopen in 2024 after significant investment. This follows the closure of the property in 2020. There are also plans for a new hotel on the former Ariel Sands site, which closed in 2008.



BRITISH VIRGIN ISLANDS (BVI)

The country's budget for fiscal year 2024 of \$383 million budget is slightly down on the level for 2023 and recognises the challenges ahead, despite the fact that the economy had held up well. The largest allocations have gone to health, education and pensions, public debt and funds contributions. In 2022, the UK decided not to impose direct rule on the British Virgin Islands, despite a report finding gross failures of governance in the territory, and the Premier is focusing on implementing government reforms to avoid the imposition occurring in the future.

The UK government has confirmed its support for the Virgin Islands in their pursuit of investment for crucial infrastructural projects. Discussions have primarily focused on infrastructural development, with a particular emphasis on the urgent need for airport expansion in the Virgin Islands.

An economic zone is due to be completed in 2024.

MARKET INTELLIGENCE

The delayed Huntums Ghut Economic Zone (HGEZ) project is aimed at supporting prospective businesses, while \$4 million has been allocated in the budget to commence the construction of the West End Ferry Terminal. Major hotels and resorts, such as at Nanny Cay, Peter Island, Long Bay, Bitter End and Eustatia Island, either commenced large-scale expansion work in 2023 or will start in 2024.



CAYMAN ISLANDS

Real GDP growth in the Cayman Islands is forecast at 2.5% in 2023, following 4% in 2022. Further growth of 2% is predicted for 2024. Tourism is the main driver for growth. While the numbers were well up in 2023, the total is still well short of those for 2019, pre-Covid. The government is focusing on supporting the offshore financial industry by addressing reputational concerns and global demands for greater transparency.

The Cayman Islands has approved the development of four airport projects that will improve safety and regulatory concerns and accommodate visitor growth. The \$91 million worth of projects include extending the runway at Owen Roberts Airport on Grand Cayman, the Cayman Islands' main international airport, and upgrading its air traffic control systems; constructing a new general aviation airport; and improving runway end safety at Charles Kirkconnell Airport, the international airport on sister island Cayman Brac.

Several new hotels are due to open in the next two years. In mid-2025, the 10-storey Grand Hyatt is hotel is due to open at Seven Mile Beach, with 350 rooms. Another hotel on Seven Mile Beach - IHG's Indigo Hotel - is set to open in 2024. Meanwhile, in George Town, ONE|GT offers a 175-suite hotel and residences with amenities when it opens in late 2024.



CUBA

The Cuban economy is suffering, with growing energy shortages due to expensive oil imports and record numbers of Cubans fleeing the country being major contributors. International investment is lacklustre and government expenditure is declining. Growth of below 2% in 2023 is less than was expected, with perhaps 2-2.5% in 2024 as the economic situation improves.

In total, there are 18 foreign hotel chains operating in Cuba. One of these - Meli· Hotels International - is continuing to boost its presence in Cuba. Two hotels opened in late 2023 - the 400-room Meli· Trinidad Peninsula (set at the edge of Trinidad's Maria Aguilar Beach) and the 400-room Sol Caribe Beach in Varadero. Other forthcoming Meli· projects include The INNSiDE Habana Cathedral, a new 50-room hotel as well as taking over the management of the historic Hotel Sevilla in Havana, located by the Paseo del Prado, and the 531-room Sol Turquesa Beach hotel in Holguín.



DOMINICA

The recovery in the Dominican economy saw real GDP growth of 6.9% in 2021 and 5.7% in 2022, driven by construction of climate-resilient infrastructure, a rebound in tourism and a substantial rise in agricultural output. The IMF predicts that growth is expected to stay above 4.5% in 2023-24, as tourism returns to pre-Covid levels.

The construction market is boosted by the development of the new international airport and geothermal power plant. Work on the passenger terminal building is due to start in 2024, followed by the runway, taxiway and apron in 2025. The 7-MW geothermal power plant in the Rosseau Valley area was scheduled for completion by early 2024.

The Citizenship by Investment Programme has resulted in a number of new hotel developments worth \$350 million, with seven completed between 2021 and 2023. IHG has converted and renovated an existing spacious resort and InterContinental Dominica Cabrits Resort & Spa marks the brand's third Caribbean resort hotel.



DOMINICAN REPUBLIC

The Dominican Republic has been one of the strongest economies in the Caribbean in recent years, helped by being a major tourist destination. However, a slowdown in the US economy has contributed to substantially lower growth in the Dominican Republic. An increase in GDP of around 2.5% is predicted for both 2023 and 2024 (compared to 12% in 2021 and 6% in 2022).

With its reliance on tourism, the Dominican Republic plans to develop 75,000 additional hotel rooms along the Punta Cana coast over the next 15 years. Recently opened hotels include the renovated Bahia Principe Luxury Esmeralda all-inclusive resort in Punta Cana, the Wyndham Garden El Morro Montecristi and the Hilton Garden Inn in La Romana. Another new hotel is Hyatt's Sunscape Coco Punta Cana, while opening in 2024 is Zemi Miches All Inclusive Resort, Curio Collection by Hilton, located north of Punta Cana in the coastal town of Miches.

A new airport is needed to meet this planned growth. In a private initiative, the Grupo Abrisa consortium is building an airport to meet the region's growing tourism needs. B-varo International Airport will cost over \$200 million. However, this is proving to be a controversial project. In addition, the \$290 million expansion of Terminal B at the Punta Cana International Airport will enable it to handle four million passengers a year.



GRENADA

Following a major contraction in 2020, the economy of Grenada has been recovering healthily. The IMF reports that growth of 3.5-4% is anticipated in both 2023 and 2024, although the government was forecasting 7% growth for 2023. In addition to improved tourist activity, the government has been working on expanding its sources of revenue, including the creation of the citizenship by investment program (CBI), which has produced a resurgence in the construction and manufacturing sectors of the economy.

Several major public and private sector projects are ongoing, including the Molinere Landslip Rehabilitation Project, the Agricultural Feeder Roads, the St. John's River Flood Mitigation Project (Phase II) the Beach House Project, and the Six Senses Hotel Development. The \$2 billion Grenada National Resort Project began construction in 2023. Funded through the CBI programme, it will include a 500-room hotel. It is expected that further growth will be boosted by foreign investment in areas such as tourism.



GUYANA

The discovery of oil in Guyana has made it one of the fastest growing economies in the world: After real GDP growth of 62% in 2022 and 37% in 2023, the IMF predicts further growth of 27% in 2024. It is anticipated that the economy could increase by more than 100% over the next five years.

This growth is largely driven by rising oil exports from Stabroek Block, an offshore oil field being developed by an Exxon Mobil-led consortium. Oil production began in 2019 and oil reserves exceed 11 billion barrels. Exxon and its partners also plan to develop the Whiptail offshore oilfield. Total oil production in Guyana could jump from around 390,000 barrels per day in 2023 to over a million barrels per day by 2027.

The GY\$781.9 billion budget for 2023 is 41% larger than that of the prior year and was composed to cater for investments in agriculture, green energy, infrastructure, health and education. Infrastructure projects include roads and bridges, housing, and power generation.

With an expected demand for 2,000 rooms by 2025, there have been a number of hotel developments. Due to open in 2024 are the 125-room Hyatt Place Hotel at Providence, the 150-room Courtyard by Marriott Hotel, which is being constructed in Timehri and the 200-room Pasha Global/Blue Bridge hotel at Liliendaal, Greater Georgetown.



HAITI

Haiti is one of the poorest countries in the world. It faces concurrent political, security and health crises. The economy has contracted every year from 2019 to 2022 and the World Bank expects a further fall of 2.5% in 2023. Their prediction of a potential rebound of 1.3% in 2024 is dependent on the stabilization of the political context and improvements in security.

There is considerable external financial support to assist Haiti. As of October 2023, the World Bank's portfolio in Haiti comprised 18 active projects for a total commitment of US\$1.25 billion. Nearly 30% of this is aimed at the transportation sector. In addition, the International Finance Corporation (IFC) was supporting six projects with an initial commitment of \$22 million at October 2023. IFC supports the private sector in Haiti. As of October 2023, IFC's portfolio is comprised of six projects with an initial commitment of \$22.36 million.

MARKET INTELLIGENCE



JAMAICA

The IMF predicts economic growth in Jamaica of 2% for both 2023 and 2024. These represent revisions downwards as part of a global downgrade of economic activity expected.

Tourist travel has been boosted by the large-scale expansion and upgrade project at the Sangster International Airport in Montego Bay. In addition to improved customer facilities, the upgraded infrastructure at the airport includes a runway extension and a widened taxiway. This enables the airport to accommodate larger aircraft, including the Airbus A380. A further increase in tourist arrivals will be aided by American Airlines launching its first-ever service between Miami and Ian Fleming International Airport on the north coast of Jamaica in the first quarter of 2024.

Jamaica has enjoyed a record four million visitors during 2023 and has long-term ambitions to increase this number to eight million. Sangster International Airport in Montego Bay is projecting more than 5 million passengers passing through in 2023 for the first time. The US and Canada are both providing large numbers of tourists.

Approximately 8,000 hotel rooms are due to be built over the next two to five years (current stock is in excess of 25,000). Over the next 5 to 10 years, investment projects will see an additional 15,000 to 20,000 new rooms with investments valued at US\$4-5 billion. In late 2023, Marriott opened the 352-room Hideaway at Royalton Blue Waters, an adults-only resort in Montego Bay. It is adjacent to the company's existing Royalton Blue Waters resort and forms part of a growing hotel portfolio in Greater Montego Bay.

In 2024, the Hotel Riu Palace Aquarelle, located on the seafront in Falmouth, will open, with 700 rooms. Future hotel projects include the Princess Grand Jamaica Resort in Negril, which will consist of a combination of four separate resorts, fourteen overwater villas and a casino. The first phase of 1,005 luxury ocean view suites is due to open in the first quarter of 2024, while the second phase will consist of another 1,025 suites. A major development in St James will also offer up to 2,000 rooms. The UNICO Montego Bay will be a 451-room luxury adults-only all-inclusive resort, to be joined by other high-end brands, such as Hard Rock.



MONTSERRAT

The Montserrat economy contracted by 1% in 2022, (following growth of 5% in 2021) with construction activity softening alongside a decline in public sector investments. While the economy is expected to have rebounded in 2023 (the government forecast was for 5% growth), there are a number of local and international challenges.

With a grant of £28 million from the UK government, the current Little Bay Port Development Project in Montserrat will enhance port services, increase accessibility to the island,

improve connectivity, and trade and investment opportunities between the island and the rest of the world. It is also seen as a trigger to develop the Little Bay Town Centre. Other major projects include the construction of the National Hospital, improvements to the airport, a new asphalt product plant and upgrades to basic infrastructure.



PANAMA

Following real GDP growth of 11% in 2022, the economy grew by an estimated 6% in 2023. The government is forecasting a 5% increase in 2024, with the economic growth being supported by transport and telecommunications, manufacturing, tourism, construction, trade and other industries. Cobre Panama is a major copper mine and one of the largest in Central America. Operated by Canadian firm First Quantum, it is a major element in the economy but has been the subject of major protests.

The new Tocumen International Airport in Panama has increased capacity from 5.8 to 15 million passengers a year, establishing an important new hub for the Americas. The growth in tourism will be further aided by several new direct flights into Panama from the U.S., plus a golden visa and a digital nomad programme that are easier to secure and access than in many other countries, compared to other programs around the world.

Following the 2023 opening of the Sofitel Legend Casco Viejo Panama and the 124-room Hotel Indigo Panama City Marina, 2024 sees the 382-room Hyatt Regency Panama City open in 2024. It will be the first Hyatt Regency hotel in Panama City and the third Hyatt hotel in Panama.



PUERTO RICO

Puerto Rico has been hit by various natural disasters (hurricanes in 2017 and 2022, and seismic activity in 2020), as well as Covid. The IMF expects that Puerto Rico's GDP will have grown by 0.4% in 2023, followed by a negative growth of 1.6% in 2024, mainly due to the bankruptcy of the central government. Real GDP is expected to be fairly flat in until 2028.

The economy has been suffering a recession for over a decade, which has led to high levels of debt. With the destruction of nearly half a million homes after Hurricane Maria and increased unemployment brought on by the pandemic, almost half of the population still lives below the poverty line.

Despite these issues, the tourism sector flourishes, with 2023 arrival numbers outperforming 2019 (pre-Covid) figures. Passenger traffic at San Juan's International Airport exceeded 11 million in 2023, up by 20% on 2022. This is helped by significant tourist developments and additional flights. For example, United Airlines has added a new route from Denver to San Juan.

On the hospitality front, The Fairfield by Marriott Luquillo Beach opened in late 2023, while the El Ponce Intercontinental will reopen as a Sonesta, The Ritz-Carlton, San Juan will reopen in 2024, and Nayara Resorts is coming to Puerto Rico in 2024. Hard Rock Hotels is also coming to Puerto Rico, in Old San Juan. The ports of San Juan are in the process of undergoing major infrastructure upgrades and renovations.



ST KITTS & NEVIS

St Kitts' and Nevis' economic growth rebounded strongly in 2022 despite global headwinds. The IMF estimates GDP to have grown by 9% in 2022 after contracting 14.5% in 2020 and 0.9% in 2021. For 2023, the IMF is anticipating a 5% growth in real GDP, supported by a strong recovery in tourism and other service sectors. However, the growing dependence on volatile and uncertain CBI revenue is a major source of vulnerability.

Tourism will benefit from JetBlue's first non-stop service to St Kitts' Robert L. Bradshaw International Airport. In addition, one of the Caribbean's top cruise ports - Port Zante - is expecting a record year with 342 cruise ships for the year's tourism season. Monthly arrivals from the UK to St Kitts were up by an average of 38% on 2022.



ST LUCIA

St Lucia's economy expanded in 2022 by 9% - one of the highest in the Caribbean - led by robust growth in tourism supplemented by higher output in the agriculture and manufacturing sectors. The government has forecast real GDP growth rate of 3.2% for 2023 and projects 5.2% real GDP growth for 2024, although some see this as optimistic.

There are two major projects aimed at improving the tourist offering. The Hewanorra International Airport Redevelopment Project has resumed, after a temporary halt. The initial phase entails the construction of an air traffic control tower, due to complete in late 2024. In order to enhance the cruise offering, operator Global Ports Holding is partnering with the port's owners to improve both the infrastructure and the experience of Port Castries for the visitor.

Hyatt is engaged in several hotel developments in St Lucia. In 2024, it will open the new Cas en Bas Beach Resort, the first-ever destination by Hyatt-branded resort in the Caribbean. This follows the opening of ZoÛtry Marigot Bay St. Lucia, a 124-room resort on Marigot Bay Yacht Haven, and the 345-room luxury Grand Hyatt St Lucia hotel on the southwestern corner of the island in Sunset Bay, Choiseul.

With support from the Saudi Fund for Development, the Saint Jude Hospital Reconstruction Project is advancing, after several delays. Anticipated completion is now 2028. In a move to help the construction industry, in July 2023, the Prime Minister announced plans to provide a two-year VAT amnesty on select building materials.

MARKET INTELLIGENCE



SINT MAARTEN

The economy of Sint Maarten continues to grow, albeit at a slower pace. Following a 10% growth in 2022, real GDP is expected to have grown by 3% in 2023. Real economic growth is forecast to slow further to 2.8% in 2024, when large investment projects such as airport reconstruction will reach their final phases. After a six-year project, the new departure terminal at Princess Juliana International Airport in Sint Maarten has finally opened. This is part of a multi-phased reconstruction of the entire airport, with completion of the arrival hall due for mid-2024.

A new hotel is in development at Indigo Bay, a 5-star luxury beachfront resort and condo development, which will offer 101 hotel guestrooms and 152 residential condos. Under construction are The West Vue Residences, including a 15-story high-end condo hotel. Due to open in 2028, Vie L'Ven will comprise a total of 280 units with 190 hotel rooms, 60 of which will be suites, and 90 private residences.



ST VINCENT & THE GRENADINES

The IMF projections show a 6.2% GDP growth in 2023 and 5% in 2024, among the highest in the region, second only to Guyana. The country has been recovering from the effects of the pandemic and the explosive eruptions of La Soufriere Volcano in 2021. The expansion in economic activity has been due to higher output in all major sectors, particularly due to a recovery in the tourism industry and ancillary sectors. Tourist numbers have expanded considerably.

The Argyle International Airport is in the process of commissioning a master plan for the airport. It will provide a framework for long-range planning (over 20 to 30 years). New flights from InterCaribbean will make it easier to travel to St Vincent from other destinations in the region, with new nonstop flights between St. Vincent and St. Lucia as well as additional nonstops between St. Vincent and Barbados.

There are a number of large resort projects planned or underway. Opening in 2024, Sandals Resorts are upgrading the Buccament Bay resort, while other projects include the 250-room Marriott on St. Vincent's west coast at Mt. Wynne, the 92-room Holiday Inn Express near Kingstown and the Royal Mile (a high-rise, five-star mixed use property with 80 rooms located in Ratho Mill).



TRINIDAD & TOBAGO

After no growth for seven years, the islands' economy expanded by 4% in 2022 and 2.5% in 2023, with similar rates of growth anticipated for 2024 and 2025. The country has vast quantities of oil and gas reserves which are the main source of wealth in the country, although non-energy production is also contributing to the growth as the government encourages economic diversification away from the reliance on energy.

The US\$128.5 million expansion of ANR Robinson International Airport commenced in 2022 and is due to be completed in 2025. The construction has been taking place in two phases. The completed first phase enhanced the existing airport building, while the second phase is underway. It is focusing on developing a modern state of the art terminal building. The expansion will facilitate more direct flights between the island and New York, Orlando, Houston, Miami, Newark, and Fort Lauderdale in the US.

The 106-bed Sangre Grande Hospital, costing \$1.1 billion, is due for completion in early 2024. It will be a three-storey, 106-bedroom facility. In addition, the new 540-bed Central Block at the Port of Spain General Hospital is scheduled for completion in March 2025. This flagship facility will also provide a full range of medical services.

Hotel developments include a new hotel called Secret Sun Dreams, breaking ground in early 2024. A \$500 million first-class Marriott hotel is being constructed in Tobago, with an estimated completion date of 2025. It will comprise a 200-room hotel plus duplex residences, villas and townhouses. Another development is the Elephant Tree Hotel and Villas, with 389 rooms. Completion is anticipated for 2025.



TURKS & CAICOS ISLANDS

Tourism has recovered more quickly in the Turks and Caicos Islands than elsewhere, given strong air connectivity and price competitiveness. This recovery will continue to drive real GDP growth in 2023 and 2024, although the rising crime rate poses a threat to the continued recovery of the tourism sector.

In 2023, the UK government approved the plan to redevelop the Howard Hamilton International Airport (formerly Providenciales International Airport), with an intention to proceed with the project through a Public Private Partnership (PPP) programme. In addition to the construction of a new passenger terminal, the redevelopment project includes expansion works to the airside of the airport - increasing the current apron, extending the current runway, and adding a taxiway. The local government is also keen to introduce new airports to ensure adequacy for domestic and international travel.

Contracts have been placed for the construction of Phases 1 and 2 of the capital project, South Dock Port Redevelopment, which will take place over the next three to four years. It will permit larger vessels to berth, thereby reducing shipping costs,

while efficiency gains will reduce port operating costs.

The real estate market is one of the most active in the Caribbean, particularly in the high-end residential sector. There have also been a number of hotel developments. The 53-villa Somerset on Grace Bay hotel has reopened, following property-wide upgrade project and construction of the Hyatt-branded Andaz Turks & Caicos Residences at Grace Bay is underway. It has a planned opening in late 2025 and will have 59 hotel rooms and 74 residences. A plan for the development of Crown Land for tourism purposes on Salt Cay is being considered. Set to open in 2026, The Loren at Turtle Cove will be located in a private cove on Grace Bay.



US VIRGIN ISLANDS

The economy continues to be affected by the issues surrounding the refinery in St Croix, previously one of the cornerstones of the islands' economic activity until it was shut down in 2012. Plans to reopen it have been blighted by emission issues and the US Environmental Protection Agency has issued enforcement actions.

The 2024 Budget included \$70 million for capital expenditure, with the focus on long term assets and infrastructure. An example is the fact that expansion of cruise ports at both Frederiksted, St. Croix, and Crown Bay, St. Thomas have been approved.

The USVI recently completed a long-term economic strategy and action plan, Vision 2040, with goals that include diversifying the territory's economic base through growth in target industries including hospitality and tourism.

Tourism has staged a major recovery and has been one of the biggest success stories in the Caribbean since the pandemic. International arrivals to the USVI are up 39% compared to 2019 levels, while extended-stay visitors are up 25%.

The USVI hotel market is seeing significant investment, helped by the fact that the islands offer economic incentives for hotels and other tourism developments.

Two hotels opened in 2023 in the newly redeveloped Frenchman's Reef resort complex in St. Thomas. The 392-room Westin Beach Resort & Spa at Frenchman's Reef has joined its sister resort the Morningstar Buoy Haus Beach Resort, while the 126-room Hampton by Hilton St Thomas is under construction and is due to open early in 2025. The Botany Hotel on the west end of St Thomas plans to open in late 2024.

AIRLIFT PERFORMANCE IN THE CARIBBEAN

The Caribbean is the most tourism-dependent region in the world. In fact, in 2019 **eight of the top ten most tourism-dependent countries were in the Caribbean.**

The impact of Covid on tourism arrivals in 2020 and 2021 was extreme around the world, with every country closing its borders to arrivals by air and sea for a period, and a very slow return to normal levels of arrivals and airlift once borders reopened. For the Caribbean, given its heavy reliance on tourism, the negative economic and social consequences of this crisis cannot be overstated.



Tourism's vitality in the region (and therefore its economic development) is closely linked to airlift, it is arguably the single most important factor impacting growth. As a result, Caribbean governments spend significant amounts in time and resources engaging the airline industry to provide more and better services to their destinations. This is evidenced by several islands that have recently made significant investments in new and improved airports to facilitate the increase in tourist arrivals. Current projects are planned or underway in Anguilla, Bahamas, Cayman Islands, Dominica, Dominican Republic, St Lucia and Sint Maarten.

Trends in Airlift in the Caribbean

Like elsewhere in the world, the Caribbean is currently facing air transport challenges due to the lasting impacts of the pandemic. Some of these include the availability and cost of aviation fuel, Covid losses (IATA indicates that the pandemic erased essentially 20 years of gains in global passenger traffic in one sudden blow), sector-wide unemployment, and limitations of airline infrastructure. Employment levels in the industry remain below pre-pandemic levels as many qualified staff have decided not to re-join the industry and it takes a lengthy period of time to recruit, train and undertake the necessary security checks before new recruits are job ready. A dynamic aviation industry depends on constant upgrades to infrastructure such as hotels, terminals, concourses, and lounges. This is especially challenging in the Caribbean given restricted government budgets and high procurement costs with little opportunity for economies of scale. Airports are often crowded and flight delays have become

regular, with no simple or immediate solutions available. Though post-pandemic recovery has been slow, some airports are still extremely congested at certain peak times.

International Connectivity

Airlift in the post-COVID period has been characterized by less routes (especially for intra-regional travel), smaller aircraft (reducing the number of seats available on the routes that have resumed) and extremely high fares. At the same time air connectivity between the region and its major markets in North America and Europe is growing and continues to improve at an encouraging and increasing pace, with 2023 characterized by regular updates of new airlines, new routes, and expanded service to destinations in the region. For example, American Airlines, the biggest carrier to the region from the region's biggest market has recently announced its biggest ever boost of new and expanded routes to the Caribbean for the winter of 23/24. In total, American will offer 40% more seats from Charlotte to Mexico, the Caribbean, and Latin America compared to winter 2022. Other major airlines such as Delta and budget carriers like Jet Blue and Spirit have also announced major expansion plans for their service to the region for winter 23/24. This is intended to support the region's continued recovery from COVID and will provide a welcome boost for the region's tourism industry.

Intra-Regional Travel

Conversely, the region has been slow to reactivate some of the regional commercial services that operated before the pandemic. Intra-regional travel has been critically impacted - specifically, regional airline LIAT which went out of business in April 2020. LIAT was the backbone of intra-regional travel before the pandemic, with its fleet of 11 aircraft connecting 17 Caribbean territories with numerous flights daily, and codeshare arrangements with JetBlue and Virgin Atlantic. The post-COVID rejuvenation of the airline which boasted just two aircraft servicing twelve destinations with extremely low frequency announced in January 2024 that it was once again, ceasing operations. This the culmination of what has been a decade of contraction in intra-regional travel.

Before the pandemic, travel between the islands could be expected to take up to eight hours, and often entailed an overnight stay. Post-pandemic, if cost and delays are factored in, many journeys are no longer worth considering even in the small number of cases where flights are available, especially to the leisure traveler. This is a critical situation - for many regional destinations, visitors from within the region are one of the top three sources of visitors.

The Caribbean must therefore find a way to revitalize intra-regional travel since, as already outlined, no other region in the world is as heavily dependent on-air travel for its social and economic development. The Caribbean Development Bank (CDB) has recommended three pathways to enhanced international and intra-regional connectivity that depend on an improved regulatory framework (open skies agreements), reducing the price of travel (including reducing the crippling taxes and fees levied on air travel that can account for up to 58% of airfares in the region), and investment in infrastructure. CDB's research suggests that a combination of these three could add a total of US\$4.4 billion to GDP by 2036. Regional governments and supporting agencies recognize the importance and potential of improved connectivity and evidence of progress in all three areas is encouraging.



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Founded in Saint Lucia in 1973 under the name Bradley Paul Associates, RLB Caribbean offers comprehensive services in quantity surveying, property valuation, and construction project management across the region. Central to our approach is the seamless integration of local and regional perspectives with global expertise. Our team employs an independent approach alongside state-of-the-art research and proprietary software. With a diverse portfolio spanning various sectors including hospitality, finance, manufacturing, retail, education, and healthcare we have contributed to projects ranging from hotels, restaurants, and banks to warehouses, offices, and private residences throughout the Caribbean.

CONTACT US



DAVID PIPER
ASSOCIATE PRINCIPAL
Mercury Court, Choc Estate
Castries
Saint Lucia W.I.
T: +1 758 452 2125
E: david.piper@us.rlb.com



