2018

Central & South America, Caribbean & Mexico

The hospitality industry in review

This preview shows a “hidden” version of the Central & South America, Caribbean & Mexico section to give you a better idea of what’s included in the report.

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Key Findings by Region & Markets Included

Central & South America, Caribbean & Mexico

- South America continues to see demand outpacing supply
- Demand declines in Central America
- Brazil continues its path to recovery
- Currency devaluation for Venezuela & Argentina
- Recovery for Caribbean markets following hurricane impact in 2017

Markets in this report:

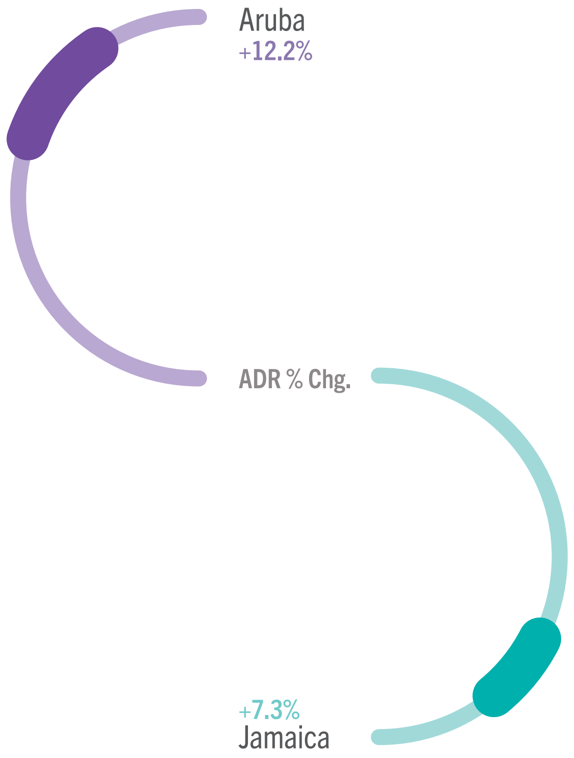
Aruba/Jamaica
Cusco
San José
Santiago
Lima
Mexico City
Cartagena
Cayman Islands
Quito
Rio de Janeiro
Montevideo
Belo Horizonte
San Juan, Puerto Rico
Panama City
Guatemala City
Cabo San Lucas/Los Cabos/San Jose Del Cabo

Aruba & Jamaica
Investor confidence

The Aruba & Jamaica markets finished 2018 with strong occupancy levels (75.2% and 74.0%, respectively), following relatively flat performance last year. For both islands, rate has been the predominant driver of RevPAR growth, with ADR up 12.2% in Aruba and 7.3% in Jamaica. Both markets have likely benefited from shifts in demand, as several markets in the region are still recovering from hurricanes. Aruba hotels should also benefit from the 2019 reopening of the oil refinery, which should help increase GDP by up to 6%, according to Oxford Economics. Investor confidence is evident, with strong pipelines in both markets. Aruba has 1,069 rooms in the pipeline, which represents a 15% growth on top of existing supply. The majority of these incoming rooms are in the upper-tier classes (upscale & above). Jamaica has 3,403 rooms in the pipeline, a 13% increase to its existing inventory. Projected openings through 2020 include the AC Hotel by Marriott in Kingston (219 rooms) and the Tapestry Collection by Hilton (157 rooms).

Mexico City
International business keeps the capital running

The Mexican presidential election, held every six years, tends to drum up high degrees of instability and uncertainty, leaving the country at risk of reduced consumer spending and leisure travel. Increased violence in parts of Mexico have sparked travel warnings from the U.S. government. While Mexico remains by far the favorite international destination for U.S. travelers, some of the most popular Mexican destinations among American visitors saw shifts in tourism demand in 2018. In spite of all these challenges, hotels in Mexico's capital recorded strong performance growth. Occupancy rose 3.0% compared with 2017, reaching an actual level of 69.2%. This, along with a 1.0% rise in ADR, resulted in a 4.0% RevPAR increase for the year. As an international business destination, Mexico City brings in corporate hotel demand from all over the world. Additionally, the recent weakening of the Mexican peso is likely helping boost the market's appeal for both corporate travelers and tourists.



2018

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