HVS

MARKET REPORT

Riding the Wave: Key Takeaways from CHICOS 2024

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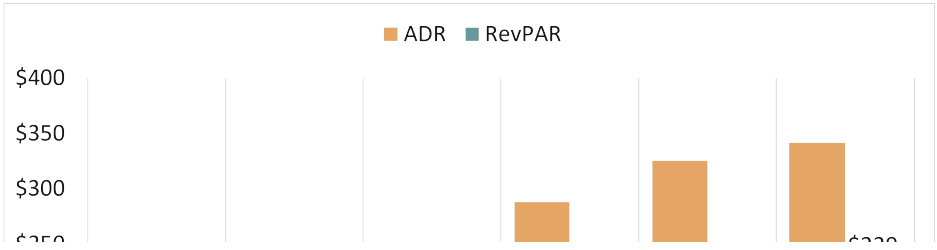
The 2024 edition of the Caribbean Hotel Investment Conference & Operations Summit (CHICOS) brought over 300 attendees to the Wyndham Grand Barbados Sam Lord's Castle All Inclusive Resort for several days of networking and industry insights from key stakeholders in the region. This article provides the major takeaways from this year's conference.

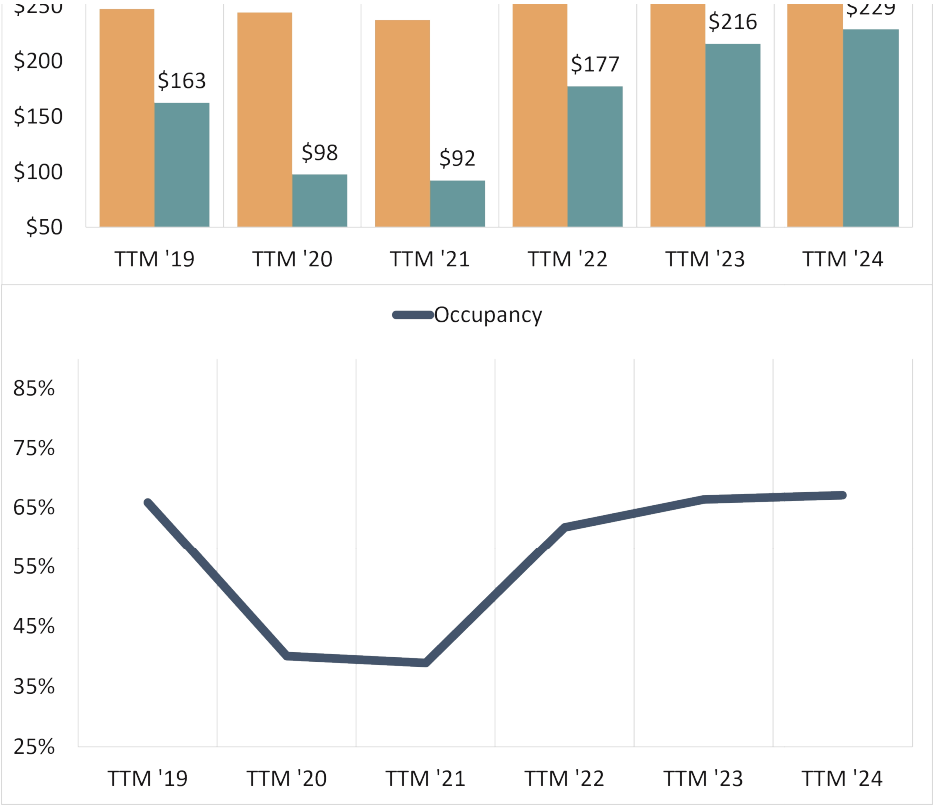
The 2024 edition of the Caribbean Hotel Investment Conference & Operations Summit (CHICOS) brought over 300 attendees to the Wyndham Grand Barbados Sam Lord's Castle All Inclusive Resort for several days of networking and industry insights from key stakeholders in the region. While last year's CHICOS conference focused on the exponential growth in visitor arrivals and average rates in the region, this year's CHICOS theme, "Riding the Wave," highlighted the record-breaking RevPAR and new development appetite in the region. A few key takeaways from this year's conference are presented below.

Record-Breaking RevPAR Growth

The Caribbean region benefited from record arrival numbers in 2023, and arrivals through the September 2024 year-to-date period increased by 8.0% over the same period in 2023. This growth in arrivals has in turn supported continued growth of RevPAR. Over the last six trailing-twelve-month (TTM) periods through September, the Caribbean has maintained a compounded annual RevPAR growth rate of 5.9%, according to data from STR. The most recent TTM period shows continued increases in all performance metrics, including record occupancy, ADR, and RevPAR levels, with RevPAR 6.0% higher than the prior TTM period.

RevPAR for the Caribbean Has Reached New Peak in 2024



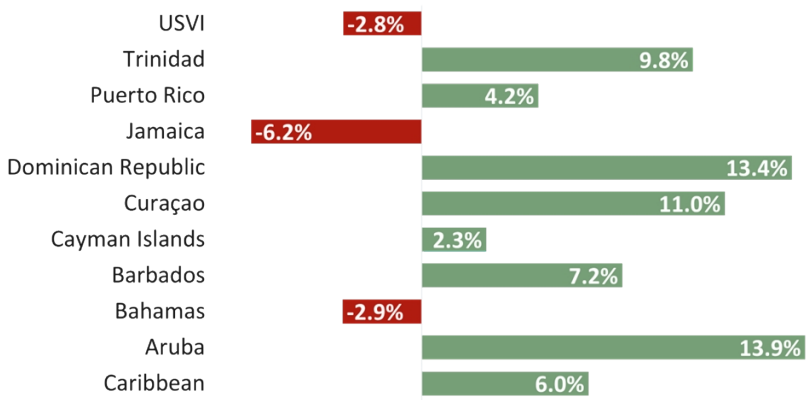


Source: STR

When comparing the compounded annual RevPAR growth for each island in the Caribbean over the last six TTM periods through September, the Bahamas and Dominican Republic lead in RevPAR growth. Both islands benefit from their popularity with travelers from the United States (the primary source market to the Caribbean) and their locations near the U.S. Every island has fully rebounded to pre-COVID levels except for Trinidad and Tobago, which has almost recovered. In the most recent TTM period, nearly every island has performed better than the same period in 2023. The exceptions to this trend are the U.S. Virgin Islands (USVI), which has experienced some downward pressure on ADR despite double-digit visitation increases, and more significantly, the Bahamas and Jamaica, which were both affected by a U.S. Department of State safety alert and corresponding negative media coverage in the first quarter of 2024.

Most Islands Experiencing Significant RevPAR Growth in 2024 and in Last Six Years

% RevPAR Change—TTM Sep 2023 vs. TTM Sep 2024



Source: STR, HVS Research

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%

Source: STR, HVS Research

The Importance of Generation Z

One of the most prominent topics at CHICOS 2024 was the emerging influence of Generation Z on the travel and hospitality industry. According to research from Hopper, Gen Z now comprises 21% of the American population. As a rapidly growing market segment, Gen Z travelers are reshaping the industry dynamics with unique preferences and values. Key Gen Z trends include delaying marriage and children, prioritizing affordability, being digital natives who rely heavily on social media, favoring sustainability practices, and maintaining a brand-neutral stance. Although members of Gen Z may not have the highest income levels, these individuals tend to dedicate a significant percentage of their spending to travel, effectively opening up opportunities for new, non-traditional lodging types.

What distinguishes Gen Z travelers the most is their focus on unique, memorable, and culturally enriching experiences, and these preferences offer an exciting opportunity for the Caribbean to attract Gen Z visitors. With its natural beauty, rich culture, and diverse available activities, the region is well suited to meet these travelers' demand for meaningful, authentic experiences. Area hotel and resort operators must therefore find ways to focus on the unique offerings of the Caribbean, such as local cuisine, snorkeling adventures, and wellness activities. By combining these experiences with sustainability initiatives and more social media engagement, the Caribbean can position itself as a top destination for the increasingly important Gen Z market segment.

The Continued Surge in All-Inclusive Travel

The Caribbean all-inclusive segment continues to thrive, with the continued development of new properties, predominantly on islands with strong airlift and high visitor-arrival numbers from the U.S. According to *Hotels.com*, online searches for all-inclusive hotels have increased by 60%. This trend is driven by the desire for minimal stress and simplified bookings, along with luxurious experiences. Travelers are prioritizing all-inclusive packages that feature local cuisine, emphasizing the importance of integrating authentic food experiences. The Caribbean stands out as an ideal choice for all-inclusive travel, particularly for friend groups and multigenerational families seeking a seamless vacation with

simplified budgeting. To remain successful, all-inclusive hotels must focus on standing out with wellness amenities, a strong brand identity, and personalized offerings. In addition, with the rise of Generation Z, these resorts need to embrace the latest consumer trends. Modern travelers are looking beyond convenience, seeking boutique-style stays that emphasize sustainability, wellness, and cultural immersion. Successful properties are encouraging travelers to explore the surrounding community, adding meaningful engagement to their experiences.

More Favorable Financing Conditions

Another recurring topic during the conference was the U.S. Federal Reserve's decision to lower interest rates by 50 basis points this year (the first such easing in four years), which has significant implications for the Caribbean hospitality industry. Lower borrowing costs create a more favorable environment for development by broadening options for capital stack structures and reducing the financial barriers for new projects. This shift is particularly impactful for the Caribbean because the region has demonstrated resilience and sustained popularity among investors and travelers alike. With increased access to affordable capital, developers are better positioned to pursue innovative projects. Additionally, the reduction of borrowing costs can attract new investors and developers who may have previously been hesitant to enter the market, encouraging greater competition in the region.

Riding the Wave

At this year's CHICOS event, optimism was palpable as the Caribbean region continues to "ride the wave" of its growing year-round appeal, fueled in part by shifts in travel preferences. Record-breaking RevPAR growth is supported by increasing ADR, even as challenges persist, such as higher costs for capital, construction, and labor. The region's resilience is further bolstered by significant increases in airlift, with new direct routes from U.S. cities, and initiatives by local governments to expand attractions. These efforts aim to attract international travelers and align with hotel brands that resonate with these guests.

The growing influence of Generation Z is also reshaping industry dynamics, while a robust development pipeline is supported by rising visitor arrivals and major brand investments. These projects span European-plan, all-inclusive, and luxury-branded residential offerings. Although concerns remain about the region's ability to sustain the strong ADR growth recorded since the pandemic, the outlook is positive. With exciting new hotels set to open in the coming years and international and intra-island connectivity improving, the Caribbean is well positioned to maintain its momentum and showcase its resilience.

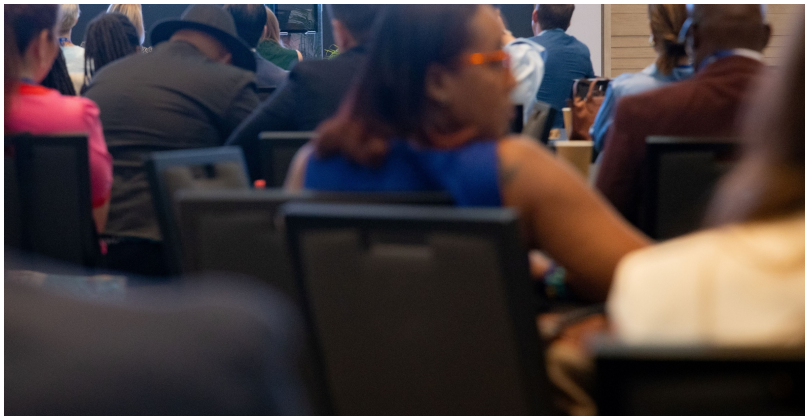
Click here to view the full CHICOS 2024 presentation.











About CHICOS

The Caribbean Hotel Investment Conference & Operations Summit (CHICOS) is the premier hospitality conference in the region. Having just completed its 13th edition in Barbados in 2024, CHICOS brings together hundreds of regional and international investors and operators, as well as the region's leading decision-makers. Also participating as attendees or speakers are government representatives, opinion leaders, developers, bankers and other lenders, tourism officials, investment fund representatives, hotel brand executives, tourism developers seeking investors, franchise and operations company delegates, public and private institution members, consultants, advisors, architects, and designers. Conference attendees network and discuss the region's markets and possibilities, while analyzing the most important trends that can affect their investment decisions.

The 14th edition of CHICOS will take place November 9–11, 2025, at the Curaçao Marriott Beach Resort in Curaçao.

For conference news, updates, and commentary, follow CHICOS on Twitter/X at @CHICOS_HVS, on LinkedIn, on Facebook, and on Instagram at @chicos_caribbean.

About the Guest Authors

Meropi Vrantzoglu is a graduate student at Boston University (BU), pursuing a master's degree in hospitality real estate. Her global perspective is shaped by her international background, as she is half Greek and half German, grew up in Dubai, and earned a bachelor's degree in international business. As a result, Meropi brings a unique understanding of diverse cultures and markets to her work. At BU, she is gaining hands-on experience through feasibility and development projects based on real-world hospitality challenges. Meropi is passionate about contributing to the future of the hospitality industry and creating special places where people can connect and make lasting memories.

Sara Saad is a second-year student at Boston University, pursuing a major in hospitality with a concentration in real estate and a minor in business administration. Her academic journey is complemented by hands-on experience with internships at renowned properties, including the Steigenberger ALDAU Resort in Egypt, Hyatt Regency Cairo West, and Hotelplan Suisse. These experiences have provided her with valuable insights into the hospitality industry's diverse components, from luxury hotel operations to travel planning and customer service. She is passionate about building a career in the hospitality and real estate sectors and aims to expand her capabilities with practical experiences.

Kayla Lamar is a graduate student at Florida International University, earning her master's degree in hospitality management with a specialization in hotel real estate development from the FIU Chaplin School of Hospitality & Tourism Management. Kayla has worked professionally within the field of education for approximately ten years, with experience teaching abroad and various grade levels locally. She has volunteered with numerous organizations, including the Miami Book Fair. Kayla recently shifted her attention to the hotel industry and intends to focus on hotel development.