



"Tobago Closeup" - your quarterly update



Hurricanes cause declines in performance

After one of the busiest and most destructive hurricane seasons, the tourism industry is wondering what the effect will be on hotel performance in Tobago and the Caribbean. While it is still very early to give a definitive long-term answer, there were obvious declines in some areas caused by Hurricane Irma and Hurricane Maria.

According to STR, (a company specializing for over 30 years in source for global data benchmarking, analytics and marketplace insights), occupancy in the Caribbean during September was down almost 17% in year-over-year comparisons and was the slowest for the last 7 years. Also, revenue per available room (RevPAR) dropped 16.6% to US\$66.84. Puerto Rico had occupancy drop by 17% year-over-year while the drop in the Dominican Republic was 16.7%.

Not all Bad News

It should however be pointed out that the majority of islands in the Caribbean were not affected and both Aruba and Jamaica showed increases of 8.2% and 9.2% respectively while Barbados' occupancy remained fairly constant.

STR went on to point out that demand (room-nights sold) in the Caribbean is still up 1.9% year to date while average daily rate (ADR) has increased year over year for six consecutive months. In addition, there were five projects under construction in the Dominican Republic accounting for about 1,200 new rooms and four projects in Jamaica (in final planning) that would add over 3,000 rooms.

Tobago Lagging

As can be seen therefore, not only did some Caribbean islands appear to gain inadvertently as a result of the destruction caused by the hurricanes, but room supply is increasing! At a time when Tobago should have seen some uptick in hotel performance, it was unfortunately mired in air and sea-bridge controversies which badly hurt stakeholders in the local tourism industry. As if to make matters worse (if that were possible), there is now talk that the expected Tobago Sandals Project that was expected to greatly boost the lagging local tourism industry may now be on the backburner.

With energy prices at historic lows and local production declining, it is imperative for the powers that be to do all that is necessary to rejuvenate this industry that also aids in earning much sought-after foreign currency. In this regard, the Ex-Chairman of the Economic Development Advisory Board (EDAB) Mr Terrence Farrell recently questioned the lack of priority given to refurbishment of the Tobago airport which is a necessity.

The time to act is now as if we fail, it would take a very long time to recover bearing in mind all the islands that were hit by the hurricanes will be rebuilding new and better hotels!

Information in part from

<https://www.caribjournal.com/2017/10/25/%E2%80%A8whats-next-caribbean-hotels/>



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CHARTERED VALUATION SURVEYORS

A Look at Property

Desirable residential locations in Tobago are small and change quickly within the space of a few hundred yards. Like Grafton for example, named for the Estate that used to bear that name, sandwiched between Black Rock village and Mt Irvine hotel and golf course development and overlooking the Caribbean and Stonehaven Bay. Compact as it is, the location offers the full range of investment property from top-end villas on the beach to mid-range villas or apartments, gated or private, and even townhouses.

These properties illustrate the range from US\$1.75m to US\$950,000 to US\$750,000 respectively.

Ideally, payment should be in US currency.



Attorney at Law

Lee Bryan Kelshall qualified in 1971 both as a Solicitor in the UK and an Attorney at Law in T&T. The law firm of JB Kelshall & Co was formed in Trinidad by John Bryan Kelshall and opened its Tobago office almost 50 years ago. Once qualified, Lee joined his father's firm which in the early days worked mainly on High Court actions, but slowly, as Tobago developed in the 1970s, their focus changed to conveyance of property. By 1980s they were handling many transactions thanks to relatively low property prices and as Mt Irvine was developed, the demand for land increased along with Trinidad buyers. Then in 1990 the Foreign Investment Act literally changed the investment landscape opening up the island to visitors from Europe eager to own a Caribbean holiday home. Unfortunately in 2007, a land licence was introduced and caused a decline in the demand for properties which is still being felt today.

A Look at the Past

Imagine a little island off the vast main land of South America that was able to create such desire that nations fought to possess her for centuries. Why? Strategic location on commercial and naval shipping lanes, below the hurricane belt, favourable climate, abundant water, rich soil to sustain life and grow crops for export, forests with hardwood trees for boat building and construction, a sea full of fish and turtles - in short, a good life and economic viability! Tobago changed hands more frequently than any other island in the West Indies - everyone wanted to visit - and they still do.

Tobago Activity

Learn to stand up paddle in the beautiful waters of the Caribbean Sea. Take a full day SUP adventure to some of the secret hideaways of Tobago, or swim with glowing plankton at night. Let Stand Up Paddle Tobago take you on your next adventure.

www.standuppaddletobago.com



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