



2018 REPORT

# CARIBBEAN REPORT

CONSTRUCTION MARKET  
INTELLIGENCE

# WELCOME

## THE CARIBBEAN REPORT

The Rider Levett Bucknall Caribbean Report is published annually and provides detailed local construction market intelligence and data. It benefits from more than 40 years of local experience, RLB is familiar with the intricacies of the local market.

Rider Levett Bucknall's long history can be traced back to a small firm of quantity surveyors established in 1785 in Reading, England. Following two centuries of consolidation and growth, three major companies with common strengths and ambitions – Rider Hunt, Levett and Bailey and Bucknall Austin – combined resources and expertise to form the Rider Levett Bucknall global practice in 2007.

Rider Levett Bucknall's cost consultancy, project management and advisory services has contributed to a diverse range of project types, locations, and clients. In addition to the Caribbean, clients span across Asia, Oceania, Europe, the Middle East, Africa and the Americas. Rider Levett Bucknall benefits from local expertise with access to a global network.



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**COST CONSULTANT**  
WORLD ARCHITECTURE  
MAGAZINE 2016 2017 2018

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2018 

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# RLB IN THE CARIBBEAN

## WHO WE ARE

### RLB - A GLOBAL PRACTICE

Voted the #1 cost consultant in the world by World Architecture Magazine, Rider Levett Bucknall (RLB) is a leading professional construction consultancy firm providing clients with independent management and unbiased, expert advice for all aspects of the feasibility, cost, and time of major construction projects. From project conception and site acquisition to completion and commissioning, our goal is to help our clients and their projects succeed.

Tracing our roots back to 1785, RLB has become a truly global practice with over 3,600 staff in more than 120 offices throughout North America, Africa, Asia, Europe, the Middle East, and Oceania. For more than 230 years, our professionals have been adding value by managing total project cost, schedule, and risk while transforming projects into tangible results.

### 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.



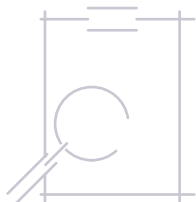
## WHAT WE DO



With a network that covers the globe and a heritage spanning over two centuries, RLB is a leading independent organization in **project management, cost management and quantity surveying**, and **advisory** services.

### PROJECT MANAGEMENT

We provide independent and unbiased expert advice to existing properties and construction projects. Its team of construction project managers, construction cost managers, claim consultants, and Alternative Dispute Resolution (ADR) professionals are experienced in all aspects of property assessment and construction projects (including project management, contract administration, cost consulting, scheduling, forensics, litigation support, expert testimony, dispute avoidance, and dispute resolution).



- Construction Claims
- Condition Assessments
- Construction Economic Advice
- Construction Risk Management and Mitigation
- Dispute Avoidance
- Dispute Resolution
- Litigation Support

### COST MANAGEMENT & QUANTITY SURVEYING

We provide full cost management services, from conceptual and detailed cost estimating, cost planning, cost control and construction risk management to bid and contract documents, financial administration of construction contracts and dispute resolution analyses. The firm's construction cost managers have experience producing detailed cost estimates for all building



types. RLB also advises building owners on sustainability practices and specific regional variances.

- Bid Evaluation and Reconciliation (Contractor/Supplier Selection)
- Construction Cost Modeling
- Construction Cost Planning
- Feasibility Studies
- Life-Cycle Cost Modeling
- Pre-Construction and Construction Cost Management
- Special Construction Cost Studies and Reports
- Specialized Mechanical Systems Cost Advice
- Tender and Contract Preparation and Evaluation
- Risk Analysis and Risk Management

### ADVISORY

Our construction and project management team expertly steers construction projects from concept to completion, based on a thorough knowledge of cost management, project planning and scheduling, contract administration, and cross-disciplinary communication. The firm's construction and project managers balance the need to meet budget milestones and attain desired quality using a comprehensive approach that is customized to individual needs.

- Project Evaluation
- Owner's Representative
- Planning and Scheduling
- Risk Management
- Program Management
- Project Monitoring
- Equipment Procurement and Transition Planning

# RLB PROJECTS

## THE CAPELLA RESORT AND MARINA ◀

### MARIGOT BAY, ST. LUCIA

CLIENT	TALON GROUP
ARCHITECT	OBMI
SERVICES	QUANTITY SURVEYING PROJECT MANAGEMENT
COMPLETION	2017

The Capella Resort and Marina is located on the west side of St. Lucia, positioned in arguably one of the most beautiful locations in the Caribbean.

The resort recently underwent a refurbishment that included 124 rooms and 57 suites, upgrading the marina berths, and a new bar called “Hurricane Hole”. RLB provided Construction Cost (Quantity Surveying) and Project Management Services.



## CALLALOO CAY RESORT ►

### ANTIGUA

<b>CLIENT</b>	AL CARIBI DEVELOPMENT ANTIGUA LTD
<b>ARCHITECT</b>	OBMI
<b>SERVICES</b>	QUANTITY SURVEYING PROJECT MANAGEMENT
<b>COMPLETION</b>	2020

Nestled in a sheltered cove along the southeastern coast of Antigua lies the prime location for the Callaloo Cay luxury development.

Callaloo Cay Resort will comprise of a five-star hotel, private villas, a world – class spa, a trend-setting beach club and several waterside-dining concepts. The exclusive resort will occupy 32 acres of prime beachfront real estate. Additionally, five acres will be developed into a National Park for the enjoyment of residents and guests.

The property will be operated by the globally recognized Waldorf Astoria Hotels and Resorts, Hilton's luxury brand of iconic landmark hotels. Scheduled to open in 2020, it will be the brand's first new-build resort in the Caribbean and will offer 95 guest rooms and 25 branded villas.

RLB is providing Project Management and Construction Cost Management (Quantity Surveying) Services to the resort Developer, Callaloo Cay Development Ltd.





# RLB PROJECTS

## THE LIMING VILLAS ◀ GRENADINES

CLIENT	FM PROPERTY
ARCHITECT	FM PROPERTY
SERVICES	QUANTITY SURVEYING
COMPLETION	2018

“The Liming” is a boutique hotel in Bequia, the second largest island in the Grenadines.

In late 2018, Inverlochy Castle Management International will be launching “The Liming”, a collection of nine private villas ranging in size from one to five-bedrooms. The property will also include a marina.

RLB is providing both Project Management and Construction Cost (Quantity Surveying) services on this project.







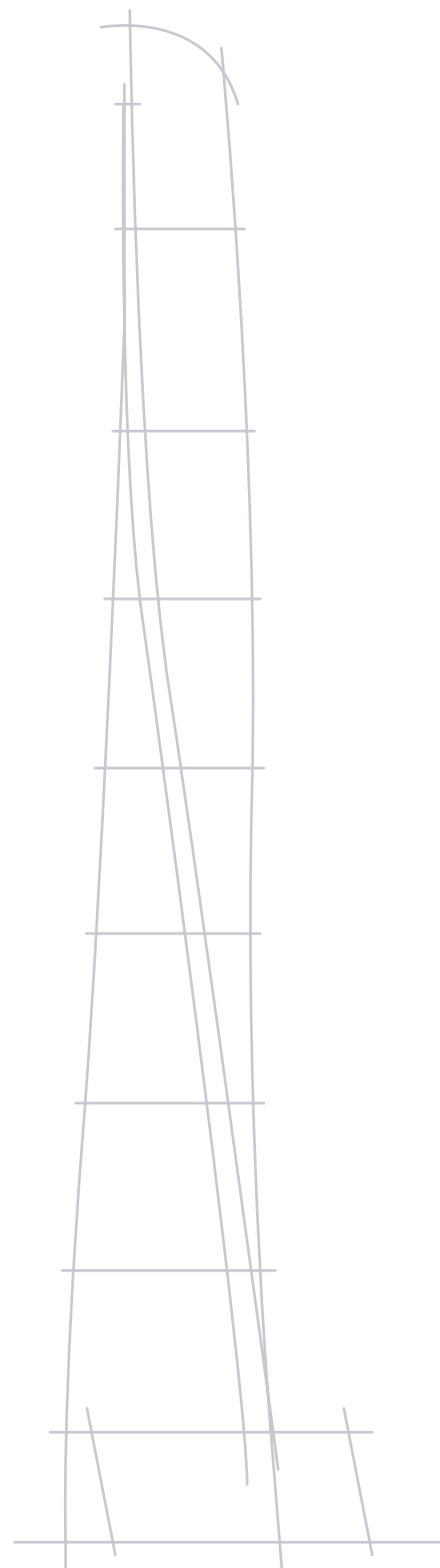
# MARKET DATA

## 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				HOTELS			
	PREMIUM		GRADE A		SHOPPING CENTRE		STRIP SHOPPING		5 STAR		3 STAR	
	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
(US\$) - COSTS ARE GIVEN PER SQUARE FOOT OF GROSS FLOOR AREA												
ANGUILLA	168	280	140	224	135	251	112	224	280	450	200	300
ANTIGUA & BARBUDA	212	335	180	303	153	275	143	266	291	530	238	291
BAHAMAS	232	414	217	304	152	263	141	222	253	657	142	454
BARBADOS	211	352	191	302	162	251	141	221	241	402	161	251
BERMUDA	335	447	313	424	280	357	247	324	336	447	279	336
BRITISH VIRGIN ISLANDS	285	295	248	364	206	342	171	228	456	610	285	400
CAYMAN ISLANDS	273	400	254	370	264	370	232	317	284	370	235	328
CUBA	305	420	270	390	300	420	215	287	269	420	215	300
DOMINICA	189	203	150	204	190	220	146	181	251	327	202	251
DOMINICAN REPUBLIC	115	184	92	150	92	139	80	127	173	346	115	231
GRENADA	271	355	244	295	213	296	190	261	261	355	237	297
GUADALOUPE	246	285	181	264	154	229	176	230	328	449	246	300
HAITI	176	236	117	176	94	153	84	142	176	260	94	153
JAMAICA	180	205	134	154	134	185	102	154	236	359	154	205
MARTINIQUE	247	286	182	264	155	231	177	231	331	452	248	305
MONTSERRAT	171	284	142	227	137	255	114	227	284	454	204	284
NETHERLANDS ANTILLES	247	314	180	281	169	247	169	245	224	450	146	230
PUERTO RICO	258	345	202	288	202	260	116	172	374	460	230	288
ST KITTS & NEVIS	230	330	191	253	165	231	176	232	317	477	234	296
ST LUCIA	207	316	152	218	131	196	153	196	305	482	207	280
ST VINCENT & THE GRENADINES	172	184	138	195	115	173	138	173	234	435	187	234
TRINIDAD & TOBAGO	219	384	197	307	164	274	110	165	305	482	200	303
TURKS AND CAICOS ISLANDS	273	436	196	382	164	382	164	218	275	425	180	270
US VIRGIN ISLANDS	273	397	255	370	215	317	159	227	500	650	350	420

LOCATION (US\$)	INDUSTRIAL		RESIDENTIAL MULTI-STOREY			
	LOW	HIGH	INVESTMENT		OWNER OCCUPIED	
			LOW	HIGH	LOW	HIGH
ANGUILLA	65	131	168	279	279	335
ANTIGUA & BARBUDA	96	181	180	335	297	339
BAHAMAS	131	212	131	253	218	424
BARBADOS	65	186	281	352	352	402
BERMUDA	223	284	290	336	336	447
BRITISH VIRGIN ISLANDS	110	216	205	295	229	325
CAYMAN ISLANDS	174	276	210	276	236	338
CUBA	156	215	N/A	N/A	N/A	N/A
DOMINICA	151	226	190	251	202	264
DOMINICAN REPUBLIC	58	87	75	139	104	174
GRENADA	157	212	177	295	260	330
GUADALOUPE	110	176	230	329	264	328
HAITI	36	70	94	142	142	176
JAMAICA	82	144	154	256	256	308
MARTINIQUE	110	176	230	329	264	329
MONTSERRAT	68	137	171	284	284	341
NETHERLANDS ANTILLES	114	170	169	281	225	337
PUERTO RICO	91	139	173	230	230	288
ST KITTS & NEVIS	88	188	220	319	253	386
ST LUCIA	77	164	196	273	218	273
ST VINCENT & THE GRENADINES	74	106	141	188	164	245
TRINIDAD & TOBAGO	110	266	132	219	219	274
TURKS AND CAICOS ISLANDS	109	164	257	400	206	320
US VIRGIN ISLANDS	154	220	204	283	227	317





# HURRICANES AND RECOVERY

In total, **12 of the 32 islands** were affected by the hurricanes.

**90%** of buildings in Barbuda were destroyed

**\$1B USD** earmarked to restore and expand infrastructure

During August and September 2017, the Caribbean was hit by two category five hurricanes – Irma, followed by Maria - both wrought havoc on many of the islands, taking lives and causing billions of dollars' worth of property damage. In a region that is regularly subject to hurricanes, the combined effect of these two was particularly devastating.

In total, 12 of the 32 islands were affected by the hurricanes. The most serious impact was felt on seven of the islands:

- Anguilla
- Barbuda
- British Virgin Islands
- Dominica
- Puerto Rico
- St Martin/St Maarten
- US Virgin Islands

The most affected was Barbuda - where more than 90% of the buildings were destroyed and whose entire population left after Hurricane Irma struck – and Puerto Rico, whose infrastructure was severely hit and left much of the island without power.

These two hurricanes were the most powerful in recent recorded history. The storms caused widespread damage to housing, infrastructure, and agriculture. The United Nations (UN) estimates the cost of recovery to be more than US\$5 billion in Dominica, Barbuda, and the British Virgin Islands alone. Before reconstruction efforts could even begin from the effects of Hurricane Irma, the Caribbean was faced with Hurricane Maria.

There has been a massive international response to the disaster. Physical and financial aid has been pouring in from numerous sources, including charities and governments.

For example, during a CARICOM-UN Conference in November, over US\$2 billion was pledged by civil society organizations, governments, and representatives from the private sector, while the UK government has been providing physical and financial support to islands including Anguilla and Dominica.

The US Federal Communications Commission (FCC) has earmarked US\$ 1 billion to restore and expand fixed and wireless infrastructure in Puerto Rico and the US Virgin Islands following the natural disasters during 2017. US\$750 million will go to Puerto Rico and the balance will be for the US Virgin Islands.

St Martin and St Maarten have been receiving aid from their respective French and Dutch governments. The European Union (EU) and others have also been involved.

Demonstrating the Caribbean's resilience, many of the islands were able to re-open for international business and to receive tourists before the end of 2017. Several significant construction projects were planned for 2017/18 across the Caribbean, including hotels and resorts, some of which have not reopened as they are evaluating their approach on how to proceed. The local governments have focused on reestablishing basic housing needs

IMF forecasts **an increase of 3.5%** per annum in GDP

The Caribbean receives **over 25 million visitors** every year

Visitors contributed a record **\$37B USD** to island economies

Progress has often been gradual for the islands most affected:

- Barbuda was one of the worst affected, it is hoped that half of the population will be able to move back by the middle of 2018 following a mass evacuation after the hurricanes.
- Dominica has a shortage of skilled workers to assist in the reconstruction and is seeking help from Cuba amongst others. The United States Agency for International Development (USAID) is working with others to design an emergency food response.
- Puerto Rico also saw many residents leave and the power problems there have remained into 2018. In addition to the US infrastructure aid, the governor has pledged a series of measures including reducing taxes to help the U.S. territory recover from Hurricane Maria amid the island's 11-year-old economic crisis.

## ECONOMY

Before the two hurricanes struck in September 2017, the Caribbean economy was in a strong position, with tourist numbers up by 5% in the first half of 2017 and forecast overall economic growth of more than 3% for the year.

Following the hurricanes, the Caribbean grew by roughly 1% in 2017 and is forecast to enjoy stronger growth in coming years. The International Monetary Fund (IMF) predicts a consistent increase in GDP of 3.5% per annum for the 2018-20 period, while the Caribbean Development Bank (CDB) expects 2% in 2018. With expenditure on infrastructure a priority, recovery will lead to a growth in tourism.

All islands are expected to grow in 2018 – although in several cases this is a recovery from significant decline in 2017. The highest growth expected in 2018 will likely be in Grenada, Turks and Caicos, Antigua, Dominican Republic and Anguilla, while Trinidad & Tobago and Jamaica will be relatively low growth countries.

Government debt is particularly high in the Caribbean region; it was over 60% in 11 countries in 2017 and in the case of Barbados and Jamaica it exceeds 90%.

## TOURISM

With a total population of roughly 43 million, the Caribbean is heavily reliant on its tourism industry with over 25 million annual visitors. In the first half of 2017, tourist numbers were up by 5%, but final numbers for 2017 were down by about 2%, mainly due to the hurricanes.

The Caribbean Tourism Organisation reports that visitors contributed a record US\$37 billion to island economies, with some places seeing double-digit arrival increases. However, there was a 20% drop in visitors for those hit by hurricanes Irma and Maria. Growth of 4% has been predicted by BMI Research for 2018, with forward bookings into the first quarter of 2018 either equalling or surpassing the 2017 levels. The primary markets will remain as the USA and Europe, but further expansion of the Canadian market is anticipated.

## CONSTRUCTION

The construction market has inevitably been affected by the impact of the hurricanes, particularly in the most badly damaged islands. Along with the need to provide housing in the worst affected areas, infrastructure will be a major priority to ensure that the critical tourism industry does not suffer.

# HURRICANES AND RECOVERY



## HOTEL DEVELOPMENT

A considerable number of hotels are due to open in 2018-19. The hotel development pipeline is expected to continue, albeit at a slightly slower rate. Keeping with previous years, the Dominican Republic continues to have a strong hotel pipeline. According to STR, at the beginning of 2018 they had 3,525 hotel rooms under construction, equivalent to 5% of the current supply.

STR reports that the Caribbean hotel industry reported mixed year-over-year results in the three key performance metrics during 2017. The absolute occupancy level was the lowest in the Caribbean since 2012, but the ADR value was the highest for any year on record in the region. Compared with 2016, Occupancy was down 1.2%, Average daily rate (ADR) was up 1.9% and Revenue per available room (RevPAR) was up 0.7%.

Hotel development remains a key element of the construction industry in the Caribbean. Current and planned developments, with anticipated completion dates, include:

- Silversands Grenada, 2018
- Quintessence Anguilla, 2018
- Hodges Bay Antigua, 2018
- Rosewood Baha Mar, 2018
- VH Atmosphere, Dominican Republic, 2018
- Serafina Beach Hotel, Puerto Rico, 2018
- Spanish Court Montego Bay, Jamaica, 2018
- Four Seasons Resort Nevis, late 2018
- Margaritaville Beach Resort at The Pointe, Jamaica, mid-2019
- Fairmont Saint Lucia, late 2019
- Grand Hyatt Grand Cayman Hotel & Residences, 2020
- Six Senses St Kitts, 2021
- Ritz-Carlton Saint Lucia, 2021
- Rosewood Half Moon Bay Antigua, 2021

## CONSTRUCTION COSTS

Our construction costs data reveal the highest average construction costs were in Bermuda, the US Virgin Islands, Cuba and the British Virgin Islands, while the lowest costs were found in the Dominican Republic and Haiti.





**With a network that covers the globe and a heritage spanning over two centuries, Rider Levett Bucknall is a leading independent organization in cost management and quantity surveying, project management and advisory services.**

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 2012 London Olympic Games and CityCenter 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. Taking ambitious projects from an idea to reality.

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