

# Webinar

## Building Resilient Hospitality West Indies Success Stories

Date: November 16, 2022

00:00:00 --> 00:00:03: Good morning. My name is Sidney Ramirez, I work full  
 00:00:03 --> 00:00:08: time for ULI, Southeast Florida, Caribbean as a senior  
 associate  
 00:00:08 --> 00:00:11: and I would like to thank all of you guys  
 00:00:11 --> 00:00:14: for coming out and joining us this morning as we  
 00:00:14 --> 00:00:18: dig into West any success stories on resiliency and resilient  
 00:00:19 --> 00:00:22: hospitality. And so with with that we we always like  
 00:00:22 --> 00:00:26: to take the time to thank our sponsors for without  
 00:00:26 --> 00:00:29: them this work would not be possible and so we  
 00:00:29 --> 00:00:30: have our gold.  
 00:00:30 --> 00:00:33: Silver and our broad sustaining sponsors and so just a  
 00:00:34 --> 00:00:36: special thank you to them. We also like to dig  
 00:00:36 --> 00:00:39: a little bit into the mission of the urban.  
 00:00:39 --> 00:00:40: Land institute.  
 00:00:40 --> 00:00:44: To shape the future of the built environment for  
 transformative  
 00:00:44 --> 00:00:48: impact through communities worldwide and with that mission,  
 we have  
 00:00:48 --> 00:00:53: three different priority areas, housing attainability, educating  
 the future, diverse  
 00:00:54 --> 00:00:57: leaders of the industry and decarbonization. And to make  
 those  
 00:00:57 --> 00:01:00: mission priorities impactful, we have different.  
 00:01:00 --> 00:01:04: Programs and initiatives where we have Members lead and  
 get  
 00:01:04 --> 00:01:07: involved like our Caribbean Council. And so we have our  
 00:01:07 --> 00:01:12: women's leadership initiative, Florida product councils,  
 various program committees, our  
 00:01:12 --> 00:01:16: DI Committee, young leaders and public work and technical  
 assistant  
 00:01:16 --> 00:01:19: panels. And so if any of that resonated with you

00:01:19 --> 00:01:22: and you're looking to get a little bit more involved  
00:01:22 --> 00:01:25: with our District Council, you can reach out to me.  
00:01:25 --> 00:01:28: I would be happy to find a place for you  
00:01:28 --> 00:01:30: to connect and learn a little bit more about Umm  
00:01:30 --> 00:01:31: UL I.  
00:01:31 --> 00:01:32: In southeast Florida, Caribbean.  
00:01:34 --> 00:01:37: Hi, good morning everyone. I am very excited to be  
00:01:37 --> 00:01:41: introducing both Adam as well as Cappuccini here today with  
00:01:41 --> 00:01:44: the Caribbean Council. So we're very excited to touch base  
00:01:44 --> 00:01:48: on resiliency and hospitality a bit about our Council as  
00:01:48 --> 00:01:52: we're growing team really focused on collaboration with our  
region  
00:01:52 --> 00:01:56: and in hopes of building a better, better Caribbean including  
00:01:56 --> 00:02:00: events like you know you're here today as well as  
00:02:00 --> 00:02:03: the Puerto Rico Symposium coming up early next year.  
00:02:03 --> 00:02:07: We're we're very involved in terms of fostering more  
collaboration.  
00:02:07 --> 00:02:09: We welcome if you guys have any interest in terms  
00:02:10 --> 00:02:12: of joining our team or the events to come definitely  
00:02:12 --> 00:02:13: reach out.  
00:02:14 --> 00:02:17: Another event that we're looking to to focus on IS  
00:02:17 --> 00:02:20: is Jamaica early next year, another Caribbean roundtable. So  
if  
00:02:20 --> 00:02:22: there is, you know, a topic that you would like  
00:02:22 --> 00:02:25: to highlight, definitely we don't hesitate that you guys go  
00:02:25 --> 00:02:26: ahead and reach out.  
00:02:26 --> 00:02:29: To us thank you. Thank you, Emily. This is my  
00:02:29 --> 00:02:32: name is Adam Green fitter and I I chair the  
00:02:32 --> 00:02:37: Caribbean Council here in southeast Florida and just really  
proud  
00:02:37 --> 00:02:40: of our our young leaders and Emily you know being  
00:02:41 --> 00:02:44: one of the rising stars as well as Capucine Thomas.  
00:02:44 --> 00:02:48: She's a managing director of CIA real estate and located  
00:02:48 --> 00:02:51: in Saint Martin. And I'm especially proud of just, you  
00:02:51 --> 00:02:55: know, what is progressing with our Caribbean Council. I  
mean,  
00:02:55 --> 00:02:58: we have today 12 different island nations on this webinar,  
00:02:58 --> 00:03:02: including five, five different countries. So this is really a  
00:03:02 --> 00:03:05: diverse group of people that love the Caribbean and want  
00:03:05 --> 00:03:08: to know about, you know, how we can make the  
00:03:08 --> 00:03:11: Caribbean region better. And so I'd like to kind of  
00:03:11 --> 00:03:14: pass this over to cappuccino and then she can let  
00:03:14 --> 00:03:14: us.

00:03:15 --> 00:03:17: Let the speakers introduce themselves.

00:03:18 --> 00:03:21: Thank you, Adam. As Adam did say, my name's Thomas

00:03:22 --> 00:03:25: and he did a fair introduction of myself and I

00:03:25 --> 00:03:29: will pass it on to our speakers. Zev Gimel, Stefan,

00:03:29 --> 00:03:34: could you please introduce yourselves and in five words or

00:03:34 --> 00:03:37: less tell us why Caribbean hospitality?

00:03:38 --> 00:03:42: Thank you. I'm Zev Madama, third generation real estate developer

00:03:42 --> 00:03:47: that focuses on residential and hospitality along across North America

00:03:47 --> 00:03:51: and the Caribbean. Why Caribbean hospitality? Wow. I'm sitting in

00:03:51 --> 00:03:55: Toronto right now freezing my ass off and there's a

00:03:55 --> 00:04:00: snowstorm. So answer is absolutely Caribbean hospitality. And I think

00:04:00 --> 00:04:03: as almost everyone I know here in Canada is going

00:04:03 --> 00:04:06: down the next month. So absolutely a focus for.

00:04:06 --> 00:04:07: Me.

00:04:07 --> 00:04:13: Jamel Sobers, director, corporate banking with CBC first Caribbean I

00:04:13 --> 00:04:16: I'm based in the Cayman Islands and we cover a

00:04:17 --> 00:04:21: lot of project financing and hospitality and real estate in

00:04:21 --> 00:04:26: the Caribbean from here, covering 15 markets in the region

00:04:26 --> 00:04:27: in terms of.

00:04:27 --> 00:04:31: Why care? Being real estate, I would say 5 words.

00:04:31 --> 00:04:35: Stability, amenities, appreciation or return.

00:04:36 --> 00:04:39: Quality and environment, those were the things that come to

00:04:39 --> 00:04:41: mind when they think about it, so.

00:04:42 --> 00:04:48: I'm Stephan Zaharia, managing partner of luxury hotel advisors. We

00:04:48 --> 00:04:55: are essentially representing developers and owners with hospitality projects, acquisition

00:04:55 --> 00:05:00: of assets and dispositions of assets in in the Caribbean

00:05:00 --> 00:05:05: and Latin America. Why the Caribbean? I you know the

00:05:05 --> 00:05:09: the culture is a phenomenal culture great and and and

00:05:09 --> 00:05:12: and really fun people that that.

00:05:12 --> 00:05:16: That we are interacting with day in and day out,

00:05:16 --> 00:05:21: Super focus on on hospitalities, certainly the future of investments

00:05:21 --> 00:05:25: from a from a cost perspective and investment perspective in

00:05:25 --> 00:05:26: the region.

00:05:26 --> 00:05:29: So when we talk about the region today that we're

00:05:29 --> 00:05:32: highlighting, it's St. Martin, Anguilla, St. Barts. And the region

00:05:32 --> 00:05:34: really kind of feeds off of each other and works

00:05:34 --> 00:05:37: together. And and specifically we've been hearing some amazing things

00:05:37 --> 00:05:40: come out of Saint Martin. So Zeb, my question to

00:05:40 --> 00:05:42: you is what are you working on these days and

00:05:42 --> 00:05:42: kind of.

00:05:42 --> 00:05:43: Well, I say Martin.

00:05:43 --> 00:05:46: We're working on a 25 acre resort and spa. It's

00:05:46 --> 00:05:49: going to have a condominium with element to it as

00:05:49 --> 00:05:53: well. So we'll have condos, hotel suites, 4 restaurants and

00:05:53 --> 00:05:55: a spot. It's going to be a 5 star luxury

00:05:55 --> 00:05:59: resort on Indigo Bay and Saint Mark 10 called Villa

00:05:59 --> 00:05:59: Ven.

00:06:00 --> 00:06:03: Is going to be the Marquina art portfolio. It's five

00:06:03 --> 00:06:06: stars. We have 250 keys of across 25 acres. We

00:06:06 --> 00:06:10: have a conservation lands, we have multiple pools

00:06:10 --> 00:06:13: beachfront. We

00:06:10 --> 00:06:13: are going to be bringing in some serious F&B to

00:06:13 --> 00:06:16: the area. I'm actually working along it with Stefan on

00:06:16 --> 00:06:19: top of us as well as Stephan Zacharia and we

00:06:19 --> 00:06:22: are going to be creating something that is beyond unique.

00:06:23 --> 00:06:27: We're bringing internationally famous to claim architect HKS

00:06:27 --> 00:06:30: as well

00:06:27 --> 00:06:30: as the probably one of the most renowned interior designers.

00:06:30 --> 00:06:33: Comes to hotels known for the rosewoods, the batting and

00:06:33 --> 00:06:37: trees, the montages. Alessandro Munge from Studio 1. Jay

00:06:37 --> 00:06:39: St.

00:06:37 --> 00:06:39: Martin is a unique island. It's very unique and it's

00:06:39 --> 00:06:43: misunderstood in many respects. Where Anguilla is Anguilla,

00:06:43 --> 00:06:46: it's a

00:06:43 --> 00:06:46: British territory. In some respects it looks British. It has

00:06:46 --> 00:06:49: what it is and Barnes has its identity, say Martin,

00:06:49 --> 00:06:51: is a blend of cultures. It's a mosaic.

00:06:52 --> 00:06:54: Between the Dutch, the French, the cultures, the people, why

00:06:55 --> 00:06:57: people are there. From the people who are going there

00:06:57 --> 00:06:59: in order to move to the next island, to the

00:06:59 --> 00:07:01: people who are there, to stay there, to the people

00:07:01 --> 00:07:05: that come to explore the island from the different nationalities

00:07:05 --> 00:07:07: and languages and food and culture that exists on that

00:07:07 --> 00:07:10: island. I think St. Martin is the most unique island

00:07:10 --> 00:07:11: in the entire Caribbean.

00:07:12 --> 00:07:17: And it is the most diverse island, entire Caribbean, which

00:07:17 --> 00:07:20: to me creates a wild side, a wild side to

00:07:20 --> 00:07:21: the Caribbean.

00:07:21 --> 00:07:23: On kind of the resiliency nature, I mean there are  
00:07:23 --> 00:07:26: concerns that they're more hurricanes coming in, you know  
year  
00:07:27 --> 00:07:30: after year they're getting harder, stronger, there's more  
water. Kind  
00:07:30 --> 00:07:33: of what's your, your approach on resiliency and and kind  
00:07:33 --> 00:07:35: of what are you thinking about that today?  
00:07:36 --> 00:07:38: So the resiliency is a couple of things. I want  
00:07:38 --> 00:07:40: to go to the beach. I want to experience life.  
00:07:40 --> 00:07:42: I want to get out of this shit. Excuse my  
00:07:42 --> 00:07:43: language.  
00:07:43 --> 00:07:45: That surrounding me every single day here in my urban  
00:07:45 --> 00:07:48: cities. You don't want to go to the Americas, you  
00:07:48 --> 00:07:51: wanna go to the Caribbean. That is the place where  
00:07:51 --> 00:07:53: you can escape the world. So I think the resiliency  
00:07:53 --> 00:07:56: as the world gets more and more twisted is escape  
00:07:56 --> 00:07:59: to the terms of resiliency and construction to the hurricane.  
00:07:59 --> 00:08:02: Well, I can tell you some of the construction things  
00:08:02 --> 00:08:05: that we're doing and we're dealing with, we do construction  
00:08:05 --> 00:08:08: all over the place. But the world is different than  
00:08:08 --> 00:08:11: it was for your industry as dramatically changed especially  
when  
00:08:11 --> 00:08:13: it comes to building in hurricane areas.  
00:08:13 --> 00:08:16: And we're talking with everything from rock anchors to steel  
00:08:16 --> 00:08:19: ties to not creating things that are are not just  
00:08:19 --> 00:08:22: hurricane proof but Super Hurricane proof. And we can go  
00:08:22 --> 00:08:24: into a lot of details I guess in the breakout  
00:08:24 --> 00:08:27: session of what that is exactly. But yes, water diversions,  
00:08:27 --> 00:08:30: system systems updated, civil, you can we can go on  
00:08:30 --> 00:08:32: and on and on and on and on about how  
00:08:32 --> 00:08:35: we're creating buildings today that will more than withstand.  
00:08:35 --> 00:08:38: Hurricanes gamell. If you could, please let us know how  
00:08:38 --> 00:08:41: the bank is involved in the region and what you  
00:08:41 --> 00:08:43: guys are doing to collaborate with local.  
00:08:43 --> 00:08:45: Institutions to mitigate risk?  
00:08:47 --> 00:08:50: Sure. So we are very heavily involved in the region  
00:08:50 --> 00:08:53: and we have been for the last several years even  
00:08:53 --> 00:08:56: coming out of COVID, we were very successful with all  
00:08:56 --> 00:08:59: of our portfolio in that. We gave moratorium when it  
00:09:00 --> 00:09:03: was necessary and you know subject to regulatory approvals  
up  
00:09:03 --> 00:09:06: to about 18 months. And all of the clients we've  
00:09:06 --> 00:09:09: worked with, you know we are, we have been very

00:09:09 --> 00:09:13: successful in our portfolio is very good. We're currently still  
00:09:13 --> 00:09:17: involved in and post COVID now we're involved in a  
00:09:17 --> 00:09:18: number of financings.  
00:09:19 --> 00:09:22: While I can't disclose the names we've we've had lots  
00:09:22 --> 00:09:26: of even in carousel we've done transactions they're pretty  
sizable  
00:09:27 --> 00:09:31: acquisitions, a 505055 million club Deal acquisition in Saint  
Lucia.  
00:09:31 --> 00:09:35: We're currently working on something in excess of  
200,000,000. These  
00:09:35 --> 00:09:38: are all US in Jamaica. So there's there's a lot  
00:09:38 --> 00:09:42: of activity that we're seeing and the way we're dealing  
00:09:42 --> 00:09:46: with this is obviously we're using like syndications or club  
00:09:46 --> 00:09:48: deals with a number of banks to.  
00:09:48 --> 00:09:51: Be able to get this done. I think before COVID  
00:09:51 --> 00:09:55: we would see banks participate with ticket sizes maybe 25  
00:09:55 --> 00:09:59: to 30 in the regional space for regional banks that  
00:09:59 --> 00:10:03: have smaller balance sheets and then the larger regional  
banks  
00:10:03 --> 00:10:06: could probably go up to 80 to 90 million and  
00:10:06 --> 00:10:10: that's been a little bit smaller. Post COVID we're seeing  
00:10:10 --> 00:10:13: more like 15 to 25 million, but we also have  
00:10:13 --> 00:10:18: some international banks that partner with us on some  
transactions  
00:10:18 --> 00:10:18: and.  
00:10:18 --> 00:10:22: Obviously they have larger balance sheets, so they're able to  
00:10:22 --> 00:10:26: participate more in these transactions. So I would say we're  
00:10:26 --> 00:10:30: seeing lots of activity in hospitality and confidence is back  
00:10:30 --> 00:10:33: there in the region as a whole. So I'm not  
00:10:33 --> 00:10:37: just Speaking of Saint Martin speaking about the entire  
region  
00:10:37 --> 00:10:41: and we are actively leading transactions in that space as  
00:10:41 --> 00:10:44: well. And as you say if you're doing things of  
00:10:44 --> 00:10:47: 100 million and up in acquisitions that's that for this  
00:10:48 --> 00:10:48: region that's.  
00:10:49 --> 00:10:52: Fairly good sign of confidence in the market itself. So  
00:10:52 --> 00:10:55: that's many of the things we've been involved in at  
00:10:55 --> 00:10:58: this point in time. I don't know if there was  
00:10:58 --> 00:11:00: a second part here. Question.  
00:11:01 --> 00:11:04: Well, thank you for that first part.  
00:11:06 --> 00:11:10: Are there any places that you see more islands that  
00:11:10 --> 00:11:15: have maybe more financing requests at the moment or is  
00:11:15 --> 00:11:19: it really just a broad spectrum all over the Caribbean?

00:11:20 --> 00:11:23: We do have activity in Saint Martin. I mean, we  
00:11:23 --> 00:11:27: have projects that we're in right now. We have some  
00:11:27 --> 00:11:30: that we're looking at right now. But I would say  
00:11:30 --> 00:11:33: it's still pretty broad for us across the region, the  
00:11:33 --> 00:11:35: Dutch Caribbean.  
00:11:36 --> 00:11:39: Jamaica, St. Martin and St. Lucia which is in the  
00:11:39 --> 00:11:43: eastern Caribbean. So it's a pretty broad distribution but the  
00:11:43 --> 00:11:46: larger projects would tend to be in Jamaica and and  
00:11:46 --> 00:11:49: the markets that have a larger scale, the Caman islands.  
00:11:50 --> 00:11:53: And while there there are many projects going on here  
00:11:53 --> 00:11:56: a lot of them are privately financed, but there's there's  
00:11:56 --> 00:11:59: a lot of activity in the hospitality space here as  
00:11:59 --> 00:12:02: well some that a lot of it is privately LED  
00:12:02 --> 00:12:06: which is real estate, condo hotels that have developed that  
00:12:06 --> 00:12:06: way.  
00:12:06 --> 00:12:10: As opposed to necessarily being a major brand that you  
00:12:10 --> 00:12:14: would see a task, it's really we have environmental, social  
00:12:14 --> 00:12:18: governance policies that are being developed now as we  
00:12:18 --> 00:12:22: speak  
00:12:18 --> 00:12:22: and we look for projects that can actually do things  
00:12:22 --> 00:12:27: like energy efficiency that would integrate those types of  
00:12:27 --> 00:12:32: sustainability  
00:12:27 --> 00:12:32: into their design. So we're talking about solar, we're talking  
00:12:32 --> 00:12:36: about town building standards such that it would be less,  
00:12:36 --> 00:12:36: more.  
00:12:36 --> 00:12:41: Energy efficient, geothermal energy, we've seen a couple of  
00:12:41 --> 00:12:44: things,  
00:12:44 --> 00:12:48: options being shown to us on projects. So lots of  
00:12:48 --> 00:12:49: things are happening and we continue to work with our  
00:12:48 --> 00:12:49: clients on these.  
00:12:50 --> 00:12:52: Things when we look at more than one island working  
00:12:53 --> 00:12:53: together.  
00:12:54 --> 00:12:57: Sure. So as as mentioned, you know I've been, I've  
00:12:57 --> 00:13:00: been active in the region for the, for the past,  
00:13:00 --> 00:13:02: in the in the region for the past 30 years  
00:13:02 --> 00:13:05: and spending 17 years in Anguilla. And I really had  
00:13:05 --> 00:13:08: the privilege to to be working on the small island  
00:13:08 --> 00:13:12: of Anguilla and working with the exceptional proud anguillian  
00:13:12 --> 00:13:15: people  
00:13:12 --> 00:13:15: in terms of synergies between the islands, you know first  
00:13:15 --> 00:13:19: of all between Saint Martin and Anguilla there's a great  
00:13:19 --> 00:13:22: synergy that is related to a very simple, simple thing,  
00:13:22 --> 00:13:25: family ties, you know when you go to Saint Martin.

00:13:25 --> 00:13:28: You're gonna have the gums and you're gonna have some  
00:13:28 --> 00:13:32: last names that will resonate exactly the same way in  
00:13:32 --> 00:13:35: in Anguilla. So there's that that cultural in, in, in  
00:13:35 --> 00:13:39: family ties that is very, very very strong and very  
00:13:39 --> 00:13:43: evident when when you deal with the between businesses  
between  
00:13:43 --> 00:13:47: Saint Martin and Anguilla. St. Martin essentially is a platform  
00:13:47 --> 00:13:50: of commercial platform for an island, for an island like  
00:13:50 --> 00:13:54: Anguilla. You know all the imports, you know most of  
00:13:54 --> 00:13:56: the imports are coming through.  
00:13:56 --> 00:14:01: Through some marketing or directly to to Anguilla through  
Miami  
00:14:01 --> 00:14:05: and then most importantly the access to Anguilla is is  
00:14:05 --> 00:14:10: is predominantly done through through the Princess Juliana  
Airport in  
00:14:10 --> 00:14:13: in the on the dark side in Saint Martin. So  
00:14:13 --> 00:14:17: you know there's a lot of synergies even though we  
00:14:17 --> 00:14:21: we we like to to consider St. Martin and Willa  
00:14:21 --> 00:14:25: and St. Barts as they have mentioned you know somewhat  
00:14:25 --> 00:14:26: competitors.  
00:14:26 --> 00:14:29: But but in terms of in terms of performance we  
00:14:29 --> 00:14:33: are, we are, we are definitely very much alike in  
00:14:33 --> 00:14:37: terms of the the, the client base, the investment base  
00:14:37 --> 00:14:41: that is coming to Anguilla and St. Barts is very  
00:14:41 --> 00:14:44: similar with high, high net worth investments.  
00:14:44 --> 00:14:48: You know, there's a lot of talk about building better,  
00:14:48 --> 00:14:53: more energy, energy efficient and more hurricane resistant,  
of course,  
00:14:53 --> 00:14:56: in hospitality projects. What does? Resiliency.  
00:14:56 --> 00:14:59: Mean for you? And how important is it to your  
00:14:59 --> 00:15:00: bottom line?  
00:15:01 --> 00:15:04: Sustainability and resiliency has two fold meetings with  
number one  
00:15:04 --> 00:15:04: is.  
00:15:05 --> 00:15:08: Is the construction going to be a product that is  
00:15:08 --> 00:15:10: not only well built but stands the test of time?  
00:15:10 --> 00:15:13: You know, everyone always says, oh, things are not built  
00:15:13 --> 00:15:16: like they were built in the 20s while we're back  
00:15:16 --> 00:15:18: in the 20s, there's not 1920s now 2022. And I  
00:15:18 --> 00:15:21: want to be able to say in 30 years from  
00:15:21 --> 00:15:23: now, wow, nothing was built like it was built in  
00:15:23 --> 00:15:26: the 2020, right. That's the concept that you really want  
00:15:26 --> 00:15:30: to create something that not as only resilient, that withstands



00:15:30 --> 00:15:33: the Hurricanes, but also maintains the same aesthetic post hurricane

00:15:33 --> 00:15:36: as it did pre hurricane, meaning that your landscape is

00:15:36 --> 00:15:37: intact.

00:15:37 --> 00:15:40: Meaning that your landscape, your civil engineering, your, your, your

00:15:40 --> 00:15:43: entire building functions the same as we just closed our

00:15:43 --> 00:15:46: door frame and put our window shutters and that's back

00:15:46 --> 00:15:49: to normal. That is one thing on the construction side,

00:15:49 --> 00:15:51: on the sustainability side of it. But you really want

00:15:51 --> 00:15:54: to have is something that is not only cost efficient,

00:15:54 --> 00:15:57: maintains itself cost efficient, but it's easily maintainable in the

00:15:57 --> 00:16:00: region. So you're looking for items that are green that

00:16:00 --> 00:16:03: help the climate because obviously we're in the Caribbean island,

00:16:03 --> 00:16:06: we're not in an urban city climate and the the

00:16:06 --> 00:16:08: the atmosphere in the environment is about.

00:16:08 --> 00:16:11: Most important, that's why we're there. But at the same

00:16:11 --> 00:16:13: token, it's something that we can be maintained and can

00:16:13 --> 00:16:16: sustain itself, right. So those are the, the concepts we're

00:16:16 --> 00:16:19: looking for when it comes to that. The other thing

00:16:19 --> 00:16:21: that we're looking for is to create products. For an

00:16:21 --> 00:16:25: example, if we're looking for construction materials, the materials are

00:16:25 --> 00:16:28: going materials are more durable, so less woods and more

00:16:28 --> 00:16:30: durable materials such as stones. One of the things that

00:16:30 --> 00:16:33: we like to focus on is trying to find natural

00:16:33 --> 00:16:35: stone that we have within the island. So we're building

00:16:35 --> 00:16:38: in Saint Martin, we're looking for natural stone that's in

00:16:38 --> 00:16:38: the.

00:16:38 --> 00:16:41: Saying, Martin, that we could reuse as opposed to, you

00:16:41 --> 00:16:44: know, excavating that stone, trucking it off site or you

00:16:44 --> 00:16:47: know, putting it somewhere else. We're trying to reutilize those

00:16:47 --> 00:16:48: stones inside the building.

00:16:49 --> 00:16:52: Now demo if you could give us your answer to

00:16:52 --> 00:16:53: that question.

00:16:53 --> 00:16:56: Please. Yeah. Well, I I think as a bank it's

00:16:56 --> 00:17:00: probably the, there's the sustainability in terms of the projects

00:17:00 --> 00:17:02: and some of the things we look at. If we're

00:17:03 --> 00:17:06: evaluating a project, we're looking at as bankers, we look

00:17:06 --> 00:17:09: at cash flow and things like that. So we're always

00:17:09 --> 00:17:13: looking for ways for project to be more efficient in  
00:17:13 --> 00:17:16: terms of their costs and things like that. So energy  
00:17:16 --> 00:17:19: efficiency and the management of that is key for us.  
00:17:20 --> 00:17:24: I mentioned that you know and renewables are are important  
00:17:24 --> 00:17:27: because that's a lot of the countries in the region  
00:17:28 --> 00:17:32: have got renewable energy targets to achieve by various  
years  
00:17:32 --> 00:17:36: 2030. Some of them benchmarks, all of them will not  
00:17:36 --> 00:17:39: be achieved but those are there. So when we look  
00:17:39 --> 00:17:43: at projects we look for things that will matter along  
00:17:43 --> 00:17:47: those dimensions and and when we look at our finance  
00:17:47 --> 00:17:50: and ESG is is a big item for us now.  
00:17:50 --> 00:17:53: It's being developed, but I think at a macro level  
00:17:53 --> 00:17:56: as a bank from a regulatory perspective, we also have  
00:17:56 --> 00:18:00: to look at this because our regulators require us to  
00:18:00 --> 00:18:03: do stress tests on the the events, you know rising  
00:18:03 --> 00:18:06: temperatures, rising sea levels. So we we have to do  
00:18:06 --> 00:18:09: scenario tests and that being as well. So I think  
00:18:10 --> 00:18:13: those types of things which they regulate is looking at  
00:18:13 --> 00:18:16: us in that would impact our capital will cause us  
00:18:16 --> 00:18:20: to look more at the types of projects we're looking  
00:18:20 --> 00:18:20: at.  
00:18:20 --> 00:18:23: The design sea level where the project is located, all  
00:18:24 --> 00:18:27: of those things will come because all of the collateral  
00:18:27 --> 00:18:31: we have is the hospitality real estate itself and the  
00:18:31 --> 00:18:34: and if that's going to be technically just say on  
00:18:34 --> 00:18:38: the water and in some prediction then you know we  
00:18:38 --> 00:18:41: have to do the stress test. So it's very, very  
00:18:41 --> 00:18:45: important for our bottom line and then we will translate  
00:18:45 --> 00:18:48: that into the specific project, how we look at kiosk  
00:18:48 --> 00:18:50: aspects of location energy.  
00:18:50 --> 00:18:54: Efficiency design, as they've said, what types of materials  
they're  
00:18:54 --> 00:18:58: using and that's becoming much more important and it's  
developing  
00:18:58 --> 00:19:00: as we speak. So I don't want to say that  
00:19:00 --> 00:19:03: we've got everything down Pat, but it's a, it's a  
00:19:03 --> 00:19:06: very important consideration for us as a bank, yes.  
00:19:08 --> 00:19:11: And we may actually give a better rate if if  
00:19:11 --> 00:19:15: we could put those things that's that's the concept.  
00:19:16 --> 00:19:17: No.  
00:19:17 --> 00:19:18: No.  
00:19:19 --> 00:19:20: That's not being recorded.

00:19:23 --> 00:19:26: We won't hold you to it just yet.

00:19:27 --> 00:19:28: Thank you, Daniel.

00:19:28 --> 00:19:32: After the experience that we all had here after the

00:19:32 --> 00:19:36: the passing of Hurricane Irma, we really really really came

00:19:36 --> 00:19:40: back to us and saying you know when you when

00:19:40 --> 00:19:44: you have a developer that constructs a A5 star property

00:19:44 --> 00:19:48: or any any property on the islands, you have to

00:19:48 --> 00:19:53: ensure that your your, your building materials is the right

00:19:53 --> 00:19:57: and building materials that can sustain now not 185 mph.

00:19:57 --> 00:20:00: 215 mph in and this is this is now a

00:20:00 --> 00:20:03: given. This is a standard as as we as we

00:20:04 --> 00:20:08: see things happening the the honor to actually put a

00:20:08 --> 00:20:12: one MW solar panel system in Anguilla with the property

00:20:12 --> 00:20:16: that we owned and operated until 2020. And not only

00:20:17 --> 00:20:21: that it makes a huge difference to your bottom line

00:20:21 --> 00:20:25: especially now that our cost of a kilowatt in in

00:20:25 --> 00:20:27: islands like ours is is touching.

00:20:27 --> 00:20:31: \$0.40 to \$0.50 a kilowatt it also has a marketing

00:20:31 --> 00:20:36: story for the for for the property and further development

00:20:36 --> 00:20:40: saying not only I'm I'm bringing money down to the

00:20:40 --> 00:20:43: NOI but also I am I am sustainable and I

00:20:43 --> 00:20:46: have a great story to tell to our to our

00:20:46 --> 00:20:51: customers. You know clients are very sensitive right now to

00:20:51 --> 00:20:55: how you how you operate your, your, your hotels and

00:20:55 --> 00:20:58: resorts and to ensure that you are.

00:20:58 --> 00:21:02: Very, very aware of the of the climate change and

00:21:02 --> 00:21:04: support protecting.

00:21:04 --> 00:21:06: It I don't know if I'm I'm I'm looking at

00:21:06 --> 00:21:09: the chat and I think you guys are answering you

00:21:09 --> 00:21:12: know so many important questions that are popping up with

00:21:12 --> 00:21:15: our you know with our everybody who's listening. And I

00:21:15 --> 00:21:18: think of just a few quick things that I heard

00:21:18 --> 00:21:21: in this was you know using indigenous materials really

00:21:21 --> 00:21:24: looking

00:21:21 --> 00:21:24: at that E SG efficiency of energy and potentially you

00:21:24 --> 00:21:27: know being able to get better rates if you do

00:21:27 --> 00:21:28: comply with your.

00:21:28 --> 00:21:33: You're, you're environmental kind of advanced environmental

00:21:33 --> 00:21:36: construction. And then

00:21:33 --> 00:21:36: also these new metrics that Stephen mentioned, I think it's

00:21:36 --> 00:21:39: really interesting. We can't use old metrics when speeds are

00:21:39 --> 00:21:42: faster. We've gotta in the private sector be leading the

00:21:42 --> 00:21:46: conversation. And then and lastly, I think with Stefan said  
00:21:46 --> 00:21:49: about the marketing aspect, I mean I think that's kind  
00:21:49 --> 00:21:51: of important today. A lot of people do have new  
00:21:51 --> 00:21:55: values, new priorities and as developers and financiers and  
consultants  
00:21:55 --> 00:21:58: we have to kind of meet those demands head on.  
00:21:58 --> 00:22:01: My my question to the group is really about kind  
00:22:01 --> 00:22:03: of post COVID and we've all been listening to kind  
00:22:03 --> 00:22:05: of the new world that we're in where people want  
00:22:06 --> 00:22:08: to be able to hang out and travel. The Caribbean  
00:22:08 --> 00:22:10: has been exploding in terms of the amount of people  
00:22:11 --> 00:22:13: that want to get involved in the Caribbean and this  
00:22:13 --> 00:22:16: concept of bleisure, you know, we're mixing our work, we're  
00:22:16 --> 00:22:18: mixing our leisure. And so I kind of wanted to  
00:22:18 --> 00:22:21: throw this back at the group, you know, ZEV and  
00:22:21 --> 00:22:23: Gimmel and Stefan, kind of, you know, what is your  
00:22:23 --> 00:22:26: concept post COVID, what the world looks like and kind  
00:22:26 --> 00:22:27: of how are you adapting?  
00:22:27 --> 00:22:28: To it after years of.  
00:22:28 --> 00:22:31: Lockdowns and and a lot of people we thinking their  
00:22:31 --> 00:22:34: priorities in life and we're thinking who they are. They  
00:22:34 --> 00:22:36: realize that it's no longer I have to work to  
00:22:36 --> 00:22:39: live, it's now. I want to enjoy everything that I  
00:22:39 --> 00:22:41: do in life and I want to love my work  
00:22:41 --> 00:22:43: just like I love my life. So that's creating a  
00:22:43 --> 00:22:45: new world in the Caribbean.  
00:22:46 --> 00:22:48: Because now all of a sudden if you love the  
00:22:48 --> 00:22:50: Caribbean, we're going to figure out how to work in  
00:22:50 --> 00:22:52: the Caribbean. And now with all the way the world  
00:22:52 --> 00:22:55: has transition, things like that are starting to be made  
00:22:55 --> 00:22:58: possible in in hotels, which is something that we typically  
00:22:58 --> 00:23:00: do in our condo portfolios, but we don't typically do  
00:23:00 --> 00:23:03: in our hotel portfolios. There's a business center, but there's  
00:23:03 --> 00:23:06: no such thing as a coworking lounge. And now coworking  
00:23:06 --> 00:23:08: lounges are are what is called the new business center.  
00:23:08 --> 00:23:10: So it's not a business center where you go in  
00:23:10 --> 00:23:13: your computer and your printer, it's a lounge that really  
00:23:13 --> 00:23:15: brings in working as if you're in a we work,  
00:23:15 --> 00:23:16: but you're in the hotel.  
00:23:17 --> 00:23:19: So it's certainly changing the way resorts are shaped and  
00:23:19 --> 00:23:22: changing the way amenities are shaped. It's no longer, OK,  
00:23:22 --> 00:23:24: just have 500, you know, allowing shares in front of

00:23:24 --> 00:23:26: the pool with no private areas or person to take  
00:23:26 --> 00:23:29: a phone call. It's now creating more crevices for people  
00:23:29 --> 00:23:31: to be able to step away and take phone.  
00:23:31 --> 00:23:34: Calls. So it's cool. They taught us a lot even  
00:23:34 --> 00:23:37: as bankers we were working from home or financing model  
00:23:37 --> 00:23:42: and our underwriting standards themselves don't change, but  
I think  
00:23:42 --> 00:23:46: our assessment of the quality of the project, the countries,  
00:23:46 --> 00:23:46: the. The.  
00:23:46 --> 00:23:50: Tourisms, stability and all that will be impacted by the  
00:23:50 --> 00:23:54: the digital infrastructure that they have put in place to  
00:23:54 --> 00:23:59: make the passenger experience or the tourism experience  
much better,  
00:23:59 --> 00:24:02: both for air travel and also for cruise travel as  
00:24:02 --> 00:24:06: well. And that's going to become more important in my  
00:24:06 --> 00:24:06: view.  
00:24:06 --> 00:24:10: I would like to say from an operation standpoint that  
00:24:10 --> 00:24:14: we have seen an absolutely booming year of 2020-2021 and  
00:24:14 --> 00:24:16: 2022. I mean, there's nothing.  
00:24:17 --> 00:24:20: We have not experienced something like that for many many  
00:24:20 --> 00:24:24: many years. What we do see is that the shoulder  
00:24:24 --> 00:24:28: season what you see October, November that traditionally  
will be  
00:24:28 --> 00:24:32: a slow slow period of time that shows that shoulder.  
00:24:32 --> 00:24:36: Has completely disappeared. We are hitting the the high  
season  
00:24:36 --> 00:24:39: in the in the region now pretty much mid-october when  
00:24:40 --> 00:24:43: people are a little bit more comfortable in in the  
00:24:43 --> 00:24:47: news and not you know bombarding us about about  
hurricanes.  
00:24:47 --> 00:24:51: Uh, heading adding our ways. So we're seeing a really  
00:24:51 --> 00:24:56: nice progressive and strong, you know early early high  
season  
00:24:56 --> 00:25:00: rather than the traditional high season that is in December  
00:25:00 --> 00:25:03: and then move on until April and May.  
00:25:03 --> 00:25:06: I kind of waved the proverbial magic wand and say  
00:25:06 --> 00:25:09: this is what I would like to have in in,  
00:25:09 --> 00:25:12: you know, in our region, in the Caribbean region when  
00:25:12 --> 00:25:15: it comes to hospitality, you know, what would that look?  
00:25:15 --> 00:25:17: Like Jamal spoke about the same.  
00:25:17 --> 00:25:20: In an airport, what we've all been waiting with bated  
00:25:20 --> 00:25:22: breath for many years now to be fixed, but it's  
00:25:23 --> 00:25:25: all about airlift and as long as the the islands

00:25:25 --> 00:25:28: can maintain their airlift or get more airlift today, which  
00:25:28 --> 00:25:32: is a European market, American market, Canadian market or  
I  
00:25:32 --> 00:25:35: should say the world market. We need to have flights  
00:25:35 --> 00:25:37: coming in all the time. And I think every government  
00:25:37 --> 00:25:40: it's a comment upon them who's them not to to  
00:25:40 --> 00:25:43: make sure that their priority in each island is making  
00:25:43 --> 00:25:46: sure airlift is there and that those airplanes come even  
00:25:46 --> 00:25:47: if they're empty.  
00:25:47 --> 00:25:49: But the airplanes then have to discount flights. But discount  
00:25:49 --> 00:25:51: this so you don't lose your slots.  
00:25:51 --> 00:25:54: I mean from a financing perspective, you know one of  
00:25:54 --> 00:25:57: the things that's always challenging for us on especially on  
00:25:57 --> 00:26:01: a new construction is, is, is budget costs and things  
00:26:01 --> 00:26:04: like that. And in this environment today with inflation, I  
00:26:04 --> 00:26:08: don't know eight percent, 10% what and supply chain  
logistics  
00:26:08 --> 00:26:10: or or magic one I guess would have to be  
00:26:10 --> 00:26:14: around something of of that dimension because the the cost  
00:26:14 --> 00:26:17: of these projects can be quite significant and you know.  
00:26:17 --> 00:26:20: A 10% change or or 5% change can can can  
00:26:20 --> 00:26:24: also be very, very, very significant. So I think for  
00:26:24 --> 00:26:28: us focusing on cost and and budgets for for projects  
00:26:28 --> 00:26:30: is, is is a key concern and you know we  
00:26:31 --> 00:26:34: do have ways to mitigate those but if I'm just  
00:26:34 --> 00:26:38: thinking of the financing side that's going to be key.  
00:26:39 --> 00:26:41: And the rate of sales, as much as real estate  
00:26:42 --> 00:26:44: has gone up, costs have increased more, but that's driven  
00:26:44 --> 00:26:46: by three or four main factors. I mean, one is  
00:26:46 --> 00:26:49: commodity pricing. Commodity pricing is not up to us. That's  
00:26:49 --> 00:26:51: the world of commodities #2 is labor.  
00:26:52 --> 00:26:54: Umm, 3 is supply chain is being able to get  
00:26:54 --> 00:26:57: it right and enforce quantity. So everyone suffers from so  
00:26:57 --> 00:27:01: you know, just like that. But the specific sufferings are  
00:27:01 --> 00:27:03: supply chain. Can you get the product to you? So  
00:27:03 --> 00:27:06: for example, if I'm building in Saint Martin, I have  
00:27:06 --> 00:27:09: a four day turnaround from Miami, 10 days from Germany.  
00:27:09 --> 00:27:12: I actually have a port that services the entire area.  
00:27:12 --> 00:27:14: I have tremendous supply chain access. So to me as  
00:27:15 --> 00:27:17: a developer, I develop and say Martin I think three  
00:27:17 --> 00:27:20: times before I develop in Grenada, right, because I can't  
00:27:20 --> 00:27:22: get the products there.  
00:27:22 --> 00:27:24: To get the products there. The my other problem is,

00:27:24 --> 00:27:27: is in regards to labor. Obviously it's hard to get  
00:27:27 --> 00:27:29: labor in the Caribbean. That's not an easy task to  
00:27:30 --> 00:27:32: do, but it is manageable because it's more flexible the  
00:27:32 --> 00:27:35: labor you get. In the Caribbean, one guy could do  
00:27:35 --> 00:27:38: six different things, whereas in another project, one guy can  
00:27:38 --> 00:27:40: only do drywall, one guy can only do finish.  
00:27:41 --> 00:27:45: That those are the two biggest issues. However, what we're  
00:27:45 --> 00:27:48: seeing across the spectrum is that the inflation rates and  
00:27:48 --> 00:27:51: the cost of materials are coming down significantly.  
00:27:52 --> 00:27:55: I mean I can tell you steel pricing for example  
00:27:55 --> 00:27:58: has been plummeting, wood has been plummeting. So the  
commodity  
00:27:58 --> 00:28:01: prices are coming down. And also what's happened also a  
00:28:01 --> 00:28:03: little bit that we're starting to see is that more  
00:28:03 --> 00:28:06: and more labor has migrated to the Caribbean. A lot  
00:28:06 --> 00:28:09: more people are actually living in the that are skilled.  
00:28:09 --> 00:28:12: So we're starting to see more and more skilled labor  
00:28:12 --> 00:28:14: moving to the Caribbean which is fixing a lot of  
00:28:14 --> 00:28:17: that labor crisis parts of it. So the remaining issue  
00:28:17 --> 00:28:20: is still the quantities of it, but as the slowdown  
00:28:20 --> 00:28:22: is happening and a lot of as interest rates rise  
00:28:22 --> 00:28:23: a lot of the.  
00:28:23 --> 00:28:26: You know, four cap rate products are not being built  
00:28:26 --> 00:28:28: in such as purpose built rental such as low cap  
00:28:28 --> 00:28:31: development projects. Low cap development projects are  
almost dead in  
00:28:31 --> 00:28:33: the water. You're going to see that a lot of  
00:28:33 --> 00:28:36: those trades and a lot of those people that are  
00:28:36 --> 00:28:38: used to doing big orders can't fill them anymore. We're  
00:28:39 --> 00:28:41: seeing that all over the industry today, specifically in the  
00:28:41 --> 00:28:44: last three months. So Guy says, OK, I can't do  
00:28:44 --> 00:28:47: 3000 kitchens on low margin anymore. I'm better off doing  
00:28:47 --> 00:28:49: a smaller contract for 50 kitchens, but take a little  
00:28:49 --> 00:28:51: bit of a higher price. But at least I have  
00:28:51 --> 00:28:53: my money in the back, right? So there's a lot  
00:28:53 --> 00:28:54: more.  
00:28:54 --> 00:28:56: There's a lot more dependency on those trades that are  
00:28:56 --> 00:28:59: coming in and there's a wider array of of of  
00:28:59 --> 00:29:01: trades which I think will lead to a much more  
00:29:01 --> 00:29:03: stabilization of costs in the Caribbean and perhaps even a  
00:29:03 --> 00:29:06: downward trend as we continue with these high interest  
rates.

**00:29:06 --> 00:29:09:** Stayed on. Thank you so, so much. On behalf of  
**00:29:10 --> 00:29:13:** you, I I want to thank cappuccino, Emily, Sidney, Zev,  
**00:29:13 --> 00:29:17:** gabelle and Stefan, you know, for joining us and thank  
**00:29:17 --> 00:29:20:** you very much. Have a great, great day.  
**00:29:20 --> 00:29:21:** Thank you. Bye.  
**00:29:22 --> 00:29:24:** Bye, have a great day.

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