



GOLDEN GROVE ESTATE - TOURISM IN TRINIDAD & TOBAGO

Resort & Hotel Development Opportunity in Tobago

The Golden Grove Estate is a four hundred and twenty nine acre estate located at Shirvan on Tobago's western coast, which has been approved for development into a resort, including a golf course, beach facilities, a hotel and residential units. The estate is located just five kilometres from Arthur NR Robinson International Airport, and is in a prime position to take advantage of Tobago's many water based and land based tourism products and amenities.

Approval has been granted for the development of a 75 room resort hotel and spa, a club, a lake club, 24 beach condominiums, 16 lagoon condominiums, 42 golf condominiums, a beach club, and a championship golf course and golf clubhouse. The developed estate will boast many features, including trails/boardwalks, mangroves and public/private beach facilities.

Golden Grove Estate provides a unique opportunity for a developer to break into the thriving Caribbean tourism market. Developers investing in Golden Grove Estate will also have the added advantages of the low building and development costs in Tobago and the many incentives offered to developers within the tourism space.

Competitive Development and Operating Costs

Development Costs

- ❖ Construction costs range from US\$1,740 - 2,880 per Sq m for mid-market hotels to US\$2,910 - 4,580 per Sq m for luxury establishments.¹
- ❖ The cost per key for a new construction of 3 – 5 star hotels is estimated to be between US\$100,000 to US\$300,000²

Operating Costs and Infrastructure

- ❖ Trinidad and Tobago has the lowest cost of establishing a business and the lowest electricity set up costs in the Caribbean and Central America.³
- ❖ Tourism and services costs in Trinidad and Tobago are highly competitive with a minimum wage is US\$2.34 per hour With a labour force of 658,600 and 7,000 third level graduates per annum, The country has an effective talent pool to support the tourism sector.
- ❖ There is a solid transport infrastructure with direct flights to key locations in North America and the UK, a well-developed road network and two international sea ports.
- ❖ The country's natural resources provide for low cost and stable energy, while the telecommunications infrastructure is also well developed.

About Tobago

Tobago is 300 sq km (116 sq miles) in area and lies 34 km (21 miles) northeast of Trinidad. Of volcanic origin, the island is a single mountain mass, although the southwest is flat or undulating and coralline.

The highest peak, the Main Ridge, reaches an elevation of about 576 metres (1,890 ft). The coastline is broken by inlets and sheltered beaches, and there are several uninhabited islets. The island is dependent on the tourism industry and one of the star attractions is the famous Buccoo Reef. The capital of Tobago is Scarborough.

¹ Based on a Rider Levett Bucknall Survey. The costs include FF&E, but exclude operator's stock and equipment, fees, land costs and local taxes

² Latin America and Caribbean Hotels Monitor Report – Issue# 1 of October 2012

³ fDi Benchmark from the Financial Times Ltd 2015

Exciting and diversified product mix

As a tourism destination, Trinidad and Tobago has an exciting and diversified product mix. The twin island republic offers a warm Caribbean experience as well as a cosmopolitan culture for the business savvy. Tobago is known for its ecotourism. The island is effectively resourced with labour, a strong investment climate and stable banking system to support the growing tourism sector.



Tobago Tourism Forecasts

- ❖ According to the Division of Tourism and Transportation of the Tobago House of Assembly the island will achieve revenues of US\$86.6 million from tourism in 2015 based on the visits of approximately 30,000 international visitors, and an average spend of US\$3,000 per visitor on accommodations, meals, tours and other expenses
- ❖ Growing motion for clean green, safe and serene environment
- ❖ The World Travel and Tourism Council has predicted a 39% increase in foreign tourist arrivals into Trinidad and Tobago over the next ten years⁴, with leisure spending maintaining its 80% share of overall tourist spending.
- ❖ Between the two islands, Trinidad is the centre of business in the Caribbean region, while Tobago is the key leisure hotspot.
- ❖ National demand for domestic travel between the Trinidad and Tobago is strong, as supported by the strong GNI of \$15,760 USD
- ❖ Domestic travellers contributed 53% of the revenue received by the Tourism industry in 2013⁵

Regional Industry

- ❖ In 2012 approximately 26.3 million people travelled to the Caribbean
- ❖ Increases attributed in part to improvements at airports around the region, the opening of new hotel chains, and an increase in direct flights and airline seat capacity
- ❖ Tourists overall spent more than \$29 billion in the Caribbean in 2014, an increase of more than \$1 billion over the previous year

⁴ *Travel & Tourism: Economic Impact on Trinidad and Tobago. World Travel & Tourism Council, 2014, pp. 6.*

⁵ *Travel & Tourism: Economic Impact on Trinidad and Tobago. World Travel & Tourism Council, 2014, pp. 8.*

Incentives

A wide range of tax and regulatory incentives are on offer within the tourism development sector for qualifying investors. These include:

- ❖ Tax exemption on profits not exceeding seven 7 years
- ❖ Tax exemption on profits from the initial sale of villas, condominiums and sites thereof within an Integrated Resort Development
- ❖ An accelerated depreciation of depreciable equipment owned by the owner or operator and used in an approved product
- ❖ A capital allowance in respect of approved capital expenditure incurred by the owner or operator in the creation of a new tourism project or expansion of an existing tourism project
- ❖ A carry-over of losses from a tax exemption period arising out of the operation or renting of an approved tourism project
- ❖ Tax exemption on the dividend received by a non-resident shareholder if the recipient is not liable to tax on the dividend in his country of residence
- ❖ Owner or operator of a vehicle imported for use in an approved tourism project shall be exempt from the payment of motor vehicles tax.

Contact InvesTT

InvesTT Trinidad and Tobago
Level 19, Nicholas Tower
63-65 Independence Square,
Port of Spain
Trinidad W.I

Telephone: +1 (868) 225-4688 or +1 (868) 225-4688

Fax: +1 (868) 225-5820

Web: www.investt.co.tt

Email: info@investt.co.tt