

LOS  CABOS

# LOS CABOS TOURISM OBSERVATORY

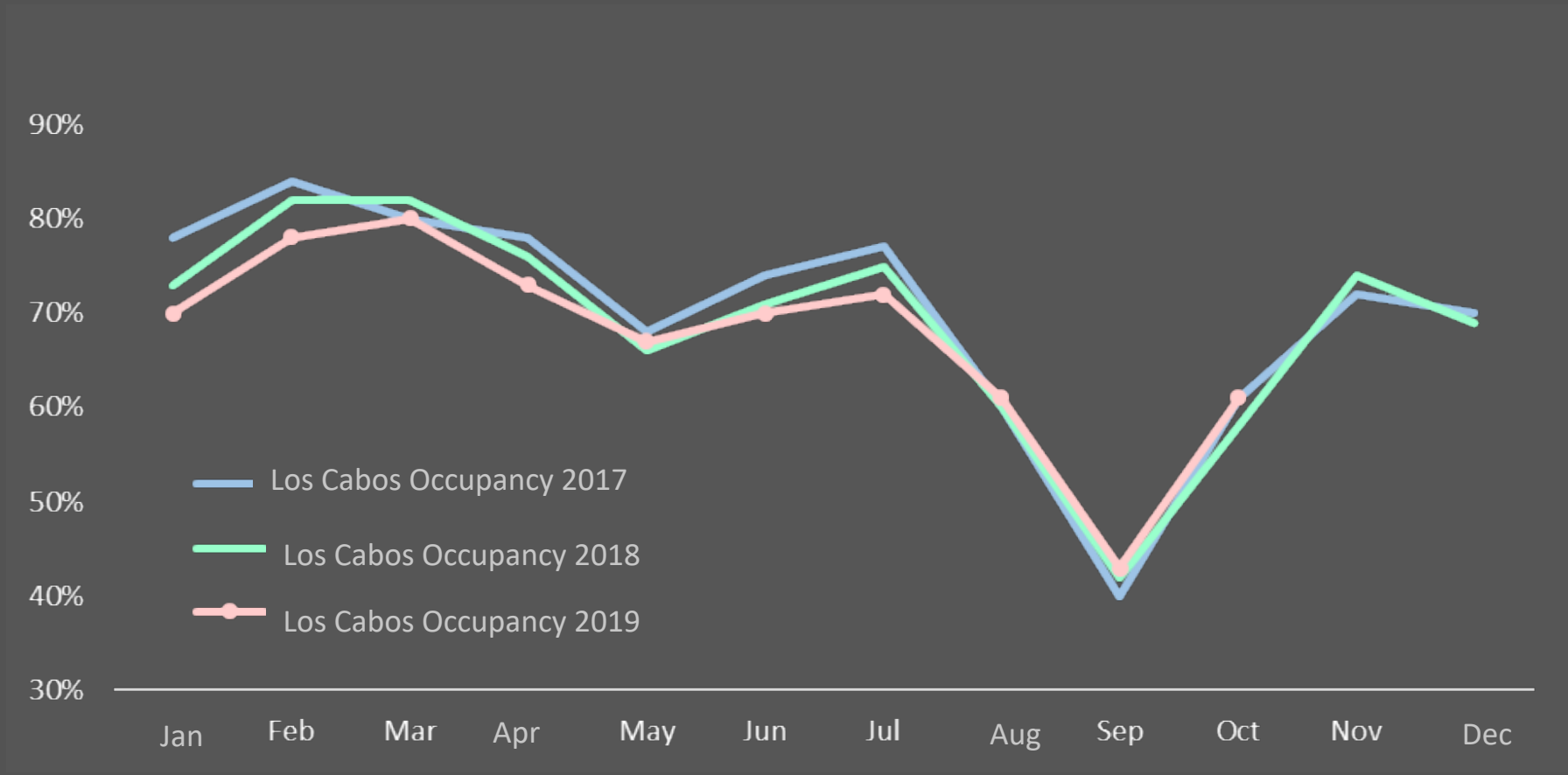
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**NOVEMBER 2019**



# Leading Indicators- Summary

## Hotel Performance



SOURCE: ASOCIACIÓN DE HOTELES DE LOS CABOS

**Available Rooms**  
(Oct-2019):  
**17,374**  
**+1.04%**  
(vs Dec-2018)

SOURCE: AHLIC

**Hotel Occupancy**  
(Oct-2019):  
**61%**  
**+3pp**  
(vs Oct-2018)

SOURCE: AHLIC

**Room Nights**  
(Sep-2019):  
**648,756**  
**+5.5%**  
(vs Sep-2018)

SOURCE: DATATUR

## Arrival of Passengers by Air

**Total Passengers**  
(Oct-2019, by thousands):  
**200.2**  
**+8.5%**  
(vs Oct-2018)

**Domestic Passengers**  
(Oct-2019, by thousands):  
**77.3**  
**+16%**  
(vs Oct-2018)

**International Passengers**  
(Oct-2019, by thousands):  
**122.9**  
**4.2%**  
(vs Oct-2018)

SOURCE: GAP

**Total Group Business RFPs** (Jul-2019):  
**34**  
**+15 RFPs**  
(vs Jul-2018)

**TOURIST SURVEYS**  
**Tourist satisfaction** (more than expected, Sep-2019):  
**44.9%**  
**+10.6pp**  
(vs Sep-2018)

**Cruise Passengers** (Sep-2019):  
**19,595**  
**-4.7%**  
(vs Sep-2018)

**Congress and Convention Attendees** (Sep-2019):  
**0.3% of the total**  
**-0.9pp**  
(vs Sep-2018)

SOURCE: TOURIST SURVEYS

**Tourist Origin** (Sep-2019):  
**70% foreigners**  
**-3.5pp**  
(vs Sep-2018)

SOURCE: TOURIST SURVEYS

**Cruise Ships** (Sep-2019):  
**7**  
**-1 vessel**  
(vs Aug-2018)

SOURCE: DATATUR





# LOS CABOS TOURISM OBSERVATORY

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**DEMAND INDICATORS**  
**PASSENGERS AND TOURISTS**

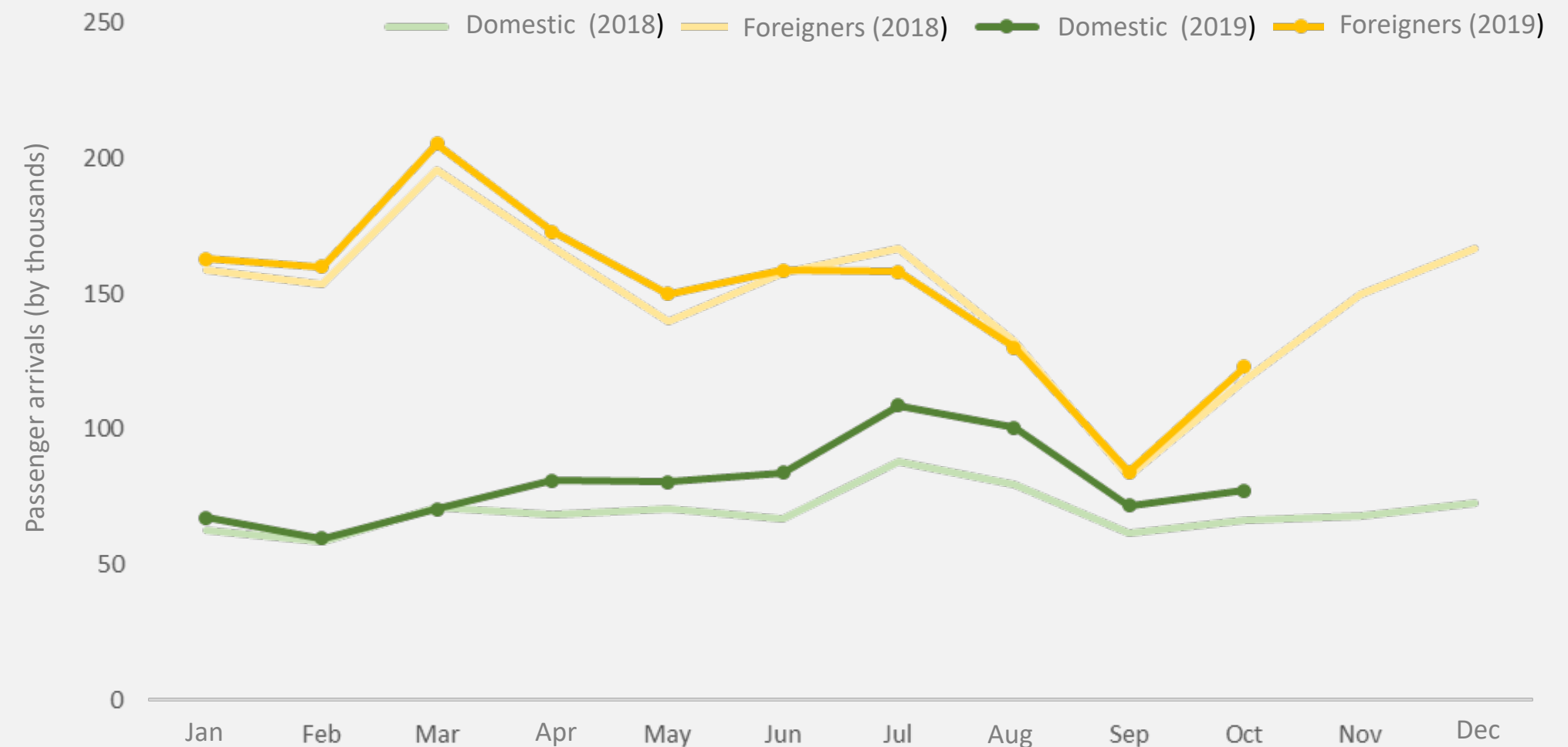


# Passenger arrivals at Los Cabos Airport, 2018-2019

- In Oct-2019, the arrival of 200,200 passengers was registered at Los Cabos Airport, which shows an increase of 8.5% over the same period in 2018. Compared to the aggregate Jan-Oct-2019 vs previous year, an increase of 6.4% is observed.
  - Passengers on domestic flights (77,300) represent 39% of total arrivals and present 16% increase compared to Oct-2018.
    - In the aggregate Jan-Oct-2019, there is an increase of 15.3% going from 695,000 in 2018 to 801,100 passengers this year.
  - Passengers on international flights (122,900) represent 61% and presented a 4.2% increase.
    - In the aggregate Jan-Oct-2019, there is an increase of 2.3% going from 1,472 in 2018 to 1,505.2 passengers this year.

SOURCE: GAP

## Passenger arrivals at San Jose del Cabo Airport, by month (2018-2019)



SOURCE: GAP

# Foreign tourist arrivals by air

## By origin (residence), 2018-2019

Regions	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Δ Sep-19 / Sep-18	Δ Ene-Sep-19 / Ene-Sep-18
USA	72,390	107,692	129,090	147,461	122,358	133,400	173,759	140,159	135,239	146,487	142,111	111,494	73,431	1.4%	0.3%
Canada	3,205	6,887	16,041	21,866	24,304	22,218	24,065	16,499	6,852	4,225	4,373	4,425	3,261	1.7%	15.7%
Europe	441	535	713	1,060	841	1,097	921	1,198	1,011	782	897	756	303	-31.3%	41.1%
Central & South America	148	165	144	228	295	168	185	286	232	134	239	200	124	-16.2%	3.2%
Rest of the World	682	668	654	1,303	1,053	699	1,161	1,030	955	765	852	774	604	-11.4%	22.3%
Grand Total	76,866	115,947	146,642	171,918	148,851	157,582	200,091	159,172	144,289	152,393	148,472	117,649	77,723	1.1%	1.7%

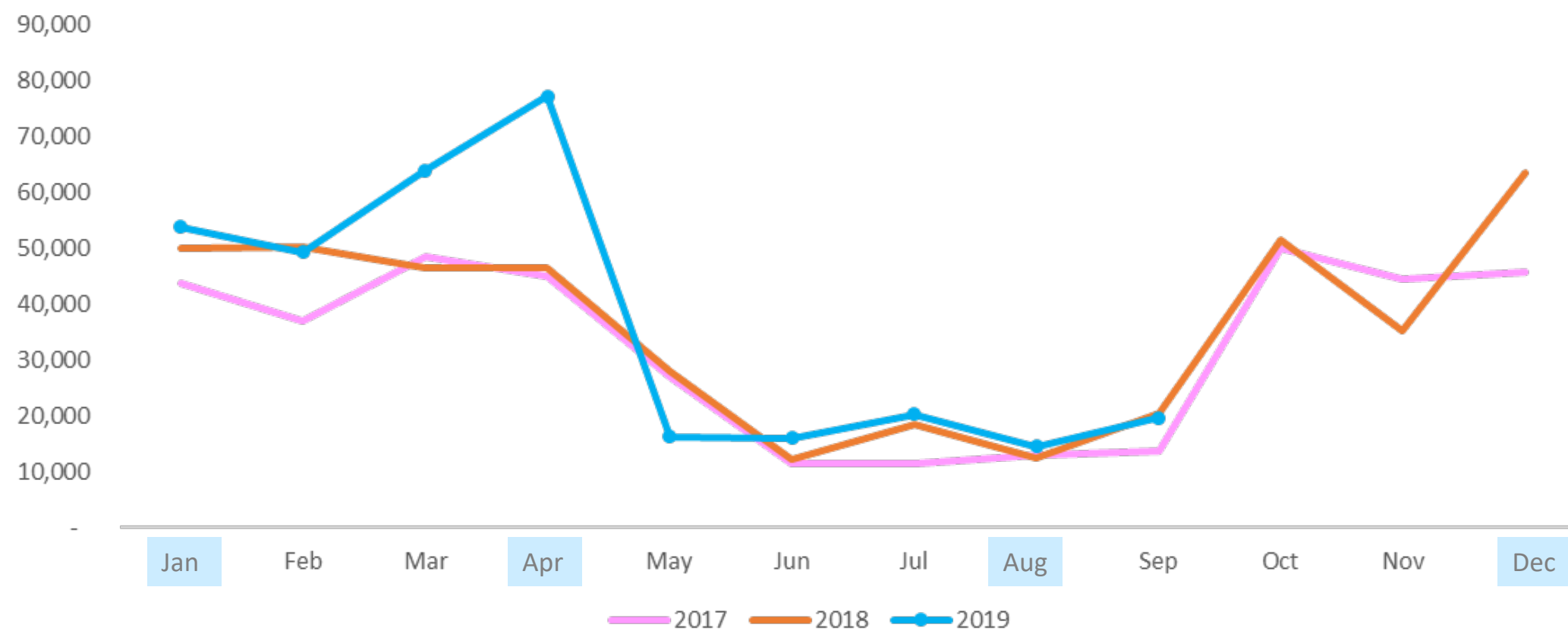
Key markets	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Δ Sep-19 / Sep-18	Δ Ene-Sep-19 / Ene-Sep-18
United Kingdom	118	140	218	326	236	259	272	336	131	94	184	219	73	-38.1%	9.1%
Spain	53	51	36	61	34	38	45	38	24	16	29	76	44	-17.0%	-7.3%
Australia	269	302	189	461	488	177	274	388	352	347	336	256	201	-25.3%	8.6%
South Korea	107	102	115	159	103	132	140	123	95	72	87	83	111	3.7%	31.0%
Total key markets	547	595	558	1,007	861	606	731	885	602	529	636	634	429	-21.6%	10.3%

SOURCE: INM- SIOM

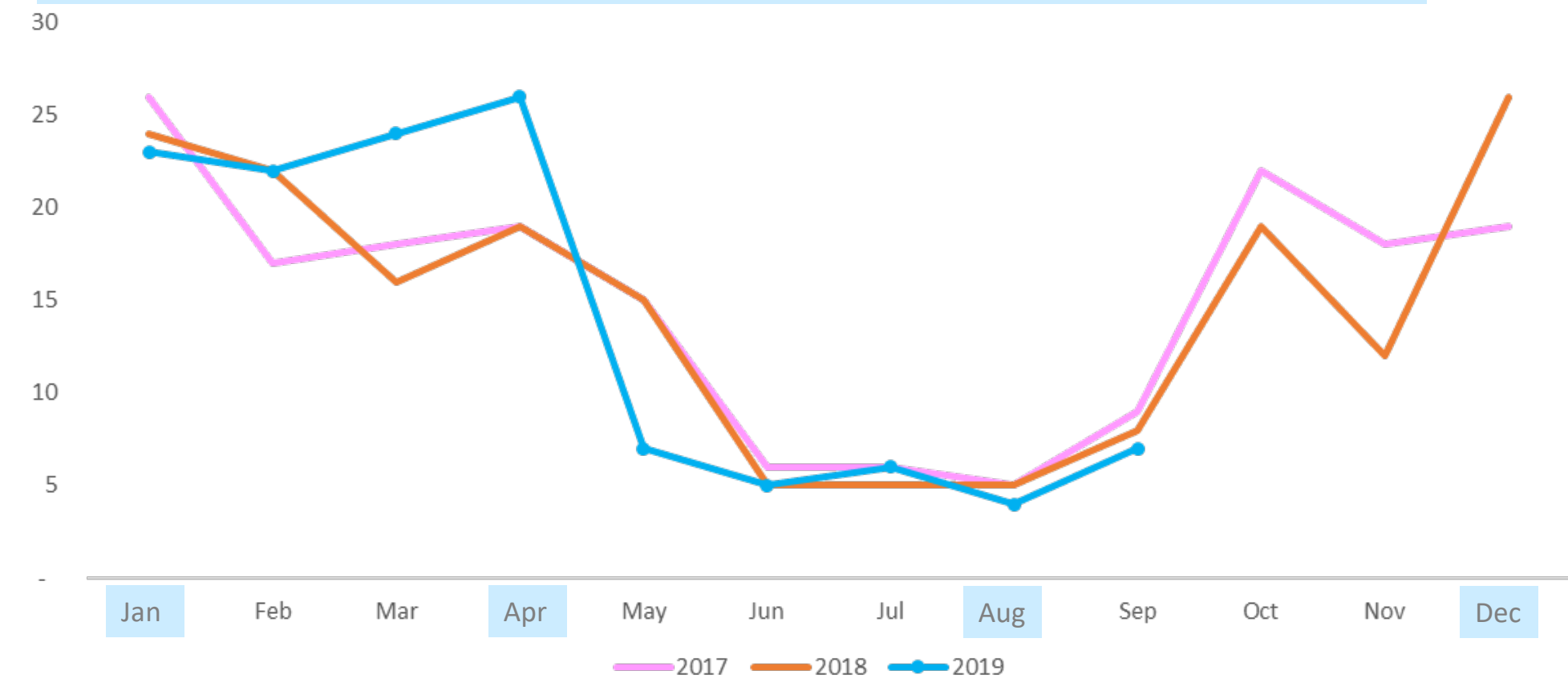
# Cruise ship and vessel passenger arrivals (2017-2019)

- In Sep-2019, 19,595 cruise passenger arrivals were registered at the Cabo San Lucas Port.
  - It shows a 4.7% passenger volume decrease compared to Sep-2018.
  - Additionally, 7 cruise ship arrivals were registered: 1 less than the previous year.
  - Consisting of 2,799 average passengers per vessel.

Cruise passengers arriving at the Cabo San Lucas Port, monthly (2017-2019)



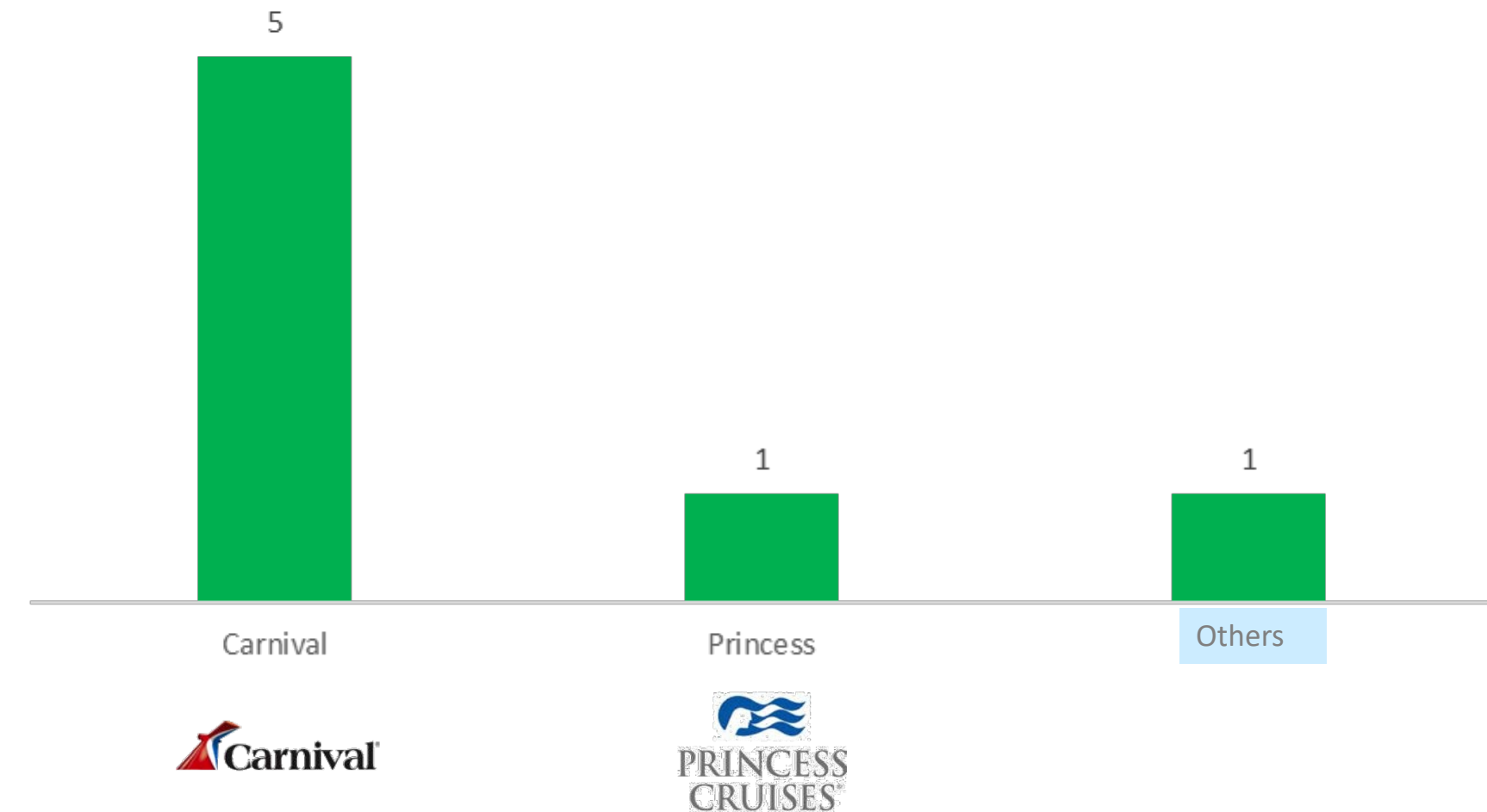
Cruise ships arriving at the Cabo San Lucas Port, monthly (2017-2019)



SOURCE: DATATUR - SCT

# Cruise ship arrivals at Cabo San Lucas Port, Sep-2019

Date	Cruise Ship	Shipping line	Max. Capacity
Sep-02-19	Carnival Splendor	Carnival	3,710
Sep-09-19	Carnival Splendor	Carnival	3,710
Sep-16-19	Carnival Splendor	Carnival	3,710
Sep-23-19	Carnival Splendor	Carnival	3,710
Sep-30-19	Carnival Splendor	Carnival	3,710
Sep-30-19	Grand Princess	Princess Cruises	3,100



The 7 cruise ship arrivals at Cabo San Lucas Port in Sep-2019 were operated by Carnival (with the Carnival Splendor) and Princess Cruises (Grand Princess) representing a maximum capacity of 21,650 passengers.

SOURCE: CREW-  
CENTER.COM





# LOS CABOS TOURISM OBSERVATORY

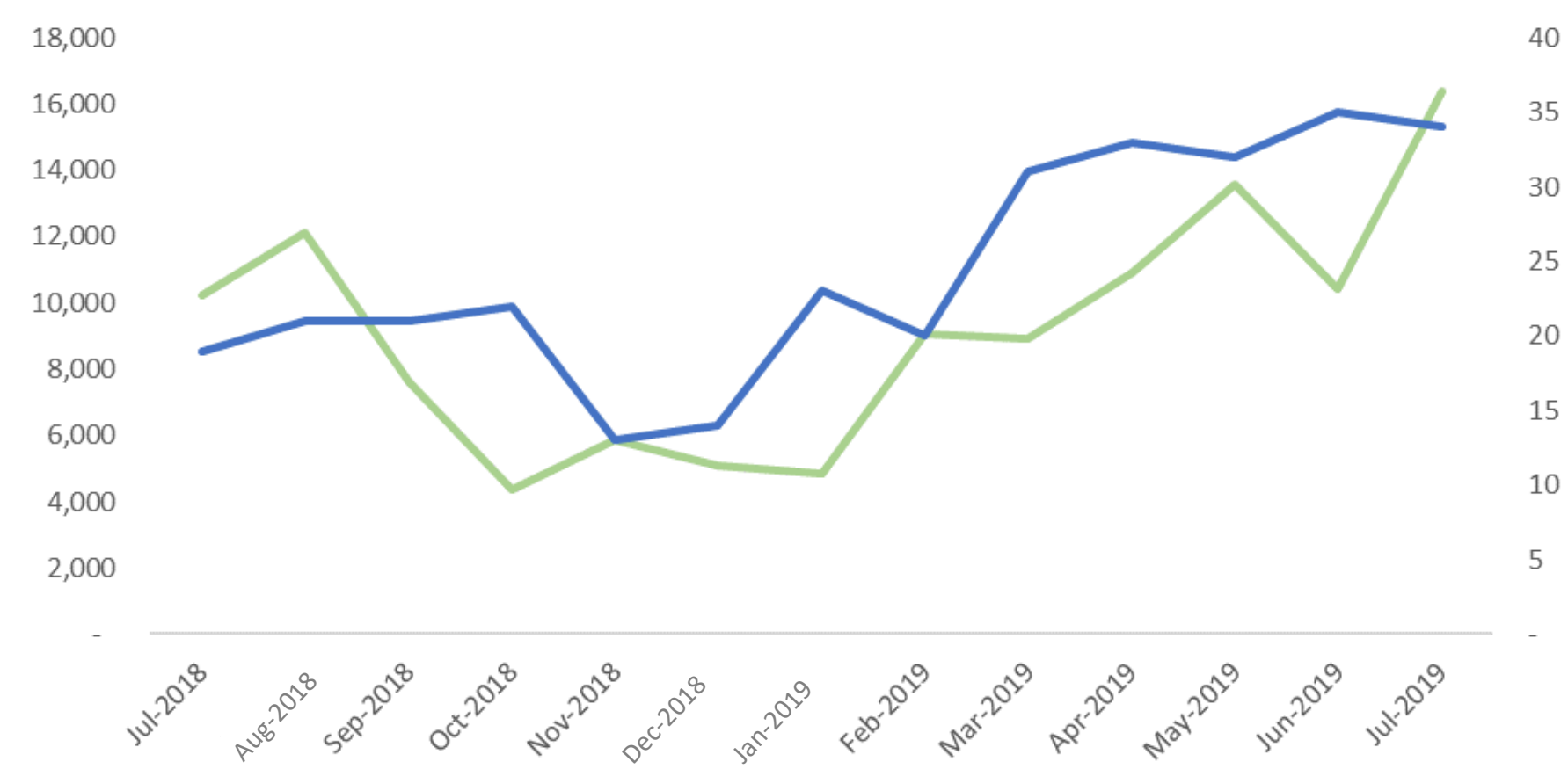
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**DEMAND INDICATORS**  
**TOURIST SURVEYS AND GROUP BUSINESS**



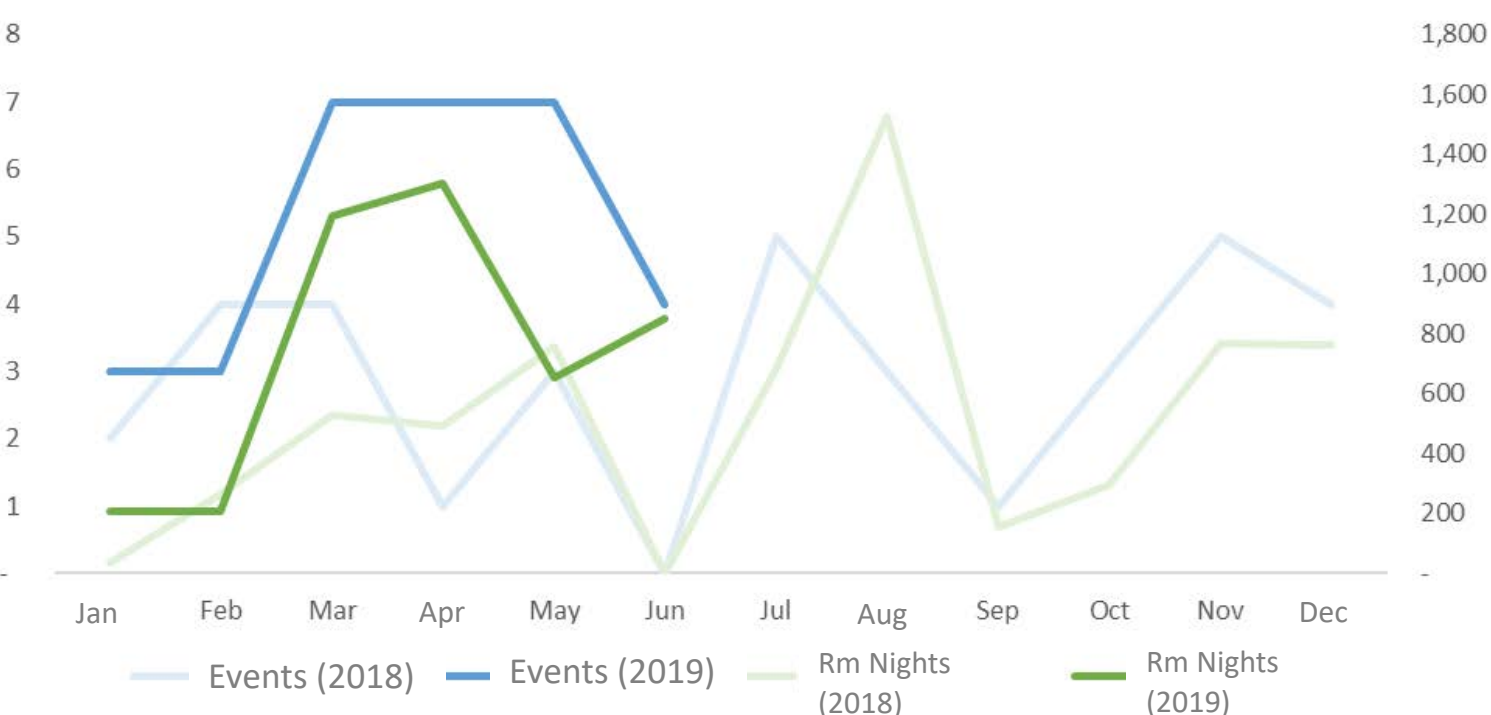
# Demand Indicators: Group Business

Event RFPs and meetings and groups room nights, last 12 months (CVENT)



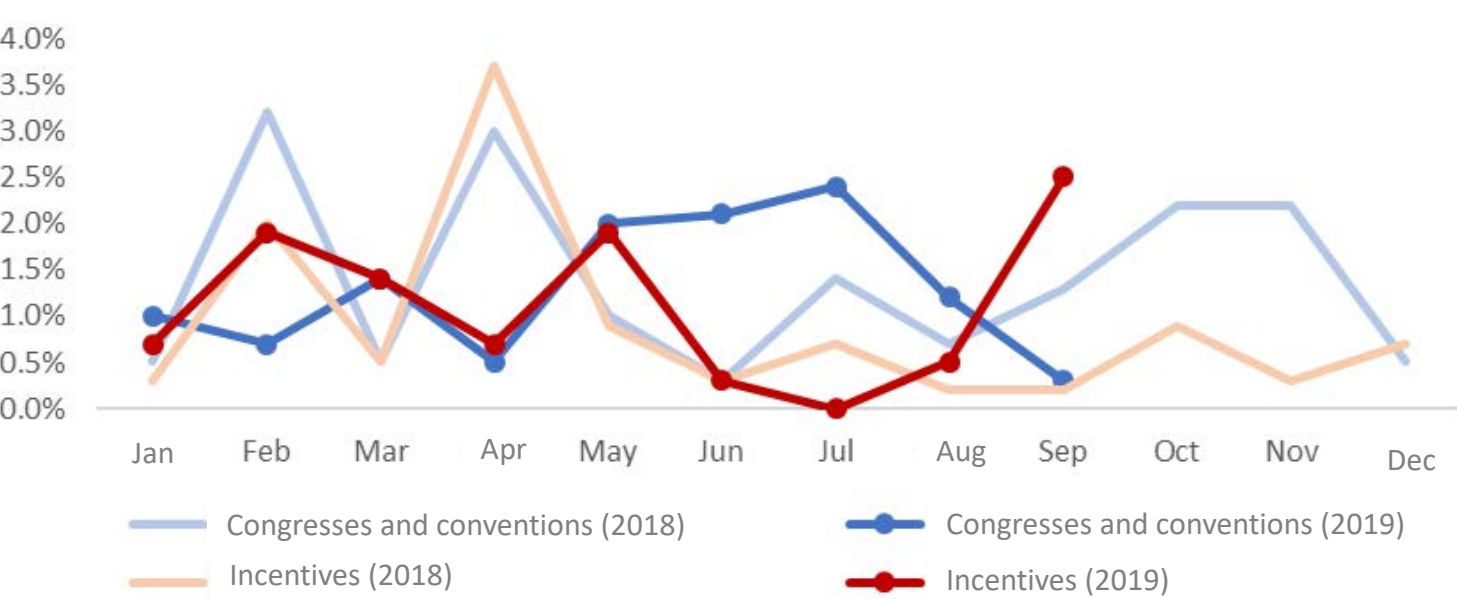
SOURCE: CVENT

Meetings and groups' confirmed events and room nights (Helms Briscoe)




SOURCE: Helms Briscoe

Congresses, conventions and incentive trips (% of total tourists)



SOURCE: TOURIST SURVEYS

An aerial photograph of a clear, turquoise ocean. In the center, there is a large, light-colored rock. Below the rock, two small kayakers are visible, paddling in the water. The image is partially obscured by a large, curved white shape on the right side, which contains the text.

# LOS CABOS TOURISM OBSERVATORY

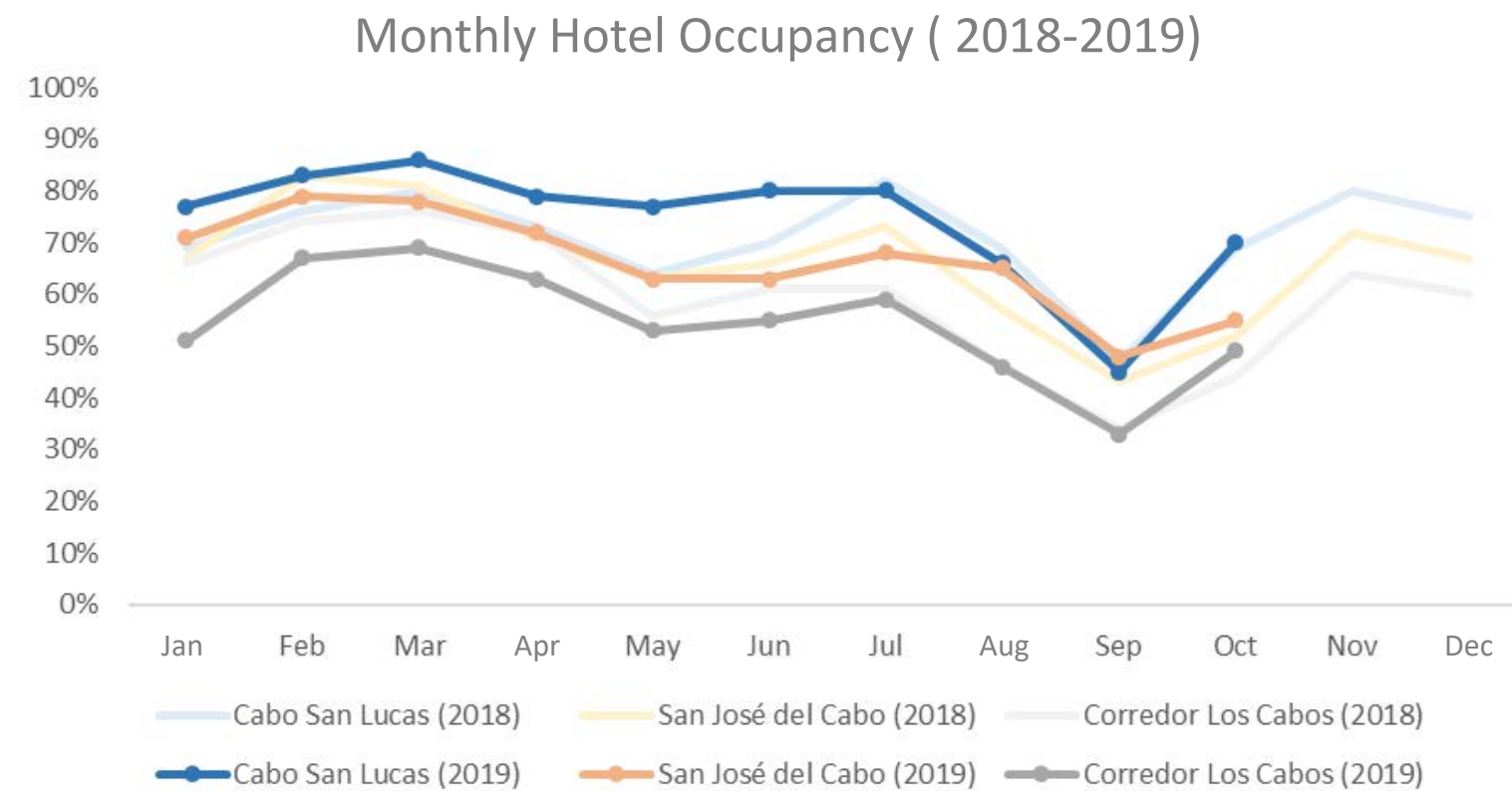
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## SUPPLY INDICATORS

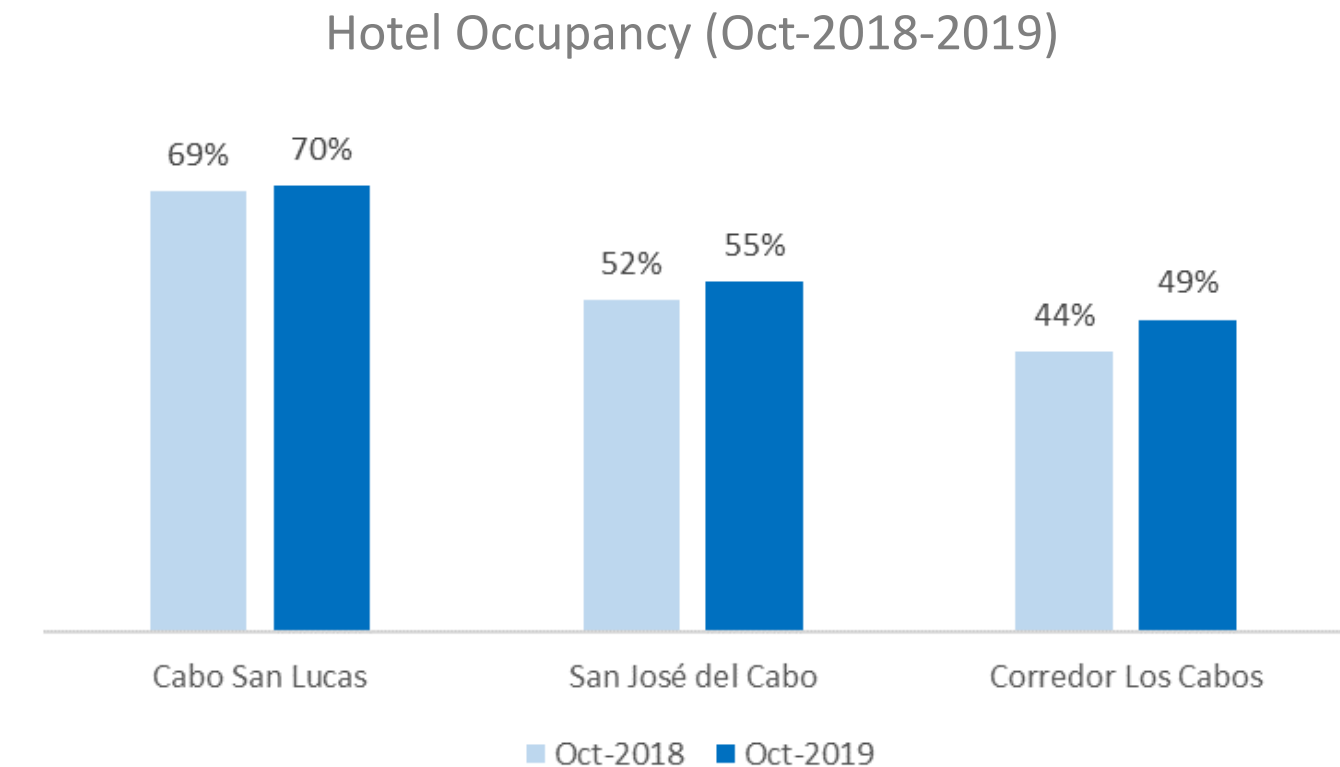


# HOTEL SUPPLY

## Hotel supply evolution in Los Cabos and sub destinations



SOURCE: AHLIC



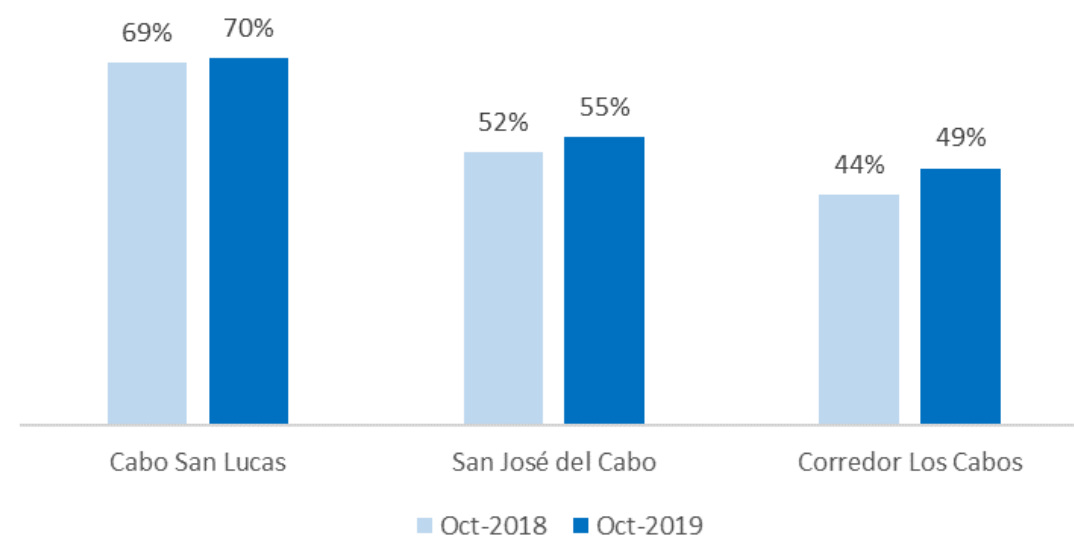
SOURCE: AHLIC

- According to the Hotel Association of Los Cabos, hotel occupancy recorded 61% in Los Cabos, and increased 3pp comparing Oct-2018 with Oct-2019. At sub destination level, Cabo San Lucas had a 70% occupancy, increasing 1pp compared to the previous year. While San Jose del Cabo gained 3pp now standing at 55% and Corredor Los Cabos increased 5pp, registering 49%.
- In Sep-2019 tourists arriving to hotels in Los Cabos registered 154,000, decreasing 2.4% when compared to Sep-2018 (-3,800), and the average stay increased by 0.3 nights (from 3.9 in Sep-2018 to 4.2 in Sep-2019; based on DATATUR). However, domestic tourist's stay increased by 0.4 nights (+13%), registering 3.6.
  - International tourism in hotels dropped 4.9% in this period, while domestic tourism increased 2.4%.
  - In Sep-2019, international tourism represented 66% of the total, while domestic tourism represented 34%. On the previous year, a similar share was registered.

# HOTEL SUPPLY

## Hotel supply evolution in Los Cabos and sub destinations

Hotel occupancy (Oct-2018-2019)

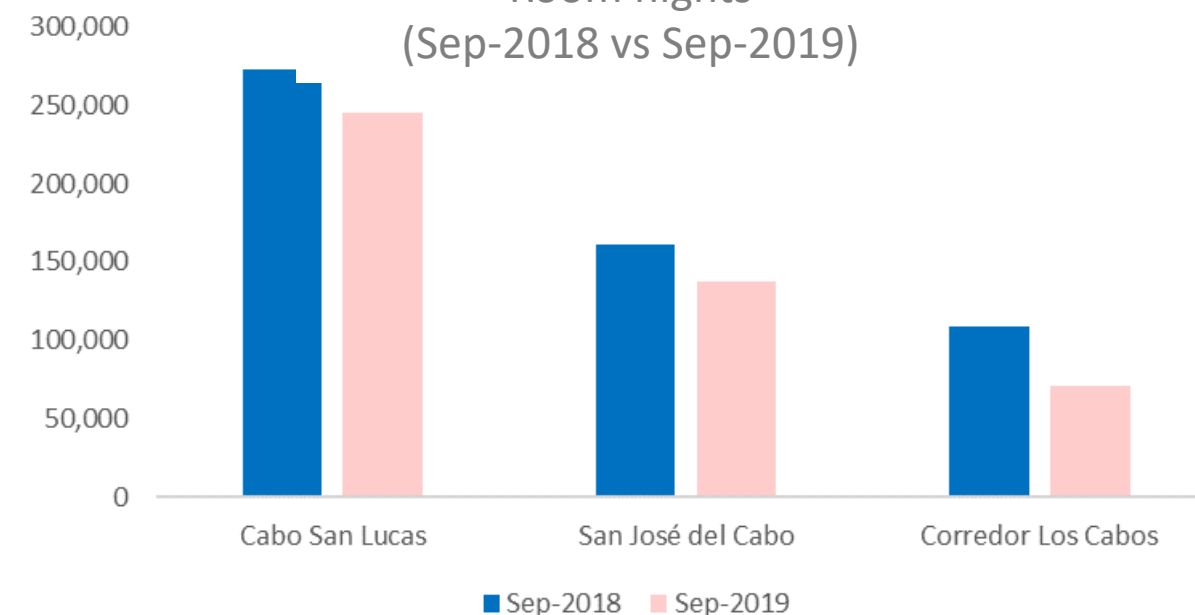


SOURCE: AHLC.

### CABO SAN LUCAS

- Occupancy registers at 70%, which demonstrates an increase of 1pp (Oct-2019 vs Oct-2018; AHLC).
- Supply increase: Hotel supply increased 8.7% from Dec-2018 to Oct-2019, going from 8,000 to 8,700 (AHLC).
- Room nights increased 11.3% between Sep-2018 and Sep-2019 (DATATUR).

Room nights (Sep-2018 vs Sep-2019)

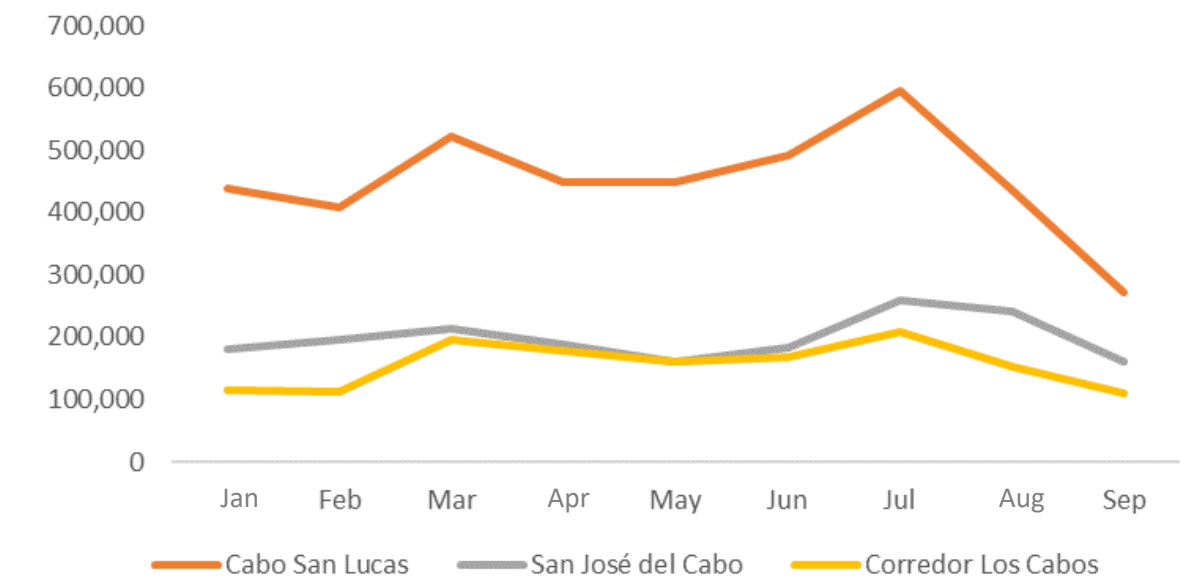


SOURCE: DATATUR

### SAN JOSE DEL CABO

- Occupancy increased 3pp when comparing Oct-2018 with Oct-2019 (AHLC): 55%.
- Hotel supply increased 1.7% between Dec-2018 and Oct-2019, registering 4,300 rooms (AHLC).
- Room nights increased 17.1% between Sep-2018 and Sep-2019 (DATATUR).

Occupied room nights (monthly 2019)



SOURCE: DATATUR

### CORREDOR LOS CABOS

- Highest occupancy growth of all sub destinations between Oct-2018 and Oct-2019: +5pp, going from 44% to 49% (AHLC).
- Hotel supply decreased 2.4% between Dec-2018 and Oct-2019, registering 4,100 rooms (AHLC).
- It has the highest room night increase of all the sub destinations: 53.9% between Sep-2018 and Sep-2019 (DATATUR).



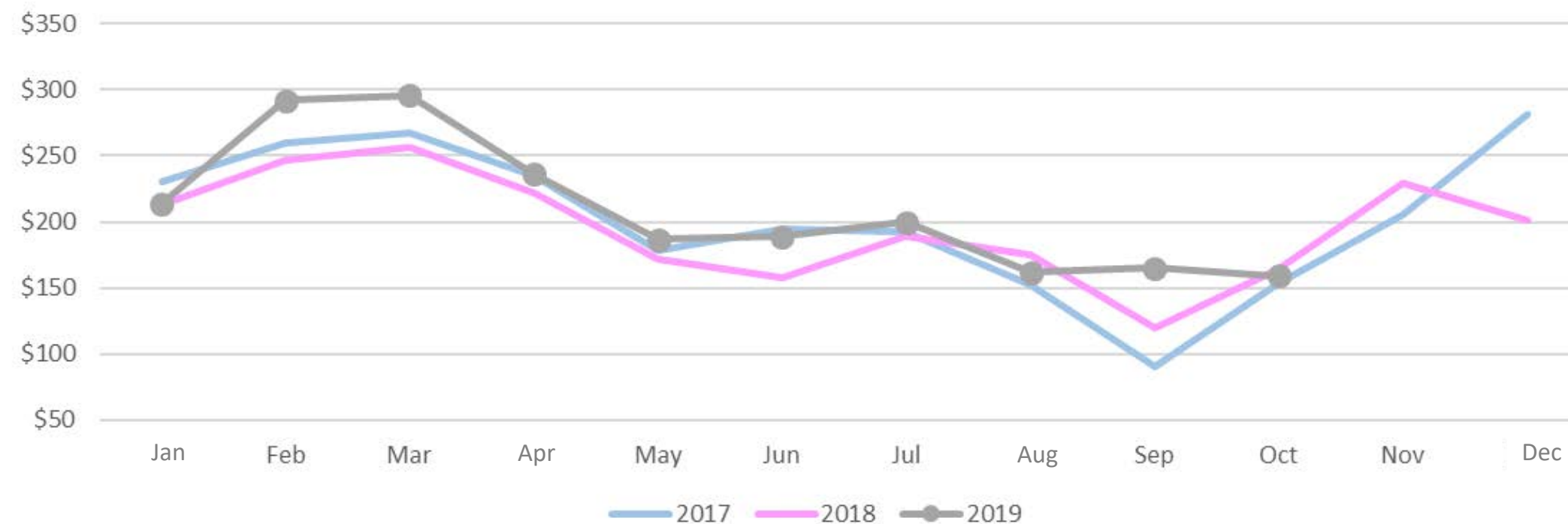
## HOTEL SUPPLY

# Average rate and RevPAR evolution in Los Cabos and sub destinations

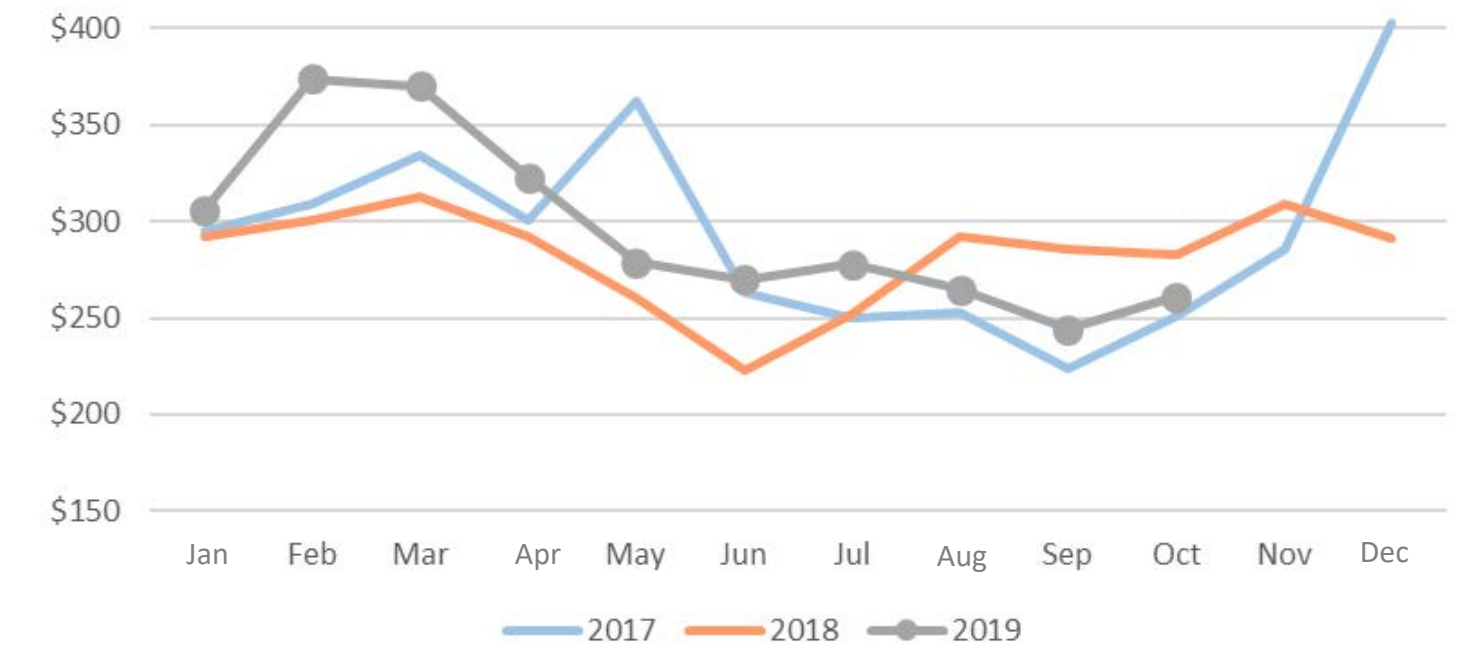
- Los Cabos average rate in Oct-2019 was \$261 USD; 55 dollars below the last 12 months' average; and 22 dollars below Oct-2018. RevPar was of \$159 USD; 52 below the last 12 months' average (5 dollars below Oct-2018).
- Corredor Los Cabos had the highest rate, standing at \$372 USD, and a 13 USD decrease compared to Oct-2018 (-3%).
- For the second time in a year San Jose del Cabo presents decreases compared to the previous year, breaking a constant growth trend, and reducing its average rate by \$14 dollars (-6%), settling at \$225.
- Cabo San Lucas increased its average rate by \$2 USD (0.9%), settling also at \$225 dollars.

Los Cabos RevPAR (USD, 2018 - 2019)

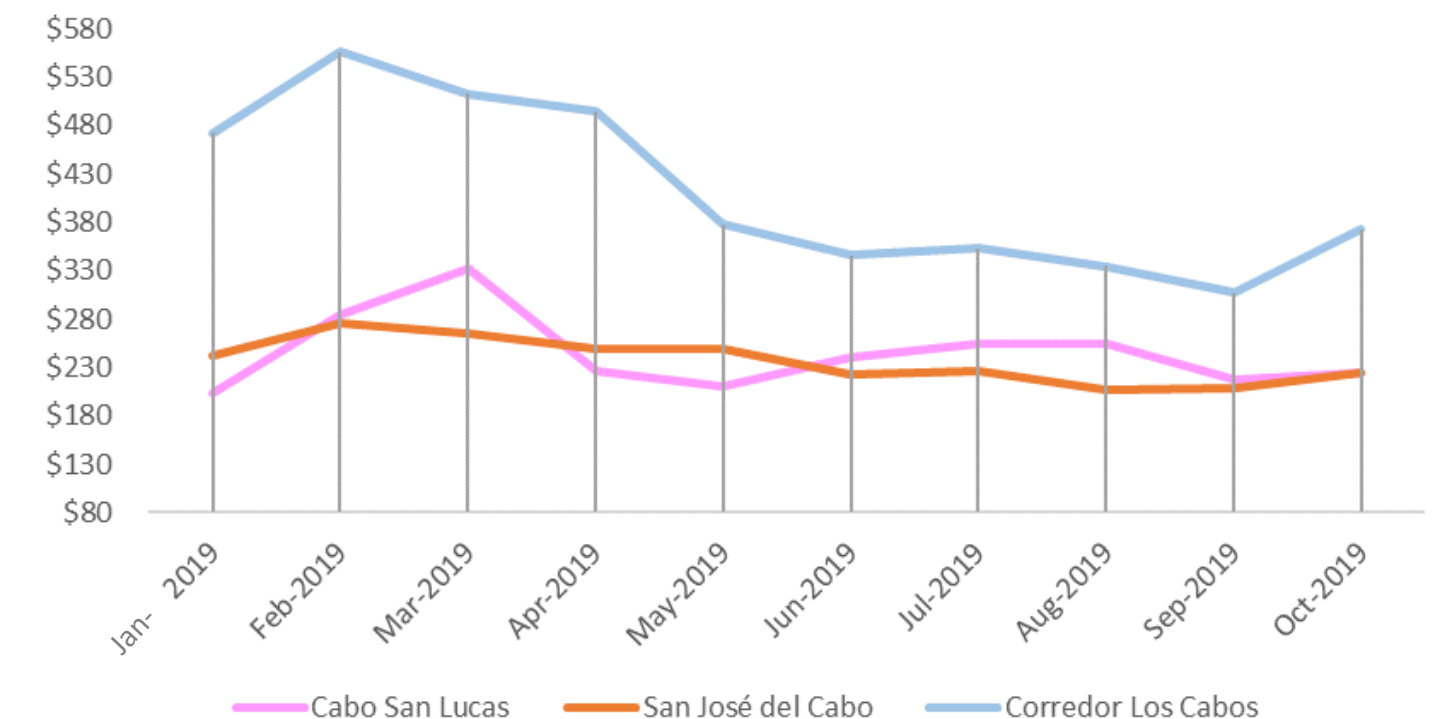
SOURCE: AHLIC



Los Cabos Average Rate (USD, 2018 - 2019)



Sub Destination Average Rate (USD, monthly, last 12 months)



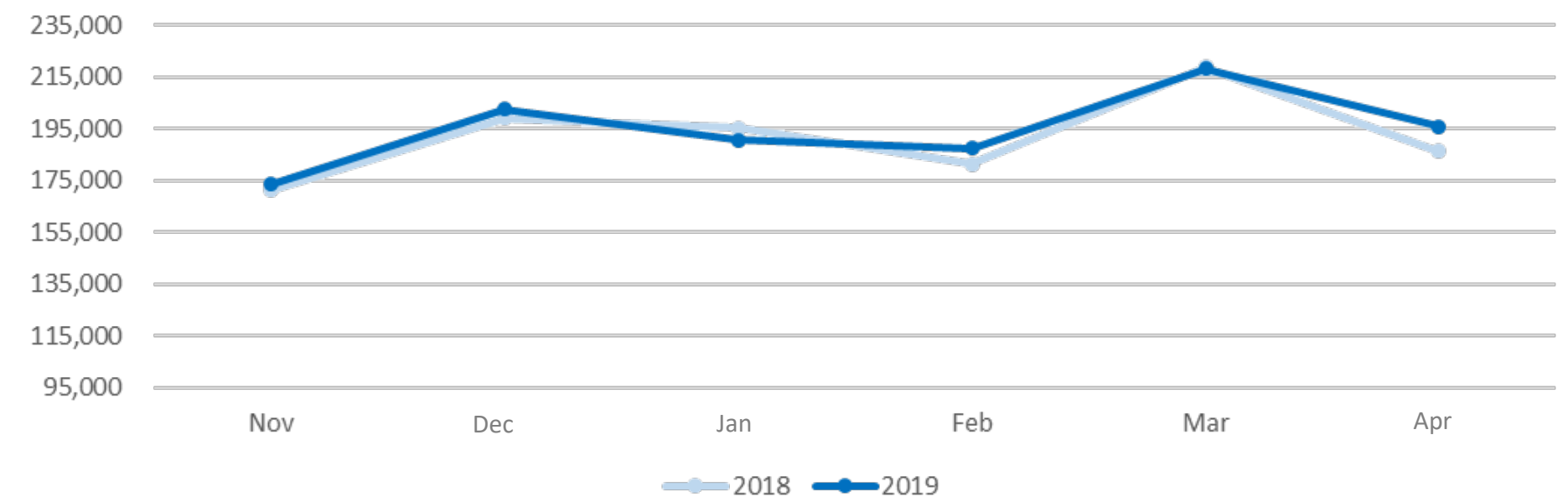
# INTERNATIONAL AIR CONNECTIVITY

SOURCE: OAG

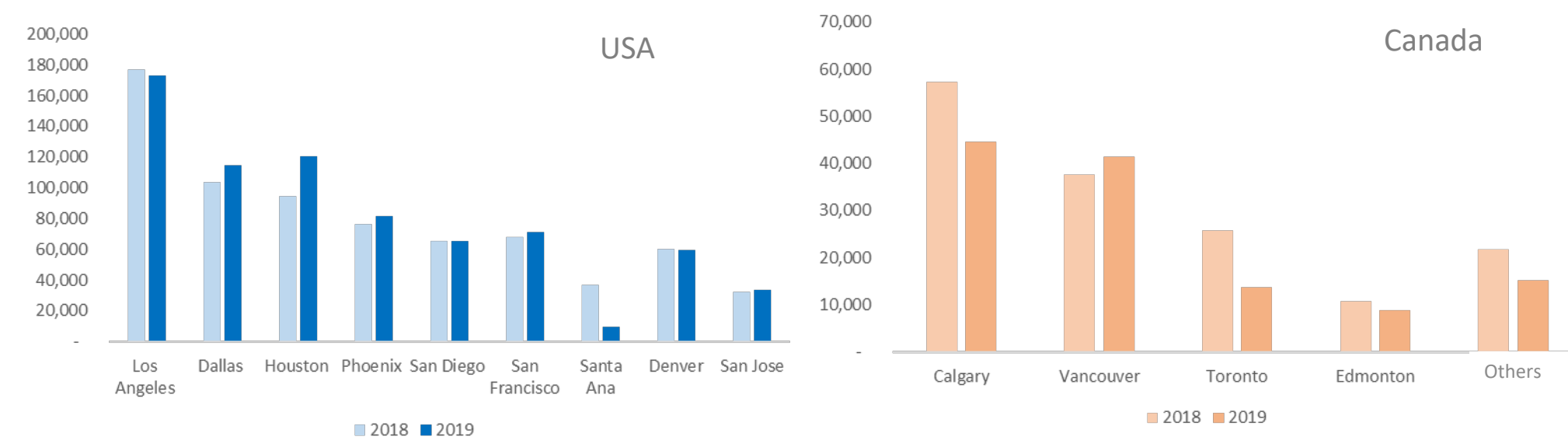
## SCHEDULED SEATS FOR NOV-2019 - APR-2020

- For the US, in Nov-2019 there are 1% fewer scheduled seats than in the same period last year, and for the next 6 months there are 3.8% more scheduled seats than the same period in 2018.
  - The biggest increases are presented in Dallas (+10.5%), Houston (+27.3%), and Phoenix (6.7%). Los Angeles drops 2%.
- The main issuing market in the US is Los Angeles (17%), followed by Houston (12%), and Dallas (11%). California represents 37% of seats available from USA to SJD in this period.
  - LAX participation in the international market will decrease 1pp, however those of DFW and HOU will increase 1 and 3pp, respectively. The most important airlines are American, Alaska, Delta, United, and Southwest (concentrating 87% as a whole).
- For Canada, in Nov-2019 there are 1.4% more programmed seats than in the same period last year, and for the next 6 months there are 19.3% fewer programmed seats than the same period in 2018. However, at the date of elaboration of this document, there is no updated Sunwing schedule at the OAG system. According to PAXIS, it is estimated that Sunwing will operate 19,656 seats in the next 6 months, coming from Vancouver, Calgary, and Toronto. Therefore, the real decrease in seats would be equivalent to -6.5%. The main issuing markets are Calgary (36%), Vancouver (34%), Toronto (11%) and Edmonton (7%); through WestJet Airlines (66%), and Air Canada (24%).
- Load factors of international airlines for Aug-2019 were American 85%, Alaska 91%, Delta 74%, United 89%, Southwest 88%; Air Canada 89% (up to Apr-2019), Sunwing 100%, and WestJet 93%.
  - When compared with Aug-2018, it is observed that American Airlines increased 18pp, and Sunwing 12% (reaching 100%); while Delta and WestJet lost 4pp and 5pp, respectively.

Seat scheduling to San José del Cabo  
(Nov-2019-Apr-2020)



Scheduled seats by origin (Nov-2019-Apr-2020)







# LOS CABOS TOURISM OBSERVATORY

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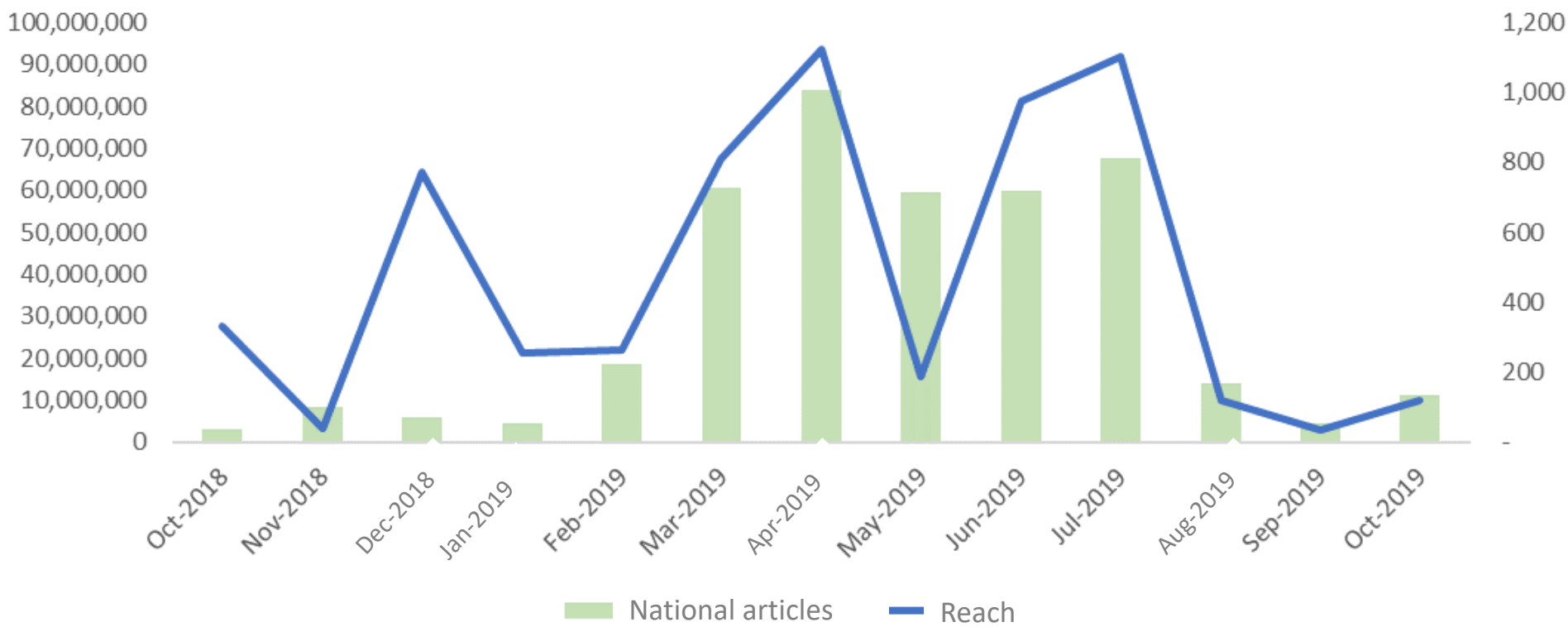
## PUBLIC RELATIONS



# Public relations, articles, and reach (Oct-2019)

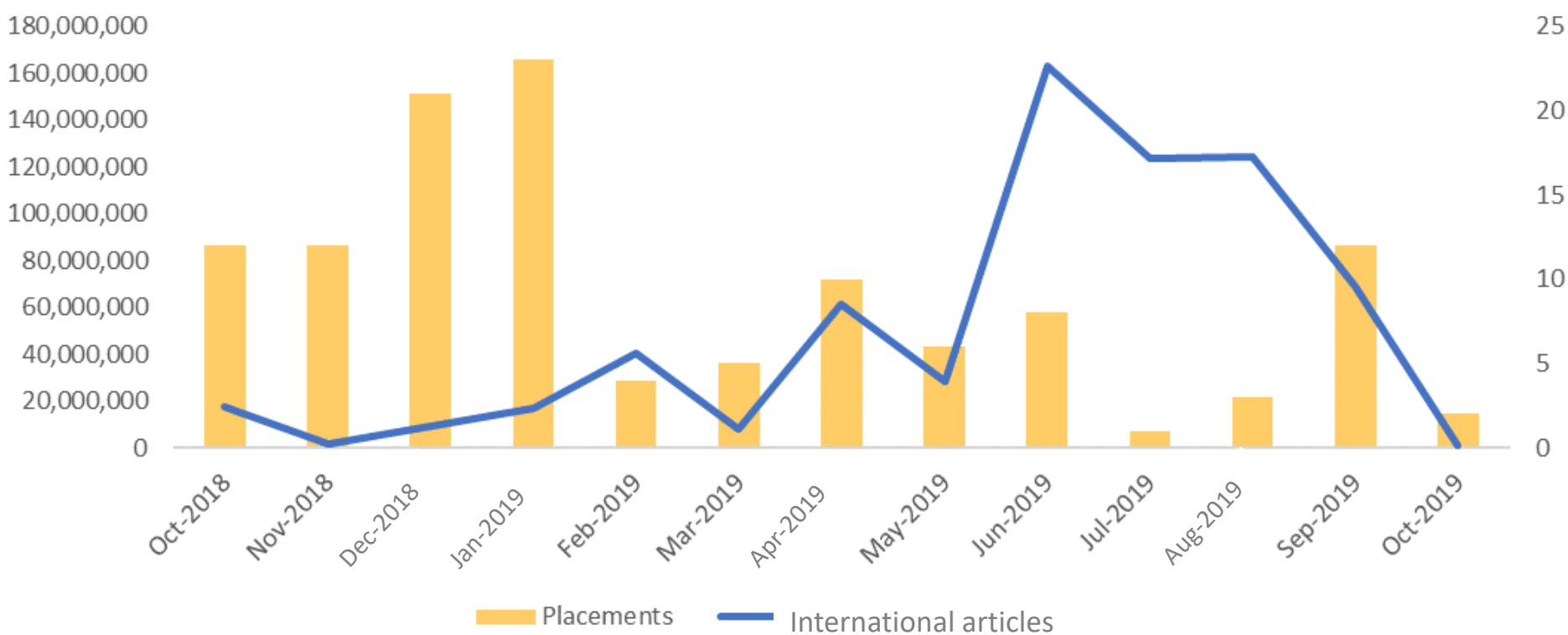
- **In the domestic market:**
  - **In the period from Nov-2018 to Oct-2019 (the last 12 months) there were 4,784 articles in the national press (on average 399 per month), generating a reach of 483 million impressions (on average 40 million per month). During Oct-2019, 134 inserts were published, achieving 9.8 million impressions.**
- **In the international market:**
  - **In the period from Nov-2018 to Oct-2019 there were 107 placements in international press (on average 9 per month), generating a reach of 646 million impressions (on average 54 million per month). During Oct-2019, 2 articles were published, achieving 1.1 million impressions.**

TOTAL NATIONAL ARTICLES AND REACH (OCT-2019)



SOURCE: GAUDELLI (Feb-18 to Jan-19), LLORENTE Y CUENCA (Feb-Sep-19)

TOTAL INTERNATIONAL ARTICLES AND REACH (OCT-2019)



SOURCE: NJF (Feb-18 to Jan-19), OGILVY (Feb-Sep -19)



# DEFINITIONS

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- **Congress.** Non-business-oriented meetings in which large groups of individuals gather, generally to discuss and exchange points of view about a topic of interest (professional, cultural, religious, social, sports, governmental or academic, among others) They usually last several days with simultaneous sessions, as well as a predetermined multiannual or annual frequency.
- **Convention.** Guild or business meetings normally sponsored by a corporation, in which the participants represent the same company, corporate group or customer or supplier relationship. Sometimes participation is mandatory, thus, travel expenses are borne by the corporation. It includes general and formal meetings of a legislative, social or economic body, in order to give information, deliberate or establish consensus or discuss policies by the participants, as well as discuss business issues around a market, product or brand. They may contain a secondary component of exposure.
- **Available rooms.** It is the number of rooms that are in service. It doesn't count the rooms that are out of service due to repair or some other reason.
- **Tourist destination.** The main destination of a tourist trip is the place to be visited which is essential for the decision to make the trip. See also main reason for a tourist trip.
- **Seasonality.** It means that tourist flows, or currents tend to concentrate around certain times of the year, repeating this process annually
- **Stay.** It results from dividing the total tourist nights by the number of tourist arrivals per month. The result obtained expresses the number of days of stay of the tourist.
- **Events or incentive trips.** An incentive trip is a modern management strategy focused on recognizing people who reached or exceeded objectives commonly related to sales or productivity, aimed at participants who demonstrate better performance in their work with an extraordinary travelling experience.
- **Room Nights.** It is obtained from the daily registry with the number of tourists occupying rooms at an establishment, by their length of stay (number of nights they spend at the establishment) and is classified according to their place of origin, by residents and non-residents.
- **Inflation.** Continuous and generalized growth in the prices of goods and services that are sold in an economy. It is the average growth from one period to another of the prices of a basket of goods and services.
- **Underlying inflation.** It is the increase of prices of a subset of the NCPI (National Consumer Price Index), which contains generics with less volatile quotes. It measures the inflation trend in the medium term. The 283 generic concepts that integrate the basket of goods and services of the NCPI are classified or grouped into subsets that respond to particular analysis needs, amongst the most well-known classifications are those of object of expenditure, which refers to the sector of origin of the goods and services and of durability of the goods and underlying inflation.
- **Passenger arrivals.** Passengers transported in airline aircrafts with established routes and itineraries
- **Tourist arrivals.** Corresponds to the number of tourists registered by the lodging establishment during the month.

# DEFINITIONS

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- **Visitor's nationality.** That of the country which grants a passport or another identity document to the visitor, even if they usually reside in another country.
- **Non-resident.** A person whose habitual environment is outside the Mexican territory and who visits the latter for a period of less than twelve months for any reason (businesses, vacations, and other). Excludes received remuneration for activities carried out in the visited place
- **Hotel occupancy** The occupancy rate of accommodation is a concept based on the supply. It is an important indicator for many purposes. It provides information on the differences in use between the different types of lodging establishments and if presented in monthly data it also indicates the seasonal pattern of the use of tourist accommodations.
- **RevPAR.** The RevPAR is the most important metric used in the hotel industry to assess the financial performance of an establishment or chain. It is an abbreviation of Revenue Per Available Room, income per available room. It always refers to a certain period (weekly, monthly, annual, etc.). One way to calculate the RevPAR is through the formula:  $\text{RevPAR} = \text{It} / \Sigma \text{Ht}$ , where It is equal to the total income generated by the rooms in a period t. and  $\Sigma \text{Ht}$  is equal to the total number of rooms available in a period t. That is, the rooms of the establishment or chain multiplied by the number of nights of period t minus rooms not available.
- **Resident.** Individual whose habitual environment is in the territory of the Mexican United States.
- **Residence.** It is the place/country in which the traveler has remained during most of the previous year (12 months) or has stayed for a shorter period and expects to return within 12 months to live in that country.
- **Average daily rate.** The average daily rate (commonly known as ADR) is a statistical unit that represents the average income per occupied room, paid in a given period of time. The ADR along with the occupancy of the property are the basis for the financial performance of the property. The ADR is calculated by dividing the income of the rooms, by the number of rooms sold. Rooms of house guests (known as "House use") and free rooms (known as complimentary) must be excluded from the denominator.
- **Tourist.** Any person who travels outside of their usual location for a period of less than 12 months for any reason, except for people who engage in activities that will generate income at the travel destination; refugees or migrant workers; diplomats; seasonal or border workers, or travel employees.
- **Visitor.** Any person who travels outside of their usual location for a period of less than 12 months for any reason, with the exception of people who participate in activities that will generate them income at the travel destination; refugees or migrant workers; diplomats; seasonal or border workers, or tourism employees, or people searching for a job or to establish new residence.



## LOS CABOS TOURISM OBSERVATORY

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Prepared by STA Consultores S.C.  
[www.staconsultores.com](http://www.staconsultores.com)  
[info@staconsultores.com](mailto:info@staconsultores.com)