
Denight: Guam needs more hotel rooms to support increased demand

Nathan Denight, For Pacific Daily News/USA TODAY NETWORK Published 5:53 p.m. ChT Jan. 29, 2019

Håfa Adai! Guam Visitors Bureau was pleased to receive insight from United Airlines and Japan Airlines about their charter schedule for Japan's 2019 Golden Week holiday. This year's Golden Week will take place over 10 days from April 27 through May 6, a longer period than usual. The 2019 holiday includes an extra day to recognize Crown Prince Naruhito's succession to the throne.

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Guam is expecting 47 charter flights from Japan through our airline partners during Golden Week, a considerable jump from seven Golden Week charters last year. United will operate an extra nine sections from Spring Break through Golden Week. JAL will be offering four additional flights.

We look forward to working with our airline partners this year to meet our goal of 1.6 million visitors to Guam in 2019.

Guam braces for effects of H-2 exclusion

Guam's tourism industry is facing an imminent crisis with the recent ruling by the Department of Homeland Security, which excludes Philippine nationals from participating in the H-2 visa program through January 18, 2020. Under the exclusion, on-island workers from the Philippines won't be able to renew their visas, and Guam won't be able to recruit laborers for new projects.

The Guam Visitors Bureau is talking with stakeholders to assess the effects on the tourism industry. We can expect construction activity to be limited to military related projects or those that support the relocation of the U.S. Marine Corps base to Guam.

This can potentially affect the 340-room Tsubaki Tower project, scheduled to open this year, and the start of construction of the 298-room boutique hotel in Tumon and the recently announced 246-room airport hotel project. The three new properties are slated to add close to 900 rooms within the next few years to help Guam support growth in visitor arrivals and inbound military relocation.

A majority of Guam's H-2 workers come from the Philippines, due to affordability, proximity, and the availability of skilled laborers. Bringing in laborers who command higher wages and from countries farther away will add to construction costs, which will be passed on to the visitor. Guam will become an even more expensive destination.

Improvement needs to continue

Without a skilled labor force, hotels may not be able to reinvest in their properties. Guam's repeat visitor rate in fiscal 2018 was 49 percent from Japan and 37 percent from Korea. This means we have a good product. However, improvement of our product needs to continue so hotels can command better room rates and collect higher occupancy taxes.

Residents are already challenged with finding construction companies to build their homes. The cost per square-foot has substantially increased. With home inventory limited and rental rates increasing, residents are already feeling it in their wallets. GVB hopes that there will be a solution or exemption that our local leaders can explore.

Plainly put, our economy depends on this industry to continue to grow. GVB hopes that there will be a solution or exemption that our local leaders can explore. Every aspect of our local economy depends on it.

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