

Narrative activities 2020

Granada

The pandemic hit Nicaragua hard. It has no domestic tourism of importance and all mayor airlines stopped operating flights to Managua. So the hotel has been virtually empty since April 2020. It forced us to abolish the tutoring program in primary schools and terminate the employment for our 3 remaining teachers. At the end of the year we ran a fundraising campaign with our international community and were able to collect funds to support 37 students with a scholarship; 18 highschool and 19 university students.

Oaxaca

As in most of the world our 7 scholarship students spent most of 2020 at home with 'remote schooling' which for poor families in Mexico is an additional challenge. Fortunately, the work with our education partner organization 'The Oaxaca Learning Centre' has surpassed our expectations. Sadly, the pandemic prevented us from recruiting a new cohort of students in august 2020.

Also in Mexico, covid-19 brought tourism to a complete standstill in Q2 & Q3. However, when in Q4 domestic tourism picked up, we could rehire our staff and managed to close the year break-even at operational level.

Expansion

The search for real estate in Costa Rica proved more troublesome than we anticipated early 2020. Eg. a chosen beach property in Sámara had no water availability, a mountain property in Monteverde had destination plan Thereafter the pandemic prevented us from travelling during most of 2020, although in November we travelled again and opened up new possibilities. Given the difficulties in Costa Rica, we also started our search for real estate in San Cristóbal de las Casas in Chiapas, Mexico. Wherever we will close a first deal we will develop the next

2021 Outlook

Tourism is already showing strong signs of recovery in Mexico and with vaccinations on both sides of the Atlantic progressing. We also expect Costa Rica to benefit from this upturn. Nicaragua however will take longer to recover.

Expansion: In April 2021 a new trip to Costa Rica revealed 2 trends: at the beach the real estate market has heated up, supposedly by Americans and Canadians buying up houses and land. However, in the mountains there is no such trend and our increased network of locals has opened up more available pieces of land. In parallel we will continue our search in San Cristóbal (MX), as well.

Narrative activities 2019

Granada

The political situation in Granada was quieter in 2019 than 2018 and tourism slowly came and comes back. However in modest numbers. We have finished the year in break even and paid our education expenditure from our reserves. Since government budgets for schooling were deteriorating our investment was more than needed than ever. Luckily, we still have reserves to maintain the education support to the communities

Oaxaca

2019 was our first full year of business. We generated enough funds to start an education pilot. We started with 8 high school students. They received scholarships directly from the hotel funds and enrolled in motivational programs outsourced to our education partner "The Oaxaca learning Centre".

Expansion

In 2019 we created a new legal structure that facilitates our growth plans. Firstly, Foundation Hotel con Corazón Mexico and Foundation Hotel con Corazón merged. Next we set up the legal entity Hotel con Corazón Social Enterprise BV. Foundation Hotel con Corazón will have a majority stake in both voting and profit rights in this limited company. In 2018 and 2019 we searched investors for our expansion plan of €3,5mln. Sofar we secured €2,2mln. These investors will be shareholders in the Social Enterprise.

Visits to Costa Rica to set up the third Corazón project have resulted in a short list of locations and concrete negotiations on certain plots.

2020 Outlook

Coronavirus

Obviously it is impossible to write about the 2020 outlook without speaking about the covid-19 crisis. Tourism has come to a stop worldwide, so the funding for our impact projects in the future is uncertain. As a consequence, unfortunately we will not be able to recruit new students.

As far as the hotels go, covid-19 will most likely result in a largely lost year. At the eve of the crisis our situation was extraordinarily good in Oaxaca and we were steadily recovering in Nicaragua.

The covid-19 measures we are taking require a delicate balance between taking care of our staff, buildings and possessions on the one hand; and ensuring financial stability for the post-crisis period on the other. With only 1 goal in mind: to make a positive social impact again as soon as circumstances allow for it.

Narrative activities 2018

The year 2018 has been an even more turbulent one for Foundation Hotel con Corazon than 2017 was. The Oaxaca hotel was opened in June 2018 and it directly gained a growing stream of visitors. The reviews brought our second hotel within a few months into the top segment. In Nicaragua however we were confronted with a political unstable situation with large scale protest and street violence. As a consequence many countries (including important ones for us such as the USA, Canada, Netherlands, UK, Germany, Belgium, France and Spain) issued negative travel advise to Nicaragua. At the end of the year some negative advices were lifted, but the damage was done to the Nicaraguan tourist industry.

In March, Hotel con Corazón was selected as one of 10 "responsible travel" scale-up companies (out of 800 applicants worldwide) by Booking.com. Together with the other 9 finalists, founders Onno Oostveen and Marcel Zuidhof participated in the 3-week Booster Accelerator program to develop plans to scale our impact and our business. As a result we have developed plans to expand to 3 more locations in Central America. So by 2022 we expect to have 5 hotels in the region.

The Oaxaca occupancy in the 1st half year was beyond our expectations (and business plan) with percentages rising to 80% at the end of the year. All in all, it means we will be able to start our education program by august 2019, at a level higher than we had anticipated.

Nicaragua however, is the flip side of the coin, the people's protests started on April 18th and lasted till mi- july. Violence between protesters, armed forces and paramilitary groups made the country unsafe to travel. By mid-may tourism had come to a complete standstill and hasn't recovered since then. Untill the end of 2018 we still had hopes that recovery of tourism woud start, and some positive signals by end of september made us decide to remain open with a reduced staff. However the december holiday season did not bring the improvement, so in January 2019 we had to take the painful decision to let go 80% of our staff and with the 10%-15% ocupation we have possibly break even. We also had to decide to reduce the education team. That way and thanks tou our prudent financial reservations we made over the years we will be able to continue our support to the children in pur program throughout 2019 and 2020 even if the hotel will not make any profits in that period.

Our new manager in Granada, Nicaragua, Gretcheen Gonzalez, did a tough job keeping the hotel running as good as possible in the turbulence. We brought down our costs to the bare minimum while maintaining the hotel in the best condition.

Narrative activities 2017

The year 2017 has been turbulent for Foundation Hotel con Corazon. The project team in Oaxaca entered into the building phase of the project. The design was completed, permits were requested and a builder was contracted and started building the hotel from scratch. Foundations were laid, utilities connected and the first walls were getting shape. In the second half-year we had some delay caused by time needed for permits. We had to find our way of working with the building contractor. We are now aiming for an opening in May 2018.

The Granada operation entered into a new phase last year but is still adapting to the new reality. The market for American travellers to Nicaragua, that still comprises at least 50% of our guests, experienced a dip in 2016 because of Zika and the shift of travelers going to the immense popular Cuba. But also the number of hotels, B&B's and AirBnb offerings in Granada has steadily grown over the years. This means we faced a new situation: we had to fight for our bookings for the first time in 2016. And are still struggling this year. As a result, the average occupancy rate has dropped from 65,7% in 2015 to 55,2% in 2016 and the first half of 2017 was again lower than 2016. But in the second half year we fought our way back together with our bright new manager Gretcheen Gonzalez.

Today our guests are almost everywhere on the internet searching for the easiest way to select and book a hotel room. And these platforms provide just that: comfort to the traveller. Unfortunately they do so demanding commissions between 15% and 20% to hotels. But, we took up the glove in 2016: we launched a new website, joined Booking.com and Expedia.com, and are now steadily learning how to attract guests on those platforms and will hook up with other booking agencies in short time. The good news is that from April onwards we are doing almost every month better than 2016.

And after almost 4 years of hard working and an incredible amount of highly satisfied guests our first professional manager Boris Franchoise has resigned and handed over the operation of the hotel to our new manager Gretcheen Gonzalez (after a short interim management of Marcel Zuidhof).