

Miami-Dade County Industry Updates

April 2024



In Summary

- Economic conditions have not shifted much recently, with inflation ever persistent and travel costs reflecting these increases. Rate decreases aren't likely any time soon. Despite increased travel costs, people are still spending on travel.
- International travel conditions are improving and some of our main feeder markets may have a few more bucks in their pockets to spend; Colombian and Mexican visitors' currency are going further here in the US than they have in recent history. Airline capacity at MIA has ramped up in anticipation of strong demand for the rest of 2024.
- Our airport and hotel demand have been good and above what we see nationally. The past 28 days of hotel occupancy and RevPAR were generally better than they were a year ago, exceeding prior forecasted expectations.
- Future travel planning is evident by increases in booking windows. The next 90 days of hotel & STR reserved occupancy look similar or better than last year, with the exception of the first week of May.
- Much further on the horizon, reserved paid lodging occupancy is growing in October as we prepare for Taylor Swift.

Consumers Continue To Carry The Economy

Economic growth in the first quarter of 2024 appears to be on a rosy trajectory.

Multiple reports show that consumers continue to carry the economy by spending freely despite still-elevated inflation and debt levels ticking higher. Growth in the 2% to 2.5% range for the first quarter appears likely, boosted by solid momentum from the second half of last year.

But most of the monthly spending increase was for services rather than on goods. “Revenge spending” on travel and entertainment, a consequence of the pandemic when households were mostly hunkered down, might be a cliché by now. However, the data shows that spending on these leisure-related services remains strong. For example, while the broader category of transportation services grew 2.7% in February and was 7.5% higher than a year ago, spending on air services was 20.6% higher year-over-year in February.

Of course, some of the increases in spending were due to higher prices. The personal consumption expenditures price index [was up 0.3% in February](#) and 2.5% over the year. The core PCE, which excludes volatile food and energy prices and is the Federal Reserve's preferred measure of inflation, was up 2.8% over the prior year, above the Fed's target rate of 2%.

However, inflation has shifted away from goods and toward more labor-intensive services. With wage gains still solid in the labor market and consumers leaning more into buying services, inflation in that segment has been stickier as providers of these services have no reason to lower prices or slow price increases. So-called “supercore” inflation, or core inflation of services excluding housing, has been easing somewhat for the past 12 months but was at 3.3% in February.

Economic Flashpoints And Travel Demand Health Check

Indicators signal a cooling economy but should be taken with a grain of salt. Recessionary territory remains far away and factors such as weather, an early Easter holiday and seasonal adjustments muddy the outlook.

- **Consumer spending remains solid** due in part to the strength of the labor market and household balance sheets.

The rate cut waiting game continues: The Federal Open Market Committee needs greater confidence that inflation is moving sustainably toward the 2% target before cuts are made—likely not until June. That said, the slightly later cut should not have significant impacts on GDP growth.

Air travel: TSA air passenger growth picked up in February, growing 11% year-over-year compared to 6% in January. This marked the sixth consecutive month that total air traffic exceeded its 2019 comparison. Meanwhile, airfares remain roughly equal to pre-pandemic prices—despite overall consumer goods costs being up 24% from 2019.

International travel: International visits to the U.S. are accelerating across major markets, remaining a key driver of growth.

- **Overseas arrivals grew at a faster pace in February at 26% year-over-year, reaching 87% of 2019 levels.**
- Some of the bump can be attributed to the increased momentum of Asian outbound travel.

State Of The American Traveler – April Insights

An impressive—if not perhaps more budget conscious—outlook for summer travel appears on the horizon while a current look at the **Family Traveler segment reveals an international destination-bound, nature, theme park, sports events and luxury-oriented traveler.**

- **One-in-three American travelers feel their household finances are better off now than they were one year ago (39% feel this is unchanged, while 28% feel it has worsened).**
- **After a lengthy period of shrinking, travel planning windows are on the rise among American travelers. Currently, the average travel planning window for a one-week domestic leisure trip is 11.3 weeks.**
- **Family travelers skew Millennial (55.7% vs. 31.3% for Gen X, 7.6% for Gen Z and 5.4% for Baby Boomers). They have an average annual household income of \$107,000 and nearly one-in-five (18.5%) have or travel with someone who has accessibility needs.**



International Inbound Arrivals – Point Of Entry, Miami International Airport

Country	Jan - Feb 2023	Jan - Feb 2024	% YOY
Brazil	68,955	108,963	58.0%
Argentina	69,448	72,821	4.9%
Caribbean	52,093	59,025	13.3%
United Kingdom	51,630	56,622	9.7%
Colombia	44,778	52,055	16.3%
France	30,897	44,002	42.4%
Chile	44,093	42,120	-4.5%
Mexico (Excl. Land)	35,374	38,813	9.7%
Italy	23,910	29,042	21.5%
Peru	26,964	28,590	6.0%
Germany	20,036	26,957	34.5%
Spain	22,809	26,630	16.8%
Ecuador	21,355	21,498	0.7%
Poland	10,205	16,372	60.4%
Venezuela	15,668	15,609	-0.4%
Dominican Republic	10,084	13,781	36.7%
Honduras	11,165	13,445	20.4%
Sweden	9,844	10,389	5.5%
Panama	10,775	9,698	-10.0%
Guatemala	9,510	9,666	1.6%
Other selected markets	87,157	99,037	13.6%

VISA Wait times		
Visitors (B1/B2) (Interview required)	As of:	
	1/22/2024	3/25/2024
Brazil	70	95
Argentina	91	69
Colombia	703	725
Mexico (Air)	799	810
Ecuador	365	321
Dominican Republic	274	262

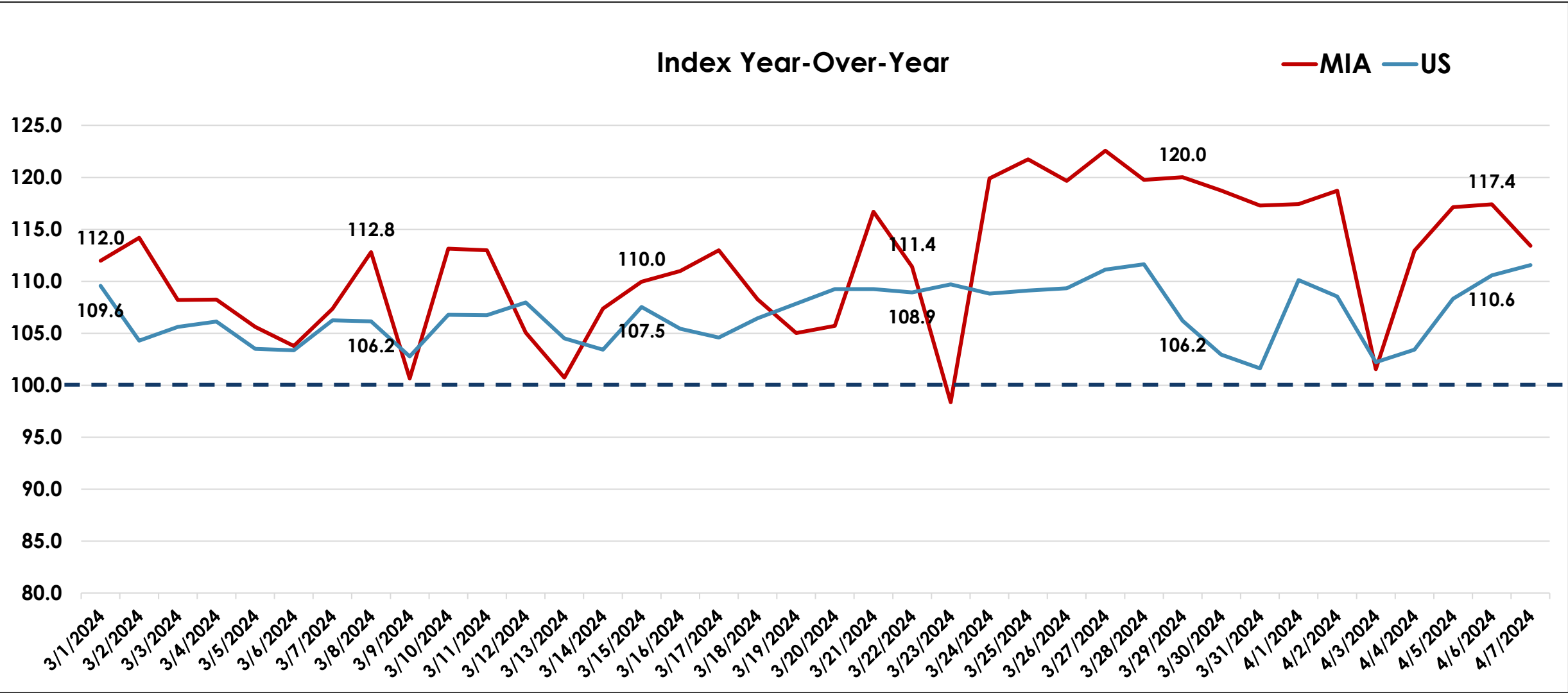
International Exchange Rates VS United States

Country	As of:			% Change	
	4/11/2023	3/11/2024	4/11/2024	VS Last Month	% YOY
Argentina	0.00471	0.00118	0.00116	-2.2%	-75.5%
Bolivia	0.1447	0.1450	0.1447	-0.2%	0.0%
Brazil	0.198	0.201	0.197	-1.7%	-0.4%
Canada	0.741	0.741	0.731	-1.3%	-1.2%
Chile	0.00122	0.00104	0.00105	0.6%	-14.3%
Colombia	0.0002195	0.0002562	0.0002623	2.4%	19.5%
Dominican Republic	0.0183	0.0170	0.0167	-1.6%	-8.4%
France	1.0917	1.0942	1.0740	-1.8%	-1.6%
Germany	1.0917	1.0942	1.0740	-1.8%	-1.6%
Guatemala	0.1283	0.1283	0.1285	0.1%	0.2%
Honduras	0.04093	0.04058	0.04055	-0.1%	-0.9%
Mexico	0.05507	0.05949	0.06965	17.1%	26.5%
Peru	0.2643	0.2709	0.2690	-0.7%	1.8%
Spain	1.0917	1.0942	1.0740	-1.8%	-1.6%
Trinidad And Tobago	0.1479	0.1475	0.1478	0.2%	-0.1%
United Kingdom	1.243	1.285	1.257	-2.2%	1.1%

MIA International Nonstop Flights, Seat Capacity – Q2, Q3 & Q4 2024

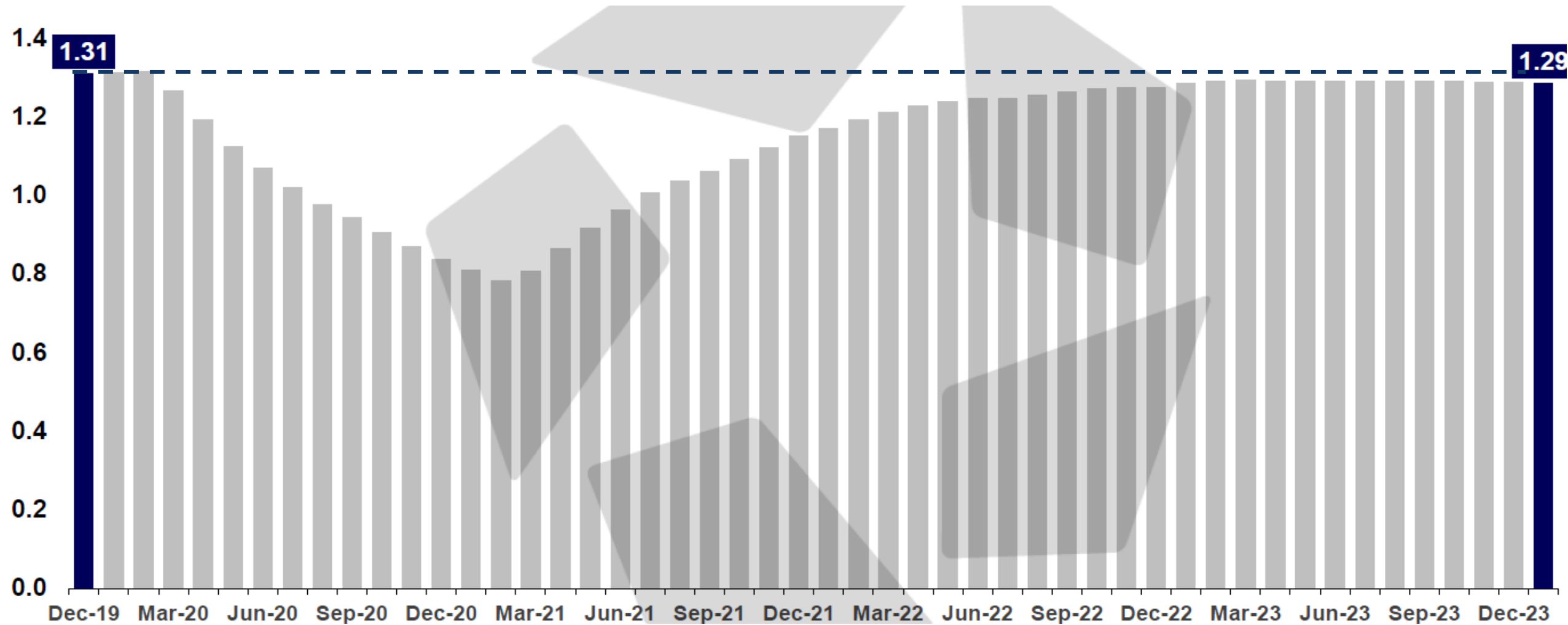
Q2'24	#	% YOY	Q3'24	#	% YOY	Q4'24	#	% YOY
Colombia	353,642	18%	Colombia	386,634	17%	Colombia	367,426	19%
Mexico	254,202	16%	Mexico	265,066	17%	Mexico	271,345	18%
Dominican Republic	245,985	31%	Dominican Republic	226,723	24%	Cuba	211,288	-11%
Cuba	195,960	-17%	Cuba	210,692	-11%	Brazil	207,531	13%
United Kingdom	168,318	30%	Brazil	178,870	2%	Dominican Republic	207,080	23%
Brazil	160,933	2%	United Kingdom	171,038	31%	United Kingdom	183,780	17%
Bahamas	147,616	7%	Spain	146,546	16%	Spain	142,514	12%
Spain	145,540	15%	Panama	131,480	10%	Panama	139,934	17%
Panama	122,390	3%	Peru	123,364	0%	Bahamas	135,134	15%
Peru	122,148	28%	Bahamas	114,272	-4%	Canada	127,085	27%
Others	1,657,718	1%	Others	1,614,307	-2%	Others	1,800,194	2%
Total International	3,574,452	6%	Total International	3,568,992	4%	Total International	3,793,311	7%

Airport Total Daily Passenger Volume (Throughput) – US And MIA



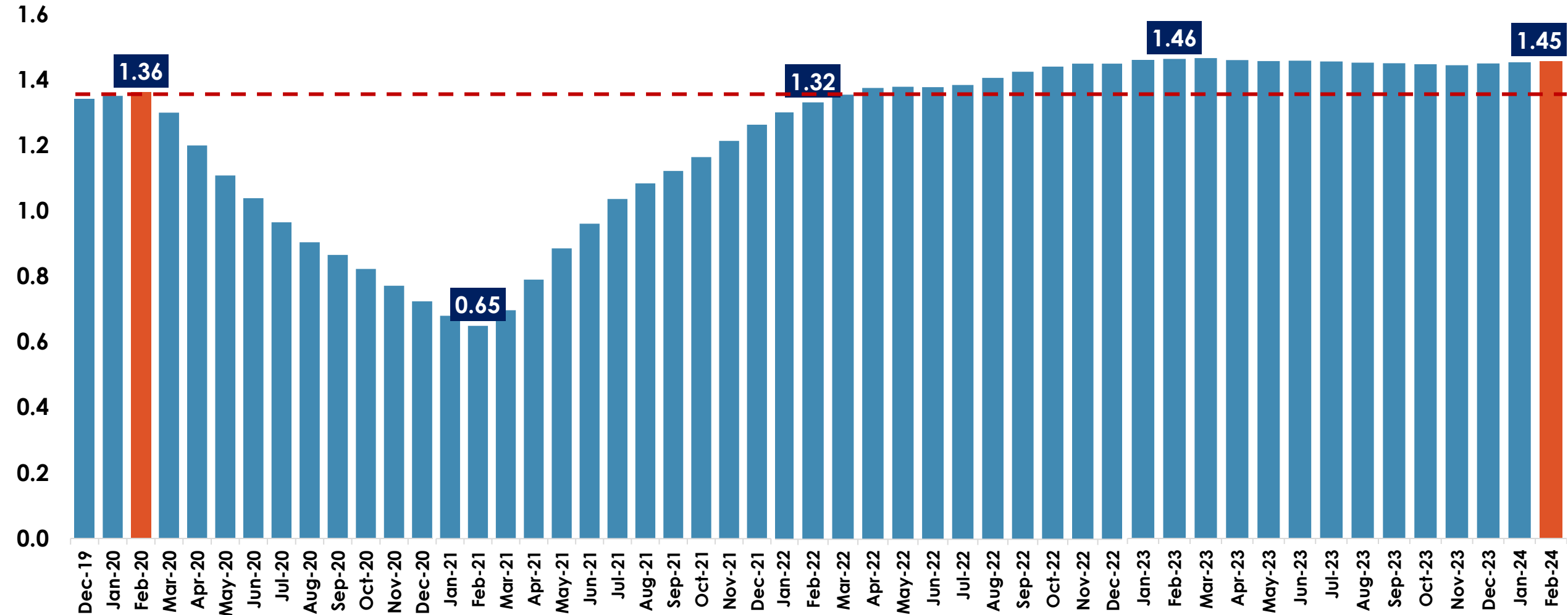
US Hotel Room Demand Is Flattening...

U.S. Hotel Room Monthly Demand (Billions), 12-Month Moving Average



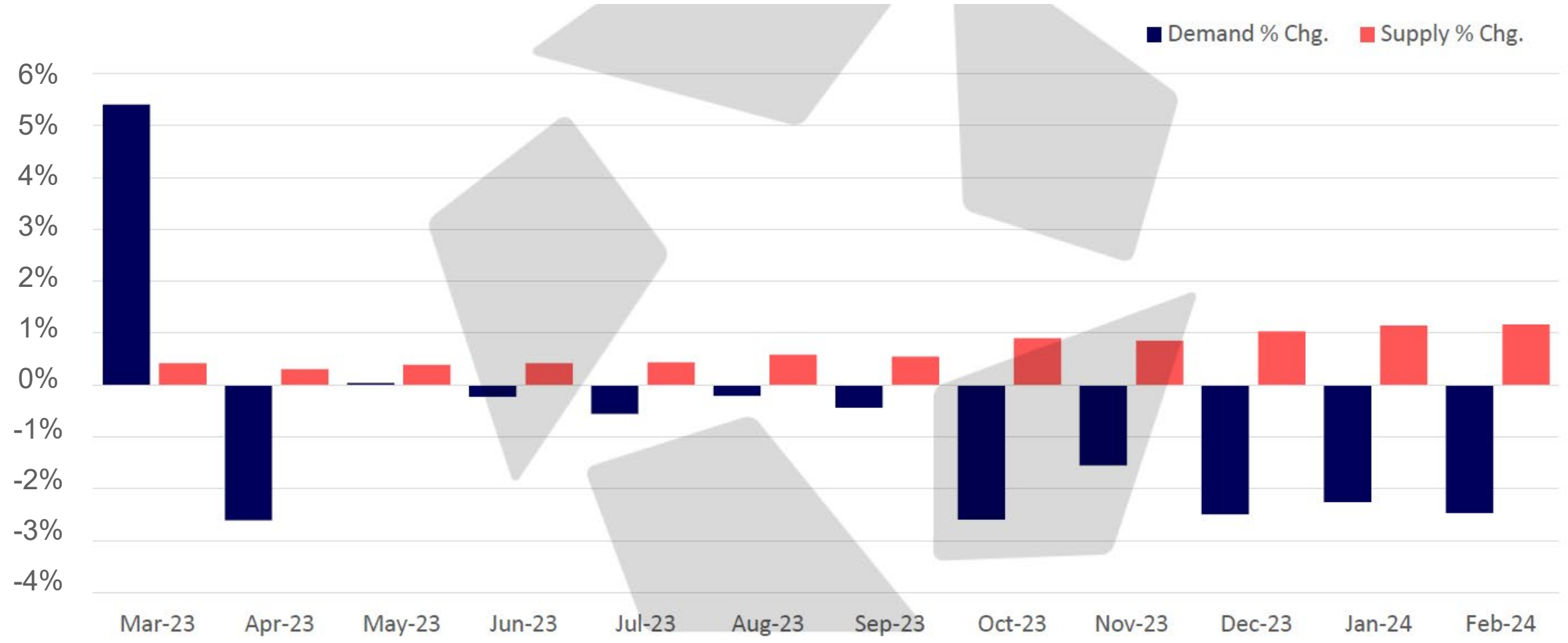
...But Then Again, So Is That Of Miami-Dade - And Still Above Historical

U.S. Hotel Room Monthly Demand (Millions), 12-Month Moving Average



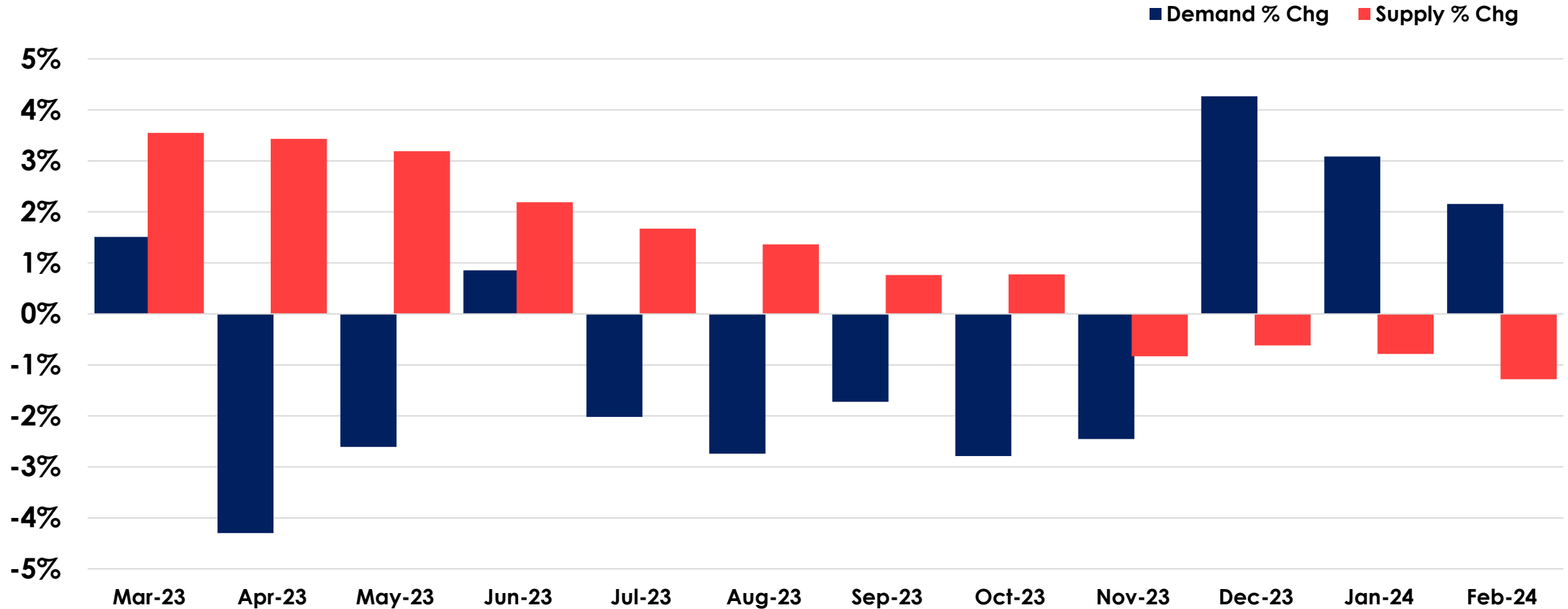
National Hotel Room Demand Maintained Decline Alongside Minimal Supply Increase

Total U.S. Hotel Room Monthly Demand % Chg. Mar 2023 - Feb 2024

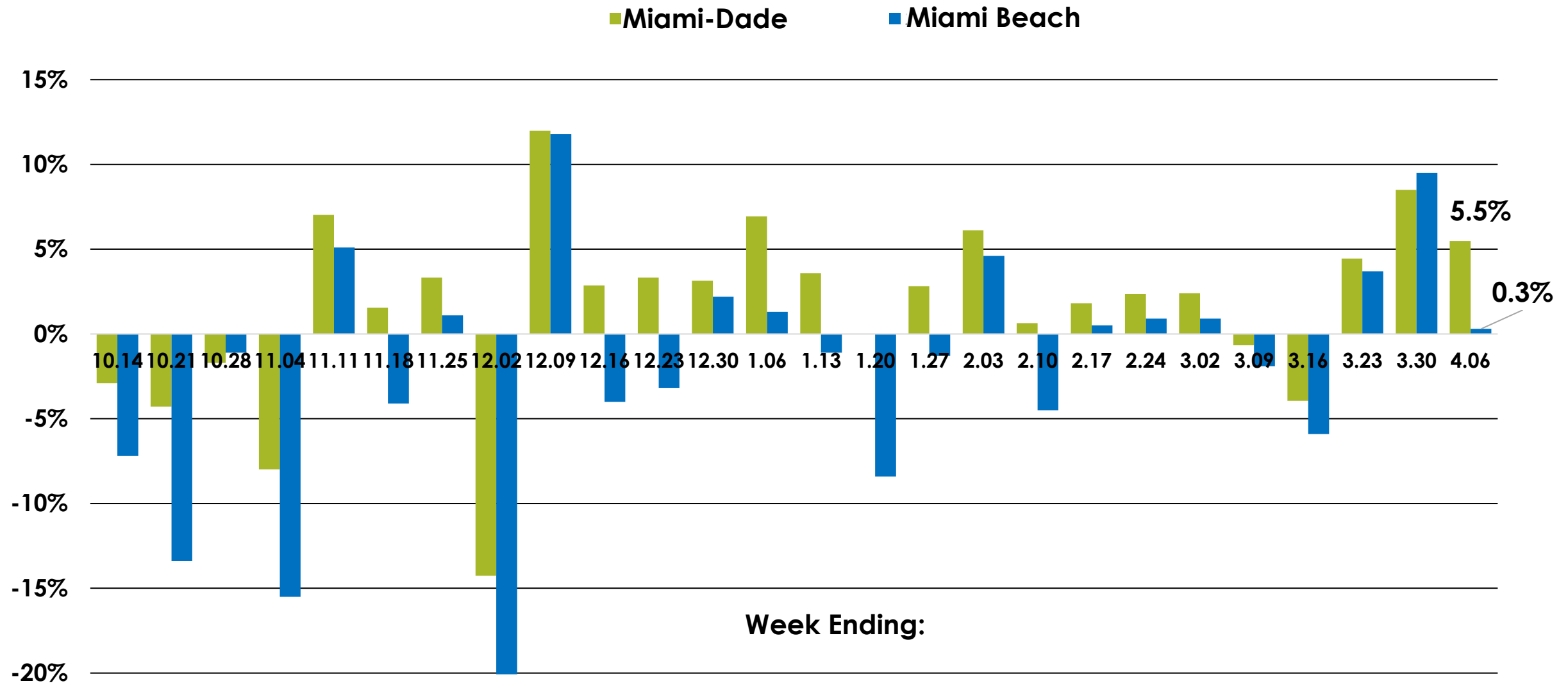


... Conversely, Miami-Dade Hotel Room Demand Has Recently Improved As Supply Declines

Miami-Dade Hotel Room Monthly Demand % Chg. Mar 2023 -Feb 2024



Weekly Hotel Demand: Past 26 Weeks, Weekly YOY% Change Miami-Dade County And Miami Beach



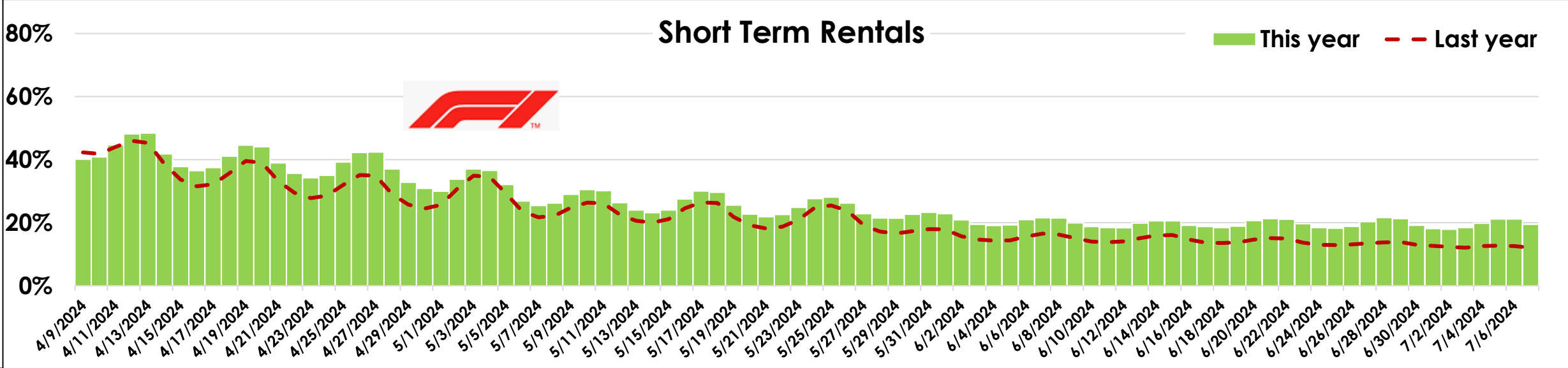
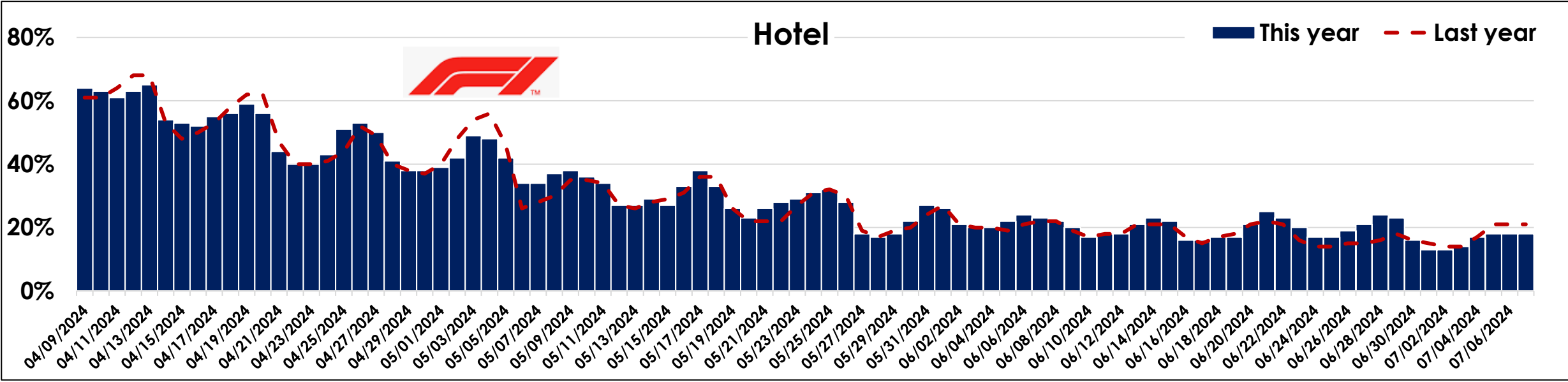
Regional Hotel Performance – Past 28 Days Ending April 6, 2024

Region	Occupancy	% YOY	ADR	% YOY	RevPAR	% YOY
		24 vs 23		24 vs 23		24 vs 23
Miami-Dade	83.8%	4.7%	\$278.45	-1.8%	\$233.30	2.8%
Airport	89.5%	3.7%	\$171.47	0.2%	\$153.38	3.9%
Aventura/Sunny Isles	86.5%	9.6%	\$327.83	-0.9%	\$283.69	8.6%
Central Dade	86.7%	3.5%	\$163.06	-1.0%	\$141.34	2.5%
Coconut Grove	83.8%	7.1%	\$298.69	3.9%	\$250.40	11.3%
Coral Gables	81.7%	3.9%	\$245.61	3.8%	\$200.67	7.9%
Doral	84.8%	0.8%	\$193.77	1.8%	\$164.33	2.6%
Downtown Miami	80.9%	9.6%	\$299.36	-2.4%	\$242.05	7.0%
Miami Beach	82.6%	3.2%	\$356.45	-2.8%	\$294.36	0.3%
North Dade	83.2%	3.2%	\$155.72	-3.2%	\$129.62	-0.1%
South Dade	83.5%	1.1%	\$132.12	-2.2%	\$110.35	-1.1%
Surfside/Bal Harbour	72.6%	6.1%	\$859.42	-1.1%	\$624.01	4.9%
Broward	81.5%	1.1%	\$233.51	-1.6%	\$190.19	-0.6%
Florida Keys	88.1%	0.7%	\$496.10	1.1%	\$436.94	1.9%
Florida	78.0%	-1.0%	\$236.14	-0.3%	\$184.11	-1.3%

2024 Miami-Dade County Hotel Forecast

	Occupancy		ADR		RevPAR		Avg. Daily Supply		Demand	
	%	% YOY	\$	% YOY	\$	% YOY	Rooms	% YOY	Room nights (mil.)	% YOY
2024f	72.7%	1.0%	\$225.13	1.7%	\$163.58	2.7%	66,757	1.1%	17.704	2.2%
January	78.5%	3.9%	\$251.48	0.1%	\$197.39	4.0%	65,645	-0.8%	1.597	3.1%
February	83.8%	3.5%	\$291.34	-0.3%	\$244.08	3.1%	65,607	-1.3%	1.539	2.2%
March (prelim)	84.2%	3.1%	\$282.65	-1.2%	\$237.88	1.8%	65,561	-1.2%	1.710	1.8%
April	76.2%	1.2%	\$248.24	1.2%	\$189.07	2.4%	66,500	0.3%	1.519	1.5%
May	70.5%	2.3%	\$226.09	1.0%	\$159.45	3.3%	66,557	0.3%	1.455	2.7%
June	69.6%	2.8%	\$177.36	1.0%	\$123.53	3.8%	66,740	1.0%	1.394	3.8%
July	71.7%	3.4%	\$180.36	3.1%	\$129.34	6.6%	66,799	1.1%	1.485	4.6%
August	68.7%	4.8%	\$168.02	5.1%	\$115.40	10.2%	66,804	1.2%	1.422	6.0%
September	61.1%	-3.9%	\$158.72	1.1%	\$96.94	-2.8%	66,746	1.7%	1.223	-2.3%
October	68.0%	0.2%	\$194.94	5.8%	\$132.61	6.1%	66,935	2.1%	1.411	2.4%
November	73.7%	2.6%	\$205.79	3.7%	\$151.68	6.4%	67,210	2.5%	1.486	5.2%
December	74.1%	-1.7%	\$282.83	5.4%	\$209.45	3.7%	67,293	2.4%	1.545	0.7%

Hotel & STR 90 Day Reserved Occupancy



Source: STR, Lighthouse

2022/2023 Miami Formula One – Historical Hotel Performance



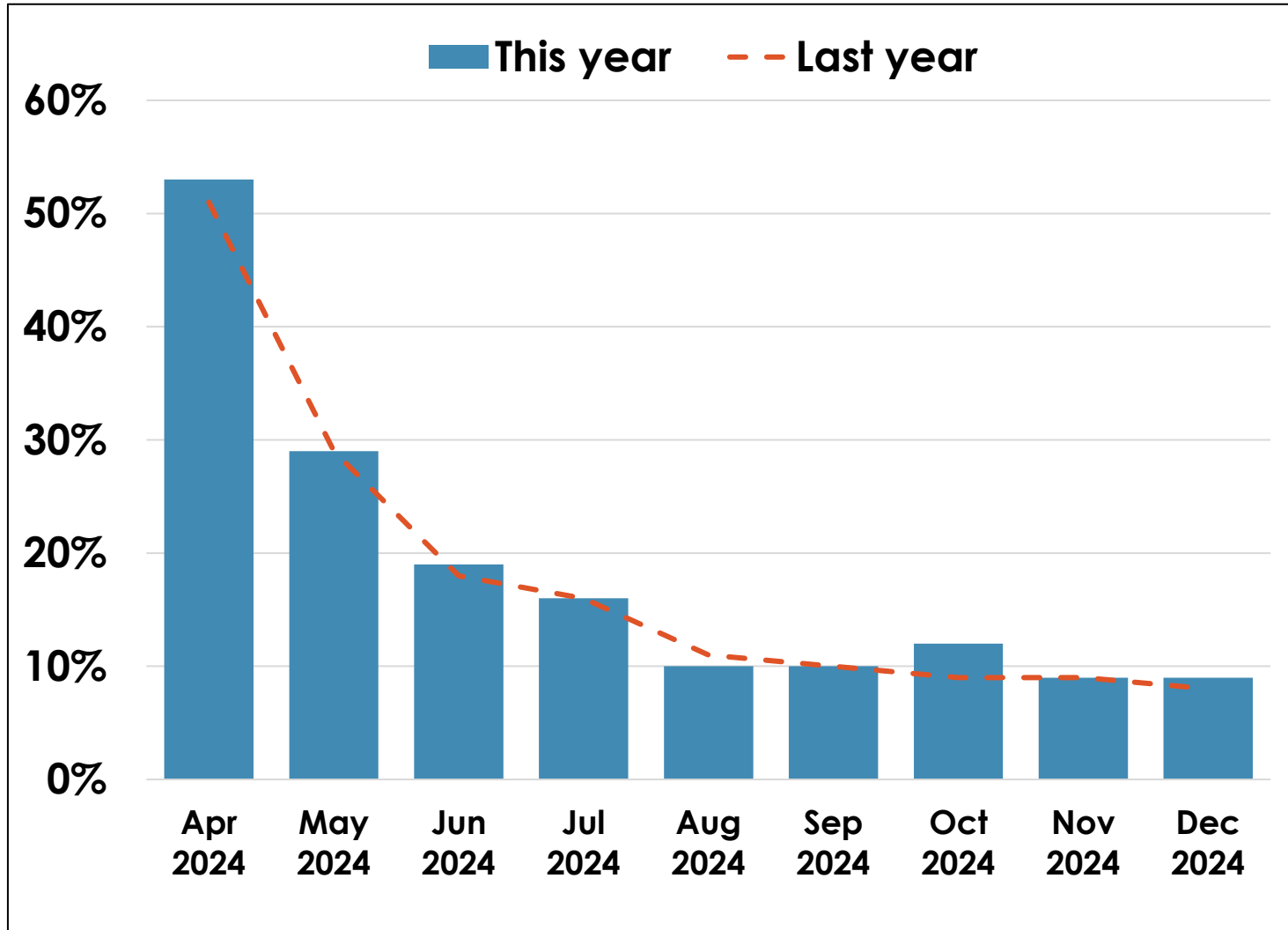
Miami-Dade County	Thurs - Sun	Thurs - Sun	Thurs - Sun
	2019	2022	2023
Occupancy	84.4%	75.2%	80.6%
ADR	\$193.32	\$399.99	\$328.94
RevPAR	\$164.29	\$302.12	\$266.99
Demand	195,205	194,066	215,224
Gross Revenue	\$38,004,458	\$77,911,776	\$71,265,624

2023 F1	2022 F1
VS 2019	VS 2019
-4.4%	-10.8%
70.2%	106.9%
62.5%	83.9%
10.3%	-0.6%
87.5%	105.0%

Fort Lauderdale	Thurs - Sun	Thurs - Sun	Thurs - Sun
	2019	2022	2023
Occupancy	79.8%	77.8%	80.9%
ADR	\$136.83	\$233.77	\$228.14
RevPAR	\$109.91	\$182.72	\$185.98
Demand	103,162	119,579	123,585
Gross Revenue	\$14,205,966	\$28,091,801	\$28,412,525

2023 F1	2022 F1
VS 2019	VS 2019
1.3%	-2.6%
66.7%	70.9%
69.2%	66.2%
19.8%	15.9%
100.0%	97.7%

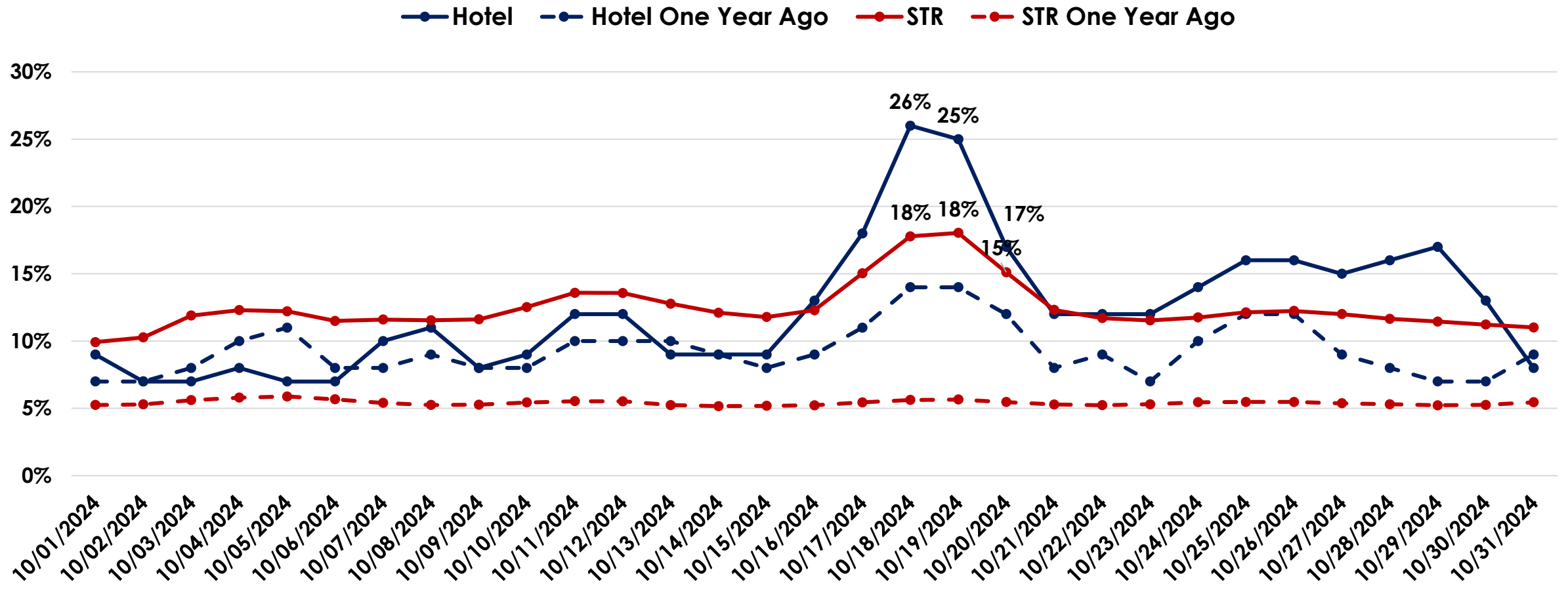
Miami-Dade County Hotel Reserved Occupancy – By Month



Month	This year	Last year	+ / -
April	53%	51%	2%
May	29%	29%	0%
June	19%	18%	1%
July	16%	16%	0%
August	10%	11%	-1%
September	10%	10%	0%
October	12%	9%	3%
November	9%	9%	0%
December	9%	8%	1%

“Taylorwatch”

Miami-Dade County Paid Lodging, Reserved Occupancy – October 2024





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