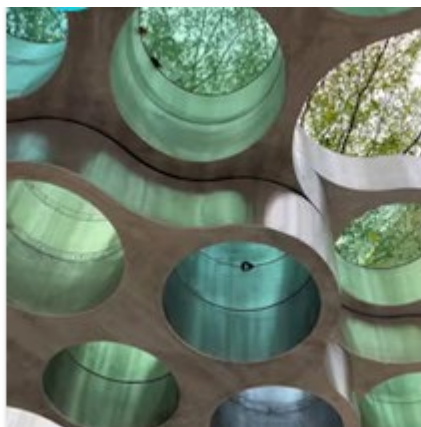


Miami-Dade County Industry Updates

September 2023



In Summary

- The retail sector is not optimistic about sales for the holiday season, and this should come as no surprise to anyone given present economic challenges. Hotel rates are a big factor when it comes to price sensitive shoppers; travelers may even be deciding where to go based solely on the cost of lodging.
- Recession fears still loom but economists do not agree on when (or if) it will occur, or how bad it will be. If it does happen, they generally seem to feel it will be relatively mild and we should expect to see improvement in the latter half of 2024.
- International travel is still recovering and we are seeing increasing interest in Miami from our main feeder markets. The addition of new and returning international air service to MIA should help us a lot in the coming year.
- That said, we are seeing evidence of a potential downturn now, as air passenger volumes and declining hotel room demand have been trending downwards. This has not been unseen, as our hotel forecast suggests these next two months will be a little slower than last year. Looking ahead, the hotel booking pace looks choppy for the rest of 2023.

Local Economics Say US Recession in First Half of 2024, Then Expansion

U.S. economic indicators point to continued economic expansion through the end of this year. **The combination of elevated interest rates and growing consumer debt burden could lead to a shallow and short-lived recession in early 2024.** Under this scenario, the Florida economy will grow at a slower pace during the first half of next year, but resume strong expansion as U.S. economy recovers in the final six months of 2024.

U.S. economic activity continues to show improving economic indicators as we enter the Fall of 2023. This positive development occurs **in spite of strong headwinds from higher interest rates** since our last Economic Brief (February 2023).

Economic activity is likely to expand at close to a 3 percent rate this year, with a modest decline in inflationary pressures. **Both, the GDP Price Deflator and the Core CPI are forecasted to be lower from 2022 levels.** Nevertheless, both rates are still above the FED target of a 2 percent annual inflation rate. **This, in turn, suggests a tight monetary posture until the end of the year.**

As we enter 2024, consumer spending growth is projected to slow noticeably. The consumer is over stretched with a growing debt burden to maintain current spending levels. This fact suggests a shallow recession in the first half of 2024 as consumer spending growth slows, impacted by a high debt burden and high interest rates. Furthermore, the jobs market will likely soften from current strong levels, impacting consumer sentiment.

In the Short Term, Hotel Executives Anticipate Slow Transactions Pace and Travel Budgets to Decrease; Economist Says Recession is Unlikely Due to Strong Labor, Income Metrics

With consumer debt in the U.S. at an all-time high of more than \$70 trillion, there's already been decreased spending in lodging accommodations and food services when adjusted for inflation, said Bernard Baumohl, chief global economist for The Economic Outlook Group.

That doesn't mean consumer spending will halt, leading to a recession in the near future, however. The strength of the job market and increasing household incomes should keep the economy afloat even if there is a cutback on spending, Baumohl said.

"You cannot have a full employment recession; it's an oxymoron," he said. "People will cut back on spending, and yes, it's going to have an effect on the economy, but not a recession, not a serious downturn in economic activity." Baumohl said he **isn't forecasting a recession due to the labor dynamics and international inbound travel opening up.**

There will likely be a concurrent dip in hotel performance and the economy in the near future, but both are expected to pick up in the second half of 2024, said Amanda Hite, president of STR, CoStar's hospitality analytics division. Hite said there will be **positive revenue per available room growth in 2024,** and it will **come from rate growth, not occupancy.**

"We've got really strong fundamentals, very low supply. As we move into the second half of '24, occupancy will start to pick up again," she said. ***"Still strong growth in '24 with 4.1% RevPAR gains, but again, mostly driven by rates."***

US Retailer Holiday Hiring to Drop to Levels Last Seen in 2008



U.S. retailers will hire the lowest number of seasonal workers for this holiday season since 2008, due to **increased labor costs and shaky consumer confidence**, according to a report by Challenger, Gray & Christmas provided exclusively to Reuters.

Retailers are **expected to add just 410,000 seasonal jobs this season**, according to an analysis of non-seasonally adjusted data from the Bureau of Labor Statistics (BLS) by the global outplacement and executive coaching firm. That is just **slightly above the 324,900 workers they added during the last quarter of the financial recession of 2008**.

U.S. retailers added **519,400 jobs in the last quarter of 2022, a 26% decline from the same period in 2021**. **Holiday sales are estimated to grow at their slowest pace in five years** as **dwindling household savings and worries over the economy prompt consumers to spend judiciously**, according to Deloitte.

Employers are already showing signs of hesitancy in hiring as the **labor market starts to cool** following a three-year period of tightness. **U.S.-based companies have so far announced just 8,000 planned hires for the holiday season, compared with the 258,201 planned hires announced by employers by this point in 2022**, according to Challenger, Gray & Christmas' tracking.

"We have never gone this far into September and not had big hiring predictions from retailers. It's really surprising", said Andrew Challenger, senior vice president at Challenger, Gray & Christmas.

Price-Sensitive Consumers 'Trade Down' on Trips, Hotels



"Nearly half of markets are seeing rate growth in excess of that inflationary growth. Consumers with the same budget in 2019 — even adjusted for inflation — are not able to afford the same hotels that they could a few years ago," Hannah Smith/CoStar said. "That's true when we look at the individual hotel level as well. Forty percent of all hotels are more expensive — even accounting for inflation — than they were back in 2019."

Travelers **"trading down"** means they're compromising part of their trip in some way to lower costs, Smith said. Maybe that means they're **choosing a lower-tier, more affordable hotel** in the same market or they're **expanding their search to hotels outside of bustling downtown centers**.

Location was also a factor in whether travelers booked at a higher class of hotel or sought to save on average daily rate by trading down and booking elsewhere. In Miami, the market's downtown area gained a 3% demand share over Miami Beach through May 2023 when compared to 2019, Smith said.

From Expedia's point of view, Kevin Sahara said **customers who considered hotels in Miami Beach were willing to expand their search even outside the city to other Florida destinations, possibly to save on room rate and put that trip budget elsewhere.**

"If they looked at Miami Beach and clicked and booked somewhere else, then where did it go? Some of it went to Miami or downtown Miami, or Fort Lauderdale," Sahara said. "And then this is where it got a little weird and it went to Orlando, where now this is not even a beach vacation anymore; we're changing to Disney. And the other one was Key West. So two very different locations from Miami Beach versus just moving inland where a lot of the trip intent really changed. ... Maybe finding better value in another destination depending on what they're looking for."

Global Visa Estimated Wait Times

6/5 Rank	9/18 Rank	City	Country	Days as of 6/5/2023	Days as of 9/18/2023	Difference
1	4	Bogota	Colombia	801	788	13
2	1	Guadalajara	Mexico	750	826	-76
3	3	Mexico City	Mexico	737	813	-76
4	5	Toronto	Canada	717	773	-56
5	6	Halifax	Canada	676	750	-74
6	7	Ottawa	Canada	676	750	-74
7	8	Quebec	Canada	676	750	-74
8	15	Merida	Mexico	619	699	-80
9	16	Nogales	Mexico	616	697	-81
10	65	Sao Paulo	Brazil	615	169	446
11	11	Vancouver	Canada	611	707	-96
12	31	Lagos	Nigeria	610	442	168
13	13	Tijuana Tpf	Mexico	601	706	-105
14	--	Port Au Prince	Haiti	600	--	--
15	9	Ciudad Juarez	Mexico	597	735	-138

6/5 Rank	9/18 Rank	City	Country	Days as of 6/5/2023	Days as of 9/18/2023	Difference
16	21	Mumbai	India	596	574	22
17	17	Hermosillo	Mexico	594	679	-85
18	18	Kathmandu	Nepal	575	631	-56
19	2	Calgary	Canada	562	815	-253
20	20	Matamoros	Mexico	559	612	-53
21	14	Monterrey	Mexico	559	704	-145
22	19	Nuevo Laredo	Mexico	541	618	-77
23	12	Tijuana	Mexico	533	706	-173
24	23	Abu Dhabi	UAE	532	556	-24
25	207	Porto Alegre	Brazil	507	1	506
26	26	Dubai	UAE	498	533	-35
27	17	Brasilia	Brazil	493	159	334
28	25	New Delhi	India	477	534	-57
29	79	Rio De Janeiro	Brazil	477	127	350
30	30	San Jose	Costa Rica	471	448	23

Miami International Airport – New International Air Service



September 2023

- **Norse Atlantic Airways** - started this past Monday, September 18th, 2023
Oslo, Norway, 4 weekly flights; **London, England**, 4 weekly flights



October 2023

- **Scandinavian Airlines** - **Stockholm, Sweden**, 2 weekly flights; **Copenhagen, Denmark**, 5 weekly flights

November 2023

- **Finnair** - **Helsinki, Finland**, 3 weekly flights



December 2023

- **Norse Atlantic Airways** – **Paris, France** and **Berlin, Germany**
- **Porter Airlines** – **Toronto, CA**, daily roundtrip flights



March 2024

- **Level Airlines** - **Barcelona, Spain**, 3 weekly flights



May 2024

- **Condor Airlines** - **Frankfort, Germany**, 3 weekly flights

A New Destination and More Flights to Latin America and Caribbean



Destination	Service notes	Flights Operate
Anguilla (AXA)	Increase to two daily flights	Dec. 20 – Jan. 7
Barranquilla, Colombia (BAQ)	Increase to two daily flights	Dec. 20 – Jan. 7
Bridgetown, Barbados (BGI)	Increase to three daily flights	Dec. 20 – Jan. 7
Cancun, Mexico (CUN)	Increase to six daily flights	Dec. 20 – Jan. 7
Cartagena, Colombia (CTG)	Increase to three daily flights	Dec. 5 – Apr. 3
Liberia, Costa Rica (LIR)	Increase to three daily flights	Dec. 20 – Jan. 7
San Jose, Costa Rica (SJO)	Increase to four daily flights	Dec. 20 – Jan. 7
St. Maarten (SXM)	Increase to three daily flights	Dec. 20 – Jan. 7
Tortola, British Virgin Islands (EIS)	Increase to three peak-day flights	Saturdays; Dec. 20 – Jan. 7
Governor's Harbour, Bahamas (GHB)	New service on Tuesdays and Saturdays	Service begins Feb. 3



GMCVB Website Activity: August 1 – September 20, 2023

Origin	Users			Share of total users		
	2002	2023	% YOY	2002	2023	% YOY
United States	978,619	1,015,291	3.7%	83.0%	82.2%	-1.0%
Canada	19,452	28,671	47.4%	1.6%	2.3%	40.7%
Brazil	14,401	19,469	35.2%	1.2%	1.6%	29.0%
Germany	13,636	18,697	37.1%	1.2%	1.5%	30.9%
United Kingdom	12,483	17,552	40.6%	1.1%	1.4%	34.2%
Italy	12,045	13,513	12.2%	1.0%	1.1%	7.1%
France	11,512	13,160	14.3%	1.0%	1.1%	9.1%
Argentina	9,947	11,935	20.0%	0.8%	1.0%	14.5%
Mexico	6,275	11,689	86.3%	0.5%	0.9%	77.8%
Chile	3,716	6,133	65.0%	0.3%	0.5%	57.5%
Other international	97,181	79,425	-18.3%	8.2%	6.4%	-22.0%
Total	1,179,267	1,235,535	4.8%			

What's Hot



Miami Welcomes Messi!



Inter Miami CF Signs Seven-Time Ballon d'Or Winner, World Cup Champion, Lionel Messi



Sustaining Paradise



In Miami, we take stewardship of this precious ecosystem seriously. We want to ensure that visitors will enjoy Miami's unique beauty for many generations to come.



Miami's Hottest Events in September



From Miami Spice deals to festivals and concerts, don't miss some of the hottest events happening in Greater Miami & Miami Beach this September.



Celebrate Hispanic Heritage Month In Miami



Don't miss the top events happening all over Greater Miami & Miami Beach for National Hispanic Heritage Month.



Miami Spice Restaurant Months



August - September | Savor a mouthful of diverse flavors by the best chefs in Greater Miami and Miami Beach during Spice Restaurant Months.



Miami Hotel Months



June - September | Take advantage of special family packages, earn resort credits, enjoy luxury amenities, complimentary meals, and more.

Air and Sea Ports – Miami-Dade & Fort Lauderdale

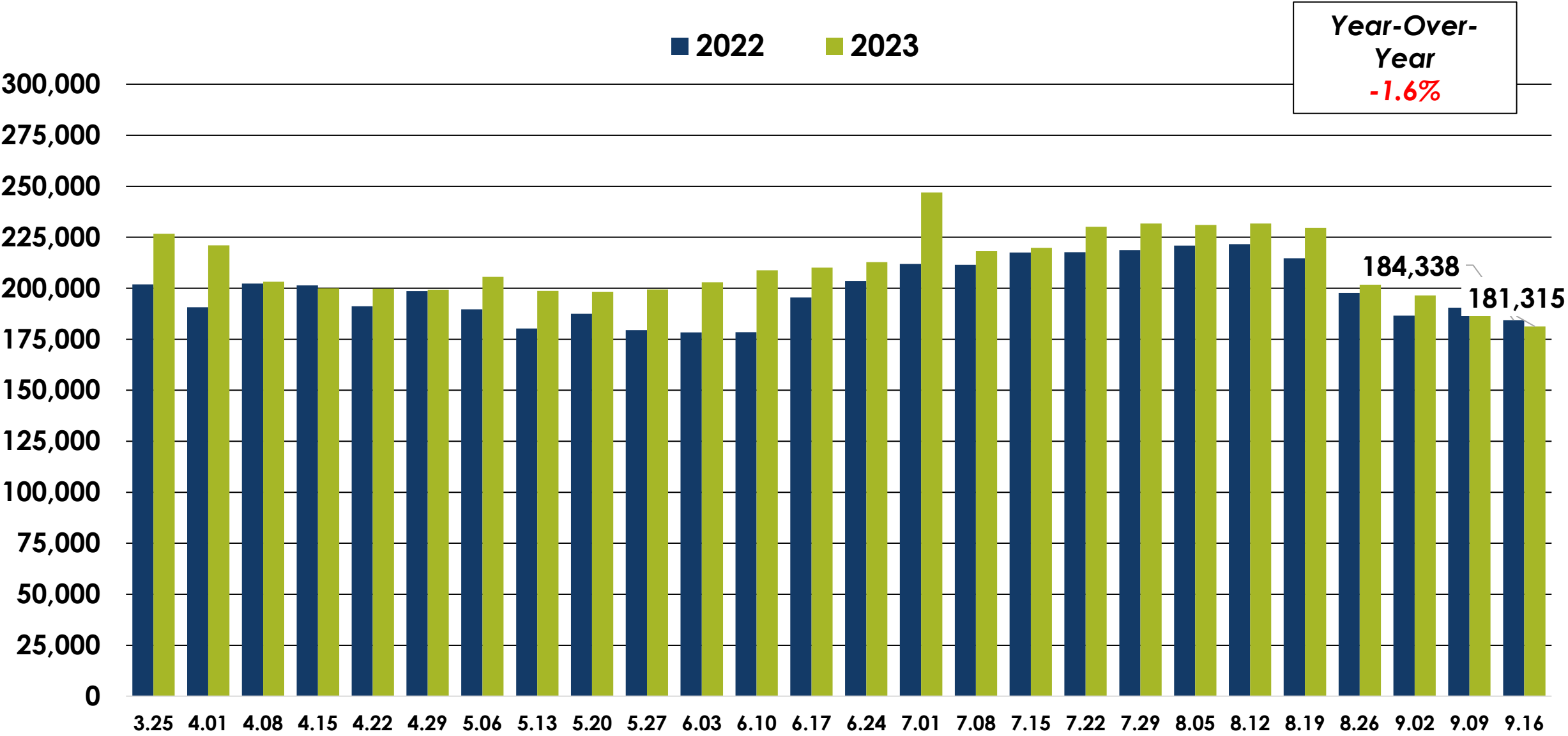
MIA Passenger Arrivals	June YTD	% vs 2022	% vs 2019
Total	13,045,734	3.3%	10.6%
Domestic	7,324,539	-3.6%	22.3%
International	5,721,195	13.7%	-1.4%

FLL Passenger Arrivals	June YTD	% vs 2022	% vs 2019
Total	8,905,734	12.5%	-6.9%
Domestic	6,925,467	7.8%	-5.6%
International	1,980,267	32.6%	-11.3%

PortMiami	June YTD	% vs 2022	% vs 2019
Total cruise passengers	3,996,877	100.0%	9.3%

Port Everglades	June YTD	% vs 2022	% vs 2019
Total cruise passengers	1,798,585	77.2%	-18.1%

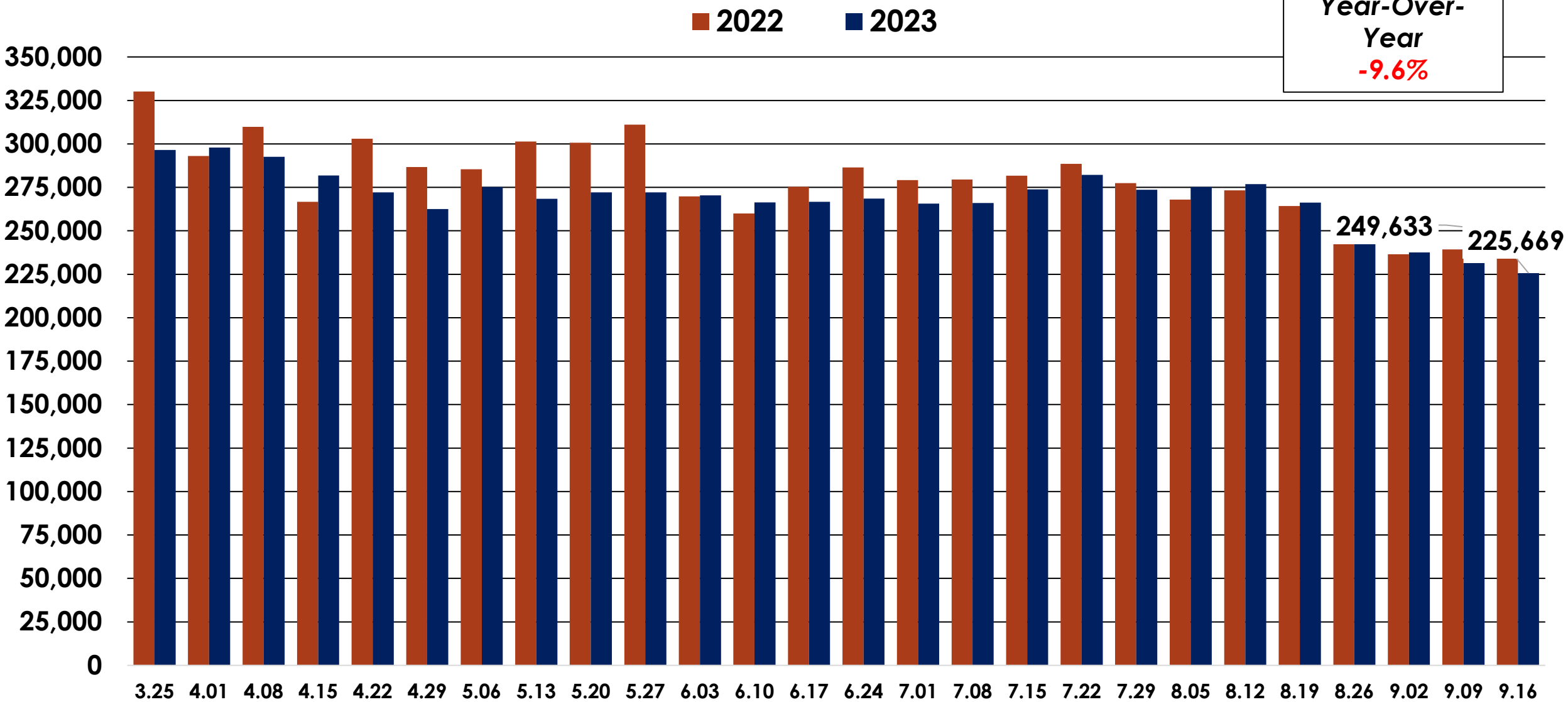
Miami International Airport - Weekly International Arrivals



Miami International Airport - Weekly Domestic Arrivals



Year-Over-Year
-9.6%

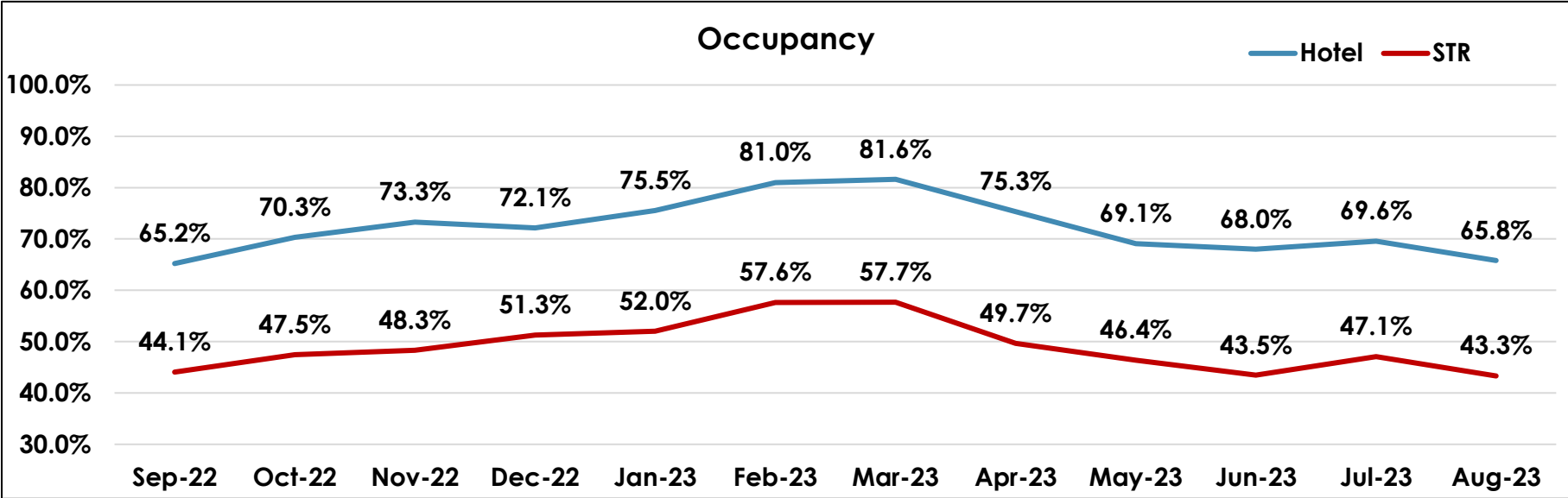


MIA – Daily Passenger Traffic

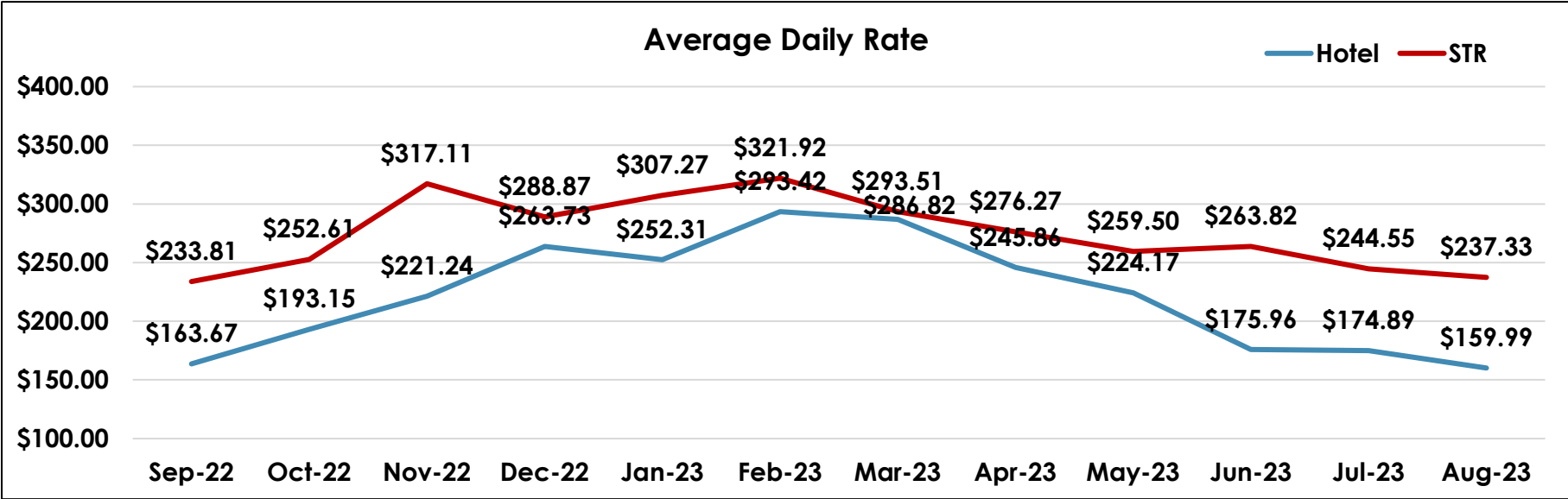


Day	Date	Daily Total Passengers	% YOY	Domestic Arrivals	% YOY	International Arrivals	% YOY
Saturday	9/2/2023	142,006	8.4%	38,504	9.2%	29,157	9.5%
Sunday	9/3/2023	132,159	4.2%	32,783	3.8%	30,267	7.1%
Monday	9/4/2023	141,254	6.3%	38,056	7.1%	31,092	5.1%
Tuesday	9/5/2023	129,596	1.4%	33,241	-0.5%	29,921	8.6%
Wednesday	9/6/2023	109,712	-7.9%	27,375	-9.6%	24,014	-8.9%
Thursday	9/7/2023	116,831	-3.8%	31,848	-8.3%	25,837	3.7%
Friday	9/8/2023	122,619	-4.0%	36,655	-4.6%	25,281	-3.0%
Saturday	9/9/2023	121,313	-4.1%	31,467	-10.9%	28,729	3.5%
Sunday	9/10/2023	128,016	-4.6%	32,081	-13.9%	28,189	0.6%
Monday	9/11/2023	119,583	-4.6%	30,865	-11.6%	25,738	-2.0%
Tuesday	9/12/2023	105,034	-5.5%	26,855	-19.7%	24,803	-3.9%
Wednesday	9/13/2023	106,914	-6.8%	29,210	-8.6%	23,615	-6.9%
Thursday	9/14/2023	124,533	-5.0%	36,265	-5.1%	25,596	-3.1%
Friday	9/15/2023	126,529	-6.3%	38,343	-5.1%	24,695	-4.6%
Saturday	9/16/2023	122,166	-1.5%	32,050	-4.2%	28,679	7.9%
Sunday	9/17/2023	132,448	-0.7%	36,413	-0.2%	28,563	1.6%
Monday	9/18/2023	120,867	-4.1%	32,914	-9.4%	26,036	4.5%
Tuesday	9/19/2023	104,769	-11.3%	26,505	-13.7%	24,589	-5.3%
Wednesday	9/20/2023	117,318	-2.4%	30,790	-10.3%	25,837	3.6%
Thursday	9/21/2023	125,727	-2.7%	36,677	-6.8%	24,726	-0.4%

Hotel & Short Term Rental Monthly Occupancy & Average Daily Rates



Occupancy		
% Change YOY		
	Hotel	STR
Sep-22	17.3%	1.8%
Oct-22	11.6%	1.3%
Nov-22	3.7%	-5.0%
Dec-22	-3.7%	-9.7%
Jan-23	9.8%	-10.8%
Feb-23	-1.3%	-10.8%
Mar-23	-2.0%	-10.7%
Apr-23	-7.4%	-16.1%
May-23	-5.4%	-13.2%
Jun-23	-1.0%	-10.7%
Jul-23	-3.4%	-11.1%
Aug-23	-3.7%	-8.5%

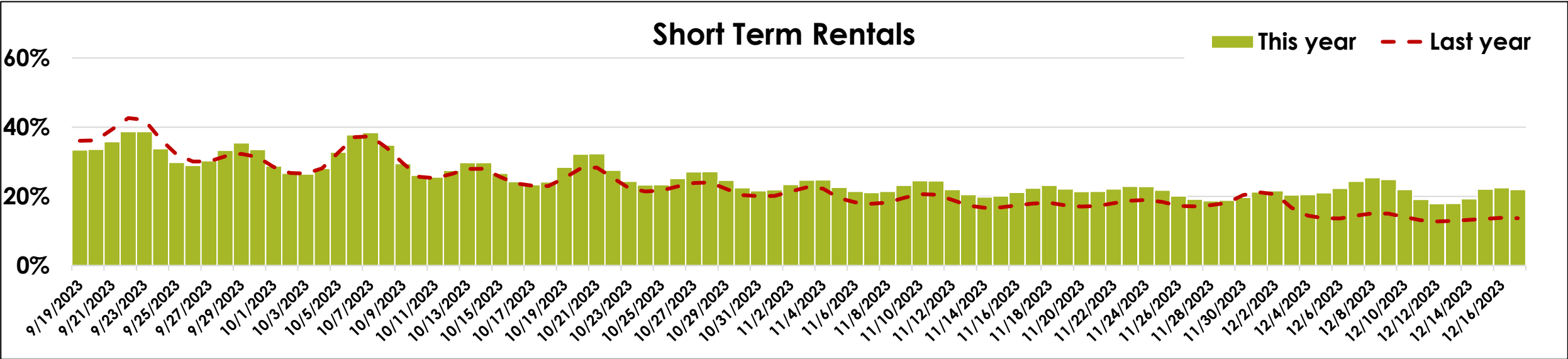
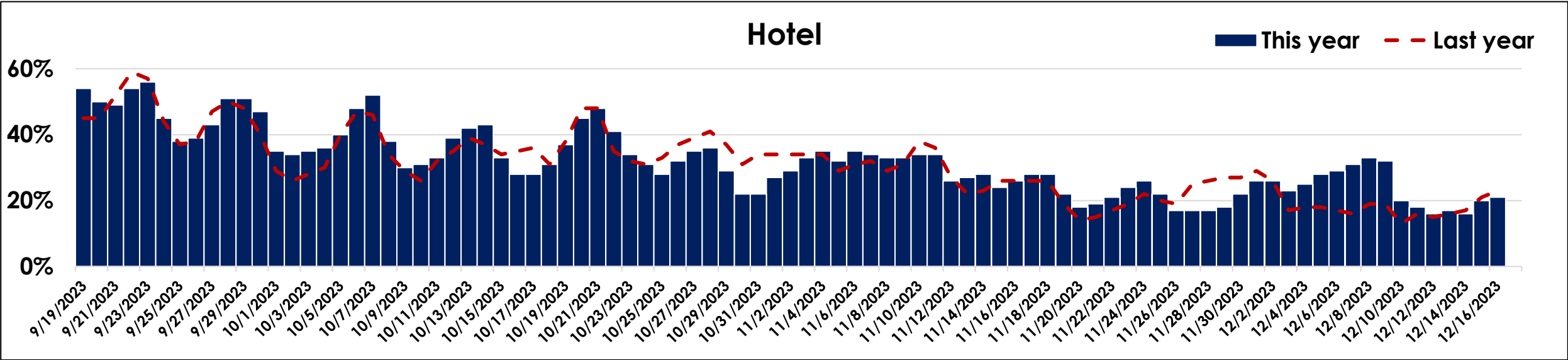


ADR		
% Change YOY		
	Hotel	STR
Sep-22	3.7%	9.2%
Oct-22	13.5%	11.0%
Nov-22	7.4%	6.0%
Dec-22	-7.8%	4.4%
Jan-23	0.2%	5.9%
Feb-23	-1.3%	3.6%
Mar-23	-5.3%	-0.7%
Apr-23	-12.7%	-0.1%
May-23	-9.7%	5.6%
Jun-23	-6.1%	2.5%
Jul-23	-7.8%	5.1%
Aug-23	-5.8%	5.7%

Florida Hotel Markets Performance – August 2023

	Occupancy		ADR		RevPAR		Supply	Rooms Sold	Share of Total FL Demand		
	2023	% YOY	2023	% YOY	2023	% YOY	% YOY	% YOY	2022	2023	% YOY
Miami-Dade	65.8%	-3.7%	\$160.01	-5.8%	\$105.26	-9.3%	2.0%	-1.8%	13.6%	14.0%	2.5%
Fort Lauderdale	65.3%	2.2%	\$136.88	-3.1%	\$89.42	-1.0%	-0.7%	1.4%	7.6%	8.0%	6.0%
Jacksonville	61.5%	-8.7%	\$127.90	0.9%	\$78.60	-7.9%	1.2%	-7.5%	6.4%	6.2%	-3.4%
Orlando	62.9%	-6.8%	\$158.61	-1.7%	\$99.73	-8.4%	-0.1%	-6.8%	29.6%	28.8%	-2.7%
Tampa	63.1%	-2.1%	\$143.93	3.6%	\$90.85	1.4%	1.0%	-1.1%	10.8%	11.2%	3.3%
Florida Panhandle	60.4%	-1.3%	\$147.40	-2.7%	\$89.06	-4.0%	4.3%	3.0%	8.8%	9.5%	7.6%
Florida Central	58.2%	-2.5%	\$132.96	2.9%	\$77.36	0.3%	-1.7%	-4.2%	8.7%	8.7%	0.0%
Palm Beach	58.3%	-6.0%	\$163.50	-0.3%	\$95.36	-6.2%	2.1%	-4.0%	4.0%	4.0%	0.3%
Fort Myers	62.4%	7.1%	\$123.82	-7.1%	\$77.32	-0.6%	-23.0%	-17.6%	2.5%	2.1%	-13.9%
Daytona Beach	52.7%	-9.6%	\$139.68	1.4%	\$73.63	-8.3%	-2.4%	-11.8%	3.6%	3.3%	-7.8%
Melbourne	62.6%	-7.6%	\$131.10	-1.9%	\$82.07	-9.3%	-3.8%	-11.1%	2.3%	2.2%	-7.1%
Florida Keys	66.5%	-3.5%	\$260.20	-10.1%	\$173.16	-13.3%	-2.4%	-5.8%	2.2%	2.2%	-1.6%

Miami-Dade County - 90 Day Reserved Occupancy, Hotel & STRs



Sources: STR, Transparent as of September 17 2023

United States:

The updated forecast released in August by Tourism Economics and STR anticipates the **impact of the economic slowdown on lodging demand will be limited, as group and business travel activity rebuilds, international visitors return, and leisure travelers continue to find room in household budgets to prioritize travel.**

Overall, room revenue is estimated to recover to 16.1% ahead of 2019 levels in 2023, reaching 22.0% ahead in 2024. **Adjusted for inflation, this is equivalent to 2.6% below 2019 levels in 2023, and 0.3% below in 2024.**

Overall, **hotel RevPAR is expected to improve 4.5% in 2023 and 4.1% in 2024**, which is a slight downgrade from the prior forecast (5.0% in 2023 and 4.6% in 2024).

		2020	2021	2022	2023	2024	2025
USA	Occupancy	-33.4%	-12.7%	-4.9%	-4.2%	-3.2%	-2.4%
Miami	Occupancy	-37.9%	44.0%	7.8%	-1.9%	0.2%	2.1%
USA	ADR	-21.6%	20.7%	20.0%	3.6%	3.0%	2.7%
Miami	ADR	-5.6%	19.6%	14.2%	-4.3%	-0.1%	1.8%
USA	RevPAR	-47.8%	58.3%	30.6%	4.5%	4.1%	3.5%
Miami	RevPAR	-41.4%	72.2%	23.0%	-6.1%	0.0%	3.9%
USA	RevPAR vs 2019	-47.8%	-17.4%	7.9%	12.7%	17.4%	21.5%
Miami	RevPAR vs 2019	-41.4%	1.0%	24.3%	16.6%	16.7%	21.2%
USA	Supply	-4.0%	4.9%	1.8%	0.4%	1.0%	1.5%
Miami	Supply	-13.6%	19.4%	4.2%	2.5%	1.3%	1.1%
USA	Demand	-36.1%	37.5%	10.8%	1.2%	2.0%	2.3%
Miami	Demand	-46.3%	71.9%	12.3%	0.5%	1.5%	3.2%

Thank you!!!



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