

# Miami-Dade County Industry Updates

## November 2023



## In Summary

- Continuing from prior reports, our economy continues to plug along, supported mostly by government and consumer spending. That said, prices will go up and adjusted real wages are not rising. Opinions vary about a recession, with traditional indicators of a recession are mixed. CoStar's latest hotel forecast says we should not be too affected (at least in the short term) and have pretty much taken a recession out of their calculations.
- While VISA wait times continue to fluctuate, our international visitation has been positive, with the overall international visitor recovery about 14% behind 2019. Currency exchange rates have improved for many of our top visitor markets and they are definitely spending here but Argentina is one country that has been struggling. Brazilians and Canadians continue to return in force with their wallets open.
- In contrast to our international visitors, while domestic visitation exceeds all historical numbers, they are not spending money here like they used to. That said, our top Florida resident visitor markets who come here are shopping and dining.
- The rest of the year looks like it will be a busy season, with Art Basel and the holidays filling up our hotel rooms essentially on par or better than last year.

# The Economy rolls along, posts strongest growth in nearly two years...

Instead of slowing during the second half of the year as many economists had predicted, economic growth is accelerating. The [Bureau of Economic Analysis](#) reported last week that **real gross domestic product grew by 4.9% annualized during the third quarter**, easily beating expectations. For the Federal Reserve, which remains committed to bringing inflation back to its 2% target rate, the report might suggest that **rate hikes and balance sheet reductions have so far not had their intended impact on economic growth — or that the lingering effects from pandemic-caused imbalances might take more time or more extreme measures to resolve.**

The bureau's report showed that **consumer spending grew by 4.0%** (annualized) in the third quarter after adjusting for inflation and **contributed 2.7 percentage points to real GDP growth.**

**Today's consumers appear willing to spend more and save less**, according to a [separate bureau report](#) showing **consumption growth outpacing income growth**, causing the **savings rate to fall to 3.4% in September**, its lowest rate since December 2022 and well below the five-year pre-pandemic average rate of **6.2%**.

**Business investment** contributed just **0.2 percentage points to real GDP growth** in the third quarter. This sector has benefited from **investment spurred by federal funding** and other incentives made available through last year's **Chips and Science Act** and the **Inflation Reduction Act**. **Inventories**, meanwhile, which **include materials, supplies, and unfinished goods**, increased in the third quarter and **contributed 1.3 percentage points to real GDP growth**. Half of the contribution from changes in inventories was from **motor vehicles and parts**.

**...but, at some point, consumers will likely be squeezed enough to finally close their wallets.**

The last component to contribute to economic growth in the third quarter was **government spending and investment**, which contributed **0.8 percentage points to real GDP growth**, about half of which came from federal sources and the other half from state and local governments. **Government spending has been a positive contribution to real GDP growth for five consecutive quarters.**

***How long can we expect consumer spending to last?*** The spending spree has to ease off eventually, as **real disposable incomes have been falling for four consecutive months. Wage gains have been slowing and are projected to slow further as the labor market weakens**, although we've frequently been surprised at the **enduring resilience shown by the job market.**

Consumers themselves are turning pessimistic in their outlook. The Conference Board's **consumer confidence index** fell for the third consecutive month in October as inflation concerns, higher gasoline prices and expectations of future economic conditions all worsened. Moreover, higher credit card rates and the resumption of student loan repayments have led to an increase in interest expenses for consumers over the past few months, which are now **48% higher than a year ago**, cutting into household budgets.

#### **4.9% growth GDP:**

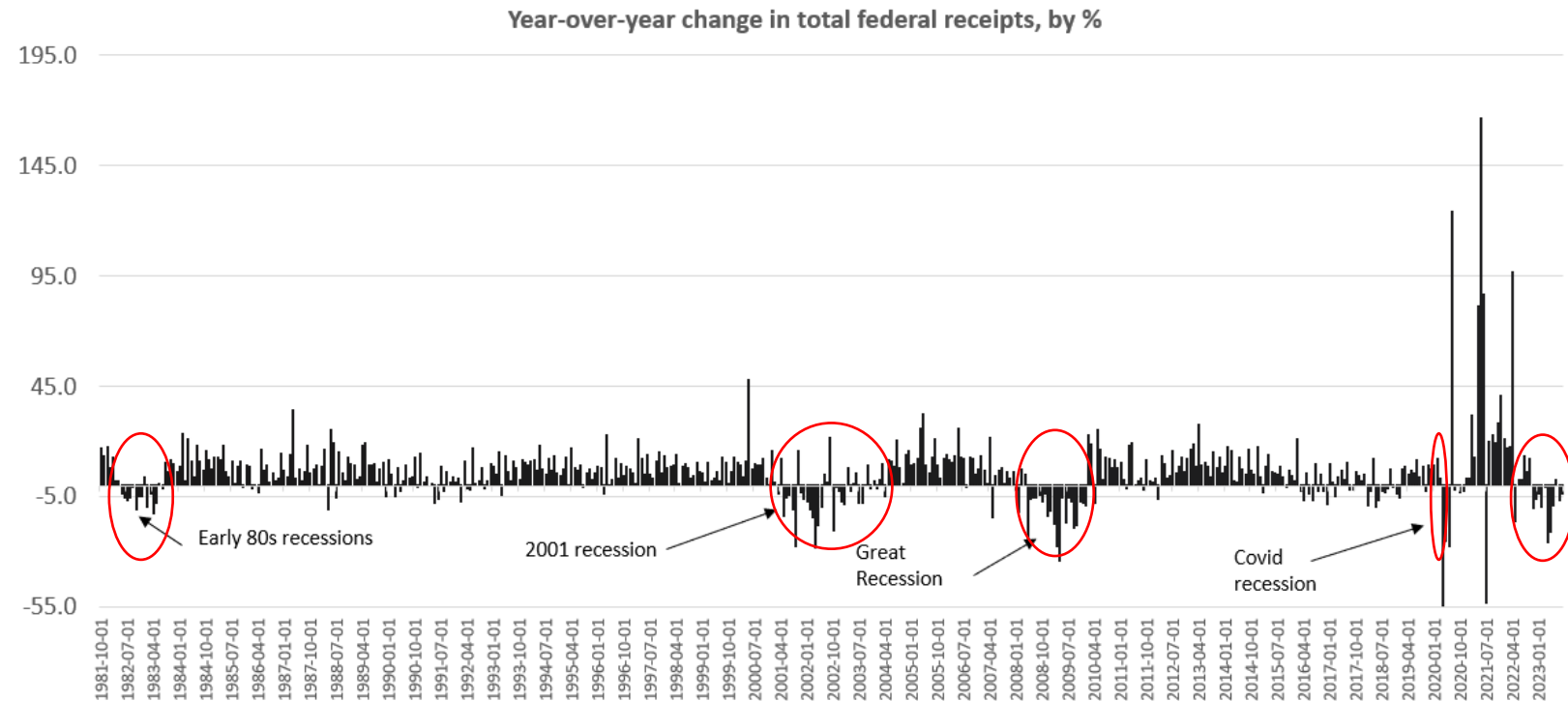
- **Consumer spending, 2.7%**
- **Business investment, 0.2%**
- **Inventories, 1.3%**
- **Government spending, 0.8%**

# If the Economy is so great, why are tax revenues so weak...

Federal deficits continue to spiral upward, but deficits aren't just a function of federal spending. Deficits aren't necessary if tax revenues increase to match spending. But that's certainly not where we find ourselves in 2023. Rather, **federal spending is rising even as federal revenues have fallen**, year over year, for ten of the last twelve months. Moreover, on a quarterly basis, **federal receipts have been falling—quarter-to-quarter—since the third quarter of 2022**.

It's long been known that there's a pretty strong correlation between falling tax revenues and worsening economic conditions. Yet, even as tax revenues are falling, we're being repeatedly told that the American economy is in great shape and there's no recession in sight.

Yet, if we take a historical view, we can see how **declining federal revenues have clearly coincided with recessions going back at least 40 years**:

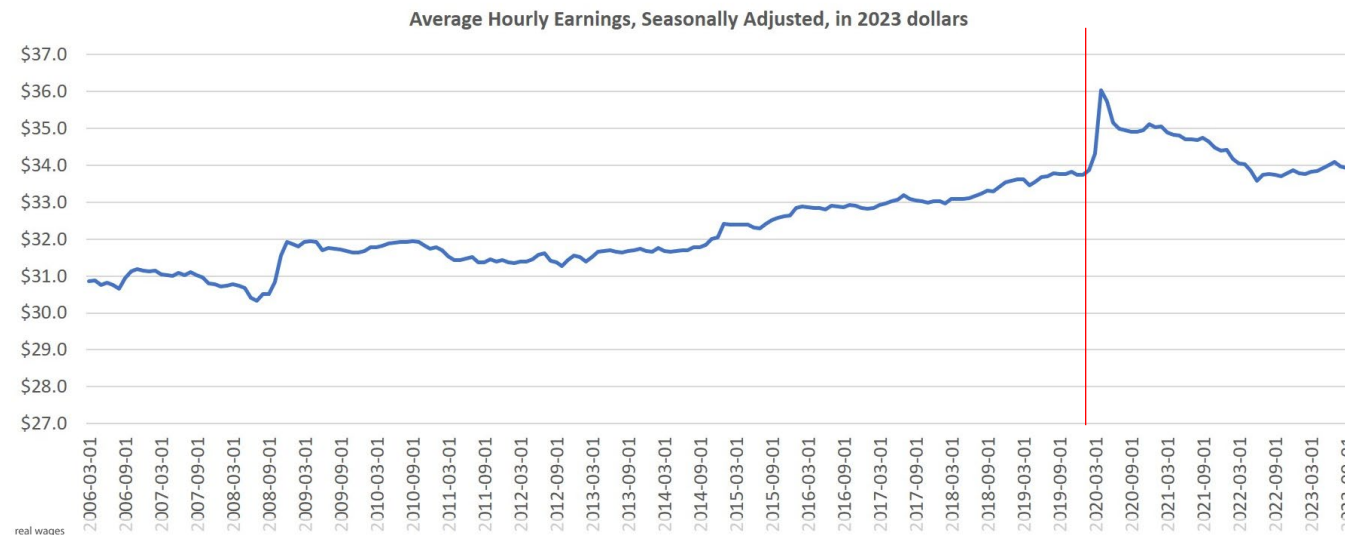


## ...and wages are barely moving?

Most of the corporate media's declarations of excellent economic conditions look no further than the trailing indicator of employment or consumer spending. Consumer spending, of course, continues to be fueled by rising debt levels while investment falls.

Tax revenues present a problem for the everything-is-swell narrative, however. This can partly be explained if we consider that **federal revenues nowadays are heavily reliant on income taxes and payroll taxes**. So, if **wages and job growth were truly surging as the Bureau of Labor Statistics insists via its payroll survey, we'd be seeing more growth in taxes on wages and income**. The fact federal revenues are falling suggests household incomes aren't exactly soaring.

**Real wages are lower now than they were in January 2020, before the beginning of the covid recession. Looking at CPI-adjusted average hourly wages, wages increased a whopping two cents from September 2022 to September 2023. Wages are down by .06 percent since January 2020 before the lockdowns. In other words, real wages have gone nowhere in years.**



# Global Visa Wait Times

City	As of		
	9/1/2023	11/13/2023	+ / - days
Guadalajara	826	842	16
Mexico City	813	851	38
Bogota	788	760	-28
Ciudad Juarez	735	812	77
Tegucigalpa	707	760	53
Tijuana	706	790	84
Merida	699	701	2
Nogales	697	724	27
Hermosillo	679	717	38
Nuevo Laredo	618	644	26
Panama City	499	428	-71
San Jose	448	428	-20
Quito	390	421	31
Madrid	378	402	24
Santo Domingo	344	329	-15
Guayaquil	343	329	-14

City	As of		
	9/1/2023	11/13/2023	+ / - days
San Salvador	309	330	21
Guatemala City	260	420	160
Asuncion	210	194	-16
Lima	184	280	96
Sao Paulo	169	28	-141
Rio De Janeiro	127	185	58
Buenos Aires	120	331	211
London	110	110	0
Port Of Spain	107	85	-22
Santiago	40	45	5
Florence	18	18	0
Brasilia	17	21	4
Rome	11	8	-3
Frankfurt	7	9	2
Porto Alegre	1	37	36

# Miami-Dade County - Visitor Volume, January – September 2023

	Domestic	% vs 2022	International	% vs 2022	Florida Resident	% vs 2022	Total	% vs 2022
Q1 2023	3,650,000	2%	1,600,000	19%	1,400,000	13%	6,650,000	8%
Q2 2023	3,100,000	-7%	1,500,000	1%	1,300,000	6%	5,900,000	-3%
Q3 2023*	2,900,000	7%	1,500,000	1%	2,200,000	-17%	6,600,000	-3%
<b>Total*</b>	<b>9,650,000</b>	<b>0%</b>	<b>4,600,000</b>	<b>7%</b>	<b>4,900,000</b>	<b>-4%</b>	<b>19,150,000</b>	<b>1%</b>

<b>2023 vs 2019</b>	<b>7,000,000</b>	<b>39%</b>	<b>5,300,000</b>	<b>-14%</b>	<b>5,500,000</b>	<b>-11%</b>	<b>17,800,000</b>	<b>8%</b>
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Rank	Region*	% vs 2022
1	New York	7%
2	Atlanta	8%
3	Chicago	18%
4	Dallas-Ft. Worth	13%
5	Houston	-1%

Rank	Country*	% vs 2022
1	Colombia	-2%
2	Brazil	17%
3	Canada	17%
4	Mexico	-10%
5	United Kingdom	-1%



# Miami-Dade County – FL Resident and Domestic Visitor VISA Card Spend

Region	Q1 – Q3 2022	Region	Q1 – Q3 2023	% YOY
New York-Newark-Jersey City, NY-NJ-PA	\$352,919,561	New York-Newark-Jersey City, NY-NJ-PA	\$330,234,958	-6%
Orlando-Kissimmee-Sanford, FL	\$131,563,930	Orlando-Kissimmee-Sanford, FL	\$137,303,482	4%
Los Angeles-Long Beach-Anaheim, CA	\$94,610,719	Los Angeles-Long Beach-Anaheim, CA	\$90,029,358	-5%
Washington-Arlington-Alexandria, DC-VA-MD	\$100,642,989	Washington-Arlington-Alexandria, DC-VA-MD	\$88,603,042	-12%
Atlanta-Sandy Springs-Alpharetta, GA	\$85,024,315	Atlanta-Sandy Springs-Alpharetta, GA	\$84,329,867	-1%
Tampa-St. Petersburg-Clearwater, FL	\$73,607,173	Tampa-St. Petersburg-Clearwater, FL	\$83,006,184	13%
Chicago-Naperville-Elgin, IL-IN-WI	\$86,892,183	Chicago-Naperville-Elgin, IL-IN-WI	\$80,186,921	-8%
Houston-The Woodlands-Sugar Land, TX	\$58,390,304	Houston-The Woodlands-Sugar Land, TX	\$54,580,168	-7%
Boston-Cambridge-Newton, MA-NH	\$57,798,142	Boston-Cambridge-Newton, MA-NH	\$53,409,871	-8%
Cape Coral-Fort Myers, FL	\$43,557,170	Cape Coral-Fort Myers, FL	\$52,573,970	21%
Others	\$2,648,627,219	Others	\$2,531,121,828	-4%
<b>Total Domestic visitors</b>	<b>\$3,733,633,704</b>	<b>Grand Total Domestic Visitor Spend</b>	<b>\$3,585,379,649</b>	<b>-4%</b>
Miami-Fort Lauderdale-Pompano Beach, FL (locals)	\$11,343,995,343	Miami-Fort Lauderdale-Pompano Beach, FL (locals)	\$11,734,487,983	3%
Florida Markets Only	\$1,495,658,228	Florida Markets Only	\$1,549,880,504	4%

# Miami-Dade County – International Visitors, VISA Card Spend & Exchange Rates

Country	Q1 – Q3 2023	% YOY	Exchange rate vs USD	
			2023 vs 2022	November vs 2022
Canada	\$148,533,703	10%	-3%	-5%
Brazil	\$78,777,395	61%	3%	5%
Peru	\$70,468,394	7%	3%	*
Chile	\$58,507,441	14%	6%	-6%
Mexico	\$51,356,479	25%	11%	13%
Argentina	\$50,445,260	-33%	-88%	-168%
France	\$47,568,611	12%	3%	2%
United Kingdom	\$42,729,698	-9%	*	*
Ecuador	\$42,465,644	11%	*	*
Bolivia	\$39,571,342	114%	*	*
Panama	\$38,730,278	13%	*	*
Colombia	\$37,405,241	-15%	-4%	4%
Honduras	\$37,032,991	10%	*	*
Dominican Republic	\$36,104,661	12%	*	-3%
Puerto Rico	\$34,364,501	16%	*	*
Guatemala	\$34,056,049	4%	*	*
Bahamas	\$30,101,044	21%	*	*
Spain	\$25,420,635	0%	3%	2%
Germany	\$25,202,886	11%	3%	2%
Trinidad And Tobago	\$24,834,504	6%	*	*
Others	\$358,211,973	16%		
<b>Total International Visitor VISA Spend</b>	<b>\$1,311,888,732</b>	<b>12%</b>		

\* Less than 1% difference

# US Top Hotel Markets Performance – January – October 2023

Occupancy			
Rank	Region	%	% vs 2022
1	New York	80.8%	9.6%
2	Oahu Island	80.4%	5.7%
3	Las Vegas	79.2%	5.8%
4	San Diego	75.6%	1.5%
5	Boston	73.8%	7.2%
6	Orlando	73.2%	-0.5%
7	Los Angeles	73.0%	2.2%
8	Anaheim	72.3%	2.1%
9	Denver	72.1%	3.1%
10	Miami-Dade	71.6%	-2.2%

Average Daily Rate			
Rank	Region	\$	% vs 2022
1	New York	\$287.76	8.5%
2	Oahu Island	\$278.96	6.4%
3	Boston	\$229.33	6.3%
4	San Francisco	\$225.99	5.6%
5	Miami-Dade	\$218.31	-5.7%
6	San Diego	\$214.27	2.6%
7	Anaheim	\$211.92	3.4%
8	Los Angeles	\$200.22	1.8%
9	Orlando	\$193.11	5.3%
10	Las Vegas	\$191.34	10.6%

RevPAR			
Rank	Region	\$	% vs 2022
1	New York	\$232.59	18.9%
2	Oahu Island	\$224.16	12.5%
3	Boston	\$169.29	14.0%
4	San Diego	\$162.02	4.2%
5	Miami-Dade	\$156.30	-7.7%
6	Anaheim	\$153.16	5.5%
7	San Francisco	\$152.10	8.8%
8	Las Vegas	\$151.54	17.0%
9	Los Angeles	\$146.11	4.1%
10	Orlando	\$141.38	4.8%

# Miami-Dade County Hotel Performance – January – October 2023

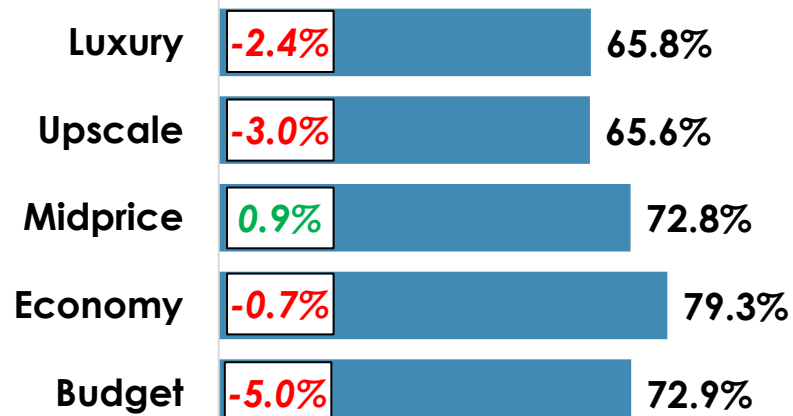
Occupancy	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	YTD
This Year	75.6%	81.0%	81.7%	75.3%	68.9%	67.8%	69.3%	65.5%	63.6%	68.0%	71.6%
Last Year	68.8%	82.0%	83.3%	81.3%	73.0%	68.6%	72.0%	68.3%	65.2%	70.3%	73.2%
% Change	9.9%	-1.3%	-1.9%	-7.5%	-5.6%	-1.3%	-3.7%	-4.1%	-2.5%	-3.3%	-2.2%

ADR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	YTD
This Year	\$251.14	\$292.13	\$285.73	\$245.13	\$223.83	\$175.53	\$174.75	\$159.72	\$156.86	\$184.06	\$218.27
Last Year	\$251.65	\$297.23	\$302.60	\$281.45	\$248.22	\$187.37	\$189.68	\$169.72	\$163.58	\$193.04	\$231.40
% Change	-0.2%	-1.7%	-5.6%	-12.9%	-9.8%	-6.3%	-7.9%	-5.9%	-4.1%	-4.7%	-5.7%

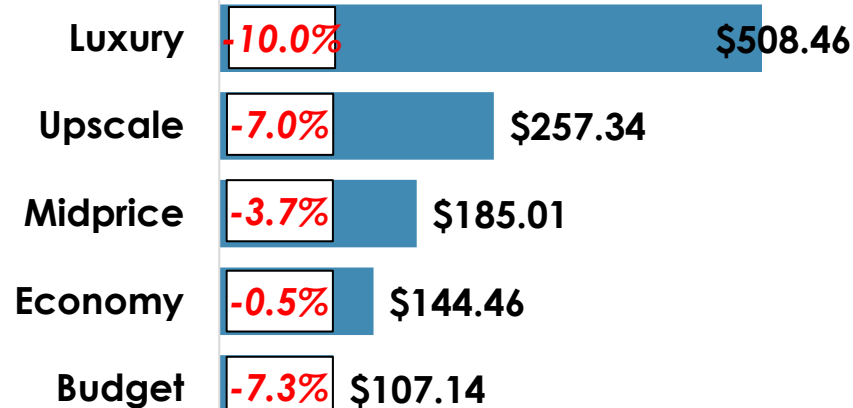
RevPAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	YTD
This Year	\$189.86	\$236.61	\$233.39	\$184.49	\$154.24	\$118.92	\$121.07	\$104.64	\$99.71	\$125.14	\$156.27
Last Year	\$173.16	\$243.81	\$252.02	\$228.90	\$181.26	\$128.63	\$136.52	\$115.95	\$106.65	\$135.79	\$169.37
% Change	9.6%	-3.0%	-7.4%	-19.4%	-14.9%	-7.5%	-11.3%	-9.8%	-6.5%	-7.8%	-7.7%

# Miami-Dade County Hotel Performance – By Scale, January – October 2023

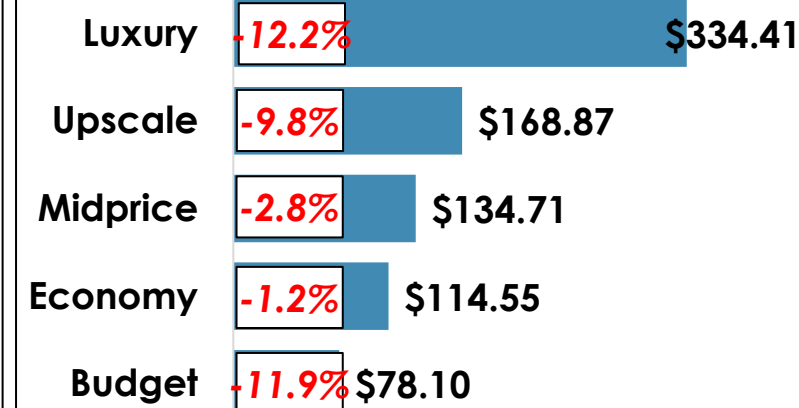
## Occupancy



## ADR



## RevPAR

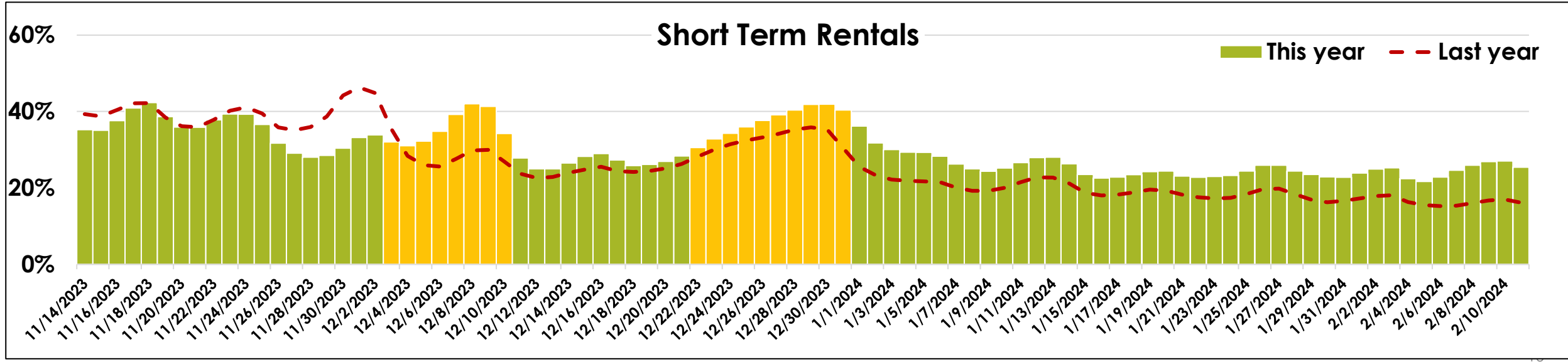
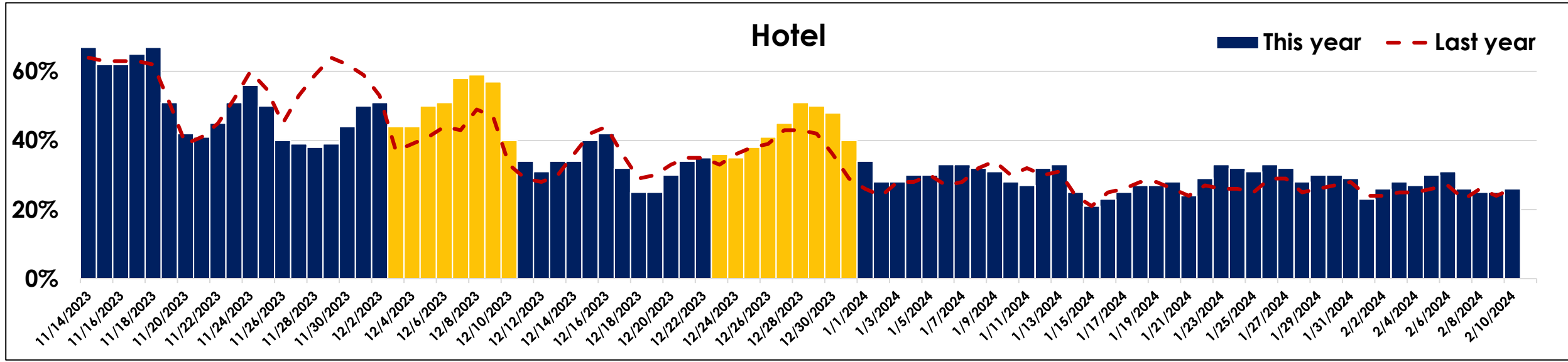


	Occupancy		ADR		RevPAR		Revenue	Supply	Rooms Sold
	2023	% vs 2022	2023	% vs 2022	2023	% vs 2022	% vs 2022		
Luxury	65.8%	-2.4%	\$508.46	-10.0%	\$334.41	-12.2%	-7.2%	5.7%	3.1%
Upscale	65.6%	-3.0%	\$257.34	-7.0%	\$168.87	-9.8%	-4.9%	5.4%	2.3%
Midprice	72.8%	0.9%	\$185.01	-3.7%	\$134.71	-2.8%	-0.8%	2.1%	3.1%
Economy	79.3%	-0.7%	\$144.46	-0.5%	\$114.55	-1.2%	0.3%	1.6%	0.8%
Budget	72.9%	-5.0%	\$107.14	-7.3%	\$78.10	-11.9%	-11.6%	0.4%	-4.6%
<b>Total Miami-Dade</b>	<b>71.6%</b>	<b>-2.2%</b>	<b>\$218.27</b>	<b>-5.7%</b>	<b>\$156.27</b>	<b>-7.7%</b>	<b>-5.3%</b>	<b>2.6%</b>	<b>0.4%</b>

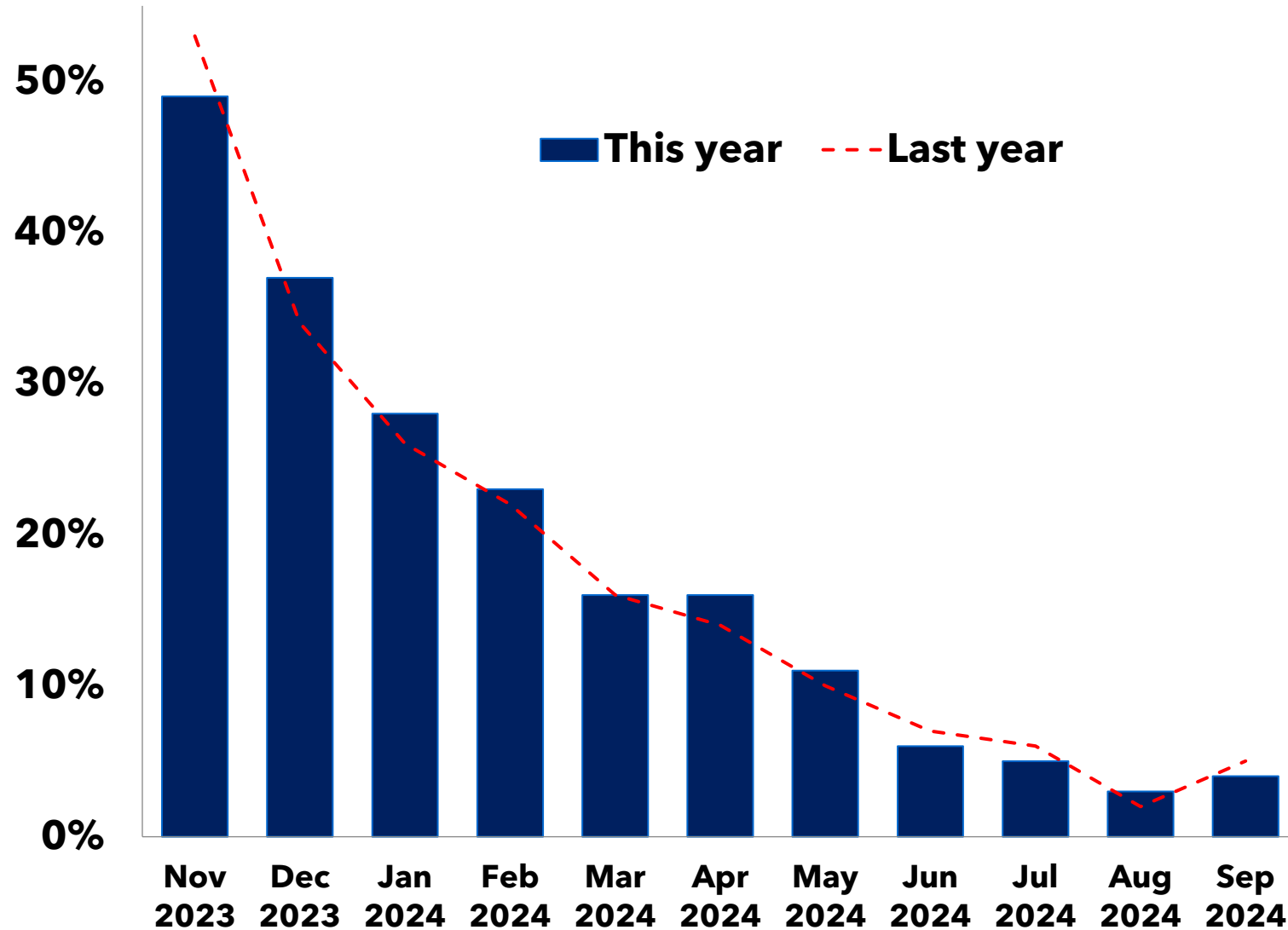
# Regional Hotel Performance – October 2023

Area	Occupancy	% YOY	ADR	% YOY	RevPAR	% YOY
		23 vs 22		23 vs 22		23 vs 22
Miami-Dade	68.0%	-3.3%	\$184.09	-4.6%	\$125.16	-7.8%
Airport/Civic Center	78.9%	-2.9%	\$122.47	-1.8%	\$96.61	-4.6%
Aventura/Sunny Isles	60.6%	2.3%	\$203.38	-5.4%	\$123.32	-3.2%
Central Dade	73.5%	-5.0%	\$129.82	2.4%	\$95.40	-2.8%
Coconut Grove/Key Biscayne	60.8%	-2.0%	\$259.78	-1.7%	\$158.02	-3.6%
Coconut Grove	65.4%	4.3%	\$223.47	3.4%	\$146.05	7.9%
Coral Gables	66.8%	-12.3%	\$184.31	3.4%	\$123.07	-9.2%
Doral	76.9%	-3.1%	\$148.76	1.7%	\$114.41	-1.4%
Downtown	67.0%	-0.4%	\$207.74	-2.7%	\$139.10	-3.1%
Miami Beach	63.2%	-4.8%	\$230.73	-7.8%	\$145.91	-12.3%
North Dade	69.7%	-7.5%	\$104.61	-6.0%	\$72.96	-13.1%
South Dade	71.6%	3.2%	\$96.90	-5.5%	\$69.35	-2.5%
Surfside/Bal Harbour	50.6%	6.0%	\$505.90	-10.5%	\$256.06	-5.1%
Broward	67.6%	-5.0%	\$166.49	-2.3%	\$112.62	-7.3%
Florida Keys	62.0%	-1.1%	\$283.72	-7.7%	\$175.88	-8.7%
Florida	65.2%	-9.7%	\$169.67	-2.2%	\$110.58	-11.7%

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



# Miami-Dade County – Next 12 Months Reserved Hotel Occupancy



Month	This year	Last year	+ / -
Nov 2023	49%	53%	-4
Dec 2023	37%	34%	+3
Jan 2024	28%	26%	+2
Feb 2024	23%	22%	+1
Mar 2024	16%	16%	0
Apr 2024	16%	14%	+2
May 2024	11%	10%	+1
Jun 2024	6%	7%	-1
Jul 2024	5%	6%	-1
Aug 2024	3%	2%	+1
Sep 2024	4%	5%	-1



# Miami-Dade County Hotel Forecast

Month	Occ.	% Change	ADR	% Change	RevPAR	% Change	Avg Daily Supply	% Change	Room nights (millions)	% Change	Revenue (millions)	% Change
Q3 '23	66.4%	-3.1%	\$164.42	-6.1%	\$109.20	-9.0%	66,234	1.8%	4.047	-1.4%	\$665.4	-7.3%
Q4 '23	72.6%	1.0%	\$223.87	-1.2%	\$162.50	-0.3%	66,238	0.7%	4.423	1.7%	\$990.3	0.5%
Q1 '24	78.3%	-1.2%	\$281.65	1.4%	\$220.63	0.2%	66,580	0.5%	4.694	-0.7%	\$1,322.1	0.6%
Q2 '24	72.3%	2.1%	\$214.28	-1.1%	\$154.85	1.0%	66,839	0.8%	4.395	2.9%	\$941.8	1.7%
Q3 '24	67.7%	1.9%	\$170.73	3.8%	\$115.58	5.8%	66,718	0.7%	4.155	2.7%	\$709.5	6.6%
Q4 '24	72.1%	-0.7%	\$227.46	1.6%	\$163.93	0.9%	66,907	1.0%	4.436	0.3%	\$1,009.1	1.9%
2023	72.2%	-1.2%	\$222.96	-4.5%	\$161.03	-5.7%	66,267	2.2%	17.469	1.0%	\$3,895.0	-3.6%
2024	72.6%	0.5%	\$225.24	1.0%	\$163.43	1.5%	66,762	0.7%	17.681	1.2%	\$3,982.4	2.2%

# Thanksgiving travel predicted to be busy on the roads, record-setting in the skies; and more...

**More than 3 million Floridians will travel 50 miles or more during the Thanksgiving holiday.** It's the **second-highest projection recorded since 2003** and there are expected to be 87,000 more travelers than last year, representing a **3% increase**, according to AAA. Debbie Haas, vice president of travel for AAA – The Auto Club Group, said travel demand has been strong throughout the year and that trend will continue into "**one of the busiest Thanksgiving days in history**".

Nationally, more than **55.3 million Americans are forecast to travel for Thanksgiving.** It's the **third-highest volume of trips on record**, with nearly 1.3 million (2.3%) more than last year, but **less than 2019 and 2005** levels. Road trips should be less expensive at the gas pump this year.

Even though global tensions are causing repercussions in the oil market, **strong domestic supplies of gasoline are causing prices to fall, according to AAA.** Last Thanksgiving, the national average gas price was \$3.58 per gallon, while the state average was \$3.41.

AAA believes that gas prices should remain low (?) through the holiday season unless oil prices suddenly rise. As for **air travel, these are close to pre-pandemic highs.** Nearly **210,000 Floridians will fly for Thanksgiving, that's nearly 12,000 (6%) more than in 2022 and the second-highest volume of air travel in 15 years, behind 2019.**

MIA is expecting an all-time record 1.77 million passengers during the Thanksgiving Day travel period, from Friday, Nov. 17, to Tuesday, Nov. 28. That's up 4.6% from last year and a daily average of 147,000 travelers. The airport expects the busiest days to be the Friday and Sunday before Thanksgiving and the Sunday after when passenger traffic is projected to approach or exceed 160,000 travelers.

Year	Mon 11/20	Tues 11/21	Wed 11/22	Thurs 11/23	Fri 11/24	Sat 11/25	Sun 11/26	Mon 11/27	Tues 11/28	Total
2023	141,945	140,526	154,578	107,659	140,832	157,444	165,316	153,744	138,072	1,300,115
2022	144,047	137,954	143,853	105,460	130,316	146,468	153,417	148,205	136,118	1,245,838
2019	118,529	118,565	130,270	104,954	116,917	138,165	141,507	135,977	126,957	1,131,841
2023 vs 2022	-1.5%	1.9%	7.5%	2.1%	8.1%	7.5%	7.8%	3.7%	1.4%	4.4%

# Thank you!!!



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