

Miami-Dade County Industry Updates

May 2023



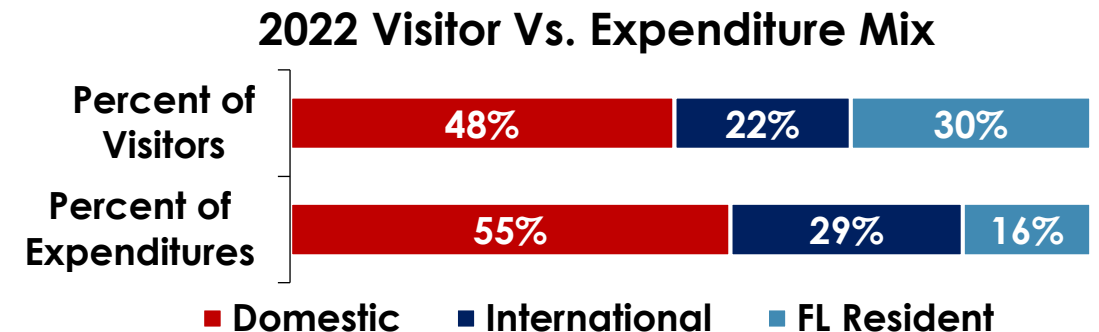
In Summary

- 2022 was another remarkable year for Miami-Dade County tourism, with record visitor volumes and spending. Furthermore, international markets are rebounding.
- U.S. retail sales have been and continue to decline, and there seems to be no sign of a turnaround as of yet. While a lot of consumer spend has shifted from goods to services (e.g. travel), we've seen this trend all year and the question remains as to how long this will last.
- Travel appetite is still high, with intent and spending anticipated to exceed historical levels. Threats of a recession do not seem to matter to most. This trend has been sustained but “on the ground” travel demand indicators may be suggesting a slowdown. Local hotel rates have been sliding since February.
- Miami-Dade hotels are not performing as compared to the Q1 forecast, particularly room rates. Room demand has generally held up, possibly at the sacrifice of rates.
- Formula One hotel room sales in Miami improved year-over-year but not at the rates that were charged last year. Fort Lauderdale, for the second year in a row, seemed to fare better and also saw increased demand.

2022 Miami-Dade County Visitors and Spending

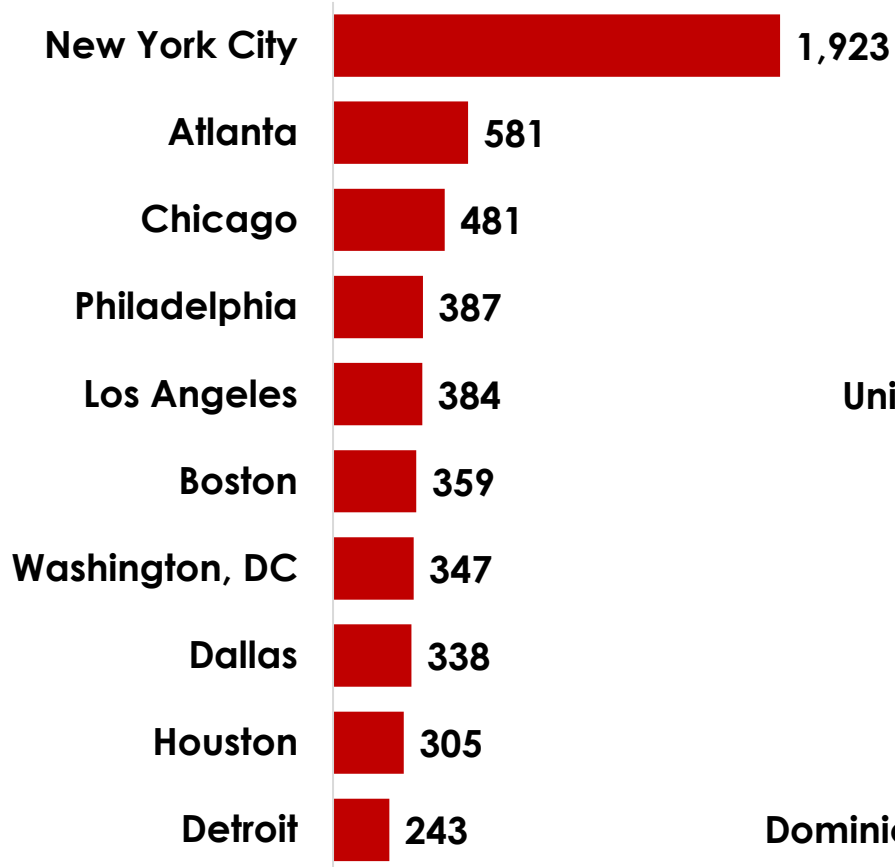
Total Visitors					
	2019	2020	2021	2022	2022 v 2021
Domestic Overnight	6,897	4,328	8,719	10,369	19%
International Overnight	5,337	1,842	3,747	4,743	27%
Florida Resident Overnight	4,089	1,708	3,450	4,057	18%
Total Overnight Visitors	16,323	7,877	15,915	19,169	20%
Domestic Day	2,213	1,421	3,355	2,399	-28%
International Day	1,568	614	1,442	1,100	-24%
Florida Resident Day	4,064	1,682	3,508	3,832	9%
Total Day Visitors	7,845	3,717	8,304	7,332	-12%
Total	24,168	11,594	24,220	26,501	9%

Total Visitor Spend (\$ Billions)					
	2019	2020	2021	2022	2022 v 2021
Domestic	\$6.9	\$4.1	\$9.8	\$11.4	16%
International	\$8.4	\$2.5	\$6.5	\$6.1	-7%
FL Resident	\$2.6	\$1.3	\$3.0	\$3.4	14%
Total	\$17.9	\$7.9	\$19.2	\$20.8	8%

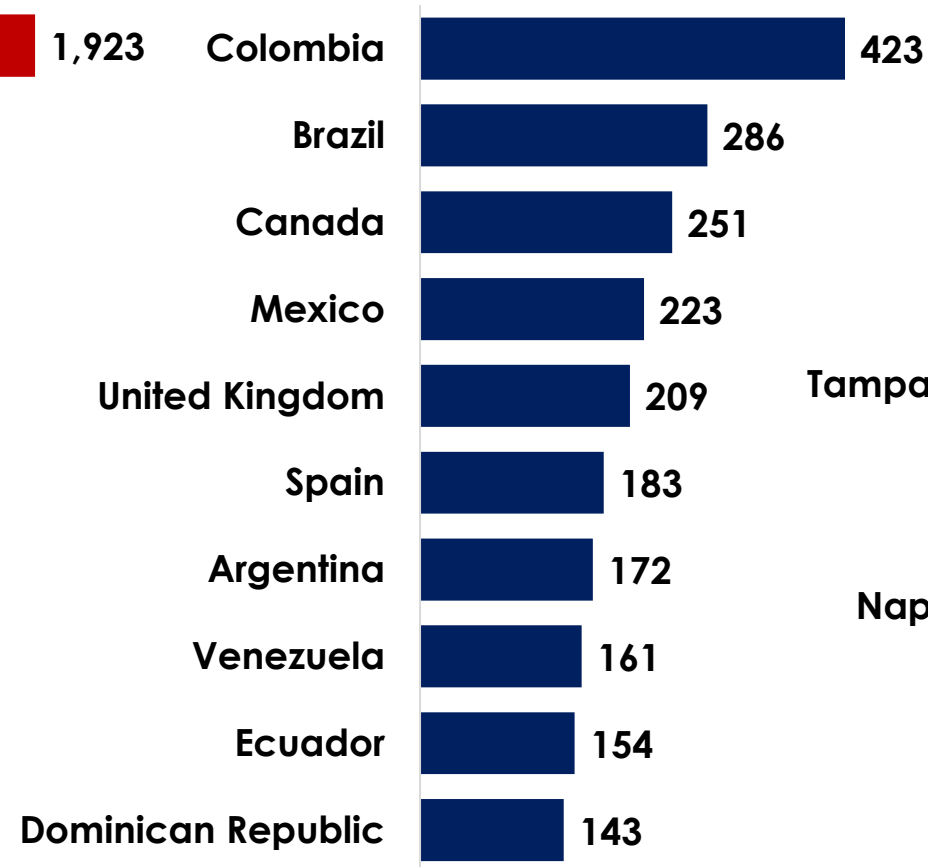


2022 Miami-Dade County – Top 10 Overnight Visitor Origin Markets

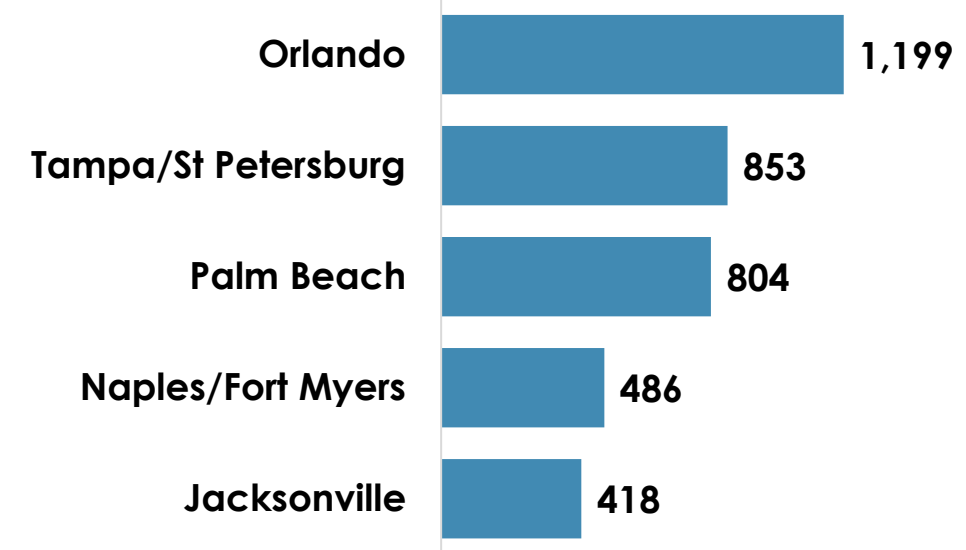
Domestic



International



Florida Resident



Brightline has launched ticket sales for the highly anticipated Brightline Orlando connection. While final preparations are being made for grand opening, tickets between South Florida (Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach) and Orlando are on sale now for late summer through early 2024. Guests can purchase tickets at gobrightline.com or by downloading the app. An official opening date and inaugural rides will be announced after Brightline has completed required testing.

Brightline will offer one-way SMART fares starting at \$79 for adults and \$39 for kids. Groups of 4+ automatically save an additional 25 percent on SMART fares. SMART service offers a comfortable business-class option onboard in hand-stitched leather seats, complimentary Starlink WiFi, multiple power and USB outlets and an array of food and beverages available for purchase. **One-way PREMIUM fares start at \$149, a first class experience with added amenities** including a dedicated PREMIUM lounge, priority boarding, checked luggage, and complimentary snacks and beverages throughout the journey.

Transportation and mobility options at Brightline Orlando Station will feature new Brightline+ products including shuttles, Uber rideshare and car rental options, which will cater to the unique needs of the Orlando visitor.

Travel Intent Is Still Quite High Despite Economic Concerns

Despite forecasts of a declining economy and a potential slide into a full-blown recession, **travelers overwhelmingly are keeping their itineraries for international and domestic trips this year**, according to a recent Global Rescue traveler survey. In fact, **76% of travelers said predictions of a recession have not caused them to cancel or postpone international travel in 2023.**

In addition, traveler **concerns about trip disruption continue to shift away from pandemic-related worries.** Having an **injury or illness** (47%) is the overwhelming fear among respondents followed distantly by **civil unrest** (13%), **trip cancellation** (11%), and **losing important things like a passport, wallet or purse** (9%).

That said, new data from Squaremouth.com reveals **travelers are spending more on their trips this summer than ever before.** Travelers are **spending more than \$9,300 on average** on their trips this summer, which is **7% higher than last year, and 27% higher than 2021.** That said, **inflation and the overall rising cost of travel are the key drivers of higher trip costs**, not necessarily the type of trip/accommodation category/airline class, etc.

“Whether travelers disbelieve an economic slowdown is looming or adopted a post-pandemic determination to travel while they can, they are brushing aside recession hesitation and keeping their plans to travel internationally.” said Dan Richards, CEO of The Global Rescue Companies, a provider of medical, security, evacuation and travel risk management services.

Can't figure out this economy? Walmart, Home Depot are having trouble, too

Last week, the two big retailers sent cautious signals about the health of the U.S. consumer.

In a nutshell: Walmart said U.S. consumer spending started the year strong, but that it expect households to back off through the year, producing weak fiscal-year 2024 U.S. sales growth of 2 to 2.5 percent. Home Depot said consumer spending is holding up, but that it expects a flat sales-growth year overall, with declining profits.

Indeed, the latest inflation read from last Friday's core personal consumption expenditures index was hotter than expected, showing a consumer that continues to defy expectations. Friday's PCE showed consumer spending rose more than expected as prices increased, jumping 1.8% for the month compared to the estimate of 1.4%.

From the big-box retail earnings to declining hopes that disinflation would be a straight line down in 2023, the latest news from the markets and economy highlight just how hard a job the Federal Reserve has in cooling the economy without causing a recession.

Home Depot expects high home equity to prop up consumer demand at least for a while, before pressures from inflation and interest rates squeeze harder.

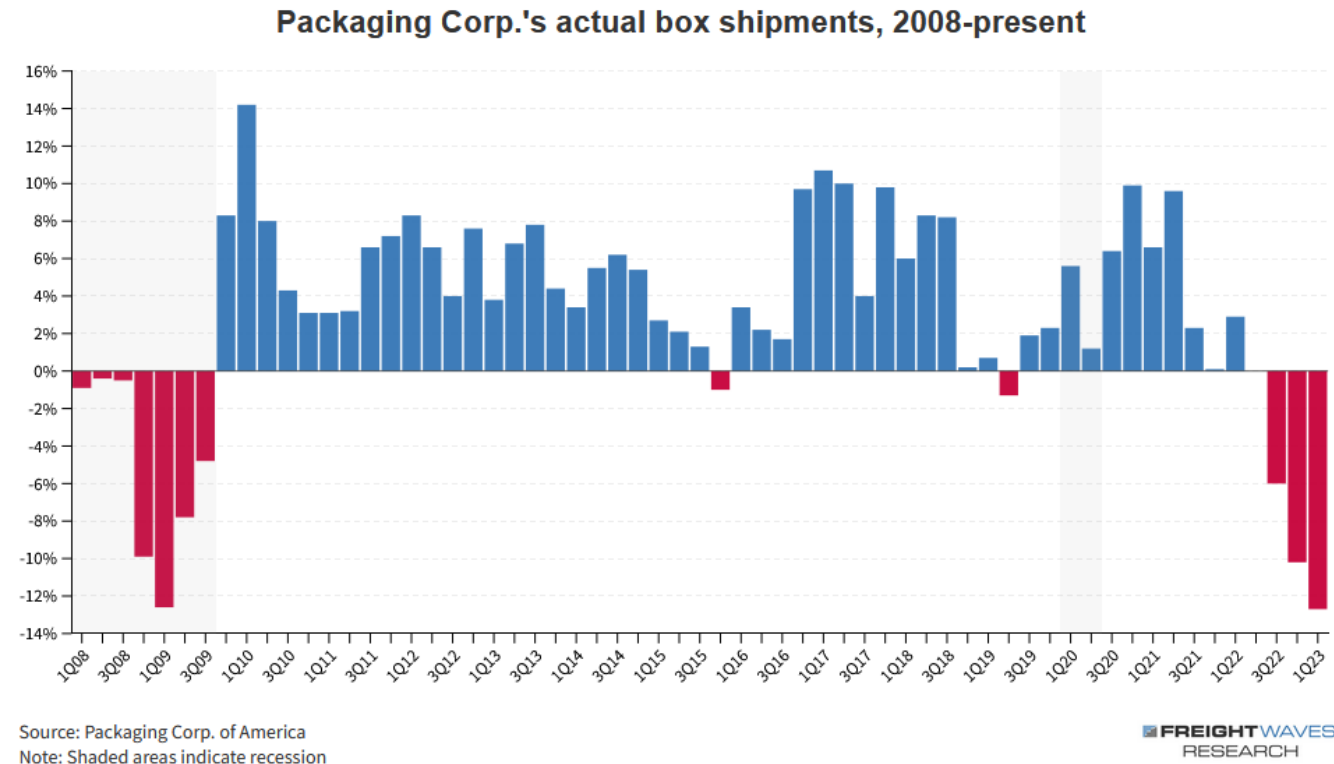
"The consumer is resilient right now," said CFRA Research retail analyst Arun Sundaram. ***"The consumer is still spending, not as much as a year or two ago, but they haven't quite stopped."***

Box Shipment Trends Are Very Weak, Retail Sales Declining

FreightWaves wrote at the beginning of April about **continued severe weakness in U.S. box demand** based on its survey of over 30 boxmakers, and the Q1 results from the **third-largest North American containerboard producer**, Packaging Corp. of America, confirmed as much.

Packaging Corp.'s shipments were **down nearly 13%, a decline as severe as during the depths of the Great Financial Crisis (its shipments were down a virtually identical percentage in the first quarter of 2009.)** Furthermore, Packaging Corp.'s demand trends weakened as Q1 progressed, reflecting **increasingly weaker consumer spending**.

Box demand is an excellent coincident economic indicator and is among the best barometers of goods demand along with freight/trucking. **Box demand rose to historically high levels during the pandemic** thanks to unprecedented government stimulus spending but is crashing just as quickly as it rose then.



UPS Issues Downbeat Outlook For Shipping Volumes

United Parcel Service Inc. shares tumbled on Tuesday after the global shipping giant said decelerating U.S. retail sales and shifting consumer trends would depress the company's shipping volumes this year.

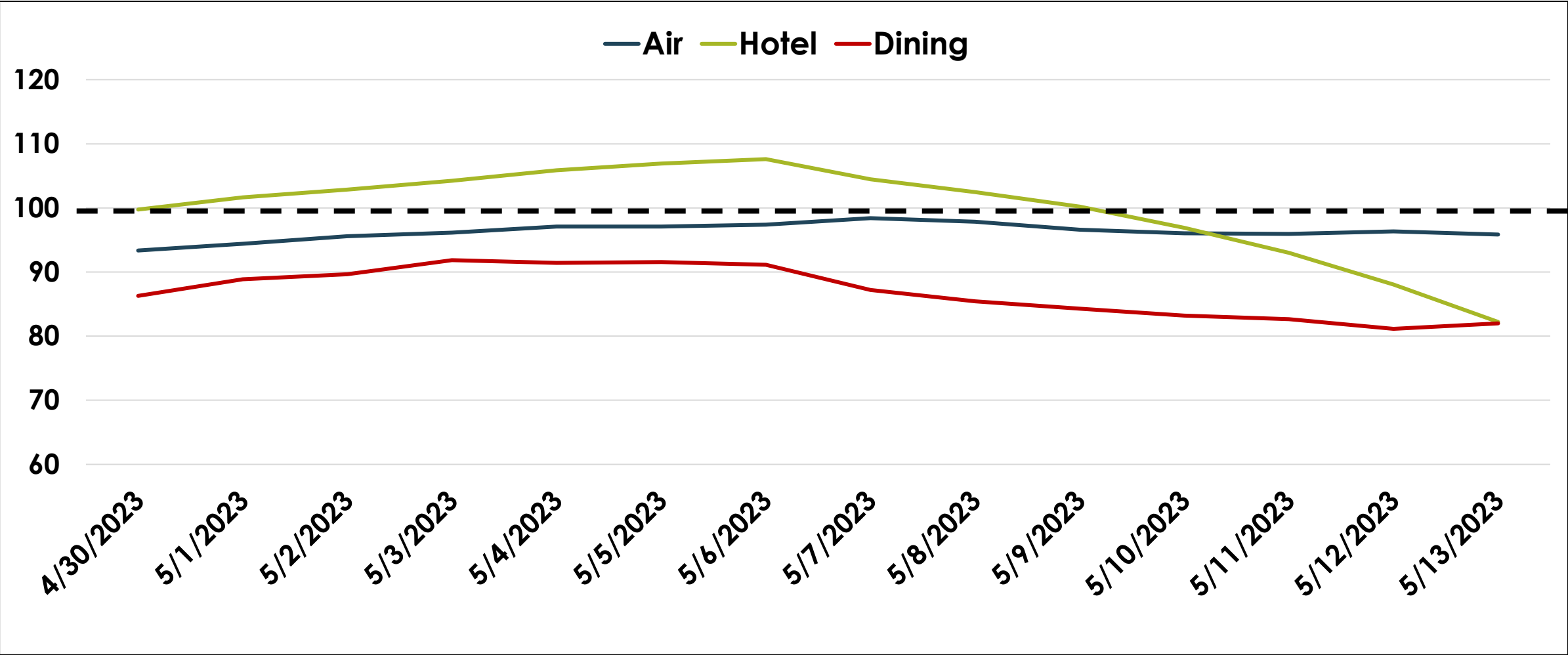
The carrier is **forecasting its first decline in annual revenue since 2009** after earnings and revenue both fell in the first quarter from a year ago, declines UPS said were **driven by sagging consumer spending** that pushed fewer packages through its U.S. and international networks.

U.S. retail sales fell in both February and March, according to the Commerce Department, one of several signs that **higher interest rates are slowing the economy**.

The **volume declines were steepest in the premium domestic U.S. express segments**, with next-day air shipments falling 10.7% and deferred services dropping 24.5% from the first quarter of 2022. UPS partly made up for the declining volume with **stronger pricing, as average revenue per domestic package increased 4.8% from last year**.

"U.S. discretionary sales are lagging grocery and consumable sales, and disposable income is shifting away from goods to services," Chief Executive Carol Tomé said, adding that volume has held roughly steady since the end of March.

Miami-Dade Daily Air/Hotel/Dining Performance – May To Date, Year-Over-Year



Air - MIA passengers

Hotel - rooms sold

Dining - seated diners

Miami-Dade Hotel Performance – Forecast VS Actual

	Occupancy			ADR			RevPAR			Demand (millions)			Revenue (millions)		
Month	F	A	Diff. (+/-)	F	A	Diff. (+/-)	F	A	Diff. (+/-)	F	A	Diff. (+/-)	F	A	Diff. (+/-)
Jan '23	75.1%	75.5%	0.4%	\$271.46	\$252.49	-\$18.98	\$203.91	\$190.73	-\$13.18	1.55	1.56	0.00	\$422.1	\$392.7	-\$29.4
Feb '23	78.6%	80.9%	2.3%	\$315.15	\$293.62	-\$21.53	\$247.58	\$237.62	-\$9.96	1.47	1.51	0.04	\$463.6	\$444.0	-\$19.6
Mar '23	81.2%	81.7%	0.5%	\$305.87	\$287.01	-\$18.86	\$248.22	\$234.12	-\$14.10	1.69	1.69	0.00	\$515.8	\$484.1	-\$31.7
Apr-23	76.1%	75.3%	-0.8%	\$263.37	\$246.12	-\$17.25	\$200.55	\$185.31	-\$15.24	1.53	1.51	-0.02	\$403.4	\$370.8	-\$32.6

Hotel Demand – Past 28 Days, Year-Over-Year

Rank	Top US Hotel Markets	% YOY
1	Chicago	13.6%
2	New York	10.7%
3	Minneapolis	10.2%
4	Washington, DC	7.1%
5	Boston	6.6%
6	Nashville	6.0%
7	Philadelphia	5.7%
8	Houston	4.4%
9	Denver	4.2%
10	Detroit	3.7%
11	Atlanta	2.8%
12	Orange County	2.6%
13	San Francisco	2.3%

Rank	Top US Hotel Markets	% YOY
14	Oahu Island	2.0%
15	Dallas	1.9%
16	Las Vegas	1.6%
17	Saint Louis	1.1%
18	Los Angeles	0.8%
19	Miami-Dade	-0.1%
20	New Orleans	-0.4%
21	Phoenix	-0.7%
22	Seattle	-0.7%
23	Orlando	-0.9%
24	Tampa	-2.1%
25	San Diego	-2.5%

Rank	Florida Markets	% YOY
1	Miami-Dade	-0.1%
2	Orlando	-0.9%
3	Palm Beach	-1.5%
4	Tampa	-2.1%
5	Fort Lauderdale	-2.3%
6	Florida Keys	-3.5%
7	Jacksonville	-3.6%
8	Florida Panhandle	-4.8%
9	Florida Central	-8.3%
10	Melbourne	-8.3%
11	Daytona Beach	-9.0%
12	Fort Myers	-24.7%

Hotel Demand – Week Ending 5/13/2023, Year-Over-Year

Rank	Top US Hotel Markets	% YOY
1	Philadelphia	14.2%
2	Minneapolis	7.5%
3	Boston	6.4%
4	Denver	6.3%
5	New York	5.7%
6	Detroit	4.1%
7	Chicago	3.8%
8	Washington, DC	3.2%
9	Tampa	2.4%
10	Las Vegas	0.8%
11	Orange County	0.4%
12	Houston	-1.0%
13	Nashville	-1.8%

Rank	Top US Hotel Markets	% YOY
14	Atlanta	-1.8%
15	Dallas	-2.0%
16	Los Angeles	-2.3%
17	Seattle	-2.6%
18	Saint Louis	-3.9%
19	Miami-Dade	-4.5%
20	New Orleans	-4.7%
21	San Diego	-4.7%
22	Oahu Island	-4.7%
23	Phoenix	-5.6%
24	San Francisco	-6.3%
25	Orlando	-7.3%

Rank	Florida Markets	% YOY
1	Tampa	2.4%
2	Palm Beach	-4.1%
3	Miami-Dade	-4.5%
4	Jacksonville	-5.8%
5	Daytona Beach	-6.2%
6	Fort Lauderdale	-6.8%
7	Florida Keys	-7.1%
8	Orlando	-7.3%
9	Florida Panhandle	-8.0%
10	Florida Central	-9.1%
11	Melbourne	-10.6%
12	Fort Myers	-25.3%

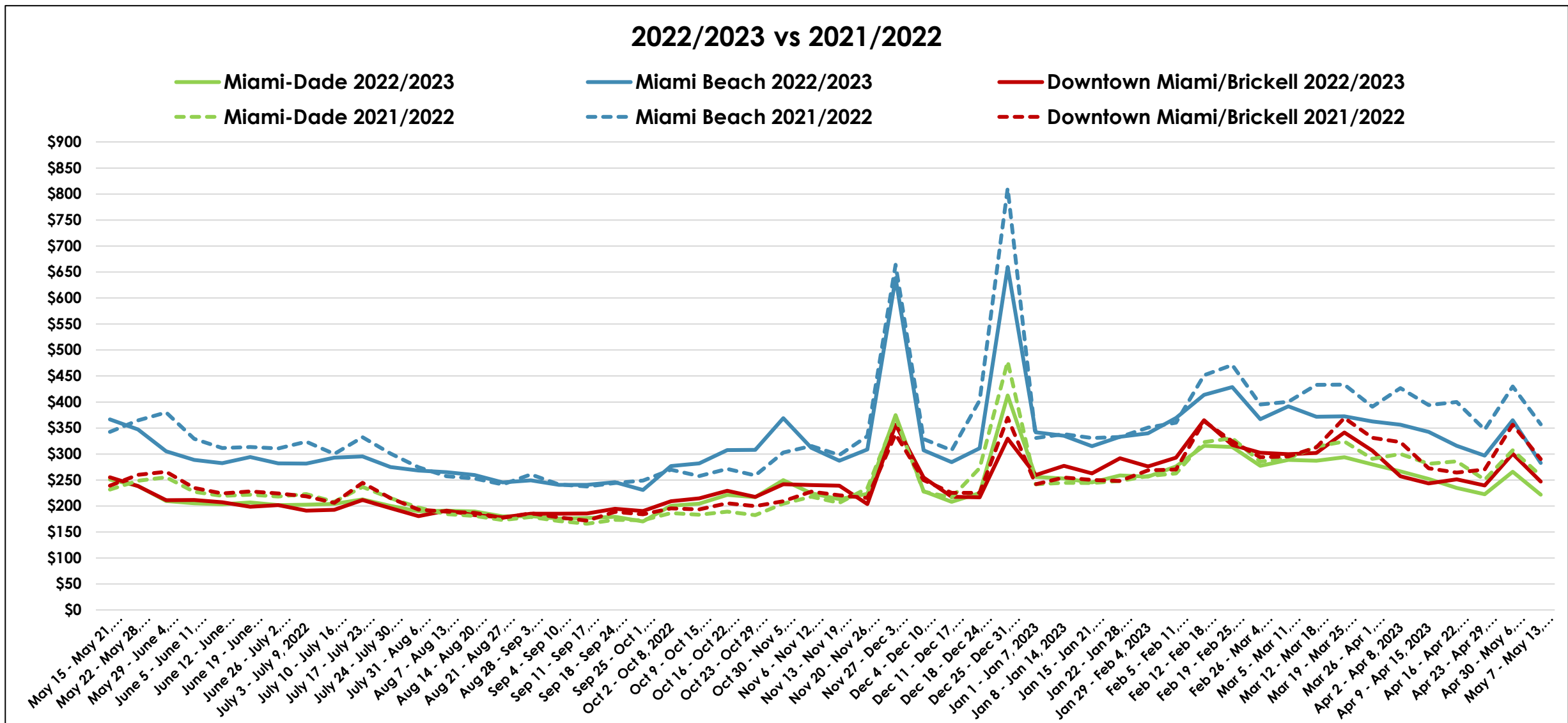
2023 Miami Formula One - Historical Hotel Performance



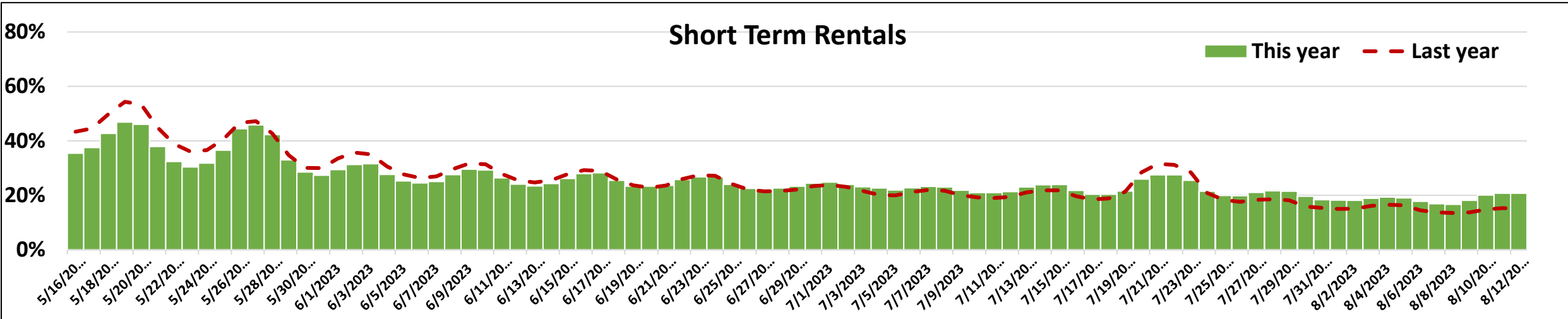
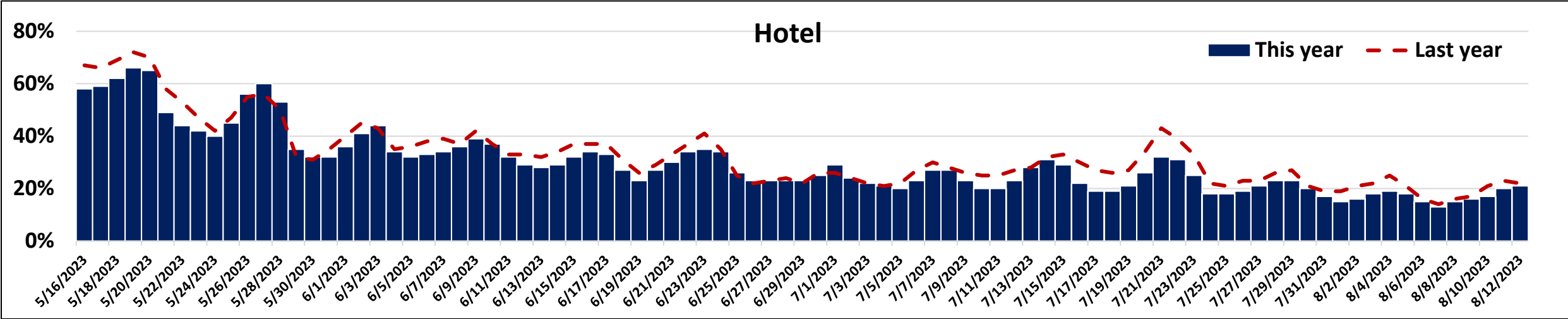
Miami-Dade County	Thurs - Sun	Thurs - Sun	Thurs - Sun	2023 F1	2022 F1
	2019	2022	2023	VS 2019	VS 2019
Occupancy	84.4%	75.2%	80.6%	-4.4%	-10.8%
ADR	\$193.32	\$399.99	\$328.94	70.2%	106.9%
RevPAR	\$164.29	\$302.12	\$266.99	62.5%	83.9%
Demand	195,205	194,066	215,224	10.3%	-0.6%
Gross Revenue	\$38,004,458	\$77,911,776	\$71,265,624	87.5%	105.0%

Fort Lauderdale	Thurs - Sun	Thurs - Sun	Thurs - Sun	2023 F1	2022 F1
	2019	2022	2023	VS 2019	VS 2019
Occupancy	79.8%	77.8%	80.9%	1.3%	-2.6%
ADR	\$136.83	\$233.77	\$228.14	66.7%	70.9%
RevPAR	\$109.91	\$182.72	\$185.98	69.2%	66.2%
Demand	103,162	119,579	123,585	19.8%	15.9%
Gross Revenue	\$14,205,966	\$28,091,801	\$28,412,525	100.0%	97.7%

Miami-Dade County - 52 Week ADR Trend



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



Thank you!



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