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MARKET REPORT

The Miami Market Rises to the Occasion

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Nicknamed “the Magic City,” Miami has maintained its position as a world-class destination despite the national economic challenges experienced since 2020. At the height of the pandemic, Miami’s favorable weather and relaxed restrictions attracted new residents and businesses from all corners of the country and the world. In the post-pandemic era, the greater Miami area remains a top U.S. market. In 2022, hotels in this market realized year-over-year growth in all metrics across each submarket. Furthermore, new hotel supply continues to be added, with numerous recently opened hotels and countless proposed developments.

According to data provided by STR, a total of ten new hotels opened throughout Miami-Dade County in 2022. The citizenM brand opened its second hotel in Miami, the citizenM Miami Worldcenter, which followed the citizenM Brickell Hotel that opened a few months earlier; a third citizenM hotel is slated to open in Miami Beach.

Furthermore, the growth in supply is expected to continue. Some of the notable hotel projects planned for Miami include the following:

- Aman Miami Beach
- citizenM Miami Beach
- Bulgari Miami Beach
- Grand Hyatt at the Miami Beach Convention Center
- Virgin Hotel Miami
- Waldorf Astoria Hotel & Residences Miami

Despite the ever-changing national economic landscape, hotels in the greater Miami-Dade market continued to realize year-over-year growth in both average daily rate and occupancy over the last several years. According to the Greater Miami Convention & Visitors Bureau, the Coral Gables submarket marked the greatest increase in RevPAR by year-end 2022, up 34.4% over 2021. The Miami Beach submarket remains the leader in available hotel inventory, with 38.5% of the county’s hotels.

Complementary to the area's hotels, Miami International Airport (MIA) remains a pivotal component of the tourism and hospitality sector. MIA started off this year with the new title of "busiest airport in Florida" after serving a record 50.6 million passengers in 2022, exceeding its historic peak from 2019.

Miami remains a cosmopolitan city with an abundance to offer visitors, residents, and those embarking on business ventures. The growth in hotel supply and strong performance reflect the city's lucrative position domestically and internationally.

Learn more about the Miami-area hotel market by contacting Emeldina Paratusic or John Lancet, your local HVS Miami hospitality experts.

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Sources:

https://www.miamiandbeaches.com/

https://www.forbes.com/sites/tedreed/2023/02/06/miami-airport-regains-top-spot-in-florida-as-returning-foreign-travel-shakes-up-airport-rankings/?sh=3edb78644042