

Business

Hotel revenues in South Florida continue to fall

February was worse than January for hotels in South Florida as a travel downturn extends longer than the post-9/11 decline.

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The peak of South Florida's vacation season continues to be battered by a global economic retreat as hotels slash rates to fill beds.

February numbers released Monday by Smith Travel Research showed Miami-Dade hotels suffering the most, with room revenues dropping faster than they did in the winter following the 2001 terrorist attacks. The ugly February came after a disappointing turnout for the Miami International Boat Show, traditionally the hotels' busiest weekend of the year.

Last month in Miami-Dade, occupancy levels dropped 10 points from a year ago to 73 percent despite a 15 percent cut in room rates to \$180 a night. Discounts helped more in Broward and the Keys, where room rates dropped at a similar pace but occupancy fell just 3 points in Broward and was flat in the Keys.

"Our occupancy is not so bad," said Broward tourism director Nikki Grossman. "But we had to drop our rates to get their business."

A surge of new hotel rooms has made Miami-Dade a much more competitive lodging market than it was a year ago, with 10 percent more rooms available than in the winter of 2007.

As one of priciest large hotel markets in the country, Miami-Dade also is suffering from what the Commerce Department said last week is a 22 percent cutback in travel spending across the country.

At the Doral Golf Resort & Spa, conferences are drawing fewer attendees and vacationers have held back booking trips to the lush hotel that's best known for its annual pro golf tourney.

Chris Bielski, the resort's sales director, said Americans seem more leery to travel than they were the winter after the 2001 attacks.

"We started to recover a bit" in February 2002, he said. "I guess people are being a little bit more hesitant to travel at this point."

The new Smith Travel numbers also suggest this travel downturn has more stamina than the post-9/11 stretch.

February 2002 marked the first time since the attacks when Miami-Dade saw room revenue decline less than 20 percent. That month's 17 percent loss was significantly better than January 2002's 24 percent drop, according to Smith Travel figures.

But the start of 2009 tells a different story. In Miami-Dade, South Florida's largest hotel market, revenue-per-room dropped 25 percent in February -- worse than January's 18 percent drop.

"9/11 was a fear of flying," said Rolando Aedo, head of marketing for the Greater Miami Convention & Visitors Bureau. "This is a global economic crisis. It definitely is more profound and more widespread."

He noted that despite the declines, Miami-Dade continues to compare well to the nation's other major hotel markets. Aedo noted the amount of revenue the average Miami-Dade hotel room generated in February -- \$121 a night -- was the highest among the country's top 25 destinations.

Jean Francois Mourier, a bookings consultant for Miami Beach hotels, said his clients are seeing room revenues drop more in March than they did in February.

"It's getting worse each month," said Mourier, CEO of revparguru.com.

But like other hoteliers, he's hoping the recent surge in stock prices will encourage consumers to start making vacation plans again.

"The news affects everybody. In January and February, it was the end of the world. Now the news is coming out the government is helping the banks," he said. "The wind is starting to change a bit."