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HOTELS

Local hotels raise prices in booming tourist season

South Florida room rates soared, thanks to a booming vacation market and a move toward luxury lodging. Yet in the Keys, hotel revenues were down.

BY DOUGLAS HANKS III
dhanks@MiamiHerald.com

EMILY MICHOT/MIAMI HERALD STAFF

Hotels charged record room rates in South Florida this tourism season as resorts continued to prosper and visitors continued to pay.

Only New York City had a higher average room rate than Miami-Dade for the first three months of the year. According to a Smith Travel Research study of major hotel markets, Miami-Dade had an average rate of \$173 for those three months -- peaking at \$179 in March. Hotels also raised prices with gusto in Broward County and in the Florida Keys, thanks to a strong travel market and a push toward luxury lodging.

Lorine Pendleton and her friend Licet Pascal stayed at The Palms in Miami Beach last May and paid \$180. The \$250 they paid for a Palms room this week left the pair of loyal South Florida vacationers questioning whether their money wouldn't be better spent in another destination.

"This drink is probably \$18, but it has no tequila in it," complained Pascal, 43, as she lounged by the hotel's pool. (A Palms bartender later said the drink cost \$12.) "It needs some booze if I'm going to pay that much."

South Florida tourists might not have a choice but to go upscale. In Broward, the average room rented for \$141 -- 15 percent more than in 2005, according to Smith Travel. In the Keys, it went for \$210, 7 percent more than last year.

The Embassy Suites Deerfield Beach said the hotel broke revenue records each month this year.

"It has been a really, really good season," said sales director Wayne Gales.

The oceanfront Ritz-Carlton Key Biscayne rented suites for \$2,000 a night and still hit 97 percent occupancy in March.

"It seems like the high-end rooms are selling first," said Chris Hamaway, director of sales and marketing. "People certainly seem to be treating themselves more than they were in years past."

But the Smith Travel report included a reminder that high room rates aren't a guarantee of success.

Even as the Keys boosted room rates 7 percent, occupancy dropped 11 percent from a year ago. And that's with hundreds of rooms still unavailable due to condominium conversion and the lingering effects of last year's hurricanes.

KEYS CHALLENGE

Revenues per room -- the main performance barometer in the lodging industry -- fell 4 percent for the first quarter in the Keys.

"It has been very slack," Brenda Kee Johnson said as she presided over her souvenir stand steps away from Key West's Southernmost Point landmark. "Spring Break was terrible."

Occupancy held steady in Broward and Miami-Dade, but the summer promises to bring a new set of challenges.

Several large hotels have closed for renovations, including most of Miami Beach's mammoth Fontainebleau. So large conventions have canceled and tourism officials are warning of a coming downturn in the meetings industry. And with hurricane season starting June 1, travelers might be leery of what the newly active storm cycle could bring the Sunshine State.

"The summer doesn't look as spectacular as the high season does, pricing-wise," said Gales, of the Embassy Suites.

The January-through-April high season usually gives South Florida hotels the chance to charge premium rates. Meanwhile, hotels throughout the country are boosting prices as they gain distance from the travel market's post-9/11 discounts. A later-than-usual Easter helped too, since the holiday often signals the end of winter -- and thus of getaways to South Florida -- for many Northeastern travelers.

LESS SUPPLY

Perhaps most importantly, Broward and Miami-Dade can charge higher prices because they are losing hotel rooms to a booming real estate market. Developers convert the properties to condominiums or condo-hotels instead.

"There is less supply in the marketplace," said Ed Carey, regional sales director for LXR Luxury Resorts, owner of Fort Lauderdale's Bahia Mar, Pier Sixty-Six and two other hotels.

But some say the high prices are leaving South Florida out of reach for budget travelers.

Brothers Allan and Wayne Bewick, visiting Fort Lauderdale from England this week with their wives, said only scruffy, discount hotels seem to be charging decent rates now. "The quality of the hotels is going down rapidly, getting a bit shabby, and the prices are going up," Allan Bewick said. "People will get tired of that."

Then again, truck driver Marijan Stojanov came with his wife, children and in-laws from Cincinnati for his third Fort Lauderdale vacation in as many years.

"This is great -- the beaches, the life, the people," said Stojanov, who was paying \$70 a night at a Fairfield Inn. "We like it here."

Herald staff writers Monica Hatcher and Samuel Nitze contributed to this report.