COASTAL CAROLINA UNIVERSITY
Clay Brittain Jr. Center for Resort Tourism
E. Craig Wall Sr. College of Business Administration

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The Tourism Economy Study: CCU Lodging Update, August 21, 2014

Current Performance Estimates

Hotel, Condo-Hotel and Campsite Properties

Preliminary results from Coastal Carolina University's voluntary sample of hotel, condo-hotel and campsite (HC-HC) properties along the Grand Strand during the week of Aug. 10-16, 2014, indicate that the midweek occupancy rate averaged 84 percent, up 1 occupancy point or 1.2 percent compared with the equivalent week of 2013. During the Friday-Saturday night period, the occupancy rate averaged 96.7 percent, up 5.6 occupancy points or 6.1 percent compared to the equivalent weekend last year. The average daily rate was down 0.1 percent during the midweek period but up 4.7 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was up 2.2 occupancy points or 2.6 percent, and revenue per available room (RevPAR) was up 4.1 percent compared with the equivalent week of 2013.

VRPs

Based on the Brittain Center's observations of random samples of Internet websites of vacation rental properties (VRPs) in the coastal sections of Horry and Georgetown counties (338 of the 3,135 units) for which complete data are publicly available, 89.2 percent were reserved or blocked from nightly rentals during the nights of Aug. 9-15. The percentage of VRPs reserved in Horry and Georgetown counties combined was up 4.2 occupancy points or 4.9 percent compared with the equivalent period last year. For the nights of Aug. 16-22, 82.4 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 12.7 occupancy points or 18.3 percent compared with the equivalent week of 2013.

Six-Week Average Performance

During the nights of June 29-Aug. 16, 87.8 percent of the lodging properties in the Brittain Center's voluntary sample of HC-HC properties located along the Grand Strand were occupied, which was up 0.3 occupancy point or 0.4 percent compared with the equivalent weeks last year. The average daily rate for these properties was up 2.8 percent compared with the equivalent weeks of 2013. Consequently, RevPAR was up 3.1 percent compared with the equivalent period of 2013. During the same period this year, 95.5 percent of the VRP bedrooms in the Center's random sample of Horry County VRPs were reserved or blocked from nightly rentals, up 6.1 occupancy points or 6.8 percent compared with the equivalent weeks last year. Advertised prices for this segment were down 0.5 percent compared with last year, which would lead to an increase in revenue per available bedroom of 6.3 percent.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of Aug. 23-24 calls for a 40 percent chance of precipitation on both days with highs of 94 and 85 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 85 percent during the nights of Aug. 22-23, even or within two occupancy points of the equivalent weekend of 2013. Based on this week's observations by Center researchers of 338 websites of VRPs available to rent in Horry and Georgetown counties, 66 percent are reserved for the week of Aug. 23-29. VRP reservations in Horry and Georgetown counties for that week are up 2.4 occupancy points or 3.9 percent compared with the same week of 2013.

Additional Research Notes

The Brittain Center's preliminary sample of 25 HC-HC properties reporting for the week of Aug. 10-16 consisted of 12 hotels (all but five are oceanfront/view, and five are brand affiliated), 12 condo-hotels (all are oceanfront/view, and one is brand affiliated), and one campground resort property. The results for the current moving six-week period are based on an average sample size of 8,985 units per week average.

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Note: The above analysis is based on sample estimates. Actual business performance results may vary greatly. Therefore, neither the above Centers nor Coastal Carolina University warrant the use of the above data or analysis for specific business application.