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

Accredited by AACSB International THE ASSOCIATION TO ADVANCE COLLEGIATE SCHOOLS OF BUSINESS

The Tourism Economy Study: CCU Lodging Update, Feb. 4, 2016

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 Jan. 24-30, 2016, indicate that the midweek occupancy rate averaged 21.3 percent, down 4.6 occupancy points or 17.7 percent compared to the equivalent week of 2015. During the Friday-Saturday night period, the occupancy rate averaged 35.3 percent, down 2.1 occupancy points or 5.6 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 14.1 percent during the midweek period and up 13.2 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was down 4.6 occupancy points or 15.7 percent, but revenue per available room (RevPAR) was up 6.4 percent compared with the equivalent week last year.

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 (318 of the 3,135 units) for which complete data are publicly available, 42.9 percent were reserved or blocked from nightly rentals during the nights of Jan. 23-29, 2016. The percentage of VRPs reserved in Horry and Georgetown counties combined was up 3.8 occupancy points or 9.6 percent compared with the equivalent week of 2015. For the nights of Jan. 30-Feb. 5, 2016, 43.5 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 5.9 occupancy points or 12 percent compared with the equivalent week of 2015.

Six-Week Average Performance

During the nights of Dec. 20, 2015-Jan. 30, 2016, 30.1 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 1.1 occupancy points or 3.6 percent compared with the equivalent weeks of 2014-2015. The average daily rate for these properties was up 12.3 percent compared with the equivalent weeks in 2014-2015, leading to a 16.4 percent increase in average RevPAR compared with the equivalent period in 2014-2015. During the same period in 2015-2016, 38.5 percent of the VRP bedrooms in the Center's random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 0.7 occupancy point or 1.9 percent compared with the equivalent weeks in 2014-2015. Advertised prices for this segment were up 6.4 percent compared with the equivalent weeks in 2014-2015, which would lead to an increase in revenue per available bedroom of 4.4 percent.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of Feb. 6-7, 2016, calls for a high temperature of 54 degrees and 47 degrees, and a 0 percent and 80 percent chance of rain, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be 40 percent for the weekend nights of Feb. 5-6, down 2-4 occupancy points compared with the equivalent weekend of 2015. Based on this week's observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 42.4 percent are reserved for the week of Feb. 6-12, 2016. VRP reservations in Horry and Georgetown counties for that week are down 3.7 occupancy points or 7.9 percent compared with the same week of 2015.

Additional Research Notes

The Brittain Center's preliminary sample of 26 HC-HC properties reporting for the week of Jan. 24-30, 2016, consisted of 11 hotels (all but five are oceanfront/view, and five are brand affiliated), and 14 condo-hotels (all are oceanfront/view, 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 8,593 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.