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, February 28, 2013

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 Feb. 17 – 23 indicate that the midweek occupancy rate averaged 35.3 percent, up 0.2 occupancy point or 0.6 percent compared with the equivalent week last year. During the Friday–Saturday night period, the occupancy rate averaged 47.2 percent, down 1.5 occupancy points or 3.1 percent compared to the equivalent weekend of 2012. The average daily rate was down 0.4 percent during the midweek period and down 3.7 percent during the weekend period compared with last year. Consequently, occupancy for HC-HCs for the week overall was down 0.4 occupancy point or 1 percent, and revenue per available room (RevPAR) was down 3 percent compared to the equivalent week last year.

Vacation Rental Properties

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 is publicly available, during the nights of Feb. 16 – 22, 53.7 percent were reserved or blocked from nightly rentals. The percentage of VRPs reserved in Horry and Georgetown counties combined was up 3.4 occupancy points or 6.6 percent compared with the equivalent period last year. For the nights of Feb. 23 – March 1, 2013, 50.5 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 2.9 occupancy points or 5.5 percent compared with the equivalent period last year.

Six-Week Average Performance

During the nights of Jan. 13 - Feb. 23, 2013, 29.6 percent of the lodging properties in the Brittain Center's voluntary sample of hotel, condo-hotel and campsite properties located along the Grand Strand were occupied, which was up 0.4 occupancy point or 1.3 percent compared with the equivalent weeks of 2012. The average daily rate for these properties was down 1.3 percent compared with the equivalent weeks last year. Consequently, RevPAR was even compared with the equivalent period last year. During the same period, 41.7 percent of the vacation rental property bedrooms in the Center's random sample of Horry County VRPs were reserved or blocked from nightly rentals, which was up 2.7 occupancy points or 6.9 percent compared with the equivalent weeks of last year. Advertised prices for this segment were up 1 percent compared with last year, which would lead to an increase in revenue per available bedroom (RevPAB) of 8 percent.

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Forecast and Analysis

At the time of this writing, the forecast from *weather.com* for the weekend of March 1 – 2 called for 70 and 10 percent chance of precipitation, respectively. The Brittain Center forecasts that average occupancy for its sample of hotel, condo-hotel and campsites may be near or above 45 percent during the nights of Feb. 28 – March 1. Based on this week's observations by Center researchers of 338 websites of vacation rental properties available to rent in Horry or Georgetown counties for the week of March 2 – 8, 57.6 percent are reserved. VRP reservations in Horry and Georgetown counties for that week are up 5.7 occupancy points or 11 percent compared with the equivalent period of 2012.

Additional Research Notes

The Brittain Center's preliminary sample of 30 hotel, condo-hotel and campground properties reporting for the week of Feb. 17 – 23 consisted of 14 hotels (all but five are ocean front/view, and five are brand affiliated), 15 condo-hotels (all are ocean front/view and one brand-affiliated) and one campground resort property. The results for the current moving six-week period are based on an average sample size of 9,962 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.