The Tourism Economy Study: CCU Lodging Update, March 19, 2015

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 March 8-14, 2015, indicate that the midweek occupancy rate averaged 42.3 percent, down 13.6 occupancy points or 24.4 percent compared to the equivalent week of 2014. During the Friday-Saturday night period, the occupancy rate averaged 68.4 percent, down 1 occupancy point or 1.5 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 6 percent during the midweek period, and up 17.6 percent during the weekend period, compared with last year. Consequently, HC-HC occupancy for the week overall was down 11.3 occupancy points or 19 percent, and revenue per available room (RevPAR) was down 10.7 percent compared with 2014.

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, 59.4 percent were reserved or blocked from nightly rentals during the nights of March 7-13, 2015. The percentage of VRPs reserved in Horry and Georgetown counties combined was up 10.9 occupancy points or 22.5 percent compared with the equivalent period last year. For the nights of March 14-20, 61.5 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 3.8 occupancy points or 6.6 percent compared with the equivalent week of 2014.

Six-Week Average Performance

During the nights of Jan. 25-March 7, 2015, 38.5 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 down by 3.3 occupancy points or 8.1 percent compared with the equivalent weeks last year. The average daily rate for these properties was up 8.4 percent compared with the equivalent weeks of 2014, leading to a 0.2 percent decrease in average RevPAR compared with the equivalent period last year. During the same period this year, 45.8 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 0.5 occupancy point or 1.1 percent compared with the equivalent weeks last year. Advertised prices for this segment were down 6 percent compared with last year, which would lead to a decrease in revenue per available bedroom of 7 percent.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of March 21-22 calls for a 10 and 90 percent chance of precipitation, with highs of 68 and 64 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 77 percent for the weekend nights of March 20-21, even with the equivalent weekend of 2014. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 56.3 percent are reserved for the week of March 21-27. VRP reservations in Horry and Georgetown counties for that week are down 0.6 occupancy point or 1.1 percent compared with the same week of 2014.

Additional Research Notes

The Brittain Center’s preliminary sample of 26 HC-HC properties reporting for the week of March 8-14, consisted of 12 hotels (all but five are oceanfront/view, and five are brand affiliated), 13 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 8,391 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.