The Tourism Economy Study: CCU Lodging Update, April 2, 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 22-28, 2015, indicate that the midweek occupancy rate averaged 37 percent, down 1.5 occupancy points or 4 percent compared to the equivalent week of 2014. During the Friday-Saturday night period, the occupancy rate averaged 82.6 percent, up 15.8 occupancy points or 23.7 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 14.8 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 2.8 occupancy points or 6 percent, and revenue per available room (RevPAR) was up 25.5 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, 56.3 percent were reserved or blocked from nightly rentals during the nights of March 21-27, 2015. The percentage of VRPs reserved in Horry and Georgetown counties combined was up 3.8 occupancy points or 6.6 percent compared with the equivalent period last year. For the nights of March 28-April 3, 71.1 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 8 occupancy points or 12.8 percent compared with the equivalent week of 2014, which in that year did not include Good Friday or the Passover period.

Six-Week Average Performance

During the nights of Feb. 8-March 28, 2015, 45.5 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 2.9 occupancy points or 8 percent compared with the equivalent weeks last year. The average daily rate for these properties was up 6.7 percent compared with the equivalent weeks of 2014, leading to a 0.3 percent increase in average RevPAR compared with the equivalent period last year. During the same period this year, 48.4 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 4.3 occupancy points or 8.1 percent compared with the equivalent weeks last year. Advertised prices for this segment were down 2.1 percent compared with last year, which would lead to a decrease in revenue per available bedroom of 10.1 percent.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of April 4-5 calls for a 70 and 0 percent chance of precipitation with a high of 68 and 66 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 85 percent for the weekend nights of April 3-4, up 8-10 occupancy points compared with the equivalent weekend of 2014, which in that year did not include the Easter and Passover periods. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 68 percent are reserved for the week of April 4-10. VRP reservations in Horry and Georgetown counties for that week are down 3 occupancy points or 4.2 percent compared with the same week of 2014.

Additional Research Notes

The Brittain Center’s preliminary sample of 25 HC-HC properties reporting for the week of March 22-28, consisted of 11 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 8,556 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.