The Tourism Economy Study: CCU Lodging Update, April 3, 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 March 23-29, 2014, indicate that the midweek occupancy rate averaged 36.5 percent, down 13.9 occupancy points or 27.5 percent compared with the equivalent week of 2013, which in that year included the Passover and good Friday holidays. During the Friday-Saturday night period, the occupancy rate averaged 59 percent, down 16 occupancy points or 21.4 percent compared to last year. The average daily rate was down 28.9 percent during the midweek period and down 19.3 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was down 14.8 occupancy points or 21.7 percent, and revenue per available room (RevPAR) was down 43.9 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, 56.9 percent were reserved or blocked from nightly rentals during the nights of March 22-28. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 10 occupancy points or 14.9 percent compared with the equivalent period last year. For the nights of March 29-April 4, 63.1 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 9.8 occupancy points or 13.4 percent compared with the equivalent week of 2013, which in that year included the end of the Passover holiday period.

Six-Week Average Performance

During the nights of Feb. 16-March 29, 47.3 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 2.7 occupancy points or 5.3 percent compared with the equivalent weeks last year. The average daily rate for these properties was down 6.6 percent compared with the equivalent weeks last year. Consequently, RevPAR was down 11.5 percent compared with the equivalent period last year. During the same period, 48.1 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 7.8 occupancy points or 14.1 percent compared with the equivalent weeks last year. Advertised prices for this segment were up 2.8 percent compared with last year, leading to a decrease in revenue per available bedroom of 11.6 percent.

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Forecast and Analysis

At the time of this writing, the forecast from weather.com for the weekend of April 5-6 called for a 30 and 60 percent chance of precipitation with highs of 71 and 61 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 60 percent during the nights of April 4-5. Based on this week’s observations by Center researchers of 338 websites of VRPs available to rent in Horry and Georgetown counties for the week of April 5-11, 61.6 percent are reserved. VRP reservations in Horry and Georgetown counties for that week are down 11.5 occupancy points or 15.7 percent compared with the same period of 2013.

Additional Research Notes

The Brittain Center’s preliminary sample of 26 HC-HC properties reporting for the week of March 23-29, consisted of 13 hotels (all but five are oceanfront/view, and five are brand affiliated), 12 condo-hotels (all are oceanfront/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 9,096 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.