The Tourism Economy Study: CCU Lodging Update, April 10, 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 30-April 5, 2014, indicate that the midweek occupancy rate averaged 39.5 percent, down 44.8 occupancy points or 53.2 percent compared with the equivalent week of 2013, which in that year included Easter Sunday and the Passover period. During the Friday-Saturday night period, the occupancy rate averaged 57.9 percent, down 26 occupancy points or 30.9 percent compared to last year. The average daily rate was down 25.6 percent during the midweek period and down 18.1 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was down 39.6 occupancy points or 47.1 percent, and revenue per available room (RevPAR) was down 58.7 percent compared with the equivalent week of 2013, which again, in that year included the Easter period.

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, 63.1 percent were reserved or blocked from nightly rentals during the nights of March 29-April 4. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 9.8 occupancy points or 13.4 percent compared with the equivalent period last year. For the nights of April 5-11, 61.6 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 11.5 occupancy points or 15.7 percent compared with the equivalent week of 2013.

Six-Week Average Performance

During the nights of Feb. 16-March 29, 48.5 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 8.8 occupancy points or 15.4 percent compared with the equivalent weeks last year. The average daily rate for these properties was down 10.3 percent compared with the equivalent weeks last year. Consequently, RevPAR was down 24 percent compared with the equivalent period of 2013. However, in that year those dates had already included the Easter and Passover periods. During the same period, 48.5 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 7.4 occupancy points or 13.3 percent compared with the equivalent weeks last year. Advertised prices for this segment were up 1.3 percent compared with last year, leading to a decrease in revenue per available bedroom of 12.2 percent.

(CCU Lodging Update Continued page 2)
The Tourism Economy Study: CCU Lodging Update, April 10, 2014 (continued)

Forecast and Analysis

At the time of this writing, the forecast from weather.com for the weekend of April 12-13 called for 0 percent chance of precipitation with a high of 73 degrees both days. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 75 percent during the nights of April 11-12. 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 12-18, 82.5 percent are reserved. VRP reservations in Horry and Georgetown counties for that week are down 30 occupancy points or 57 percent compared with the same period of 2013, which in that year did not include the Passover or Good Friday holiday. The forecast suggests that average occupancy will be up by as much as 24 occupancy points or 45 percent compared with the week of Good Friday and Passover 2013, which in that year came three weeks earlier on the calendar.

Additional Research Notes

The Brittain Center’s preliminary sample of 27 HC-HC properties reporting for the week of March 30-April 5, consisted of 13 hotels (all but five are oceanfront/view, and five are brand affiliated), 13 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 9,048 units per week average.

Data collected and analysis created by:

The Clay Brittain Jr. Center for Resort Tourism

Taylor Damonte, Ph.D., Professor/Director

Brianna Brown, Brett Gallagher and Staci Willette, Research Assistants

In cooperation with:

The Center for Economic and Community Development

Gary Loftus, Director

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.