The Tourism Economy Study: CCU Lodging Update, April 16, 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 April 5-11, 2015, indicate that the midweek occupancy rate averaged 80.5 percent, up 33.3 occupancy points or 70.7 percent compared to the equivalent week of 2014, which in that year did not include the Easter or Passover holidays. During the Friday-Saturday night period, the occupancy rate averaged 92.4 percent, up 17.9 occupancy points or 24 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 33 percent during the midweek period, and up 3 percent during the weekend period, compared with last year. Consequently, HC-HC occupancy for the week overall was up 29 occupancy points or 52.7 percent, and revenue per available room (RevPAR) was up 81.2 percent compared with the equivalent week of 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, 68.1 percent were reserved or blocked from nightly rentals during the nights of April 4-10, 2015. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 0.3 occupancy point or 4.1 percent compared with the equivalent period last year. For the nights of April 11-17, 47.4 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 21.7 occupancy points or 31.2 percent compared with the equivalent week of 2014, which in that year included the Good Friday and Passover holiday periods.

Six-Week Average Performance

During the nights of March 1-April 11, 2015, 58.1 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 up by 6.3 occupancy points or 12.2 percent compared with the equivalent weeks last year. The average daily rate for these properties was up 16.8 percent compared with the equivalent weeks of 2014, leading to a 31 percent increase in average RevPAR compared with the equivalent period last year. During the same period this year, 54.4 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 6.1 occupancy points or 10.2 percent compared with the equivalent weeks last year. Advertised prices for this segment were up 1.9 percent compared with last year, which would lead to a decrease in revenue per available bedroom of 8.5 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 18-19 calls for a 0 and 60 percent chance of precipitation with a high of 83 and 77 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 65 percent for the weekend nights of April 17-18, down 15-20 occupancy points compared with the equivalent weekend of 2014, which in that year was the peak weekend of the Easter holiday. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 50.5 percent are reserved for the week of April 18-24. VRP reservations in Horry and Georgetown counties for that week are down 20.1 occupancy points or 27.5 percent compared with the same week of 2014.

Additional Research Notes

The Brittain Center’s preliminary sample of 23 HC-HC properties reporting for the week of April 5-11, consisted of 10 hotels (all but five are oceanfront/view, and five are brand affiliated), 12 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 8,479 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.