The Tourism Economy Study: CCU Lodging Update, April 17, 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 April 6-12, 2014, indicate that the midweek occupancy rate averaged 44.9 percent, up 5.9 occupancy points or 15.1 percent compared with the equivalent week of 2013. During the Friday-Saturday night period, the occupancy rate averaged 71.9 percent, up 12.3 occupancy points or 20.6 percent compared to last year. The average daily rate was up 1.9 percent during the midweek period and up 10 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was up 7.5 occupancy points or 16.8 percent, and revenue per available room (RevPAR) was up 23.2 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, 61.6 percent were reserved or blocked from nightly rentals during the nights of April 5-11. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 11.5 occupancy points or 15.7 percent compared with the equivalent period last year. For the nights of April 12-18, 82.5 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 30 occupancy points or 57.1 percent compared with the equivalent week of 2013, which in that year did not include Good Friday or the Passover period.

Six-Week Average Performance

During the nights of Feb. 23-April 5, 53.2 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 2 occupancy points or 3.8 percent compared with the equivalent weeks last year. The average daily rate for these properties was down 3.7 percent compared with the equivalent weeks last year. Consequently, RevPAR was up 0.1 percent compared with the equivalent period of 2013. However, in that year those dates included the Easter and Passover periods. During the same period this year, 51.1 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 9 occupancy points or 15 percent compared with the equivalent weeks last year. Advertised prices for this segment were up 4.1 percent compared with last year, leading to a decrease in revenue per available bedroom of 11.5 percent.

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Forecast and Analysis

At the time of this writing, the forecast from weather.com for the weekend of April 18-19 called for 40 and 30 percent chance of precipitation, with a high of 65 and 68 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 93 percent during the nights of April 17-18. Based on this week’s observations by Center researchers of 338 websites of VRPs available to rent in Horry and Georgetown counties, 79.3 percent are reserved for the week of April 19-25. VRP reservations in Horry and Georgetown counties for that week are up 38 occupancy points or 92 percent compared with the same period of 2013. However, unlike this year, Passover and Good Friday did not occur during the week of April 19-25 in 2013; the holidays were three weeks earlier.

Additional Research Notes

The Brittain Center’s preliminary sample of 23 HC-HC properties reporting for the week of April 6-12 consisted of 12 hotels (all but five are oceanfront/view, and five are brand affiliated), 10 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 8,627 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.