The Tourism Economy Study: CCU Lodging Update, April 30, 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 19-25, 2015, indicate that the midweek occupancy rate averaged 40 percent, down 16.8 occupancy points or 29.6 percent compared to the equivalent week of 2014, which in that year included the Easter and Passover holidays. During the Friday-Saturday night period, the occupancy rate averaged 85 percent, up 2.8 occupancy points or 3.4 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 3.7 percent during the midweek period and up 4.7 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was down 11.5 occupancy points or 17.9 percent, and revenue per available room (RevPAR) was down 13.2 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, 50.5 percent were reserved or blocked from nightly rentals during the nights of April 18-24, 2015. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 19.1 occupancy points or 27.5 percent compared with the equivalent period last year. For the nights of April 25-May 1, 44.1 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 21 occupancy points or 32.2 percent compared with the equivalent week of 2014.

Six-Week Average Performance

During the nights of March 8-April 18, 2015, 61.2 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 by 2.9 occupancy points or 5 percent compared with the equivalent weeks last year. The average daily rate for these properties was up 11.8 percent compared with the equivalent weeks of 2014, leading to a 17.3 percent increase in average RevPAR compared with the equivalent period last year. During the same period this year, 52.9 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 19.9 occupancy points or 27.4 percent compared with the equivalent weeks last year. Advertised prices for this segment were up 2.3 percent compared with last year, which would lead to a decrease in revenue per available bedroom of 25.7 percent.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of May 2-3 calls for a 20 and 10 percent chance of precipitation with highs of 76 and 78 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 70 percent for the weekend nights of May 1-2, even or up as much as 4 occupancy points compared with the equivalent weekend of 2014. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 44.2 percent are reserved for the week of May 2-8. VRP reservations in Horry and Georgetown counties for that week are down 31.1 occupancy points or 41.3 percent compared with the same week of 2014.

Additional Research Notes

The Brittain Center’s preliminary sample of 28 HC-HC properties reporting for the week of April 19-25, consisted of 11 hotels (all but five are oceanfront/view, and five are brand affiliated), 16 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 9,211 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.