The Tourism Economy Study: CCU Lodging Update, July 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 July 6-12, 2014, indicate that the midweek occupancy rate averaged 81.19 percent, up 0.2 occupancy point or 0.3 percent compared with the equivalent week of 2013. During the Friday-Saturday night period, the occupancy rate averaged 88.2 percent, up 1.2 occupancy points or 1.4 percent compared to the equivalent weekend last year. The average daily rate was up 0.5 percent during the midweek period and up 3.6 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was up 0.5 occupancy point or 0.6 percent, and revenue per available room (RevPAR) was up 2.1 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, 89.8 percent were reserved or blocked from nightly rentals during the nights of July 5-11. The percentage of VRPs reserved in Horry and Georgetown counties combined was up 10.6 occupancy points or 13.6 percent compared with the equivalent period last year. For the nights of July 12-18, 95.3 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 8.4 occupancy points or 9.6 percent compared with the equivalent week of 2013.

Six-Week Average Performance

During the nights of May 25-July 5, 79.7 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 2.5 occupancy points or 3.1 percent compared with the equivalent weeks last year. The average daily rate for these properties was down 1.1 percent compared with the equivalent weeks of 2013. Consequently, RevPAR was down 4.2 percent compared with the equivalent period of 2013. During the same period this year, 76 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 4.7 occupancy points or 5.8 percent compared with the equivalent weeks last year. Advertised prices for this segment were down 14.7 percent compared with last year, which would lead to a decrease in revenue per available bedroom of 19.6 percent.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of July 19-20 calls for a 20 percent and 60 percent chance of precipitation with a high of 85 and 83 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 95 percent during the nights of July 18-19, even or within one occupancy point of the equivalent weekend of 2013. Based on this week’s observations by Center researchers of 338 websites of VRPs available to rent in Horry and Georgetown counties, 97.3 percent are reserved for the week of July 19-25. VRP reservations in Horry and Georgetown counties for that week are up 9.6 occupancy points or 10.9 percent compared with the same week of 2013.

Additional Research Notes

The Brittain Center’s preliminary sample of 26 HC-HC properties reporting for the week of July 6-12 consisted of 12 hotels (all but five are oceanfront/view, and five are brand affiliated), 13 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 9,007 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.