The Tourism Economy Study: CCU Lodging Update, September 3, 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 Aug. 23-29, 2015, indicate that the midweek occupancy rate averaged 46.5 percent, down 18.1 occupancy points or 28 percent compared to the equivalent week of 2014. During the Friday-Saturday night period, the occupancy rate averaged 69.8 percent, down 21.5 occupancy points or 23.5 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 19.1 percent during the midweek period but down 13.8 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was down 19.1 occupancy points or 26.4 percent, and revenue per available room (RevPAR) was down 23.3 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 (3,135 units) for which complete data are publicly available, 56.8 percent were reserved or blocked from nightly rentals during the nights of Aug. 22-28, 2015. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 9.1 occupancy points or 13.9 percent compared with the equivalent week of 2014. For the nights of Aug. 29-Sept. 4, 58 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 7.8 occupancy points or 11.8 percent compared with the equivalent week of 2014.

Six-Week Average Performance

During the nights of July 19-Aug. 29, 2015, 80.9 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 3.1 occupancy points or 3.8 percent compared with the equivalent weeks of 2014. The average daily rate for these properties was up 7.4 percent compared with the equivalent weeks of 2014, leading to a 3.4 percent increase in average RevPAR compared with the equivalent period last year. During the same period this year, 84 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 6.6 occupancy points or 7.3 percent compared with the equivalent weeks last year. Advertised prices for this segment were up 8.2 percent compared with last year, which would lead to an increase in revenue per available bedroom of 0.4 percent.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of Sept. 5-6 calls for a 20 and 60 percent chance of precipitation, with highs of 88 and 85 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be 85 percent for the weekend nights of Sept. 4-5, up 1-3 occupancy points compared with the equivalent weekend of 2014, which in that year was not Labor Day weekend. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 66.7 percent are reserved for the week of Sept. 5-11. VRP reservations in Horry and Georgetown counties for that week are up 4.5 occupancy points or 7.2 percent compared with the same week of 2014.

Additional Research Notes

The Brittain Center’s preliminary sample of 25 HC-HC properties reporting for the week of Aug. 23-29 consisted of 11 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 8,832 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.