A Technical Analysis of Transient Lodging Demand Along the Grand Strand: The Moving Average Rate of Change

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Horry County Transient Lodging Study

Hotels, condo-hotels, & campsites (HC-HCs), nightly rentals…

*Performance estimated using self-reported performance data from a voluntary sample of participating properties.* Average weekly number of units \( (n) = 10,693 \) (15,364 bedroom equivalents). The units are 32% hotels (25% of bedroom equivalents), 60% condo-hotels (65% of bedroom equivalents), 8% campsites (9% of bedroom equivalents).
Vacation rental properties (VRPs) includes homes and condominiums, weekly rentals.

Performance estimated using a scientifically random observation sample of 10 percent of all VRP properties for which property status and pricing data in made available on the Internet. Average weekly number of units \( n = 217 \) units (864 bedroom equivalents). The units are 69% rental homes, accounting for 82% of the bedrooms in the VRP sample.
## Horry County Transient Lodging Inventory

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>Bedroom Equivalents&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Units</th>
<th>Bedroom Equivalents</th>
<th>% Change in Units</th>
<th>% Change in Bedroom Equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hotels/Condo-hotels</strong></td>
<td>37,021</td>
<td>41,467</td>
<td>39,402</td>
<td>53,165</td>
<td>6%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Timeshare Units</strong></td>
<td>3,261</td>
<td>5,982</td>
<td>5,971</td>
<td>11,085</td>
<td>83%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Campsites</strong></td>
<td>4,554</td>
<td>6,831</td>
<td>5,125</td>
<td>7,688</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Vacation Rental Properties</strong></td>
<td>4,182</td>
<td>20,074</td>
<td>5,305</td>
<td>21,751</td>
<td>27%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>49,018</td>
<td>74,354</td>
<td>55,803</td>
<td>93,688</td>
<td>14%</td>
<td>26%</td>
</tr>
</tbody>
</table>

<sup>1</sup> -- bedroom equivalents are defined as spaces capable of sleeping 2 to 4

<sup>2</sup> -- vacation rental properties includes both single-family and multi-family units. This number changes throughout the year. It is estimated by counting the units advertised on the internet and through informal surveys of realtors

<sup>3</sup> -- assumes 1 campsite = 1.5 bedroom equivalent sleeping spaces
Weekly Performance Metrics

The researchers track weekly performance and the 52-week moving average rate of change in three similar metrics for each segment:

• For HC-HCs - average percent occupancy, average daily rate, and revenue per available room.

• For VRPs – average percent reserved, average advertised rental price, average revenue per available bedroom.
Decline in the moving 52-week average occupancy for HC-HCs led the decline in the real estate market by two years.
• The moving 52-week average rate of change in ADR/AWR for VRPs is below the long term average but even with the current rate of change in ADR for HC-HCs.
• The 52-week moving average rate of change in RevPAR/RevPAB for VRPs and for HCHCs is now above the long term average rate of change.
The rate of change in the moving 52-week average daily rate for HC-HCs lags the rate of change in occupancy.
A relatively more fixed supply and lower weekly rental price per bedroom delayed the cycle for VRPs. However by Nov. 2012, AWR in VRPs was 88% of ADR in HCHCs.
Factors Impacting Area-Wide Average Occupancy Percentage

1. a change in the level of demand for tourist experiences in the destination versus those at competing destinations.

2. a change in the amount of inventory of all types of lodging in the destination, including vacation ownership.
Factors Impacting Lodging Demand

• Change in demand for the area’s natural and built attractions relative to demand for competing destinations. These can be impacted by weather and other environmental factors within the destination, and within competing destinations. i.e. hurricanes, oil-spills, etc.

• Change in the prices of all tourist services (attractions & food) at the destination versus that of competing destinations.

• Change in the price (money & time) to travel to the area versus competing destinations. i.e. fuel prices, airfares, road/airport conditions.

• Change in the level and quality of advertising and publicity about the destination and about competing destinations, both paid and unsolicited.

• Change in personal income.

• Change in the level of personal savings.

• Change in consumer and business confidence.
Questions or other thoughts? Send them to …

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