

Waccamaw Regional Economic Outlook

Fall 2016

November 2, 2016
Robert F. Salvino, Ph.D.
Coastal Carolina University

Executive Summary

The Economic Outlook Board of the Waccamaw Council of Governments met on November 2, less than one week before the U.S. Presidential Election. CCU economist, Robert Salvino, Ph.D., delivered the forecasts followed by a briefing of the Urban Land Institute's site visit and study of the Arcelor Mittal/Georgetown Steel Mill site. Brian Tucker, Georgetown County Economic Development Director, and Paul Gardner, Administrator for the City of Georgetown shared insight and ULI's recommendations for the 100+ acre site situated on the waterfront along Georgetown's Historic District. The steel mill closed in 2015 and was listed for sale late summer of this year.

The City of Georgetown is situated between Horry County and Charleston County, two of the fastest growing counties in the country with population growth of 14.8% and 11.2% respectively between 2010 and 2015, compared with a national population growth rate of 4.1% over the same period.

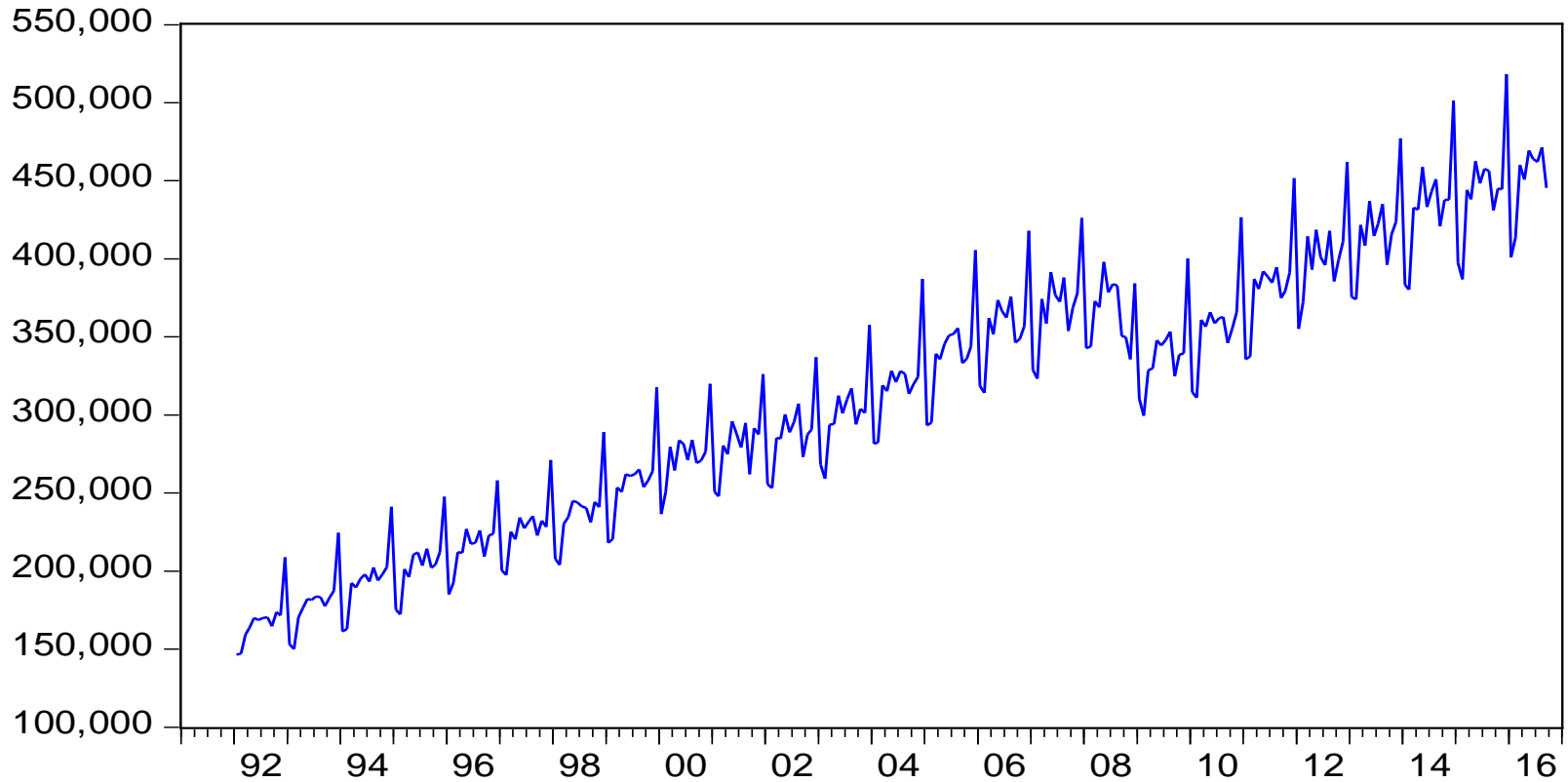
The Waccamaw Region's economy, comprised of Horry, Georgetown, and Williamsburg Counties, showed continued growth in the recent quarters and the overall projections are for the trend to continue for at least the next two quarters. Employment growth averaged just over 3.0 percent for the three counties and the unemployment rate has declined to 5.4 percent in Horry, 6.7 percent in Georgetown, and 8 percent in Williamsburg. Tourism indicators recorded positive growth, led by growth in airport deplanements at Myrtle Beach International of 6.5 percent in the third quarter, with continued growth in the forecast, suggesting a record-breaking 2017 of over 1 million deplanements. Single family home construction continued at its breakneck pace, adding over 1,000 filed permits in the summer quarter, a 6.6 percent increase over last summer and a pace of construction ahead of the nation in relative terms.

Helpful Notes and Reminders

- Tourism Quarters: To reflect the importance of the seasons, offset by 1 month so that Q1 (Winter) is December, January, February, Q2 (Spring) is March, April, May, Q3 (Summer) is June, July, August and Q4 (Fall) is September, October, November.
- National data is based on normal calendar year, e.g. GDP 1st quarter is for January, February, March.
- All data reflect the period of business activity, unless otherwise noted.
- Receipts and collections of tax revenue by SC DOR may not coincide with period of business activity, e.g. retail sales business activity shows quarterly spikes; however the actual business activity may not resemble this periodic behavior.
- Reported and estimated changes in rate measures are reported as unit changes rather than percent changes, for example the unemployment rate movement from 6% to 6.5% is shown as a movement of one-half of a point (0.5).

U.S. Retail Sales (\$Millions/Month)

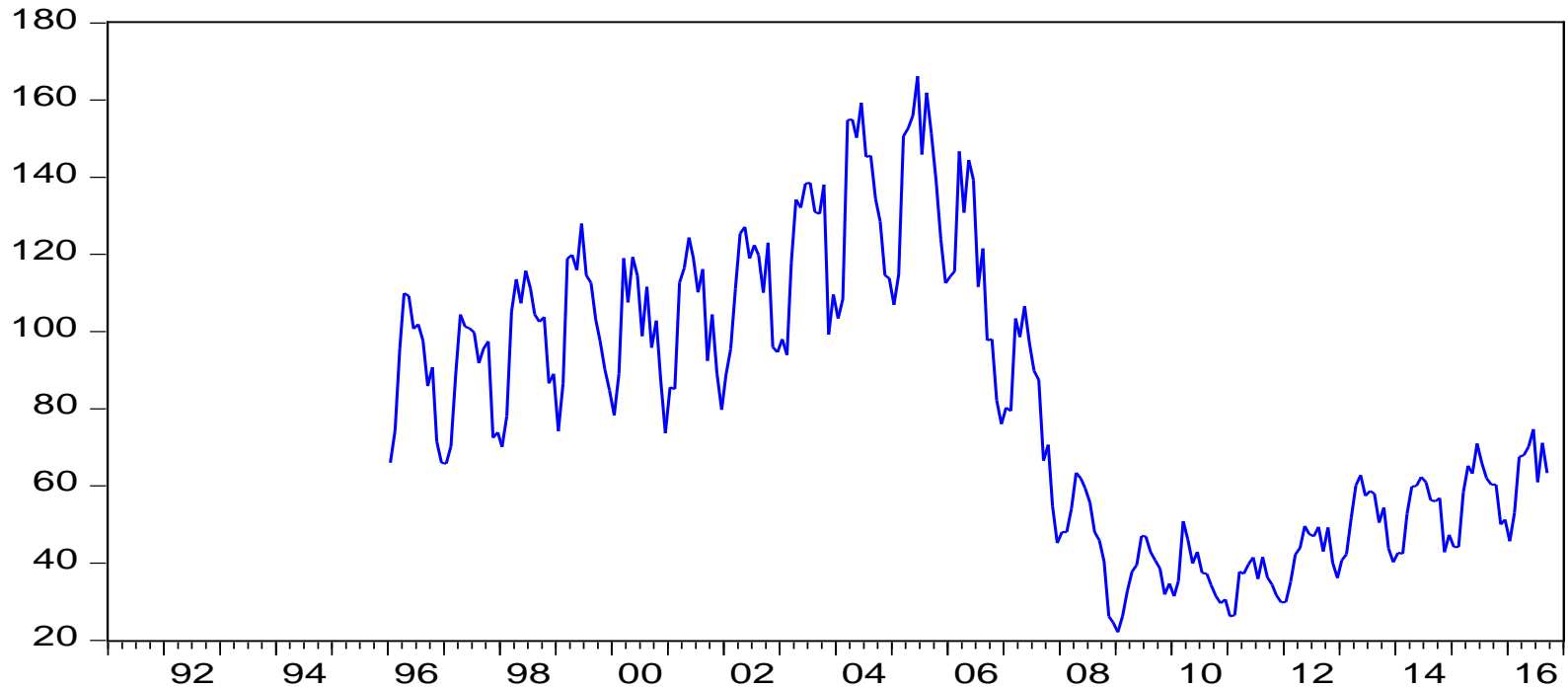
U.S. Retail Sales (Unadjusted)



Source: U.S. Department of Commerce

U.S. Single Family Building Permits

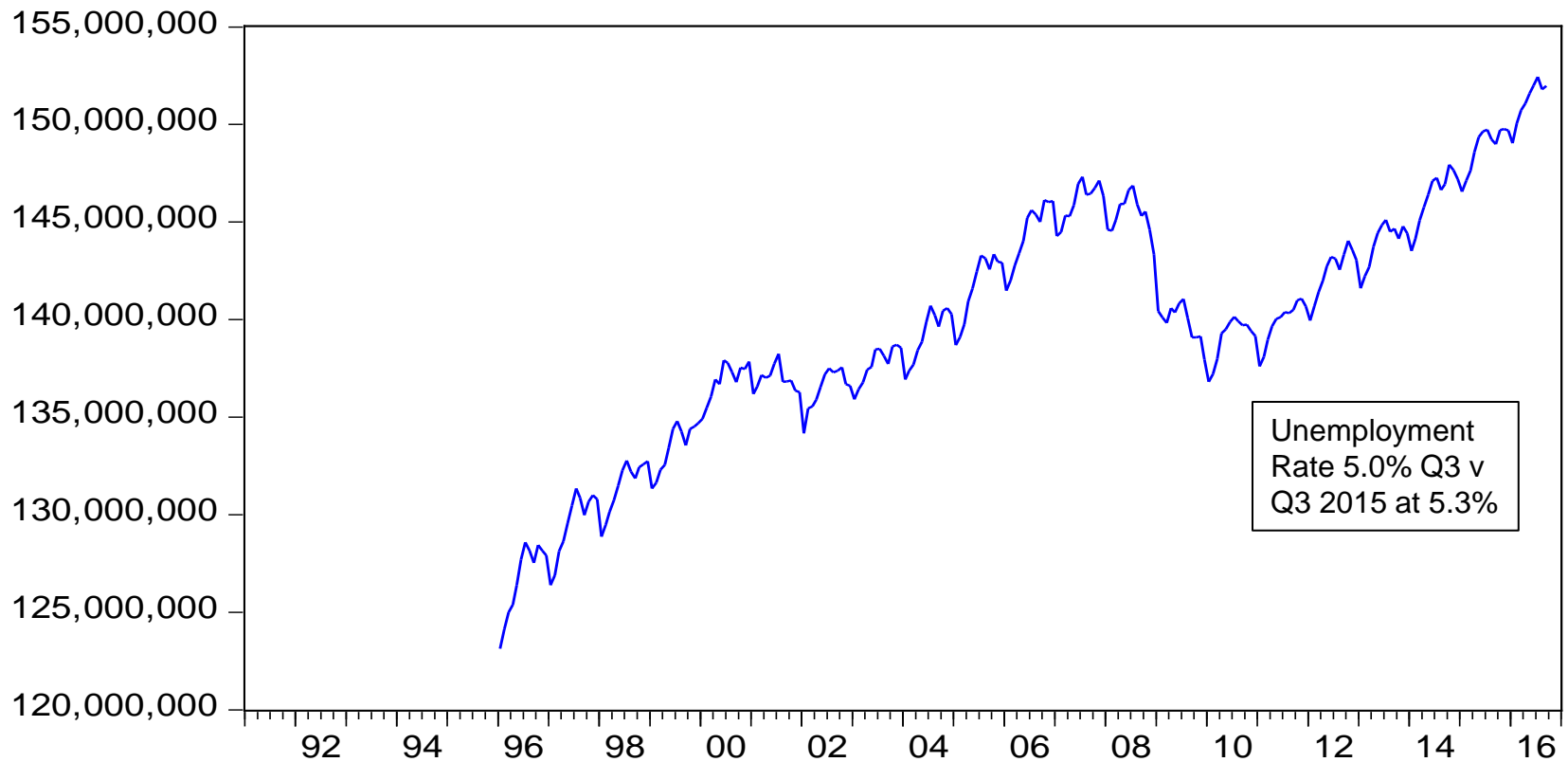
U.S. SF Permits (1,000's)



Source: U.S. Bureau of the Census

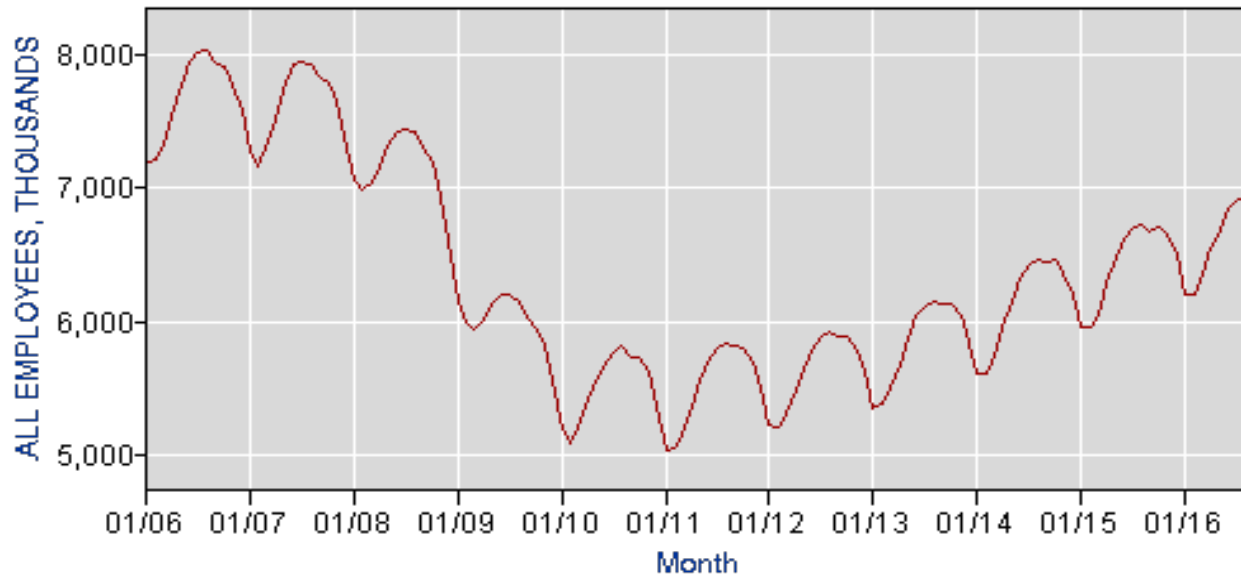
U.S. Employment (unadjusted)

U.S. Employment



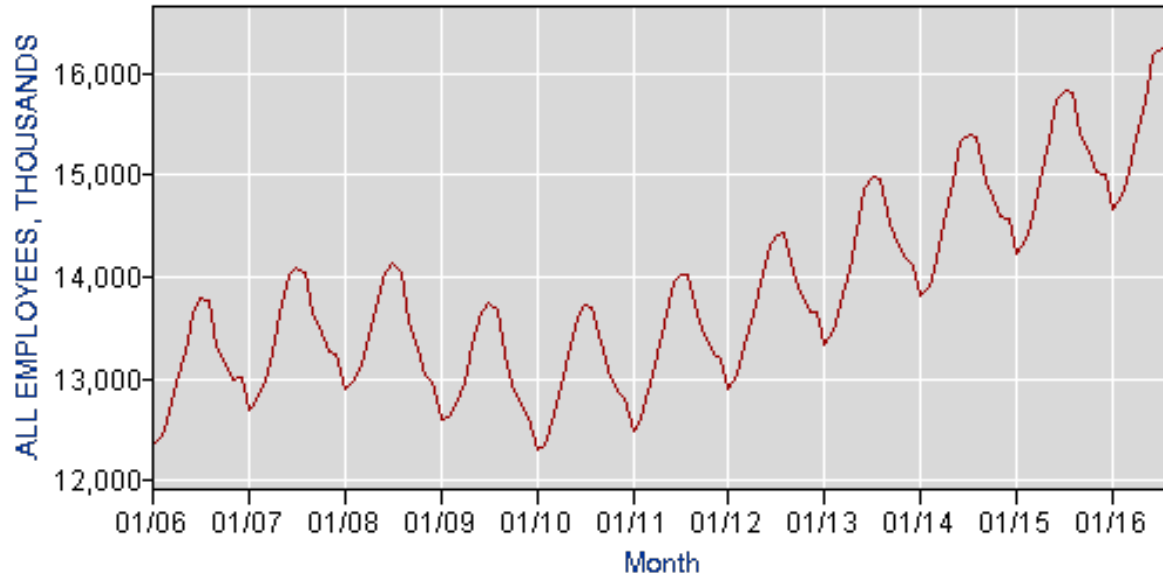
Source: Bureau of Labor Statistics

U.S. Construction Sector Employment (unadjusted)



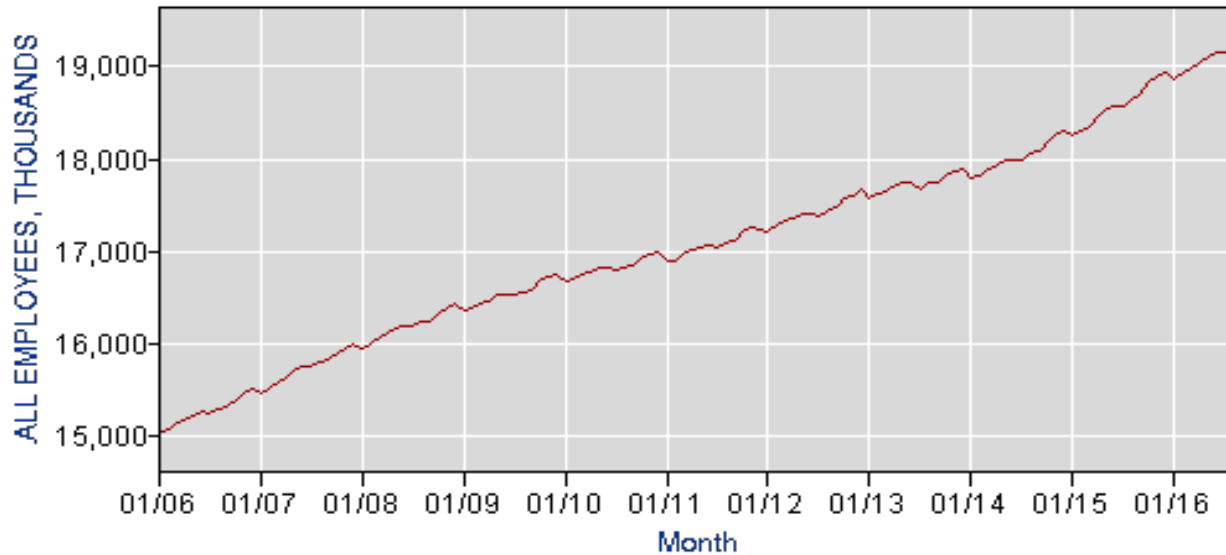
Source: BLS Current Employment Statistics Survey

U.S. Leisure & Hospitality Sector Employment (unadjusted)



Source: BLS Current Employment Statistics Survey

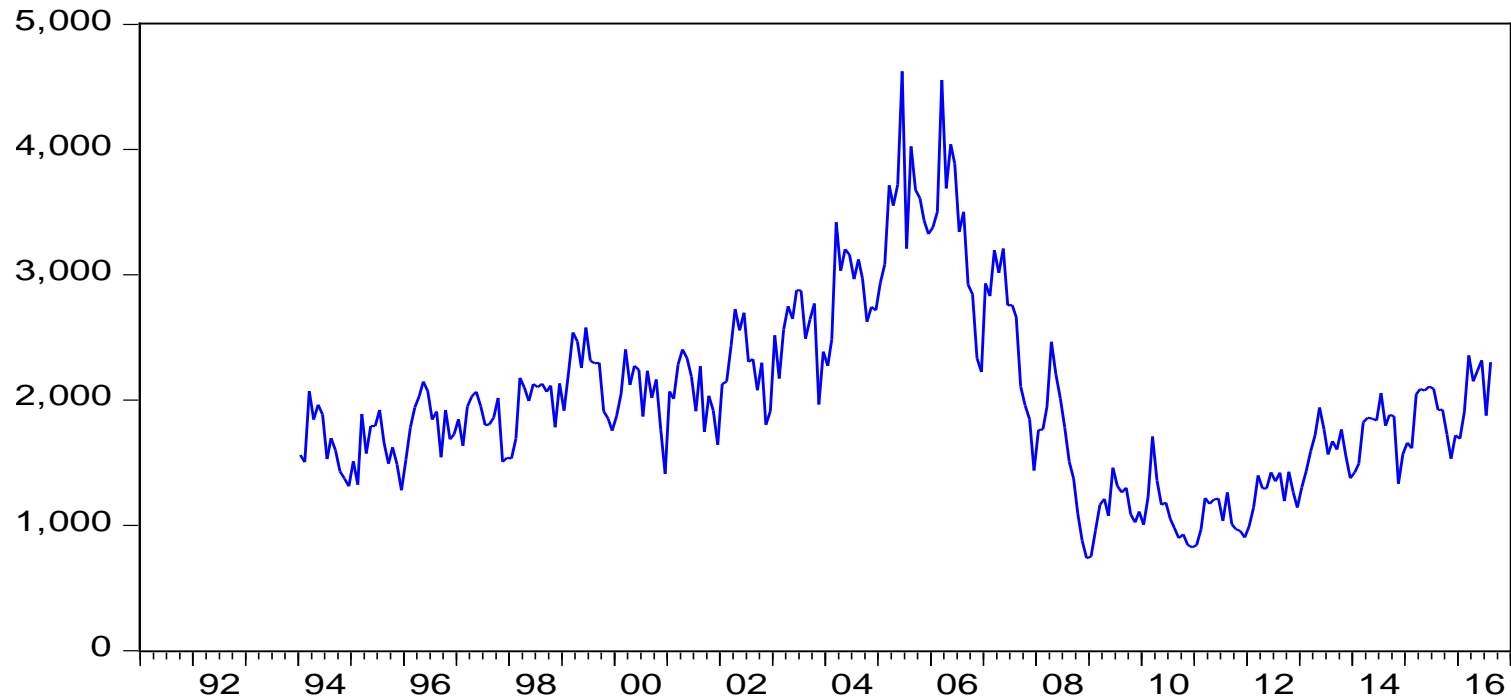
U.S. Healthcare & Social Assistance Sector Employment (unadjusted)



Source: BLS Current Employment Statistics Survey

SC Single Family Building Permits

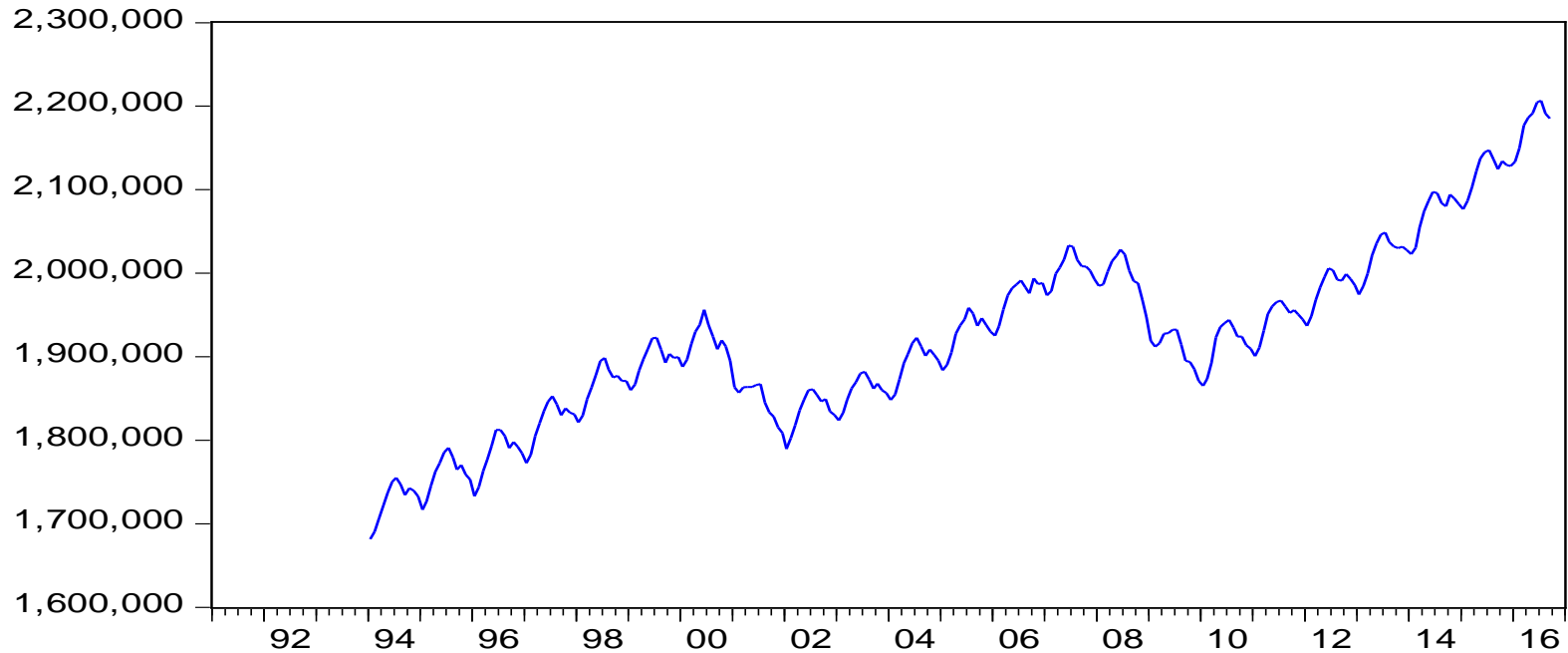
SC SF Permits



Source: HUD State of the Cities Database

South Carolina Employment (Millions)

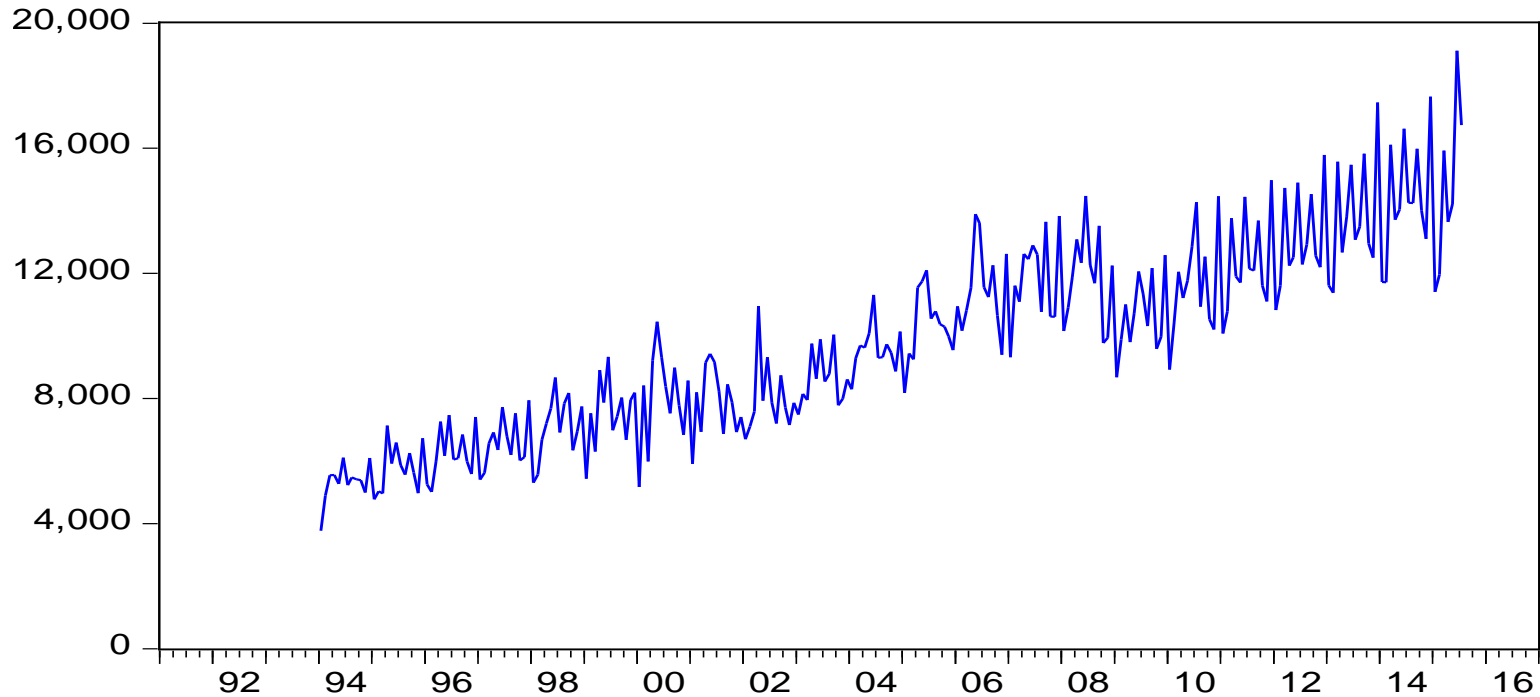
SC Employment



Source: Bureau of Labor Statistics

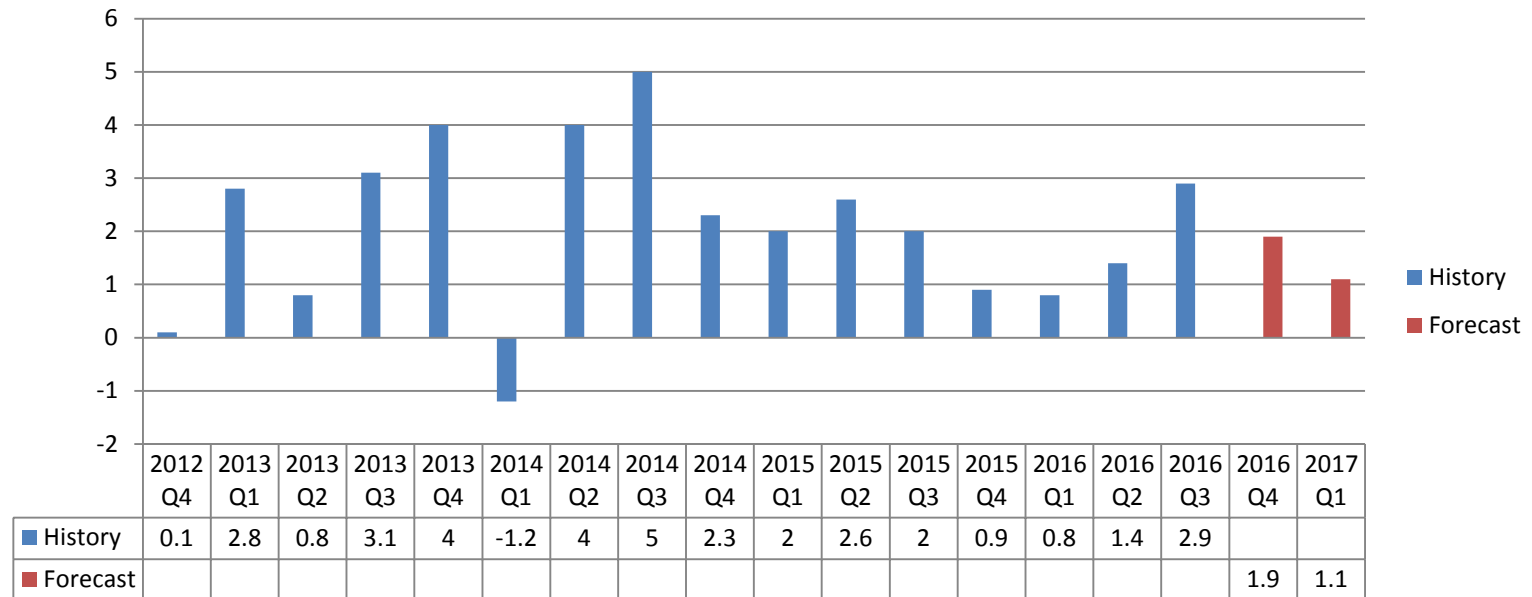
South Carolina Retail Sales (\$Millions)

SC Retail Sales



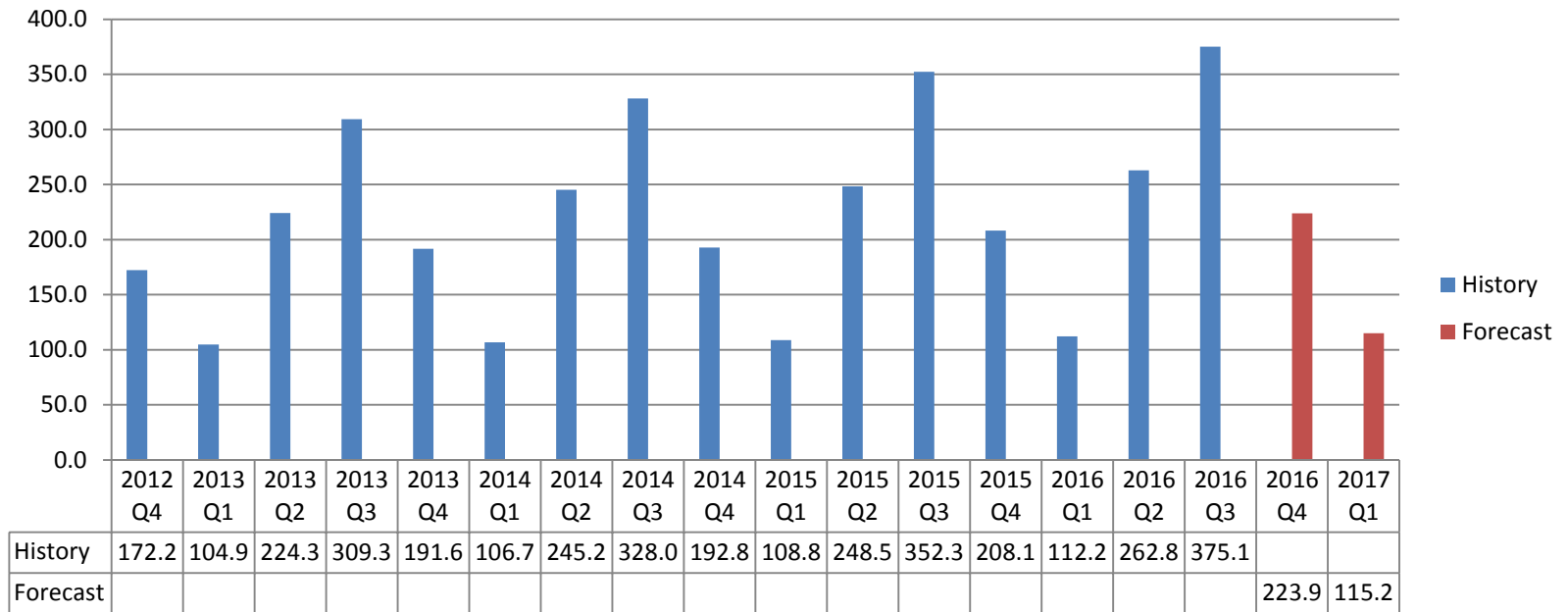
Source: SC Dept. of Revenue

Annualized Real GDP Growth (%)



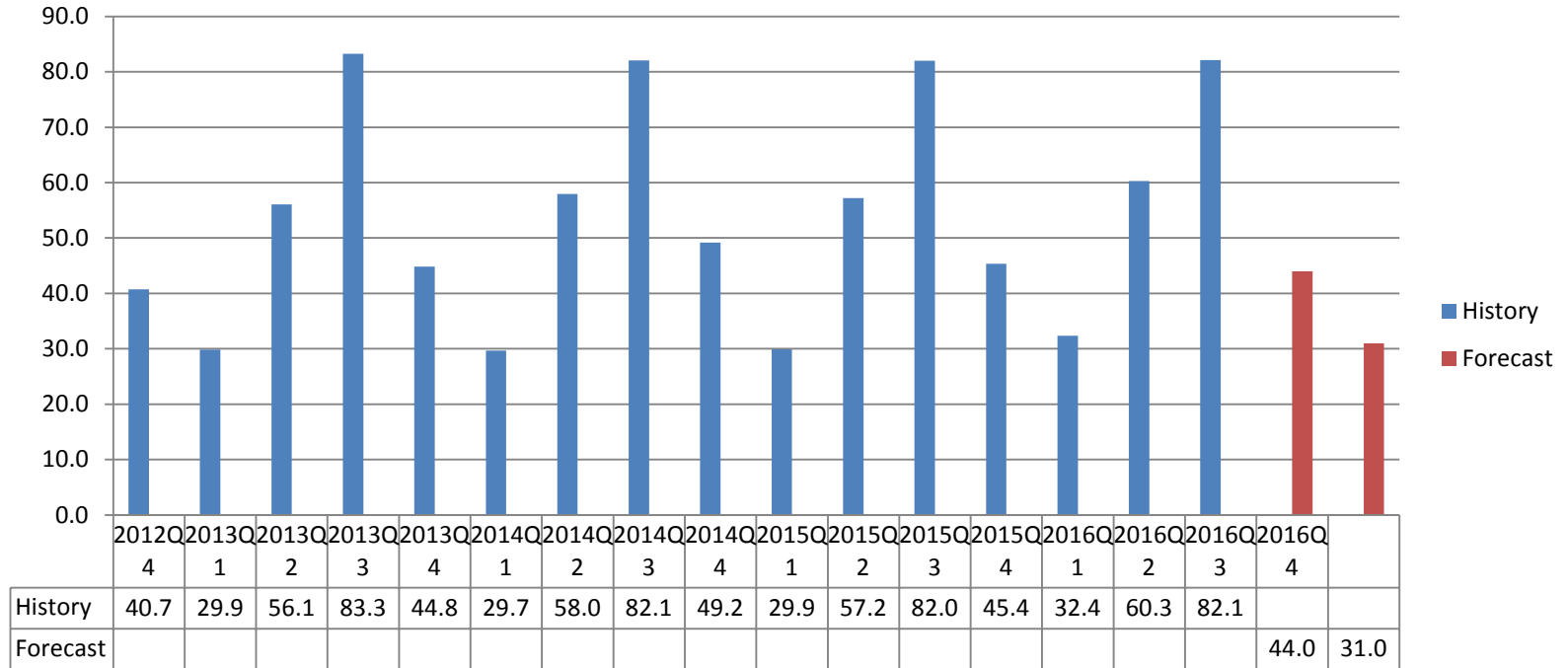
Source: U.S. Department of Commerce: Bureau of Economic Analysis

MYR Airport Deplanements (Thousands)



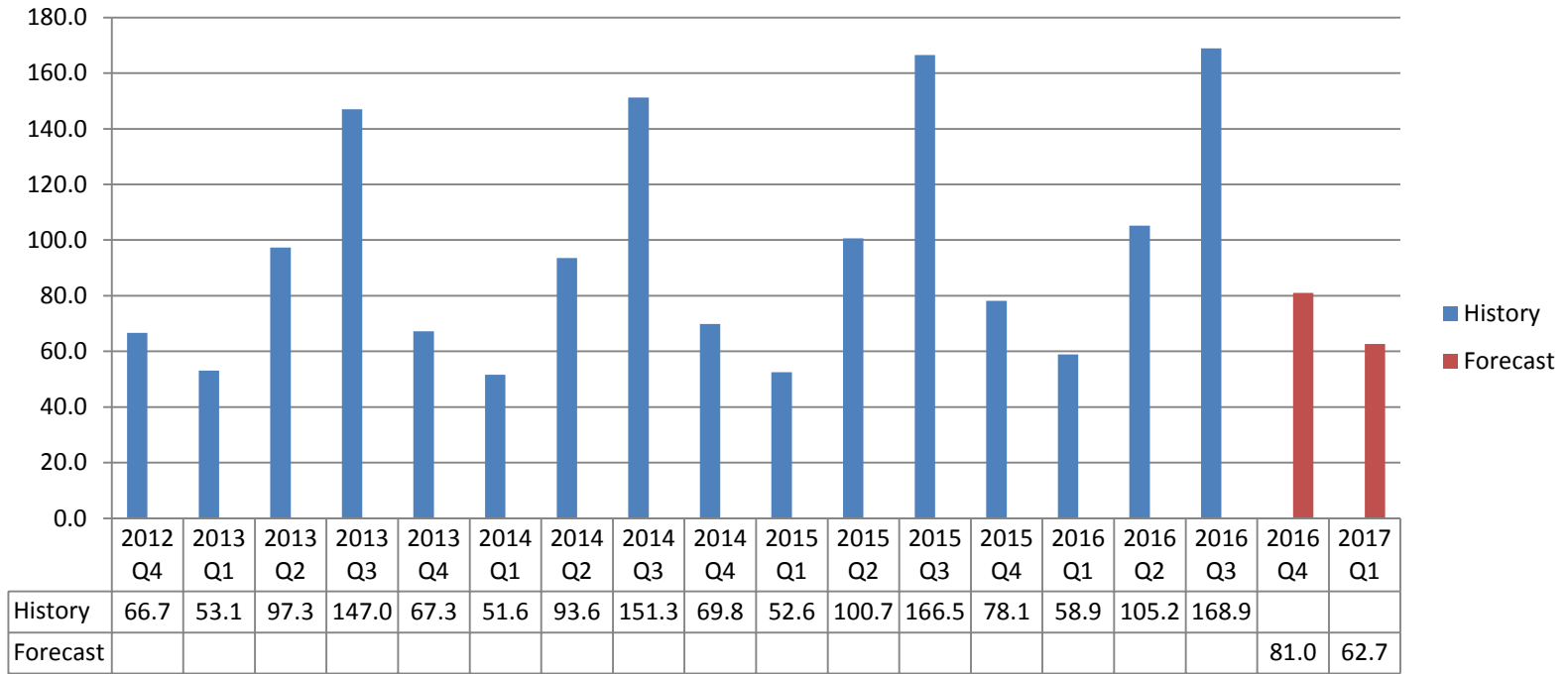
Source: Myrtle Beach International Airport

Hotel-Condotel-Campground Occupancy Rate



Source: Clay Brittain Jr. Center for Resort Tourism

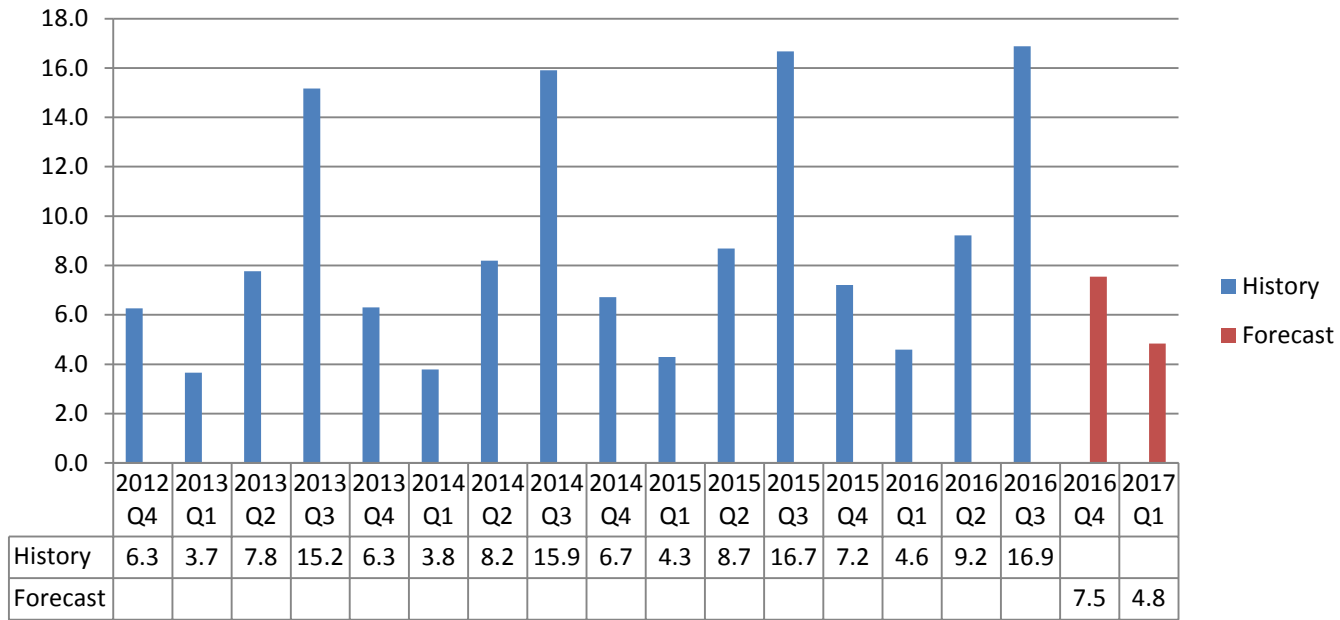
Hotel-Condotel-Campground Average Daily Rate



Source: Clay Brittain Jr. Center for Resort Tourism

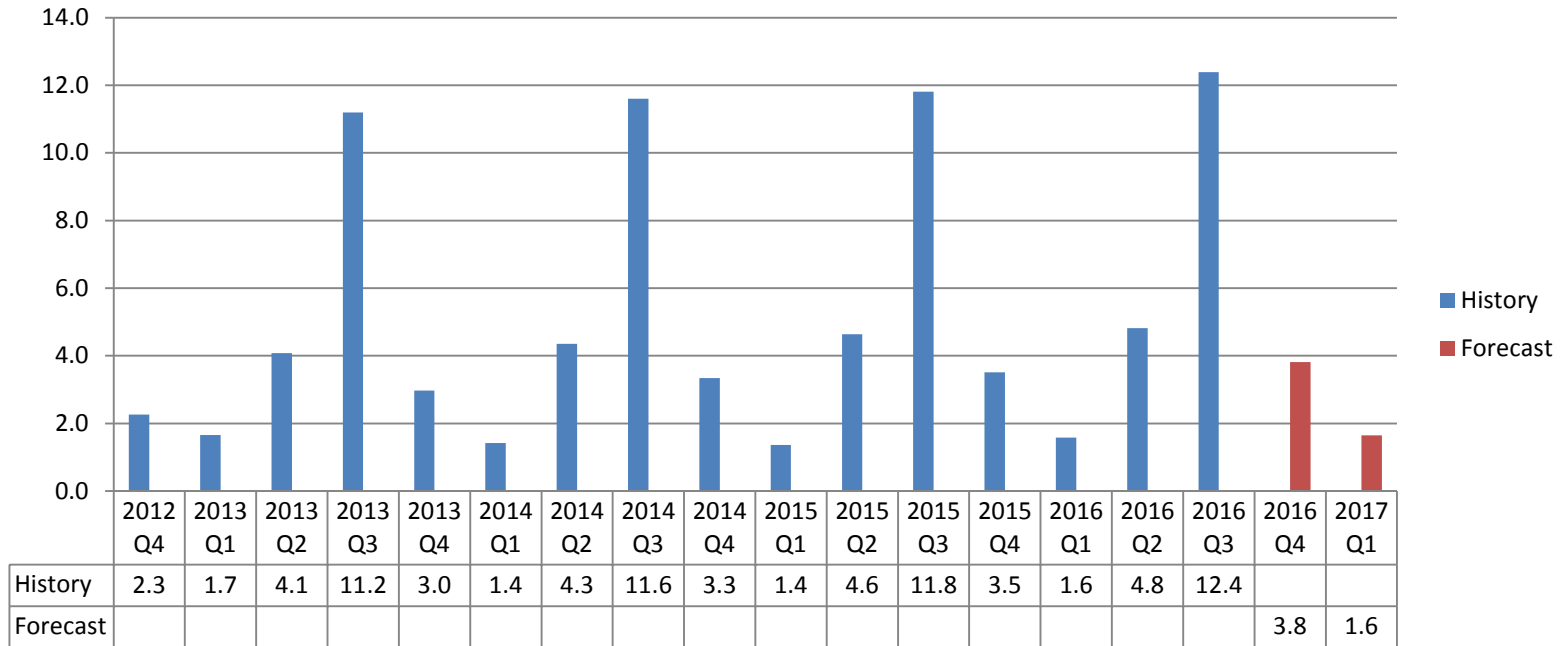
Horry 1.5% Hospitality Fee Revenue (\$Millions)

(County-wide fees on accommodations, prepared foods, beverages, admissions)



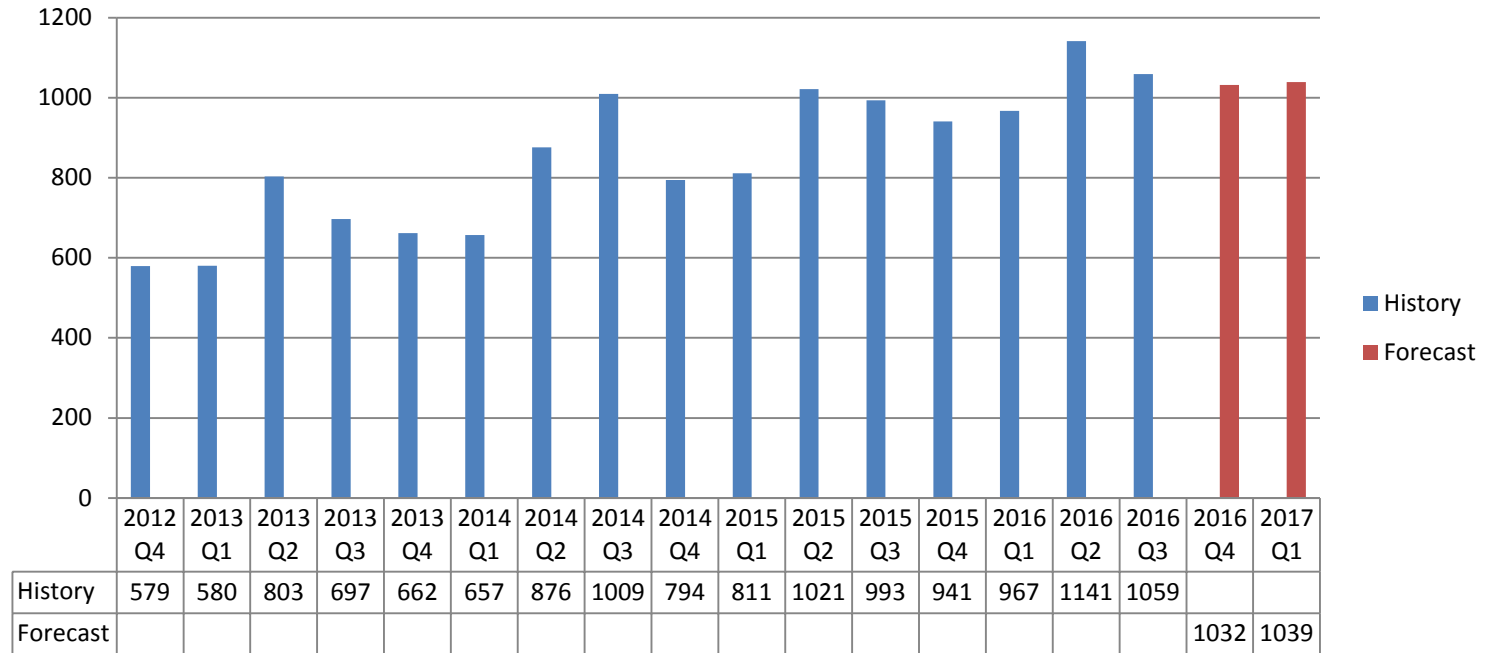
Source: Horry County Government

Accommodations Tax Revenue (\$Millions)



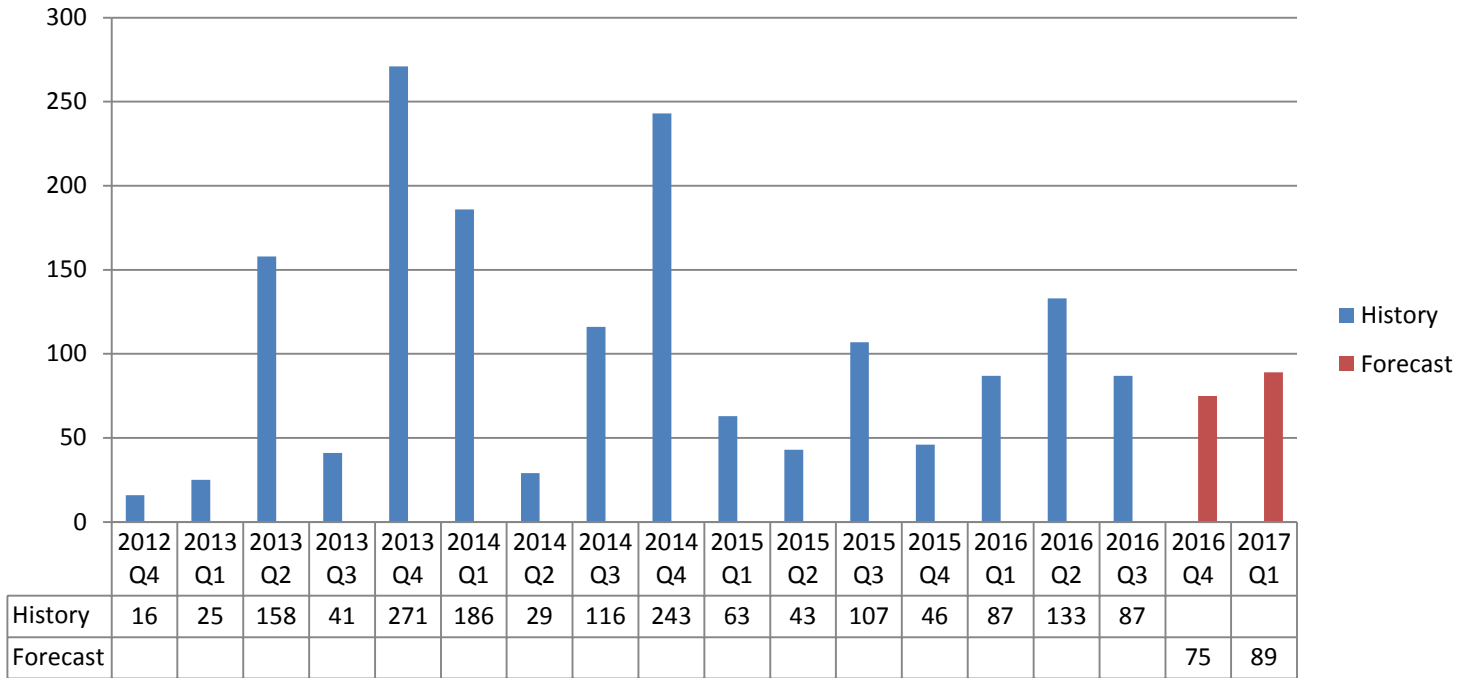
Source: SC Department of Revenue

Regional Single Family Permits



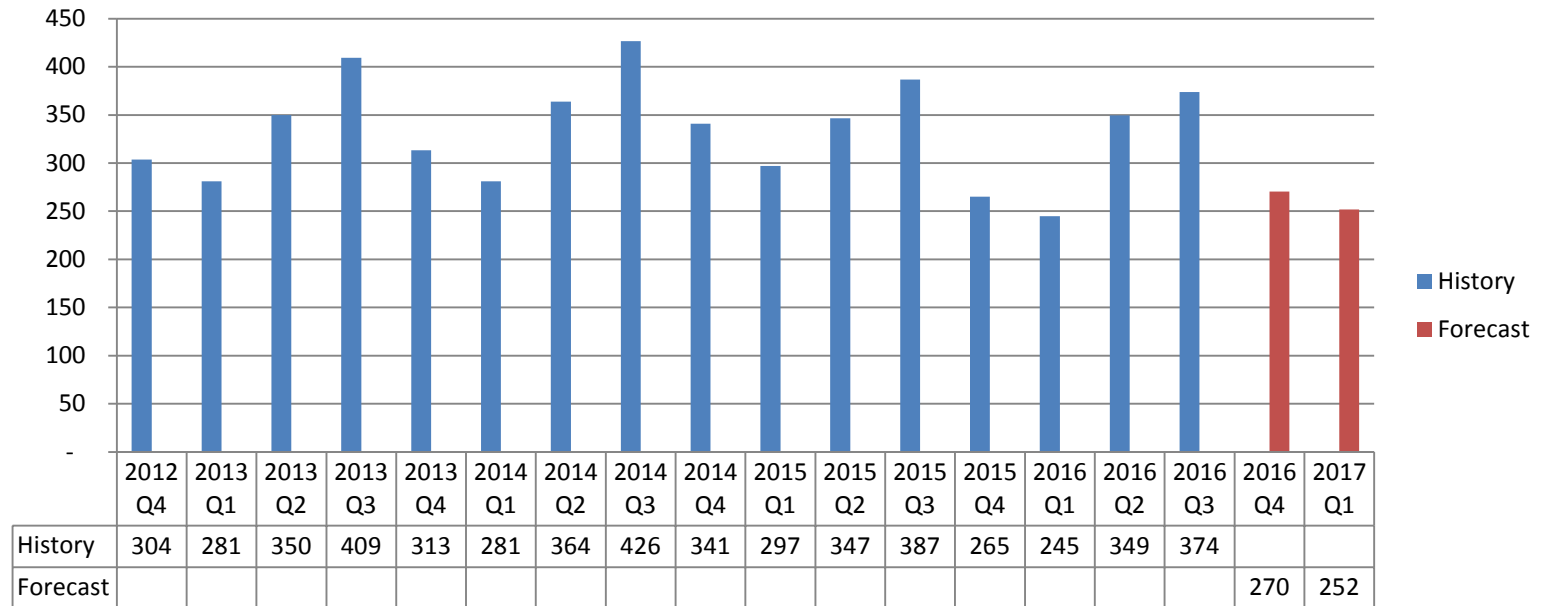
Source: HUD State of the Cities Data System

Regional Multi-family Permits



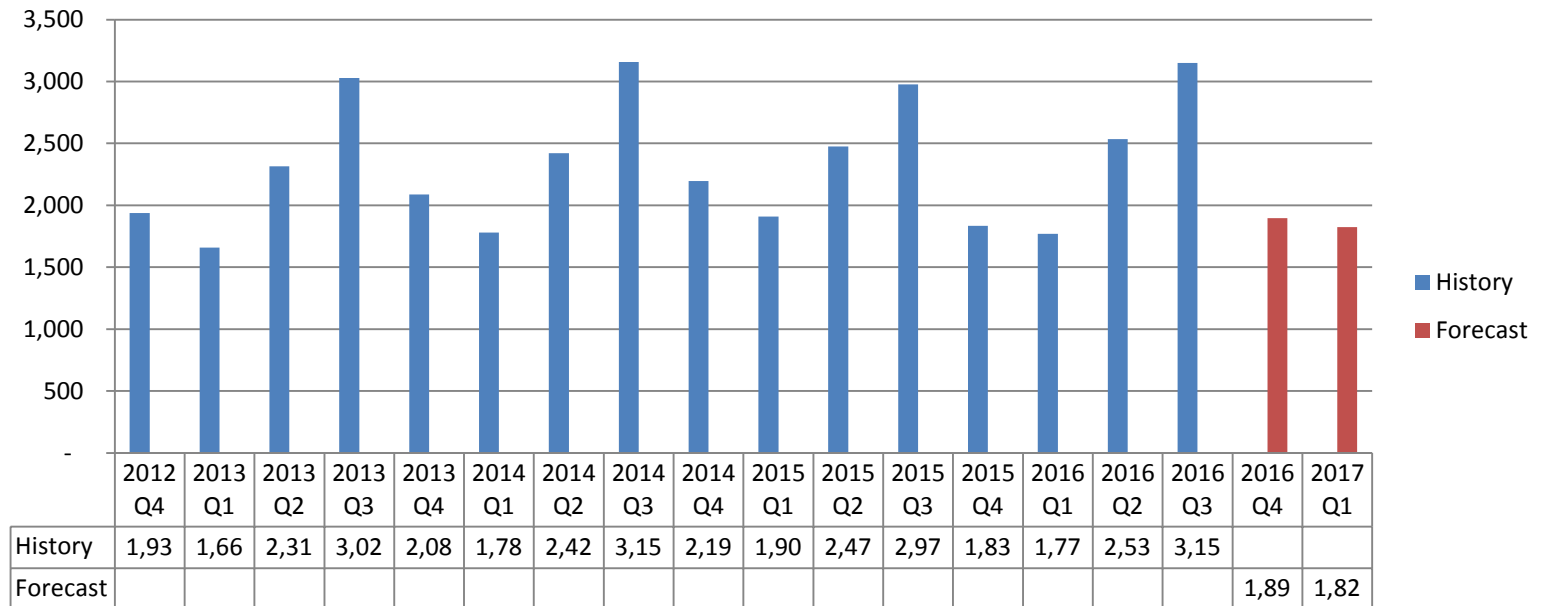
Source: HUD State of the Cities Data System

Georgetown Retail Sales (\$ Millions)



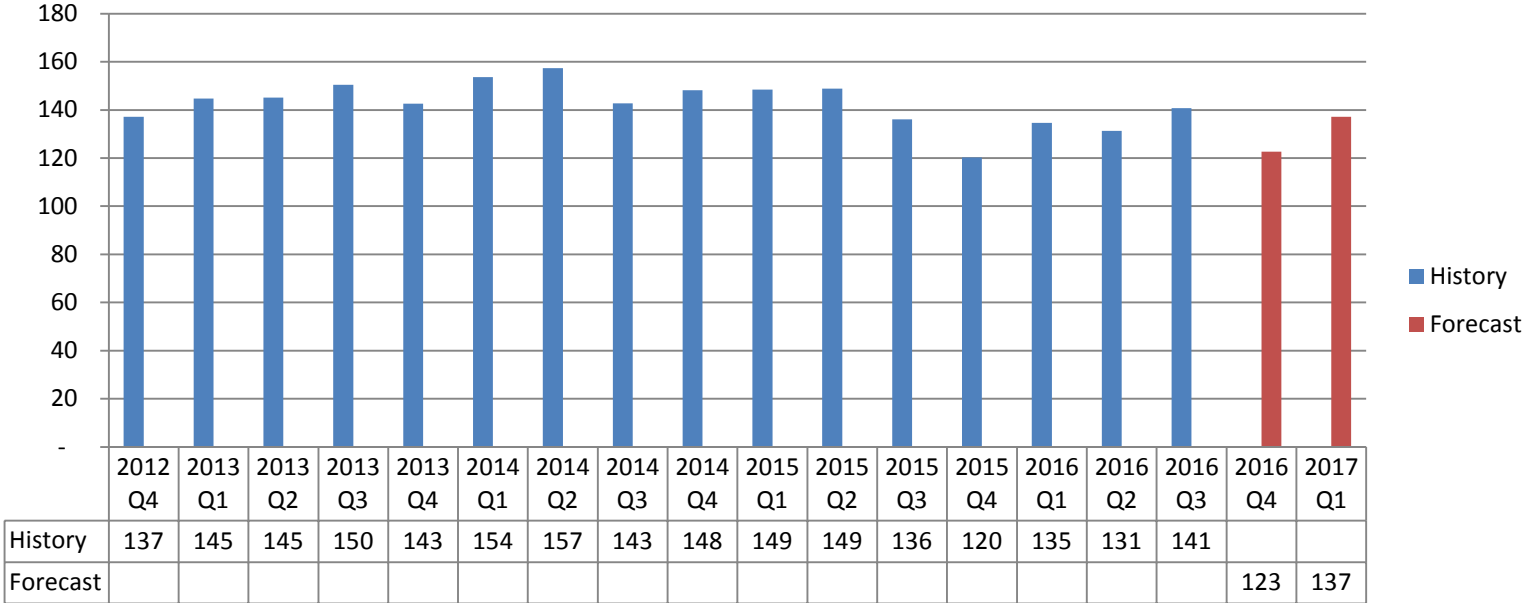
Source: SC Department of Revenue

Horry Retail Sales (\$ Millions)



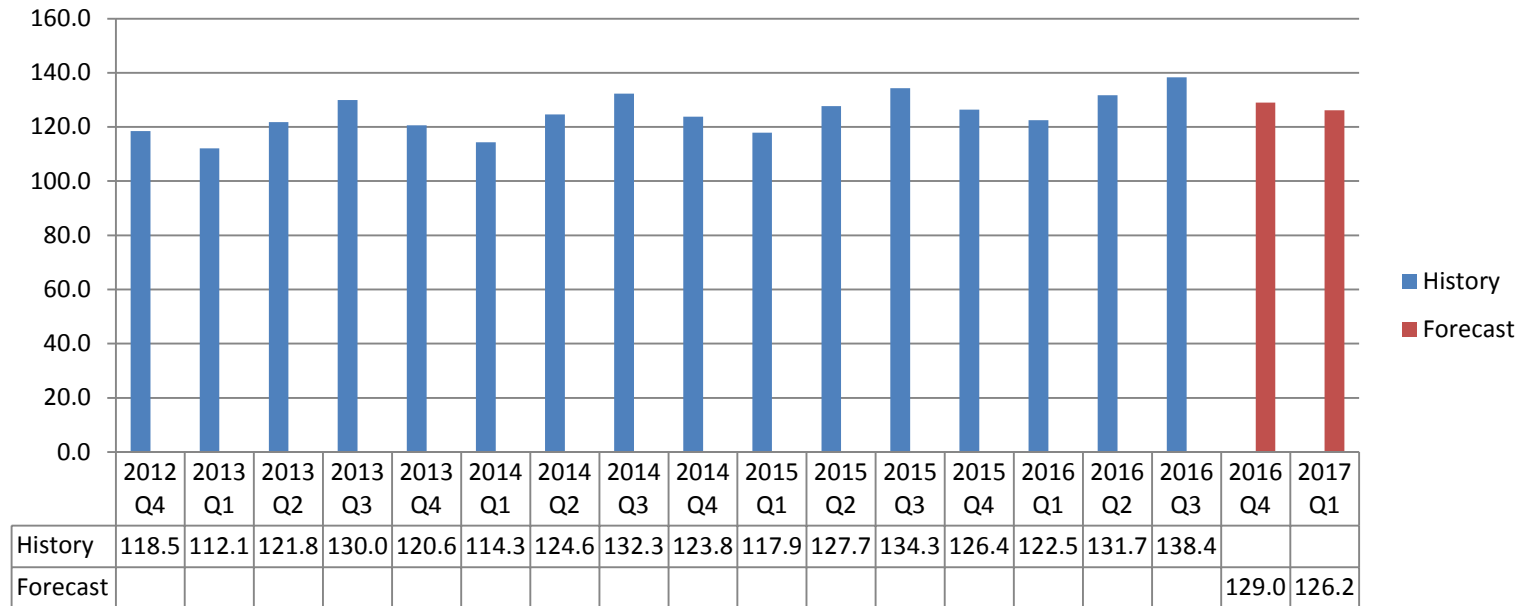
Source: SC Department of Revenue

Williamsburg Retail Sales (\$ Millions)



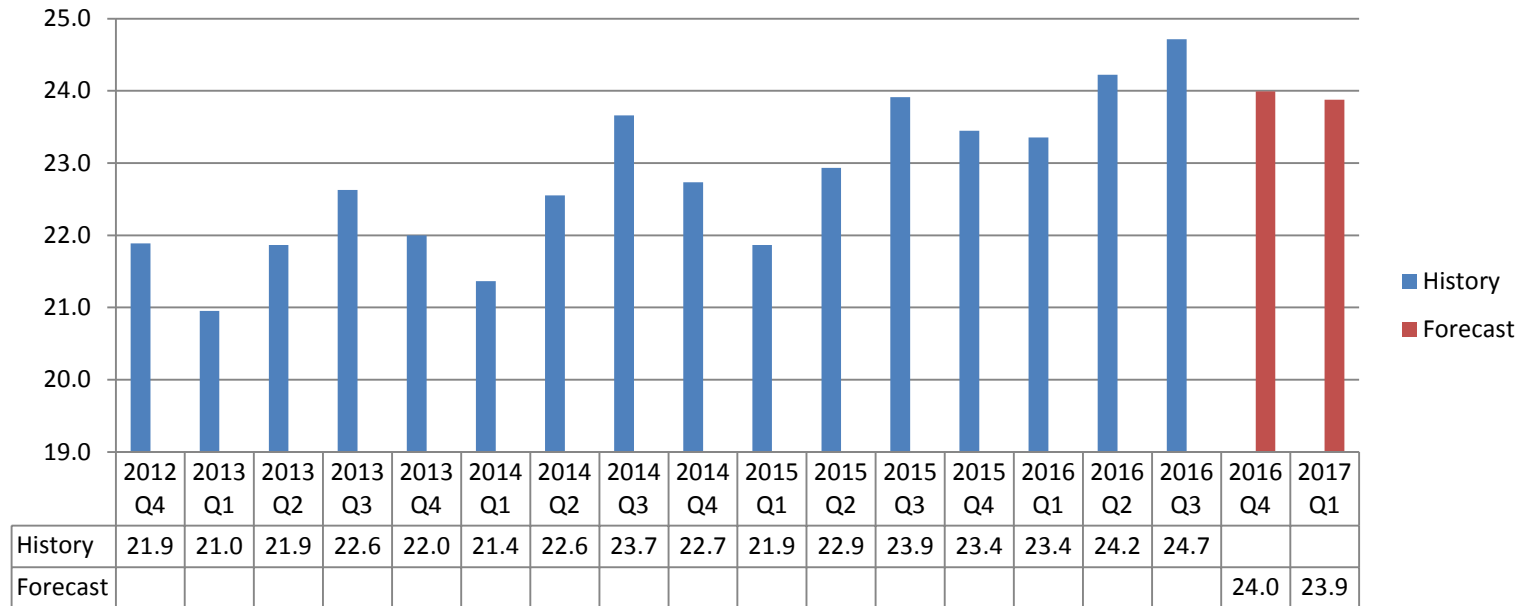
Source: SC Department of Revenue

Horry Employment (Thousands)



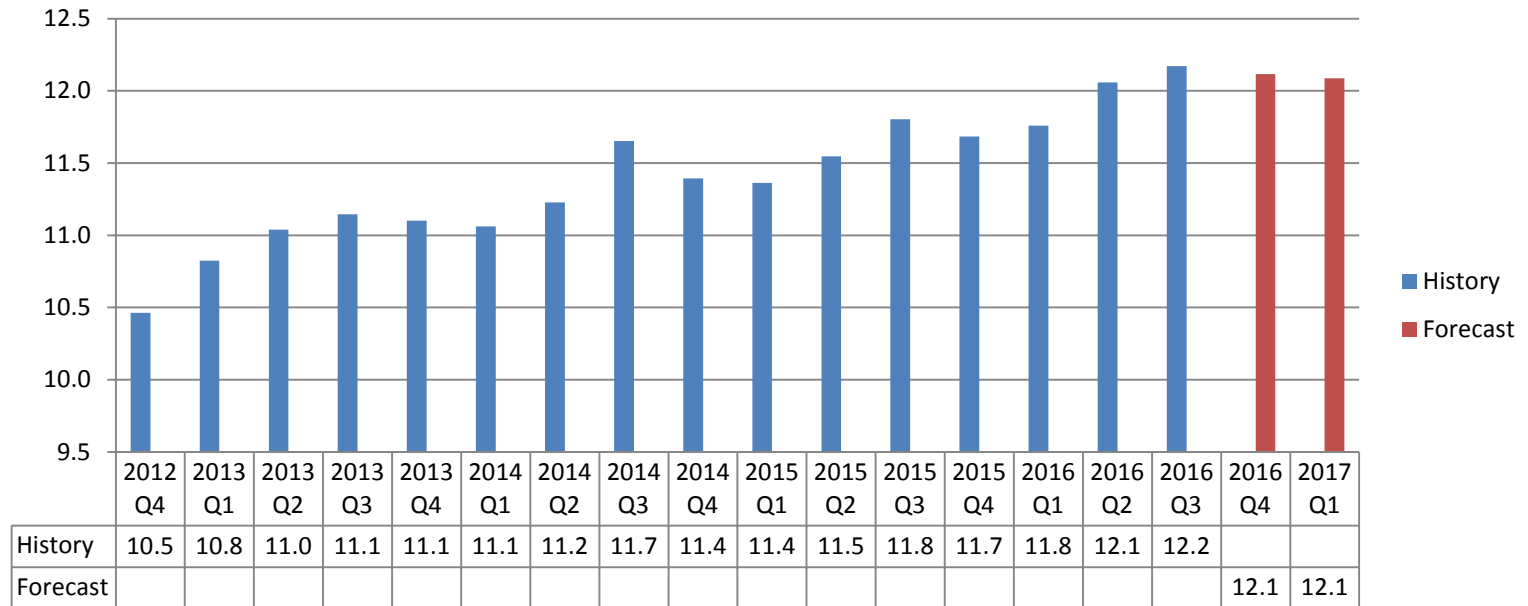
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Employment (Thousands)



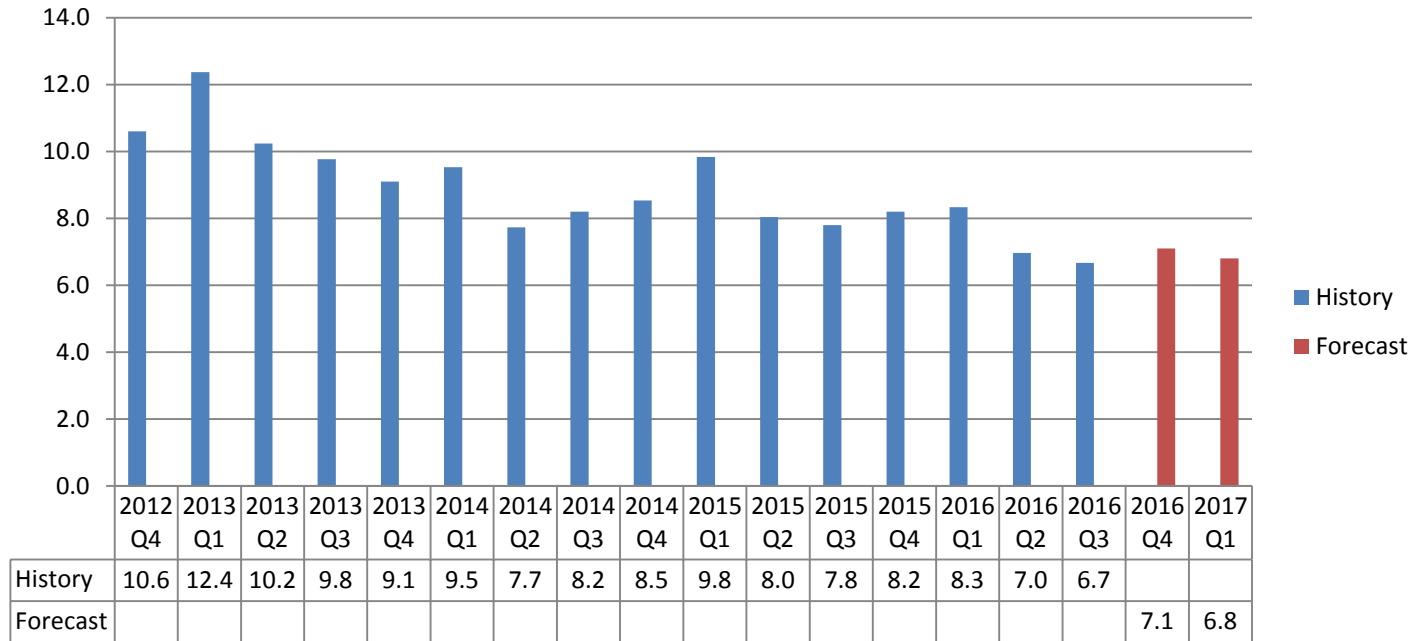
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Williamsburg Employment (Thousands)



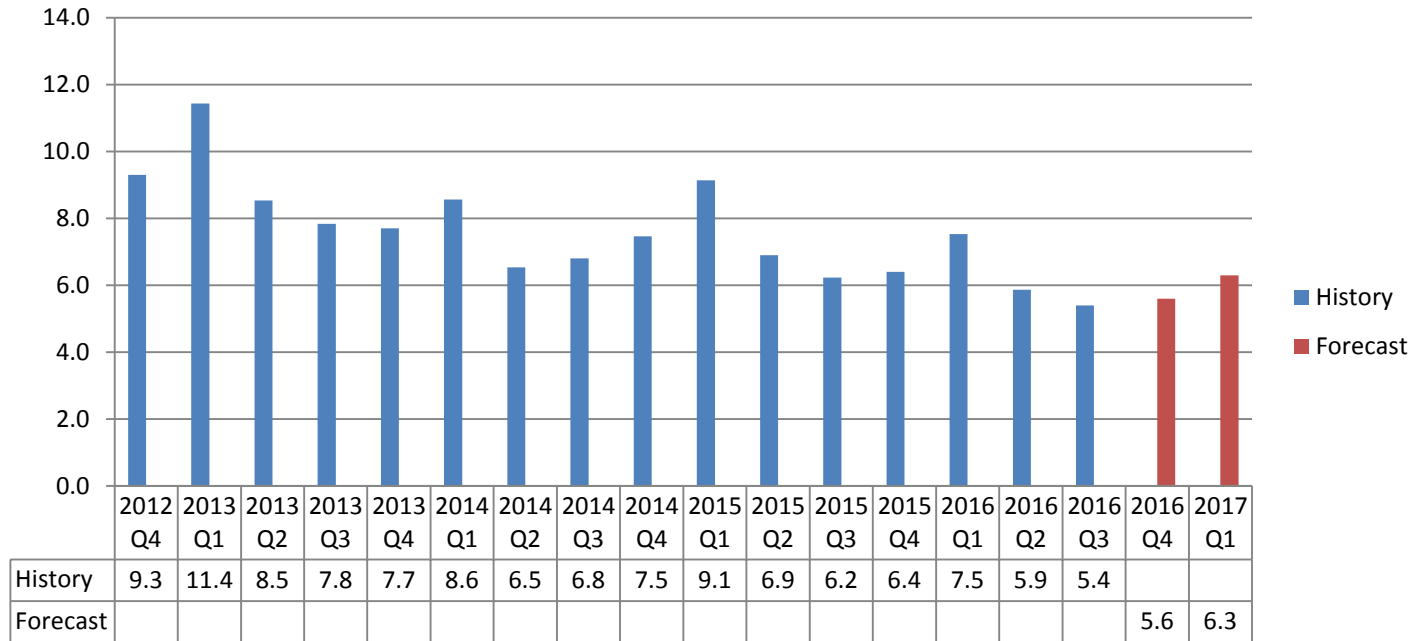
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Unemployment Rate



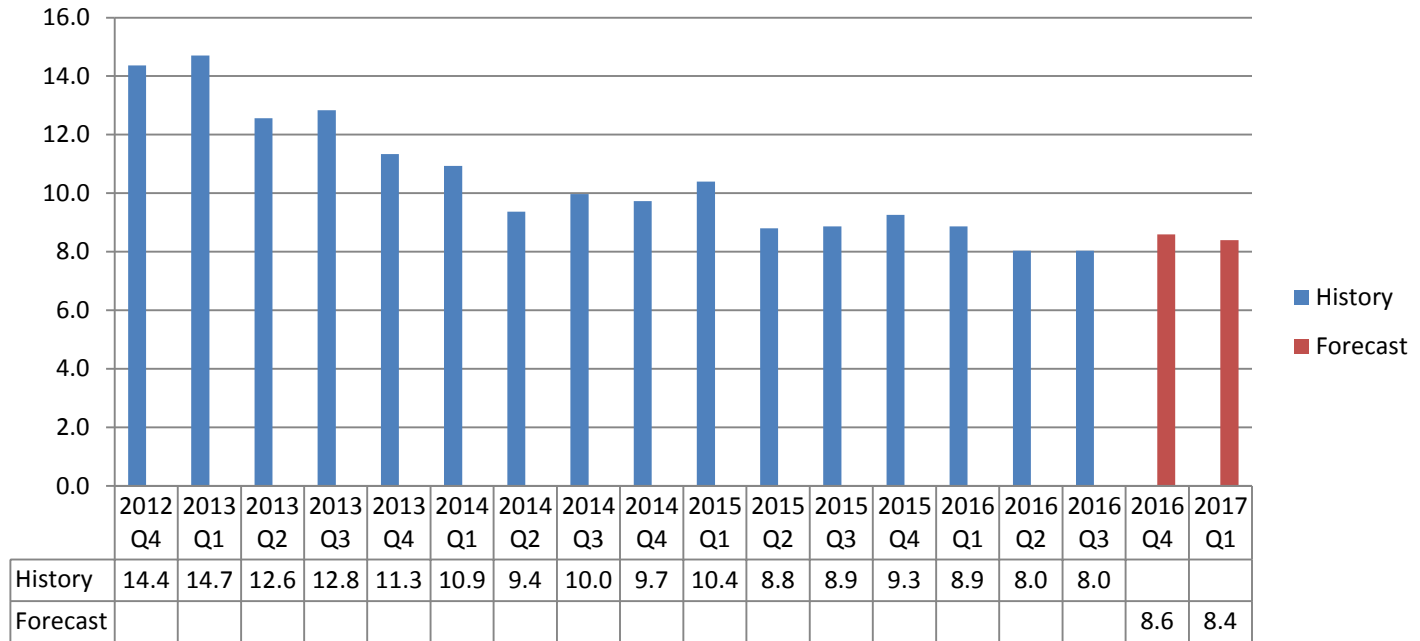
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Horry Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Williamsburg Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Regional Economic Outlook Board: Fall 2016

Presented to: The Waccamaw Regional Council of Governments' Regional Economic Outlook Board

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November 2016

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous	Current	Next	Previous	Current	Next
	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter
	Summer 2016	Fall 2016	Winter 2016	Summer 2016	Fall 2016	Winter 2016
Airport Deplanements (thousands)	375.1	223.9	115.2	6.5	7.6	2.6
Port Tonnage (thousands)	<i>Discontinued due to low activity</i>			<i>Discontinued due to low activity</i>		
Occupancy Rate (Full Week)	82.1	44.0	31.0	0.1	-1.4	-1.4
Average Daily Rate (Full Week)	\$ 168.9	\$ 81.0	\$ 62.7	2.4	2.9	3.7
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 16.9	\$ 7.5	\$ 4.8	1.2	4.8	5.2
Accommodations Tax Revenue (\$millions) ^a	\$ 12.4	\$ 3.8	\$ 1.6	4.8	8.5	4.0
Admissions Tax Revenue (\$millions)	<i>No update from SCDOR since April</i>			<i>No update from SCDOR since April</i>		
Regional SF Building Permits	1,059	1,032	1,039	6.6	9.7	7.4
Regional MF Building Permits	87	75	89	-18.7	63.0	2.3
Retail Sales (\$millions)*						
Georgetown County	\$ 373.8	\$ 270.3	\$ 251.8	-3.3	1.9	2.9
Horry County	\$3,150.8	\$1,895.6	\$1,825.0	5.8	3.3	3.1
Williamsburg County	\$ 140.7	\$ 122.7	\$ 137.0	3.4	2.1	1.9
Employment (thousands)						
Georgetown County	24,714	23,994	23,876	3.4	2.3	2.2
Horry County	138,373	129,016	126,202	3.0	2.1	3.0
Williamsburg County	12,171	12,116	12,088	3.1	3.7	2.8
Unemployment Rate						
Georgetown County	6.7	7.1	6.8	-1.1	-1.1	-1.5
Horry County	5.4	5.6	6.3	-0.8	-0.8	-1.2
Williamsburg County	8	8.6	8.4	-0.8	-0.7	-0.5

Notes: Spring quarter is March - May, Summer is June - August, Fall is September - November, Winter is December - February. Retail Sales, Accommodations Tax Revenue and Admissions Tax Revenue represent the period of business activity. For example, Accommodations Taxes for Summer represent the business activity incurred during the Summer quarter. Percent change from previous year is relative to the same quarter from the previous year. For example, percent change for Summer 2016 is the percent change between Summer 2016 and Summer 2015. Rate given is absolute change for: Occupancy Rate, ADR and Unemployment Rates. For example, the given change for the Occupancy Rate during Summer 2016 is simply the Summer 2016 Occupancy Rate minus the Summer 2015 Occupancy Rate.

* Indicates partial estimation for historical period due to data availability