Waccamaw Regional Economic Outlook

Summer 2016

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Executive Summary

The metrics observed for the spring quarter of 2016 (March, April, and May) reflect continued growth across the Grand Strand. Employment in each of the Waccamaw region’s three counties (Georgetown, Horry, and Williamsburg) shows robust growth. Georgetown County’s employment growth rate of 5.6% lead the three counties, and Horry County lead in the level of employment growth with 4,015 more employed persons than the second quarter of 2015, a 3.1% increase. The unemployment rate continued to fall as well, with Horry leading the way down to 5.9% for the second quarter. The Myrtle Beach International Airport recorded a 5.8% growth in passenger deplanements and is on track to eclipse one million as early as 2017, a historical milestone.

Tourism indicators are also strong, showing consistent growth in room rates, stable to growing occupancy rates, and solid growth in hospitality fee revenue.

Residential construction continues to surge ahead, recording an 11.9% growth rate in single family building permits. The volume is averaging over 300 permits per month, high by historical standards, and suggests the unsold lot inventory from the boom and bust has been nearly absorbed, prompting developers to seek out new raw land for developments. Greater price appreciation in new and existing homes should follow, a positive sign for a region that has lagged the nation in the recovery of home prices.
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).
### SF/MF Ratio Trend Analysis

#### Graph Description:
- **X-axis:** Year (1990-2015)
- **Y-axis:** SF/MF Ratio
- **Legend:**
  - Horry
  - 5-State Average

#### Table: Single Family:Multi Family Building Permit Ratio

<table>
<thead>
<tr>
<th>Year Range</th>
<th>AZ</th>
<th>CA</th>
<th>FL</th>
<th>NV</th>
<th>SC</th>
<th>Horry</th>
<th>Charleston</th>
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<tbody>
<tr>
<td>1990 - 2015</td>
<td>5.2</td>
<td>2.5</td>
<td>2.5</td>
<td>3.0</td>
<td>4.7</td>
<td>3.4</td>
<td>6.2</td>
</tr>
<tr>
<td>1990 - 2010</td>
<td>5.8</td>
<td>2.9</td>
<td>2.6</td>
<td>3.0</td>
<td>4.8</td>
<td>2.3</td>
<td>7.2</td>
</tr>
<tr>
<td>2011 - 2015</td>
<td>2.9</td>
<td>0.9</td>
<td>2.1</td>
<td>3.4</td>
<td>4.2</td>
<td>7.7</td>
<td>1.6</td>
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<tr>
<td>2015</td>
<td>3.4</td>
<td>0.9</td>
<td>1.6</td>
<td>2.8</td>
<td>3.6</td>
<td>14.3</td>
<td>1.8</td>
</tr>
</tbody>
</table>

- **Group Average over time:** 3.9
- **Horry Average over time:** 3.4
U.S. Retail Sales ($Millions/Month)

Source: U.S. Department of Commerce
U.S. Employment (unadjusted)

U.S. Employment

Source: Bureau of Labor Statistics

Unemployment Rate 4.8% Q2 v Q2 2015 at 5.3%
Annualized Real GDP Growth (%)

Source: U.S. Department of Commerce: Bureau of Economic Analysis
South Carolina Employment (Millions)

Source: Bureau of Labor Statistics
MYR Airport Deplanements (Thousands)

Source: Myrtle Beach International Airport
Georgetown Port Tonnage (Thousands)

Source: Georgetown Port Authority
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
5% State Admissions Tax ($ 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)

<table>
<thead>
<tr>
<th></th>
<th>History</th>
<th>Forecast</th>
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<tbody>
<tr>
<td>2012 Q3</td>
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<tr>
<td>2012 Q4</td>
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<tr>
<td>2013 Q1</td>
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<td>2013 Q2</td>
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<tr>
<td>2013 Q4</td>
<td>120.6</td>
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<td>2014 Q1</td>
<td>114.3</td>
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<tr>
<td>2014 Q2</td>
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<tr>
<td>2014 Q4</td>
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<td>2015 Q1</td>
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<tr>
<td>2015 Q2</td>
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<tr>
<td>2015 Q3</td>
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<tr>
<td>2015 Q4</td>
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<tr>
<td>2016 Q1</td>
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<td>2016 Q2</td>
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<tr>
<td>2016 Q3</td>
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<tr>
<td>2016 Q4</td>
<td>127.7</td>
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</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tbody>
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<td>2012</td>
<td>11.6</td>
<td>10.6</td>
<td>12.4</td>
<td>10.2</td>
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<tr>
<td>2013</td>
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<tr>
<td>2014</td>
<td>8.2</td>
<td>8.5</td>
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<td>8.0</td>
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<tr>
<td>2015</td>
<td>7.8</td>
<td>8.2</td>
<td>8.3</td>
<td>7.0</td>
</tr>
<tr>
<td>2016</td>
<td>6.9</td>
<td>7.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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
### Airport Deplanements (thousands)
- **History**: 262.8
- **Forecast**: 375.9
- **Forecast**: 215.2
- **Percent Change from Previous Year**: 5.8%

### Port Tonnage (thousands)
- **History**: 19.1
- **Forecast**: 39.0
- **Forecast**: 21.7
- **Percent Change from Previous Year**: 3.1%

### Occupancy Rate (Full Week)
- **History**: 60.3
- **Forecast**: 80.1
- **Forecast**: 44.8
- **Percent Change from Previous Year**: 3.2%

### Average Daily Rate (Full Week)
- **History**: $103.9
- **Forecast**: $168.4
- **Forecast**: $79.8
- **Percent Change from Previous Year**: 3.2%

### Horry County 1.5% Hosp. Fee Revenue ($millions)
- **History**: $9.2
- **Forecast**: $17.5
- **Forecast**: $7.6
- **Percent Change from Previous Year**: 3.2%

### Accommodations Tax Revenue ($millions)
- **History**: $3.7
- **Forecast**: $11.3
- **Forecast**: $3.2
- **Percent Change from Previous Year**: -20.2%

### Admissions Tax Revenue ($millions)
- **History**: $3.0
- **Forecast**: $4.4
- **Forecast**: $2.4
- **Percent Change from Previous Year**: 11.1%

### Regional SF Building Permits
- **History**: 1,142
- **Forecast**: 1,111
- **Forecast**: 948
- **Percent Change from Previous Year**: -11.5%

### Regional MF Building Permits
- **History**: 133
- **Forecast**: 87
- **Forecast**: 87
- **Percent Change from Previous Year**: -19.0%

### Retail Sales ($millions)
- **Georgetown County**: $350.7
- **Forecast**: $396.3
- **Forecast**: $269.2
- **Percent Change from Previous Year**: 1.2%

- **Horry County**: $2,495.3
- **Forecast**: $3,006.3
- **Forecast**: $1,896.6
- **Percent Change from Previous Year**: 0.8%

- **Williamsburg County**: $131.6
- **Forecast**: $137.4
- **Forecast**: $136.0
- **Percent Change from Previous Year**: -11.5%

### Employment (thousands)
- **Georgetown County**: 24,222
- **Forecast**: 24,634
- **Forecast**: 24,115
- **Percent Change from Previous Year**: 5.6%

- **Horry County**: 131,680
- **Forecast**: 138,354
- **Forecast**: 127,721
- **Percent Change from Previous Year**: 3.1%

- **Williamsburg County**: 12,058
- **Forecast**: 12,101
- **Forecast**: 11,991
- **Percent Change from Previous Year**: 4.4%

### Unemployment Rate
- **Georgetown County**: 7.0
- **Forecast**: 6.9
- **Forecast**: 7.3
- **Percent Change from Previous Year**: -1.1%

- **Horry County**: 5.9
- **Forecast**: 5.5
- **Forecast**: 6.0
- **Percent Change from Previous Year**: -1.0%

- **Williamsburg County**: 8
- **Forecast**: 8.3
- **Forecast**: 8.7
- **Percent Change from Previous Year**: -0.8%

Notes:
- Spring quarter is March - May, Summer is June - August, Fall is September - November, Winter is December - February.
- Retail Sales, Accomodations 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.
- SCDOR received a ruling in November 2011 allowing it to more aggressively pursue tax from VRBO properties. Monthly reporting may include back payments from last 10 years.
- Indicates partial estimation for historical period due to data availability.