

Waccamaw Regional Economic Outlook

Summer 2013

August 14, 2013

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Executive Summary

The recent quarter of economic activity in the Waccamaw Region has seen a continued resurgence in the housing market, both in terms of existing home sales volume and new construction activity. The tourism industry made it through the extreme wet and cold of winter and spring, and has surged ahead in the first half of the summer quarter of 2013. Passenger activity at the Myrtle Beach International Airport has also increased significantly over last year which saw carriers adjusting their fleets at the airport and causing a temporary drop in capacity and activity. Passenger activity this year is up close to 15 percent. As the region works to extend its tourism season, the recent performance of the spring compared with the summer has shown differences in consumer behavior in the summer as opposed to the other seasons. The “shoulder” seasons cater to a more flexible consumer, making business more vulnerable to weather episodes for example. Looking ahead, the housing market should continue to experience gains as prices and interest rates continue to present value in the market and asset appreciation returns. Tourism will likely meet challenges in the fall if the unusually wet weather persists. Overall, the region continues on a path of modest recovery.

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).
- In November, 2011 SC DOR received a ruling to aggressively pursue taxes on VRBO properties as far back as ten years. The reporting does not adjust for the actual period of business activity and is reflected in the period of collection.

Presentation Format

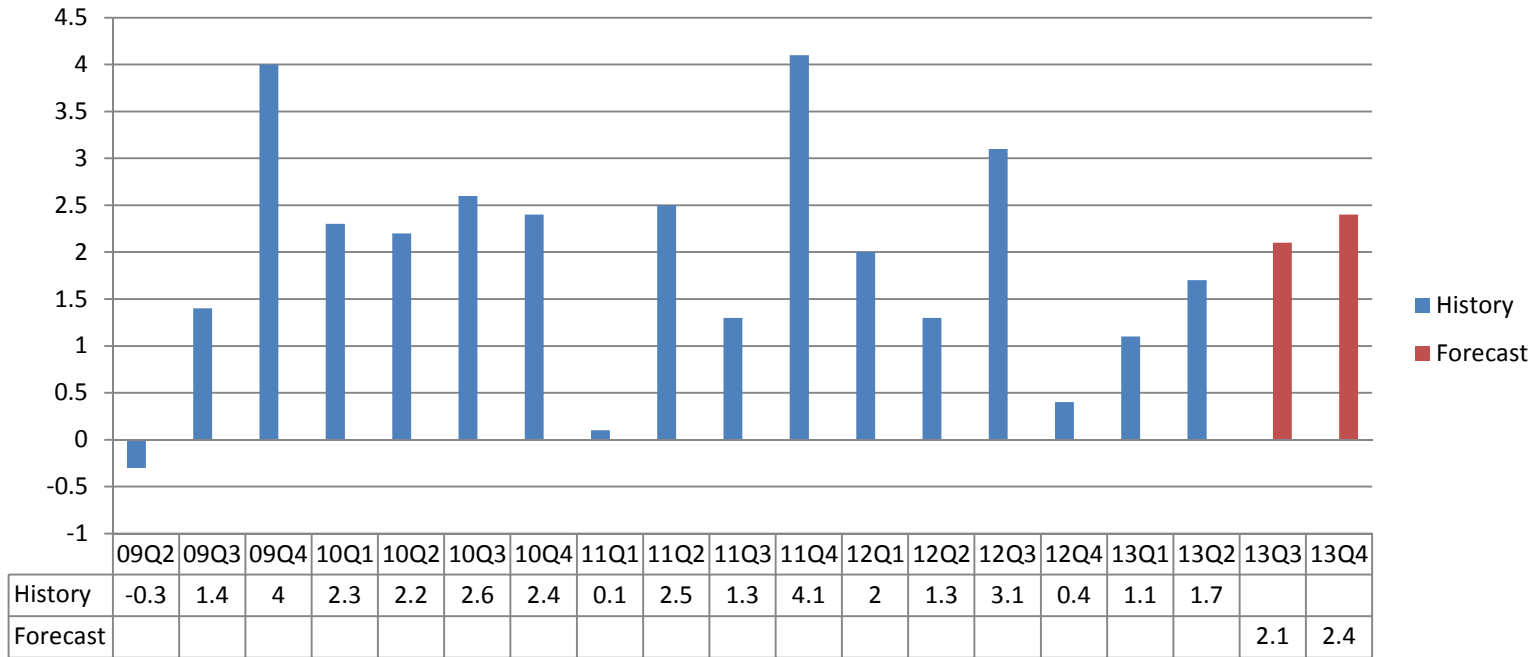
Beginning Slides:

Annual historical trends and forecasts of national and state economic activity.

Remaining Slides:

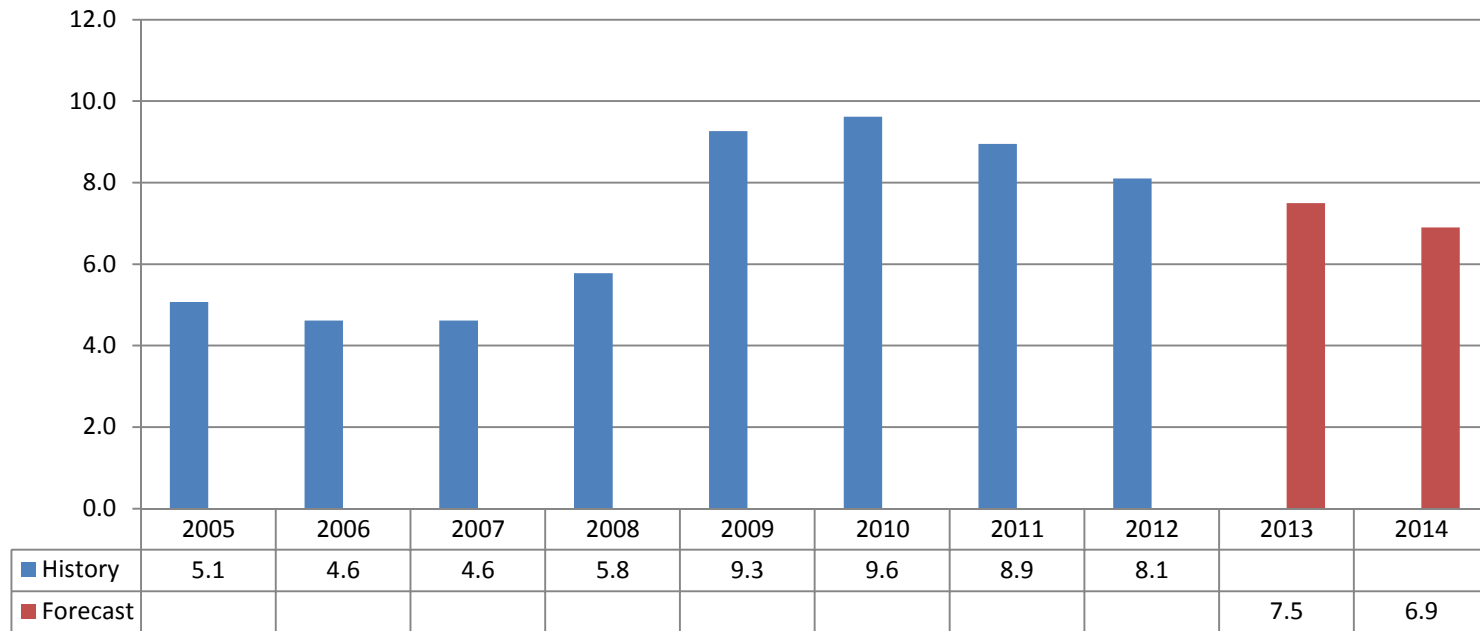
Recent quarterly activity and forecast of local economic activity.

Annualized Real GDP Growth (%)



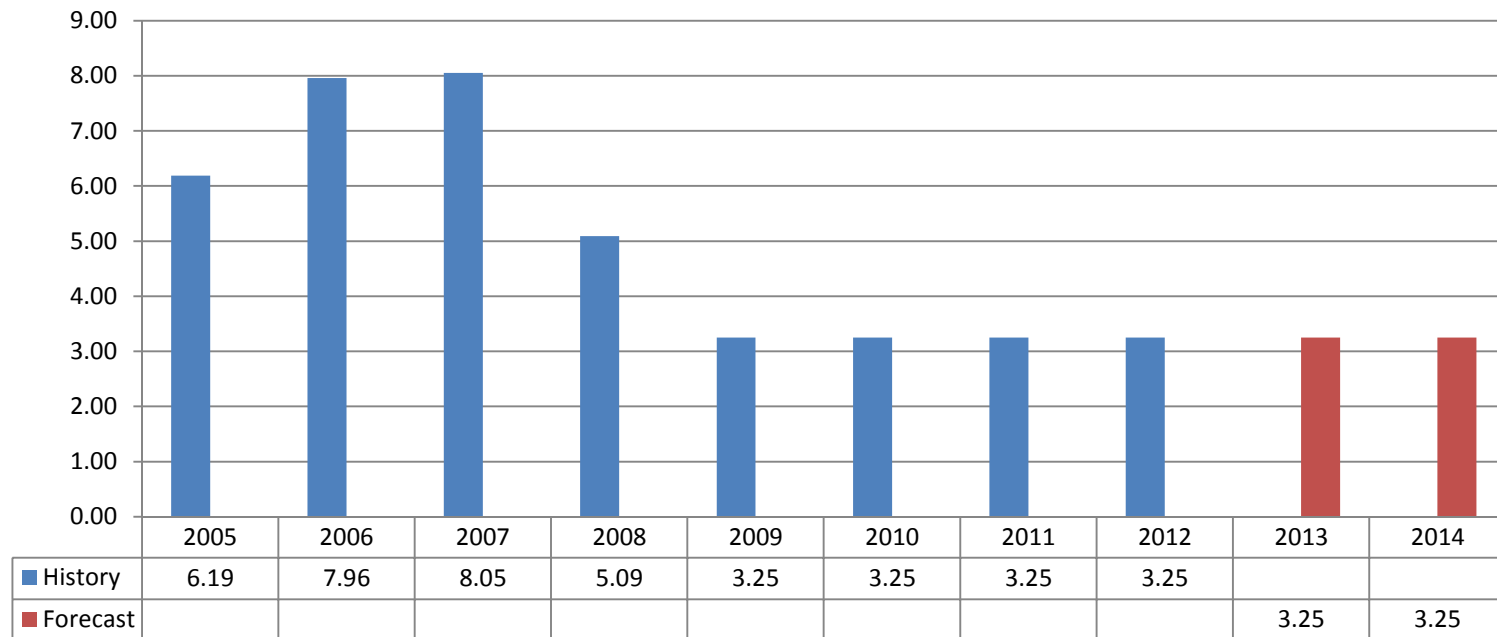
Source: U.S. Department of Commerce: Bureau of Economic Analysis

U.S. Unemployment Rate



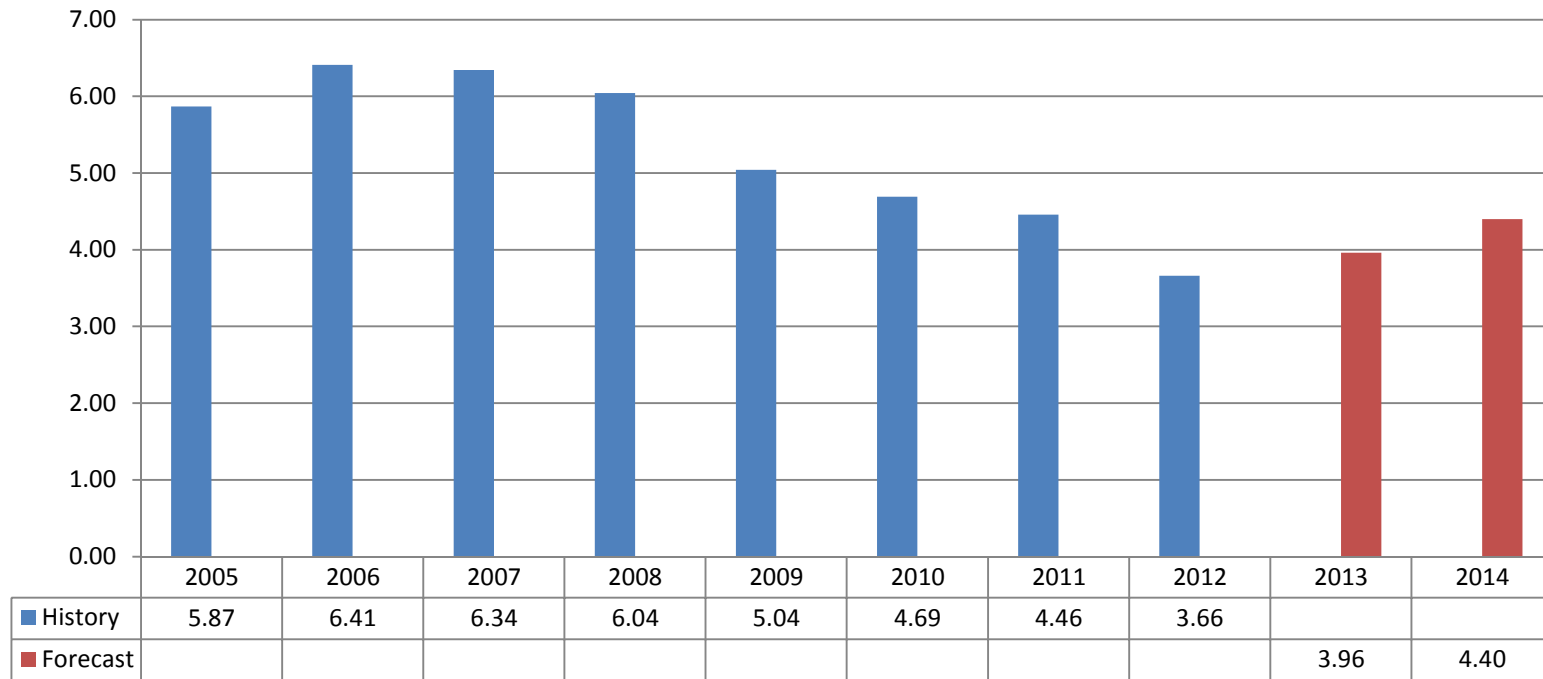
Source: Bureau of Labor Statistics

Prime Interest Rate



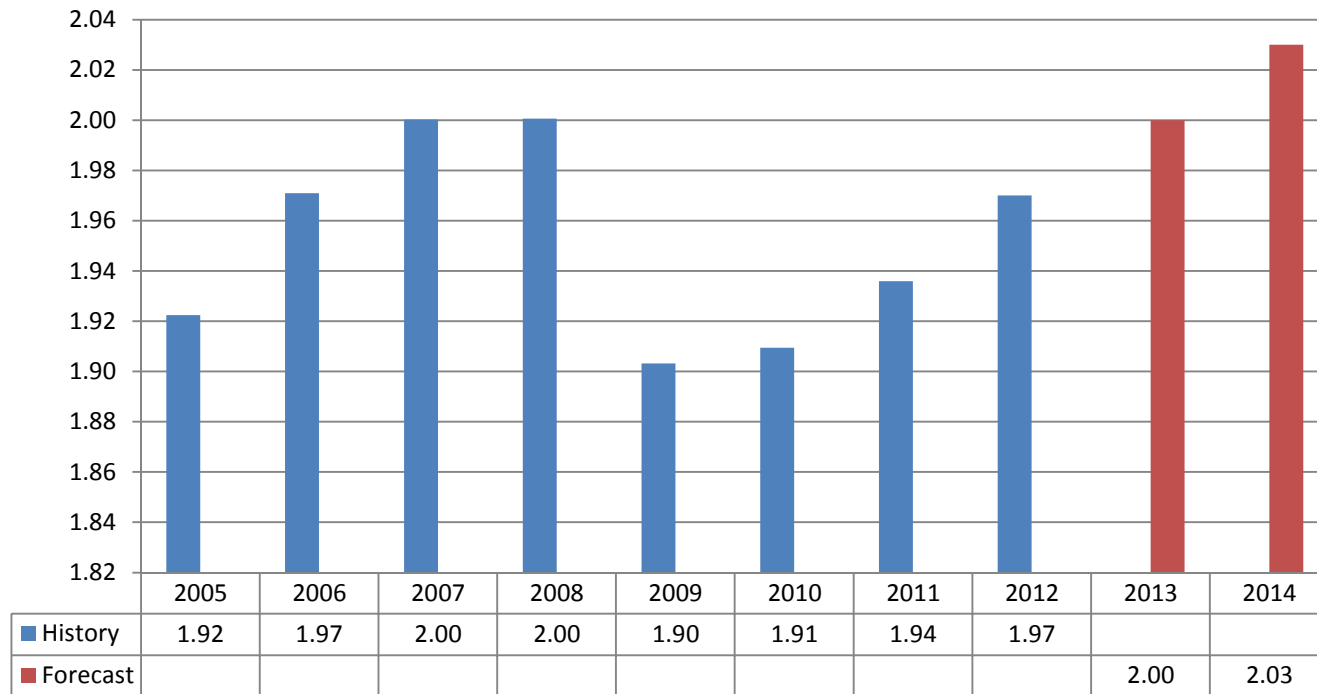
Source: US Federal Reserve Bank FRED Database

30-Year Mortgage Rate



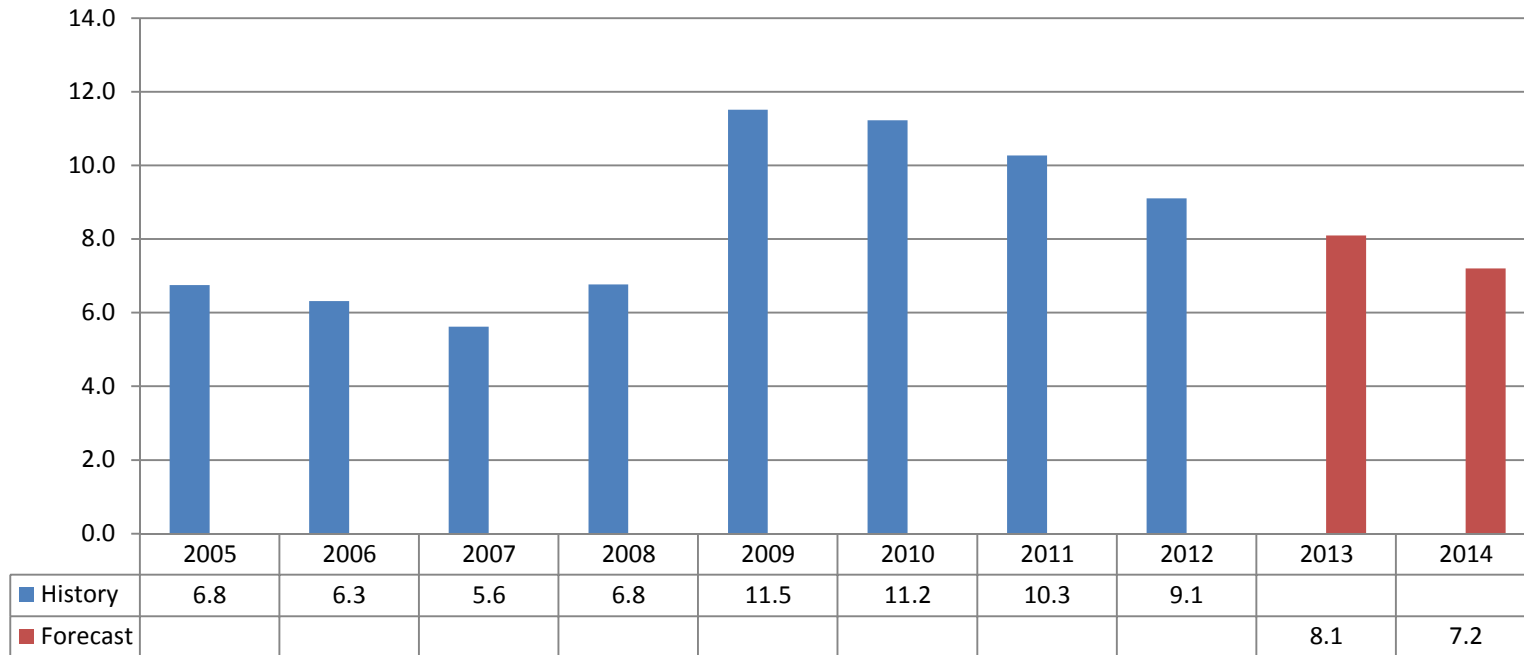
Source: US Federal Reserve Bank FRED Database

South Carolina Employment (Millions)



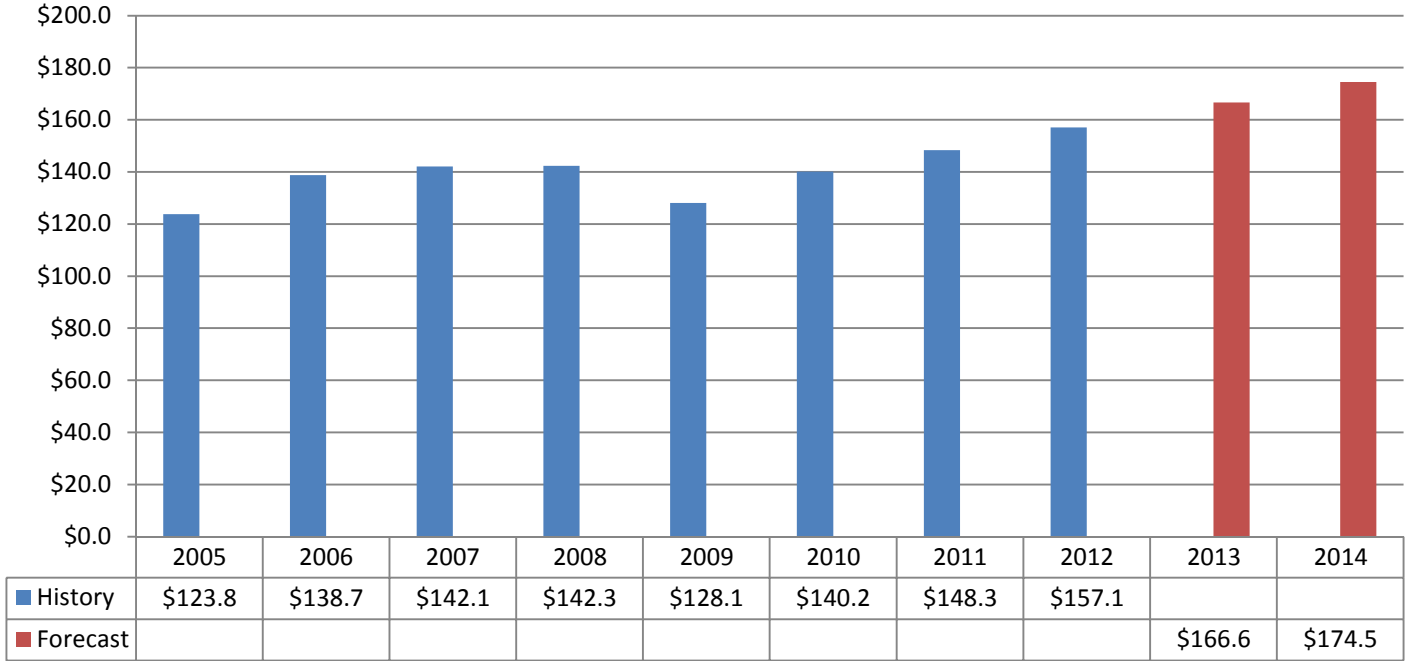
Source: Bureau of Labor Statistics

South Carolina Unemployment Rate

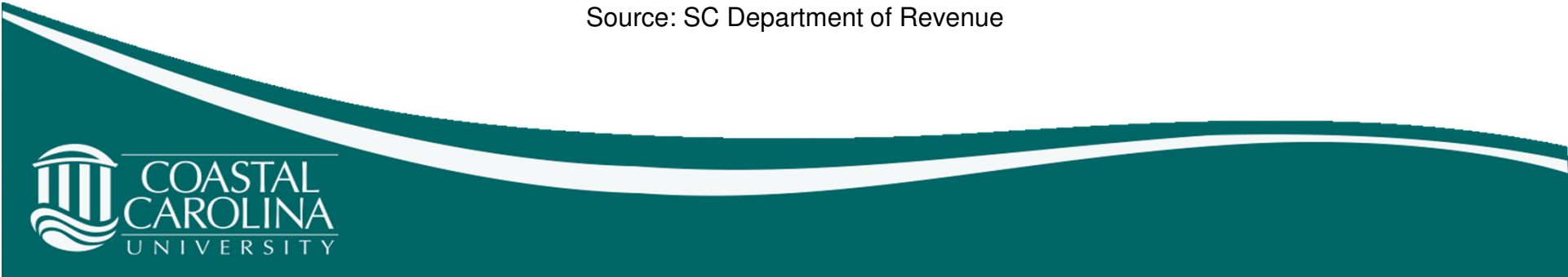


Source: Bureau of Labor Statistics

South Carolina Gross Retail Sales (\$Billions)

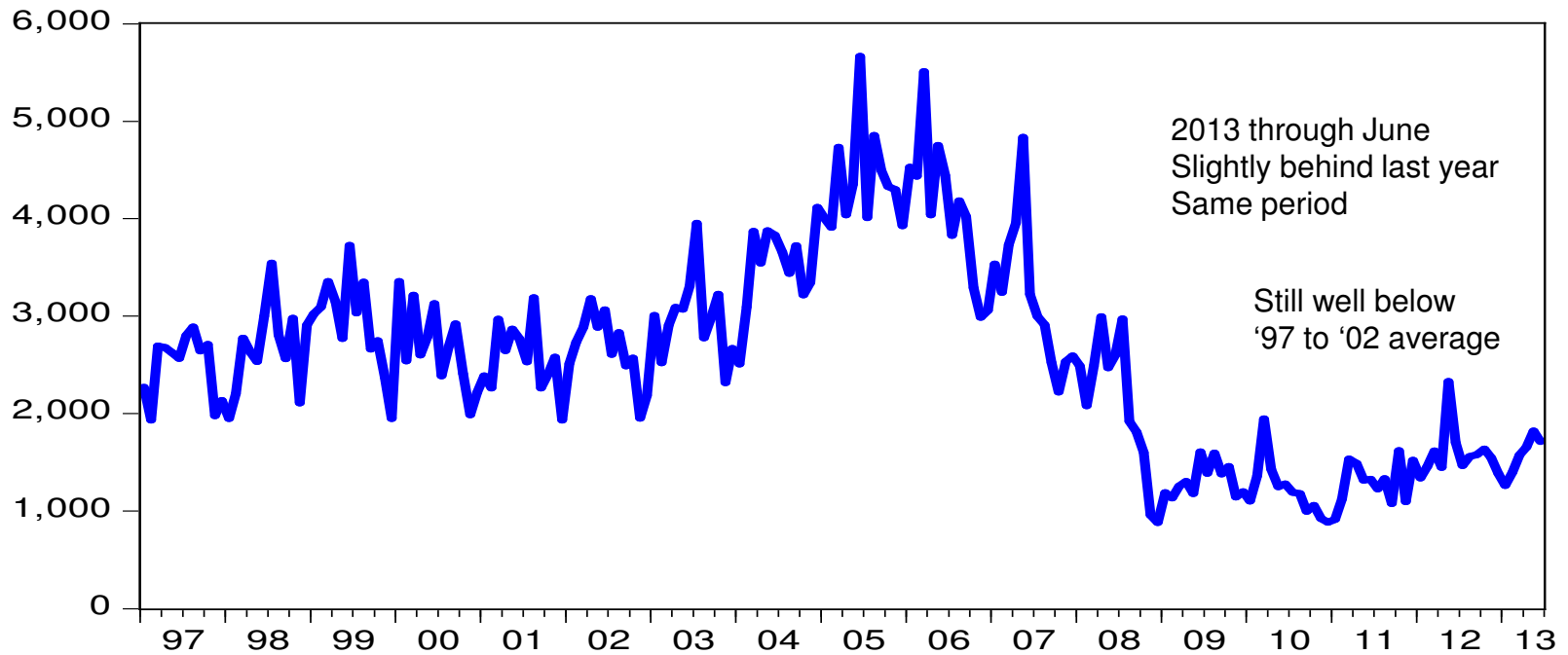


Source: SC Department of Revenue



SC Single Family Permits

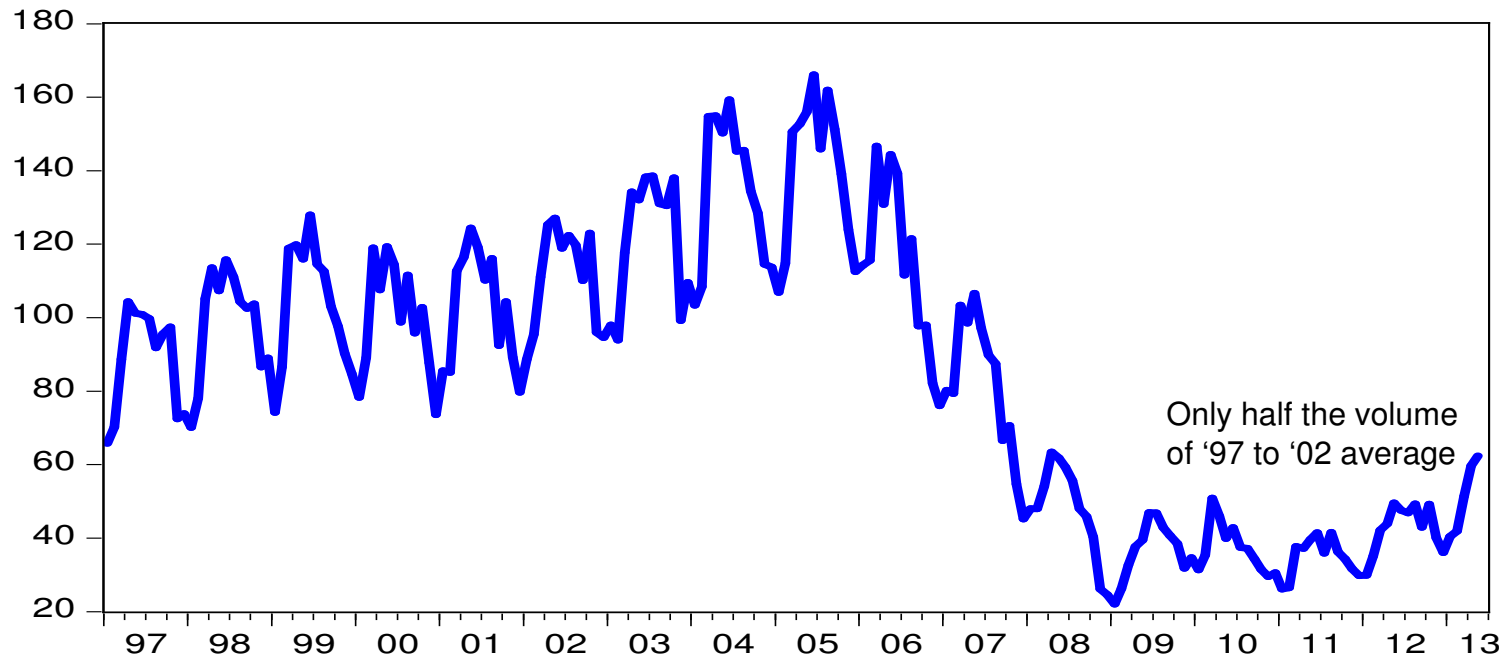
SC Single Family Building Permits



Source: HUD State of the Cities Data System

US Single Family Permits

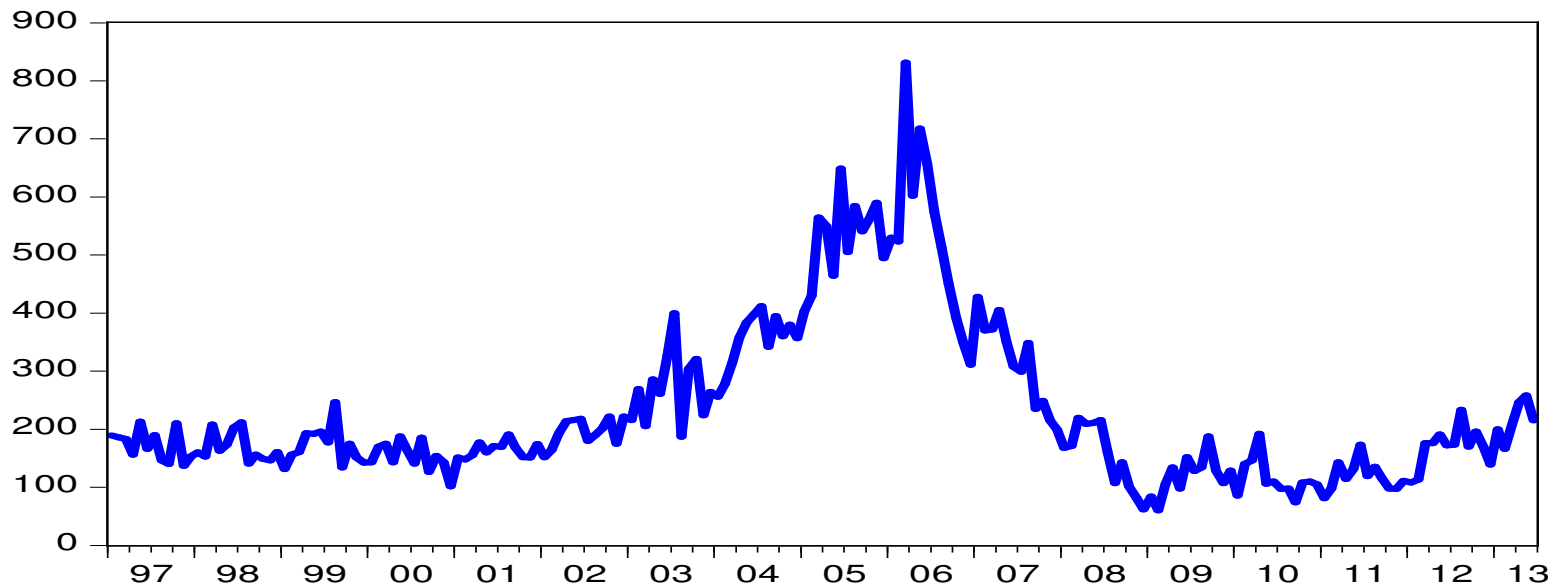
US Single Family Building Permits



Source: HUD State of the Cities Data System

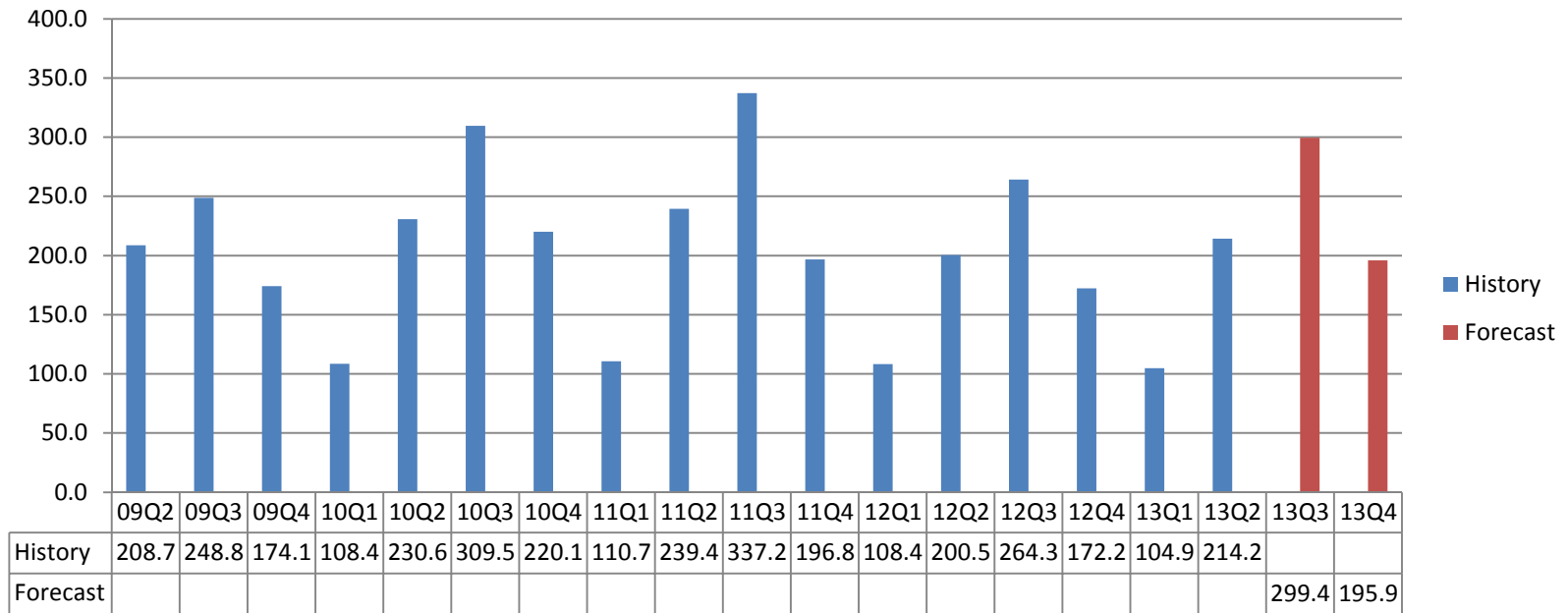
Horry County Single Family Permits

Horry County Single Family Building Permits



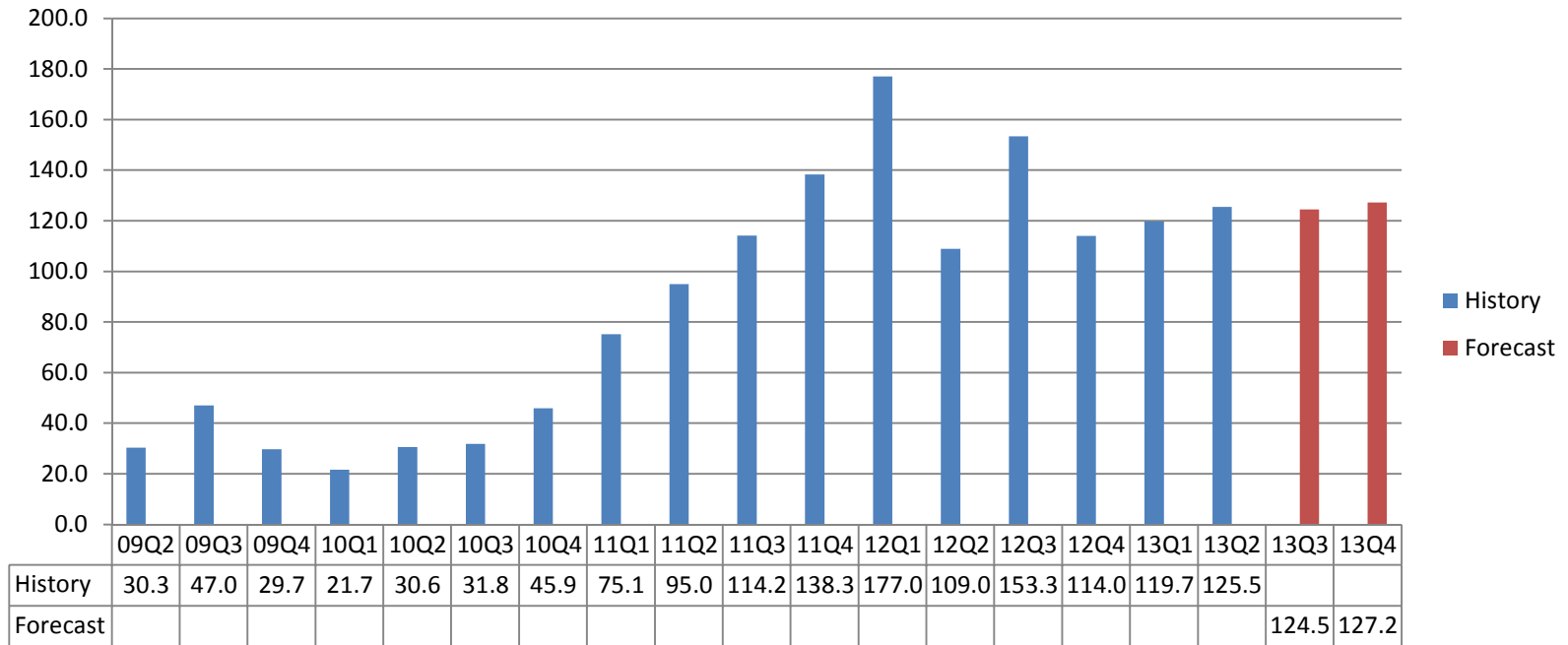
Source: HUD State of the Cities Data System

MYB Airport Deplanements (Thousands)



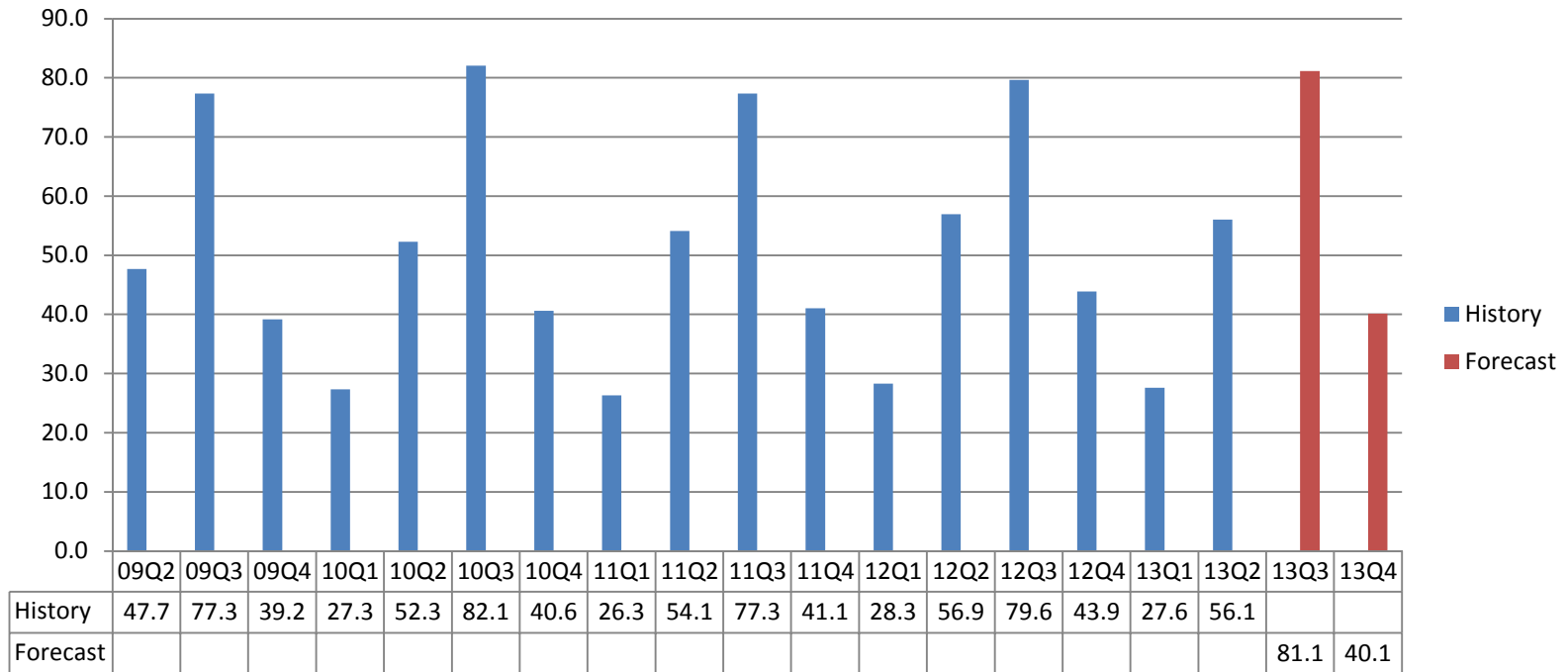
Source: Myrtle Beach International Airport

Georgetown Port Tonnage (Thousands)



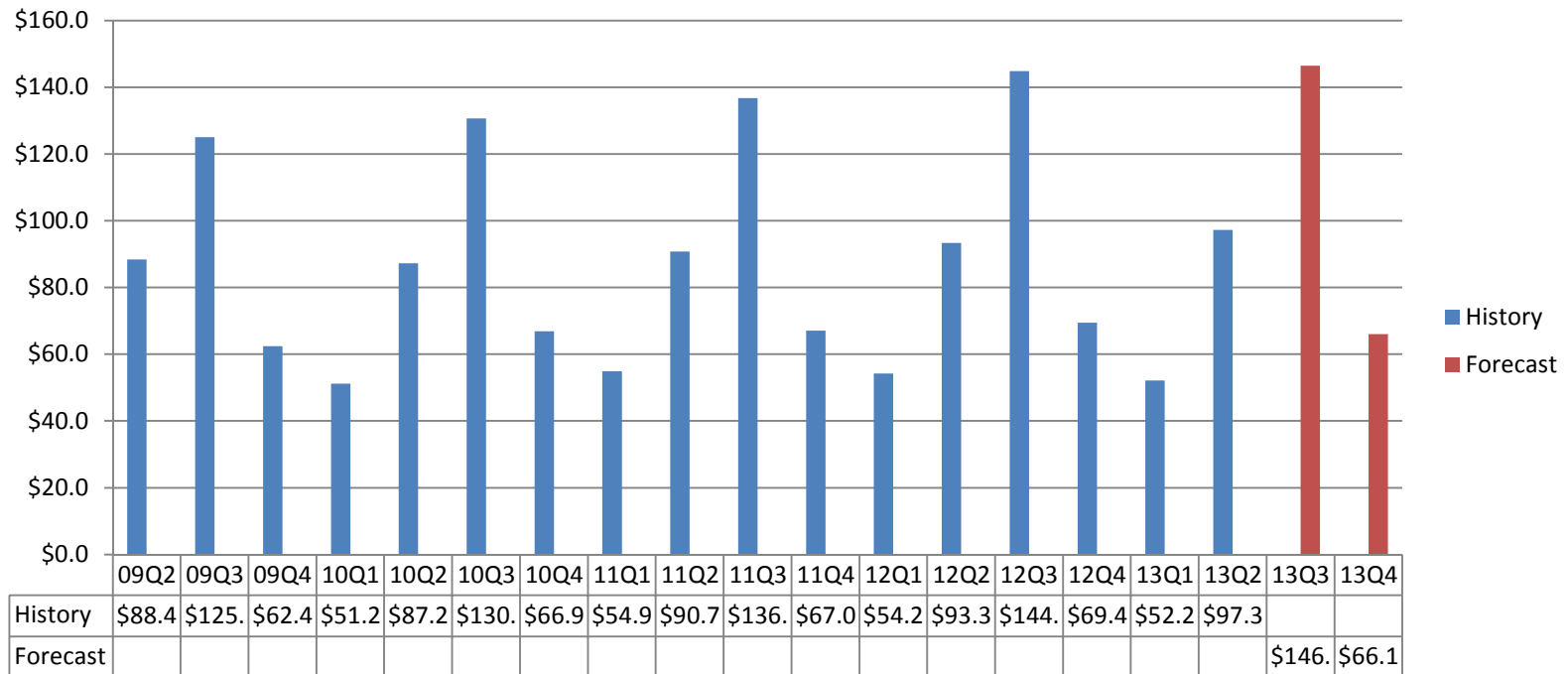
Source: Georgetown Port Authority

Hotel-Condotel-Campground Occupancy Rate



Source: Clay Brittain Jr. Center for Resort Tourism

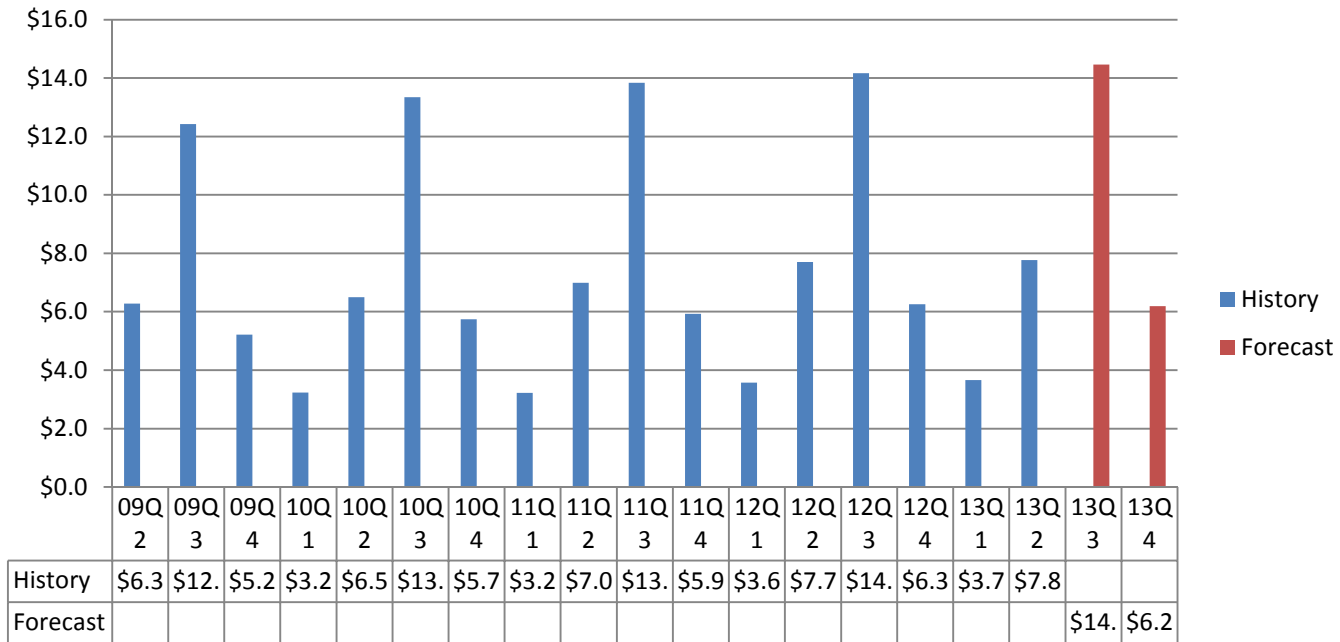
Hotel-Condotel-Campground Average Daily Rate



Source: Clay Brittain Jr. Center for Resort Tourism

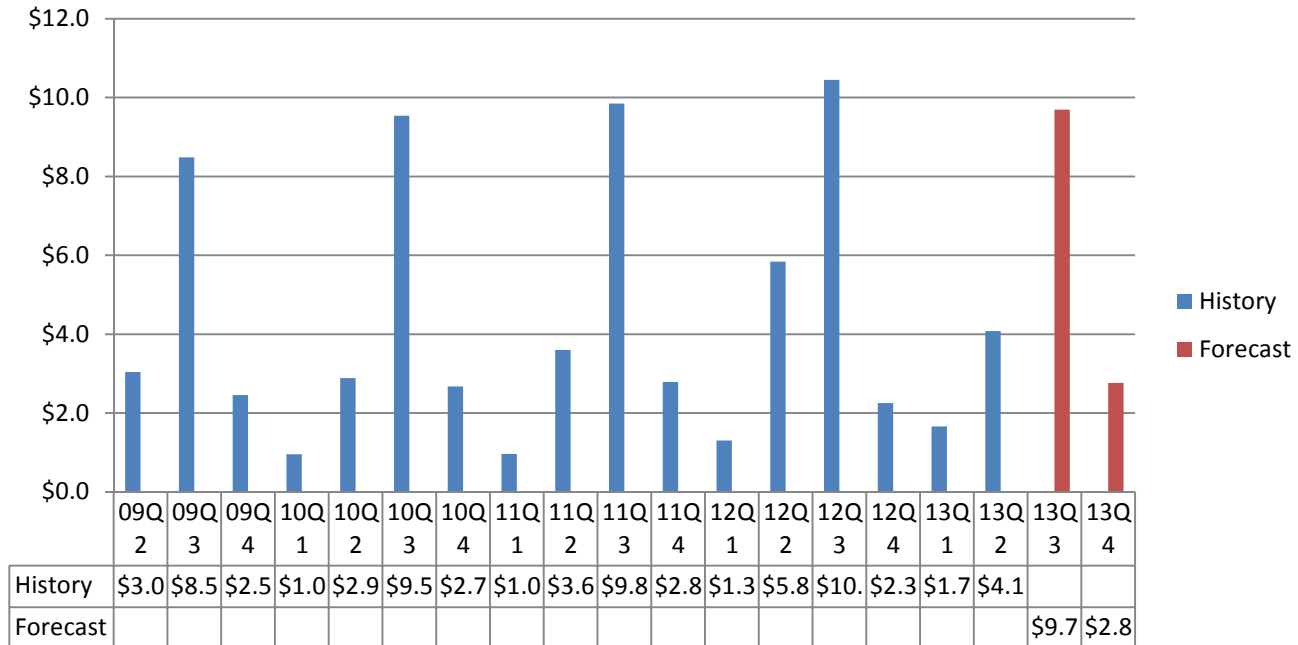
Horry 1.5% Hospitality Fee Revenue (\$Millions)

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



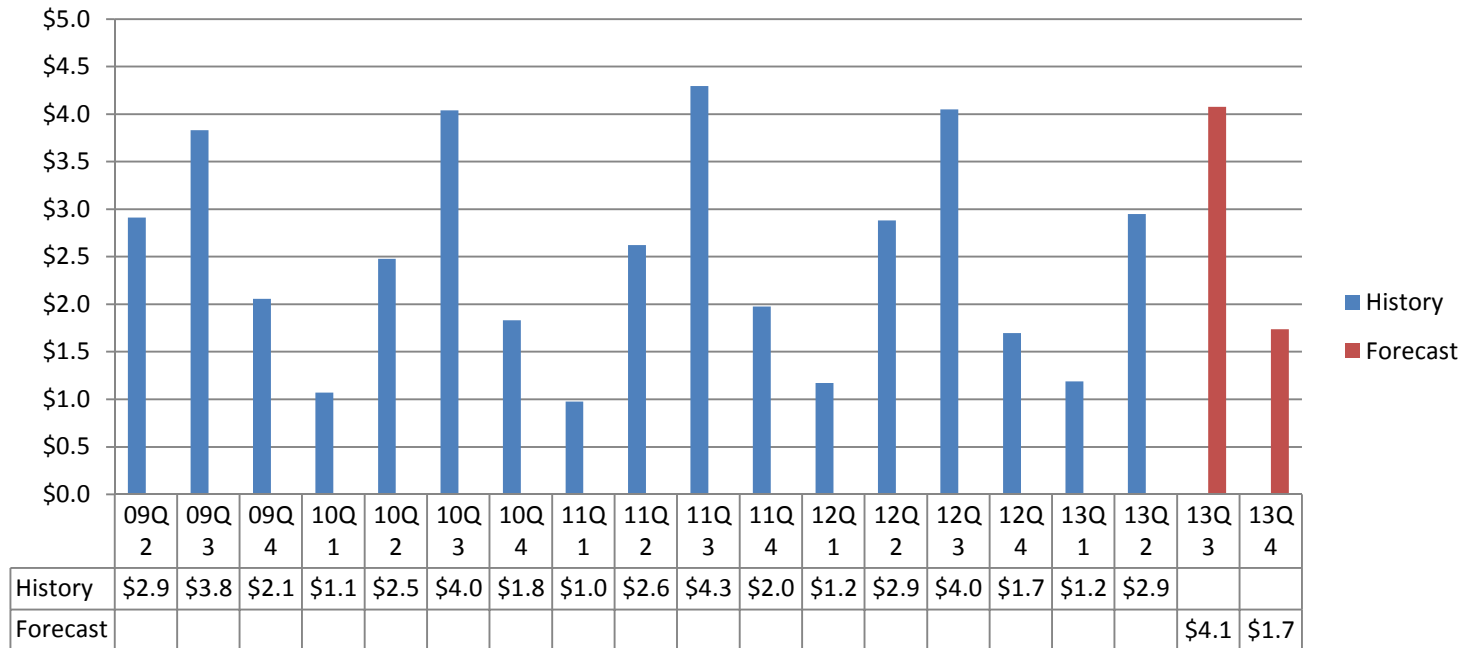
Source: Horry County Government

Accommodations Tax Revenue (\$Millions)



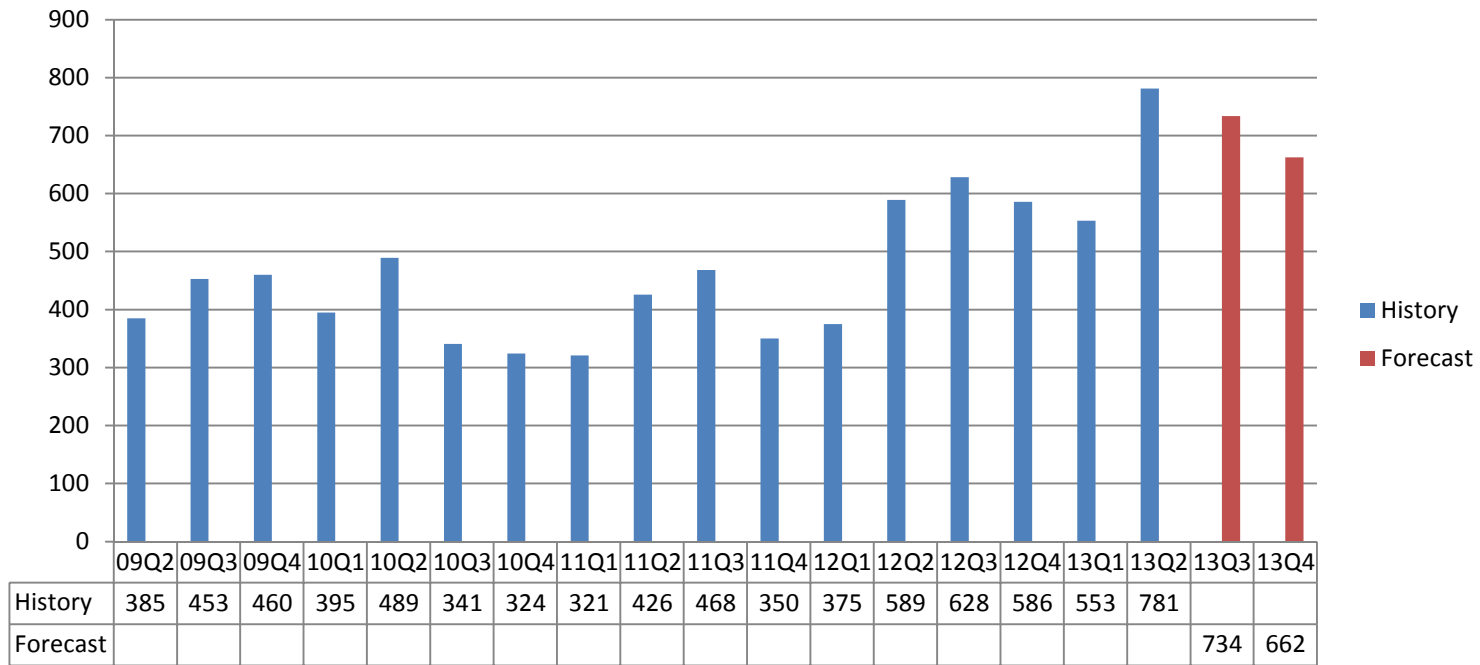
Source: SC Department of Revenue

5% State Admissions Tax (\$ Millions)



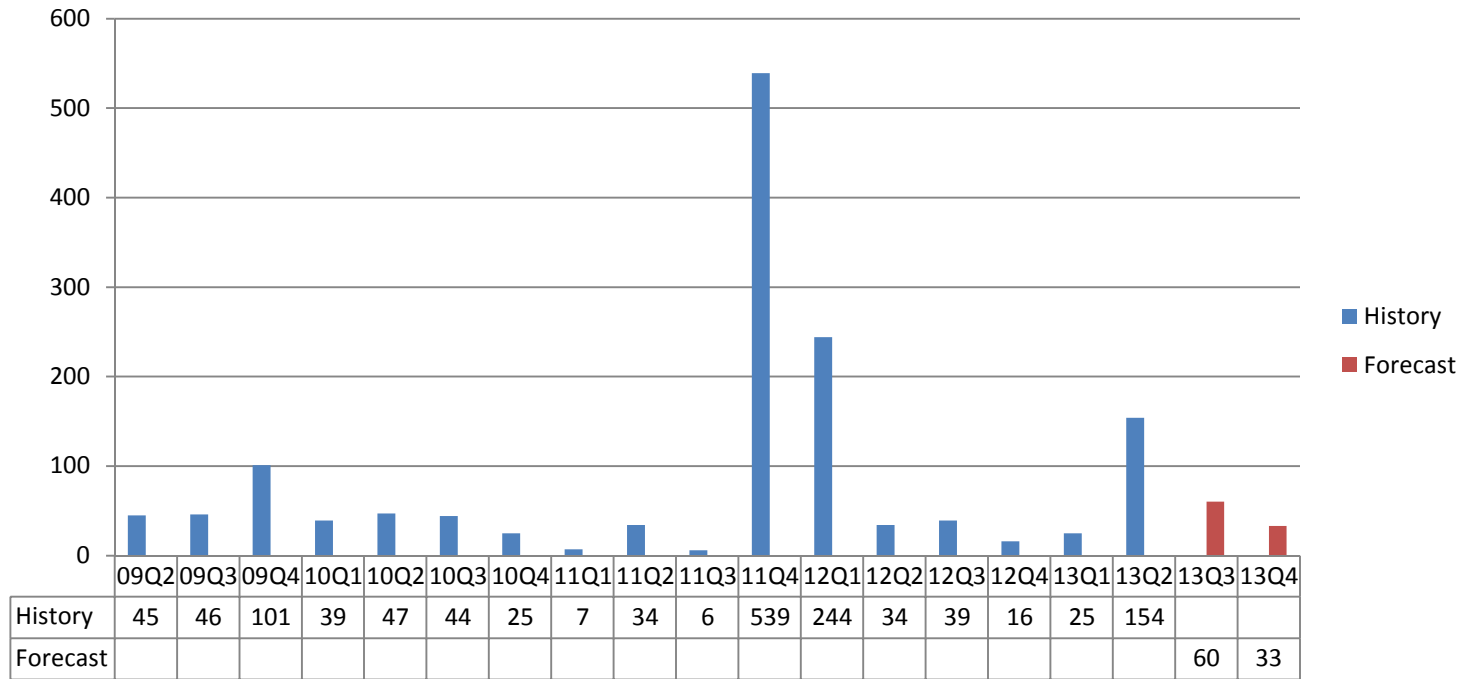
Source: SC Department of Revenue

Regional Single Family Permits



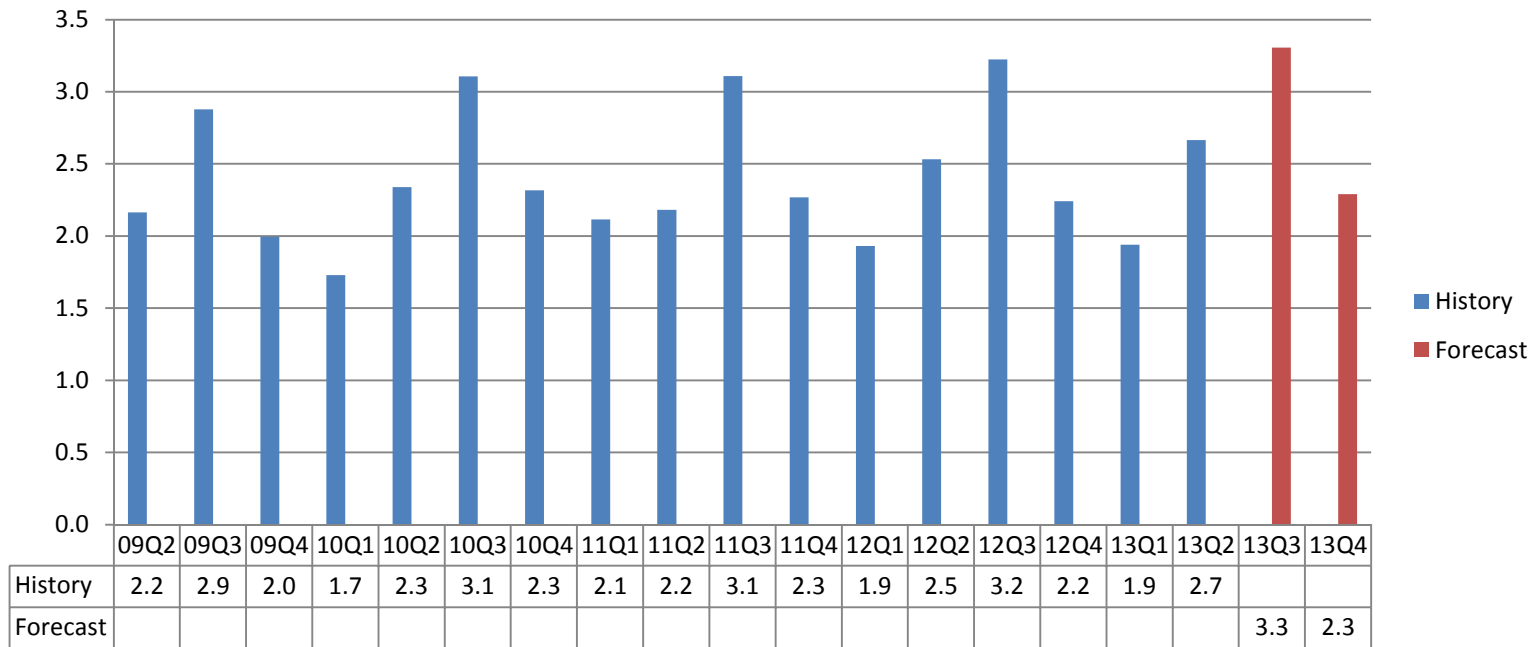
Source: HUD State of the Cities Data System

Regional Multi-family Permits



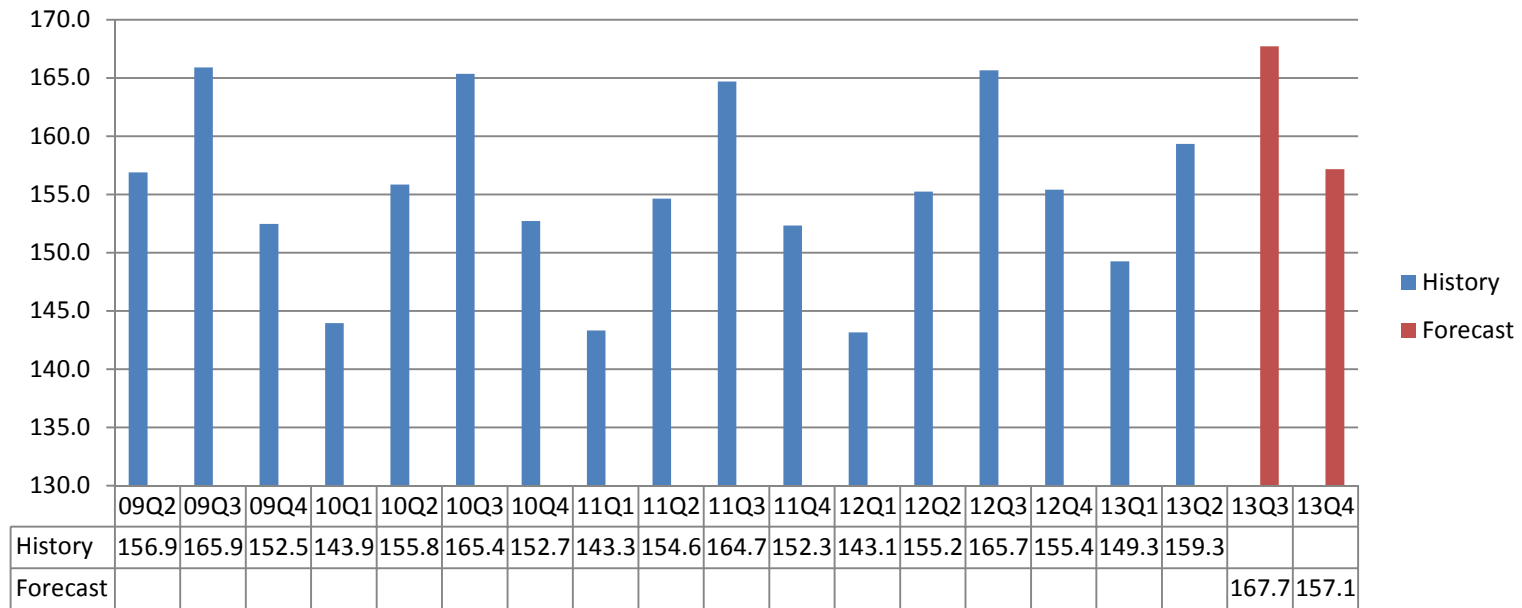
Source: HUD State of the Cities Data System

Regional Retail Sales (\$ Billions)



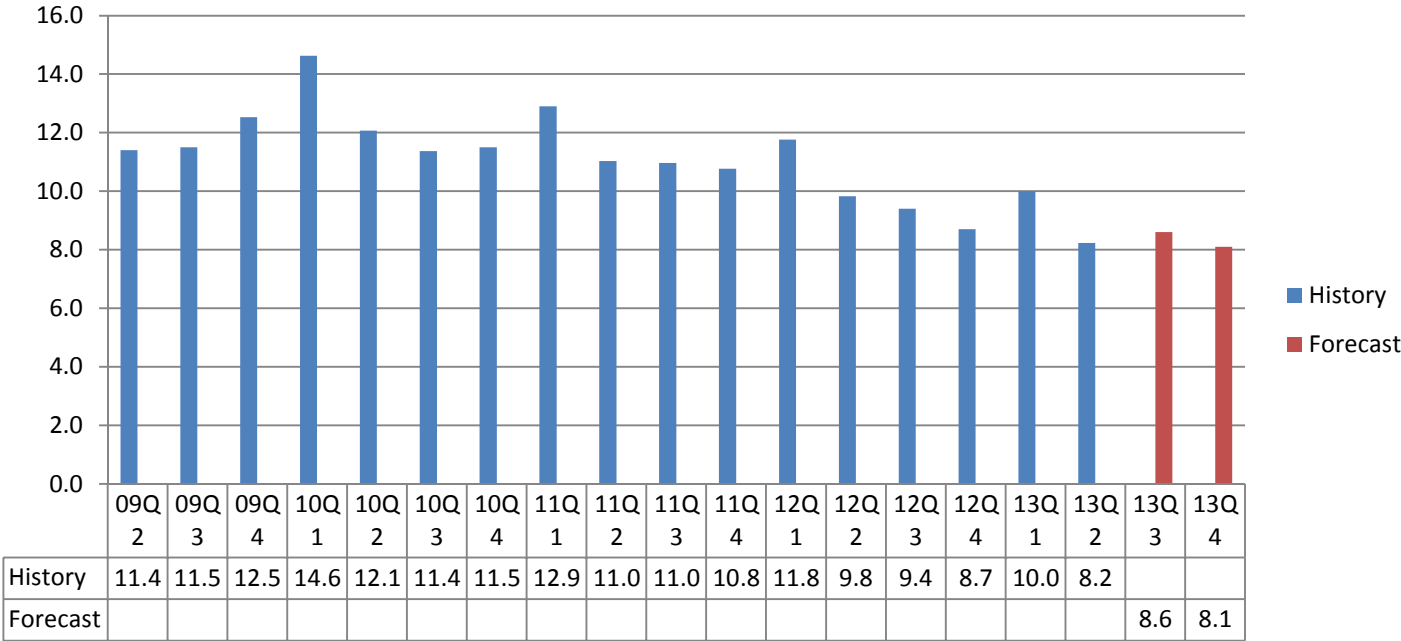
Source: SC Department of Revenue

Regional Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

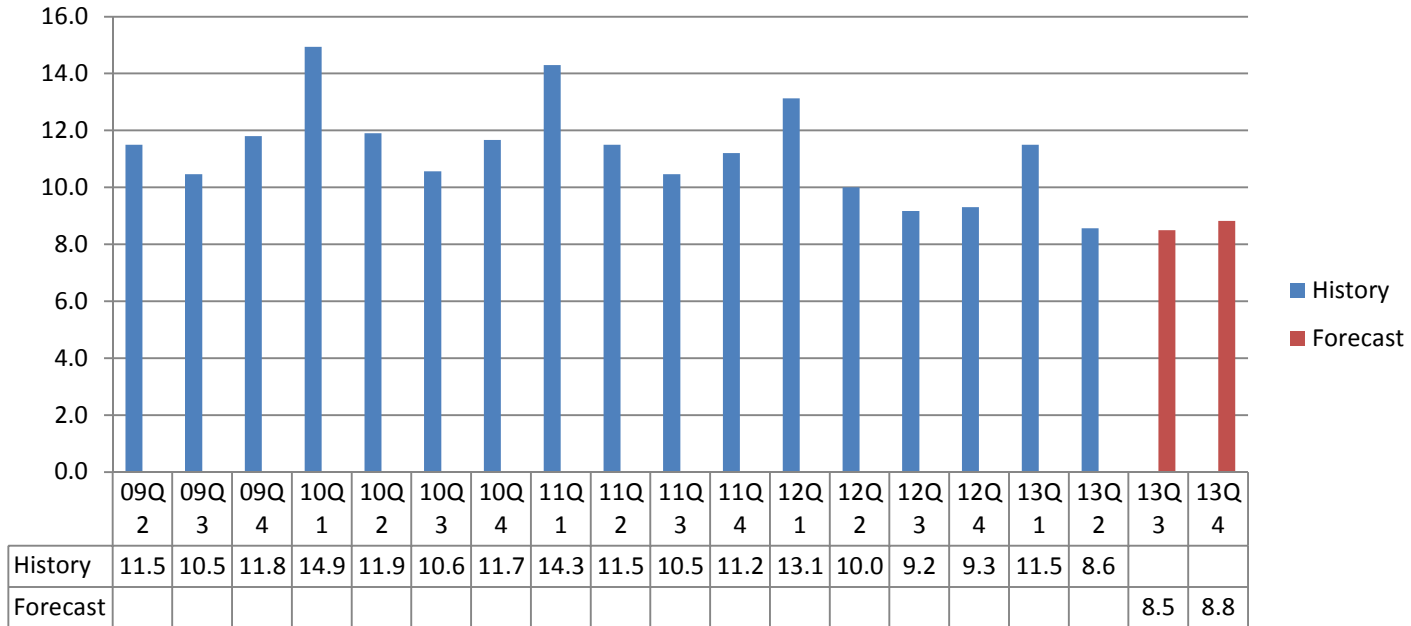
Georgetown Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

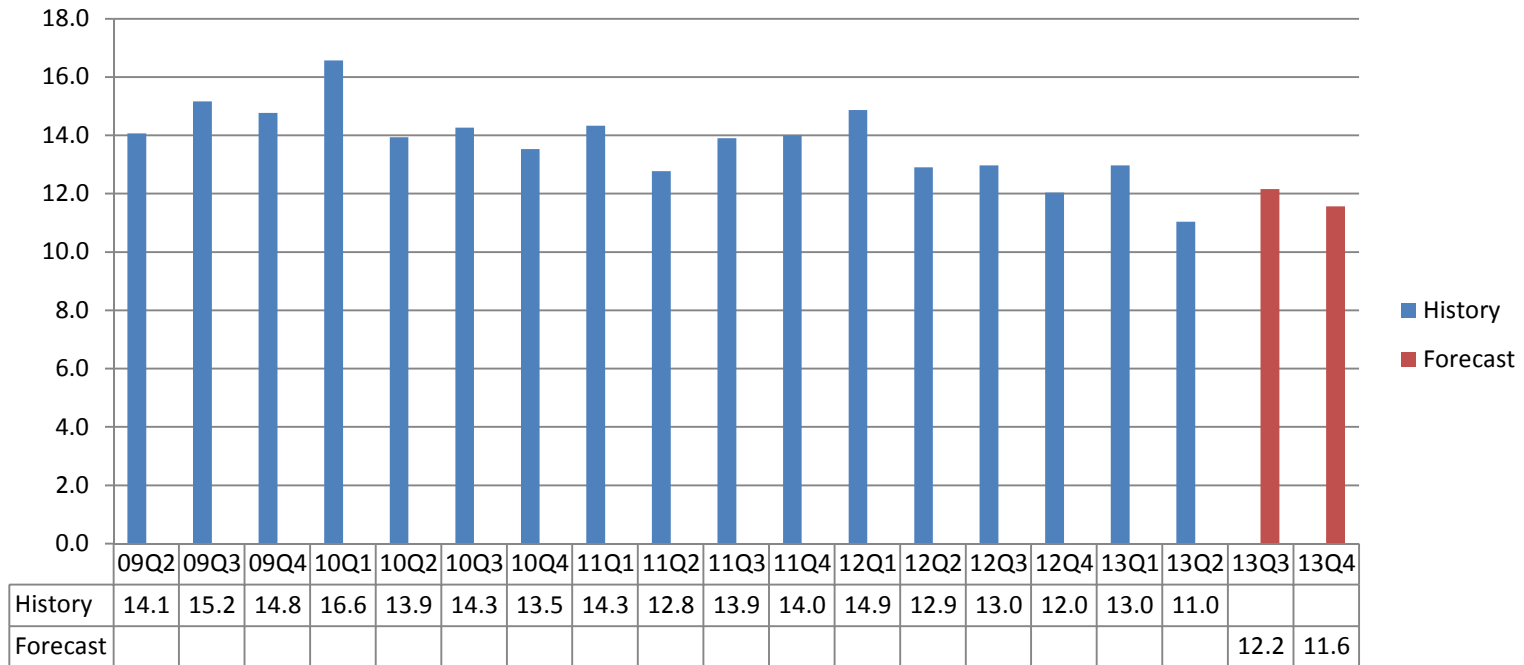


Horry Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Williamsburg Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Grand Strand Economic Outlook: Summer 2013

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

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August 2013

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous Quarter Spring 2013	Current Quarter Summer 2013	Next Quarter Fall 2013	Previous Quarter Spring 2013	Current Quarter Summer 2013	Next Quarter Fall 2013
Airport Deplanements (thousands)	224.3	299.4	195.9	11.9	13.3	13.7
Port Tonnage (thousands)	125.5	124.5	127.2	15.2	-18.8	11.6
Occupancy Rate (Full Week)	56.1	81.1	40.1	-1.5	2.5	-0.6
Average Daily Rate (Full Week)	\$ 97.3	\$ 146.4	\$ 66.1	-1.1	3.7	-0.7
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 7.8	\$ 14.5	\$ 6.1	0.9	2.1	-1.1
Accommodations Tax Revenue (\$millions) ^a	\$ 4.1	\$ 9.7	\$ 2.8	-30.2	-7.2	22.4
Admissions Tax Revenue (\$millions)	\$ 2.9	\$ 4.1	\$ 1.7	2.3	0.6	2.3
Regional SF Building Permits*	781	734	662	32.6	16.9	13.0
Regional MF Building Permits*	154	60	33	352.9	54.3	106.7
Retail Sales (\$millions)						
Georgetown County	\$ 349.9	\$ 393.8	\$ 310.8	-1.7	-0.4	2.3
Horry County	\$ 2,315.4	\$ 2,913.0	\$ 1,978.3	6.4	3.0	2.1
Williamsburg County	\$ 145.0	<i>Need Historical Data Series</i>		<i>Need Historical Data Series</i>		
Employment (thousands)						
Georgetown County	27,126	27,547	27,229	4.9	1.8	2.4
Horry County	119,038	126,917	116,925	2.2	1.1	0.9
Williamsburg County	13,160	13,245	12,991	2.3	1.4	0.6
Unemployment Rate						
Georgetown County	8.2	8.6	8.5	-1.6	-0.8	-0.6
Horry County	8.6	8.5	8.8	-1.4	-0.7	-0.5
Williamsburg County	11	12.2	11.6	-1.9	-0.8	-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 2010 is the percent change between Summer 2009 and Summer 2010. Rate given is absolute change for: Occupancy Rate, ADR and Unemployment Rates. For example, the given change for the Occupancy Rate during Summer 2009 is simply the Summer 2010 Occupancy Rate minus the Summer 2009 Occupancy Rate.

^aSCDOR 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.

February collections in 2013 for Georgetown County were adjusted to -\$278k - *negative*. *Williamsburg County analysis began August 2013