

Waccamaw Regional Economic Outlook

Summer 2015

August 5, 2015

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Coastal Carolina University



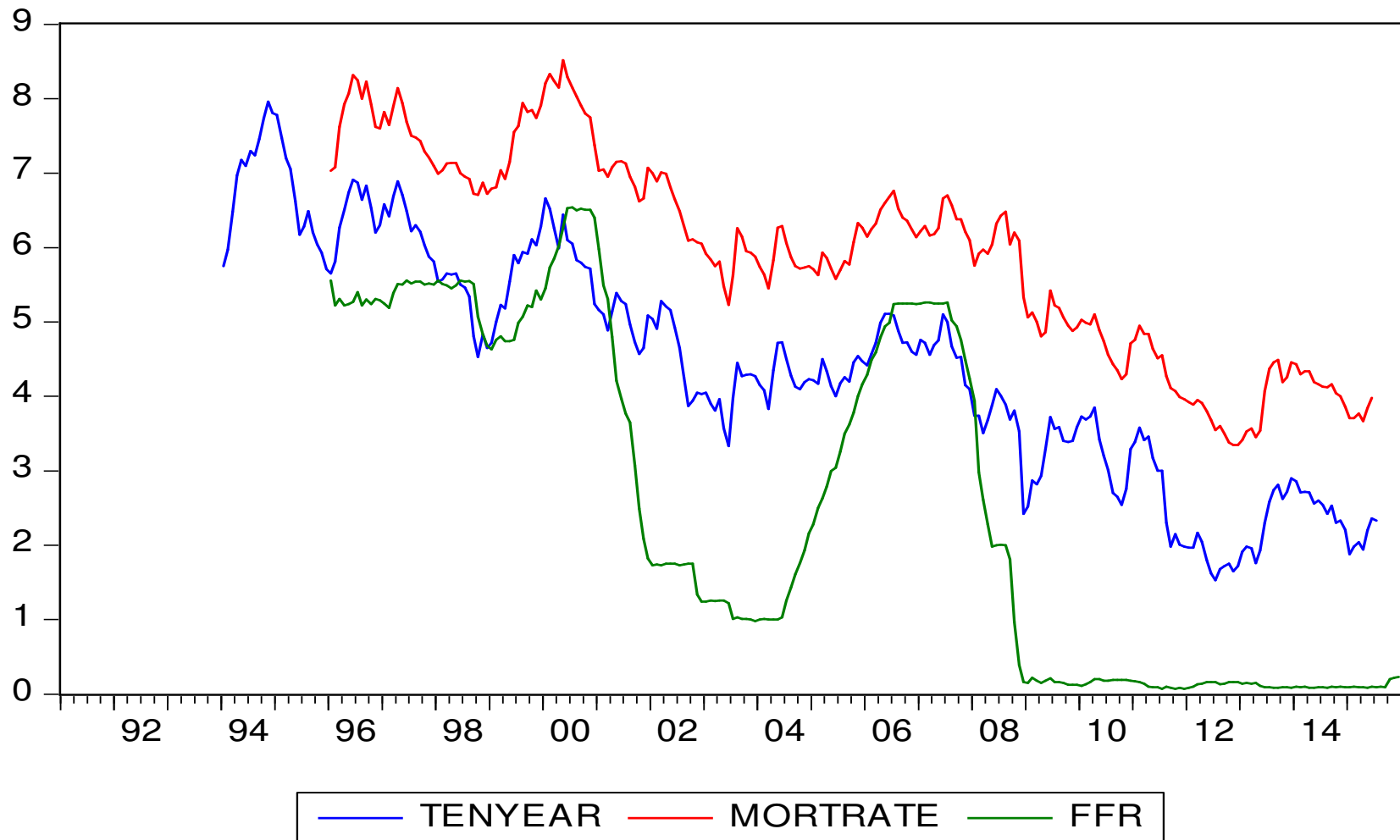
Executive Summary

The spring quarter (March, April, and May) showed continued growth in residential construction and tourism activity along the Grand Strand. However, retail sales in Georgetown and Williamsburg Counties were down, reflecting lower gasoline prices and the relative importance of gasoline sales in overall retail spending in these two counties. Single family home construction permits were up 12 percent for the quarter compared with the same quarter in 2014. Employment growth was consistently positive across all three counties (Horry, Georgetown, and Williamsburg). Nationally, a major question for the economy concerns the Federal Reserve and its stance in the coming months regarding monetary policy and short-term interest rates. The correlation with longer-term interest rates, and mortgage rates in particular, is not nearly as strong as the correlation with short-term rates. See the rate comparison graph on slide 4. Mortgage rates are expected to rise over the next year, but there may not be an immediate effect tied directly to the Federal Reserve's decision. For the spring quarter (March, April, and May), the 30-year mortgage rate averaged 3.8% compared with 4.3% for the same quarter in 2014. This gap is closing as reflected in the June 2015 30-year mortgage rate average of 4.0 compared with 4.2 for June 2014.

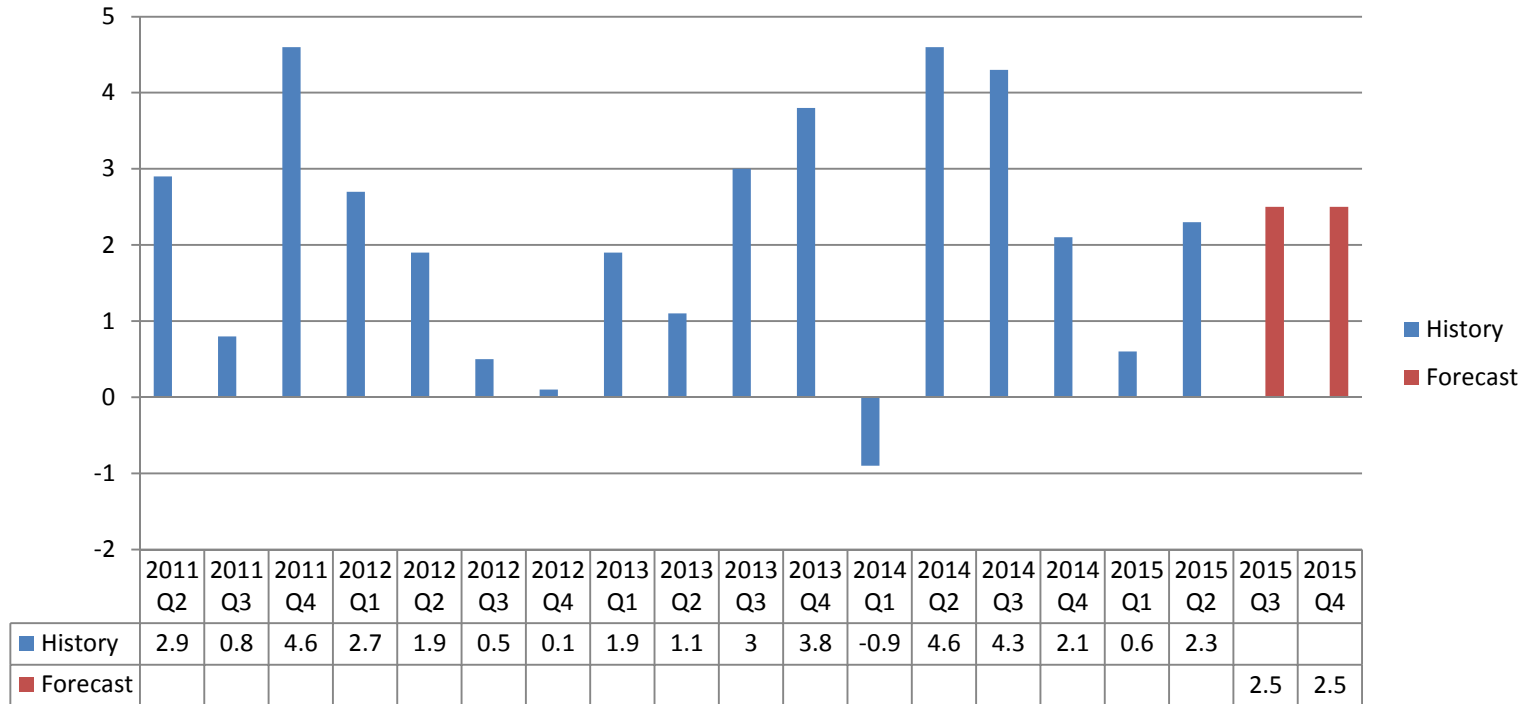
Helpful Notes and Reminders

- 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.

Federal Funds Rate v. Long-term Rates

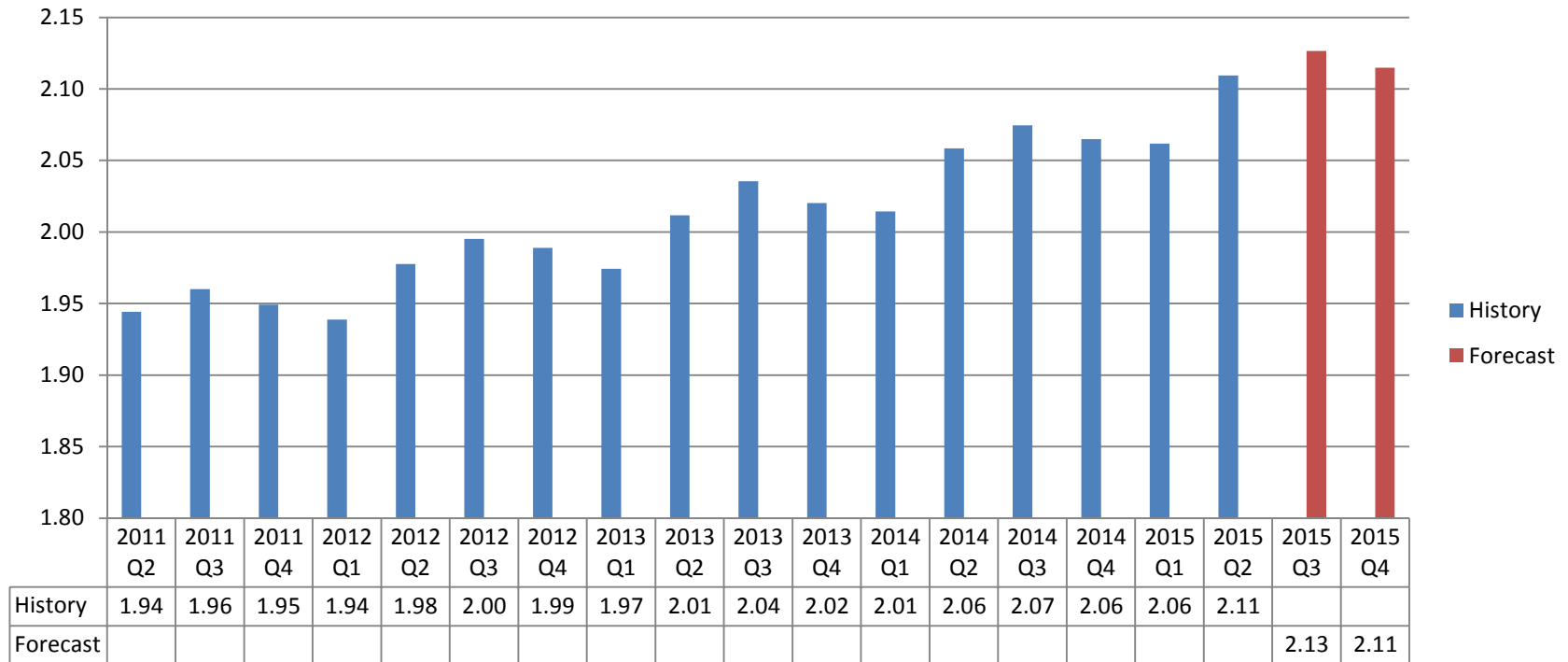


Annualized Real GDP Growth (%)



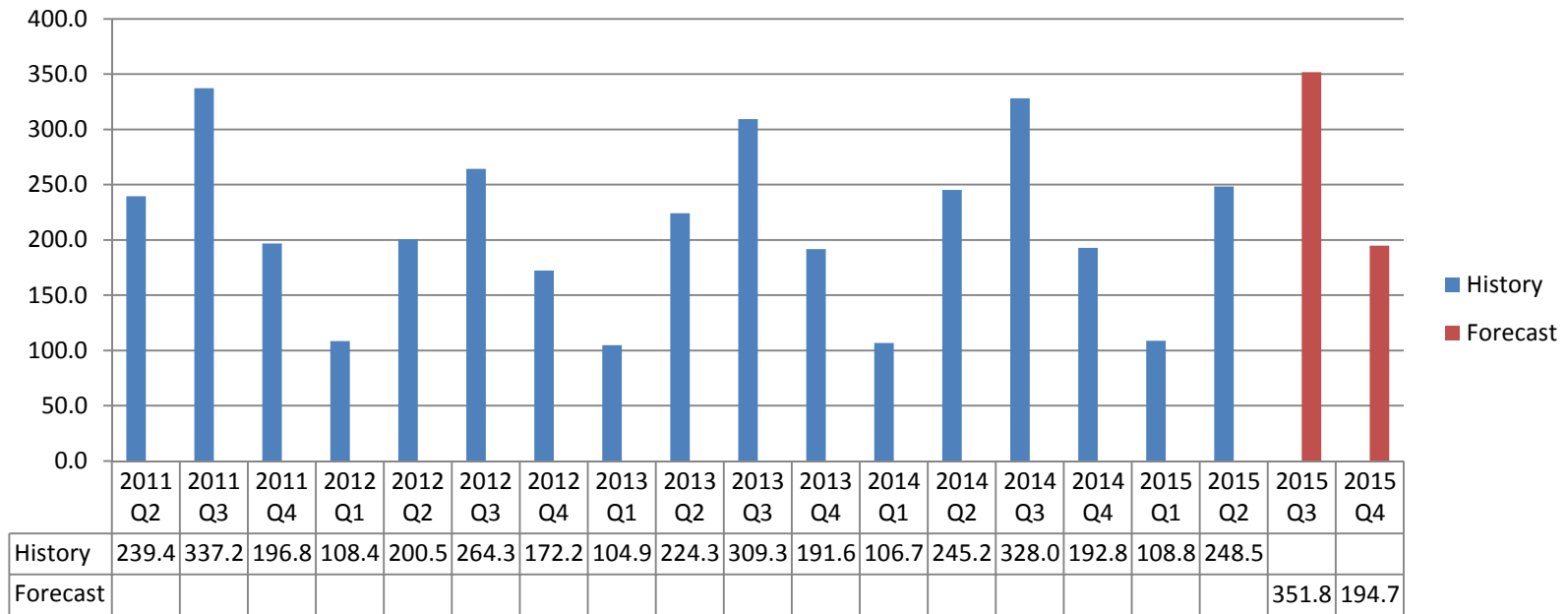
Source: U.S. Department of Commerce: Bureau of Economic Analysis

South Carolina Employment (Millions)



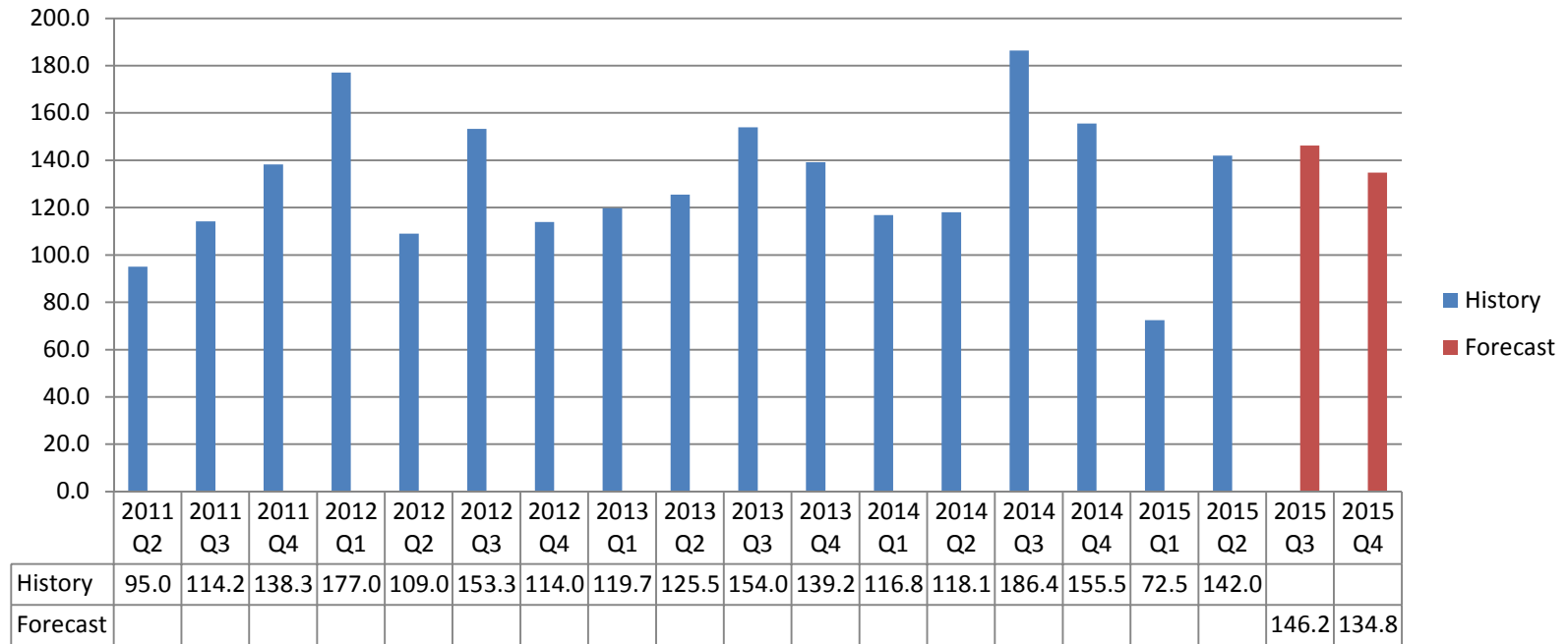
Source: Bureau of Labor Statistics

MYR Airport Deplanements (Thousands)



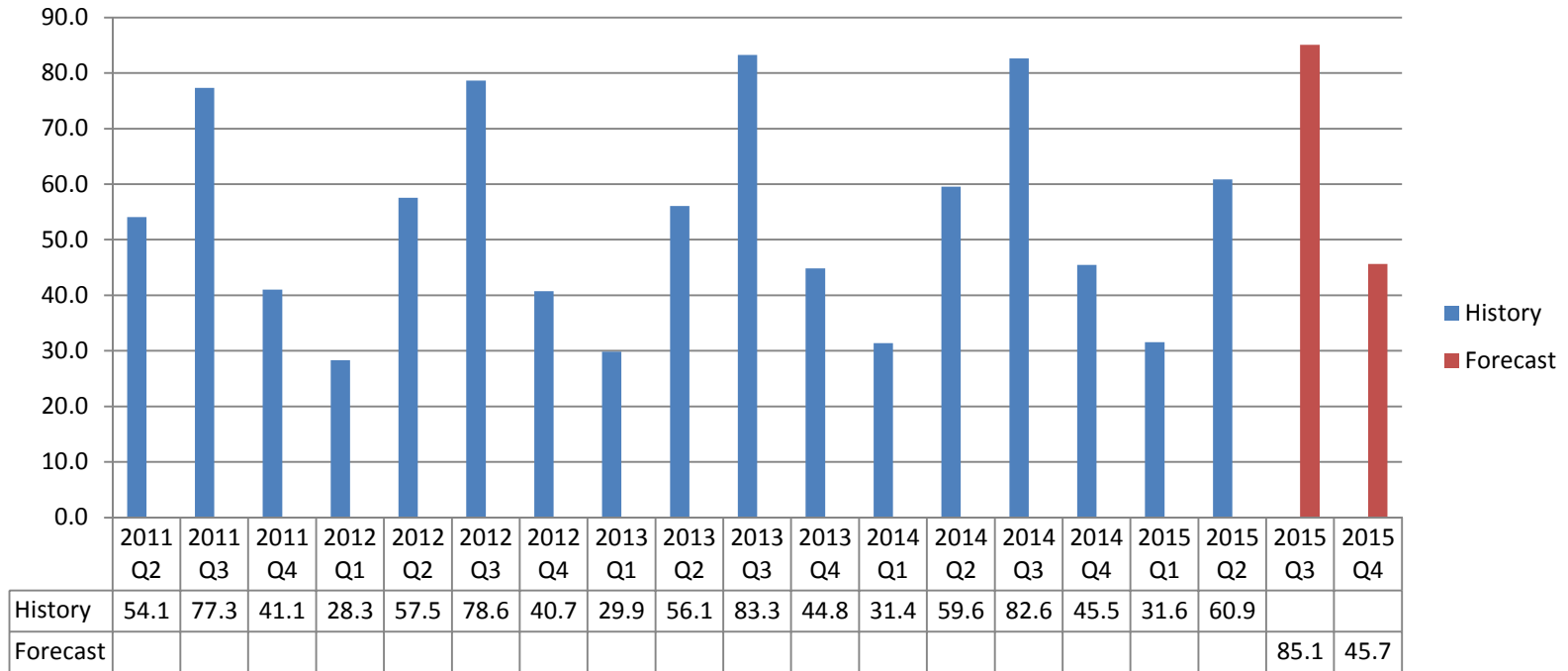
Source: Myrtle Beach International Airport

Georgetown Port Tonnage (Thousands)



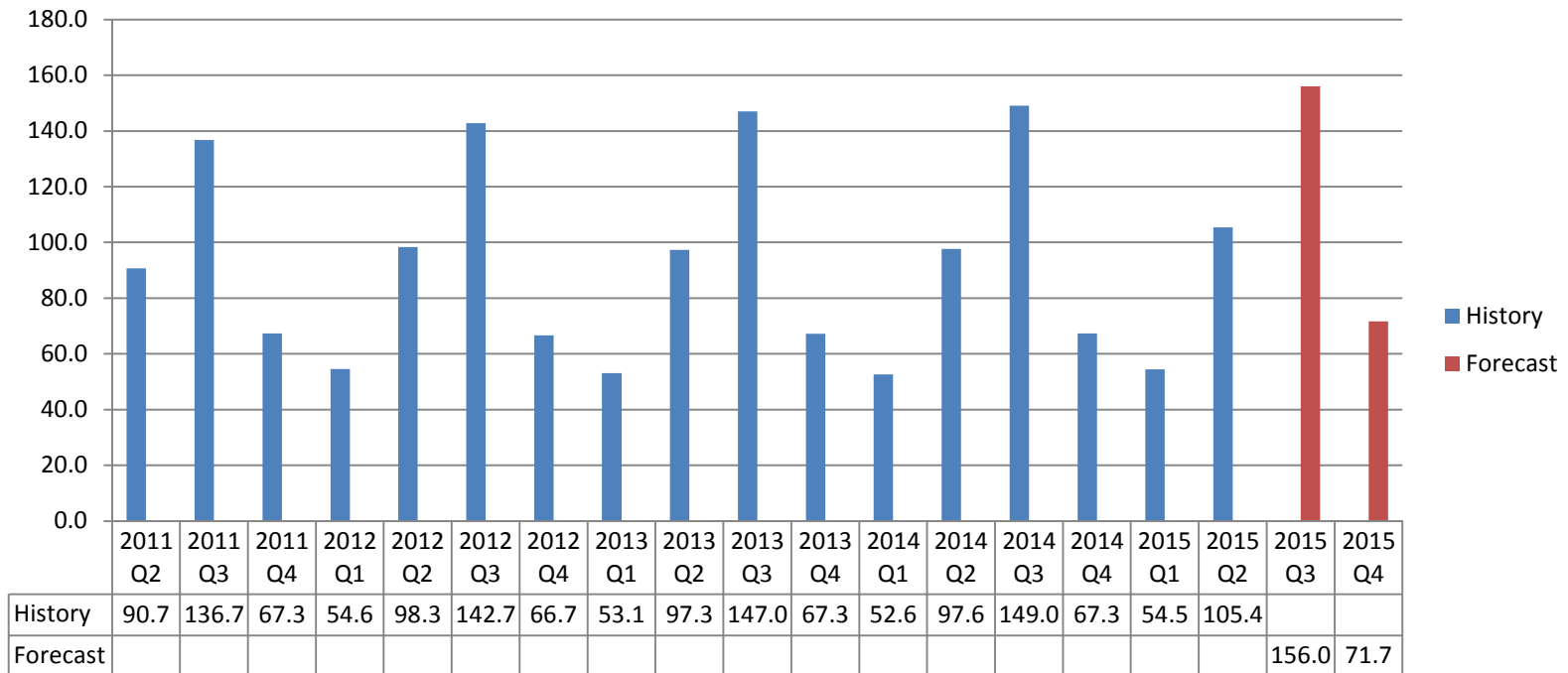
Source: Georgetown Port Authority

Hotel-Condotel-Campground Occupancy Rate



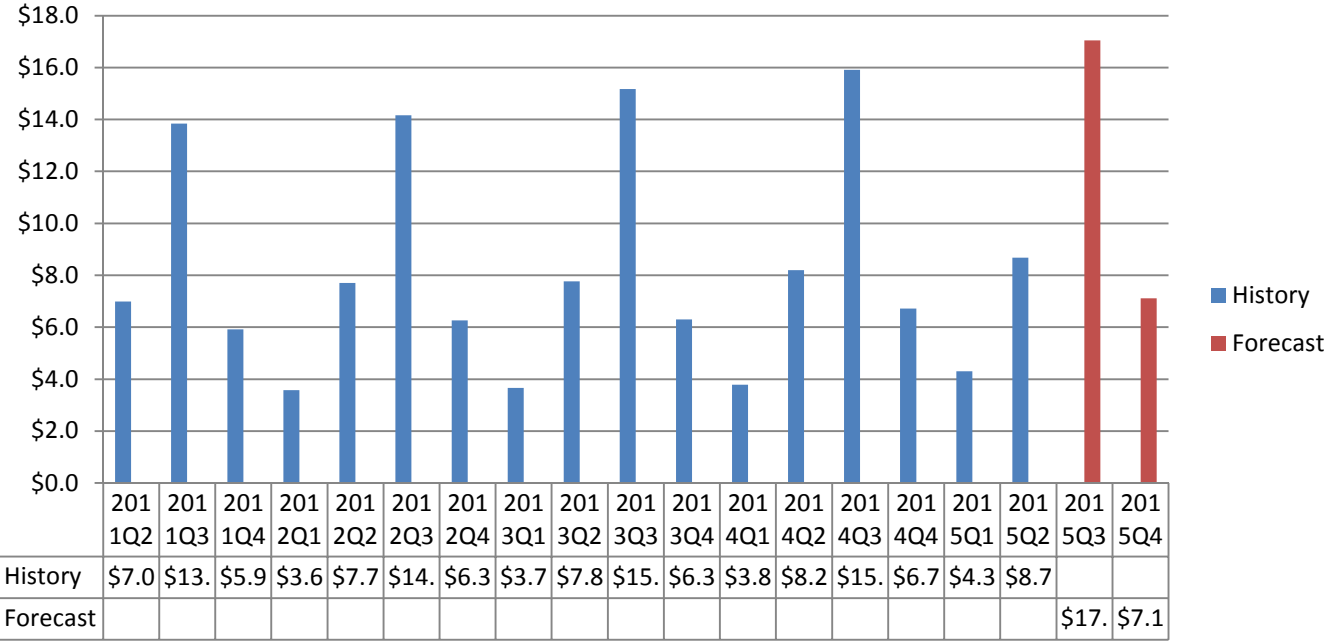
Source: Clay Brittain Jr. Center for Resort Tourism

Hotel-Condotel-Campground Average Daily Rate



Source: Clay Brittain Jr. Center for Resort Tourism

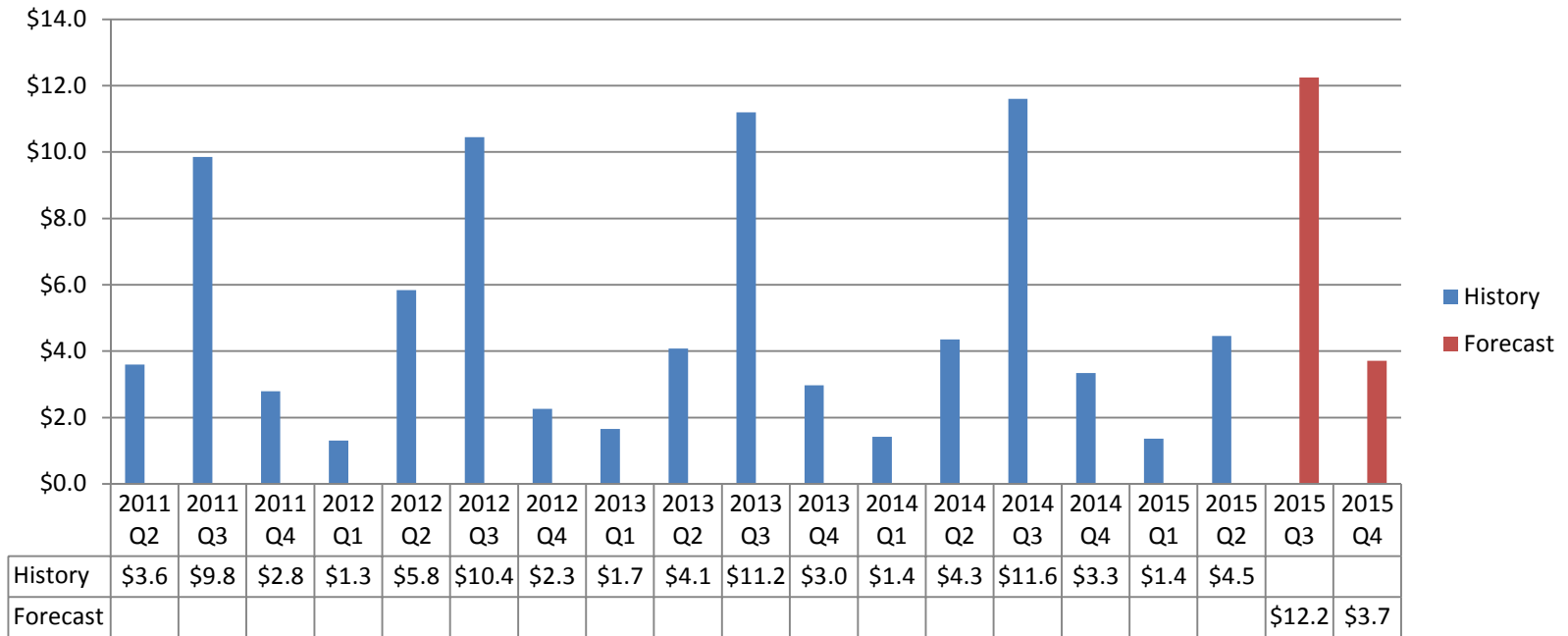
Horry 1.5% Hospitality Fee Revenue (\$Millions)
 (County-wide fees on accommodations, prepared foods, beverages, admissions)



Source: Horry County Government

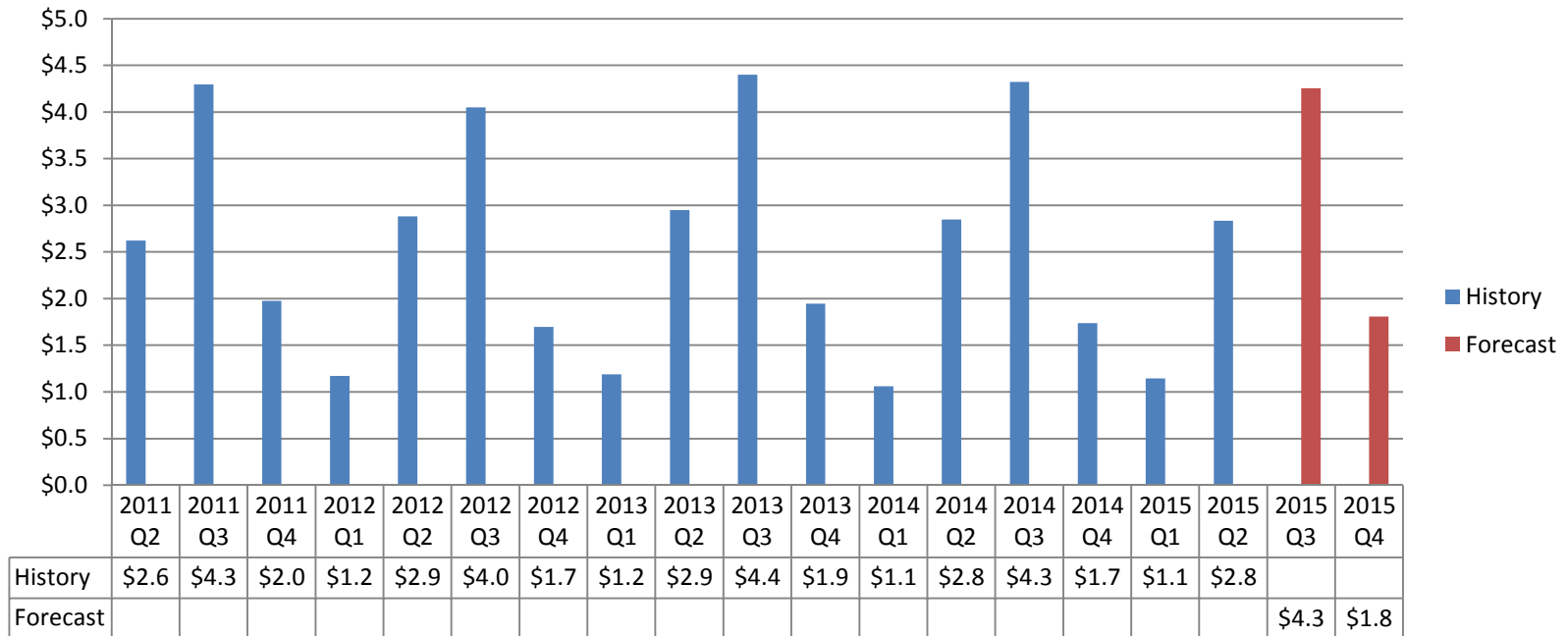


Accommodations Tax Revenue (\$Millions)



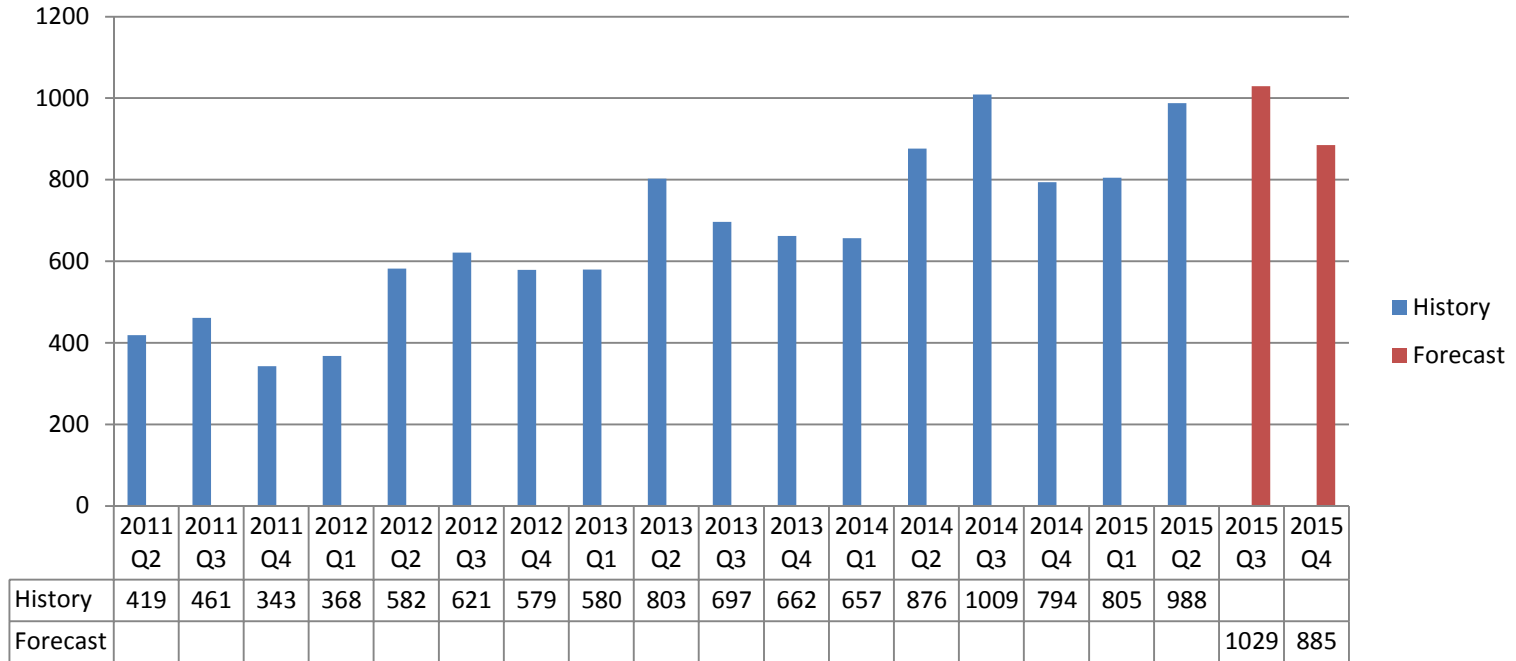
Source: SC Department of Revenue

5% State Admissions Tax (\$ Millions)



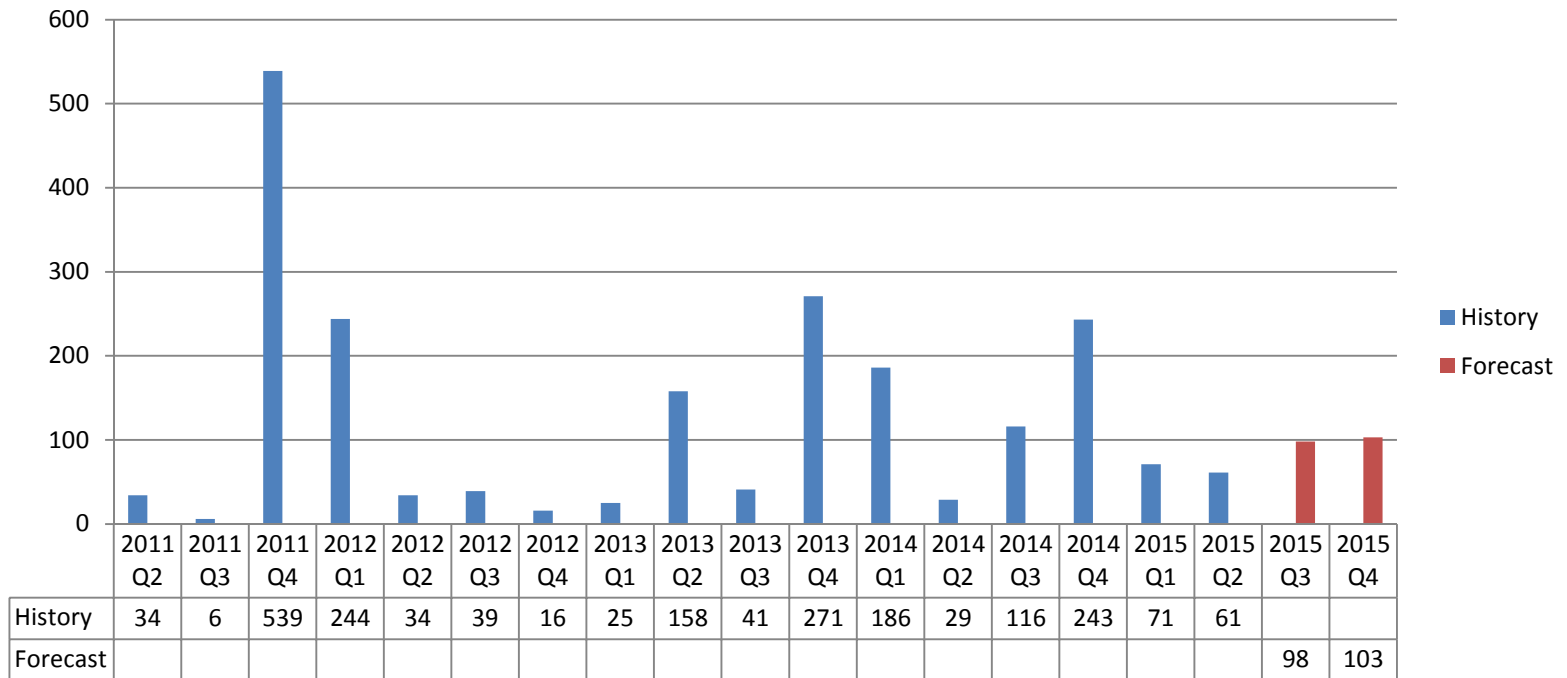
Source: SC Department of Revenue

Regional Single Family Permits



Source: HUD State of the Cities Data System

Regional Multi-family Permits



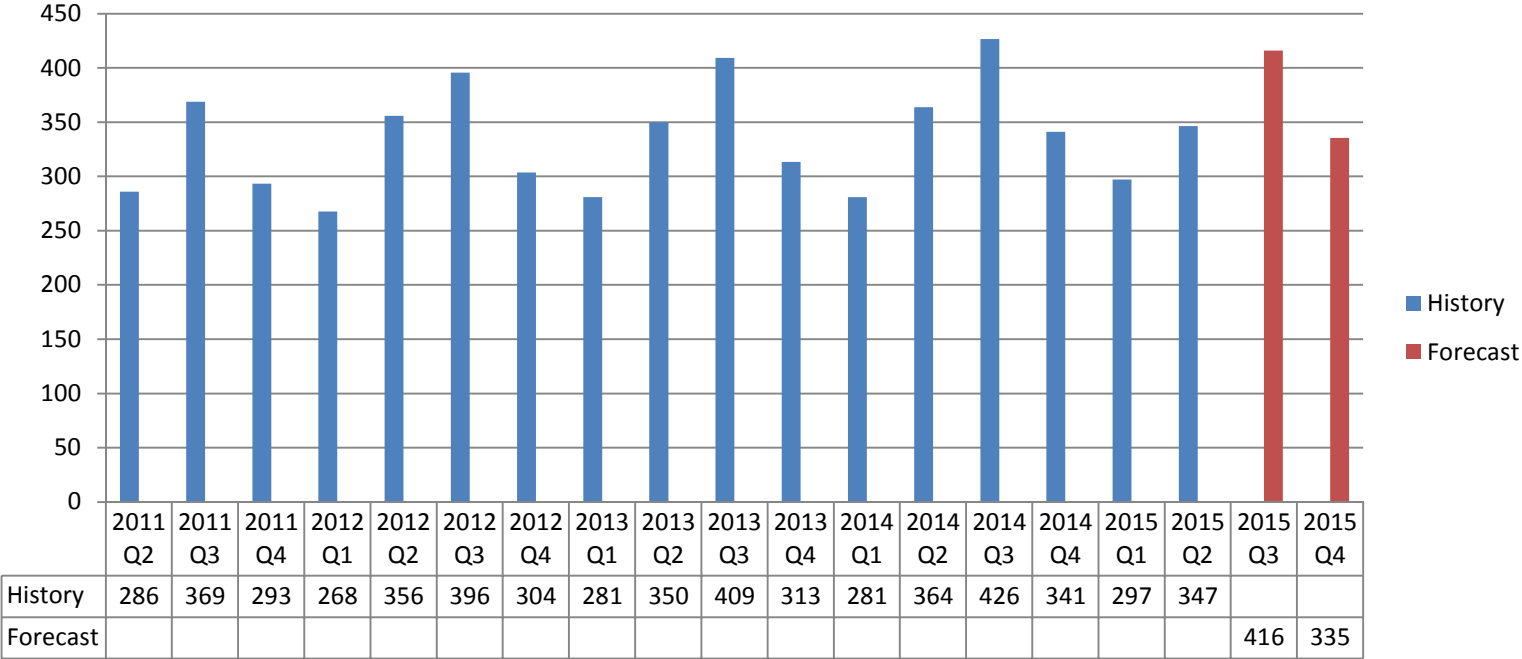
Source: HUD State of the Cities Data System

Regional Retail Sales (\$ Millions)

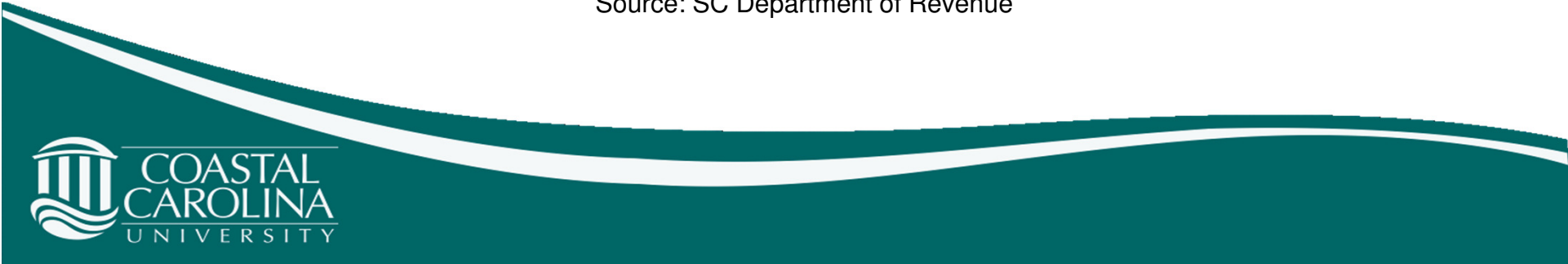


Source: SC Department of Revenue

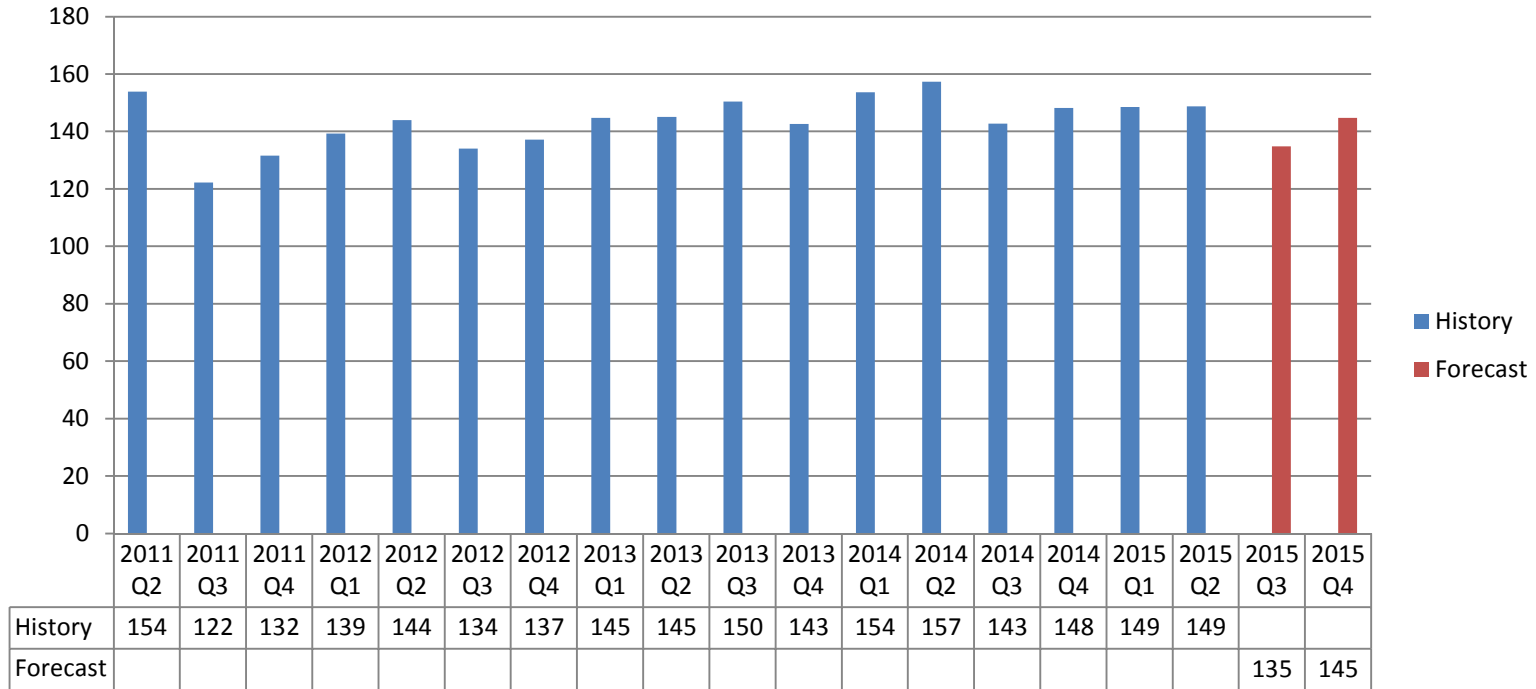
Georgetown Retail Sales (\$ Millions)



Source: SC Department of Revenue

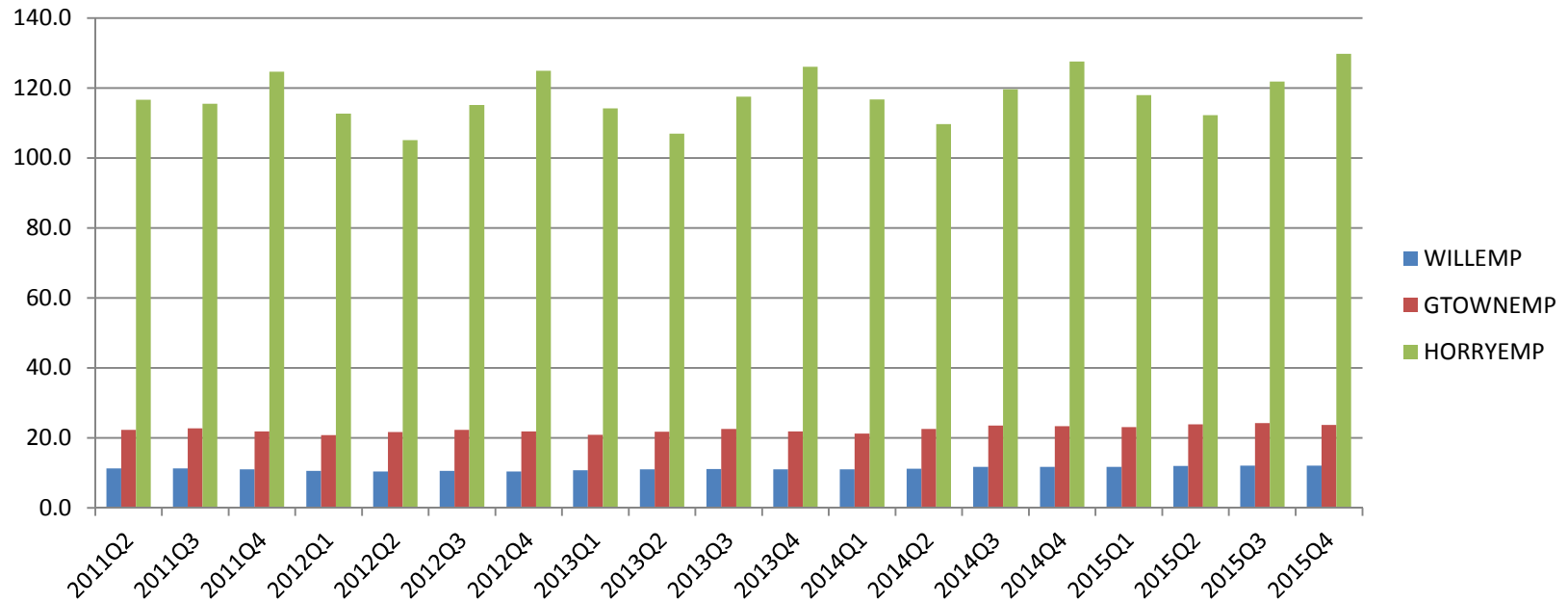


Williamsburg Retail Sales (\$ Millions)



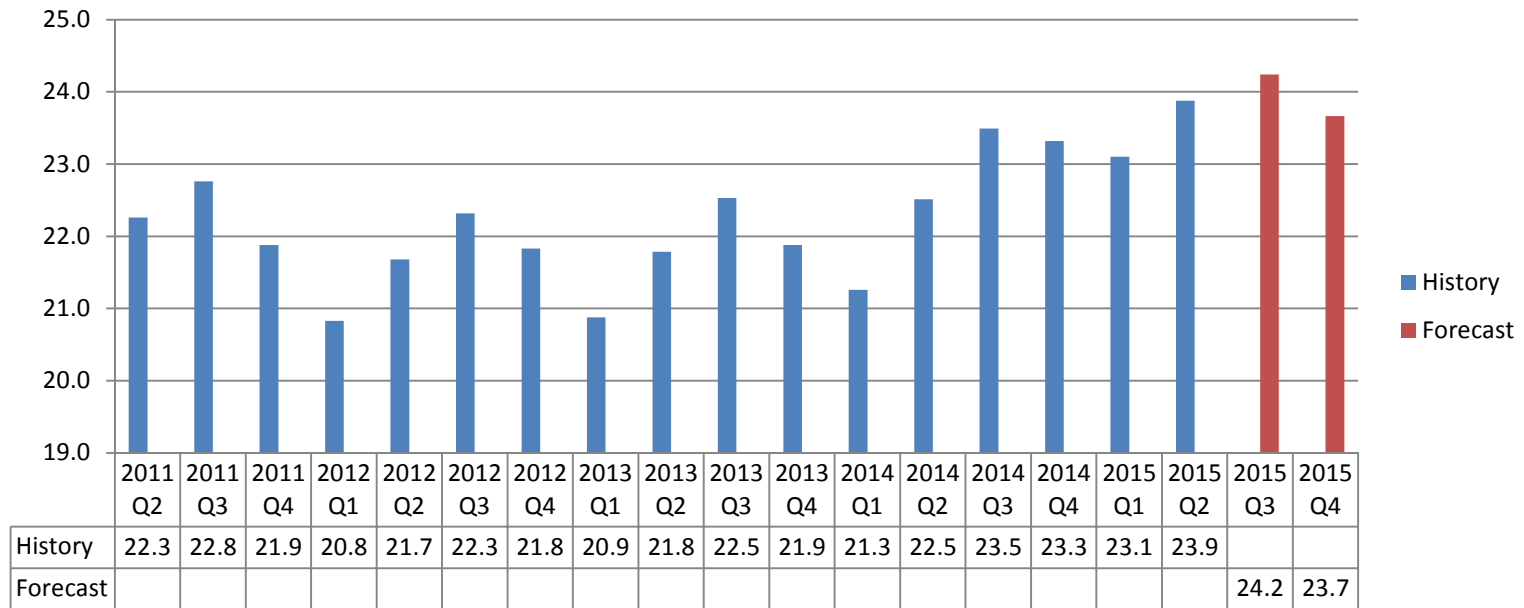
Source: SC Department of Revenue

Regional Employment Breakout (Thousands)



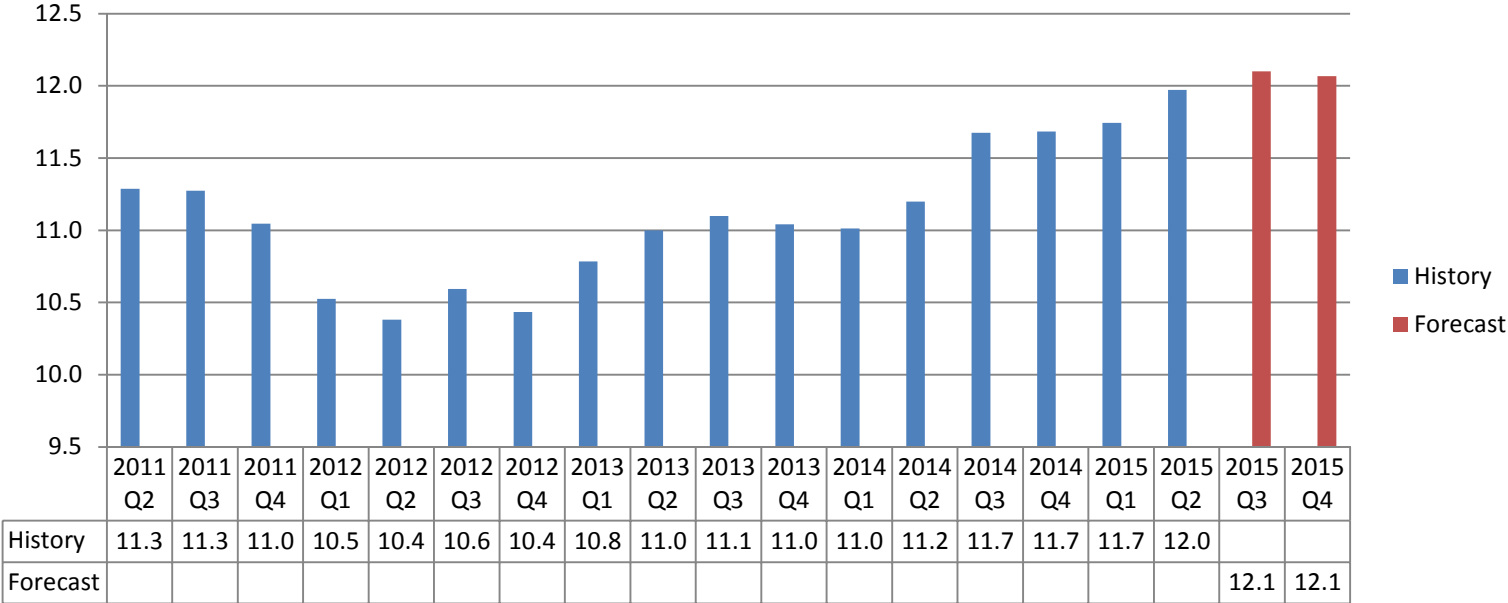
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

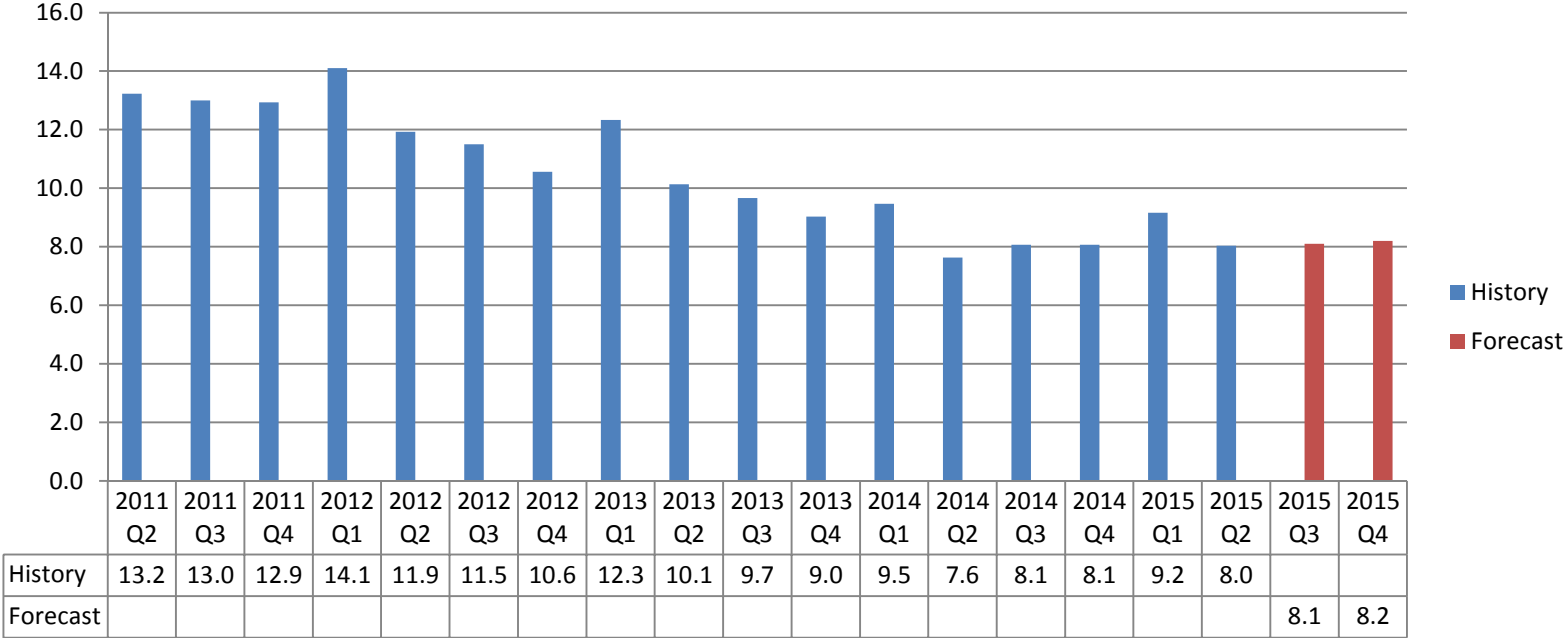
Williamsburg Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



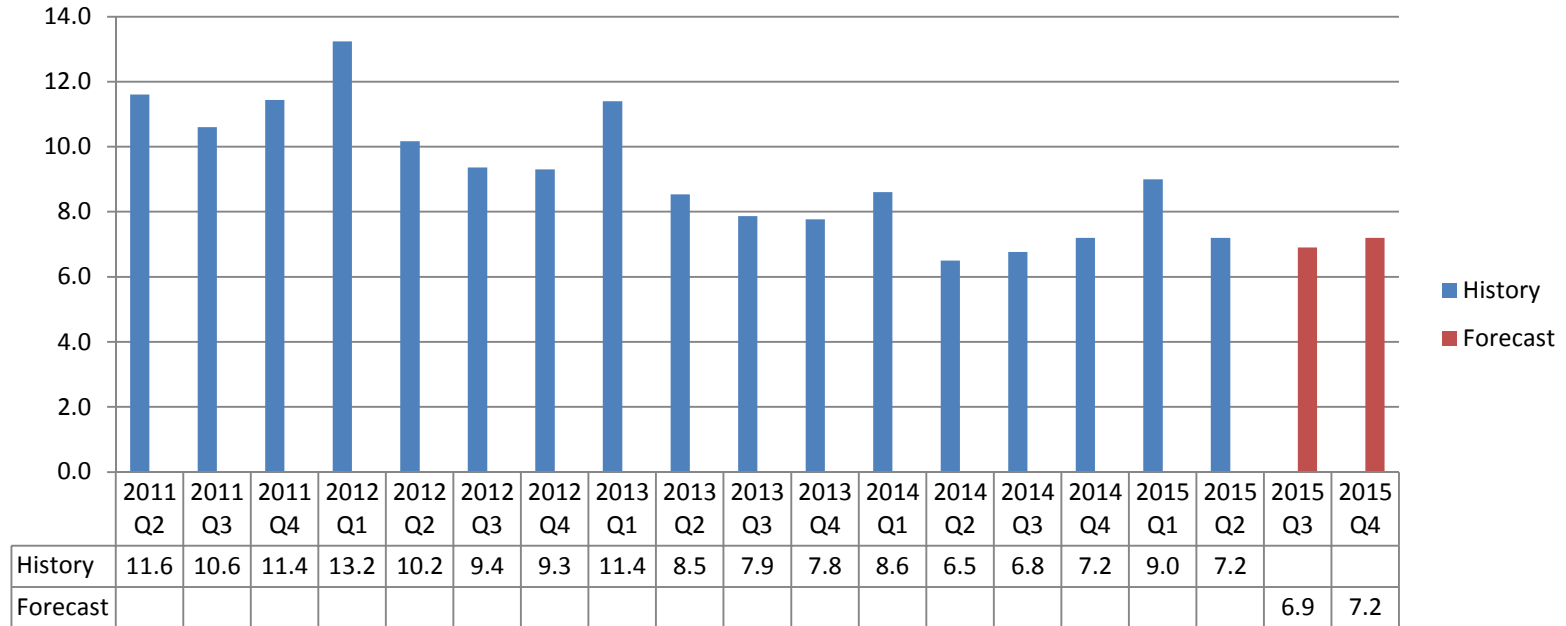
Georgetown Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

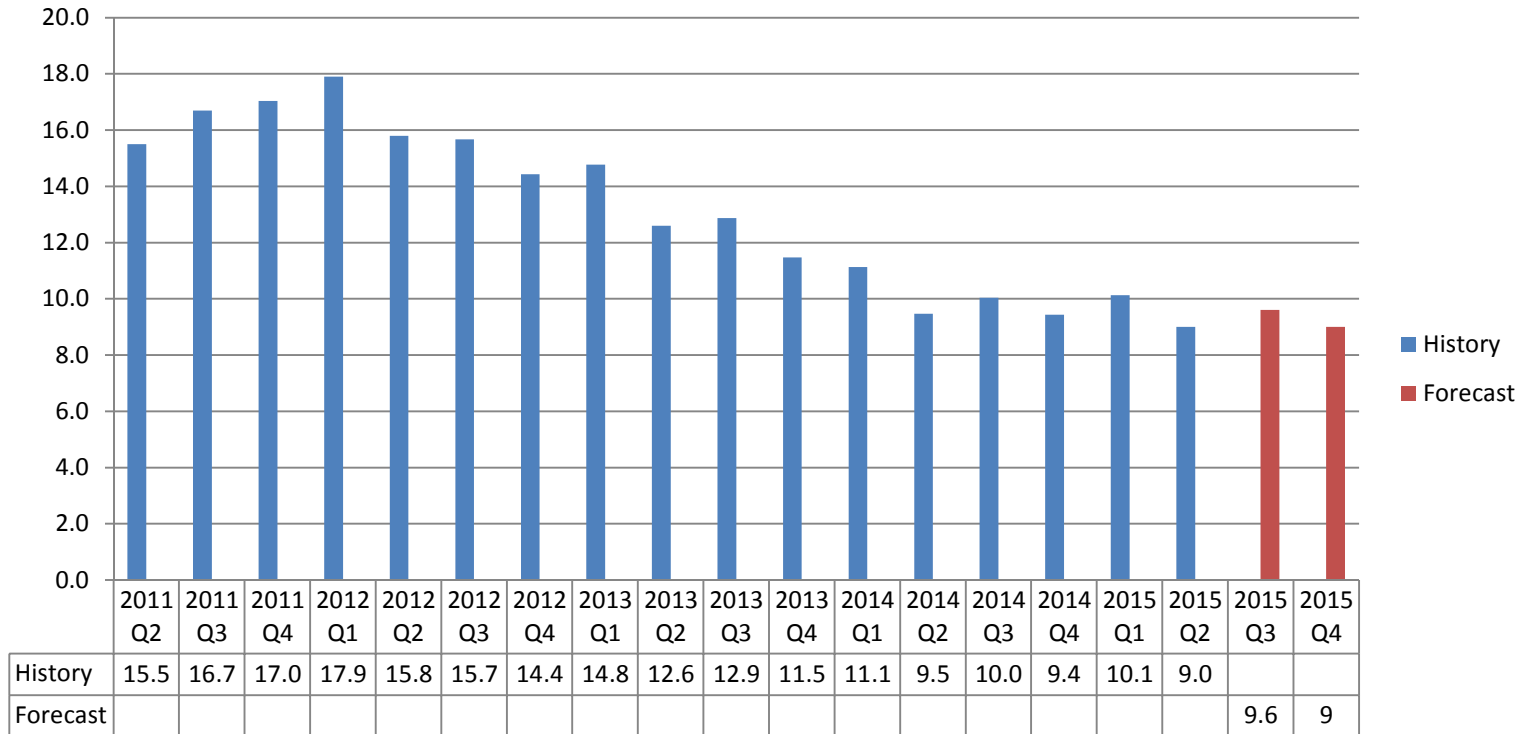


Horry Unemployment Rate



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: Summer 2015

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

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August 2015

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous Quarter Spring 2015	Current Quarter Summer 2015	Next Quarter Fall 2015	Previous Quarter Spring 2015	Current Quarter Summer 2015	Next Quarter Fall 2015
Airport Deplanements (thousands)	248.5	351.8	194.7	1.3	7.3	1.0
Port Tonnage (thousands)	142.0	146.2	134.8	20.2	-21.6	-13.3
Occupancy Rate (Full Week)	60.9	85.1	45.7	1.3	2.5	0.2
Average Daily Rate (Full Week)	\$ 105.4	\$ 156.0	\$ 71.7	7.8	6.9	4.4
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 8.7	\$ 16.6	\$ 7.1	6.0	4.4	6.1
Accommodations Tax Revenue (\$millions) ^a	\$ 4.5	\$ 12.2	\$ 3.7	2.6	5.6	11.0
Admissions Tax Revenue (\$millions)	\$ 2.8	\$ 4.3	\$ 1.8	-0.5	-1.6	4.0
Regional SF Building Permits*	988	1029	885	12.8	2.0	11.4
Regional MF Building Permits*	61	98	103	110.9	-15.7	-57.7
Retail Sales (\$millions)						
Georgetown County	\$ 346.5	\$ 416.0	\$ 335.5	-4.7	-2.4	-1.6
Horry County	\$ 2,475.0	\$ 3,258.9	\$ 2,306.9	2.3	3.2	5.0
Williamsburg County	\$ 148.8	\$ 134.8	\$ 144.7	-5.4	-5.5	-2.4
Employment (thousands)						
Georgetown County	23,876	24,242	23,664	6.1	3.2	1.5
Horry County	126,690	134,155	126,300	2.1	2.5	2.2
Williamsburg County	11,971	12,101	12,066	6.9	3.7	3.3
Unemployment Rate						
Georgetown County	8.0	8.1	8.2	0.4	0.0	0.1
Horry County	7.2	6.9	7.2	0.7	0.1	0.0
Williamsburg County	9	9.6	9	-0.5	-0.4	-0.4

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.