The Tourism Economy Study: CCU Lodging Update, July 21, 2016

Current Performance Estimates

Hotel, Condo-Hotel and Campsite Properties

Preliminary results from Coastal Carolina University’s voluntary sample of hotel, condo-hotel and campsite (HC-HC) properties along the Grand Strand during the week of July 10-16, 2016, indicate that the midweek occupancy rate averaged 84.9 percent, down 5.6 occupancy points or 6.2 percent compared to the equivalent week of 2015. During the Friday-Saturday night period, the occupancy rate averaged 94.3 percent, down 2 occupancy points or 2.1 percent compared to the equivalent weekend last year. The average daily rate (ADR) was down 1.8 percent during the midweek period but up 3.3 percent during the weekend compared with last year. Consequently, HC-HC occupancy for the week overall was down 4.6 occupancy points or 4.9 percent, and revenue per available room (RevPAR) was down 5.2 percent compared with the equivalent week of 2015.

VRPs

Based on the Brittain Center’s observations of random samples of Internet websites of vacation rental properties (VRPs) in the coastal sections of Horry and Georgetown counties (318 of the 3,135 units) for which complete data are publicly available, 90 percent were reserved or blocked from nightly rentals during the nights of July 9-15, 2016. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 3.7 occupancy points or 3.9 percent compared with the equivalent week of 2015. For the nights of July 16-22, 2016, 93.2 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 1.3 occupancy points or 1.4 percent compared with the equivalent week of 2015.

Six-Week Average Performance

During the nights of June 5-July 16, 2016, 84.3 percent of the lodging properties in the Brittain Center’s voluntary sample of HC-HC properties located along the Grand Strand were occupied, which was down 1.6 occupancy points or 1.9 percent compared with the equivalent weeks of 2015. The average daily rate for these properties was up 2.5 percent compared with the equivalent weeks last year, leading to a 0.5 percent increase in average RevPAR compared with the equivalent period last year. During the same period in 2016, 85.5 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, up 0.2 occupancy point or 0.2 percent compared with the equivalent weeks last year. Advertised prices for this segment were up 2.6 percent compared with the equivalent weeks last year, which would drive revenue per available bedroom up 2.8 percent compared with the equivalent period last year.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of July 23-24, 2016, calls for a 20 percent chance of rain on both days. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be as high as 94 percent for the weekend nights of July 22-23, even or within 2 occupancy points compared with the equivalent weekend of 2015. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 93.9 percent are reserved for the week of July 23-29, 2016. VRP reservations in Horry and Georgetown counties for that week are even compared with the same week of 2015.

Additional Research Notes

The Brittain Center’s preliminary sample of 26 HC-HC properties reporting for the week of July 10-16, 2016, consisted of 12 hotels (all but five are oceanfront/view, and five are brand affiliated), 13 condo-hotels (all are oceanfront/view), and one campground resort property. The results for the current moving six-week period are based on an average sample size of 9,008 units per week average.

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Note: The above analysis is based on sample estimates. Actual business performance results may vary greatly. Therefore, neither the above centers nor Coastal Carolina University warrant the use of the above data or analysis for specific business application.