The Tourism Economy Study: CCU Lodging Update, Oct. 6, 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 Sept. 25-Oct. 1, 2016, indicate that the midweek occupancy rate averaged 44.2 percent, up 3.4 occupancy points or 8.4 percent compared to the equivalent week of 2015. During the Friday-Saturday night period, the occupancy rate averaged 81.2 percent, up 35.7 occupancy points or 78.3 percent compared to the equivalent weekend last year, during which the area was impacted by Tropical Storm Joaquin. The average daily rate (ADR) was down 0.9 percent during the midweek period and up 14.3 percent during the weekend compared with last year. Consequently, HC-HC occupancy for the week overall was up 12.3 occupancy points or 29.2 percent, and revenue per available room (RevPAR) was up 37.2 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, 64.9 percent were reserved or blocked from nightly rentals during the nights of Sept. 24-30, 2016. The percentage of VRPs reserved in Horry and Georgetown counties combined was up 9.2 occupancy points or 16.5 percent compared with the equivalent week of 2015. For the nights of Oct. 1-7, 2016, 66.4 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 10.9 occupancy points or 19.7 percent compared with the equivalent week of 2015.

Six-Week Average Performance

During the nights of Aug. 21-Oct. 1, 2016, 66.7 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 up 6.8 occupancy points or 11.4 percent compared with the equivalent weeks of 2015. The average daily rate for these properties was up 6.7 percent compared with the equivalent weeks last year, driving average RevPAR up 18.9 percent compared with the equivalent period last year. During the same period in 2016, 75.1 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, up 12.8 occupancy points or 20.6 percent compared with the equivalent weeks last year. Advertised prices for this segment were up 6.5 percent compared with the equivalent weeks last year, which would drive revenue per available bedroom up 28.4 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 Oct. 8-9, 2016, calls for Hurricane Matthew to pass near the Myrtle Beach area. The SC Governor’s Office has announced the evacuation of the area east of Hwy 17 in Horry and Georgetown Counties as of 12 noon Thursday, Oct. 6, 2016. Consequently, average occupancy for HC-HCs and VRPs located East of Hwy 17 is expected to be nil, but researchers at the Brittain Center expect that average occupancy for lodging properties located in areas of Horry and Georgetown Counties that are west of the evacuated areas may be near 90 percent during the period of the evacuation. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 54.4 percent are reserved for the week of Oct. 8-14, 2016. VRP reservations in Horry and Georgetown counties for that week are up 3.1 occupancy points or 6 percent compared with the same week of 2015.

Additional Research Notes

The Brittain Center’s preliminary sample of 28 HC-HC properties reporting for the week of Sept. 25-Oct. 1, 2016, consisted of 13 hotels (all but five are oceanfront/view, and five are brand affiliated), 14 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 9,236 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.