The Tourism Economy Study: CCU Lodging Update, Jan. 11, 2018

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 week of Dec. 24-30, 2017, indicates that the midweek occupancy rate averaged 36.1 percent, down 7.4 occupancy points or 17 percent compared to the equivalent week of 2016. During the Friday-Saturday night period, the occupancy rate averaged 58.6 percent, down 10.8 occupancy points or 15.6 percent compared to the equivalent weekend in 2016. The average daily rate (ADR) was down 2.3 percent during the midweek period and down 4.5 percent compared with the equivalent weekend period in 2016. Consequently, HC-HC occupancy for the week overall was down 8.5 occupancy points or 16.7 percent, and ADR was down 3.3 percent, leaving revenue per available room (RevPAR) down 19.4 percent compared with the equivalent week of 2016.

Preliminary results from Coastal Carolina University’s voluntary sample of hotel, condo-hotel and campsite (HC-HC) properties along the Grand Strand during week of Dec. 31, 2017-Jan. 6, 2018, indicates that the midweek occupancy rate averaged 28.7 percent, up 5.2 occupancy points or 22.8 percent compared to the equivalent week of 2016-2017. (More specifically, on Dec. 31, 2017, which this year fell on Sunday, occupancy averaged 53.6 percent, up 17.9 occupancy points, or 50.1 percent compared with Jan. 1, 2017, which was Sunday of New Year’s weekend 52 weeks ago. During Friday-Saturday night, Jan. 5-6, 2018, the occupancy rate averaged 23.7 percent, down 7.3 occupancy points or 31.1 percent compared to the equivalent weekend in 2017. The average daily rate (ADR) was up 11.7 percent during the midweek period but down 10.4 percent compared with the equivalent weekend period in 2017.) Consequently, HC-HC occupancy for the week overall was up 1.7 occupancy points or 7.1 percent, and ADR was up 8.7 percent, leaving revenue per available room (RevPAR) up 16.4 percent compared with the equivalent week of 2016-2017.

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, 45.8 percent were reserved or blocked from rental during the week of Dec. 30, 2017-Jan. 5, 2018. The level of reservations was up 6.1 occupancy points or 15.4 percent compared with the equivalent week of 2016-2017. For the nights of Jan. 6-12, 2018, 37.9 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 3.6 occupancy points or 10.6 percent compared with the equivalent week in 2017.

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Six-Week Average Performance

Preliminary results indicate that during the nights of Nov. 26, 2017-Jan. 6, 2018, 26 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 occupancy point or 3.7 percent compared with the equivalent weeks of 2016-2017. The average daily rate for these properties was down 1 percent compared with the equivalent weeks of 2016-2017, leaving average RevPAR down 4.7 percent compared with the equivalent period of 2016-2017. During the same period, 37.6 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from weekly rentals, down 9 occupancy points or 19.3 percent compared with the equivalent weeks in 2016-2017. Average advertised price for this segment was down 5.2 percent compared with 2016-2017, which would leave revenue per available bedroom down 23.6 percent compared with the equivalent weeks in 2016-2017.

Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of Jan. 13-14, 2018, calls for a high temperature of 53 degrees and 44 degrees, and a 10 percent and 0 percent chance of precipitation, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 50 percent for the nights of Jan 12-13, 2018. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 39.5 percent are reserved for the week of Jan. 13-19, 2018, up 13.1 occupancy points or 49.4 percent compared with the equivalent week of 2017.

Additional Research Notes

The Brittain Center’s preliminary sample of 21 HC-HC properties reporting for the week of Dec. 31, 2017-Jan. 6, 2018, consisted of nine hotels (all but five are oceanfront/view, and four are brand affiliated), 11 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 7,815 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.