The Tourism Economy Study: CCU Lodging Update, Jan. 12, 2017

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 Jan. 1-7, 2017, indicates that the midweek occupancy rate averaged 22.7 percent, up 3.6 occupancy points or 18.8 percent compared to the equivalent week of 2016. During the Friday-Saturday night period, the occupancy rate averaged 23.2 percent, down 3 occupancy points or 11.6 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 52.8 percent during the midweek period and up 21.2 percent during the weekend compared with last year. Consequently, HC-HC occupancy for the week overall was up 1.7 occupancy points or 7.9 percent, and revenue per available room (RevPAR) was up 52.7 percent compared with the equivalent week of 2016.

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, 32.6 percent were reserved or blocked from nightly rentals during the nights of Dec. 31, 2016-Jan. 6, 2017. The level of reservations was down 3.2 occupancy points or 9 percent compared with the equivalent week of 2015-2016. For the nights of Jan. 7-13, 2017, 29.9 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 6.1 occupancy points or 16.9 percent compared with the equivalent week of 2016.

Six-Week Average Performance

Preliminary results indicate that during the nights of Nov. 27, 2016-Jan. 7, 2017, 27.2 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 0.3 occupancy point or 1.2 percent compared with the equivalent weeks of 2015-2016. The average daily rate for these properties was up 14.4 percent compared with the equivalent weeks of 2015-2016, driving average RevPAR up 13.1 percent compared with the equivalent period of 2015-2016. During the same period in 2016-2017, 46.6 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, up 7.3 occupancy points or 18.7 percent compared with the equivalent weeks of 2015-2016. Advertised prices for this segment were up 5 percent compared with the equivalent weeks of 2015-2016, which would drive revenue per available bedroom up 24.5 percent compared with the equivalent weeks of 2015-2016.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of Jan. 14-15, 2017, calls for a high temperature of 61 degrees and 66 degrees, respectively, and a 10 percent chance of precipitation on both days. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 48 percent for the nights of Jan. 13-14. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 27.7 percent are reserved for the week of Jan. 14-20, 2017. VRP reservations in Horry and Georgetown counties for that week are down 10 occupancy points or 26.5 percent compared with the same week of 2016.

Additional Research Notes

The Brittain Center’s preliminary sample of 25 HC-HC properties reporting for the week of Jan. 1-7, 2017, consisted of 11 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 8,574 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.