The Tourism Economy Study: CCU Lodging Update, March 30, 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 March 19-25, 2017, indicates that the midweek occupancy rate averaged 40.5 percent, down 0.4 occupancy point or 0.8 percent compared to the equivalent week of 2016. During the Friday-Saturday night period, the occupancy rate averaged 75.3 percent, down 9.1 occupancy points or 10.8 percent compared to the equivalent weekend last year. The average daily rate (ADR) was down 7.3 percent during the midweek period and down 7.6 percent during the weekend compared with last year. Consequently, HC-HC occupancy for the week overall was down 10.6 occupancy points or 17.5 percent, and revenue per available room (RevPAR) was down 23 percent compared with the equivalent week of 2016, which in that year included the Easter holiday on Friday.

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, 43.2 percent were reserved or blocked from nightly rentals during the nights of March 18-24, 2017. The level of reservations was down 23 occupancy points or 34.7 percent compared with the equivalent week of 2016. For the nights of March 25-31, 2017, 55.4 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 21.9 occupancy points or 28.3 percent compared with the equivalent week of 2016, which in that year included Easter.

Six-Week Average Performance

Preliminary results indicate that during the nights of Feb. 12-March 25, 2017, 51.5 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 0.6 occupancy point or 1.1 percent compared with the equivalent weeks of 2016. The average daily rate for these properties was up 9.3 percent compared with the equivalent weeks of 2016, driving average RevPAR up 8.1 percent compared with the equivalent period of 2016. During the same period in 2017, 46.5 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 6.5 occupancy points or 12.3 percent compared with the equivalent weeks of 2016. Advertised prices for this segment were up 2.6 percent compared with the equivalent weeks of 2016, which would drive revenue per available bedroom down 10 percent compared with the equivalent weeks of 2016, which in that year included Easter.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of April 1-2, 2017, calls for a high temperature of 78 degrees and 71 degrees, and a 10 percent and 0 chance of precipitation, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 75 percent for the nights of March 31-April 1, 2017. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 55.4 percent are reserved for the week of March 25-31, 2017. VRP reservations in Horry and Georgetown counties for that week are down 21.9 occupancy points or 28.3 percent compared with the same week of 2016.

Additional Research Notes

The Brittain Center’s preliminary sample of 26 HC-HC properties reporting for the week of March 19-25, 2017, 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 8,743 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.