The Tourism Economy Study: CCU Lodging Update, April 5, 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 the week of March 25-31, 2018, indicate that the midweek occupancy rate averaged 48.1 percent, up 1.4 occupancy points or 2.9 percent compared to the equivalent week of 2017. During the Friday-Saturday night period, the occupancy rate averaged 74.5 percent, down 5.8 occupancy points or 7.2 percent compared to the equivalent weekend in 2017. The average daily rate (ADR) was up 9.5 percent during the midweek period and up 43.2 percent compared with the equivalent weekend period in 2017, which in that year did not include the Easter Friday religious observance. Consequently, HC-HC occupancy for the week overall was down 0.8 occupancy point or 1.4 percent, but ADR was up 23.7 percent, bringing revenue per available room (RevPAR) up 22 percent compared with the equivalent week of 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, 63.3 percent were reserved or blocked from rental during the week of March 24-30, 2018. The level of reservations was up 17.6 occupancy points or 38.7 percent compared with the equivalent week of 2017. For the nights of March 31-April 6, 2018, 91.1 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 37.5 occupancy points or 69.9 percent compared with the equivalent week in 2017, which in that year did not include the Easter religious observance.

Six-Week Average Performance

Preliminary results indicate that during the nights of Feb. 18-March 31, 2018, 49.7 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 down 3.8 occupancy points or 7.1 percent compared with the equivalent weeks of 2017. The average daily rate for these properties was even compared with the equivalent weeks of 2017, leaving average RevPAR down 7.1 percent compared with the equivalent period of 2017. During the same period, 55.6 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from weekly rentals, up 4.7 occupancy points or 9.3 percent compared with the equivalent weeks in 2017. Average advertised price for this segment was down 6.5 percent compared with 2017, which would leave revenue per available bedroom up 2.2 percent compared with the equivalent weeks in 2017.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of April 7-8, 2018, calls for a high temperature of 74 degrees and 58 degrees, and a 60 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 80 percent for the nights of April 6-7, 2018. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 56 percent are reserved for the week of April 7-13, 2018, up 11.7 occupancy points or 26.6 percent compared with the equivalent week of 2017.

Additional Research Notes

The Brittain Center’s preliminary sample of 22 HC-HC properties reporting for the week of March 25-31, 2018, consisted of 11 hotels (all but four are oceanfront/view, and three are brand affiliated), 10 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 8,069 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.