The Tourism Economy Study: CCU Lodging Update, May 25, 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 May 14-20, 2017, indicates that the midweek occupancy rate averaged 54.7 percent, up 0.3 occupancy point or 0.5 percent compared to the equivalent week of 2016. During the Friday-Saturday night period, the occupancy rate averaged 89.5 percent, up 0.6 occupancy point or 0.7 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 4 percent during the midweek period and up 15.4 percent during the weekend compared with last year. Consequently, HC-HC occupancy for the week overall was up 0.4 occupancy point or 0.6 percent, and revenue per available room (RevPAR) was up 9.8 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, 63 percent were reserved or blocked from rental during the week of May 13-19, 2017. The level of reservations was up 3.6 occupancy points or 6 percent compared with the equivalent week of 2016. For the nights of May 20-26, 2017, 79.3 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 12.3 occupancy points or 18.5 percent compared with the equivalent week of 2016.

Six-Week Average Performance

Preliminary results indicate that during the nights of April 9-May 20, 2017, 64.3 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 8.7 occupancy points or 15.6 percent compared with the equivalent weeks of 2016. The average daily rate for these properties was up 11.7 percent compared with the equivalent weeks of 2016, driving average RevPAR up 29.1 percent compared with the equivalent period of 2016. During the same period in 2017, 61.7 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from weekly rentals, up 10.3 occupancy points or 20 percent compared with the equivalent weeks of 2016. Advertised prices for this segment were up 7.5 percent compared with the equivalent weeks of 2016, which would drive revenue per available bedroom up 28.9 percent compared with the equivalent weeks of 2016.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of May 27-29, 2017, calls for a 0 percent, 20 percent, and 60 percent chance of precipitation, respectively, and a high temperature of 90 degrees on all three days. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 90 percent for the nights of May 26-27, 2017, and 80 percent on May 28, 2017. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 79 percent are reserved for the week of May 27-June 2, 2017. VRP reservations in Horry and Georgetown counties for that week are up 12.3 occupancy points or 18.5 percent compared with the same week of 2016.

Additional Research Notes

The Brittain Center’s preliminary sample of 27 HC-HC properties reporting for the week of May 14-20, 2017, consisted of 13 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 9,084 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.