The Tourism Economy Study: CCU Lodging Update, Aug. 30, 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 Aug. 19-25, 2018, indicate that the midweek occupancy rate averaged 71.7 percent, down 3.4 occupancy points or 4.5 percent compared to the equivalent week of 2017. During the Friday-Saturday night period, the occupancy rate averaged 86.1 percent, up 1.5 occupancy points or 1.8 percent compared to the equivalent weekend in 2017. The average daily rate (ADR) was down 6.1 percent during the midweek period and down 0.8 percent compared to the equivalent weekend period in 2017. Consequently, HC-HC occupancy for the week overall was down 2.1 occupancy points or 2.8 percent, but ADR was down 4.3 percent, leaving revenue per available room (RevPAR) down 6.9 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, 73 percent were reserved or blocked from rental during the week of Aug. 18-24, 2018. The level of reservations was down 8.1 occupancy points or 10 percent compared with the equivalent week of 2017. For the nights of Aug. 25-31, 2018, 67.4 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 3.8 occupancy points or 5.3 percent compared with the equivalent week in 2017.

Six-Week Average Performance

Preliminary results indicate that during the nights of July 8-Aug. 25, 2018, 86.4 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 6.1 occupancy points or 6.2 percent compared with the equivalent weeks of 2017. The average daily rate for these properties was up 0.4 percent compared with the equivalent weeks of 2017, driving average RevPAR up 6.6 percent compared with the equivalent period of 2017. During the same period, 86.8 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from weekly rentals, down 0.9 occupancy point or 1 percent compared with the equivalent weeks in 2017. Average advertised price for this segment was up 4.9 percent, which would bring revenue per available bedroom up 3.9 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 Sept. 1-2, 2018, calls for 20 percent and 40 percent chance of precipitation, respectively, and a high temperature of 86 degrees on both days. 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 Aug. 31-Sept. 1, 2018. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 67.5 percent are reserved for the week of Sept. 1-7, 2018, down 5.3 occupancy points or 7.3 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 Aug. 19-25, 2018, consisted of nine hotels (all but four are oceanfront/view, and three are brand-affiliated), 12 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 8,026 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.