The Tourism Economy Study: CCU Lodging Update, Oct. 19, 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 Oct. 8-14, 2017, indicates that the midweek occupancy rate averaged 50.2 percent, up 26.1 occupancy points or 108.2 percent compared to the equivalent week of 2016, during which many properties were still recovering from an evacuation during the previous weekend. During the Friday-Saturday night period, the occupancy rate averaged 69.1 percent, up 14.1 occupancy points or 25.7 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 10.4 percent during the midweek period and up 2.2 percent during the weekend compared with last year. Consequently, HC-HC occupancy for the week overall was up 22.7 occupancy points or 69 percent, and revenue per available room (RevPAR) was up 78 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, 58.4 percent were reserved or blocked from rental during the week of Oct. 7-13, 2017. The level of reservations was up 27 occupancy points or 86.2 percent compared with the equivalent week of 2016. For the nights of Oct. 14-20, 2017, 57.4 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 26.2 occupancy points or 84.1 percent compared with the equivalent week of 2016, during which the area was still feeling the extended impact of Hurricane Matthew on occupancy.

Six-Week Average Performance

Preliminary results indicate that during the nights of Sept. 3-Oct. 14, 2017, 55.8 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 1.3 occupancy points or 2.5 percent compared with the equivalent weeks of 2016. The average daily rate for these properties was up 5.7 percent compared with the equivalent weeks of 2016, leaving average RevPAR up 8.1 percent compared with the equivalent period of 2016. During the same period in 2017, 62 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from weekly rentals, up 1.5 occupancy points or 2.4 percent compared with the equivalent weeks of 2016. Advertised prices for this segment were down 2.2 percent compared with last year, which would leave revenue per available bedroom up 0.2 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 Oct. 21-22, 2017, calls for a high temperature of 78 degrees and 79 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 65 percent for the nights of Oct. 20-21, 2017. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 51.2 percent are reserved for the week of Oct. 21-27, 2017, down 9.7 occupancy points or 15.9 percent compared with the equivalent week of 2016.

Additional Research Notes

The Brittain Center’s preliminary sample of 24 HC-HC properties reporting for the week of Oct. 8-14, 2017, consisted of 11 hotels (all but five are oceanfront/view, and four 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 8,058 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.