The Tourism Economy Study: CCU Lodging Update, Nov. 19, 2015

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 Nov. 8-14, 2015, indicate that the midweek occupancy rate averaged 28.6 percent, down 4.2 occupancy points or 12.8 percent compared to the equivalent week of 2014. During the Friday-Saturday night period, the occupancy rate averaged 50.5 percent, up 6.9 occupancy points or 15.8 percent compared to the equivalent weekend last year. The average daily rate (ADR) was up 46.5 percent during the midweek period and up 15.9 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was down 1.9 occupancy points or 5.4 percent, but revenue per available room (RevPAR) was up 26.4 percent compared with the equivalent week of 2014.

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, 33.3 percent were reserved or blocked from nightly rentals during the nights of Nov. 7-13, 2015. The percentage of VRPs reserved in Horry and Georgetown counties combined was down 4.4 occupancy points or 11.7 percent compared with the equivalent week of 2014. For the nights of Nov. 14-20, 33 percent of the VRPs were reserved or blocked from reservation. The level of reservations was down 1.1 occupancy points or 3.3 percent compared with the equivalent week of 2014.

Six-Week Average Performance

During the nights of Oct. 4-Nov. 14, 2015, 39.9 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 5.9 occupancy points or 12.9 percent compared with the equivalent weeks of 2014. The average daily rate for these properties was up 10.4 percent compared with the equivalent weeks of 2014, leading to a 3.8 percent decrease in average RevPAR compared with the equivalent period last year. During the same period this year, 41.9 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 3.5 occupancy points or 7.7 percent compared with the equivalent weeks last year. Advertised prices for this segment were down 2.5 percent compared with last year, which would lead to a decrease in revenue per available bedroom of 10 percent.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of Nov. 21-22 calls for a high temperature of 66 degrees and 57 degrees, with a 10 percent and 50 percent chance of precipitation, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be 30 percent for the weekend nights of Nov. 20-21, or within 2 occupancy points compared with the equivalent weekend of 2014. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 56.7 percent are reserved for the week of Nov. 21-27. VRP reservations in Horry and Georgetown counties for that week are down 6.9 occupancy points or 10.8 percent compared with the same week of 2014.

Additional Research Notes

The Brittain Center’s preliminary sample of 26 HC-HC properties reporting for the week of Nov. 8-14 consisted of 10 hotels (all but five are oceanfront/view, and five are brand affiliated), 15 condo-hotels (all are oceanfront/view, and one is brand affiliated) and one campground resort property. The results for the current moving six-week period are based on an average sample size of 8,689 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.