The Tourism Economy Study: CCU Lodging Update, Jan. 22, 2014

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 Jan. 11-17, 2015, indicate that the midweek occupancy rate averaged 19.9 percent, down 2.6 occupancy points or 11.7 percent compared to the equivalent week of 2014. During the Friday-Saturday night period, the occupancy rate averaged 45.9 percent, down 3.8 occupancy points or 7.6 percent compared to the equivalent weekend last year. The average daily rate (ADR) was down 9.8 percent during the midweek period and down 4.4 percent during the weekend period compared with last year. Consequently, HC-HC occupancy for the week overall was down 3 occupancy points or 10 percent, and revenue per available room (RevPAR) was down 16 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 (338 of the 3,135 units) for which complete data are publicly available, 37.6 percent were reserved or blocked from nightly rentals during the nights of Jan. 10-16, 2015. The percentage of VRPs reserved in Horry and Georgetown counties combined was up 7.7 occupancy points or 25.7 percent compared with the equivalent period last year. For the nights of Jan. 17-23, 36.5 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 4.2 occupancy points or 13.1 percent compared with the equivalent week of 2014.

Six-Week Average Performance

During the nights of Dec. 7, 2014-Jan. 17, 2015, 26.5 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 by 0.5 occupancy point or 2 percent compared with the equivalent weeks last year. The average daily rate for these properties was up 3 percent compared with the equivalent weeks of 2013-2014, leading to a 5.1 percent increase in average RevPAR compared with the equivalent period last year. During the same period this year, 37.5 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from nightly rentals, down 1.7 occupancy points or 4.3 percent compared with the equivalent weeks last year. Advertised prices for this segment were down 1 percent compared with last year, which would lead to a decrease in revenue per available bedroom of 5.3 percent.

Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of Jan. 24-25 calls for a 90 and 0 percent chance of precipitation, with highs of 53 and 58 degrees, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 28 percent for the weekend nights of Jan. 23-24, down by as much as 5 occupancy points compared with the equivalent weekend of 2014. Based on this week’s observations by Center researchers of 338 websites of VRPs available to rent in Horry and Georgetown counties, 39.1 percent are reserved for the week of Jan. 24-30. VRP reservations in Horry and Georgetown counties for that week are up 9.5 occupancy points or 32.1 percent compared with the same week of 2014. The VRP reservations forecast for the week of Jan. 31-Feb. 6 and Feb. 14-20 can be found in the CCU Lodging Update for Jan. 15, 2015.

The Center’s observations of websites of VRPs in Horry and Georgetown counties indicate that 43.9 percent are currently reserved for Feb. 7-13. The level of VRP reservations for Horry and Georgetown counties combined is up 6.5 occupancy points or 17.3 percent compared with the equivalent week of 2013. Forecasters should be aware that the level of VRP reservations increased by 3.2 occupancy points during the final two weeks leading up to the current rental week. The Center is now forecasting that by the date of arrival for the week beginning Feb. 7, the percentage of VRPs reserved may be up 8–12 occupancy points compared with the equivalent week of 2014.

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Based on the Center’s observations of VRP websites in Horry and Georgetown counties, 37.8 percent are reserved for the week of Feb. 21-27. The Center’s combined Horry and Georgetown sample for that week is down by 9.6 occupancy points or 20.2 percent compared with the level reflected in the Center’s final samples for the equivalent week of 2014. Forecasters should be aware that, for the equivalent calendar week of 2014, the average level of reservations for VRPs in Horry and Georgetown counties combined increased by 11.5 occupancy points during the month leading up to the date of arrival. The Center is forecasting that, by the date of arrival for the week beginning Feb. 21, the level of VRP reservations in Horry and Georgetown counties combined could be even or up as much as 3 occupancy points compared to the equivalent week of 2014.

Segment-Level Performance

Based on the Brittain Center’s voluntary sample of Grand Strand hotels (3,605 units per week average), the average RevPAR in this segment of the lodging industry during the most recent 52-week period was up 2.1 percent compared with the equivalent period of the previous year. The average occupancy rate during the most recent 52-week period was 55.8 percent, which is up 0.8 occupancy point or 1.4 percent compared with the previous 52-week period. Based on the Brittain Center’s voluntary sample of Grand Strand condo-hotels (5,201 units per week average), the average RevPAR in this segment of the lodging industry during the most recent 52-week period was up 4.2 percent compared with the previous 52-week period. The average occupancy rate in this segment during the most recent 52-week period was 54.7 percent, which is up 0.9 occupancy points or 1.7 percent compared with the previous 52-week period. Based on the Center’s random sample of 10 percent of the VRPs in Horry County that are listed on the Internet as available for rent on a weekly basis (average 217 of the 2,120 homes and condominium units), the average occupancy level in this segment of the lodging industry over the most recent 52-week period (based on units reserved or blocked from reservation) was 64.3 percent, which is up 5.6 occupancy points or 9.7 percent compared with the level of the previous 52-week period. The average advertised price on the Internet for this segment was up 2.3 percent compared with the previous 52-week period, which would indicate a 12.1 percent increase in average weekly revenue per available bedroom compared with the previous 52-week period.

Additional Research Notes

The Brittain Center’s preliminary sample of 28 HC-HC properties reporting for the week of Jan. 11-17 consisted of 11 hotels (all but five are oceanfront/view, and five are brand affiliated), 16 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 9,277 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.