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Regional Economic Outlook

Spring 2019

May 1, 2019

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Executive Summary

The Economic Outlook Board of the Waccamaw Council of Governments met on May 2, 2019 to review the latest quarterly economic indicators for the Grand Strand and surrounding region. The national economy has continued its short-term growth on the heels of the Federal Reserve's change in short-term monetary policy, from more of a contractionary/inflation-fighting stance to a more growth accommodating approach. Trade talks still hold a cloud of uncertainty over the economy.

Locally, employment and visitor spending numbers continue to reflect growth. Housing indicators, however, give a mixed signal of the region's economic trajectory. Single family building permits were down 22% in the winter quarter, and continue to show weakness in the recent months through March. This is in contrast to other metro areas in the state and likely reflect higher land prices absent the dwindling inventory of distressed residential lots. Builders now are paying market prices for lots, and these prices, \$50,000 at the median, translate to new home prices of \$250,000 and above, in excess of the affordable range for the median household's income.

Highlights from 2019Q1 compared to 2018Q1 (Winter: December, January, February) for the largest county, Horry:

- Unemployment: Down to 4.8% for the winter quarter
- Employment: Up to 135,975 jobs
- Hotel-Condotel-Campground Occupancy: Down to 30.2% for the winter quarter
- Hospitality Fee (1-1/2% County-wide): Up to \$5.2 million

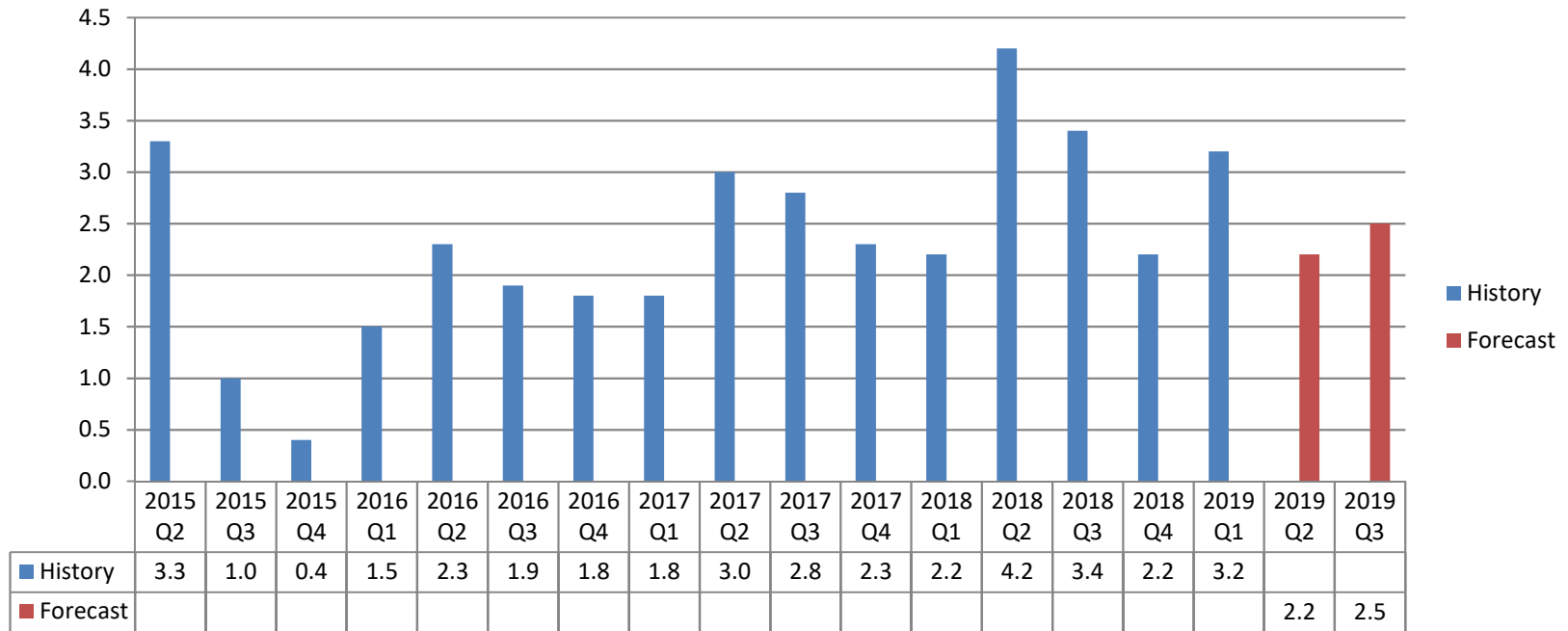
For a clearer picture of the economy from various measures, please see the following slides.

Helpful Notes and Reminders

- Tourism Quarters: To reflect the importance of the seasons, offset by 1 month so that Q1 (Winter) is December, January, February, Q2 (Spring) is March, April, May, Q3 (Summer) is June, July, August and Q4 (Fall) is September, October, November.
- National data is based on normal calendar year, e.g. GDP 1st quarter is for January, February, March.
- All data reflect the period of business activity, unless otherwise noted.
- Receipts and collections of tax revenue by SC DOR may not coincide with period of business activity, e.g. retail sales business activity shows quarterly spikes; however the actual business activity may not resemble this periodic behavior.
- Reported and estimated changes in rate measures are reported as unit changes rather than percent changes, for example the unemployment rate movement from 6% to 6.5% is shown as a movement of one-half of a point (0.5).



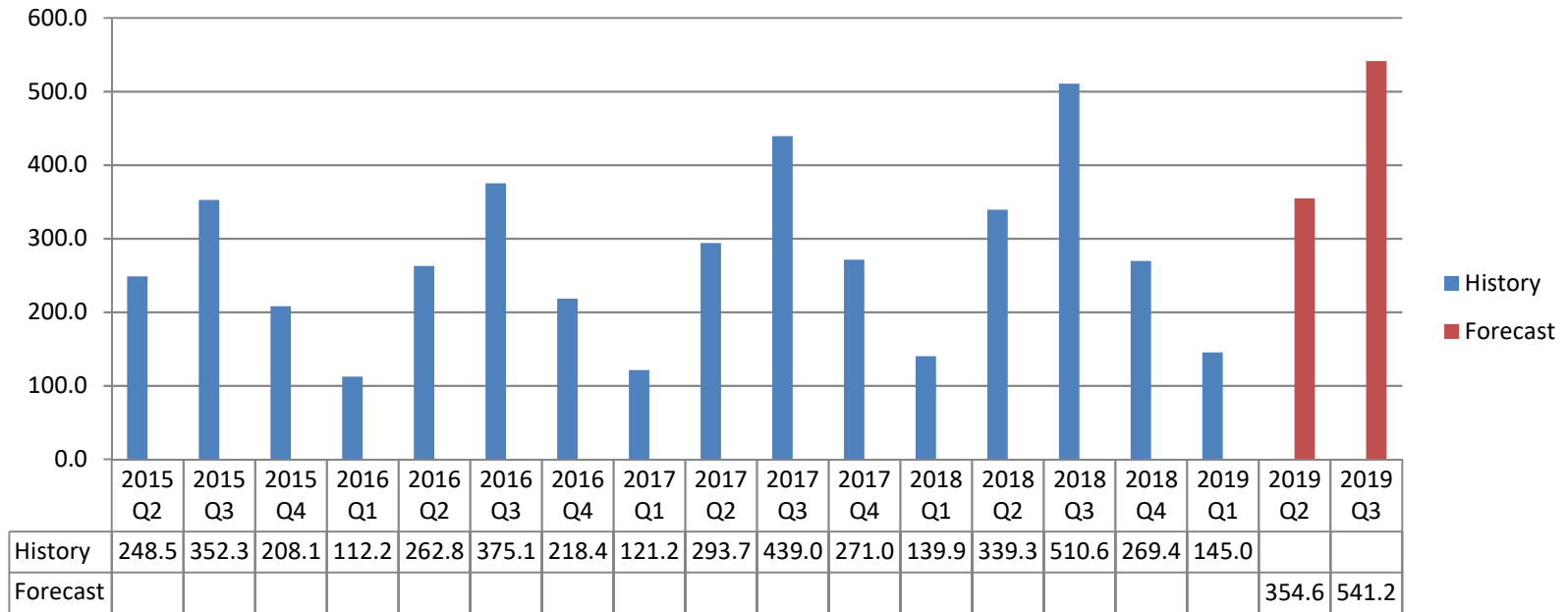
Annualized Real GDP Growth (%)



Source: U.S. Department of Commerce: Bureau of Economic Analysis



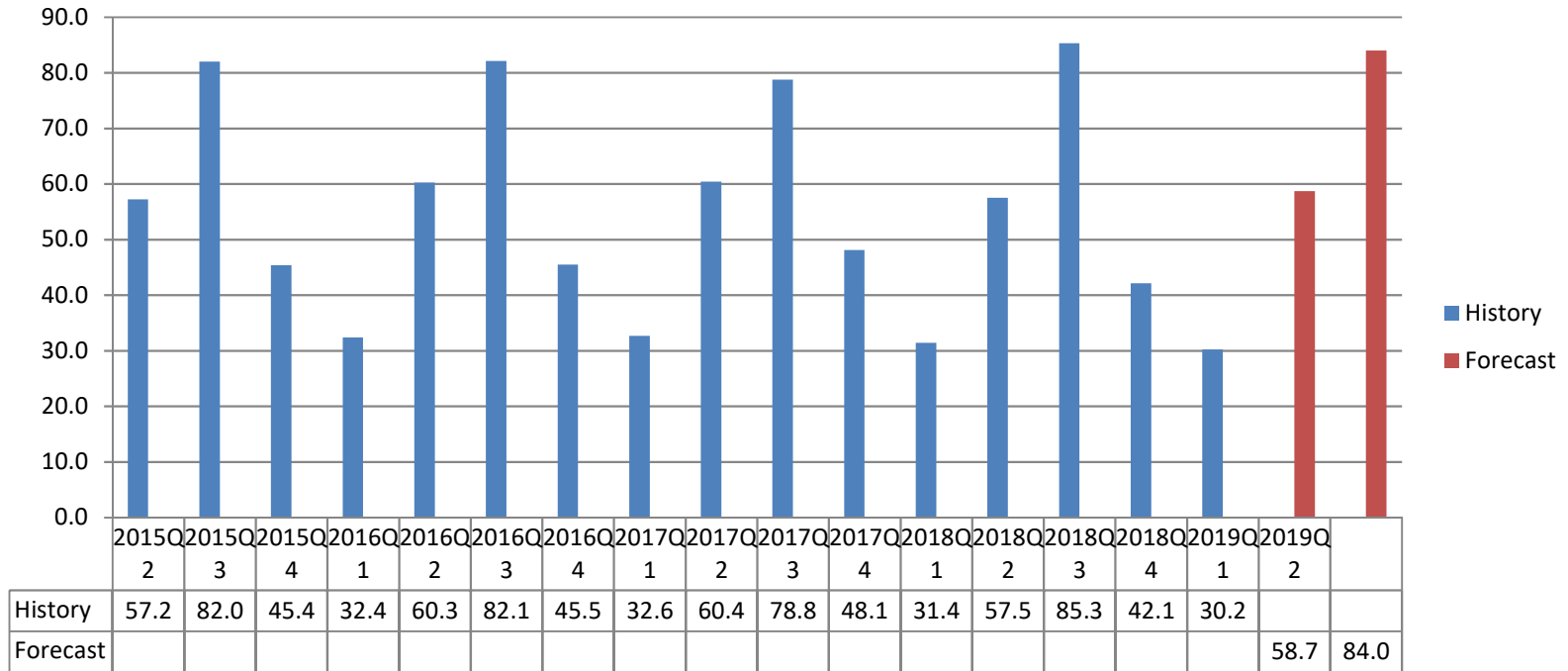
MYR Airport Deplanements (Thousands)



Source: Myrtle Beach International Airport



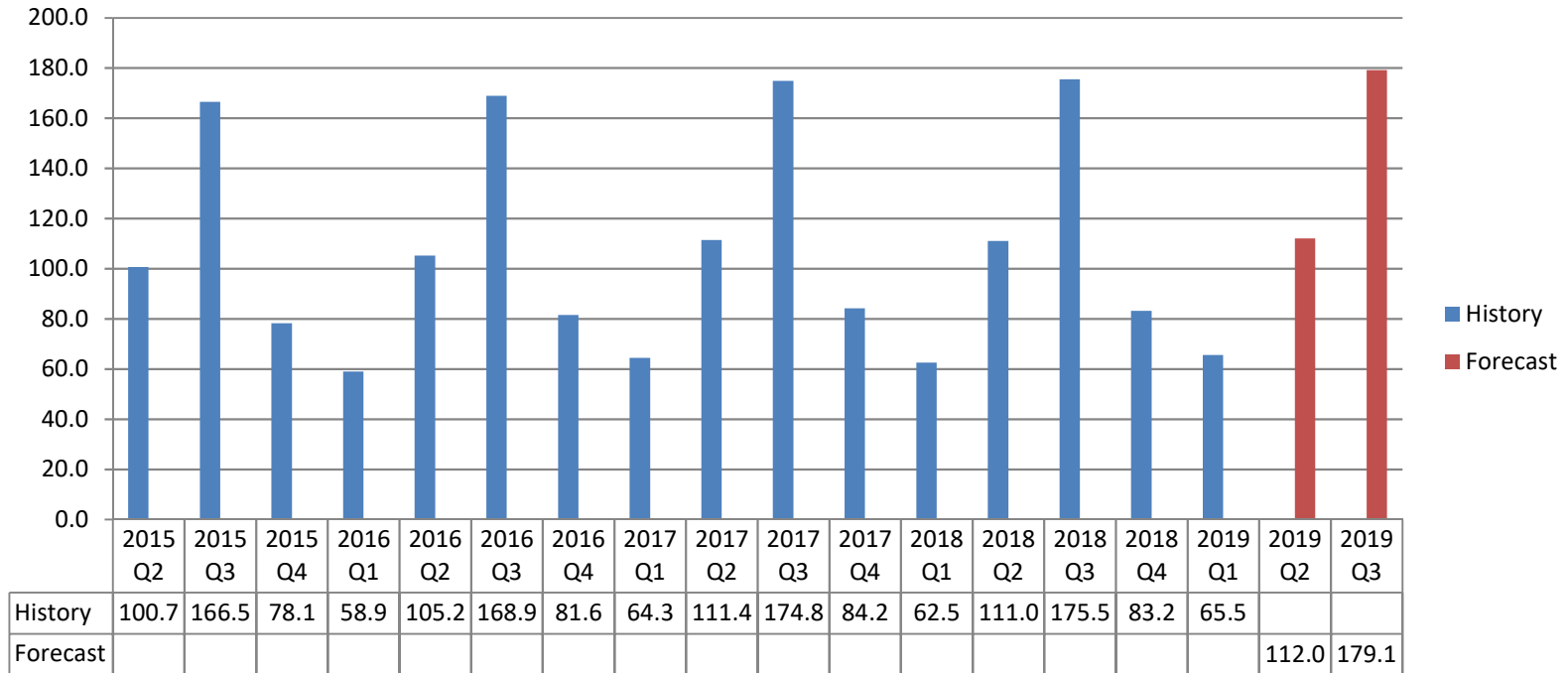
Hotel-Condotel-Campground Occupancy Rate



Source: Clay Brittain Jr. Center for Resort Tourism



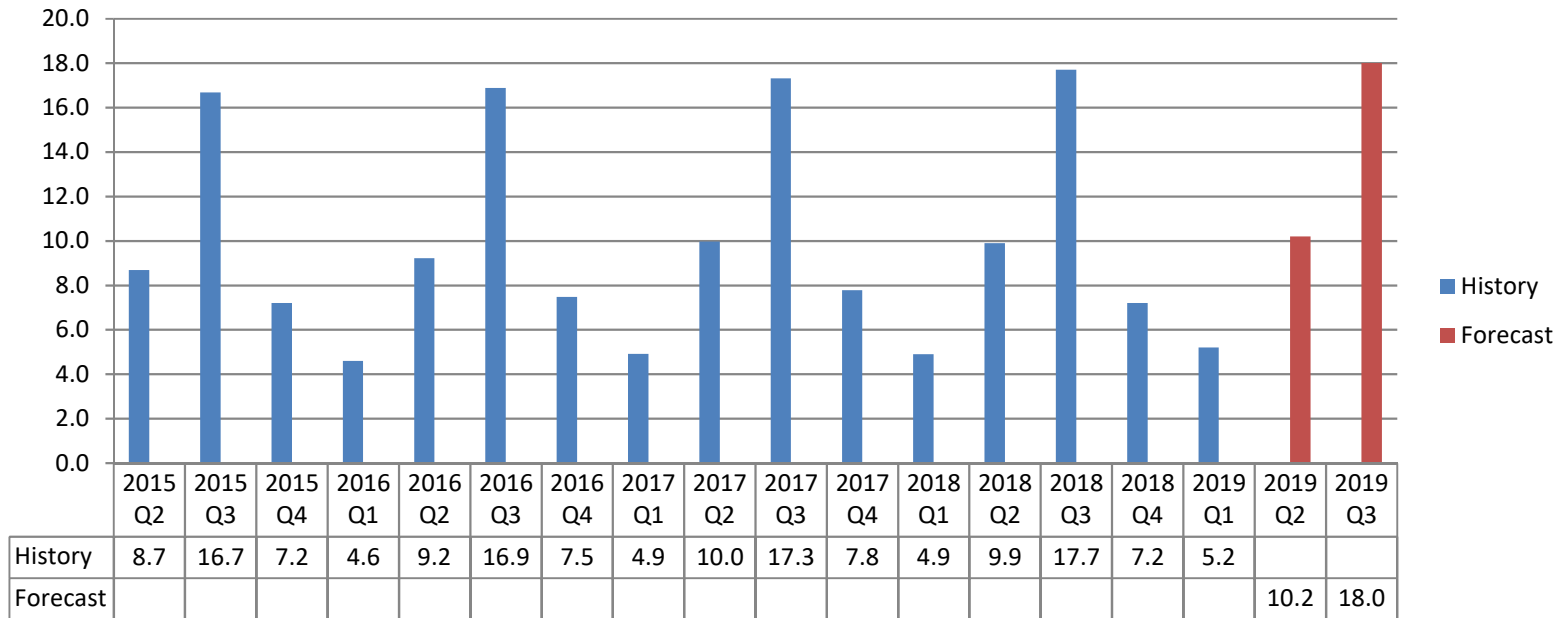
Hotel-Condotel-Campground Average Daily Rate



Source: Clay Brittain Jr. Center for Resort Tourism



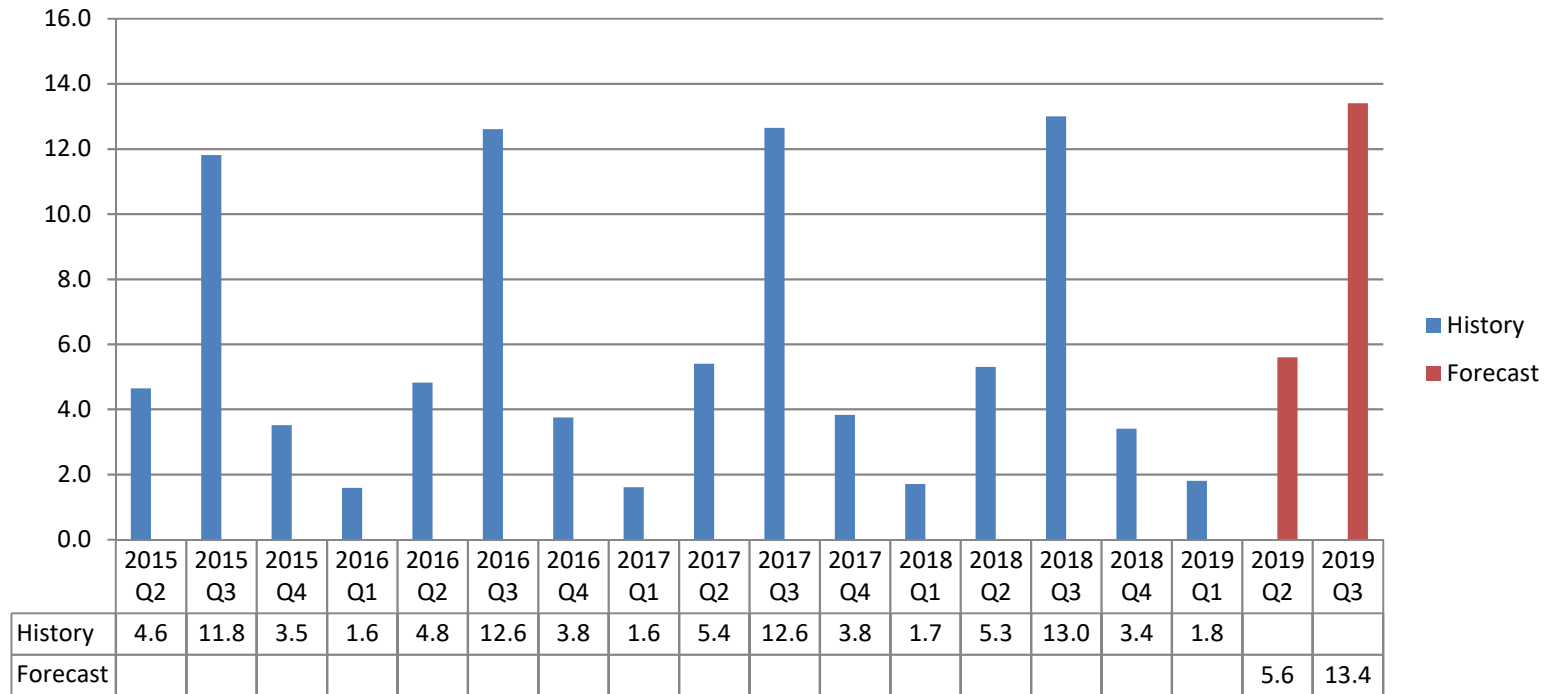
Horry 1.5% Hospitality Fee Revenue (\$Millions)
(County-wide fees on accommodations, prepared foods, beverages, admissions)



Source: Horry County Government



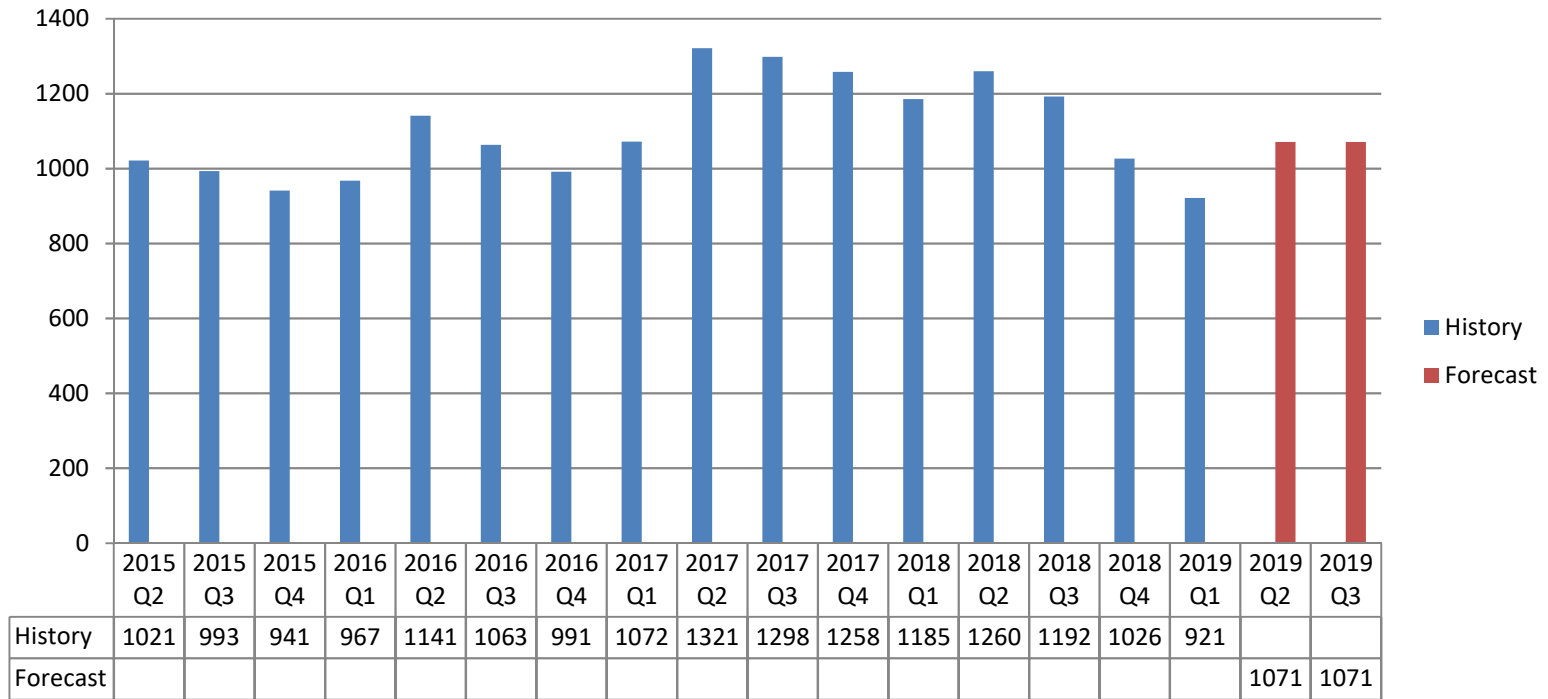
Accommodations Tax Revenue (\$Millions)



Source: SC Department of Revenue



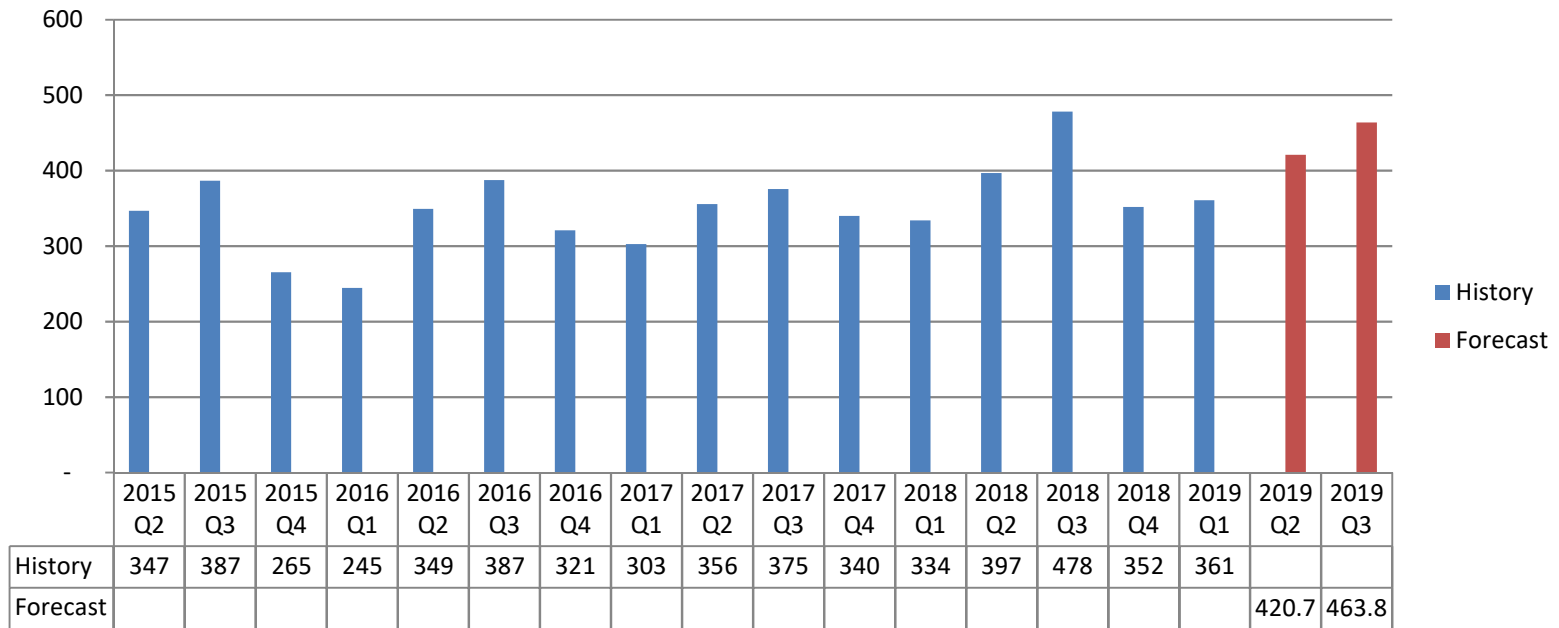
Regional Single Family Permits



Source: HUD State of the Cities Data System



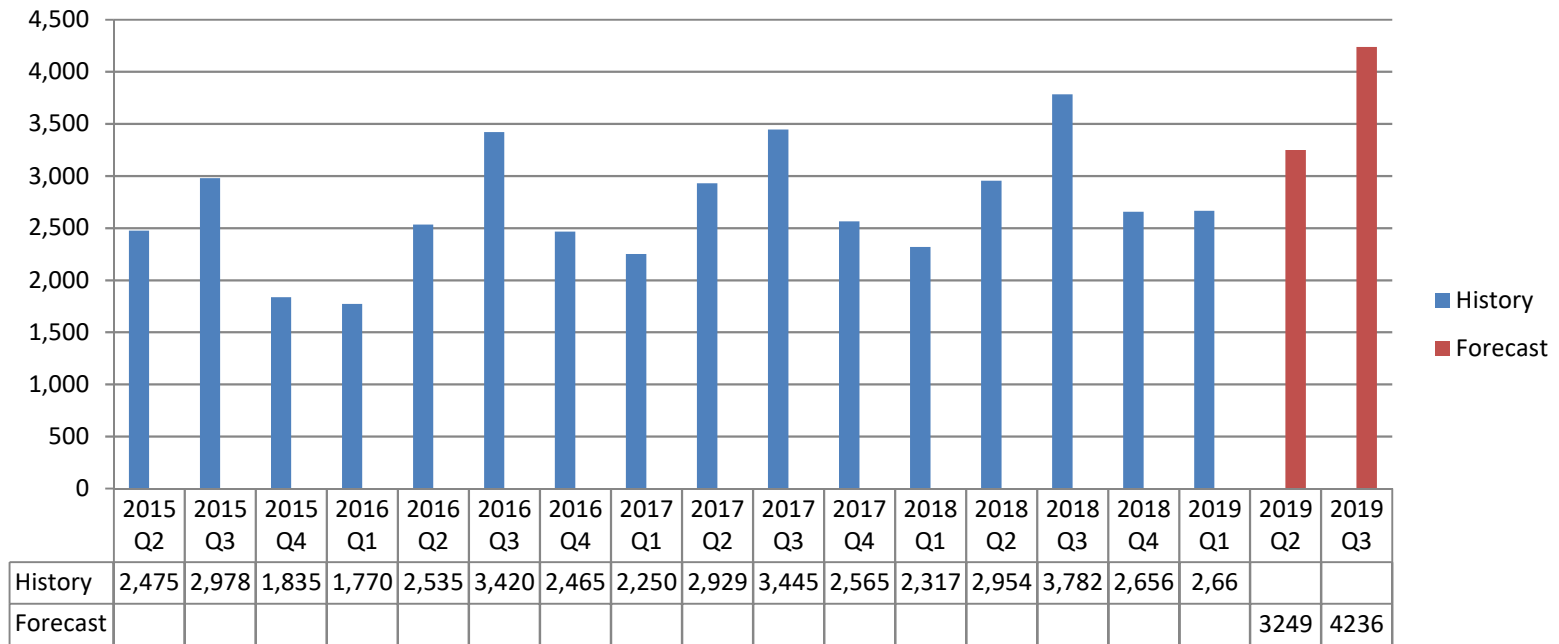
Georgetown Retail Sales (\$ Millions)



Source: SC Department of Revenue



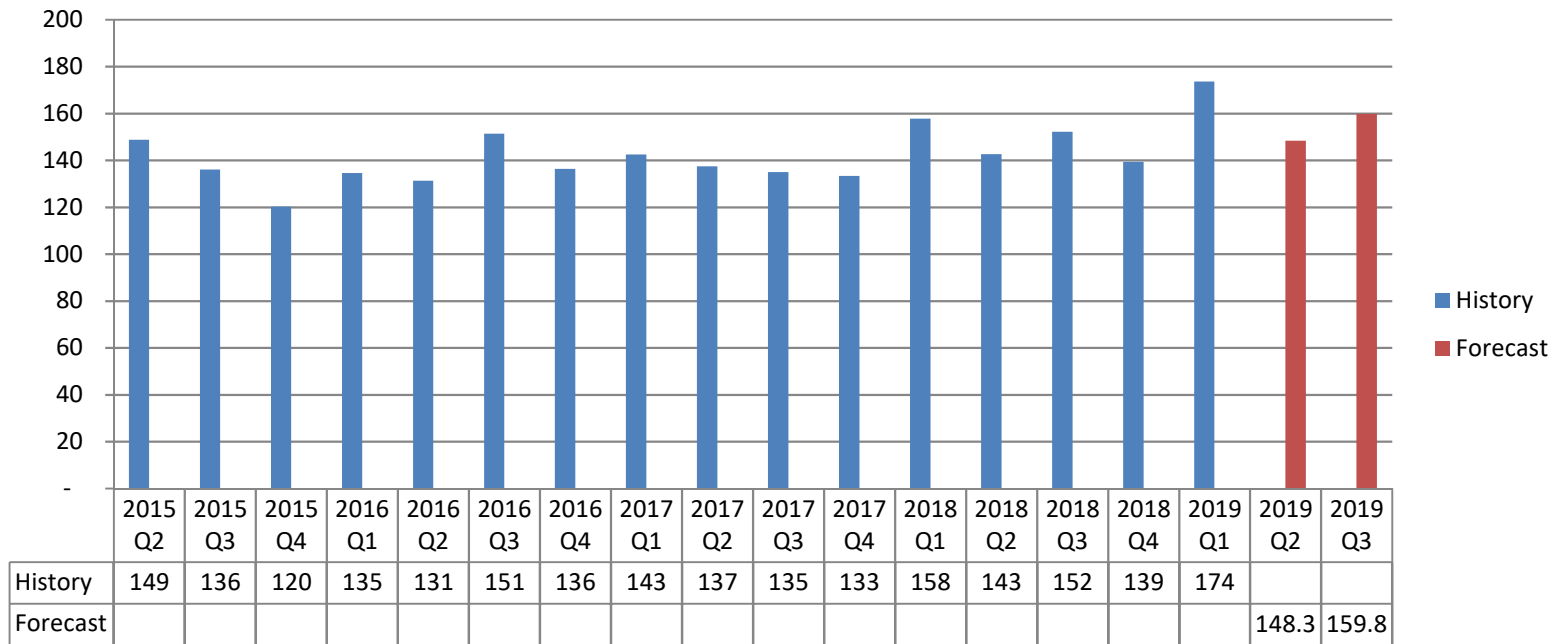
Horry Retail Sales (\$ Millions)



Source: SC Department of Revenue



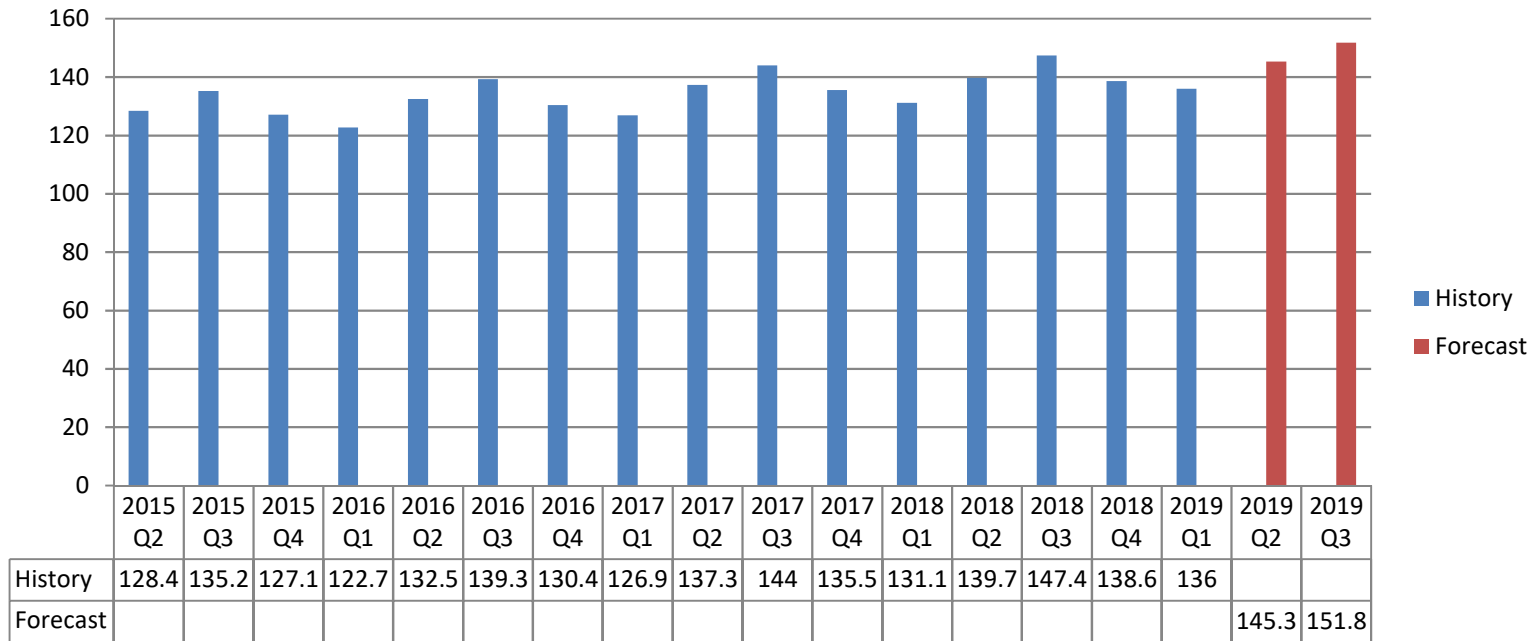
Williamsburg Retail Sales (\$ Millions)



Source: SC Department of Revenue



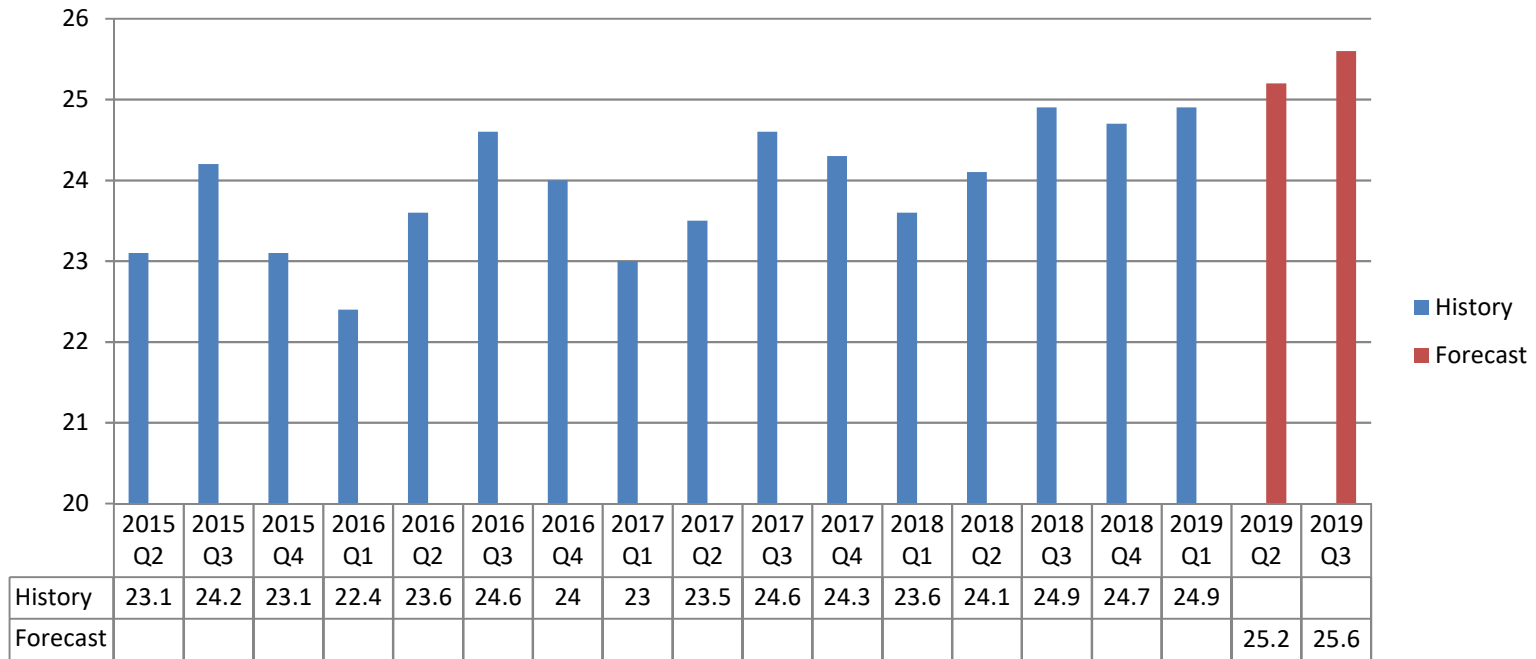
Horry Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



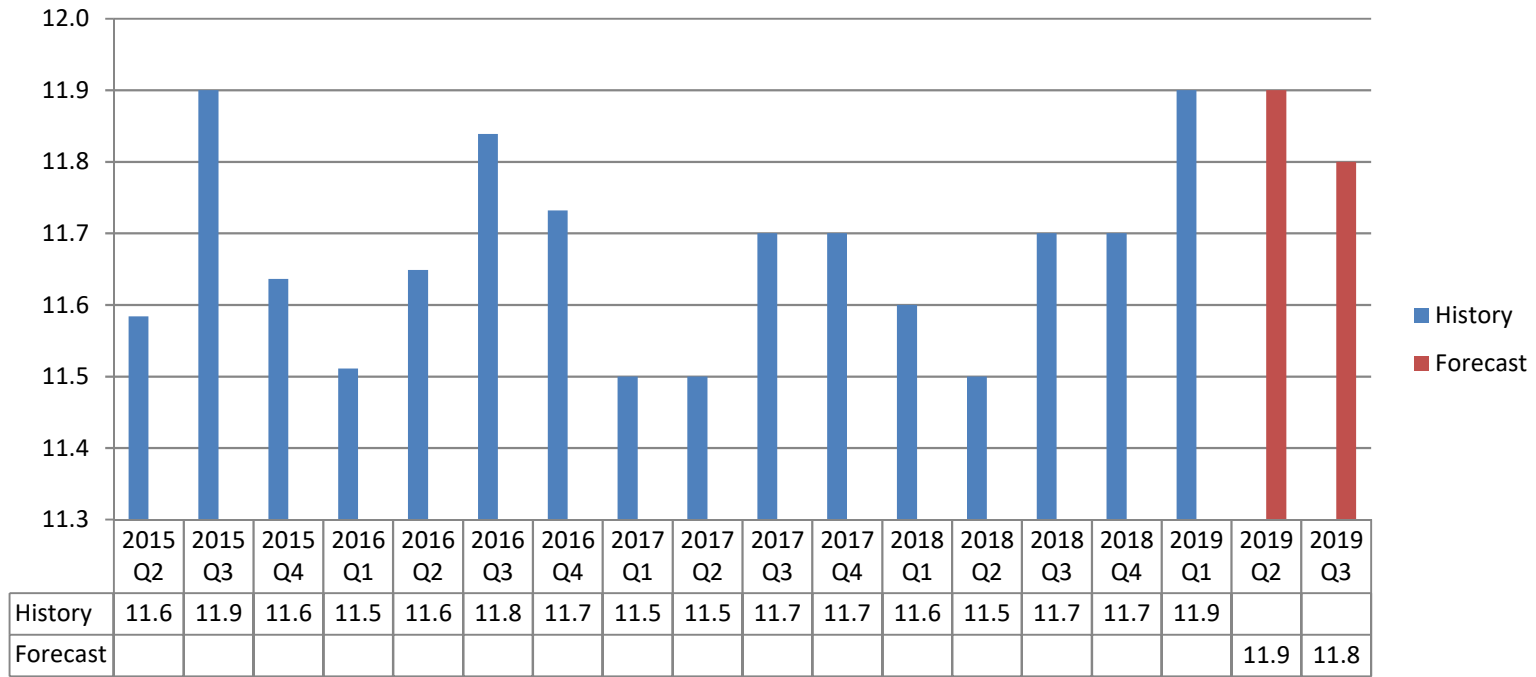
Georgetown Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



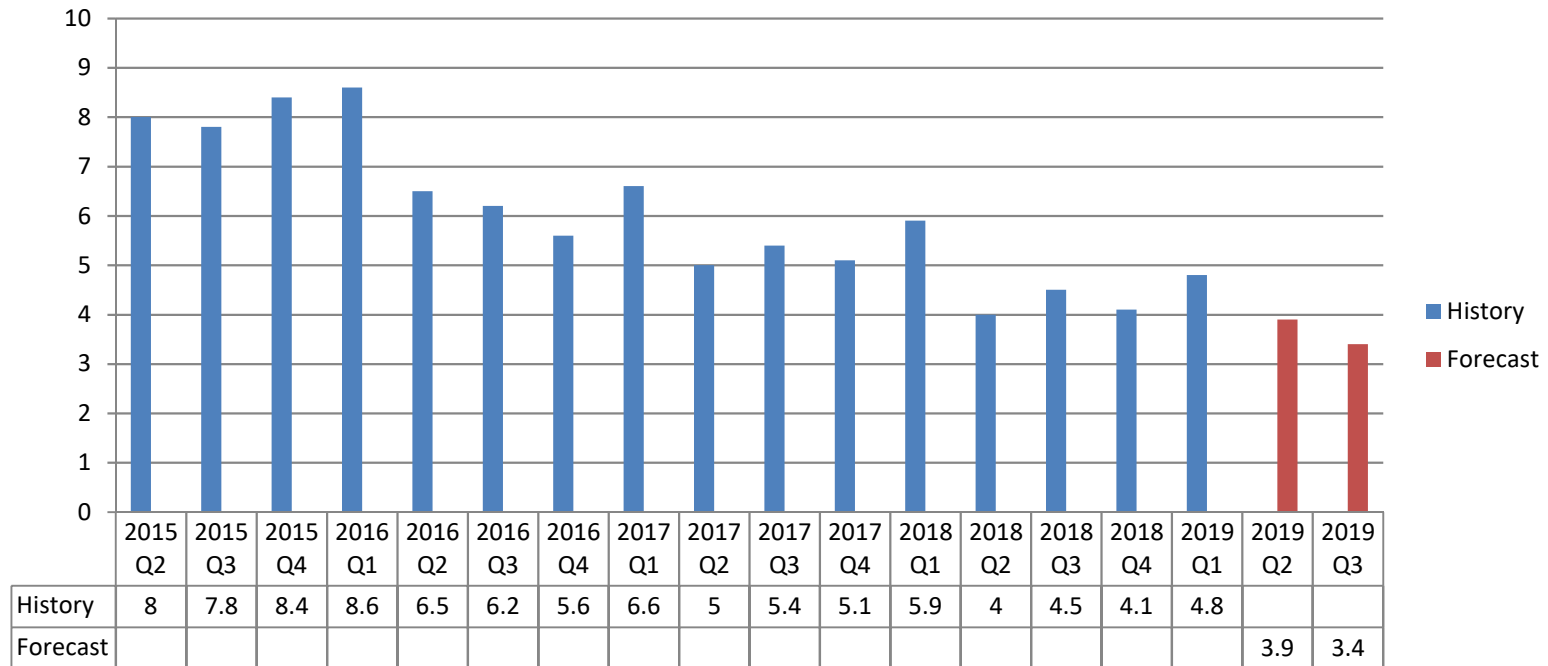
Williamsburg Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



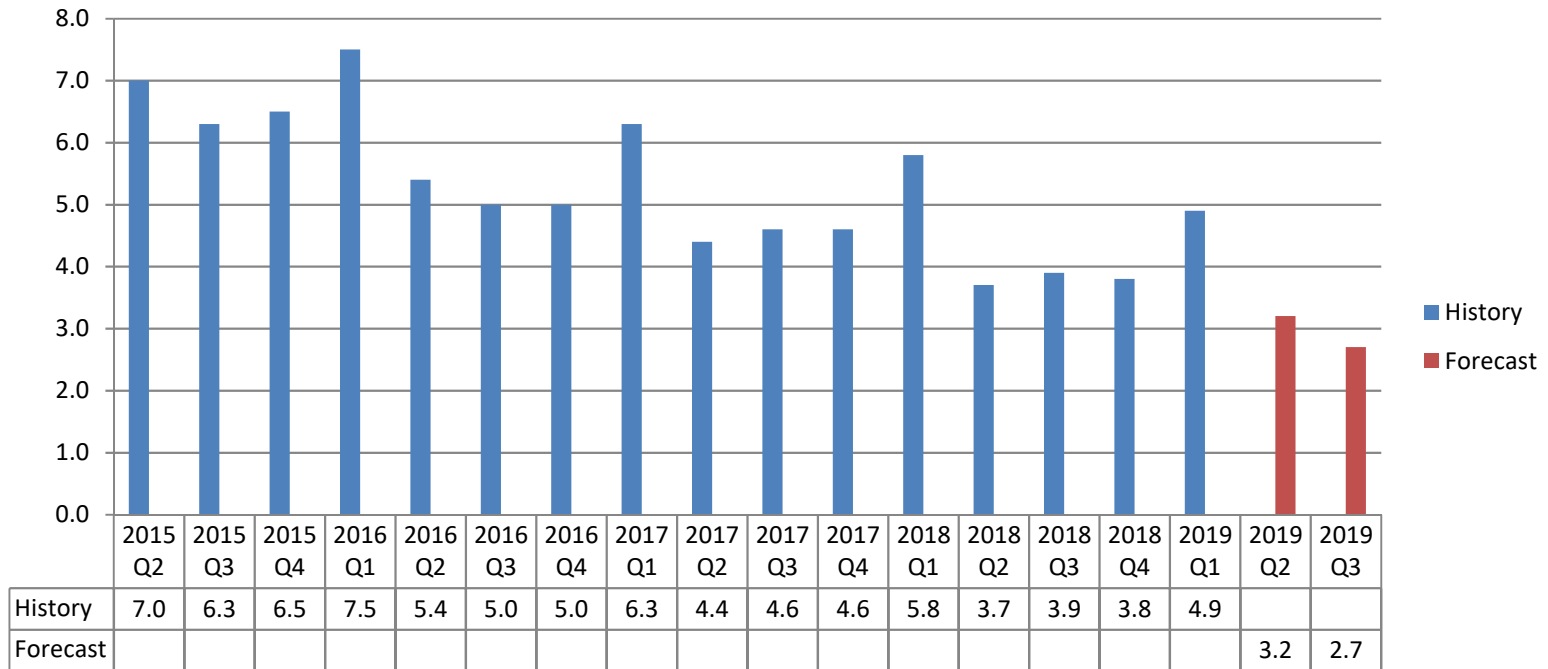
Georgetown Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



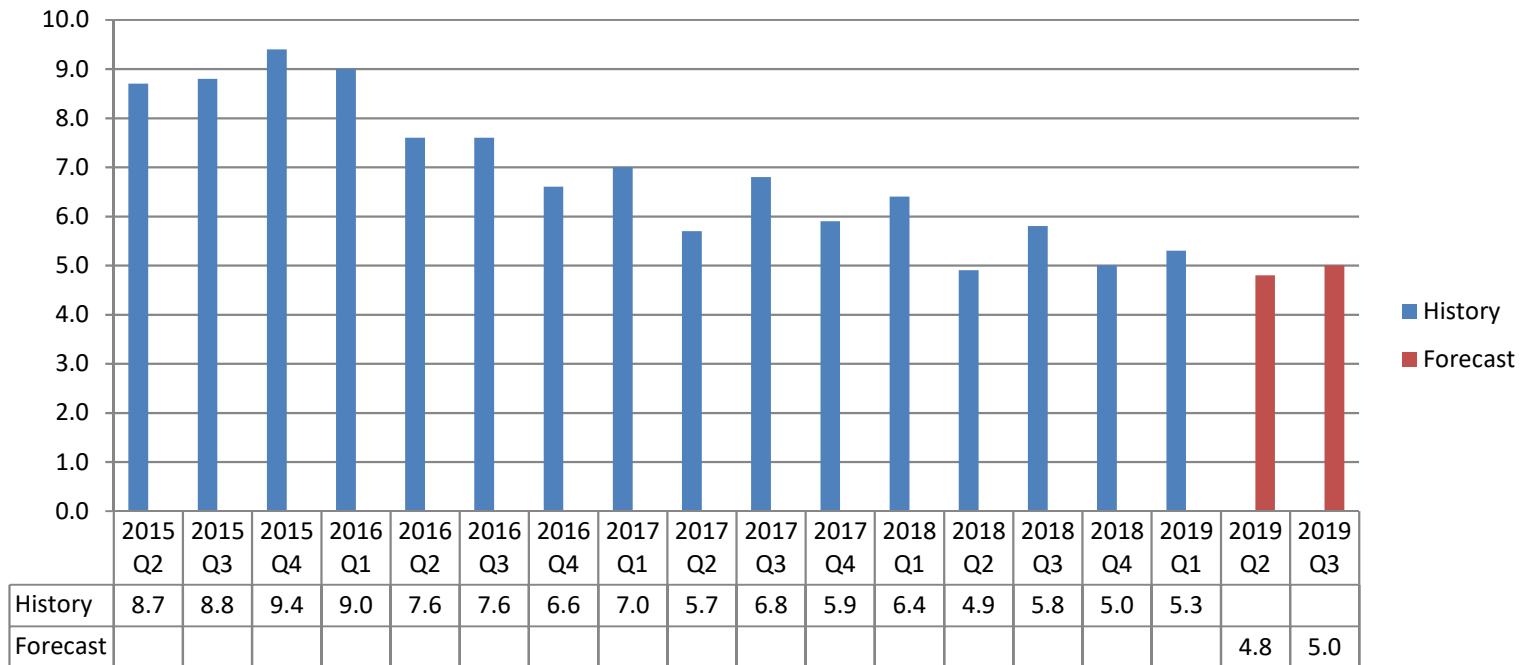
Horry Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



Williamsburg Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Regional Economic Outlook Board: Spring 2019

Presented to: The Waccamaw Regional Council of Governments' Regional Economic Outlook Board

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May 2019

	Value			Percent Change from Previous Year		
	History*	Forecast	Forecast	History*	Forecast	Forecast
	Previous	Current	Next	Previous	Current	Next
	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter
	Winter 2019	Spring 2019	Summer 2019	Winter 2019	Spring 2019	Summer 2019
Airport Deplanements (thousands)	145.0	354.6	541.2	3.6	4.5	6.0
Occupancy Rate (Full Week)	30.2	58.7	84.0	-1.3	1.2	-1.3
Average Daily Rate (Full Week)	65.5	\$ 112.0	\$ 179.1	3.0	1.0	3.5
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 5.2	\$ 10.2	\$ 18.0	6.4	3.0	1.6
Accommodations Tax Revenue (\$millions)	\$ 1.8	\$ 5.6	\$ 13.4	13.7	7.0	3.3
Regional SF Building Permits	921	1,071	1,071	-22.3	-15.0	-8.0
Retail Sales (\$millions)						
Georgetown County	\$ 360.7	\$ 420.7	\$ 463.8	8.0	6.0	-3.0
Horry County	\$ 2,664.0	\$3,249.0	\$4,236.0	15	10.0	12.0
Williamsburg County	\$ 173.6	\$ 148.3	\$ 159.8	10	4.0	5.0
Employment (thousands)						
Georgetown County	24,855	25,209	25,565	5.4	4.8	2.5
Horry County	135,975	145,279	151,833	3.7	4.0	3.0
Williamsburg County	11,869	11,862	11,785	2.6	2.9	1.0
Unemployment Rate						
Georgetown County	4.8	3.9	3.4	-1.1	-0.1	-1.1
Horry County	4.9	3.2	2.7	-0.8	-0.5	-1.2
Williamsburg County	5.3	4.8	5.0	-1.1	-0.1	-0.8

*Some history data not yet released for Accommodations Tax and Retail Sales (extrapolated; will be updated for next quarterly outlook).

Notes: Spring quarter is March - May, Summer is June - August, Fall is September - November, Winter is December - February. Retail Sales, Accommodations Tax Revenue and Admissions Tax Revenue represent the period of business activity. For example, Accommodations Taxes for Summer represent the business activity incurred during the Summer quarter. Percent change from previous year is relative to the same quarter from the previous year. For example, percent change for Summer 2016 is the percent change between Summer 2016 and Summer 2015. Rate given is absolute change for: Occupancy Rate, ADR and Unemployment Rates. For example, the given change for the Occupancy Rate during Summer 2016 is simply the Summer 2016 Occupancy Rate minus the Summer 2015 Occupancy Rate.