

Waccamaw Regional Economic Outlook

Fall 2017

November 10, 2017
Robert F. Salvino, Ph.D.
Coastal Carolina University

Executive Summary

The Economic Outlook Board of the Waccamaw Council of Governments met on November 1, 2017. CCU economist, Robert Salvino, Ph.D., delivered the forecasts followed by an informational presentation of the Workforce Innovation and Opportunity Act and its impact and relevance to the Grand Strand region. Ayla Hemeon, Workforce and Development Director and Rusty Gaskins, WIOA Business Service Representative led the discussion.

The Waccamaw Region's economy, comprised of Horry, Georgetown, and Williamsburg Counties, showed continued growth in the recent quarters, even though September storms and the shooting incident in July had short-term impacts on occupancy across the hotel-condotel-campground sector, affecting the summer quarter performance most noticeably with a 3.5% drop in the summer quarter occupancy rate year-over-year. Other tourism activity measures did not reveal the same level of impact from these isolated events, although the underlying monthly data was negative in July, recovering by August.

Horry County led employment growth in the summer quarter, with a 3.2% increase in year-over-year employment, adding over 3,200 jobs as the unemployment rate in the county dipped to 4.4%. The Myrtle Beach International Airport had another record summer and recently recorded its first-ever year of one million-plus annual passengers. Retail spending continued upward and the holiday season should be strong again. Residential construction continued its pace above the long-term average of construction volume, but prices remain at a sustainable level.

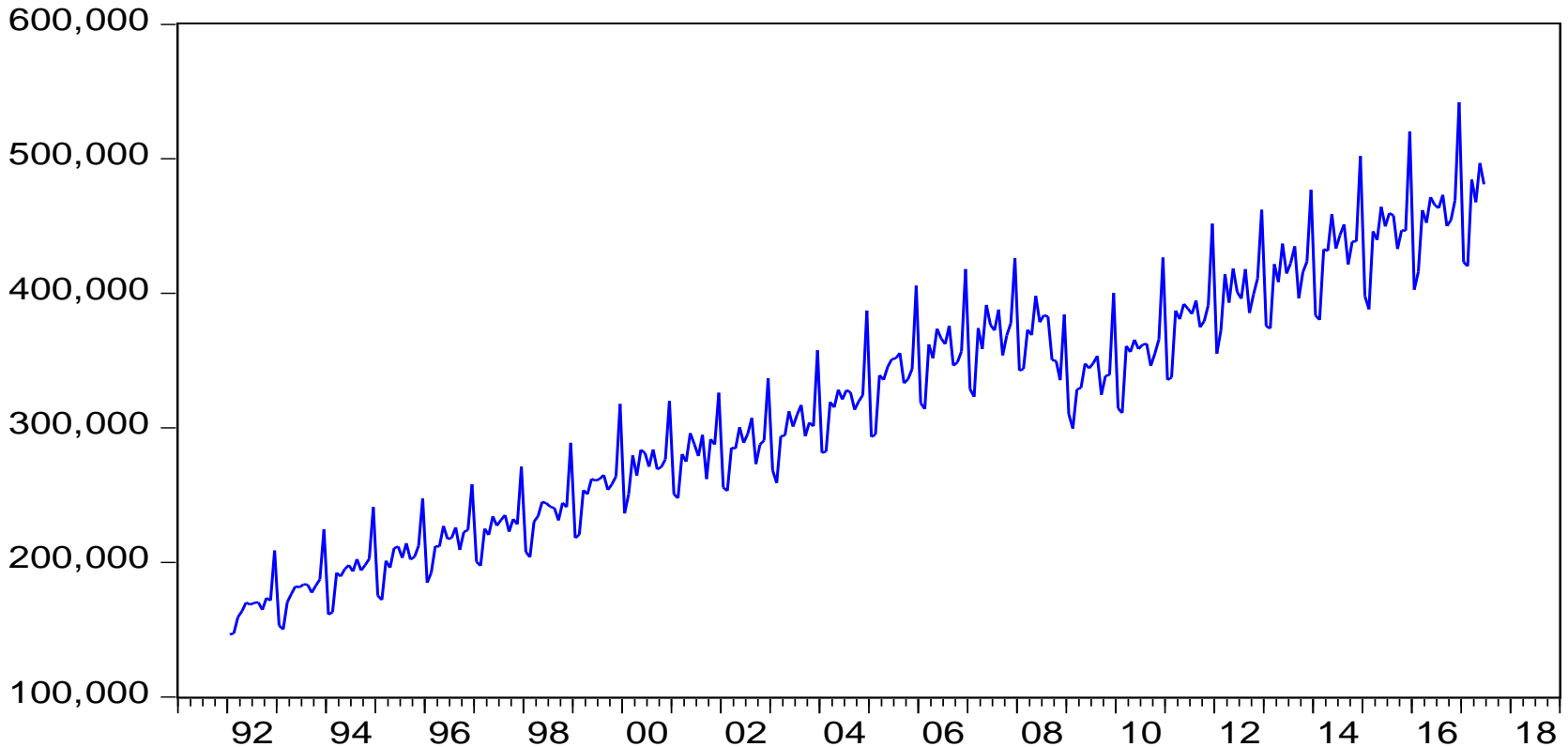
A potential risk factor on the horizon concerns the proposed Senate tax reform and the treatment of residential housing. We continue to monitor policy developments and will discuss potential impacts on the region's economy.

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).

U.S. Retail Sales (\$Millions/Month – nominal, unadjusted)

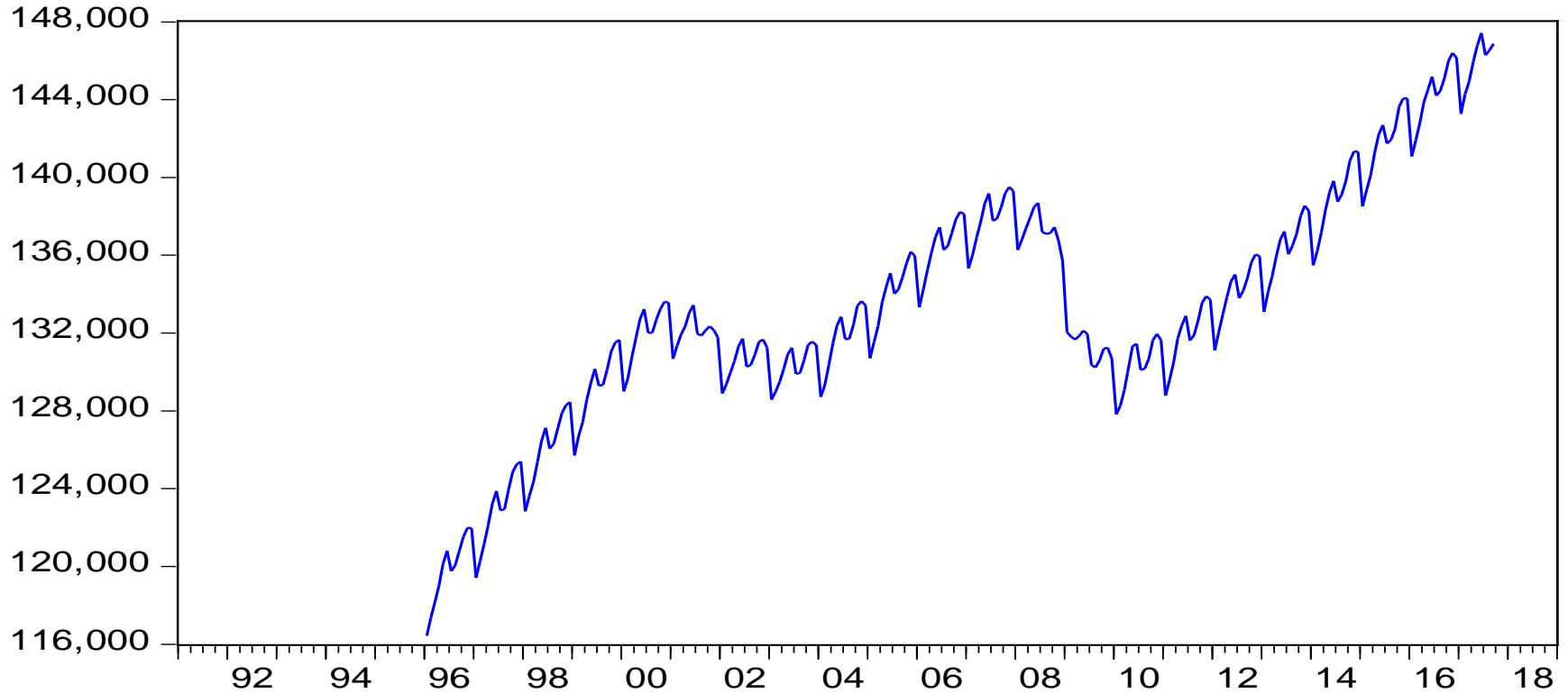
USRETAILSALES



Source: U.S. Department of Commerce

U.S. Private Non-farm Employment (unadjusted)

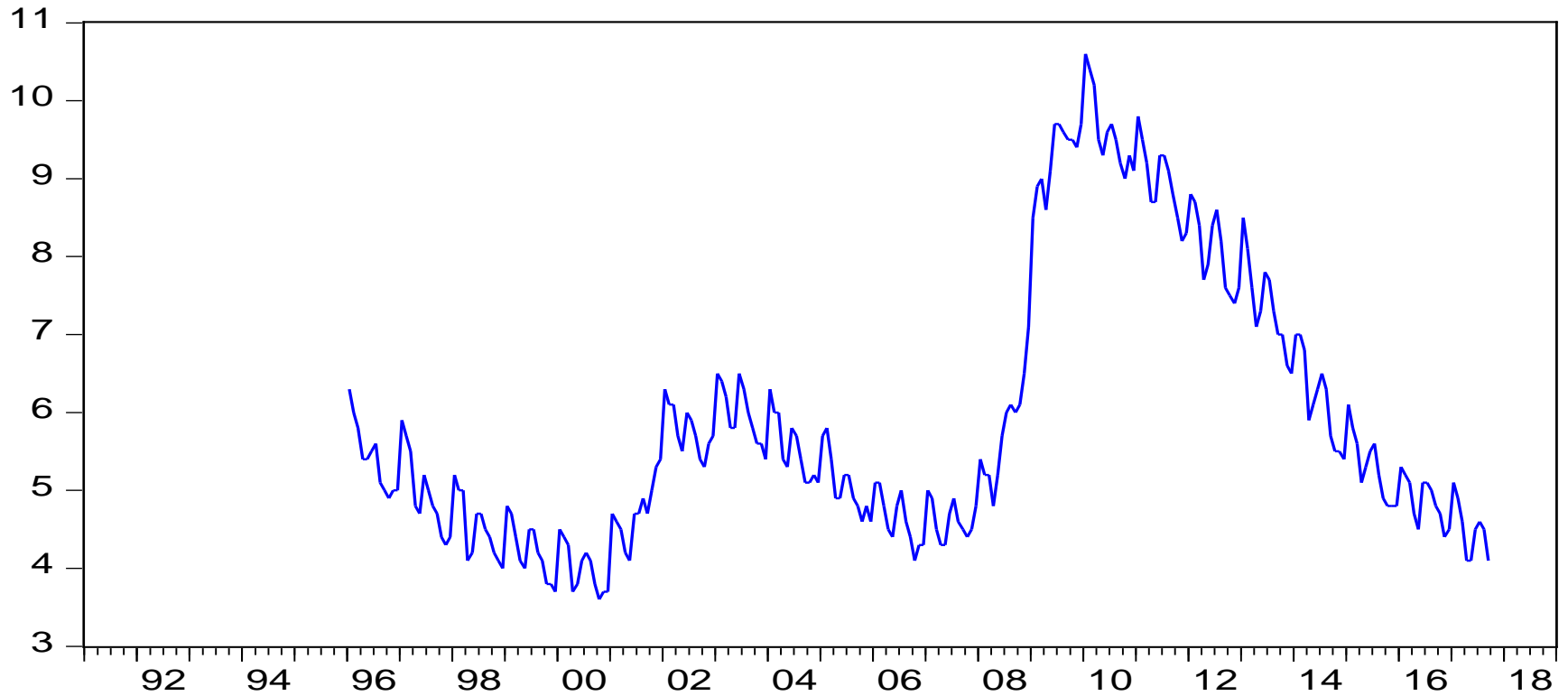
USEMP



Source: Bureau of Labor Statistics

U.S. Unemployment Rate - Private Non-farm (unadjusted)

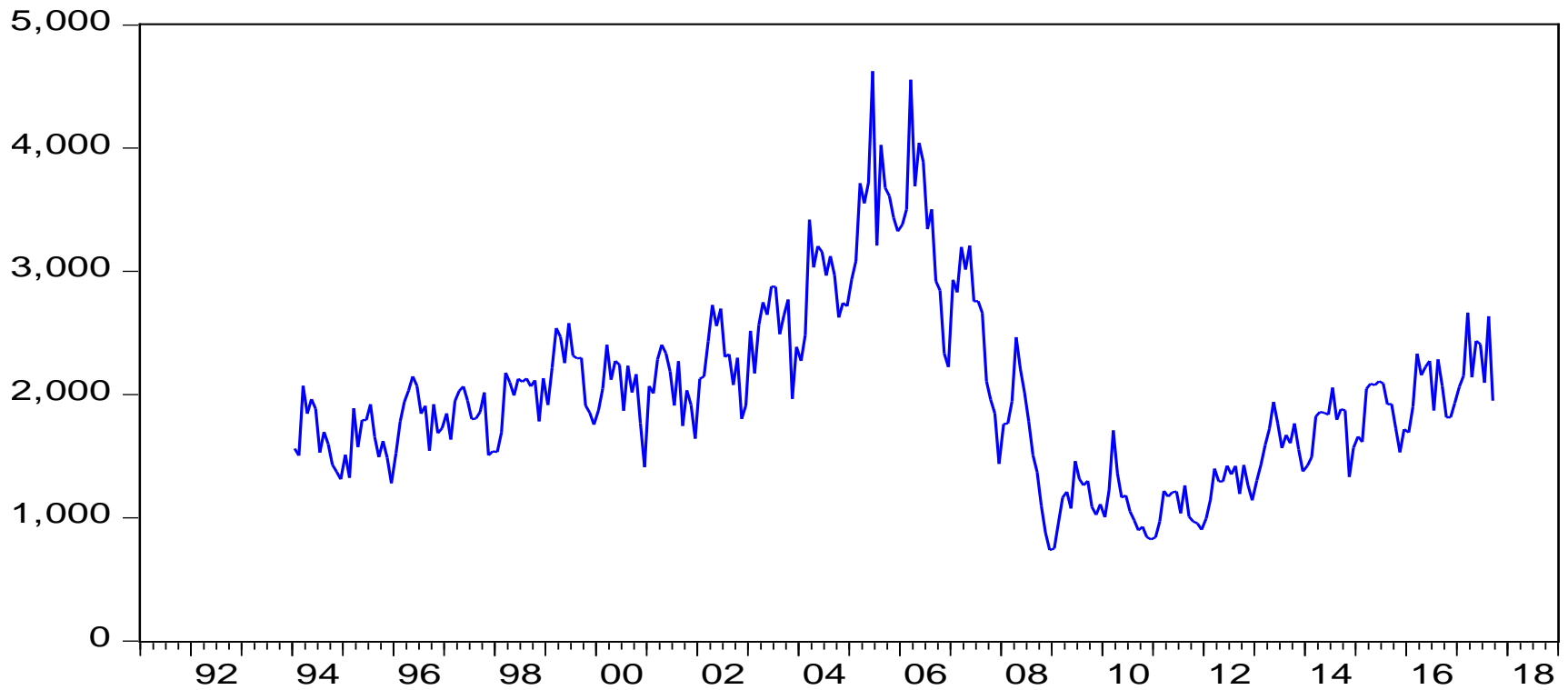
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Source: Bureau of Labor Statistics

SC Single Family Building Permits

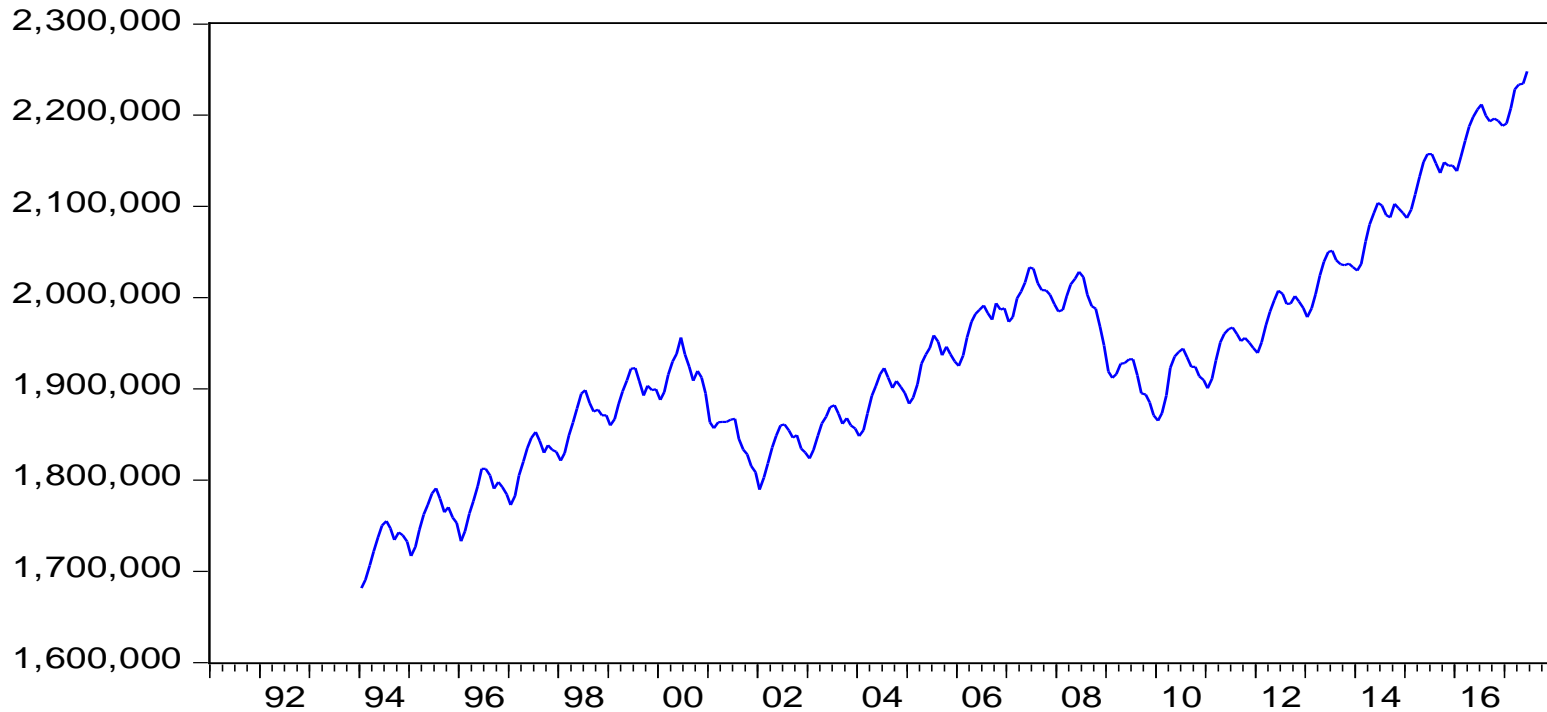
SCSFPERMITS



Source: HUD State of the Cities Database

South Carolina Employment (Millions)

SCEMP



Source: Bureau of Labor Statistics

Population and Growth, Select Counties

Population, percent change - April 1, 2010 to July 1, 2016

United States	4.7% Increase	to	323,127,513
South Carolina	7.1% Increase		4,961,119
North Carolina	6.4% Increase		10,146,788
Horry Co	19.7% Increase		322,342
Charleston Co	13.2% Increase		396,484
Greenville Co	10.5% Increase		498,766
New Hanover Co (NC)	10.3% Increase		223,483
Richland Co	6.5% Increase		409,549

Source: U.S. Census

Demographic Indicators

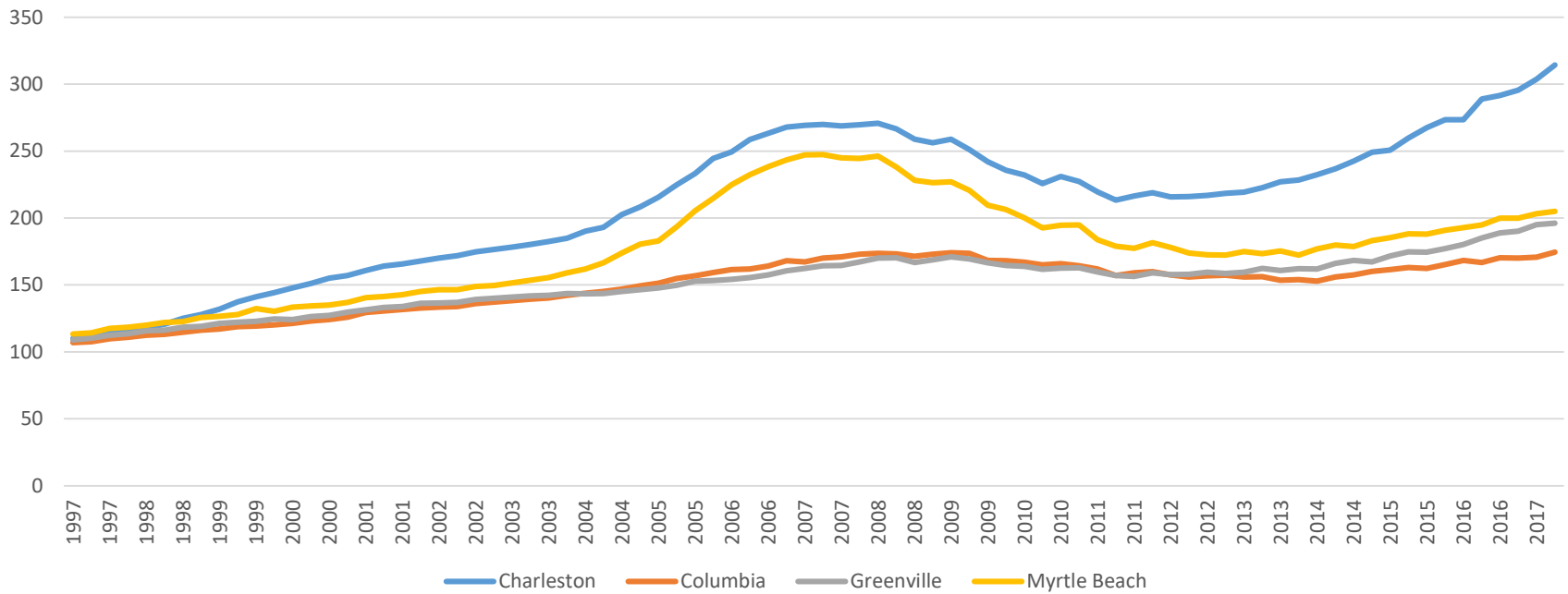
(Last 12 months average)

	Charleston Co.	Horry Co.	New Hanover Co.	Georgetown Co.	Williamsburg Co.
Median Value of Own-Occ Housing	\$243,200	\$159,700	\$214,300	\$159,600	\$68,300
BA Degree+	40.4%	22.8%	36.9%	25.8%	11.3%
Persons without health insurance under age 65 (%)	12.6%	17.4%	12.4%	13.8%	12.9%
With a disability, under age 65 (%)	7.1%	12.0%	8.9%	10.7%	14.4%
Labor Force Participation (age 16+)	65.1%	59.0%	64.8%	51.40%	48.50%
Median Household Income	\$53,437	\$43,299	\$50,088	\$42,835	\$28,297

Source: U.S. Census

Comparing Real Estate Prices

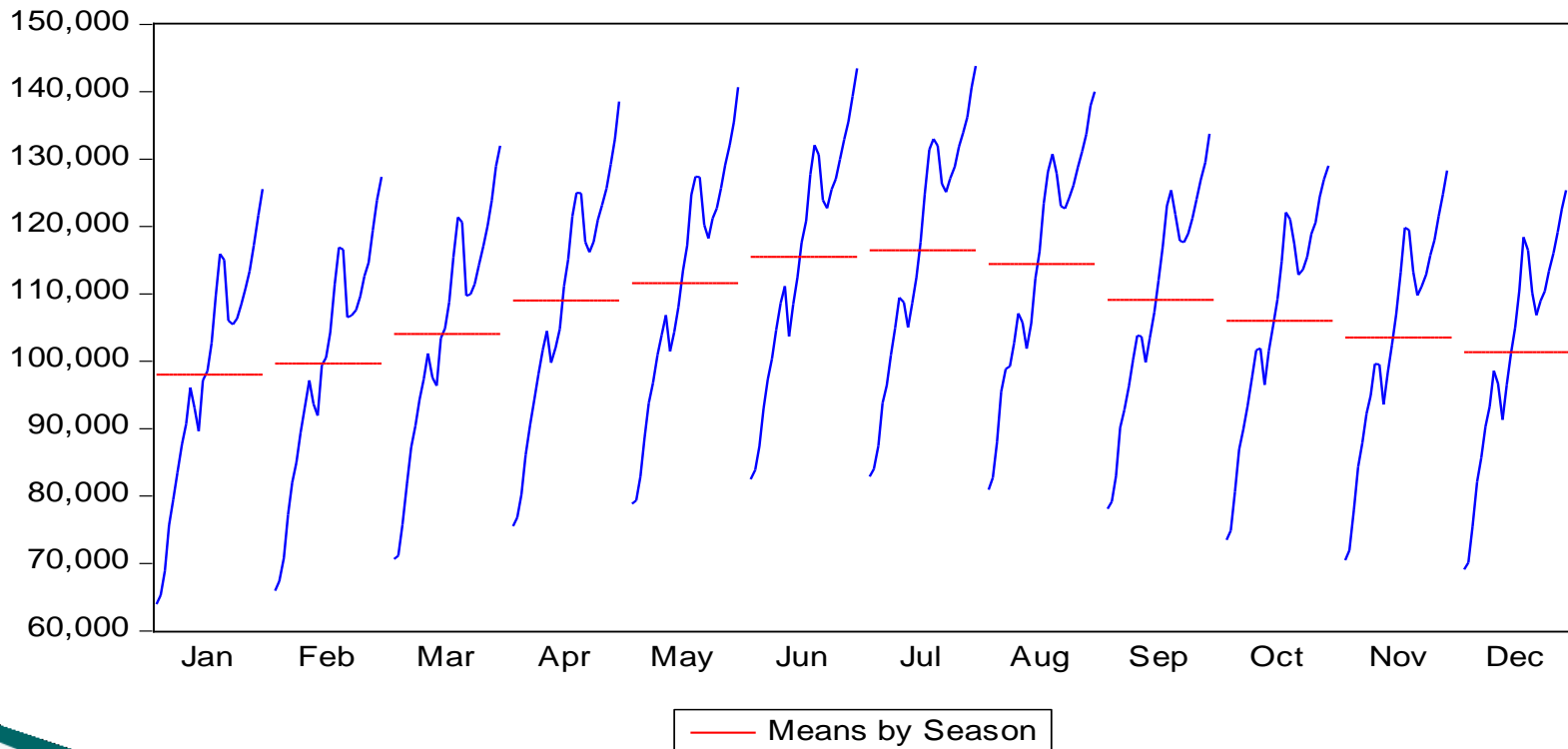
Purchase-Only Mortgage Price Indices
Select MSA Areas



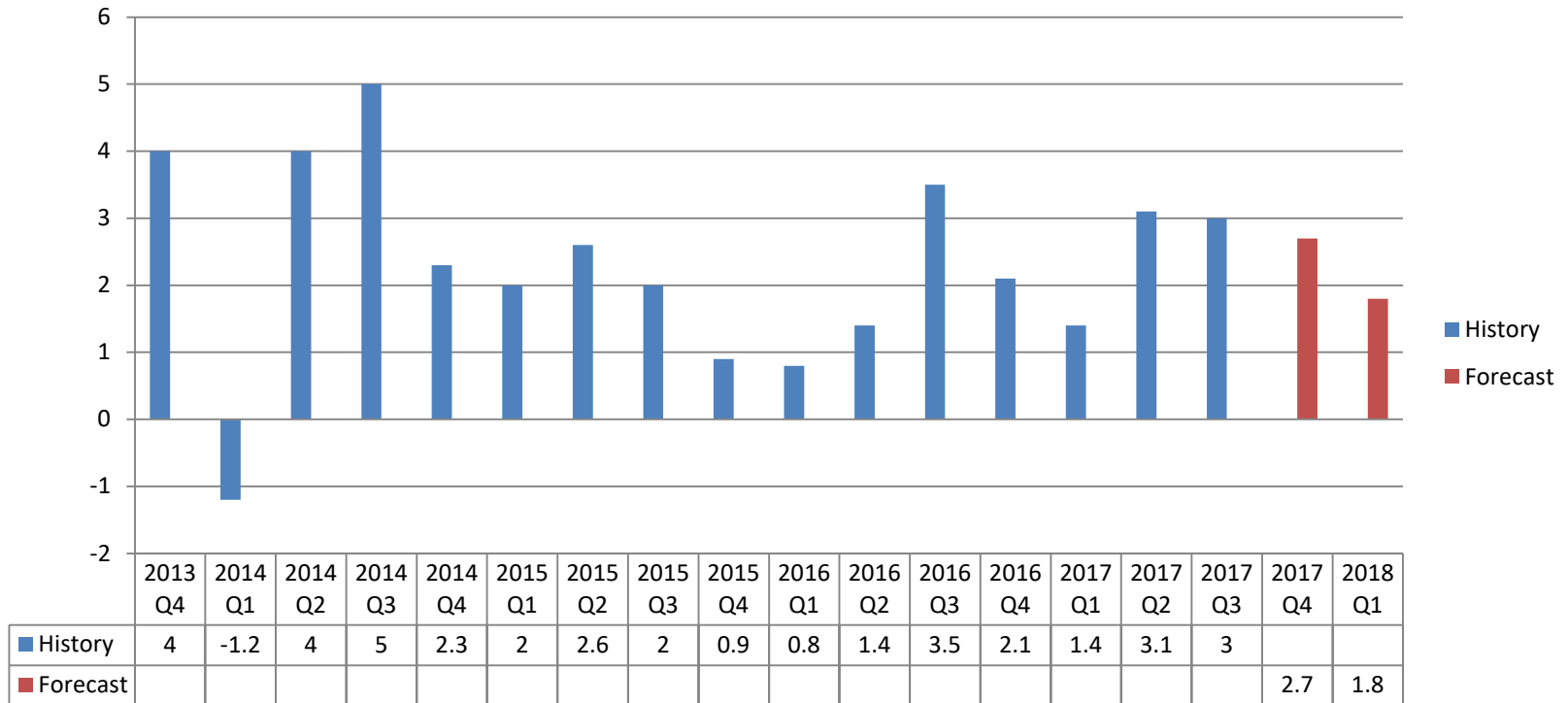
Source: Federal Housing Finance Agency

Employment gains more even

Horry Employment Level by Season

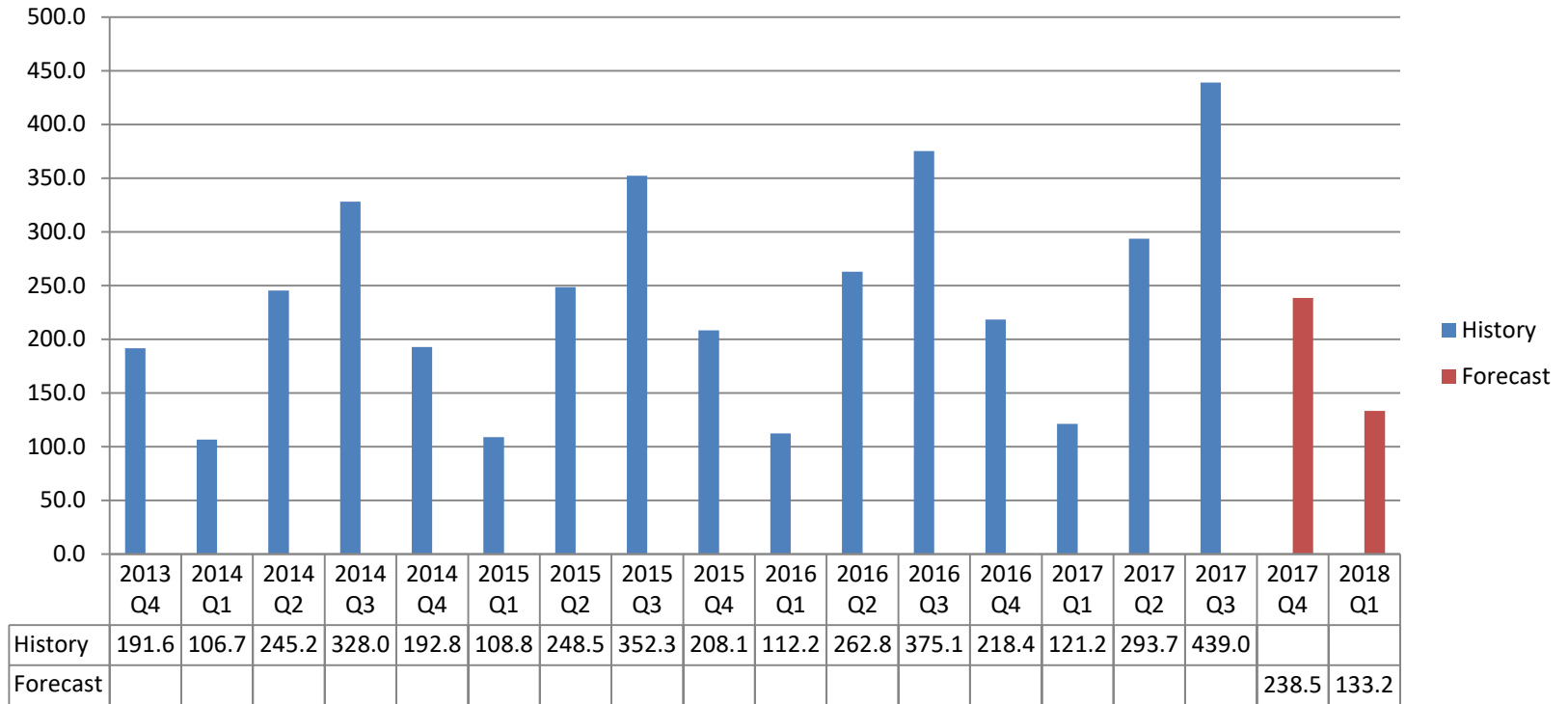


Annualized Real GDP Growth (%)



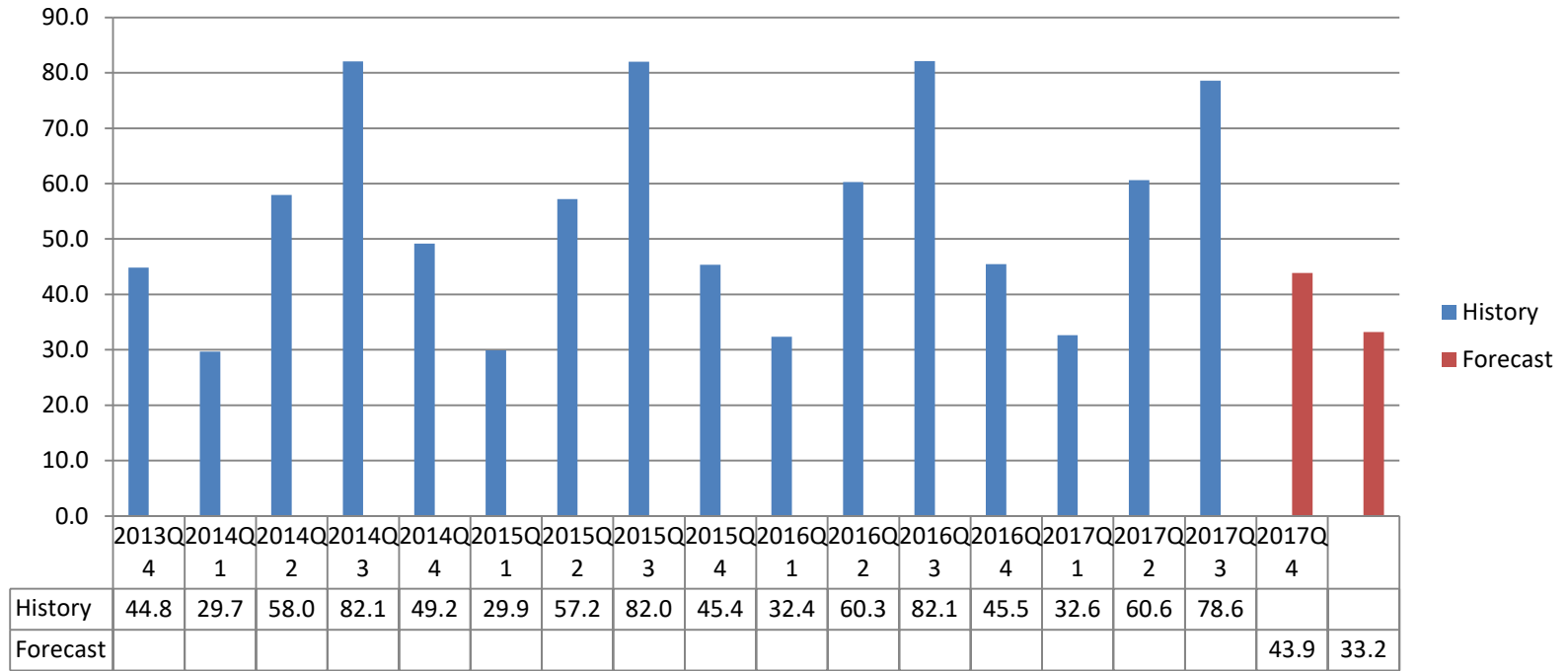
Source: U.S. Department of Commerce: Bureau of Economic Analysis

MYR Airport Deplanements (Thousands)



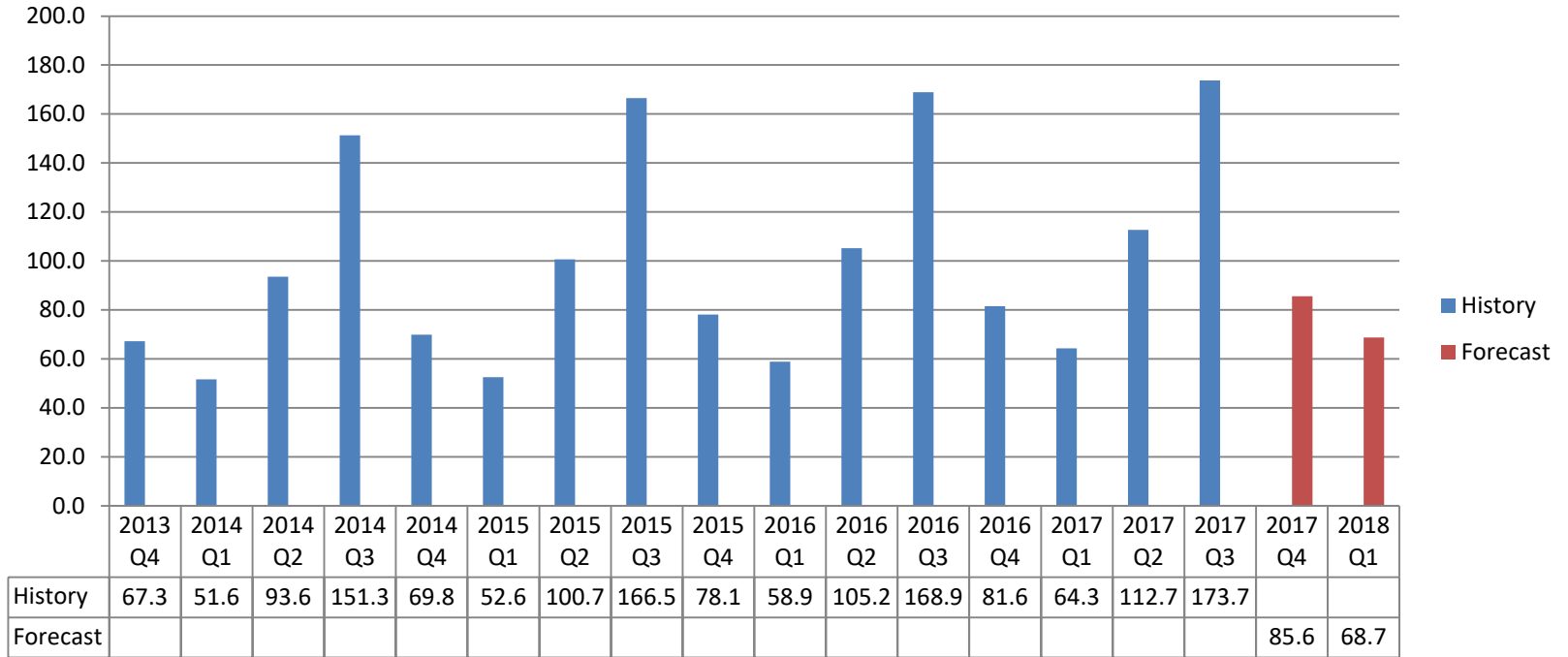
Source: Myrtle Beach International Airport

Hotel-Condotel-Campground Occupancy Rate



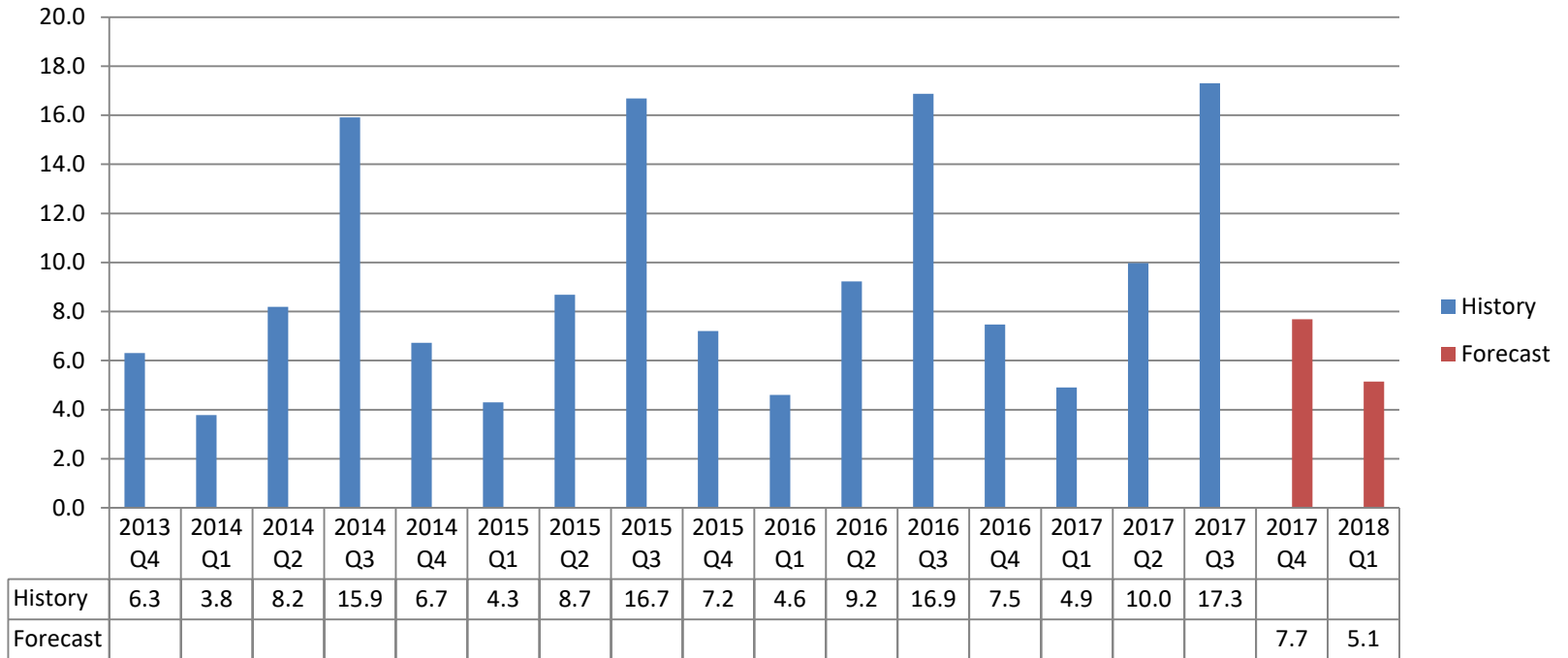
Source: Clay Brittain Jr. Center for Resort Tourism

Hotel-Condotel-Campground Average Daily Rate



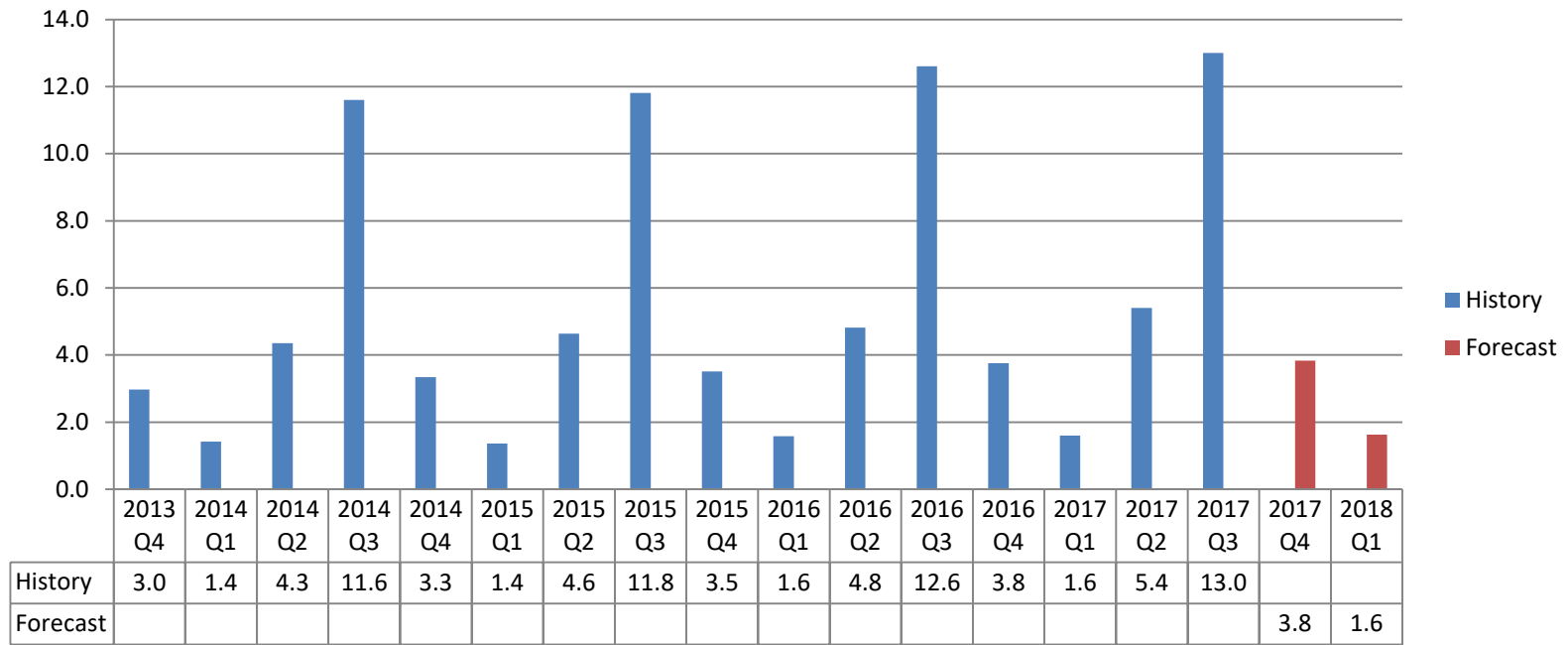
Source: Clay Brittain Jr. Center for Resort Tourism

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



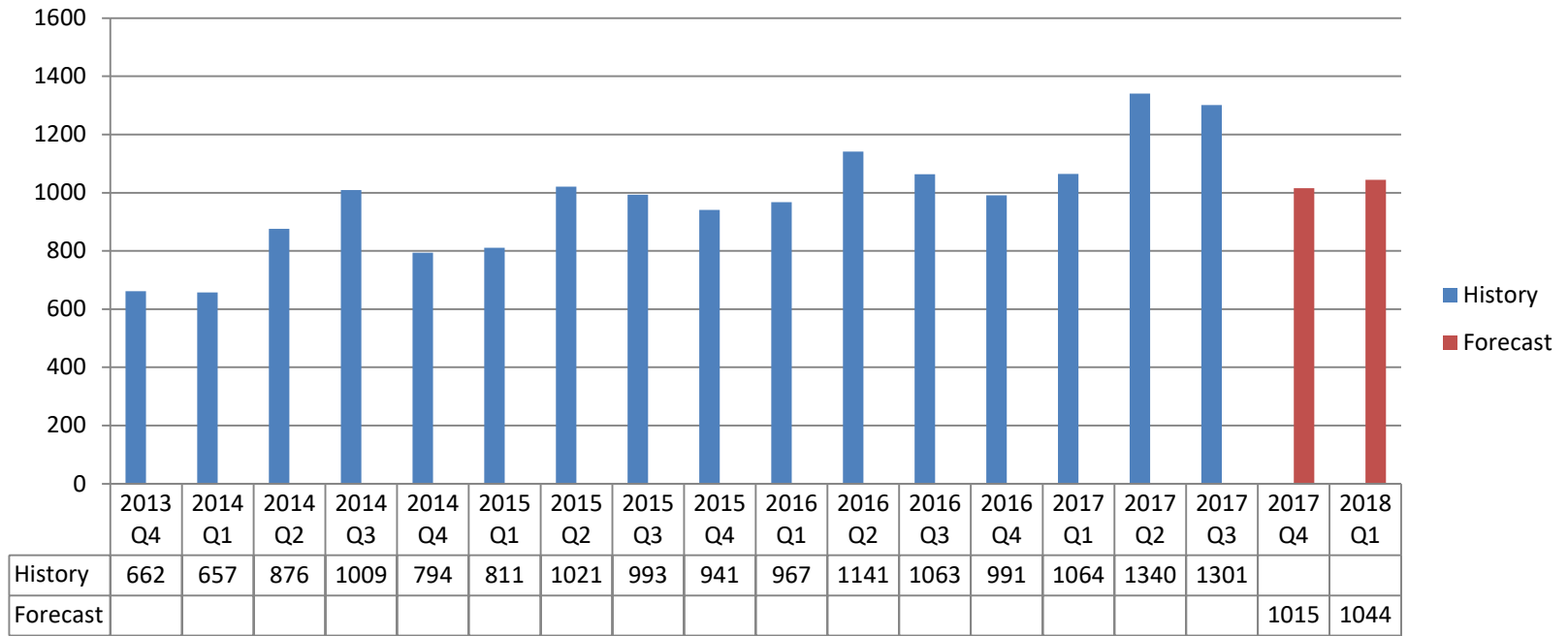
Source: Horry County Government

Accommodations Tax Revenue (\$Millions)



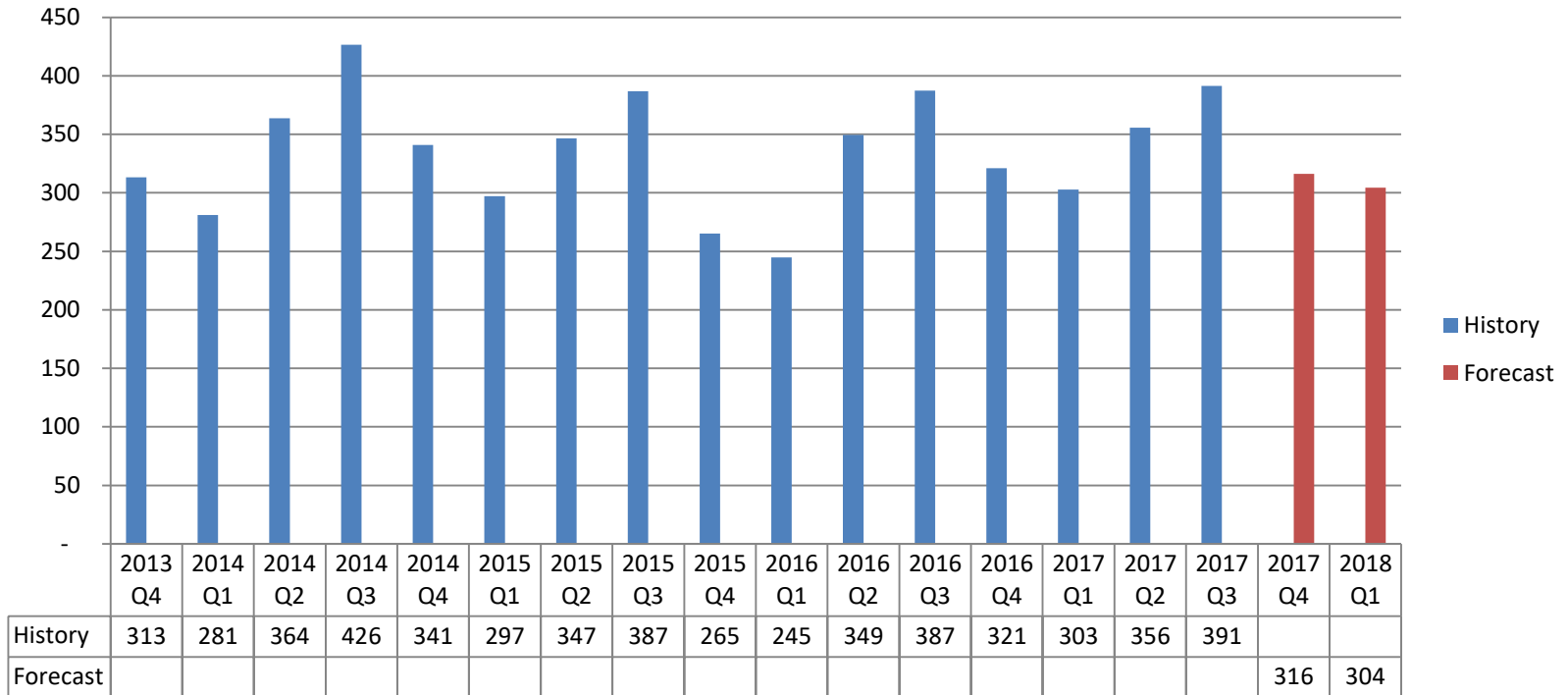
Source: SC Department of Revenue

Regional Single Family Permits



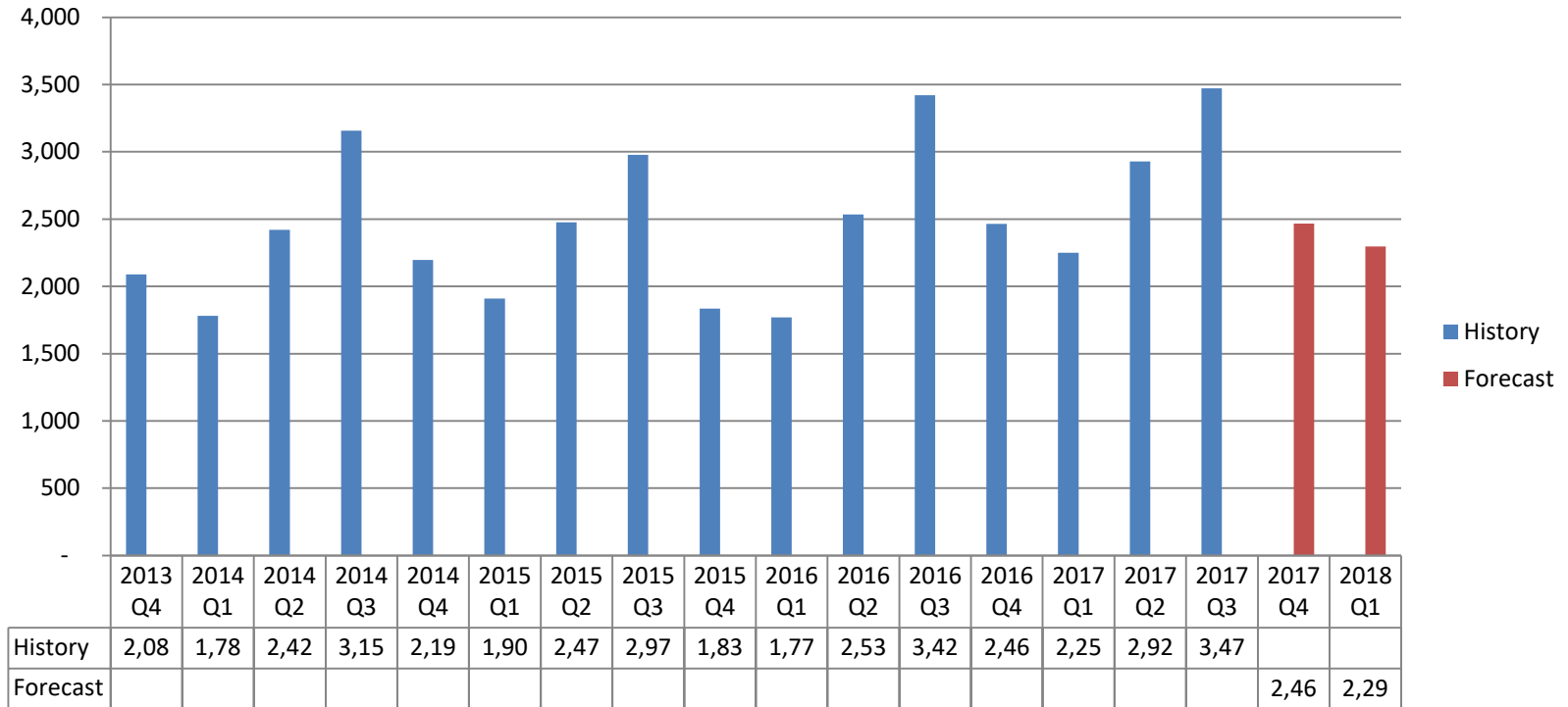
Source: HUD State of the Cities Data System

Georgetown Retail Sales (\$ Millions)



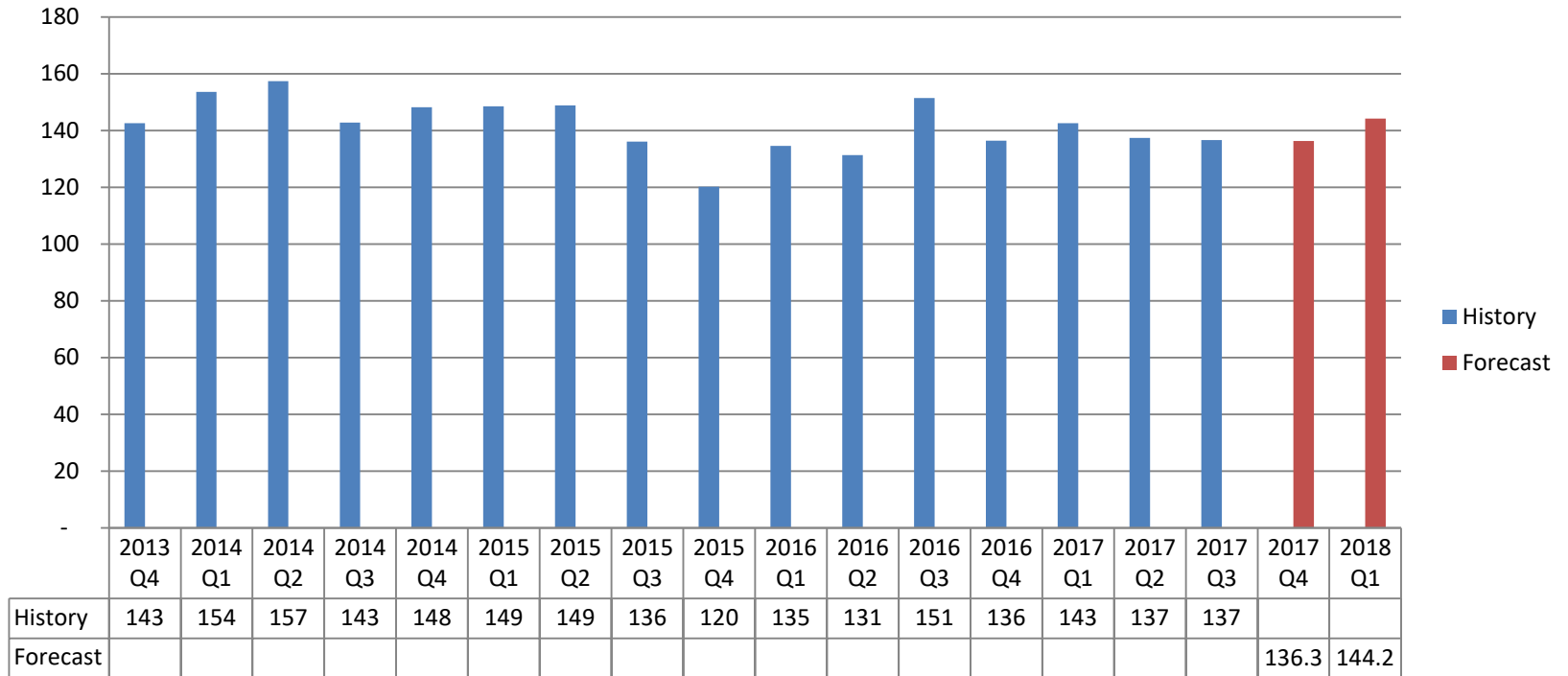
Source: SC Department of Revenue

Horry Retail Sales (\$ Millions)



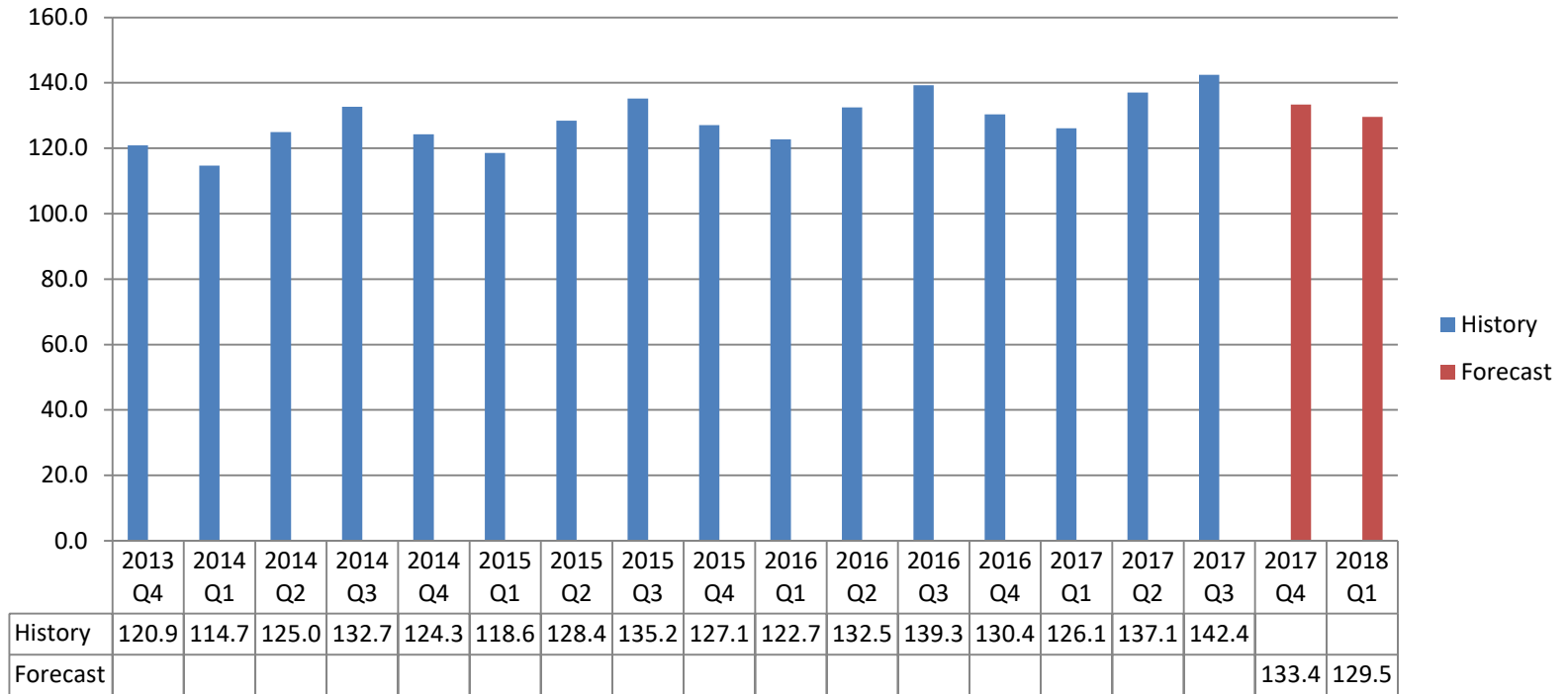
Source: SC Department of Revenue

Williamsburg Retail Sales (\$ Millions)



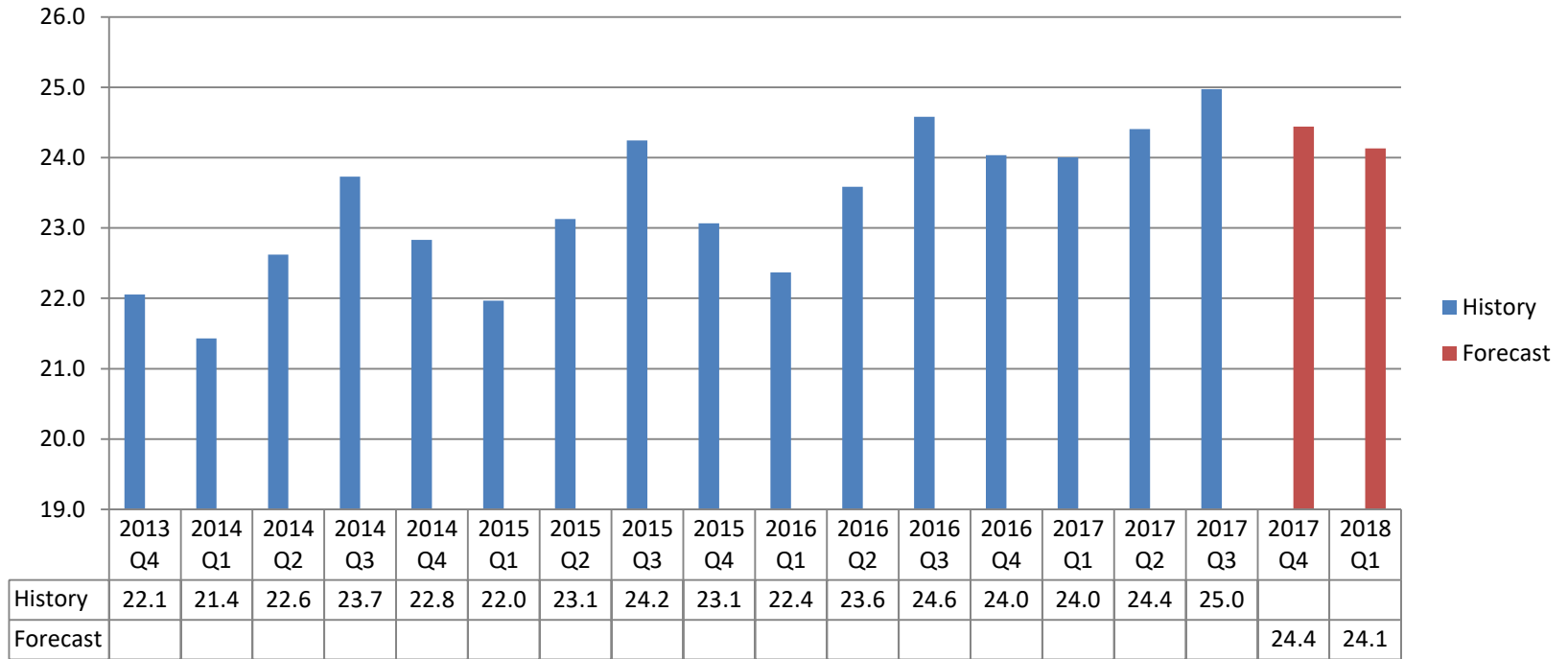
Source: SC Department of Revenue

Horry Employment (Thousands)



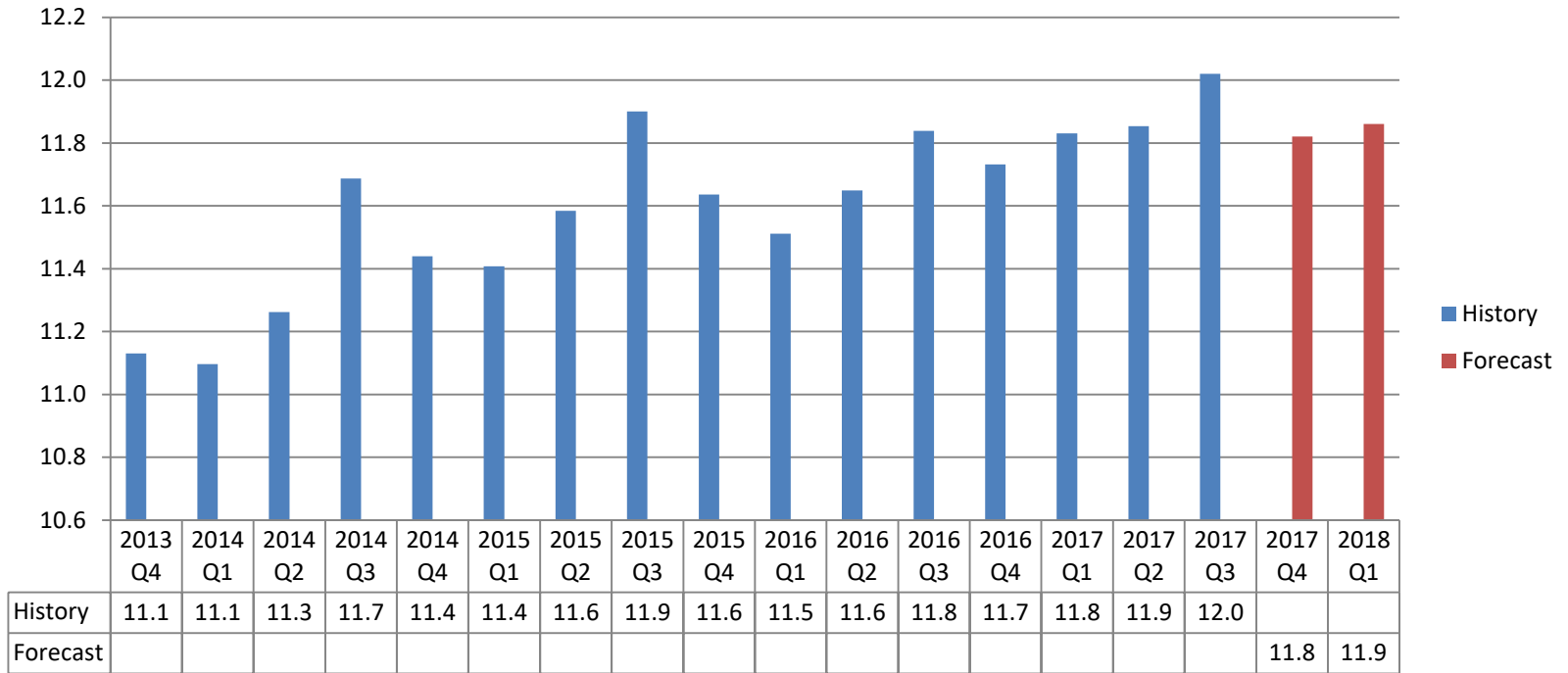
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Employment (Thousands)



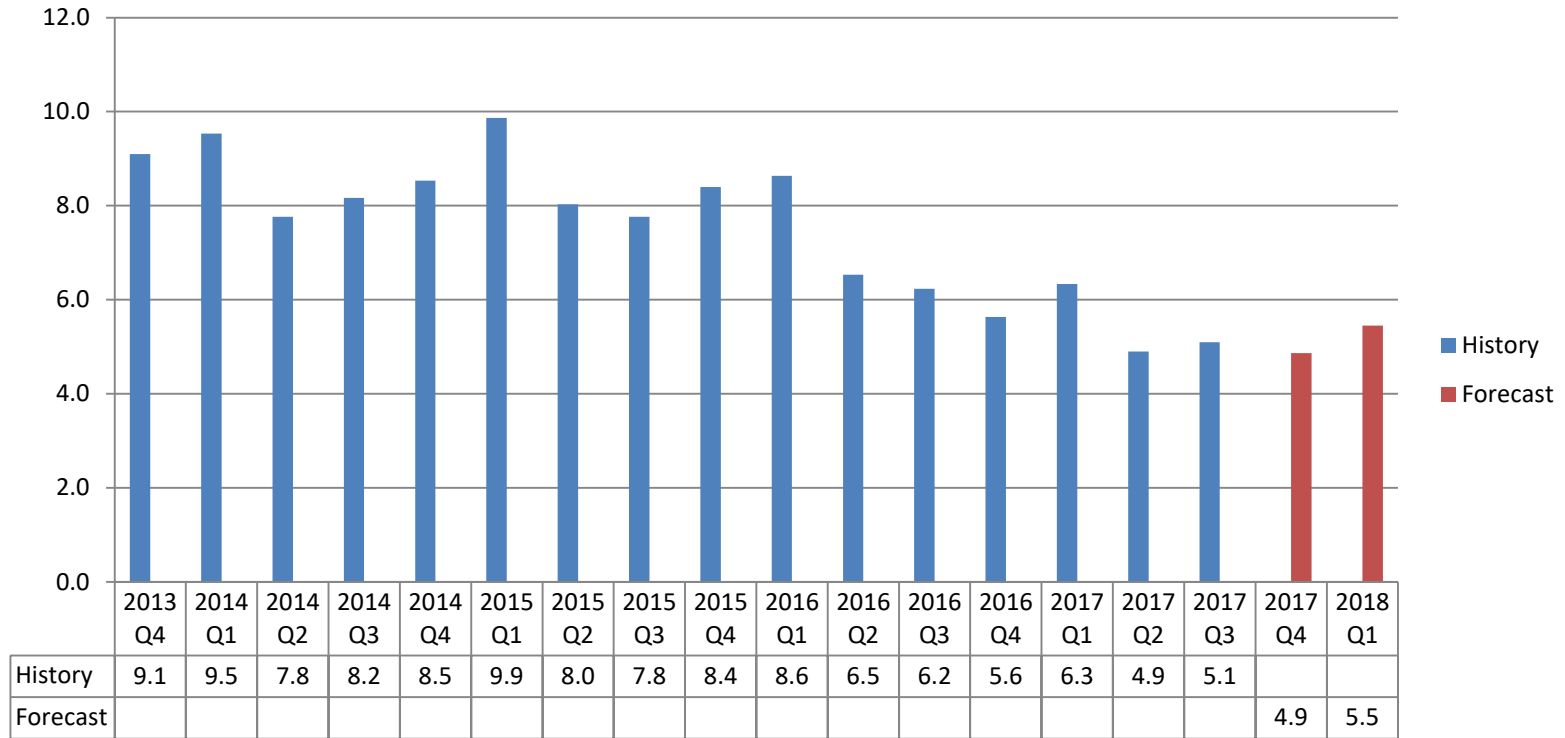
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Williamsburg Employment (Thousands)



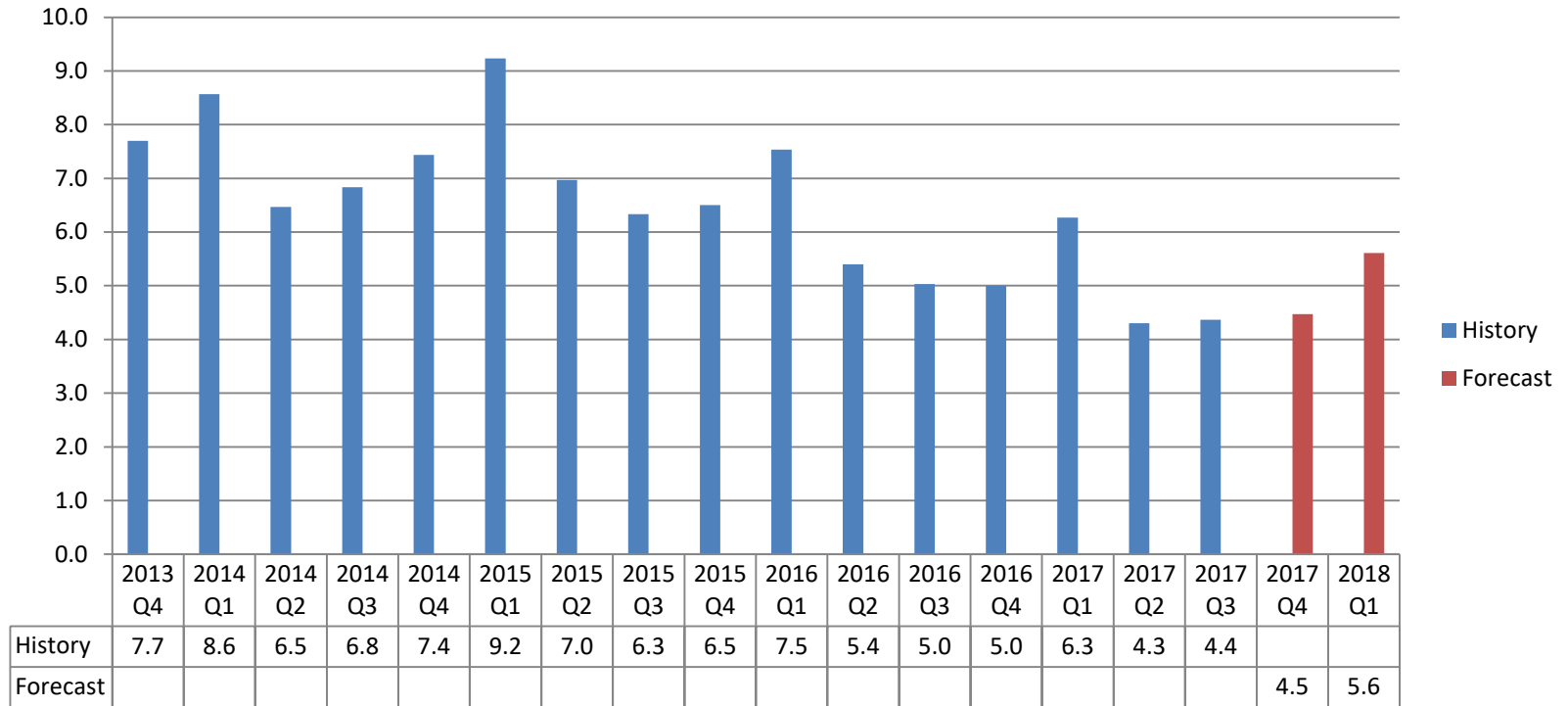
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Unemployment Rate



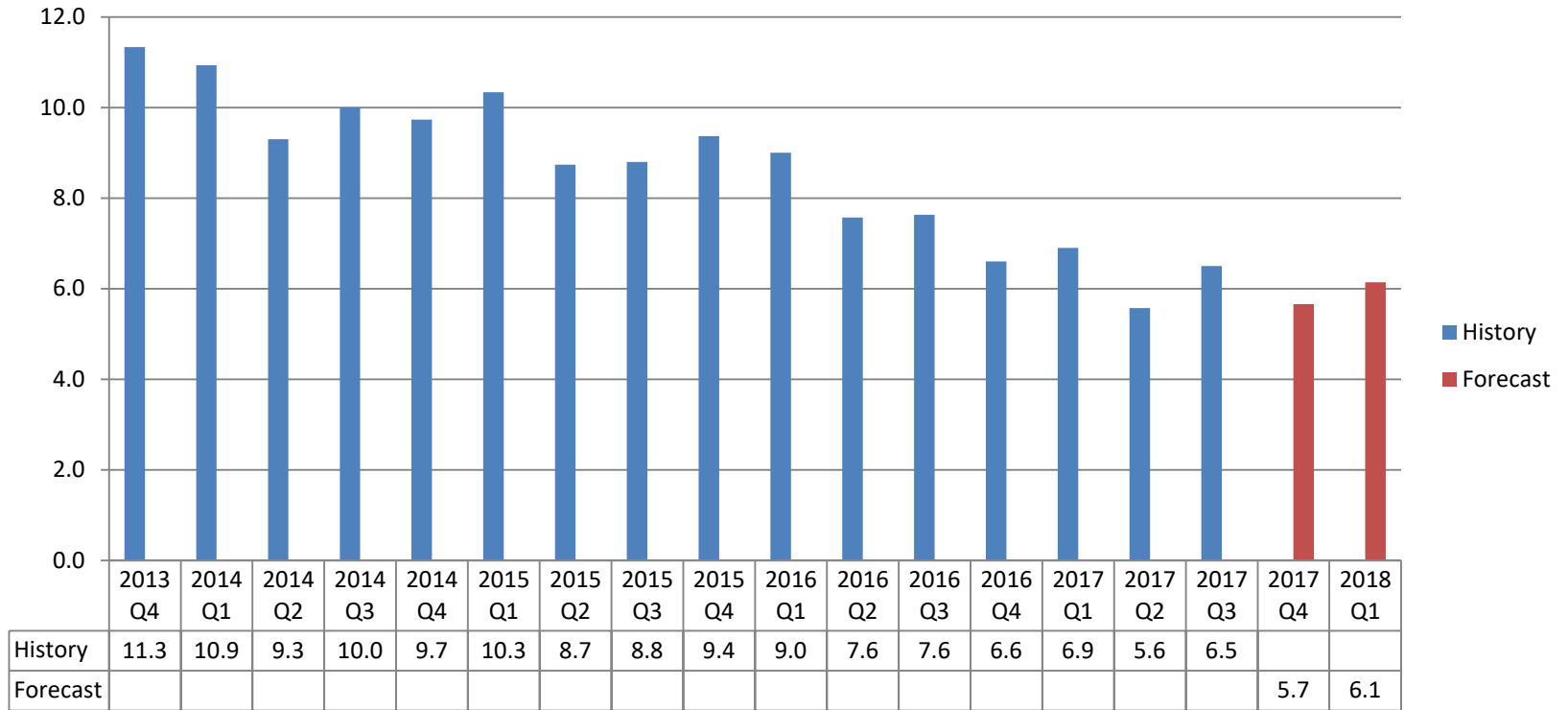
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

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: Fall 2017

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

Prepared and Presented by Robert F. Salvino, Ph.D. Associate Director, Grant Center for Real Estate and Economic Development
E. Craig Wall Sr. College of Business Administration, Coastal Carolina University

November 2017

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous Quarter Summer 2017	Current Quarter Fall 2017	Next Quarter Winter 2018	Previous Quarter Summer 2017	Current Quarter Fall 2017	Next Quarter Winter 2018
Airport Deplanements (thousands)	439.0	238.5	133.2	17.0	9.2	9.8
Occupancy Rate (Full Week)	78.6	43.9	33.2	-3.5	-1.6	0.6
Average Daily Rate (Full Week)	173.7	\$ 85.6	\$ 68.7	4.8	4.1	4.3
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 17.3	\$ 7.7	\$ 5.1	2.6	2.8	4.9
Accommodations Tax Revenue (\$millions)	\$ 13.0	\$ 3.8	\$ 1.6	3.1	2.1	1.7
Admissions Tax Revenue (\$millions)	<i>No update from SCDOR since April 2016</i>			<i>No update from SCDOR since April 2016</i>		
Regional SF Building Permits	1,301	1,015	1,044	22.4	2.5	-1.9
Regional MF Building Permits	<i>Analysis Pending Historical Reporting Analysis</i>			<i>Analysis Pending Historical Reporting Analysis</i>		
Retail Sales (\$millions)						
Georgetown County	\$ 391.3	\$ 316.1	\$ 304.4	1.0	-1.5	0.5
Horry County	\$3,470.7	\$2,466.9	\$2,297.5	1.5	0.1	2.1
Williamsburg County	\$ 136.6	\$ 136.3	\$ 144.0	-9.8	-0.1	1.2
Employment (thousands)						
Georgetown County	24,972	24,439	24,131	1.6	1.7	0.5
Horry County	142,435	133,398	129,544	2.3	2.3	2.7
Williamsburg County	12,020	11,820	11,860	1.5	0.8	0.2
Unemployment Rate						
Georgetown County	5.1	4.9	5.5	-1.1	-0.8	-0.9
Horry County	4.4	4.5	5.6	-0.7	-0.5	-0.7
Williamsburg County	6.5	5.7	6.1	-1.1	-0.9	-0.8

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.