



GRANT CENTER FOR
REAL ESTATE AND ECONOMICS
COASTAL CAROLINA UNIVERSITY

Regional Economic Outlook

Winter 2019

February 5, 2019
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Coastal Carolina University

Executive Summary

The Economic Outlook Board of the Waccamaw Council of Governments met on February 6, 2019 to review the latest quarterly economic indicators for the Grand Strand and surrounding region. The meeting came on the heels of significant national developments: the ending of the partial government shutdown and a pause in monetary policy action concerning short-term interest rates. January marked a significant recovery in the major stock market indexes, which saw double-digit declines to end the 4th quarter of 2018.

The effects of Hurricane Florence appear to have been constrained to the 4th quarter, as most of our regularly tracked metrics indicate a return or near return to levels consistent with activity unhampered by natural disaster. However, our metrics and state and national indicators suggest the business cycle peak may have been reached in the 3rd or 4th quarter, and spending and employment gains will slow.

Highlights from 2018Q4 compared to 2017Q4 (Fall: September, October, November) for the largest county, Horry:

- Unemployment: Down to 3.9%
- Employment: Up to 136,546 jobs
- Hotel-Condotel-Campground Occupancy: Down to 42.1% from 48.1% year-over-year
- Hospitality Fee (1-1/2% County-wide): Down to \$7.2 Million, a 7.5% decline year-over-year

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

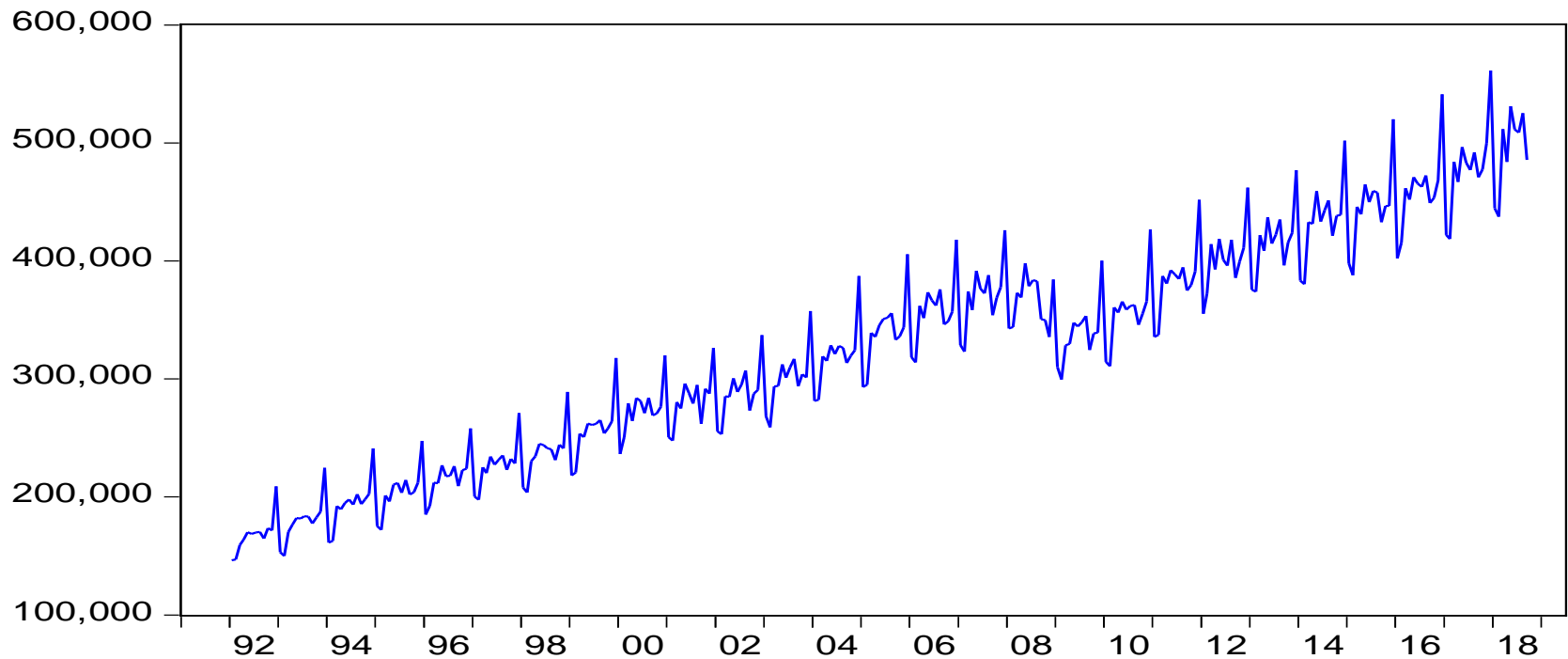
Helpful Notes and Reminders

- 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).



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

USRETAILSALES

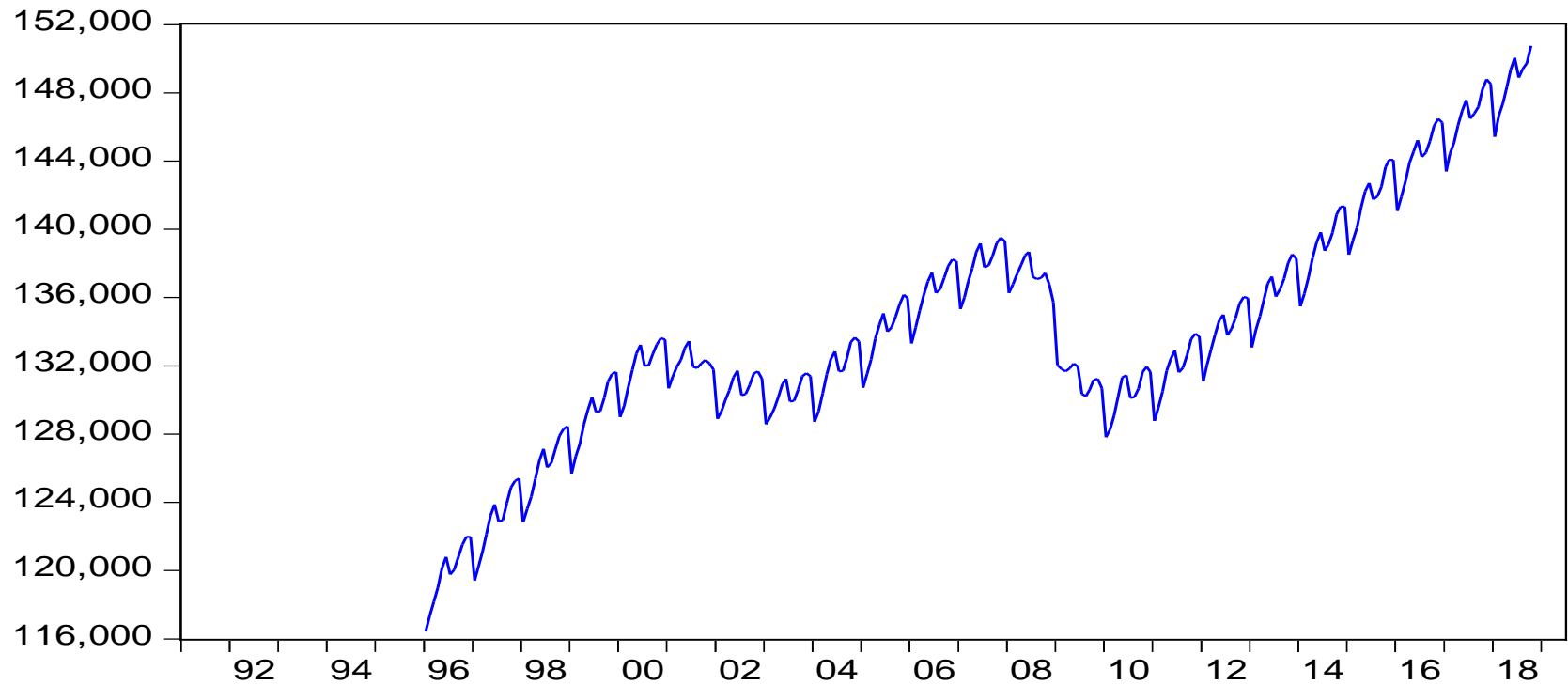


Source: U.S. Department of Commerce



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

USEMP

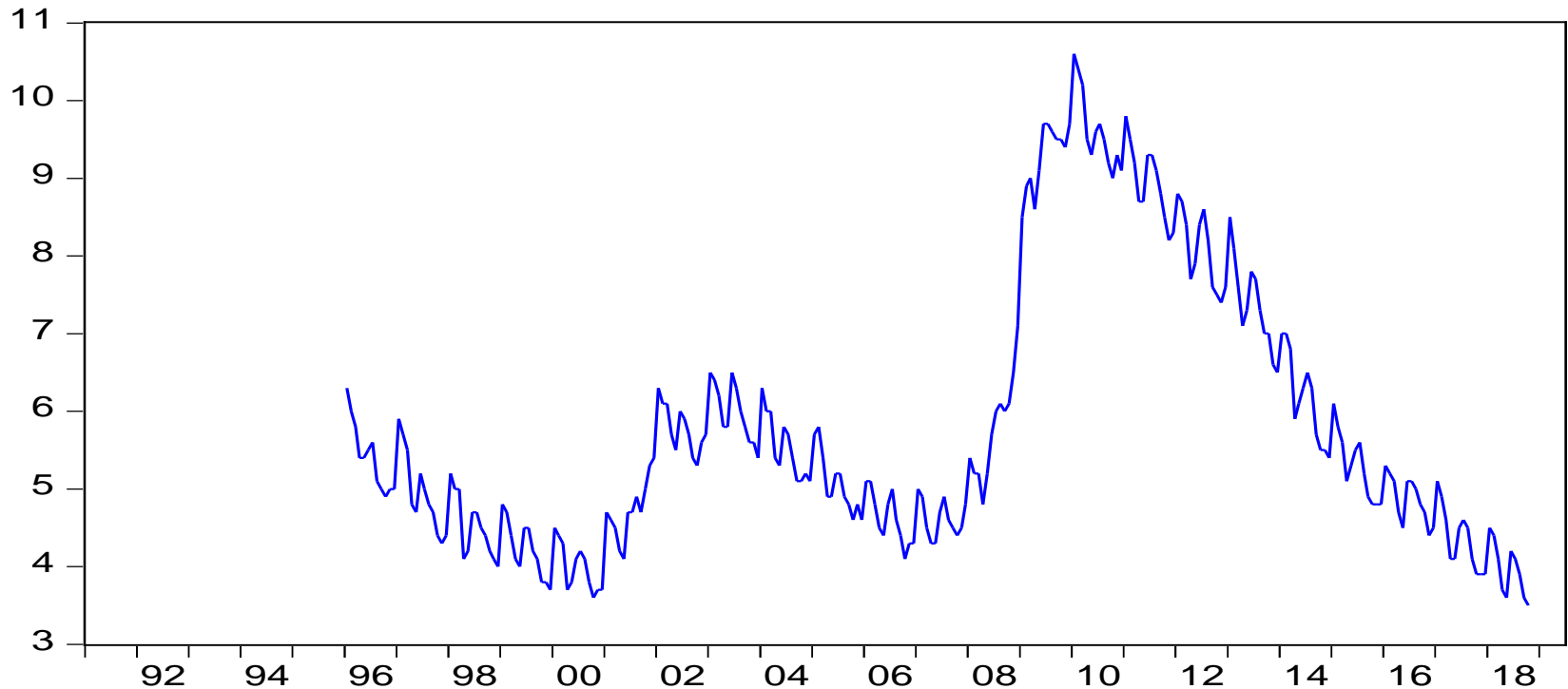


Source: Bureau of Labor Statistics



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

US_URATE



Source: Bureau of Labor Statistics



30-Year Fixed Rate Mortgage



Source: Freddie Mac



U.S. Existing Home Sales



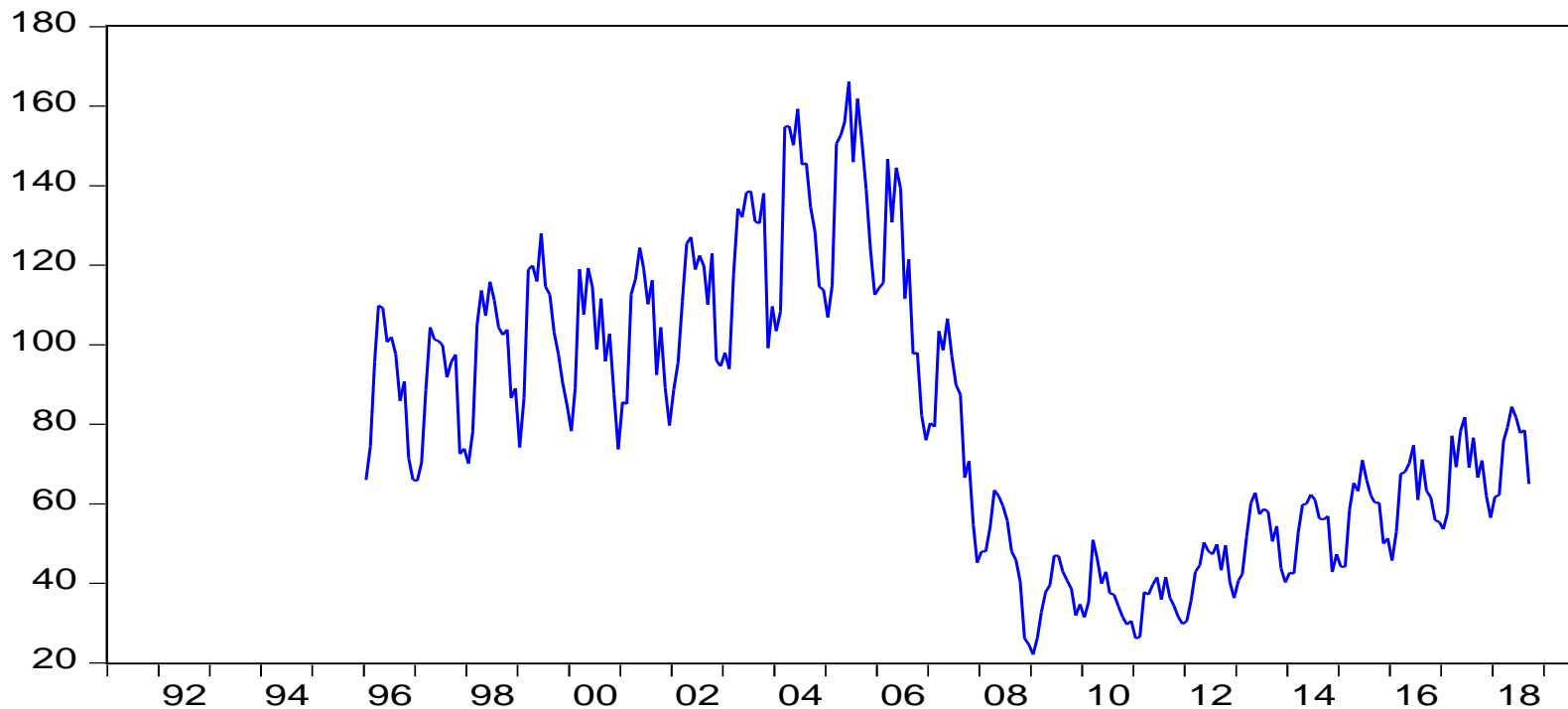
SOURCE: TRADINGECONOMICS.COM | NATIONAL ASSOCIATION OF REALTORS

Source: National Association of Realtors and Trading Economics



US Single Family Building Permits

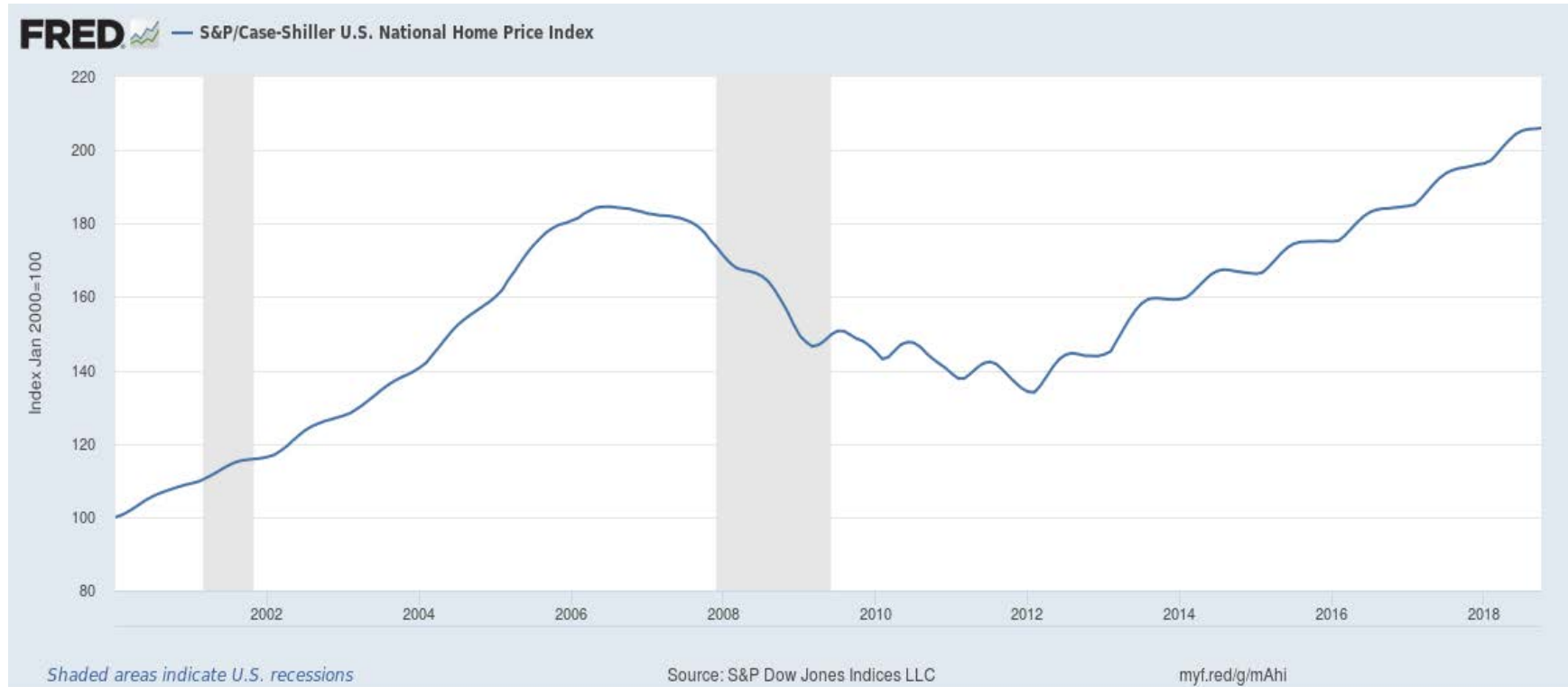
US Single Family Real Private Fixed Investment



Source: HUD State of the Cities Database



U.S. National Home Price Index (S&P/Case-Shiller)

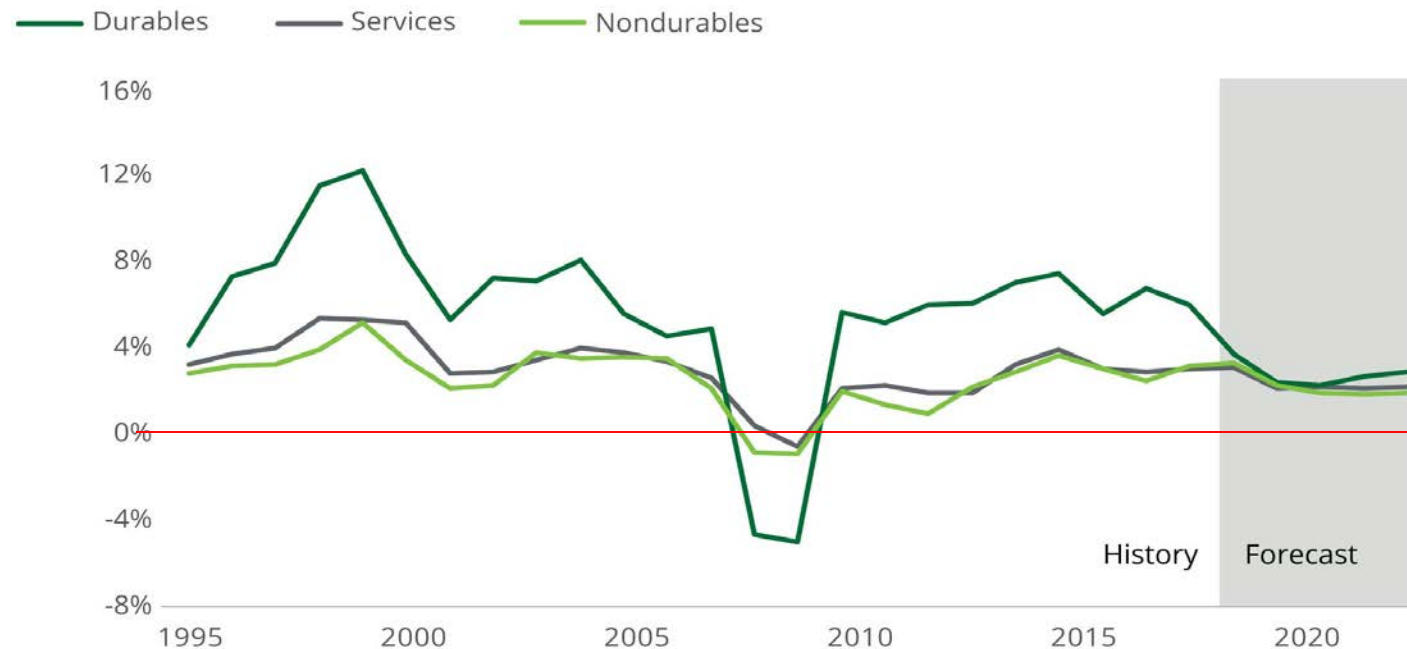




Slowdown in Spending Growth

FIGURE 2

Consumer spending growth

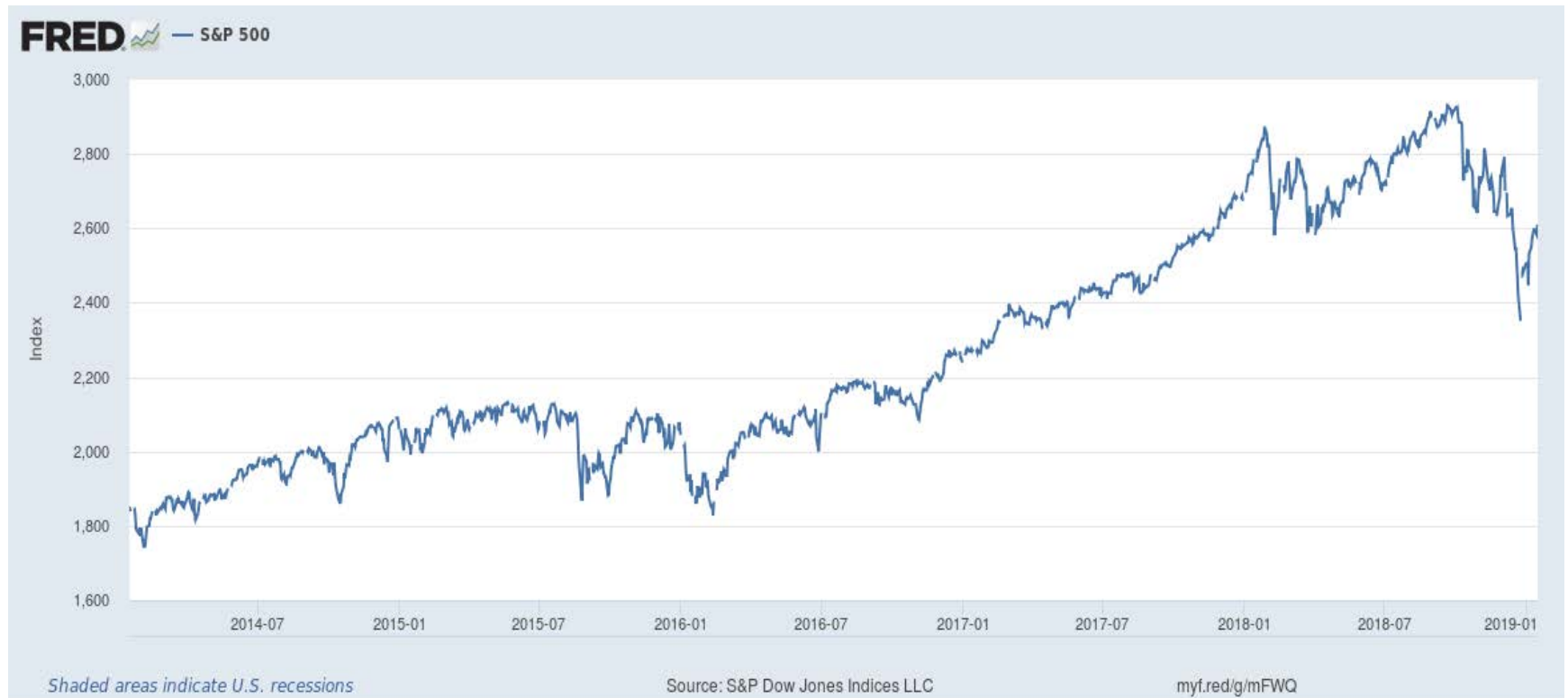


Source: BEA/Oxford Economics and Deloitte forecast.

Deloitte Insights | deloitte.com/insights

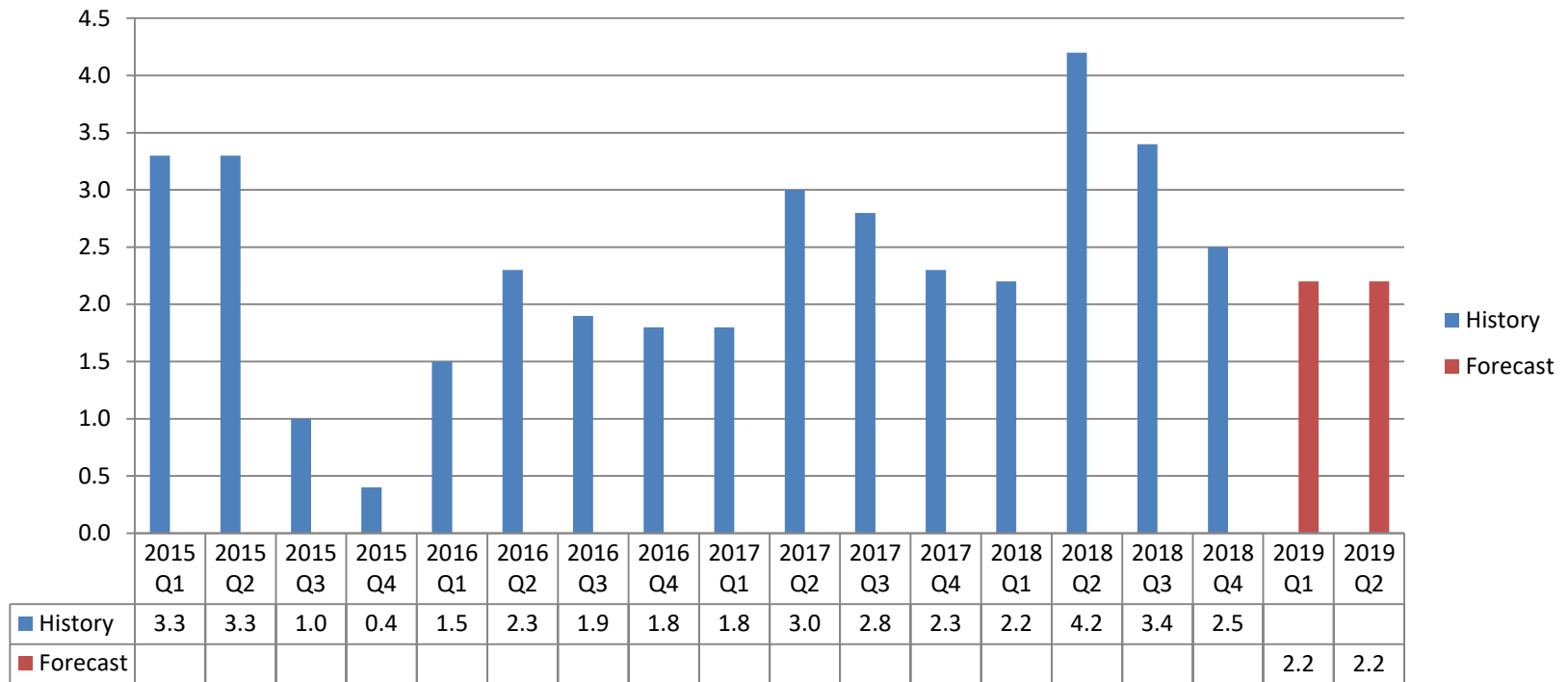


S&P 500 Index





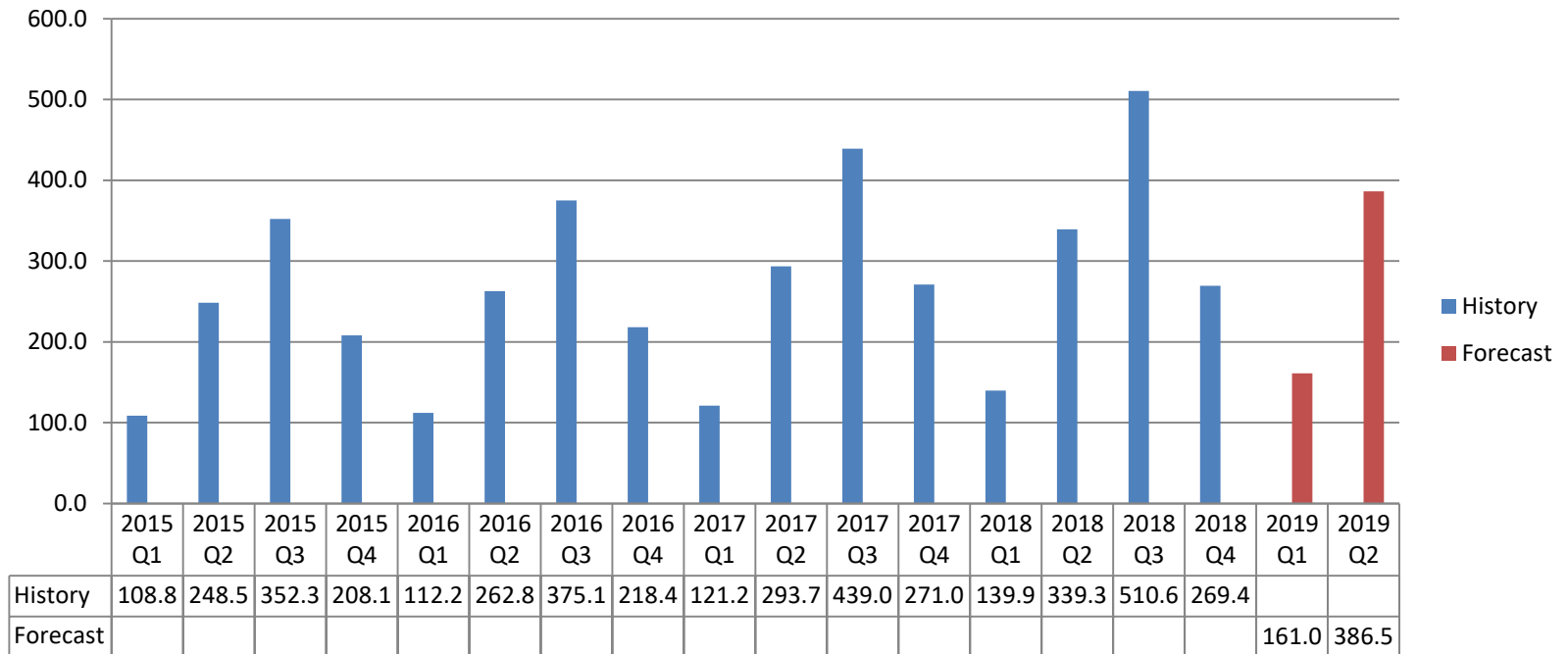
Annualized Real GDP Growth (%)



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



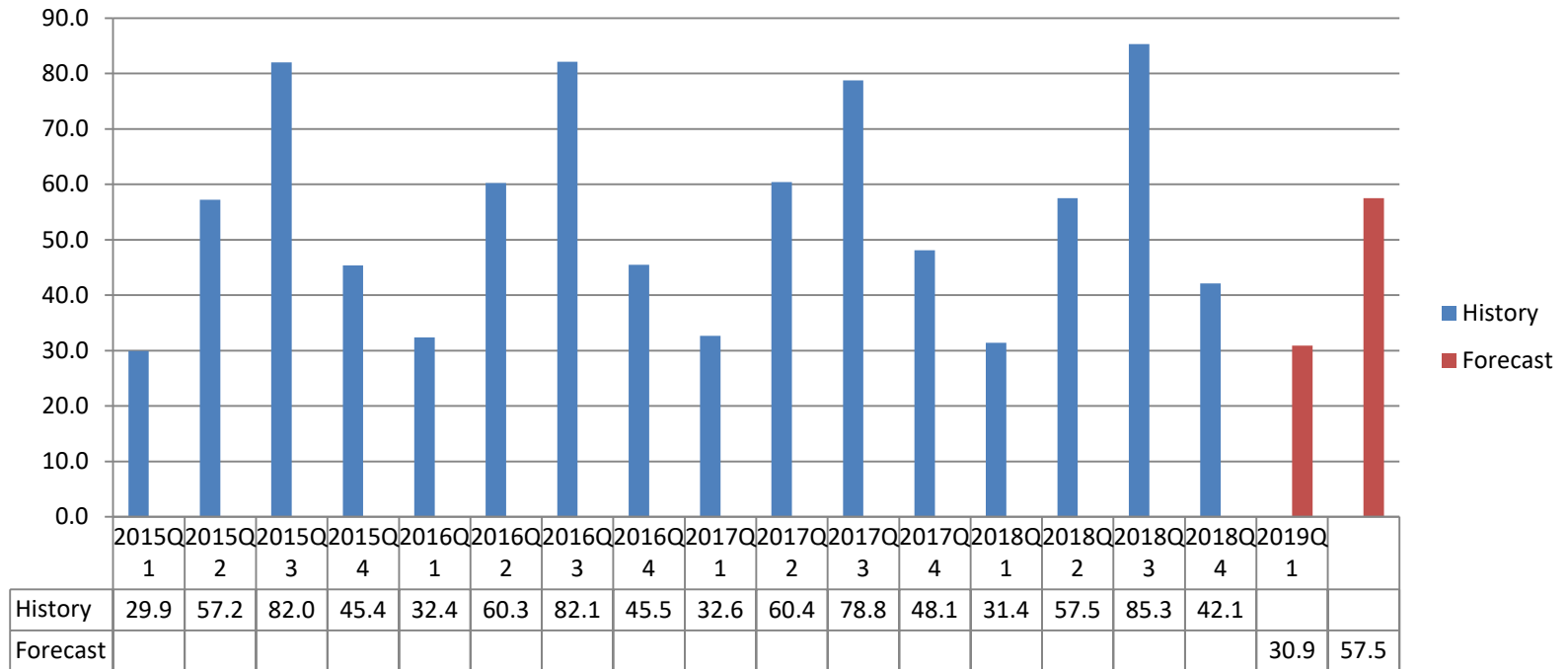
MYR Airport Deplanements (Thousands)



Source: Myrtle Beach International Airport



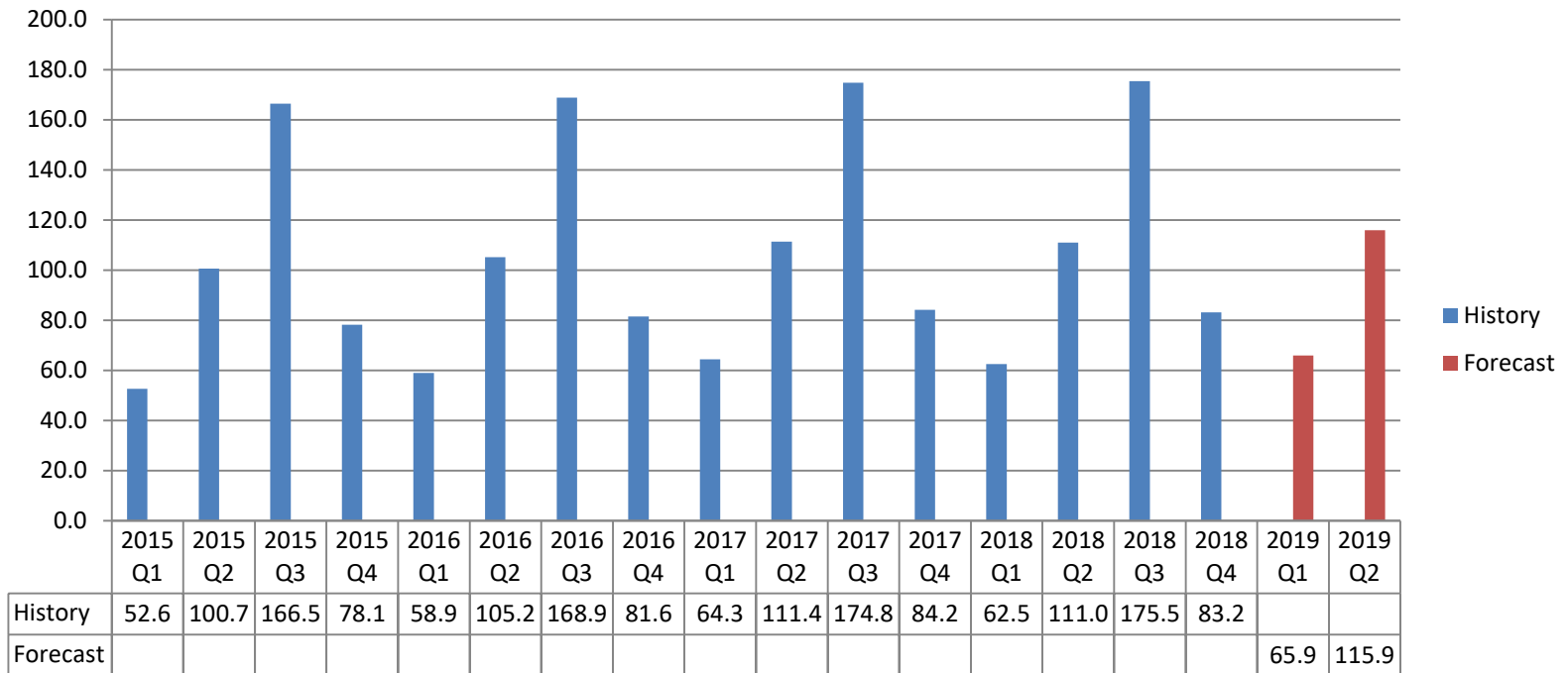
Hotel-Condotel-Campground Occupancy Rate



Source: Clay Brittain Jr. Center for Resort Tourism



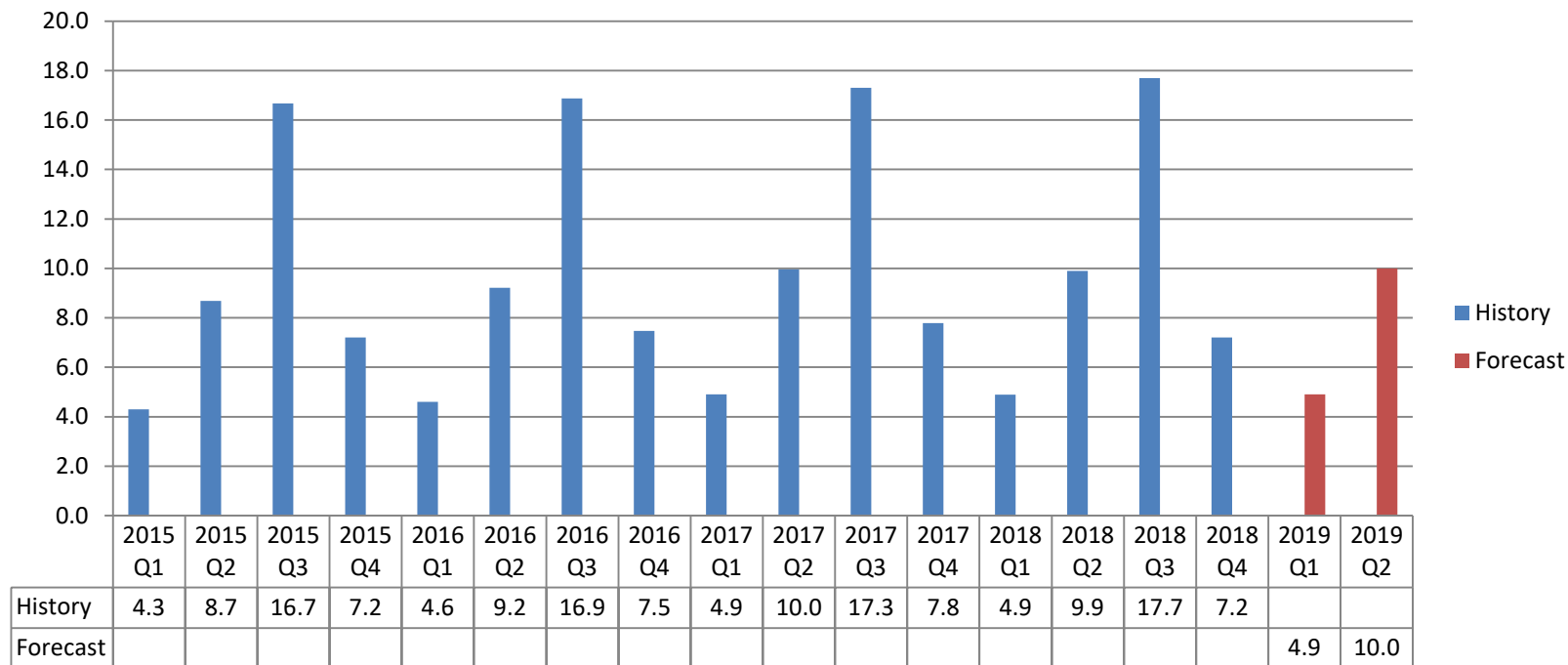
Hotel-Condotel-Campground Average Daily Rate



Source: Clay Brittain Jr. Center for Resort Tourism



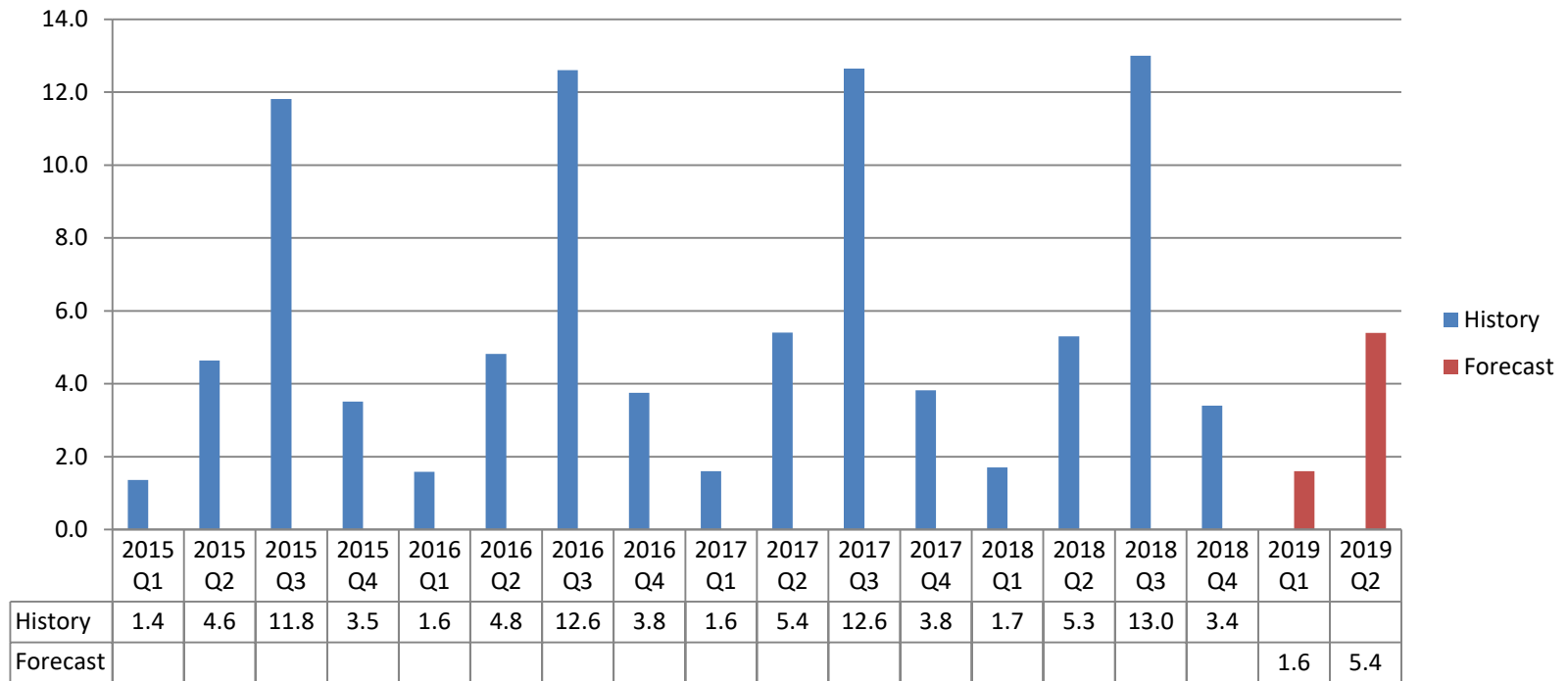
Horry 1.5% Hospitality Fee Revenue (\$Millions) (County-wide fees on accommodations, prepared foods, beverages, admissions)



Source: Horry County Government



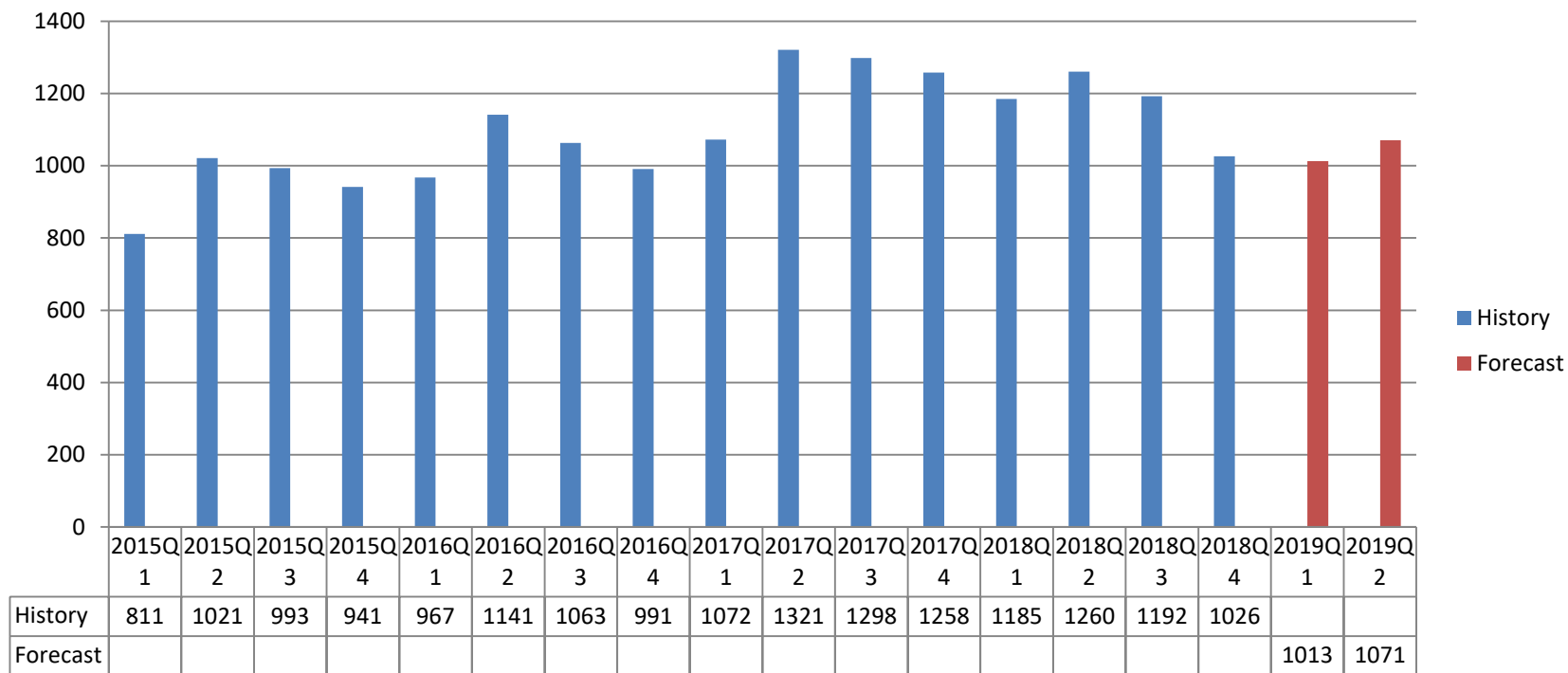
Accommodations Tax Revenue (\$Millions)



Source: SC Department of Revenue



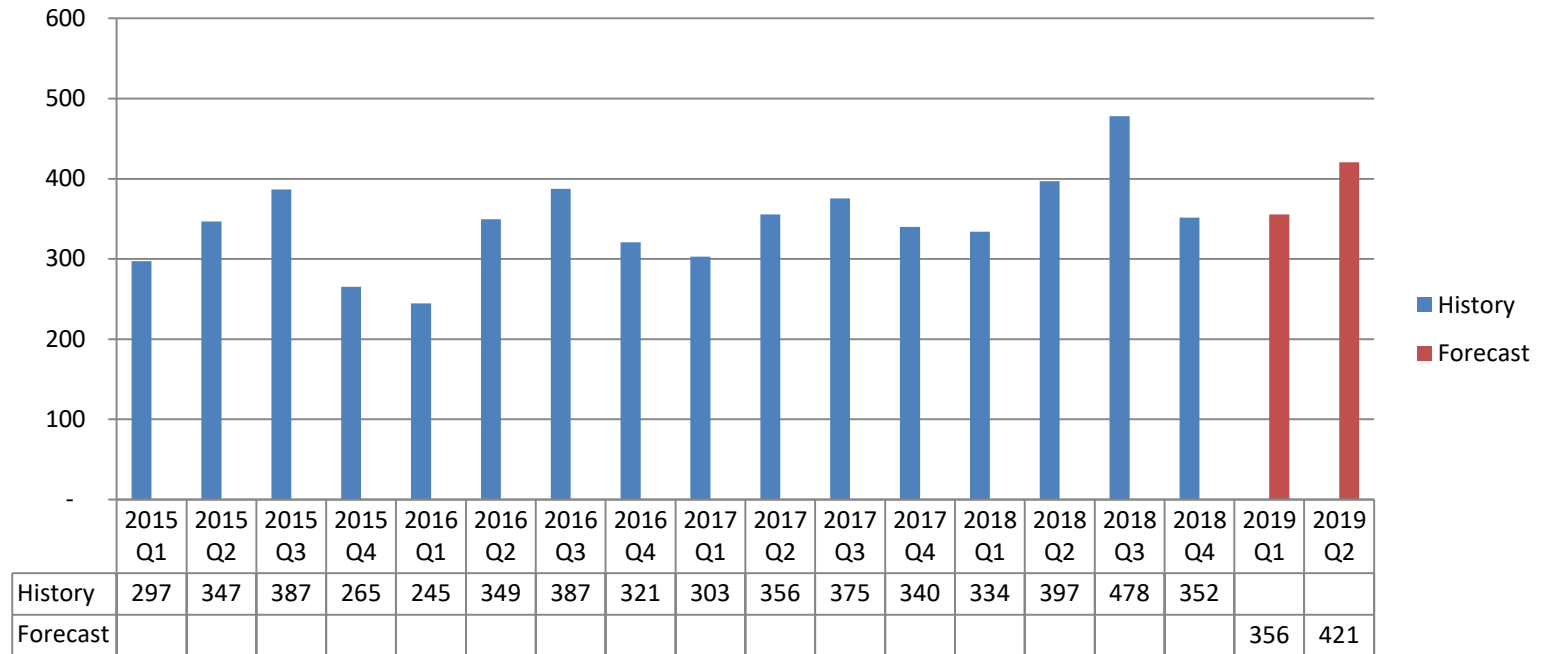
Regional Single Family Permits



Source: HUD State of the Cities Data System



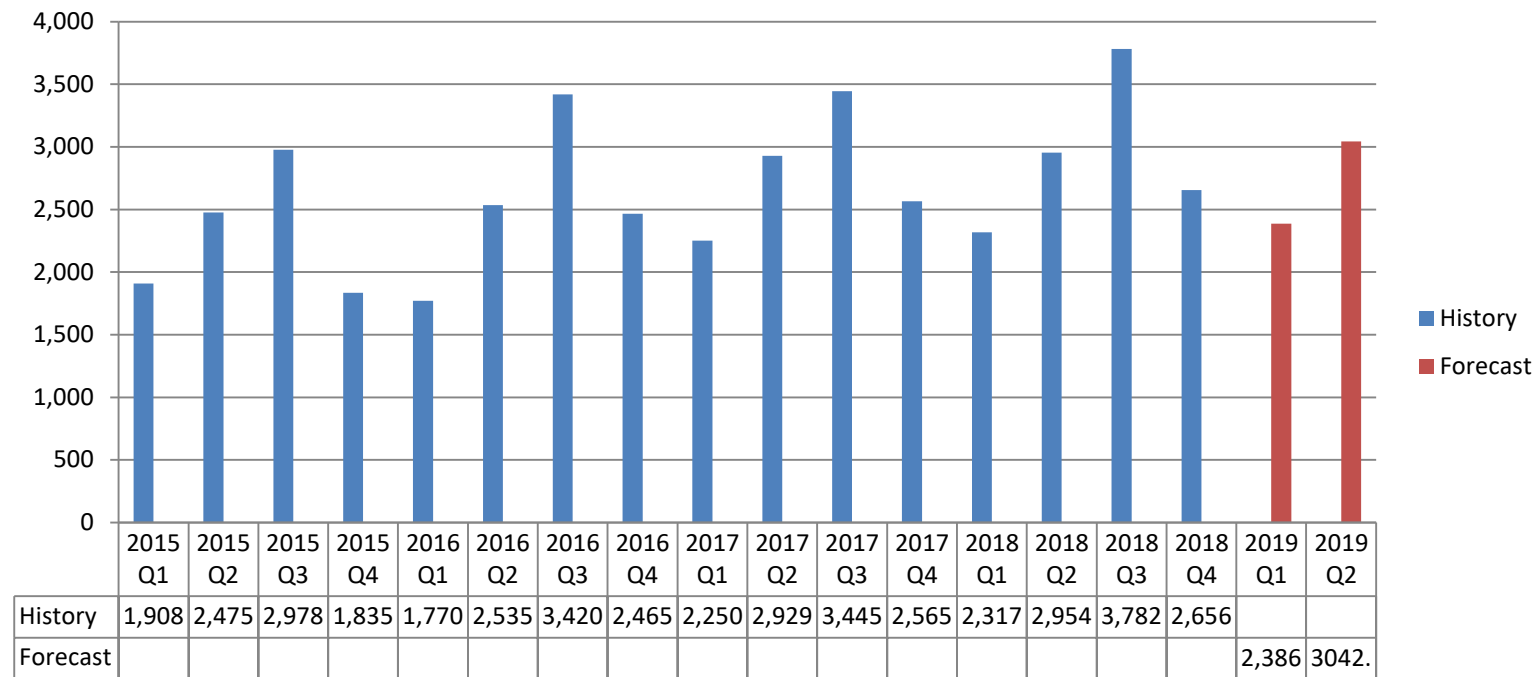
Georgetown Retail Sales (\$ Millions)



Source: SC Department of Revenue



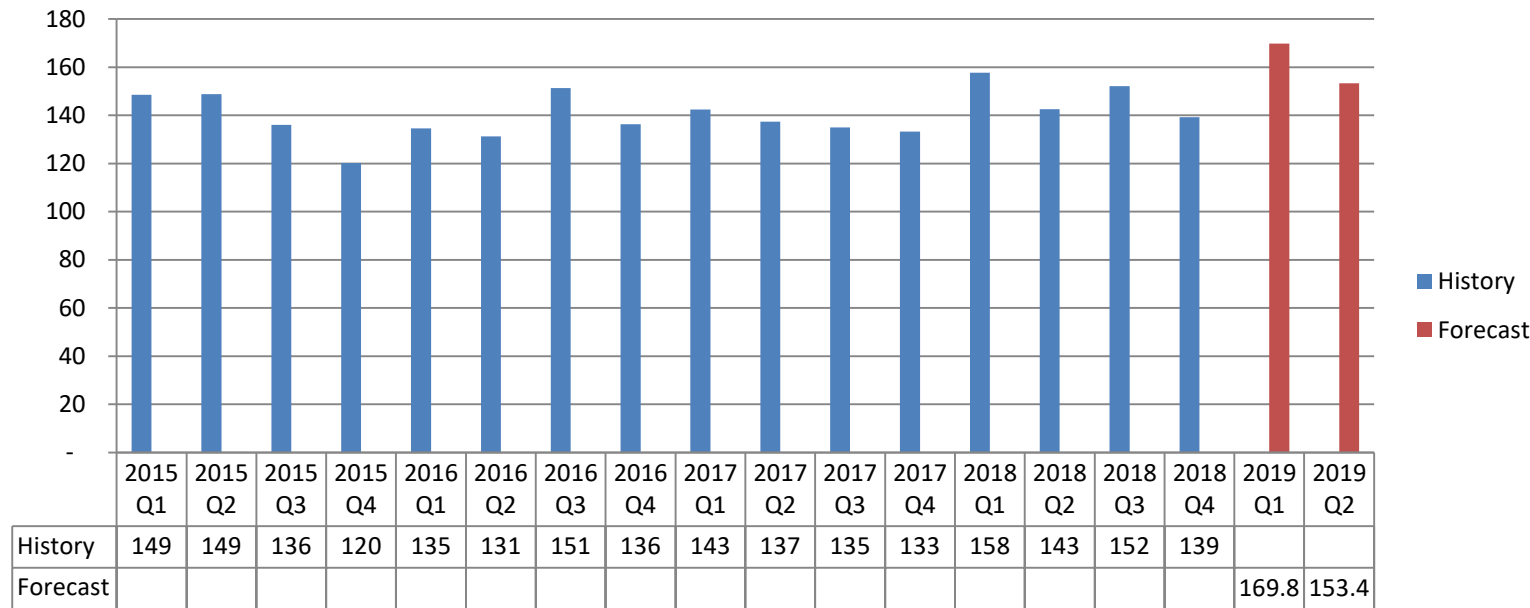
Horry Retail Sales (\$ Millions)



Source: SC Department of Revenue



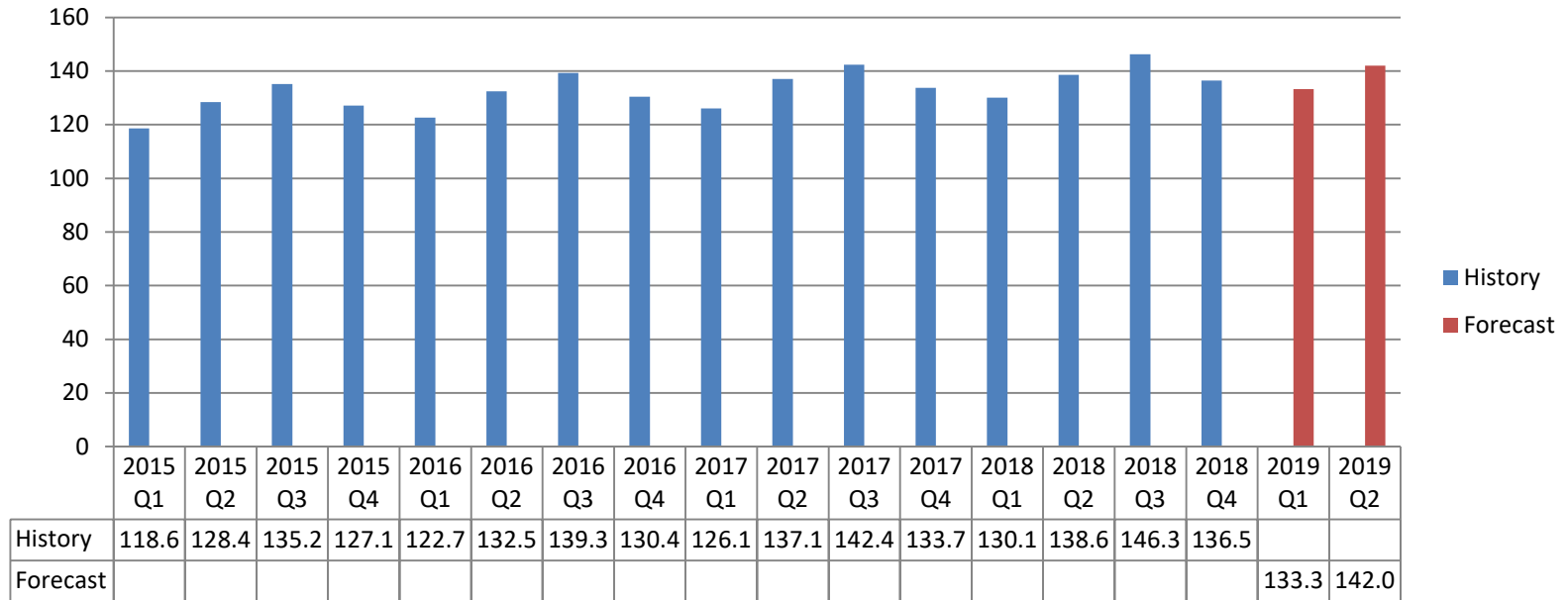
Williamsburg Retail Sales (\$ Millions)



Source: SC Department of Revenue



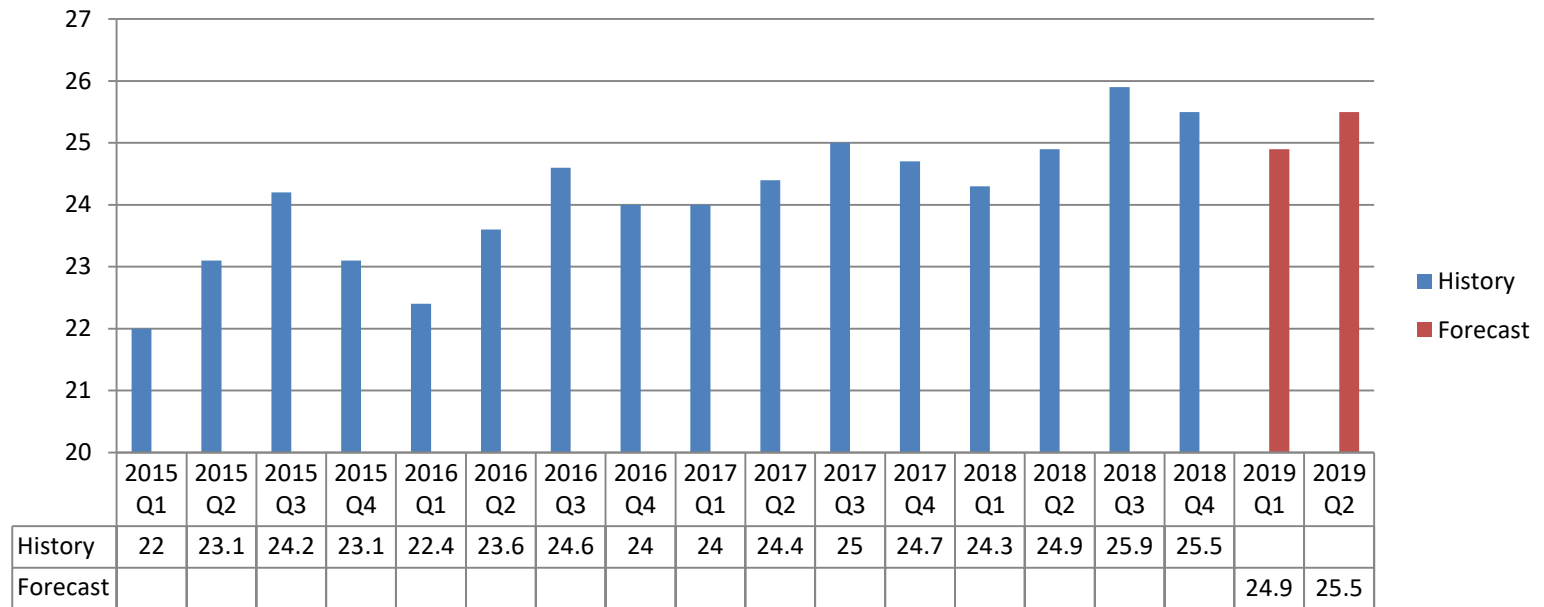
Horry Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



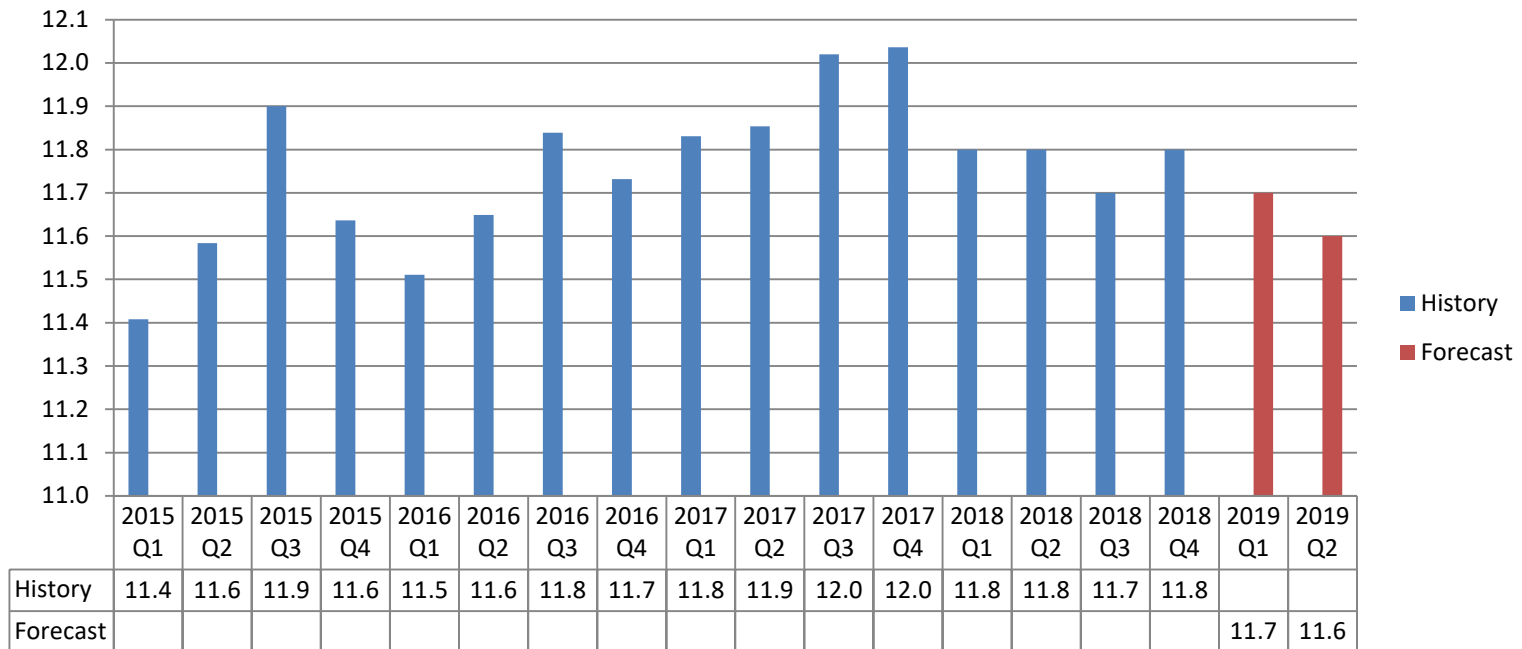
Georgetown Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



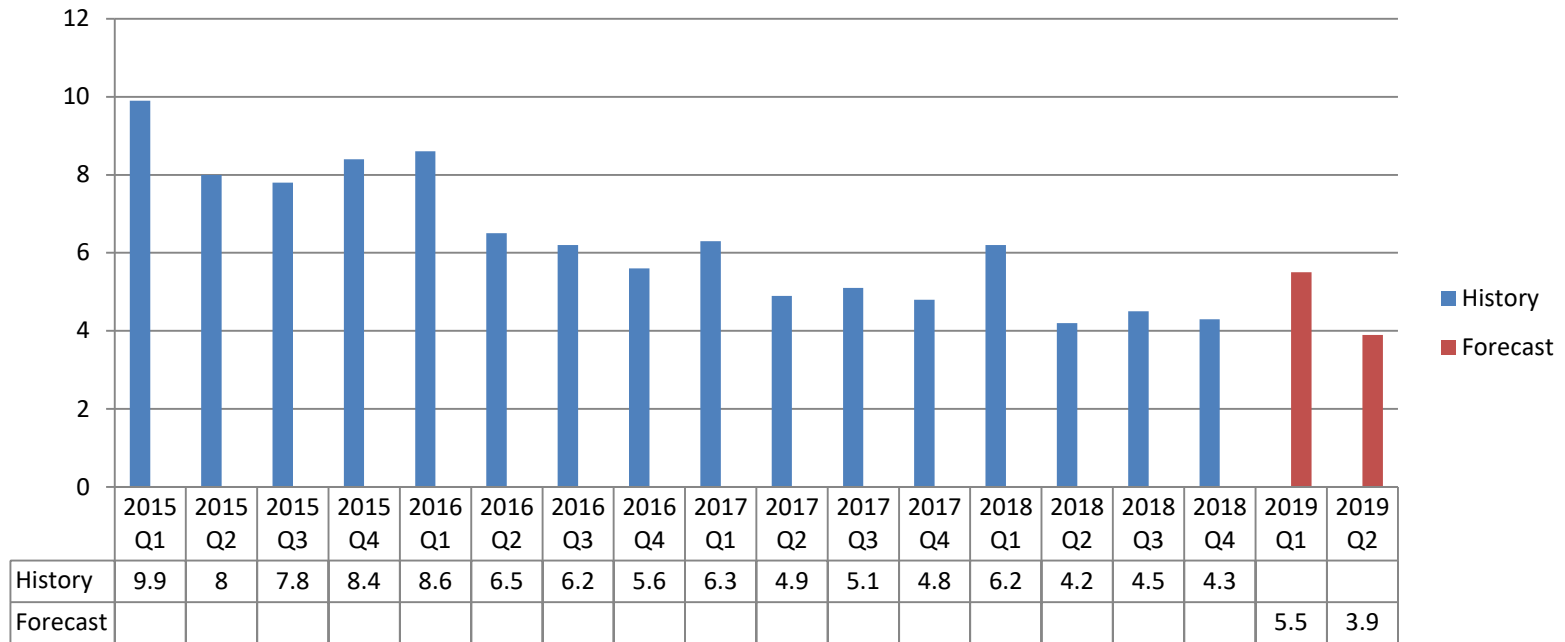
Williamsburg Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



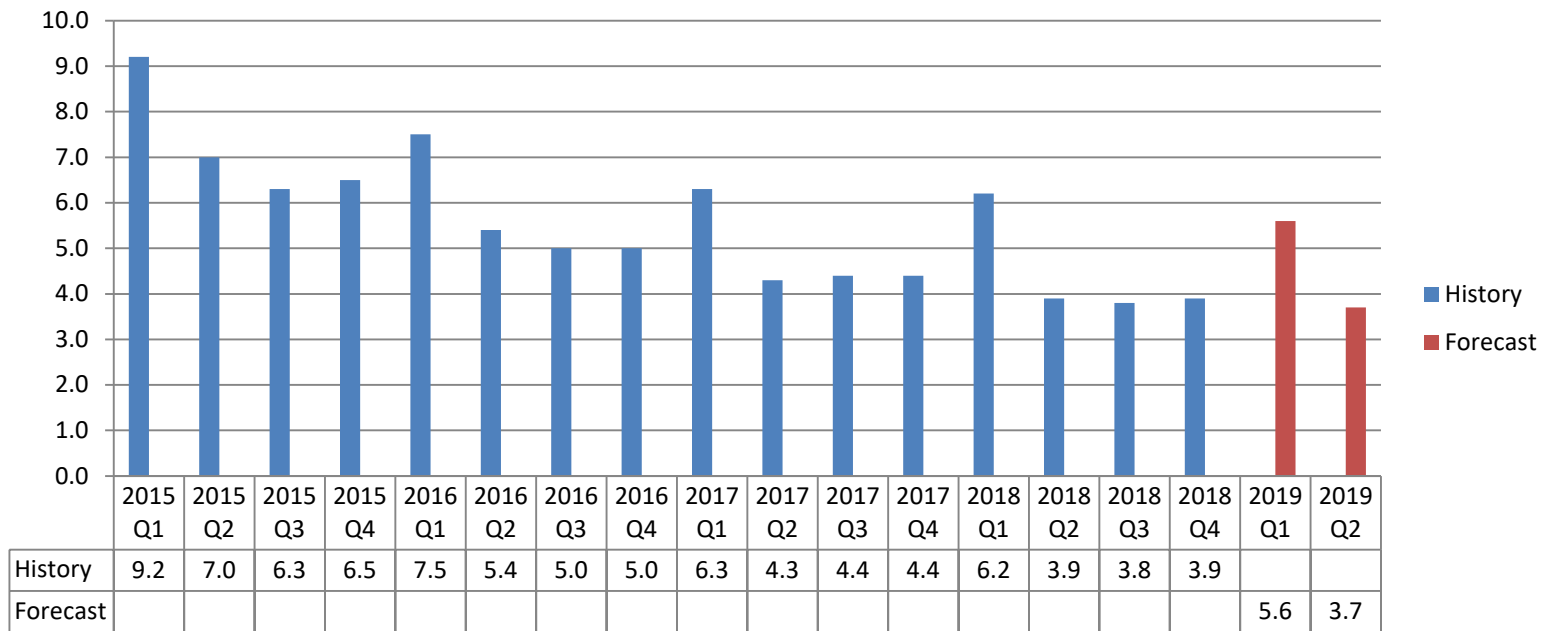
Georgetown Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



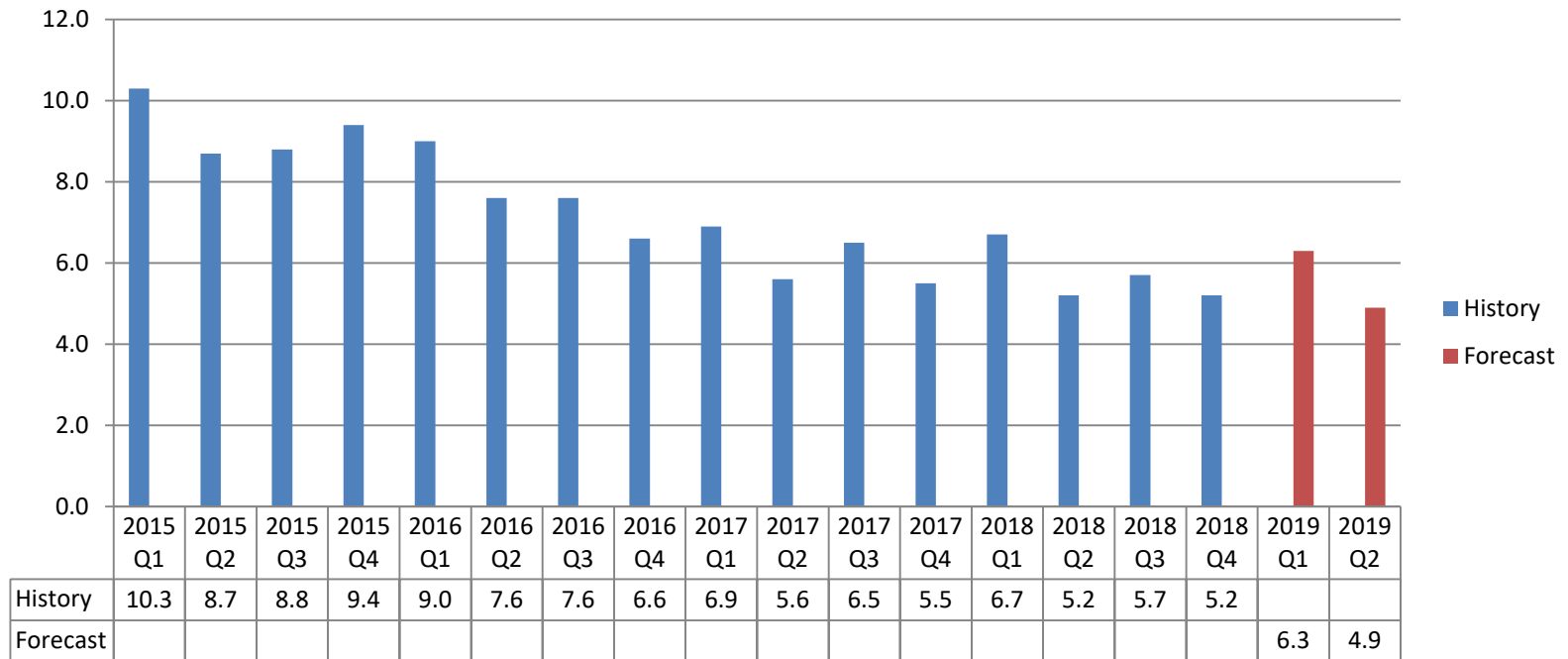
Horry Unemployment Rate



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: Winter 2019

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

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February 2019

	Value			Percent Change from Previous Year		
	History* Previous Quarter Fall 2018	Forecast Current Quarter Winter 2019	Forecast Next Quarter Spring 2019	History* Previous Quarter Fall 2018	Forecast Current Quarter Winter 2019	Forecast Next Quarter Spring 2019
Airport Deplanements (thousands)	269.4	161.0	386.5	-0.6	15.1	13.9
Occupancy Rate (Full Week)	42.1	30.9	57.5	-6.0	-0.5	0.0
Average Daily Rate (Full Week)	83.2	\$ 65.9	\$ 115.9	-1.0	3.4	4.9
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 7.2	\$ 4.9	\$ 10.0	-7.5	-0.5	0.5
Accommodations Tax Revenue (\$millions)	\$ 3.4	\$ 1.6	\$ 5.4	-11.4	-0.3	3.0
Regional SF Building Permits	1,026	1,013	1,071	-18.4	-14.5	-15.0
Retail Sales (\$millions)						
Georgetown County	\$ 351.7	\$ 355.7	\$ 420.7	3.5	6.5	6.0
Horry County	\$ 2,656.2	\$2,386.3	\$3,042.3	3.6	3.0	3.0
Williamsburg County	\$ 139.3	\$ 169.8	\$ 153.4	4.5	7.6	7.6
Employment (thousands)						
Georgetown County	25,465	24,926	25,506	3.3	2.6	2.6
Horry County	136,546	133,293	142,013	2.1	2.4	2.4
Williamsburg County	11,760	11,662	11,640	-2.3	-1.4	-1.4
Unemployment Rate						
Georgetown County	4.3	5.5	3.9	-0.5	-0.7	-0.3
Horry County	3.9	5.6	3.7	-0.5	-0.6	-0.2
Williamsburg County	5.2	6.3	4.9	-0.3	-0.4	-0.3

*November 2018 actual data not yet released for Accommodations Tax, Retail Sales, Permits (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.