

# Waccamaw Regional Economic Outlook

Fall 2013

November 13, 2013

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Coastal Carolina University



# Executive Summary

The summer quarter of economic activity in the Waccamaw Region saw continued gains in real estate and construction, tourism, and activity at the recently expanded Myrtle Beach International Airport as Spirit Airlines added significant capacity to meet demand. All major local indicators of economic activity have shown significant growth year-over-year. Employment is up across all three counties of the region, and retail sales activity is up from the combination of residential and visitor spending. The fall quarter has started with continued normal gains in activity, and the uncertainty from the temporary, partial government shutdown has been relieved until the next budget deadline in the new year. Signs are mixed on the ultimate impact of the shutdown on the regional economy. However any effects should be temporary and appear to be limited to consumer spending. Real estate and construction have shown little sign of any impact from the shutdown. Interest rate policy has been left alone until next year, reaffirming the message from the Fed economist at our Annual Growth Summit in August. Future risks on the horizon for 2014 include the Federal Reserve's approach to monetary policy under the new Fed Chairwoman. The local outlook for the fall and winter quarters is positive as employment gains nationwide and locally continue, supporting consumer spending and the housing market.

# 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 1<sup>st</sup> 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).
- In November, 2011 SC DOR received a ruling to aggressively pursue taxes on VRBO properties as far back as ten years. The reporting does not adjust for the actual period of business activity and is reflected in the period of collection.

# Presentation Format

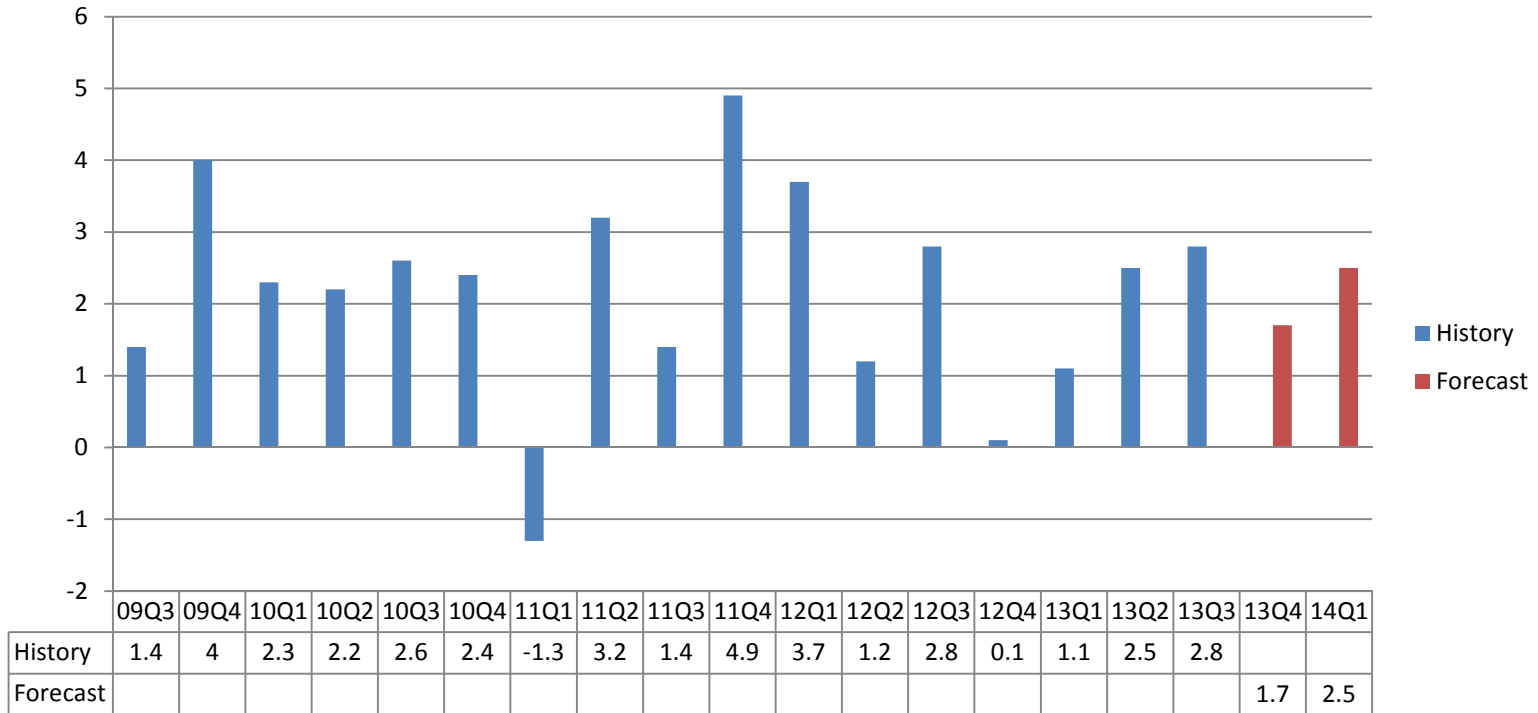
## Beginning Slides:

Annual historical trends and forecasts of national and state economic activity.

## Remaining Slides:

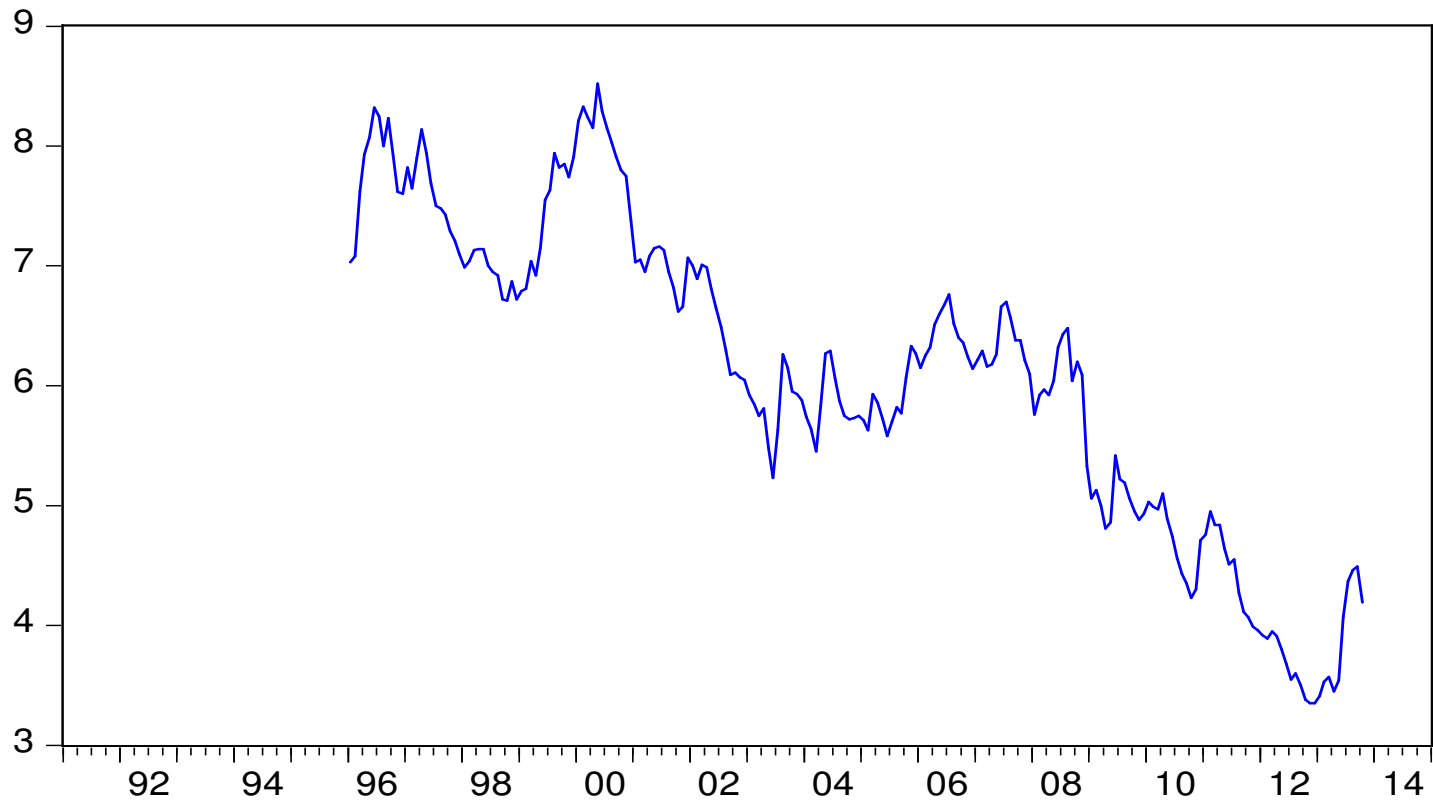
Recent quarterly activity and forecast of local economic activity.

# Annualized Real GDP Growth (%)



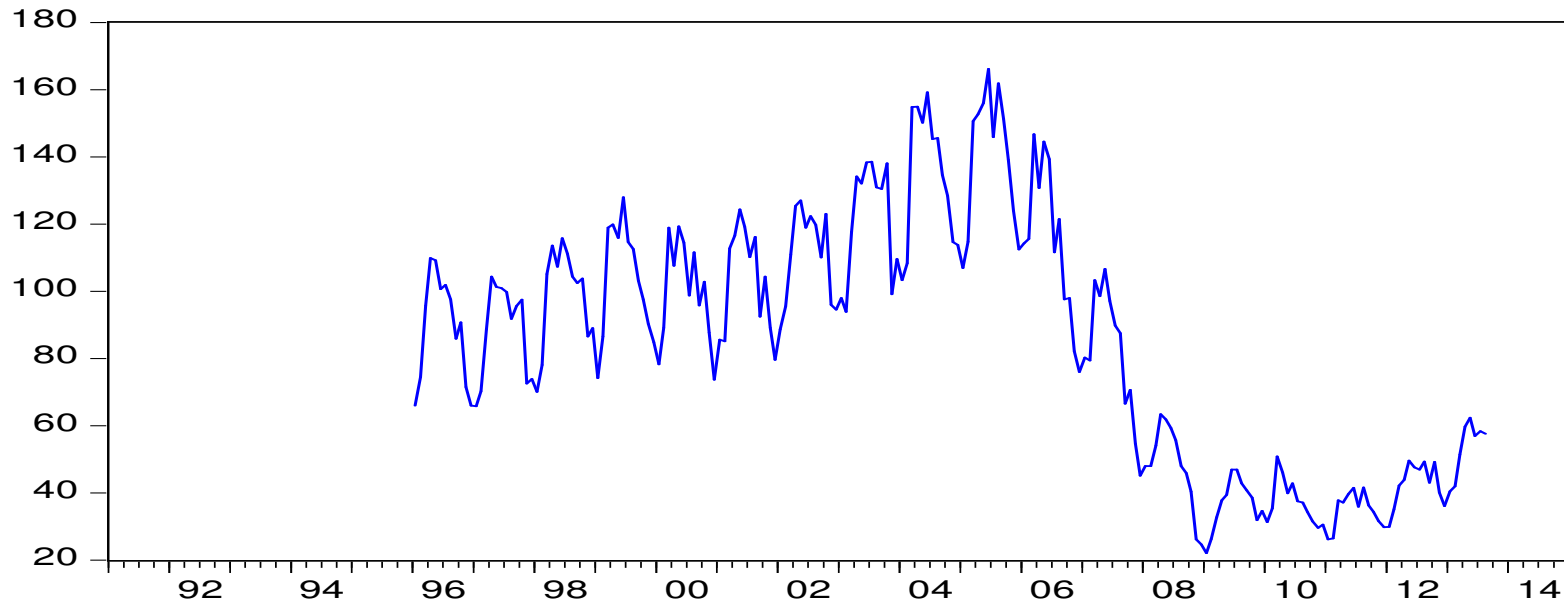
Source: U.S. Department of Commerce: Bureau of Economic Analysis

# 30-Year Mortgage Rate



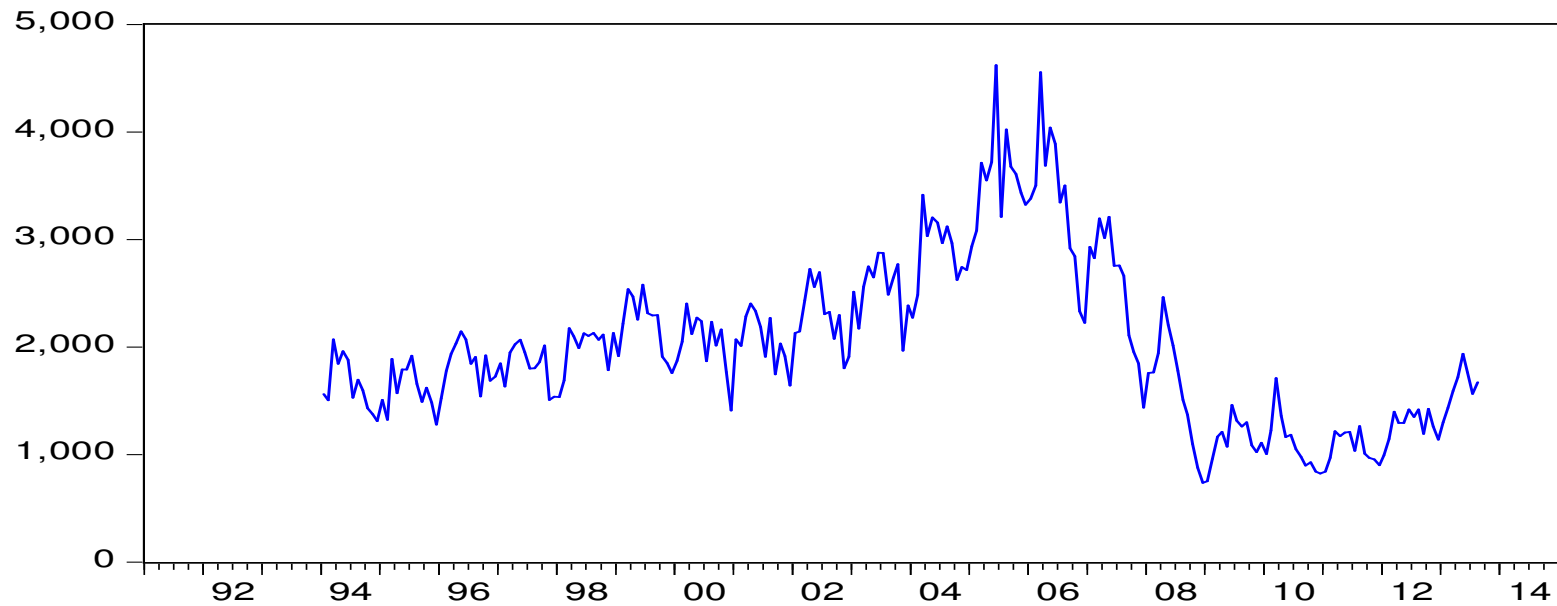
Source: US Federal Reserve Bank FRED Database

# US Single Family Permits (Thousands)



Source: HUD State of the Cities Data System

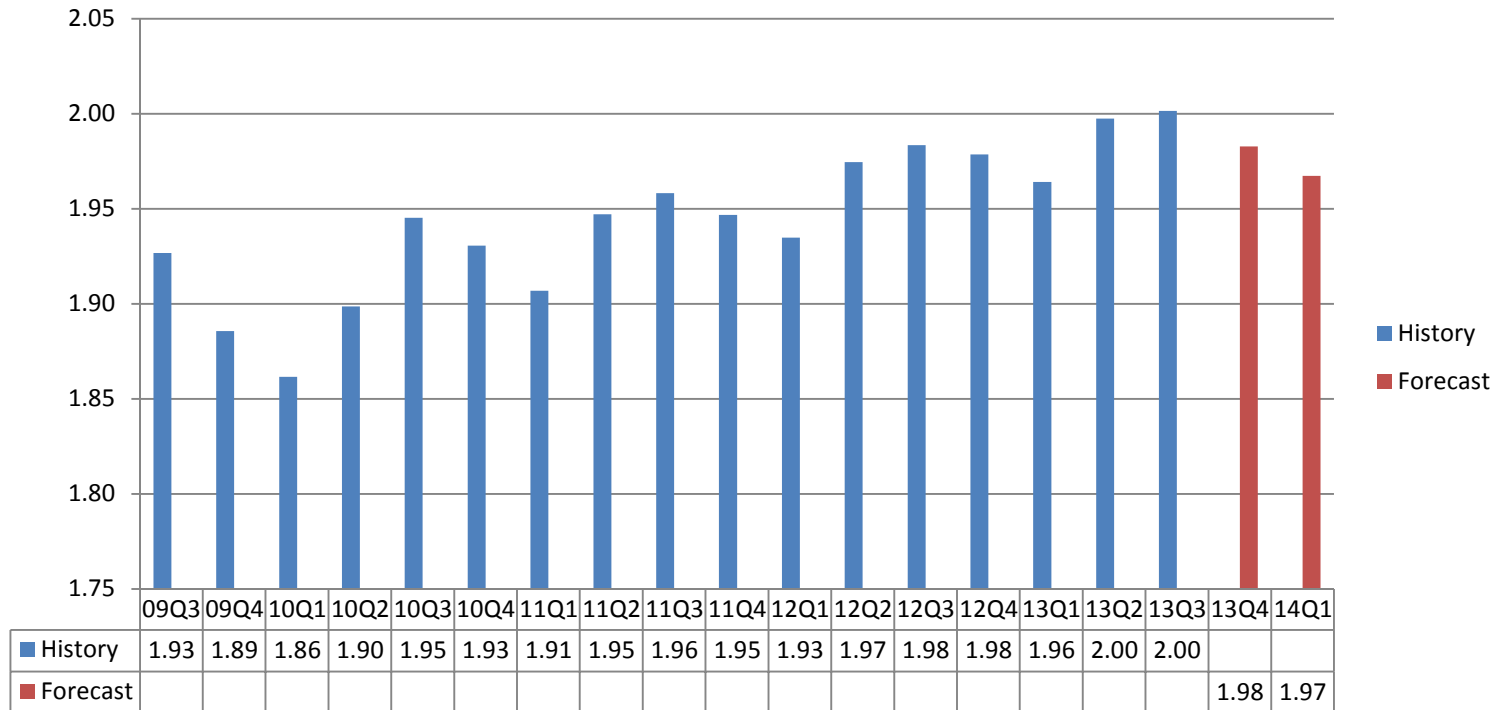
# SC Single Family Permits



Source: HUD State of the Cities Data System

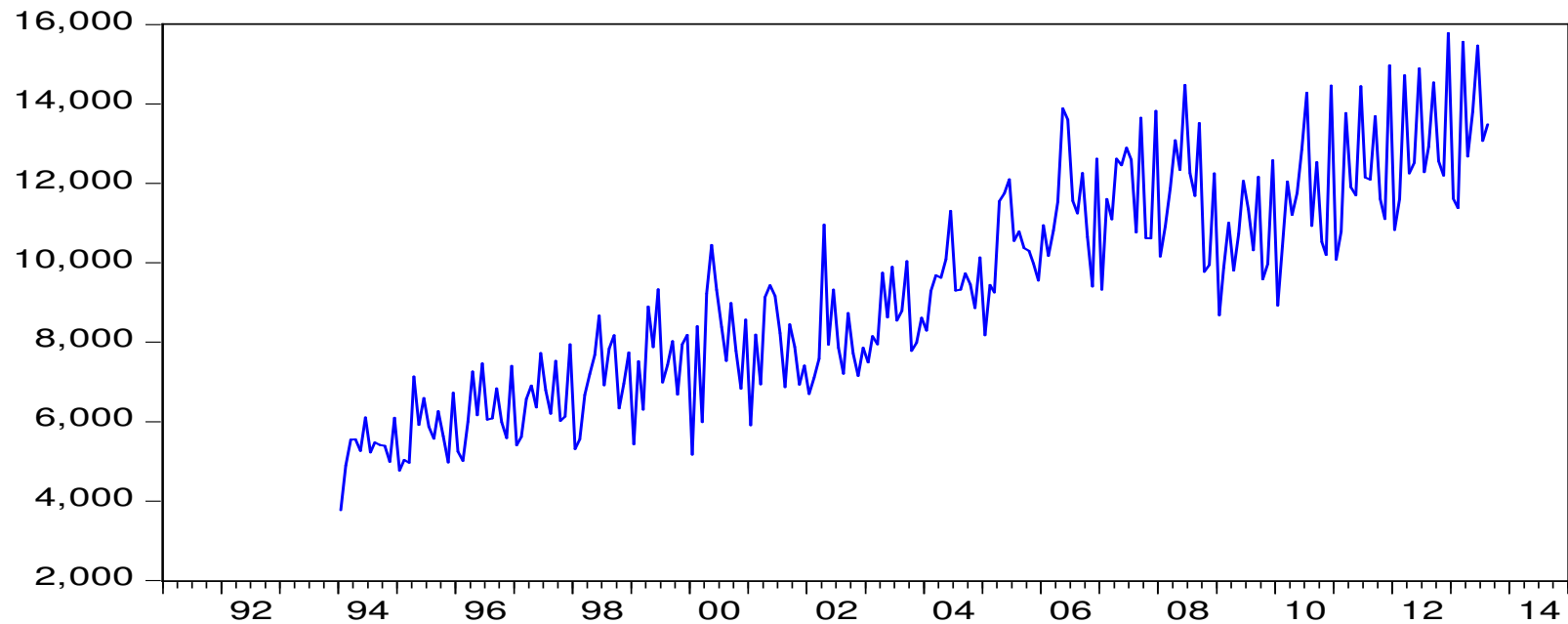


# South Carolina Employment (Millions)



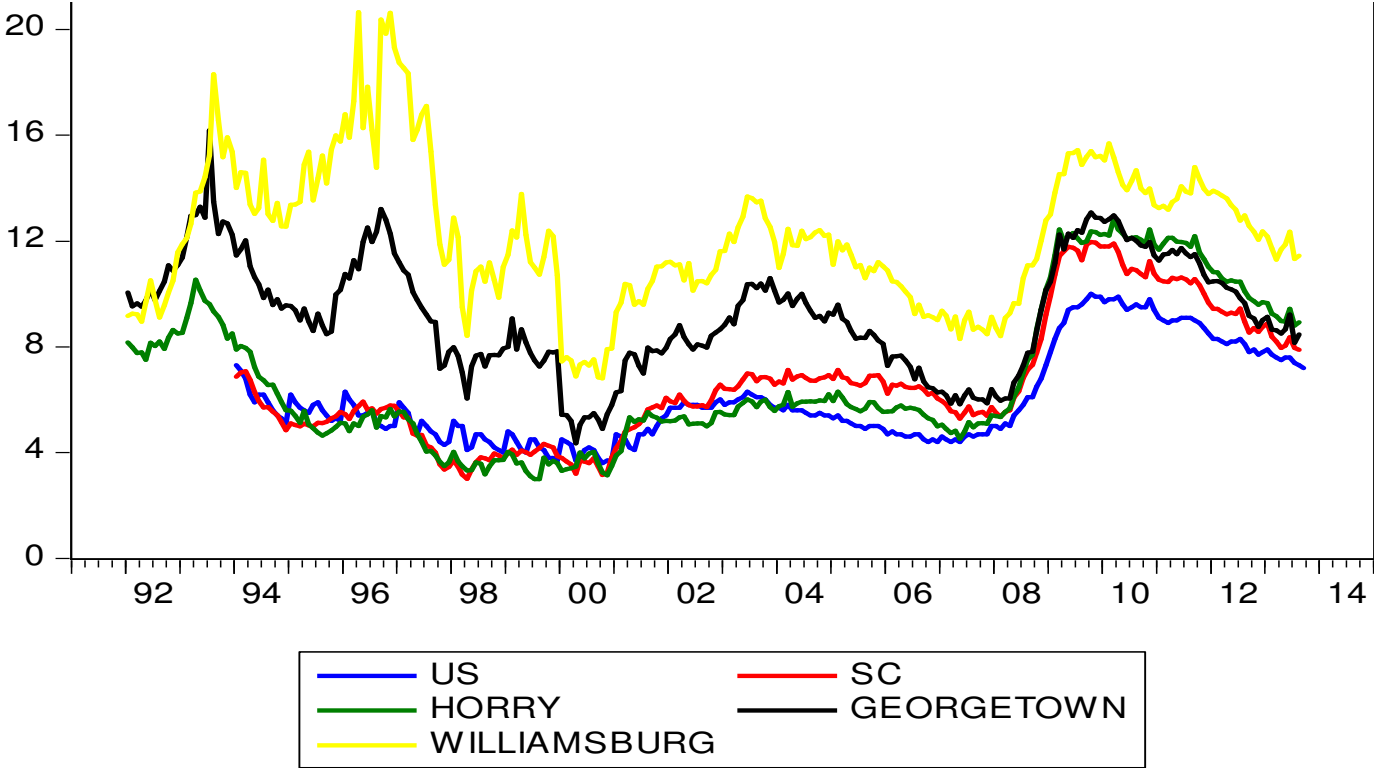
Source: Bureau of Labor Statistics

# South Carolina Retail Sales (\$ Millions)



Source: SC Department of Revenue

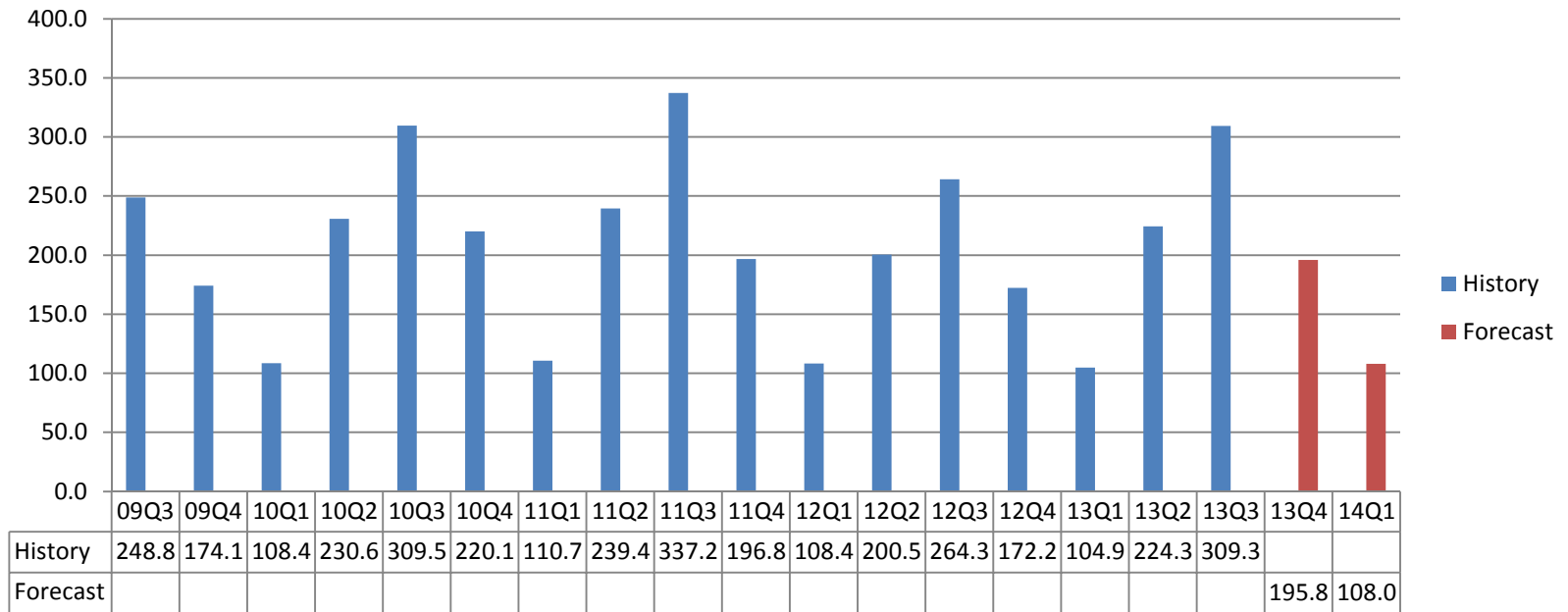
# Unemployment Rates



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

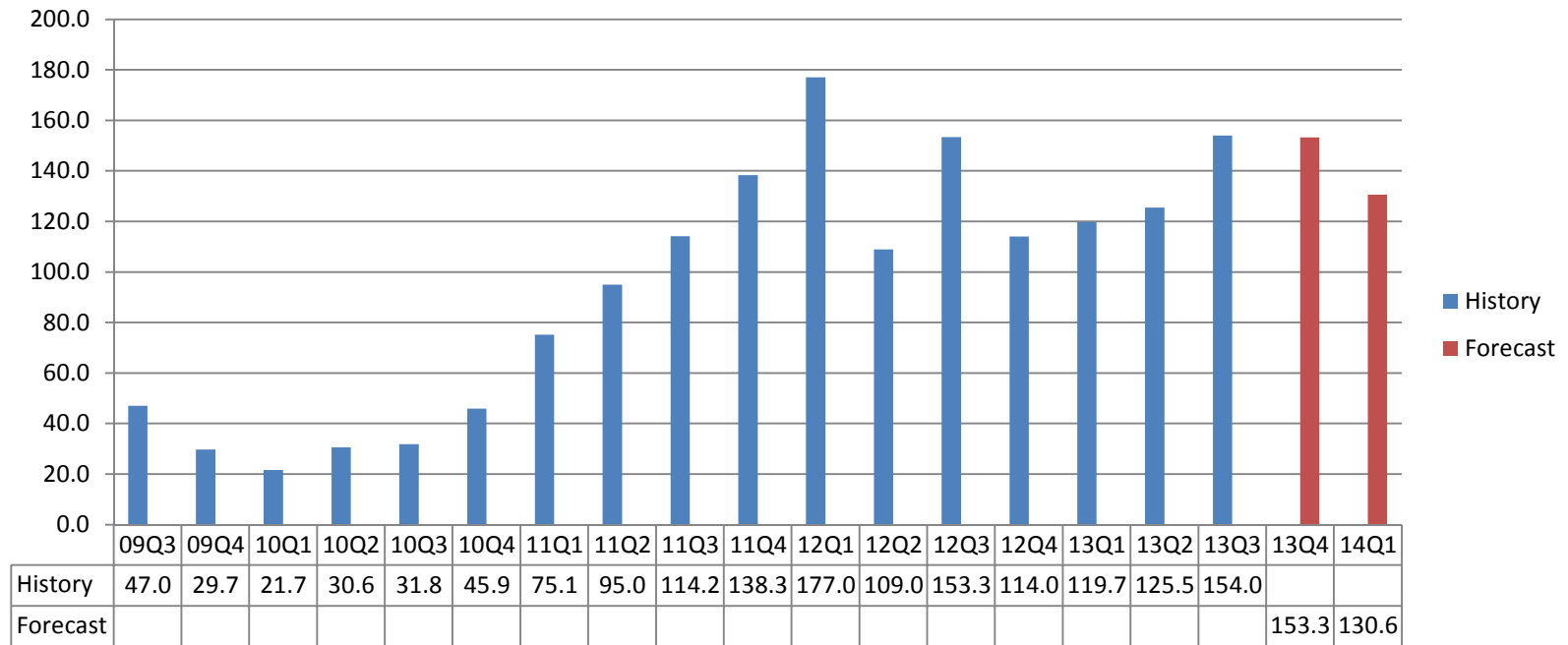


# MYB Airport Deplanements (Thousands)



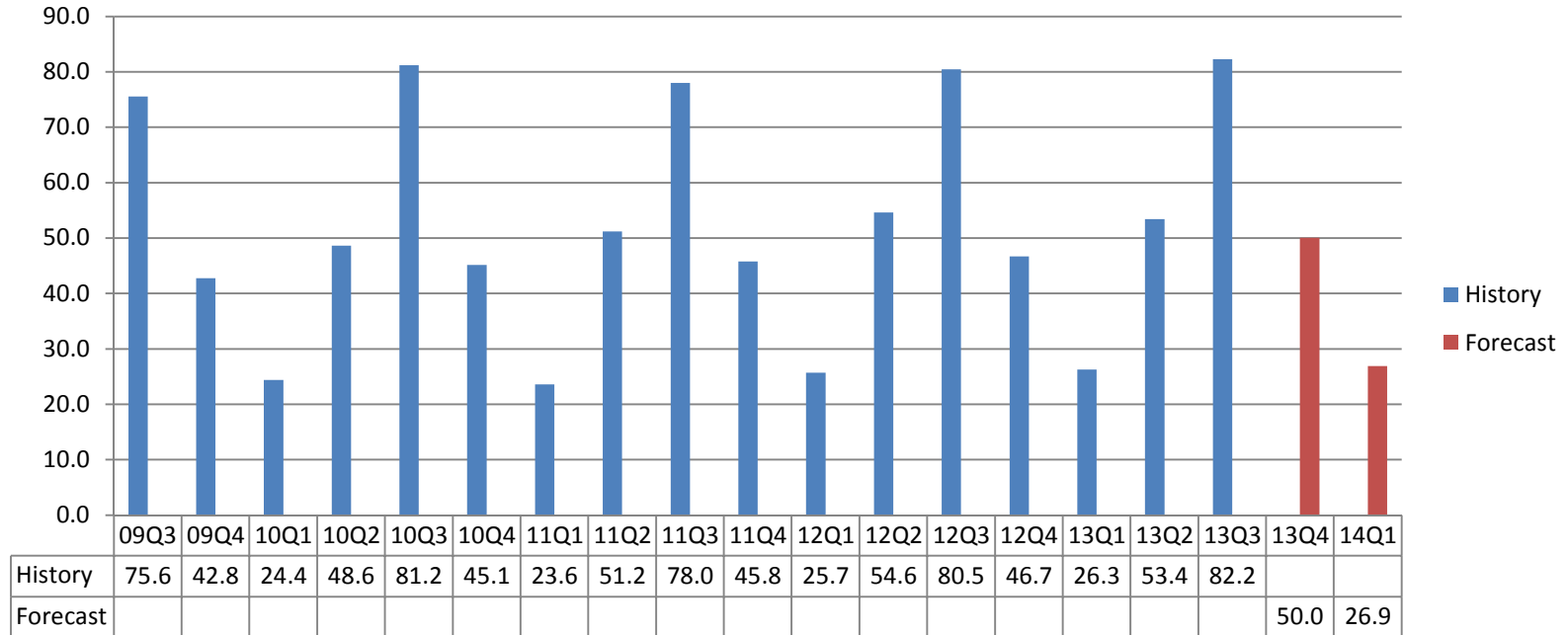
Source: Myrtle Beach International Airport

# Georgetown Port Tonnage (Thousands)



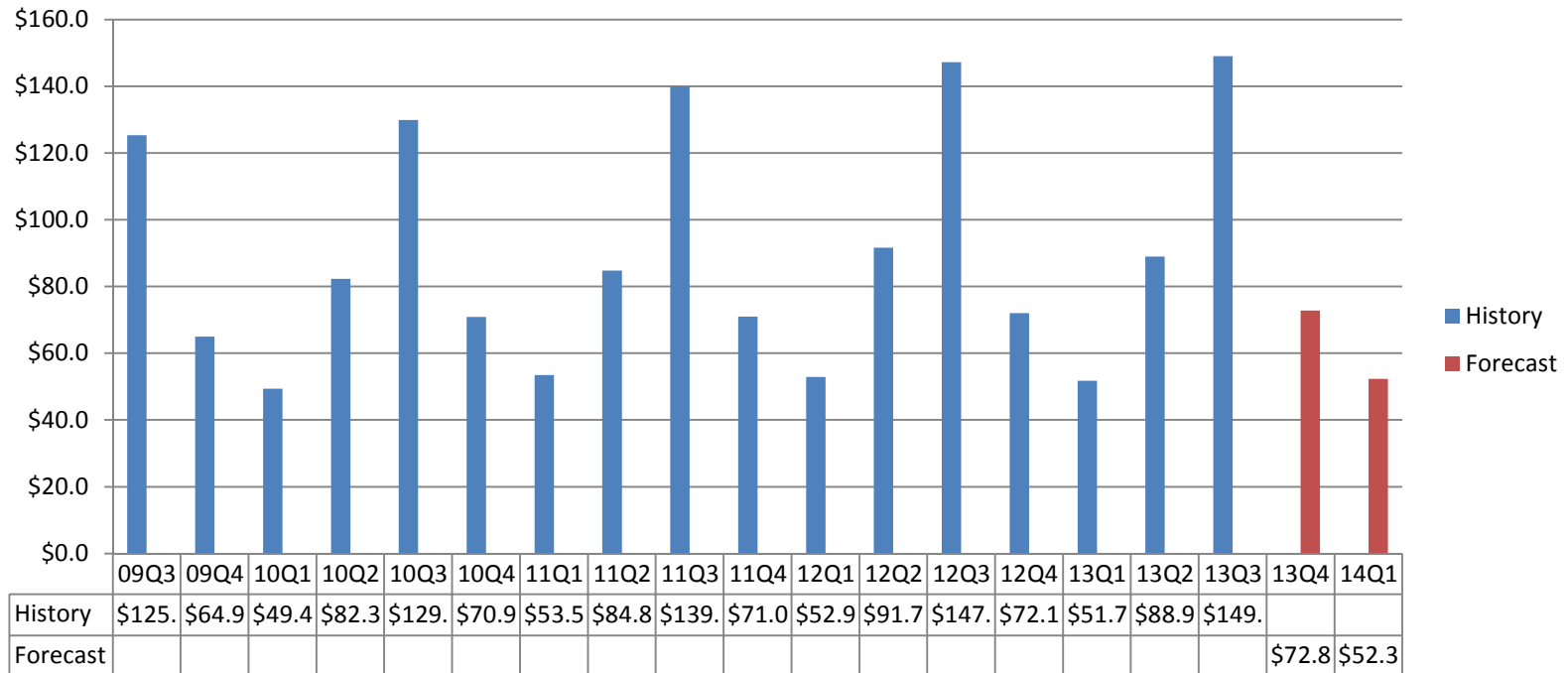
Source: Georgetown Port Authority

# Hotel-Condotel-Campground Occupancy Rate



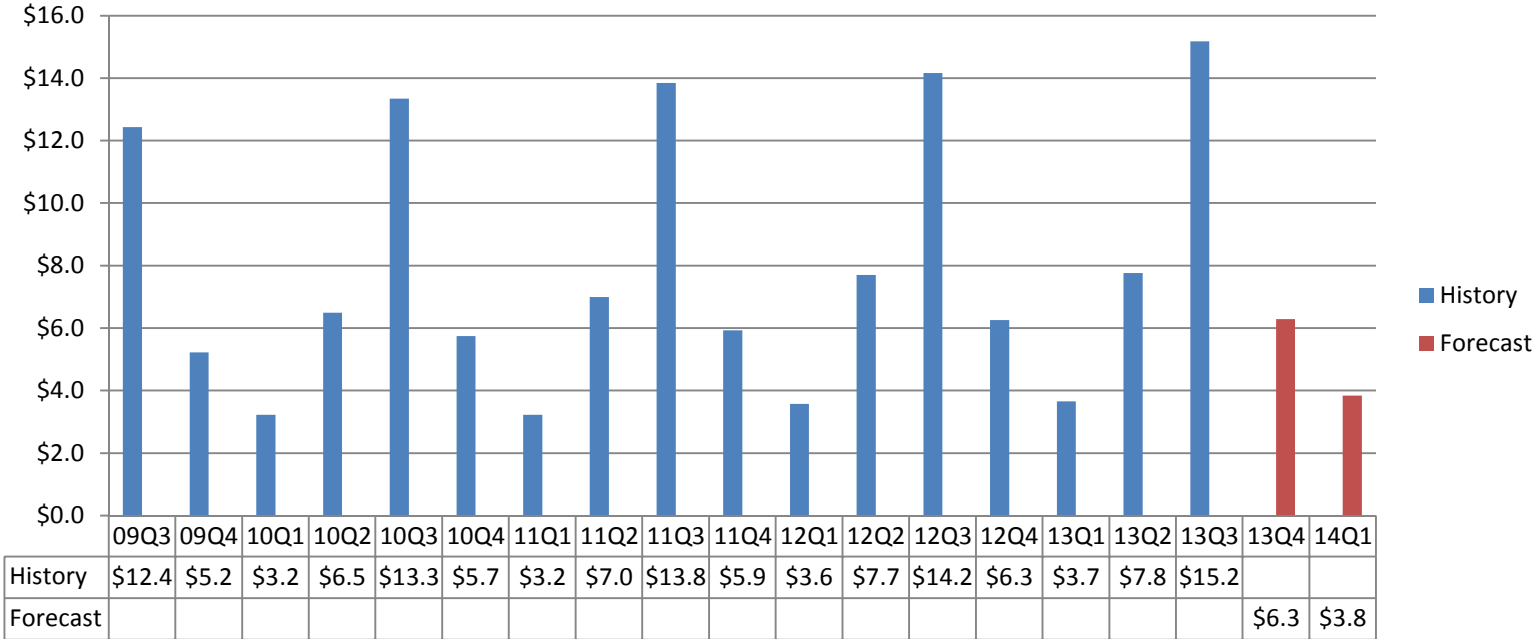
Source: Clay Brittain Jr. Center for Resort Tourism

# 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)

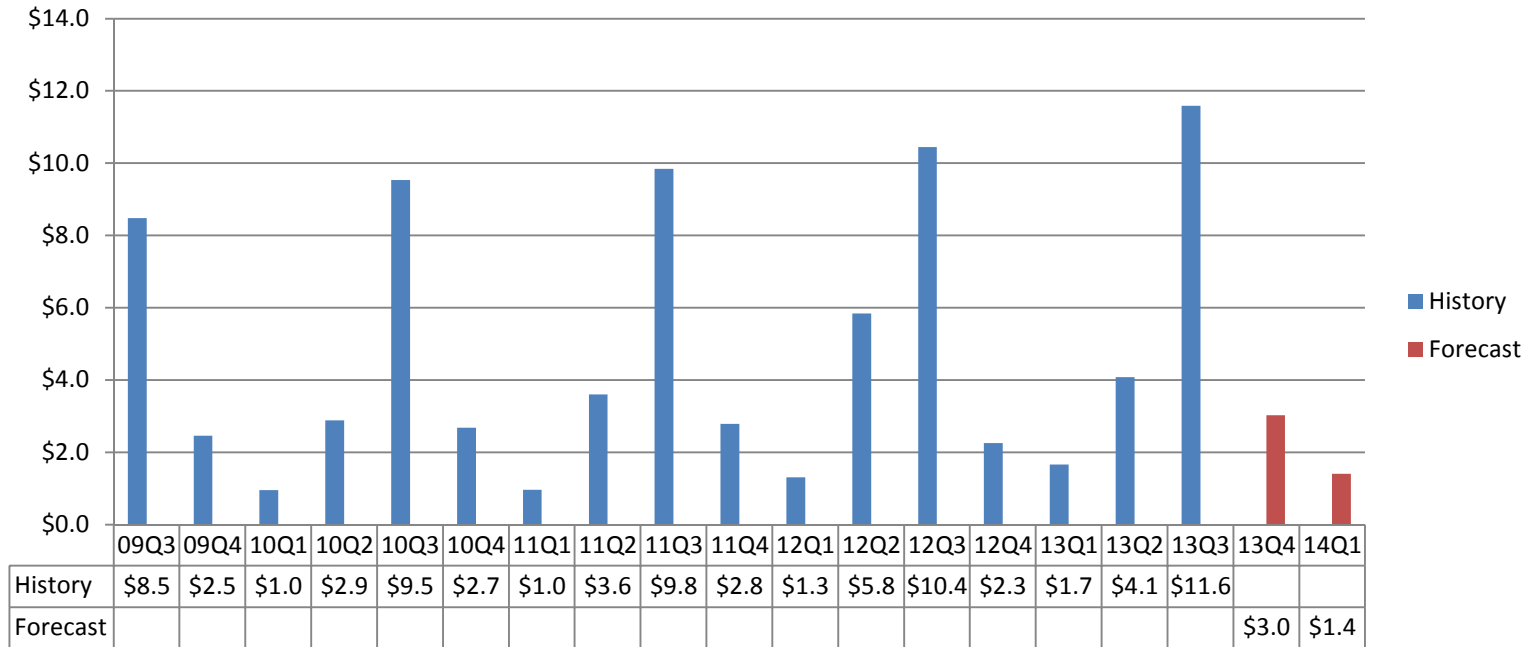


Source: Horry County Government



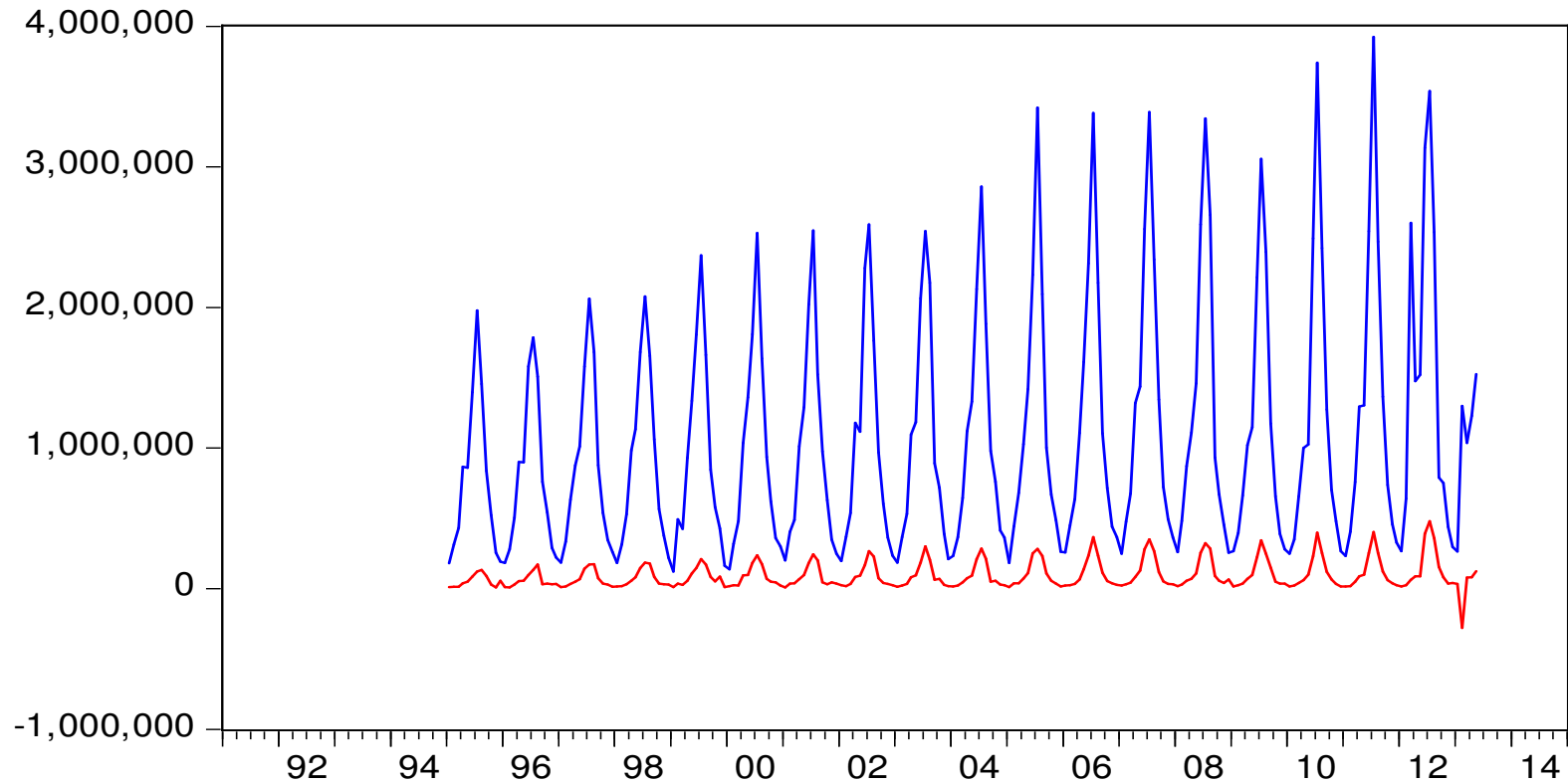


# Accommodations Tax Revenue (\$Millions)



Source: SC Department of Revenue

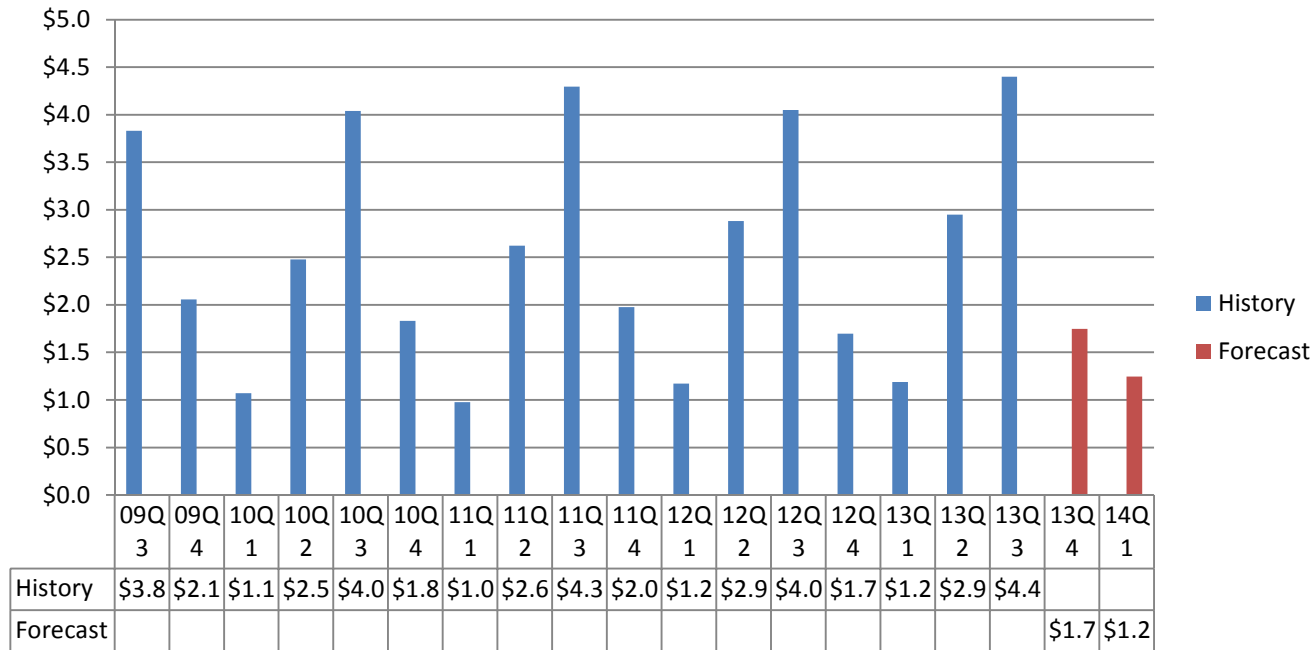
# County Accommodations Tax (\$)



— HORRY — GEORGETOWN

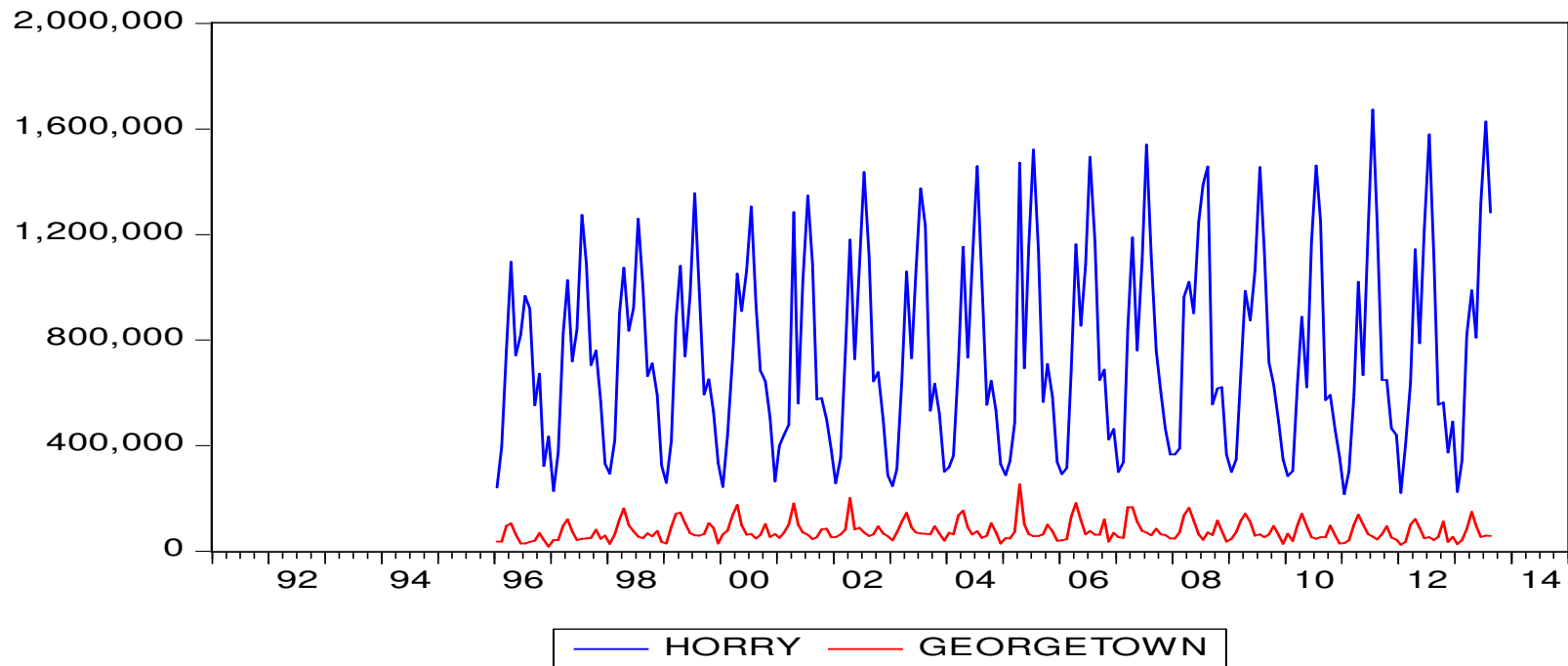
Source: SC Department of Revenue

# 5% State Admissions Tax (\$ Millions)



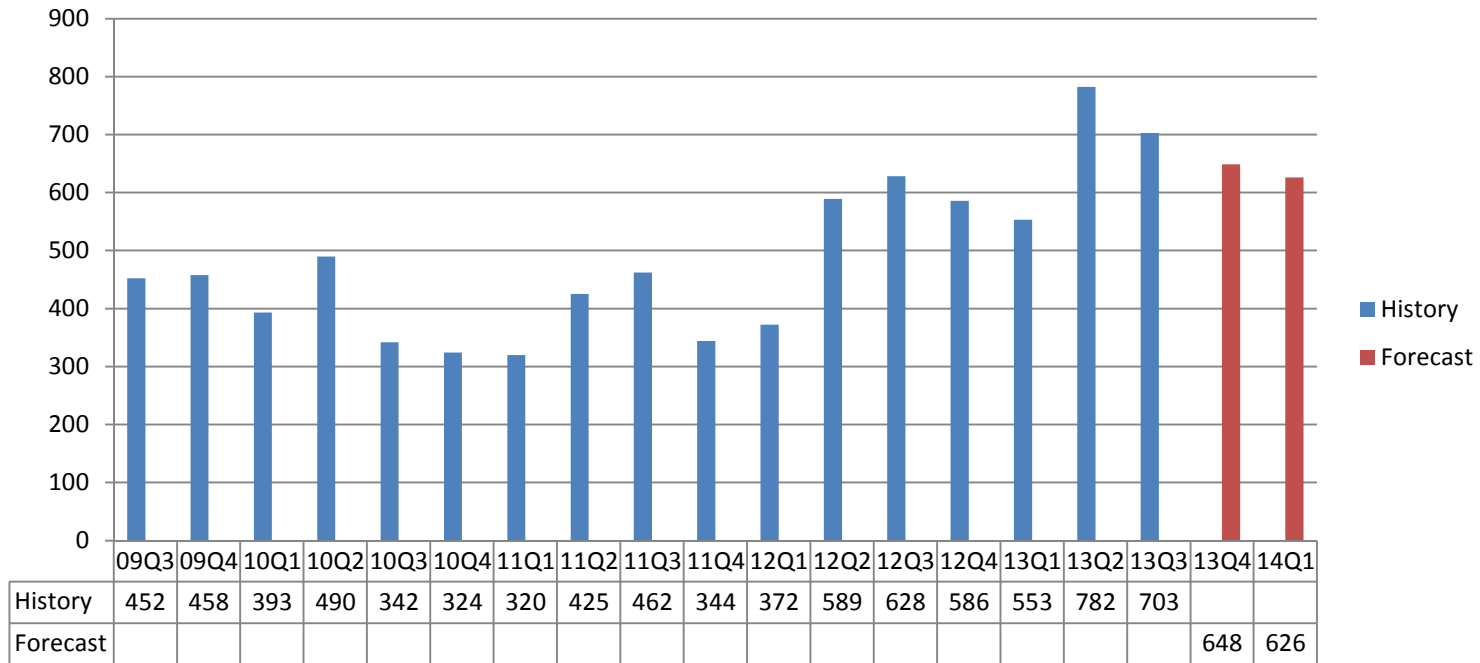
Source: SC Department of Revenue

# County Admissions Tax (\$)



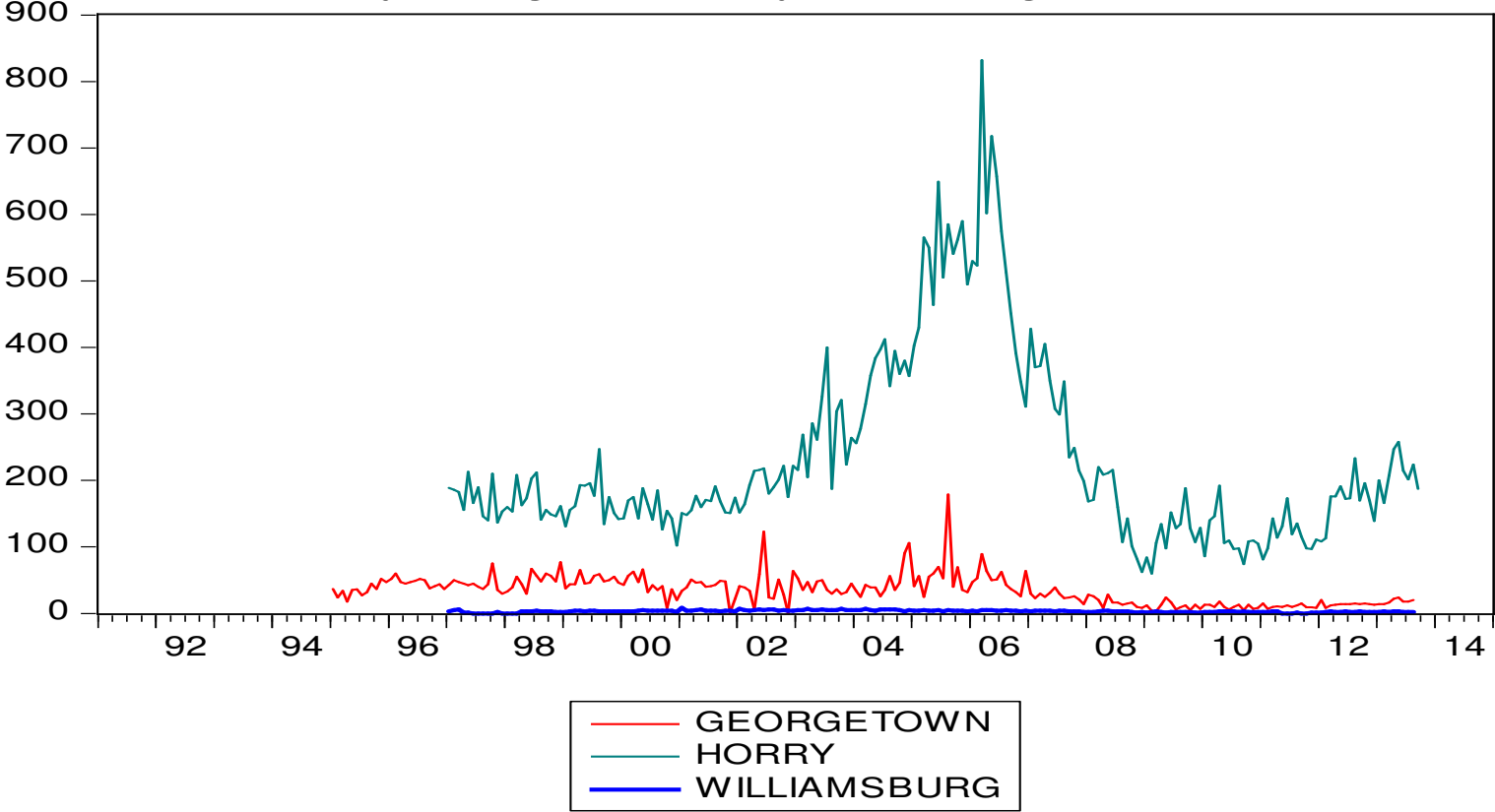
Source: SC Department of Revenue

# Regional Single Family Permits



Source: HUD State of the Cities Data System

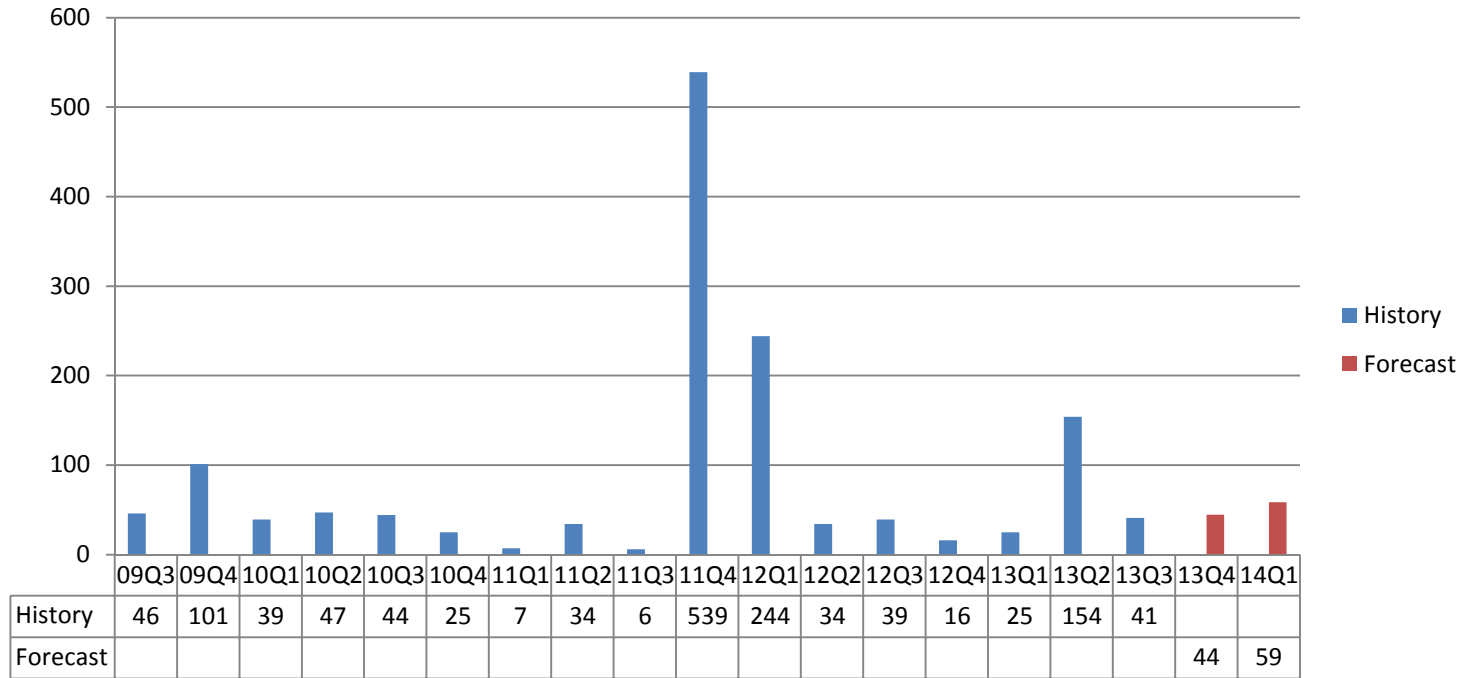
# County Single Family Building Permits



Source: HUD State of the Cities Data System

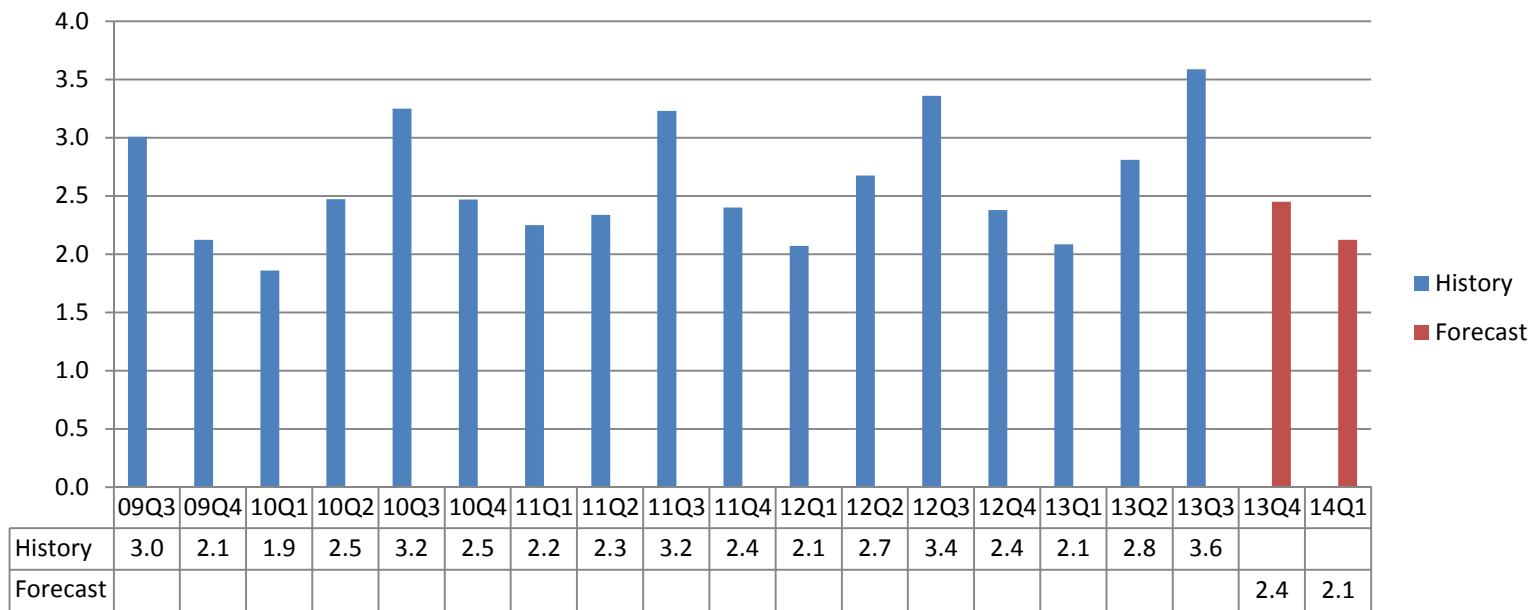


# Regional Multi-family Permits



Source: HUD State of the Cities Data System

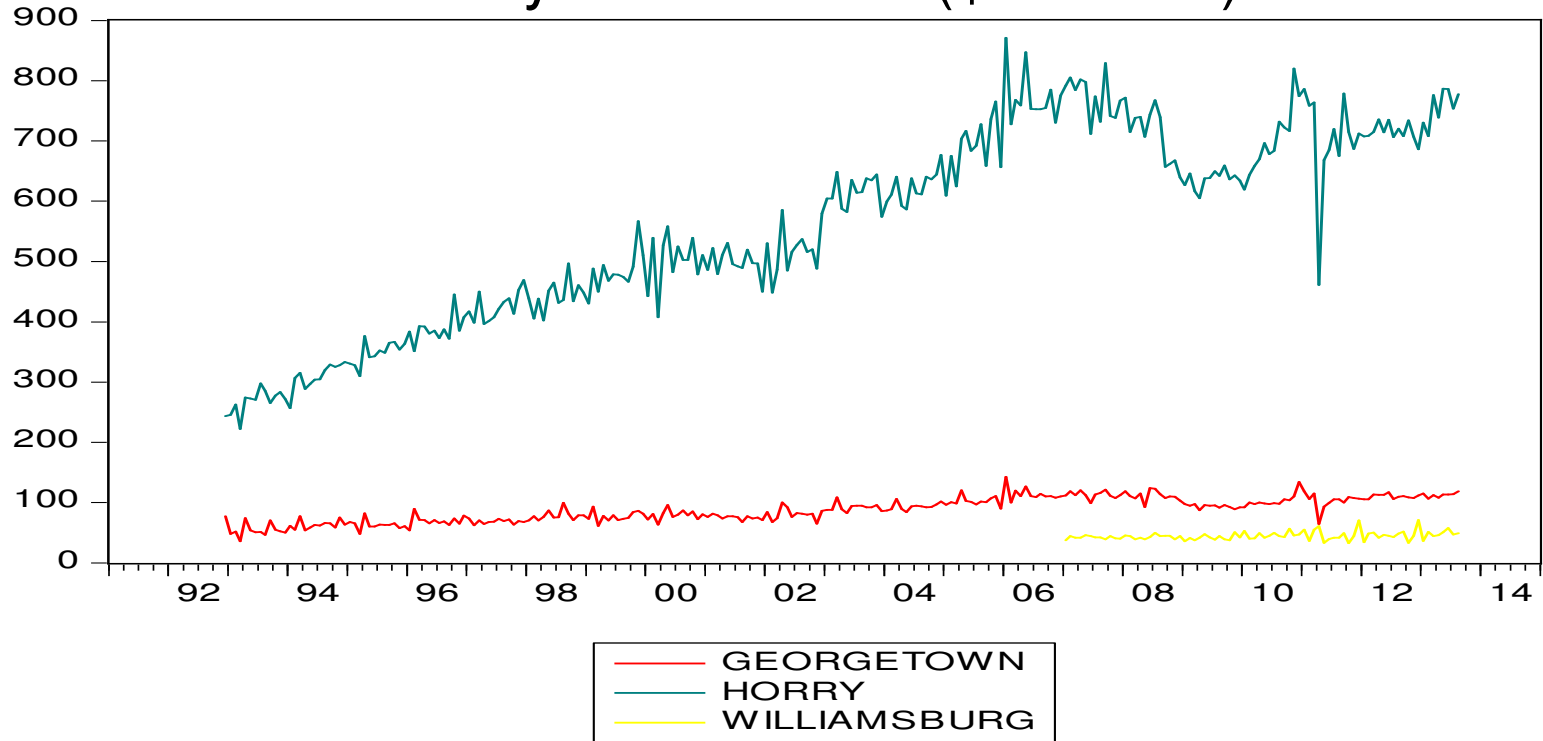
# Regional Retail Sales (\$ Billions)



Source: SC Department of Revenue

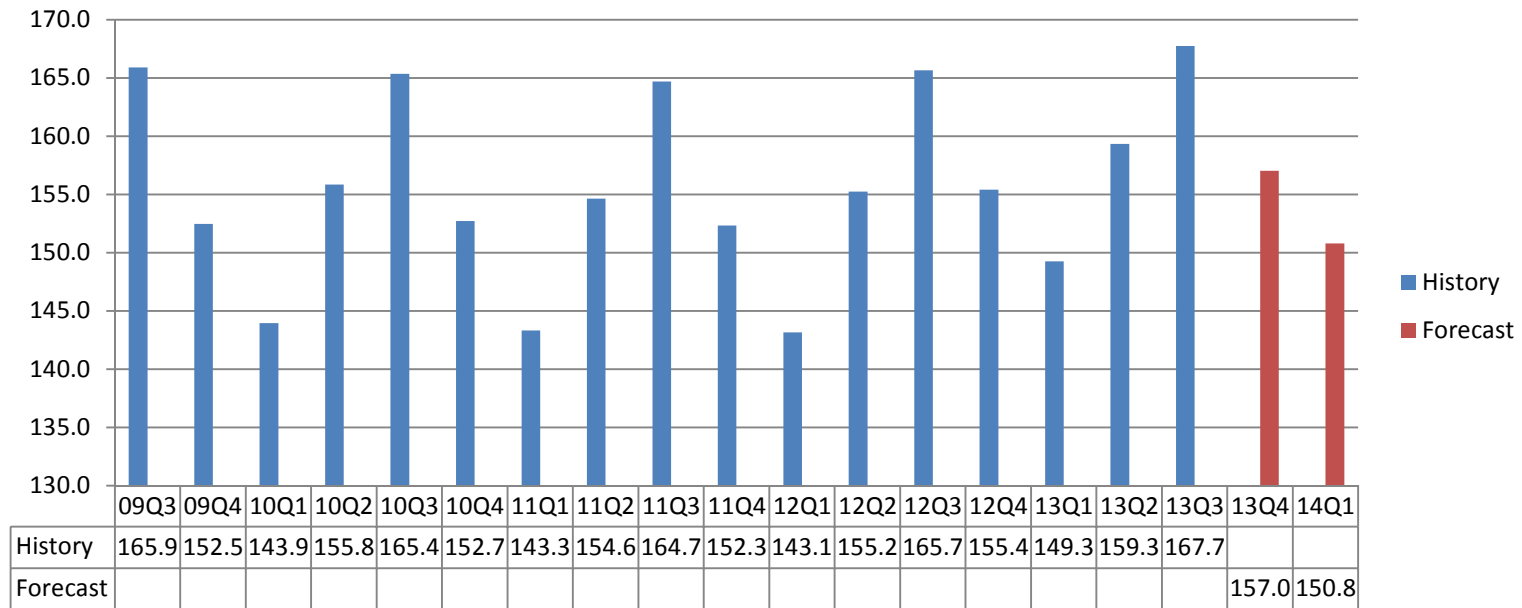


# County Retail Sales (\$ Millions)



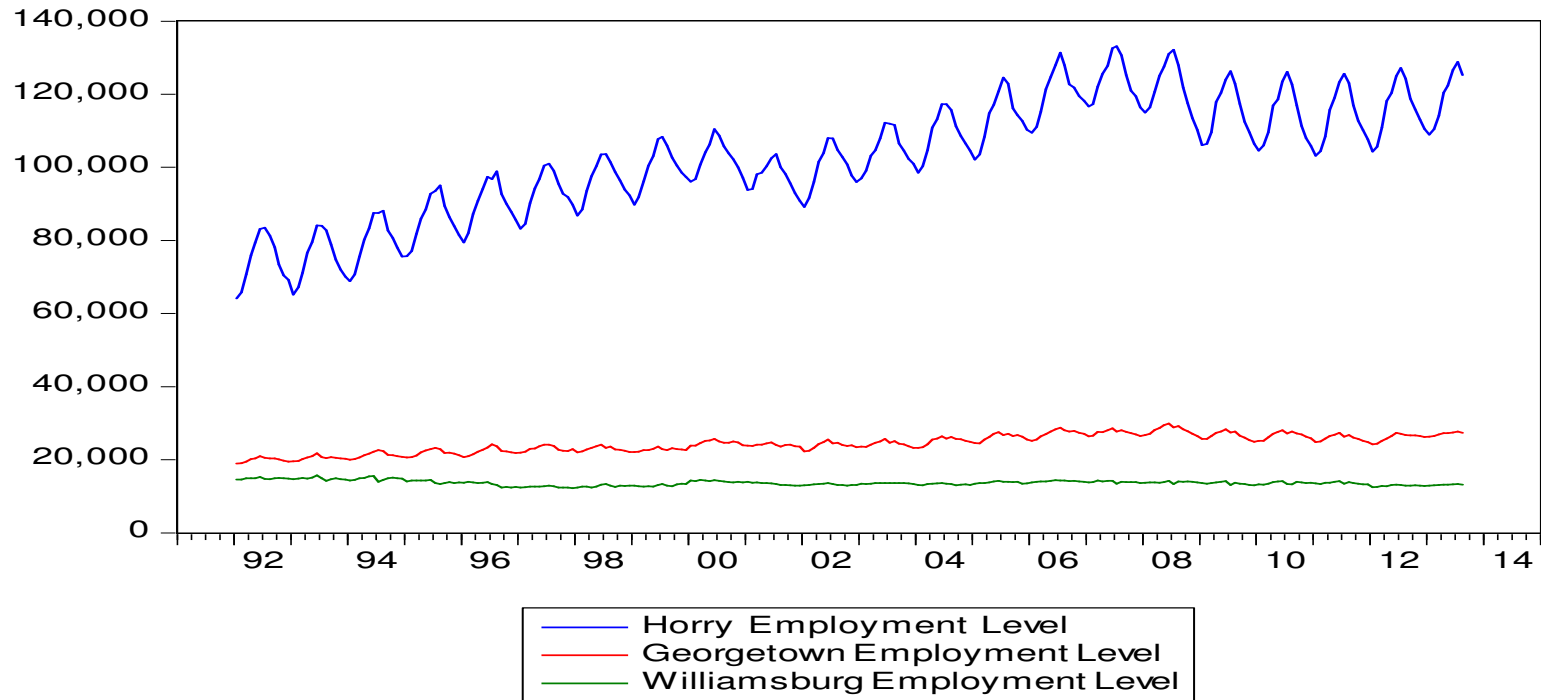
Source: SC Department of Revenue

# Regional Employment (Thousands)



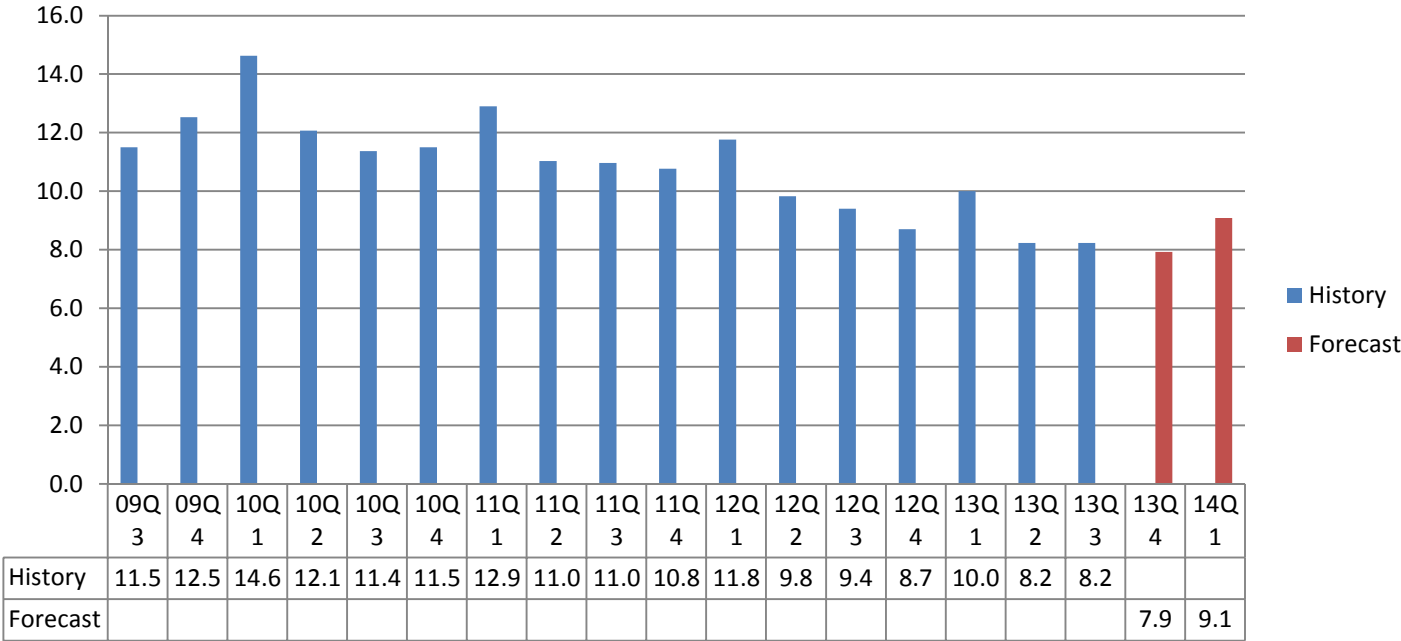
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

# Regional Employment Breakout (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

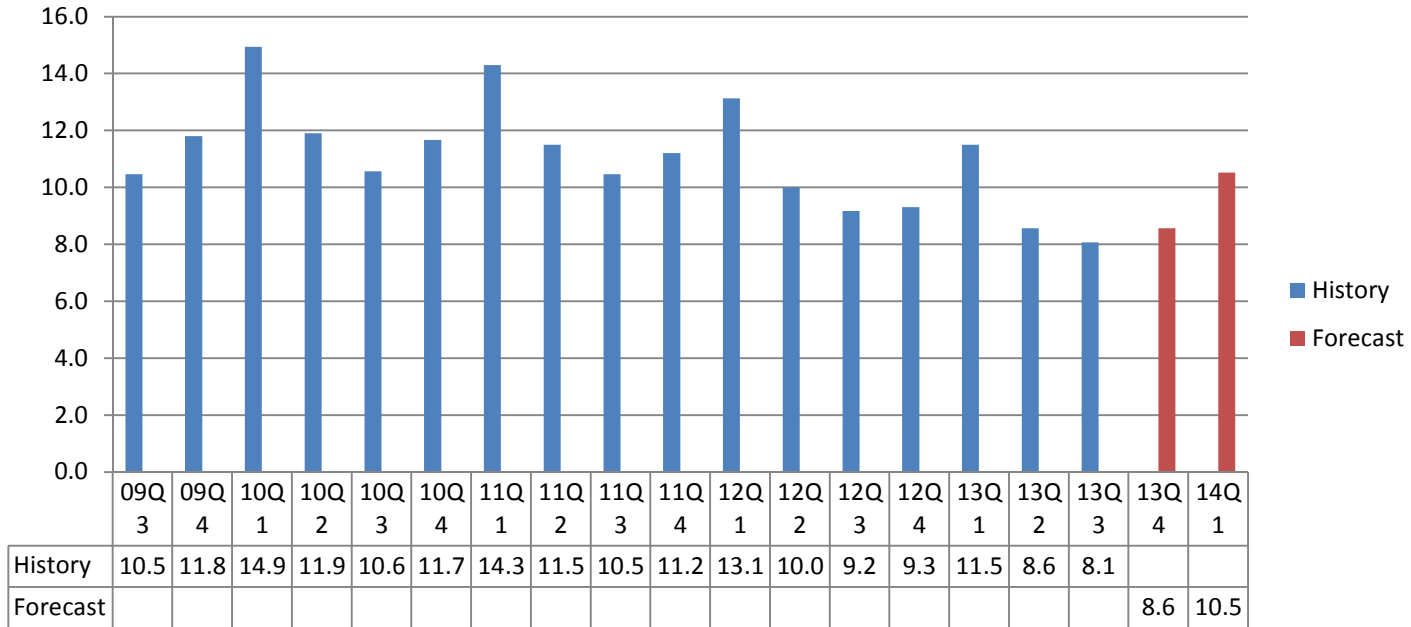
# Georgetown Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

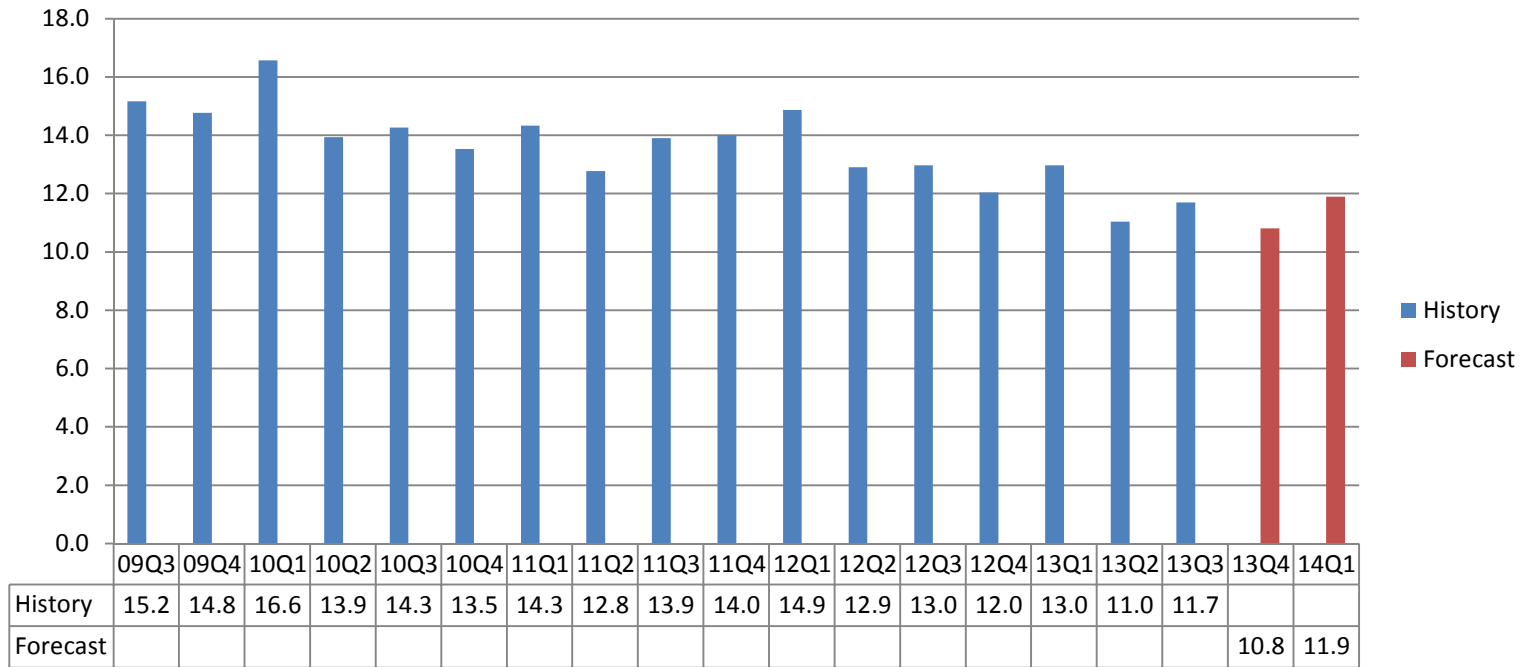


# Horry Unemployment Rate



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 2013

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

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**November 2013**

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous Quarter Summer 2013	Current Quarter Fall 2013	Next Quarter Winter 2013	Previous Quarter Summer 2013	Current Quarter Fall 2013	Next Quarter Winter 2013
Airport Deplanements (thousands)	309.3	195.8	108.0	17.1	13.7	2.9
Port Tonnage (thousands)	153.9	153.3	130.6	0.4	34.5	9.1
Occupancy Rate (Full Week)	82.2	50.0	26.9	1.8	3.4	0.6
Average Daily Rate (Full Week)	\$ 149.0	\$ 72.8	\$ 52.0	1.8	0.7	0.6
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 15.2	\$ 6.3	\$ 3.8	7.2	0.5	5.0
Accommodations Tax Revenue (\$millions) <sup>a</sup>	\$ 11.6	\$ 3.0	\$ 1.4	10.9	33.8	-15.5
Admissions Tax Revenue (\$millions)	\$ 4.4	\$ 1.7	\$ 1.2	8.6	2.9	4.9
Regional SF Building Permits*	703	648	626	11.9	10.7	13.2
Regional MF Building Permits*	41	44	59	5.1	177.7	134.6
<b>Retail Sales (\$millions)</b>						
Georgetown County	\$ 409.3	\$ 315.7	\$ 291.5	3.5	4.0	3.7
Horry County	\$ 3,027.6	\$ 1,992.6	\$ 1,683.0	7.0	2.8	1.4
Williamsburg County	\$ 150.5	\$ 141.0	\$ 148.9	12.3	2.8	2.9
<b>Employment (thousands)</b>						
Georgetown County	27,516	26,993	26,524	1.7	1.5	0.7
Horry County	126,943	117,009	111,321	1.1	0.9	1.2
Williamsburg County	13,267	13,006	12,940	1.6	0.7	0.4
<b>Unemployment Rate</b>						
Georgetown County	8.2	7.9	9.1	-1.2	-0.8	-0.9
Horry County	8.1	8.6	10.5	-1.1	-0.7	-1.0
Williamsburg County	11.7	10.8	11.9	-1.3	-1.2	-1.1

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 2010 is the percent change between Summer 2009 and Summer 2010. Rate given is absolute change for: Occupancy Rate, ADR and Unemployment Rates. For example, the given change for the Occupancy Rate during Summer 2009 is simply the Summer 2010 Occupancy Rate minus the Summer 2009 Occupancy Rate.

<sup>a</sup>SCDOR received a ruling in November 2011 allowing it to more aggressively pursue tax from VRBO properties. Monthly reporting may include back payments from last 10 years.

February collections in 2013 for Georgetown County were adjusted to -\$278k - *negative*. \*Williamsburg County analysis began August 2013