

Waccamaw Regional Economic Outlook

Summer 2014

August 13, 2014

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Coastal Carolina University



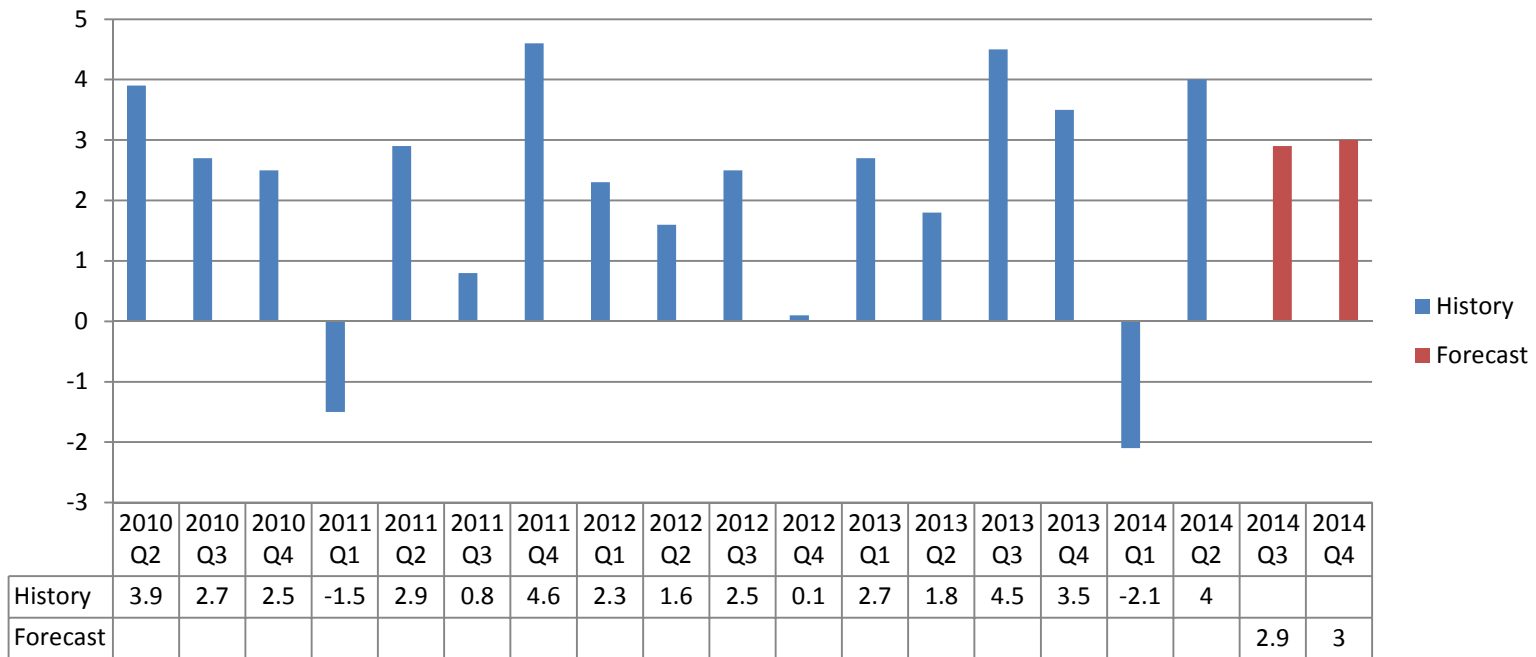
Executive Summary

The spring quarter (March, April, May) showed strong growth in tourism and construction, and in employment as a result of the growth. This growth provides evidence that the mixed performance of the winter quarter was largely weather-related. Airport passenger deplanements were up 9.4 percent in the spring quarter and occupancy and average daily rates on rooms were both up, 3.5 percent and 0.4 percent respectively. Hospitality fee revenue was up 5.5 percent in Horry County. Single family residential construction continued to increase, edging up another 11.1 percent in the spring quarter. New residential construction is now at a level closer to that seen in 2002 and 2003, high volume by historical measures. Retail sales were up for the quarter in all three counties, with the percentage gain greatest in Williamsburg County at 8.4 percent over the same quarter last year. Employment gains continued in all three counties, while the unemployment rate continued its sharp decline relative to last year. We expect employment gains year over year to continue at a somewhat slower pace in the summer and fall quarters, and likewise the drop in the unemployment rates should begin to slow. The unemployment rates in the spring quarter were 5.6, 5.8, and 7.0 percent for Georgetown, Horry, and Williamsburg Counties respectively. New residential construction volume should continue to climb, with some risk on the horizon coming from elevated prices on lots available for building and also from interest rate risk.

Helpful Notes and Reminders

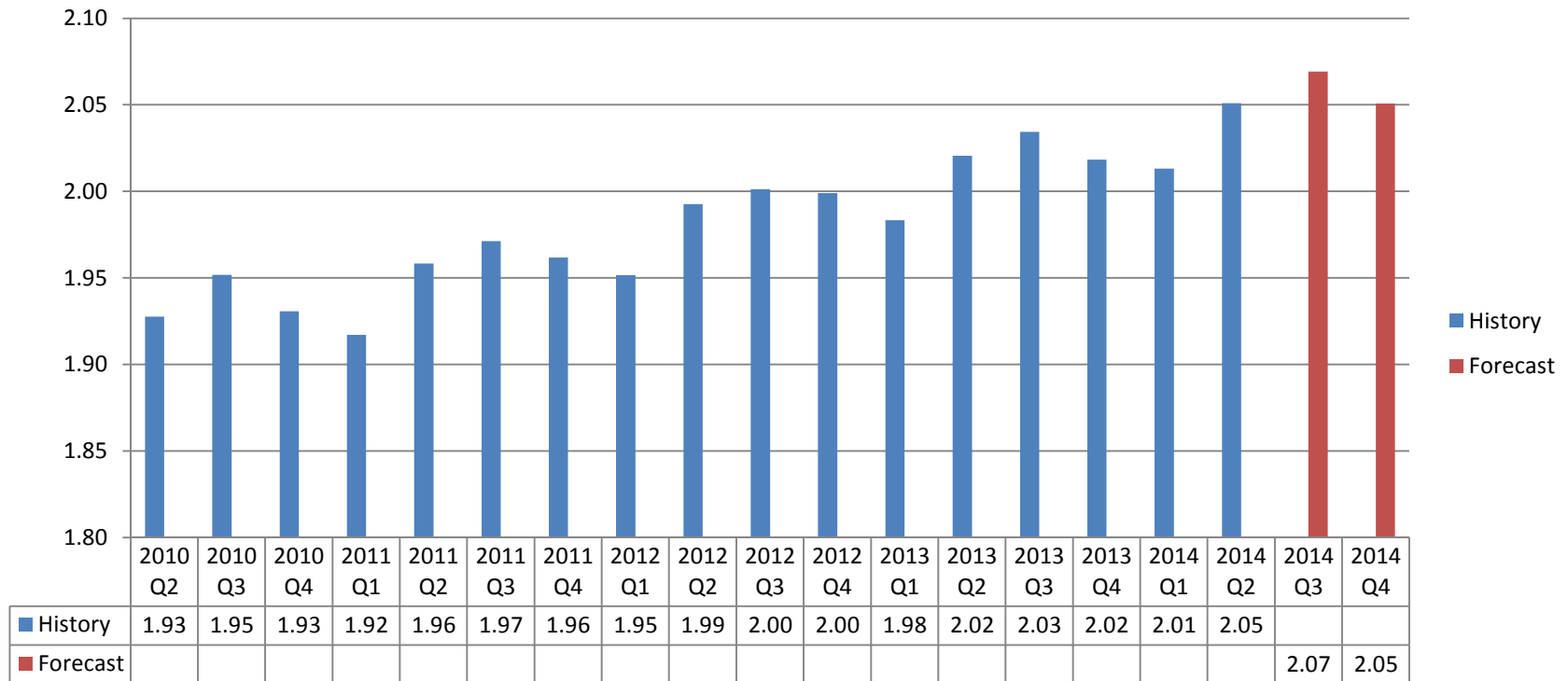
- Tourism Quarters: To reflect the importance of the seasons, offset by 1 month so that Q1 (Winter) is December, January, February, Q2 (Spring) is March, April, May, Q3 (Summer) is June, July, August and Q4 (Fall) is September, October, November.
- National data is based on normal calendar year, e.g. 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).
- 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.

Annualized Real GDP Growth (%)



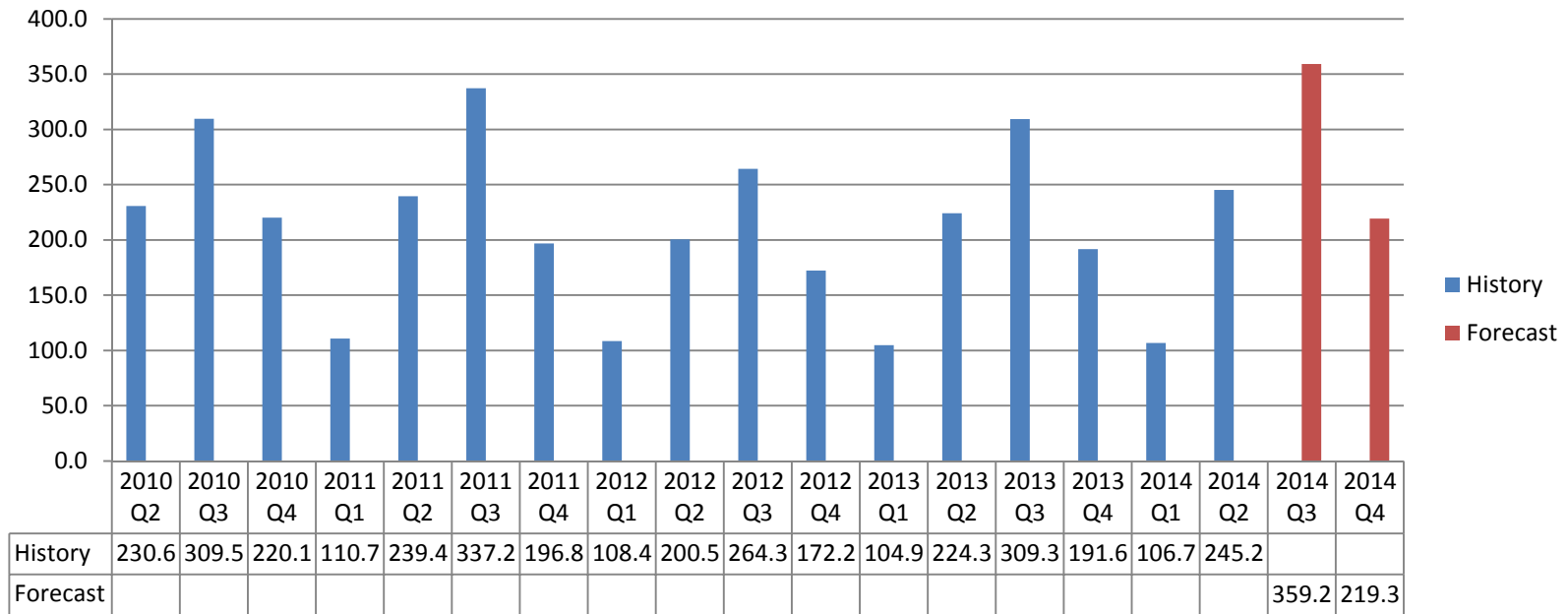
Source: U.S. Department of Commerce: Bureau of Economic Analysis

South Carolina Employment (Millions)



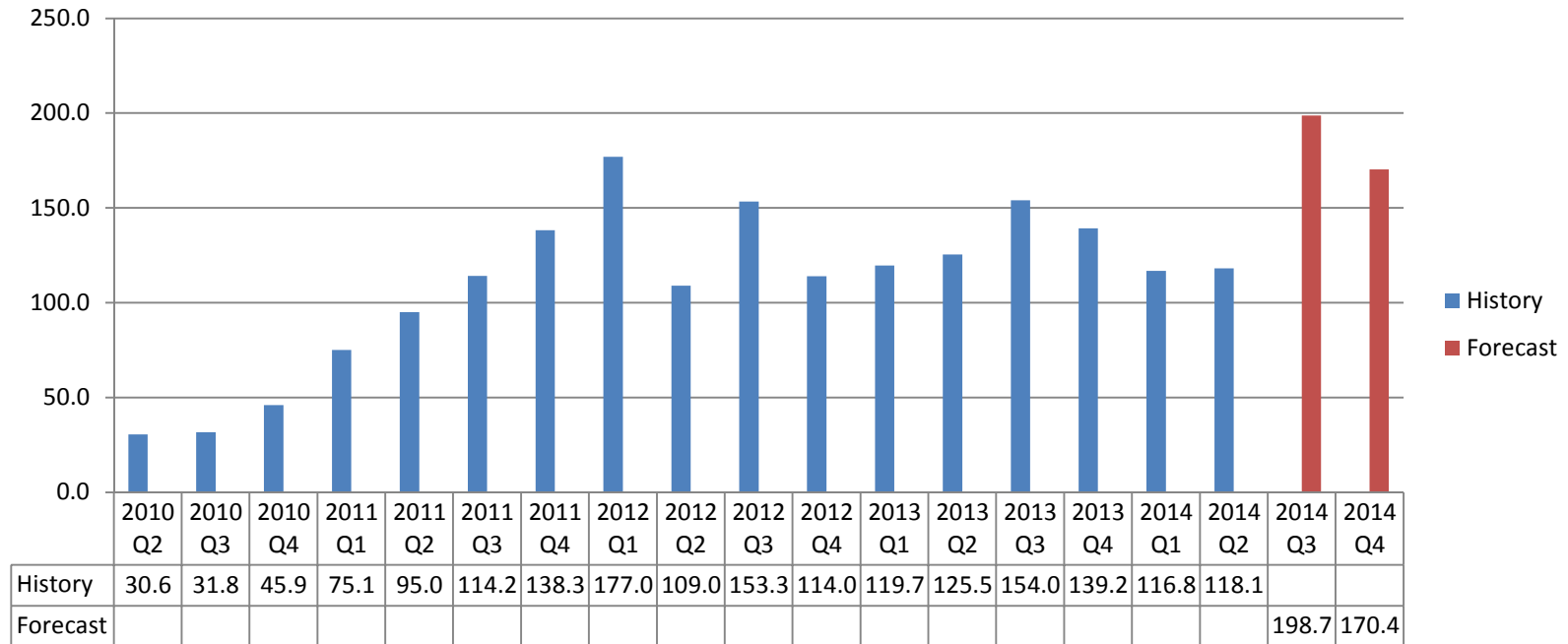
Source: Bureau of Labor Statistics

MYR Airport Deplanements (Thousands)



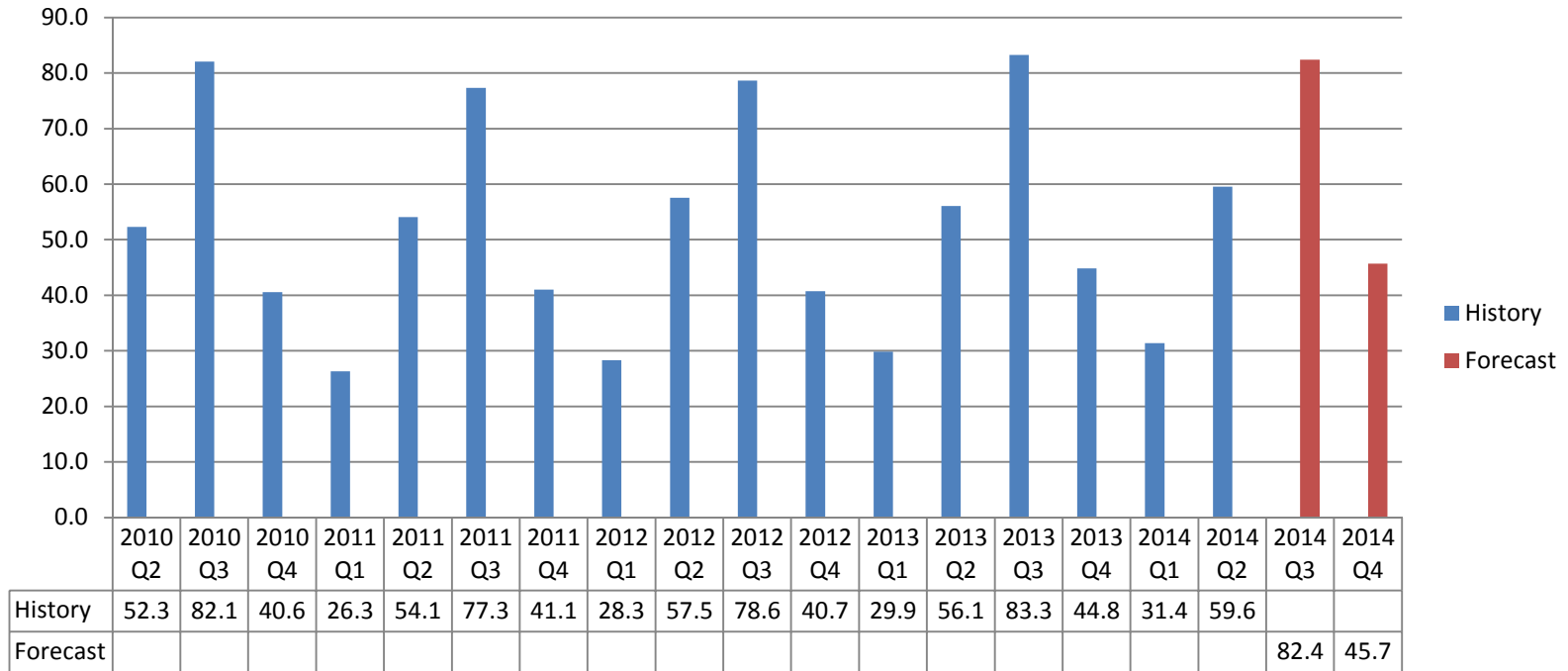
Source: Myrtle Beach International Airport

Georgetown Port Tonnage (Thousands)



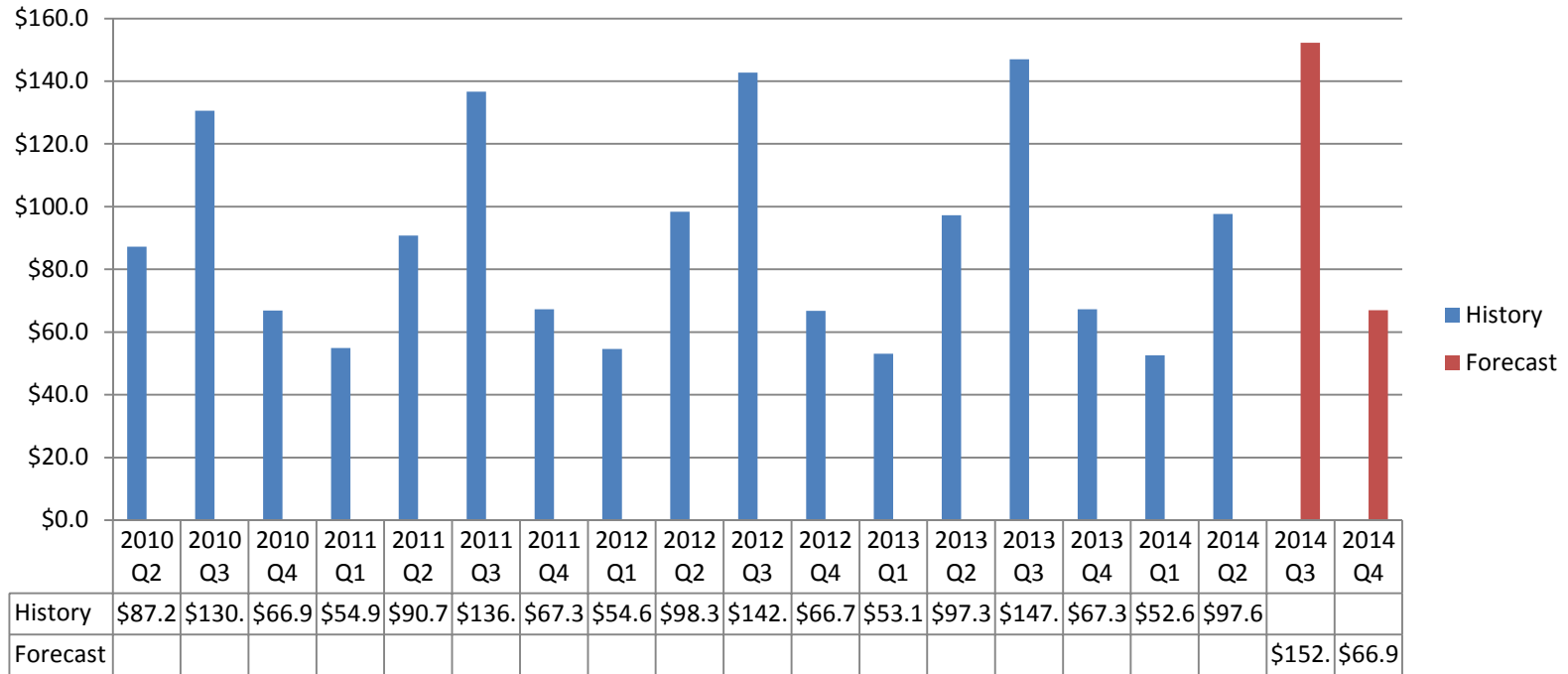
Source: Georgetown Port Authority

Hotel-Condotel-Campground Occupancy Rate



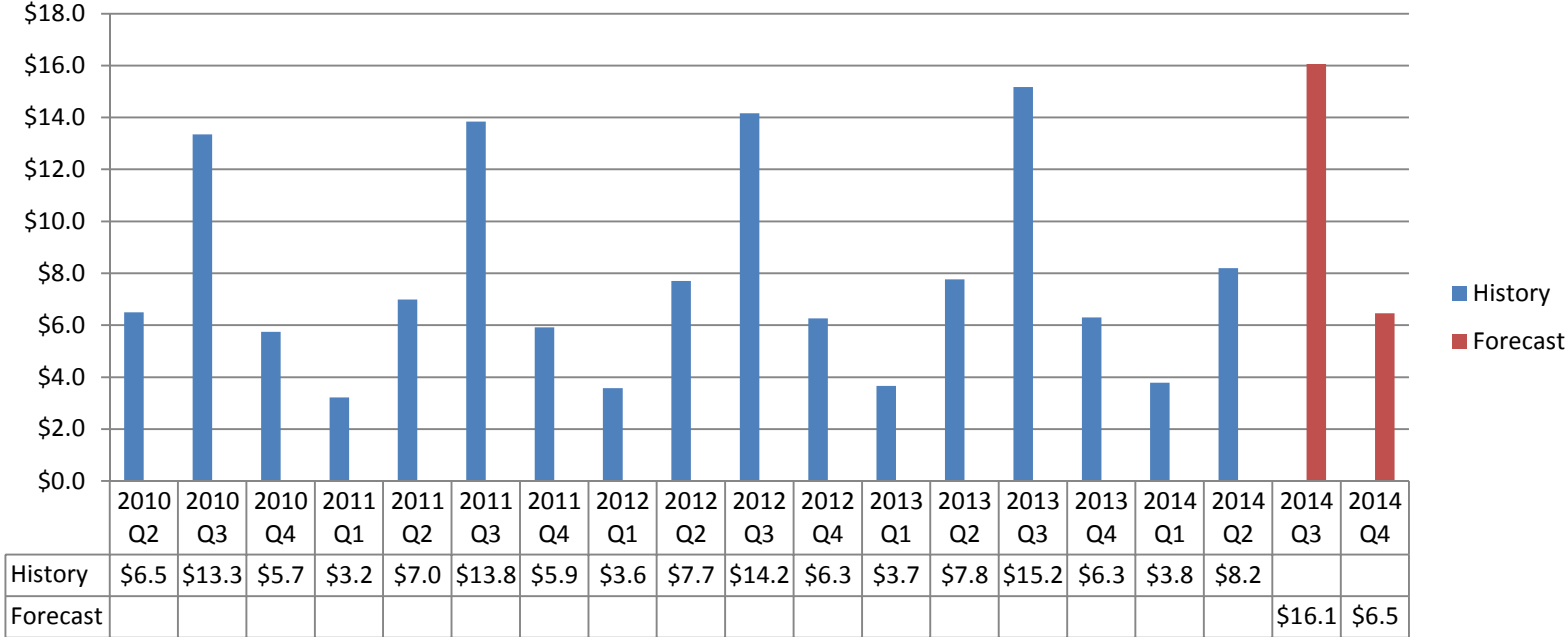
Source: Clay Brittain Jr. Center for Resort Tourism

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

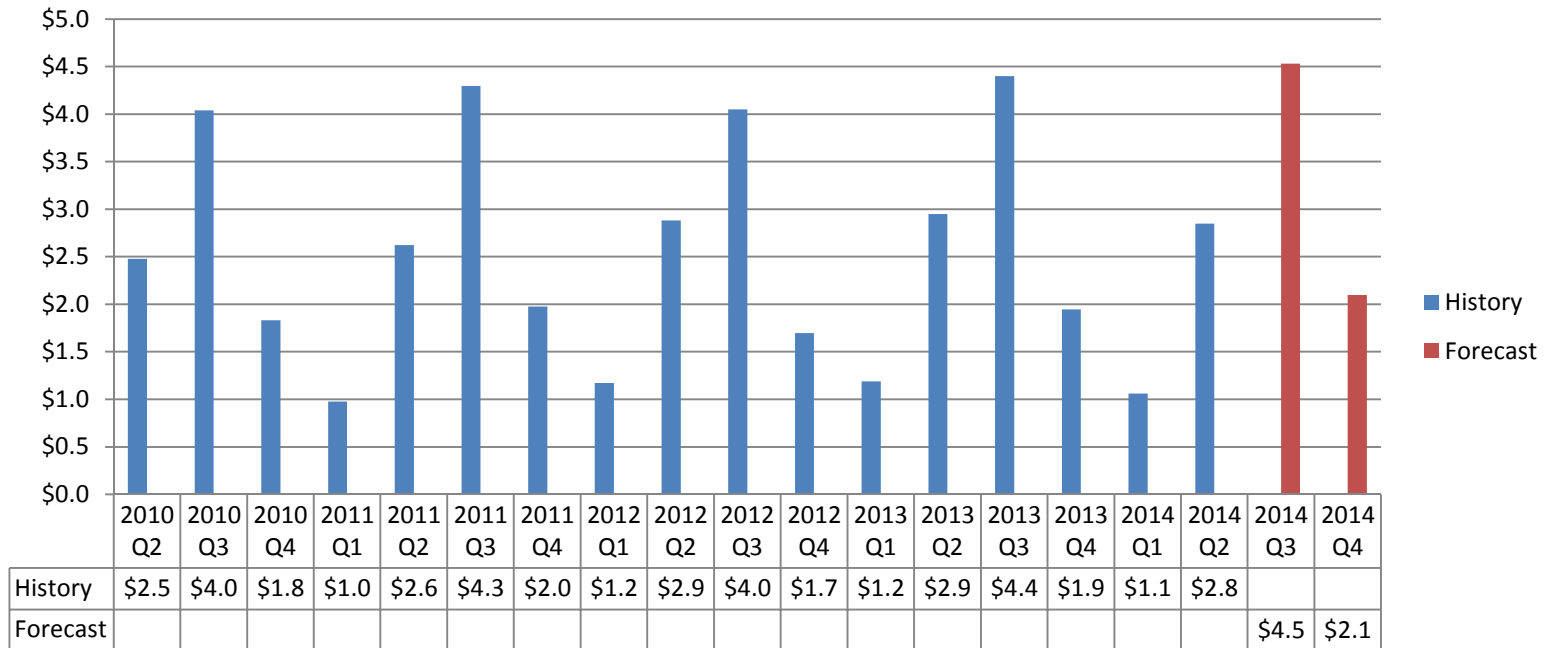


Accommodations Tax Revenue (\$Millions)

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See summary sheet for details.

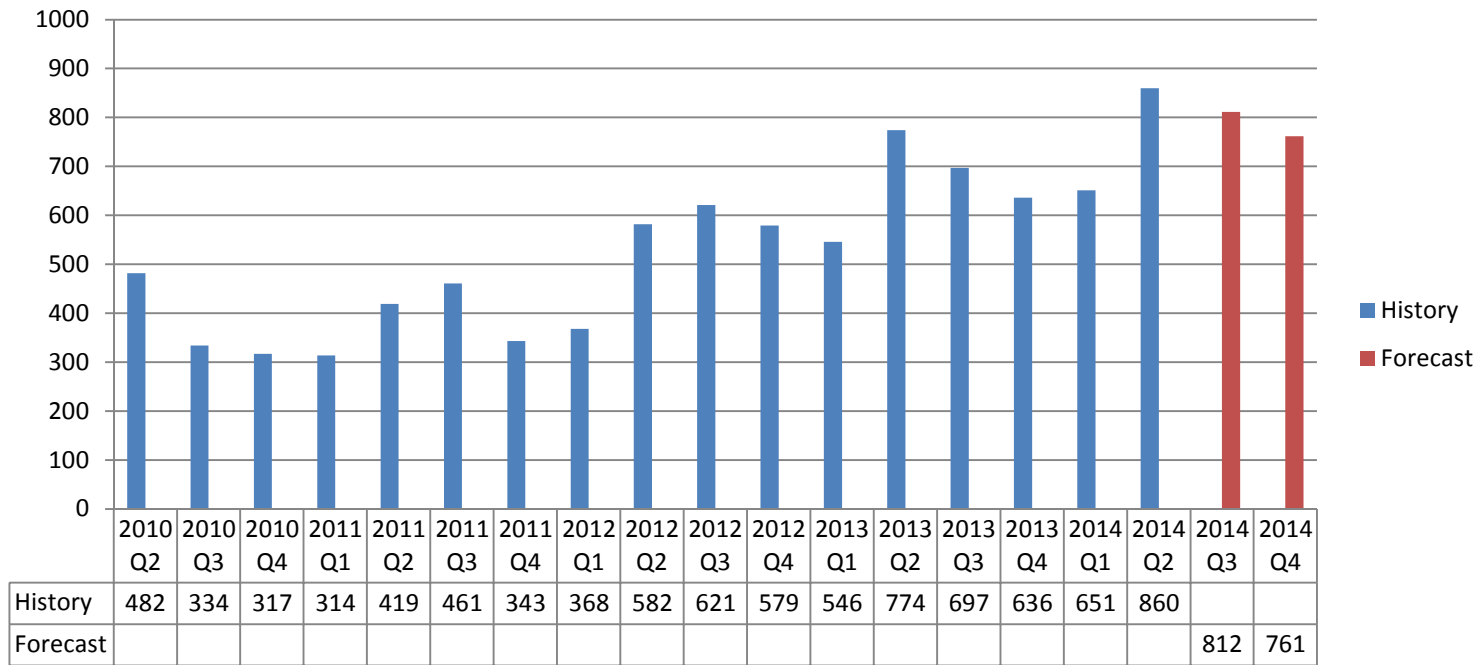
Source: SC Department of Revenue

5% State Admissions Tax (\$ Millions)



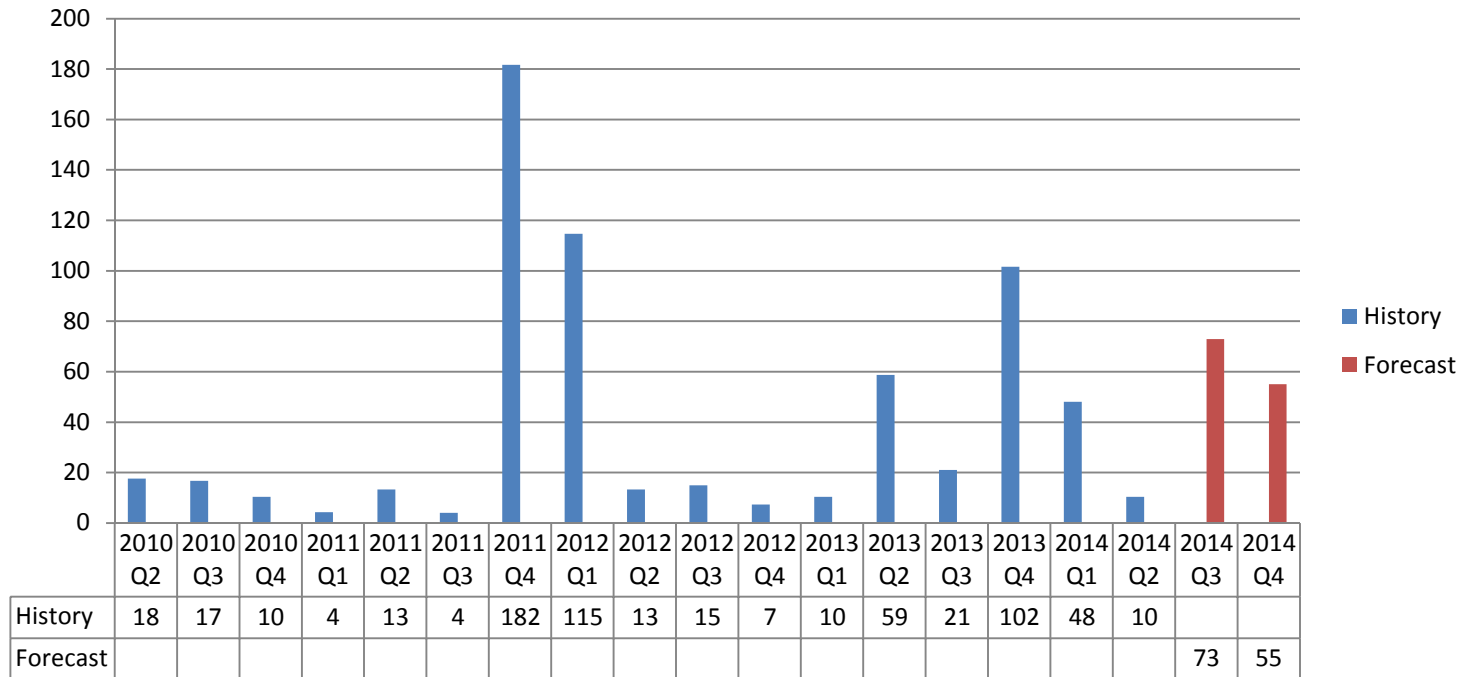
Source: SC Department of Revenue

Regional Single Family Permits



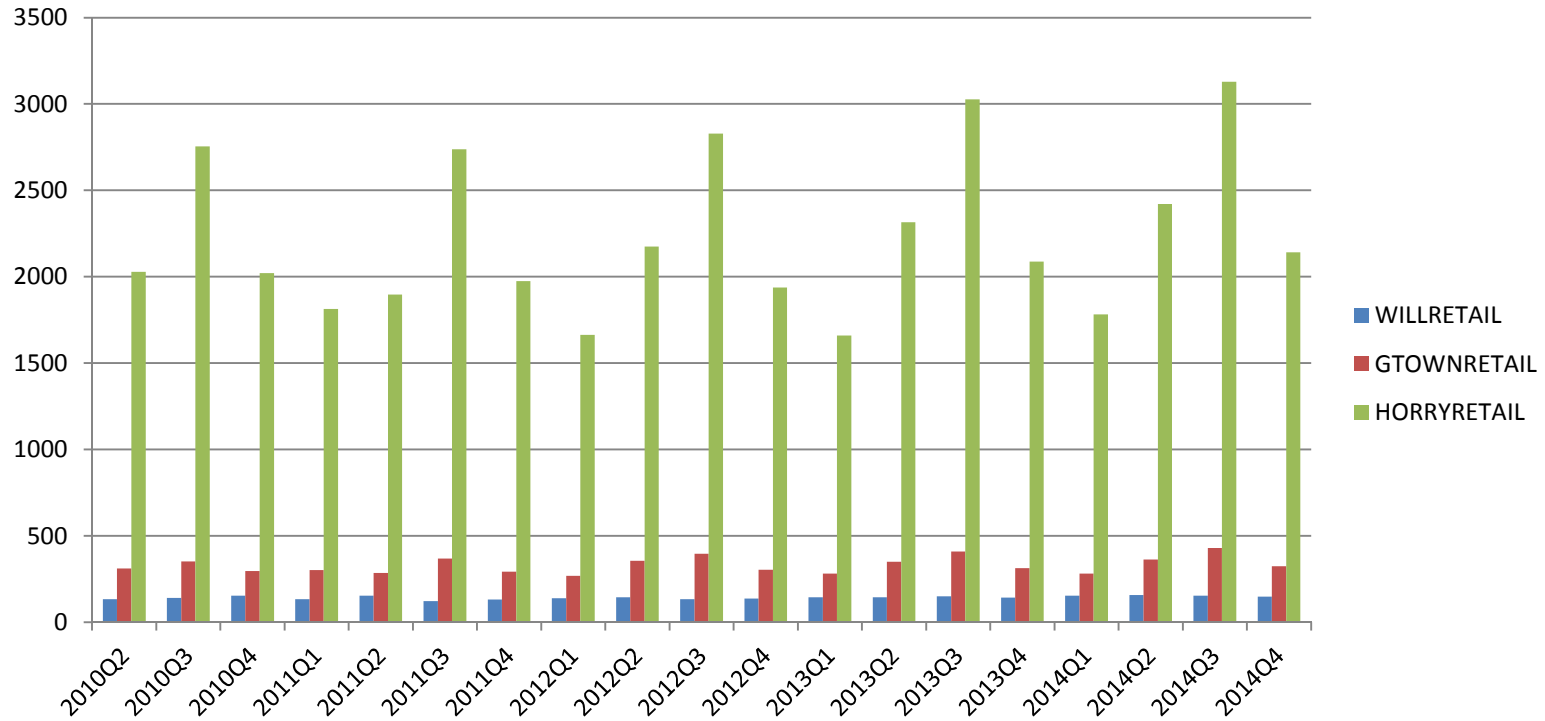
Source: HUD State of the Cities Data System

Regional Multi-family Permits



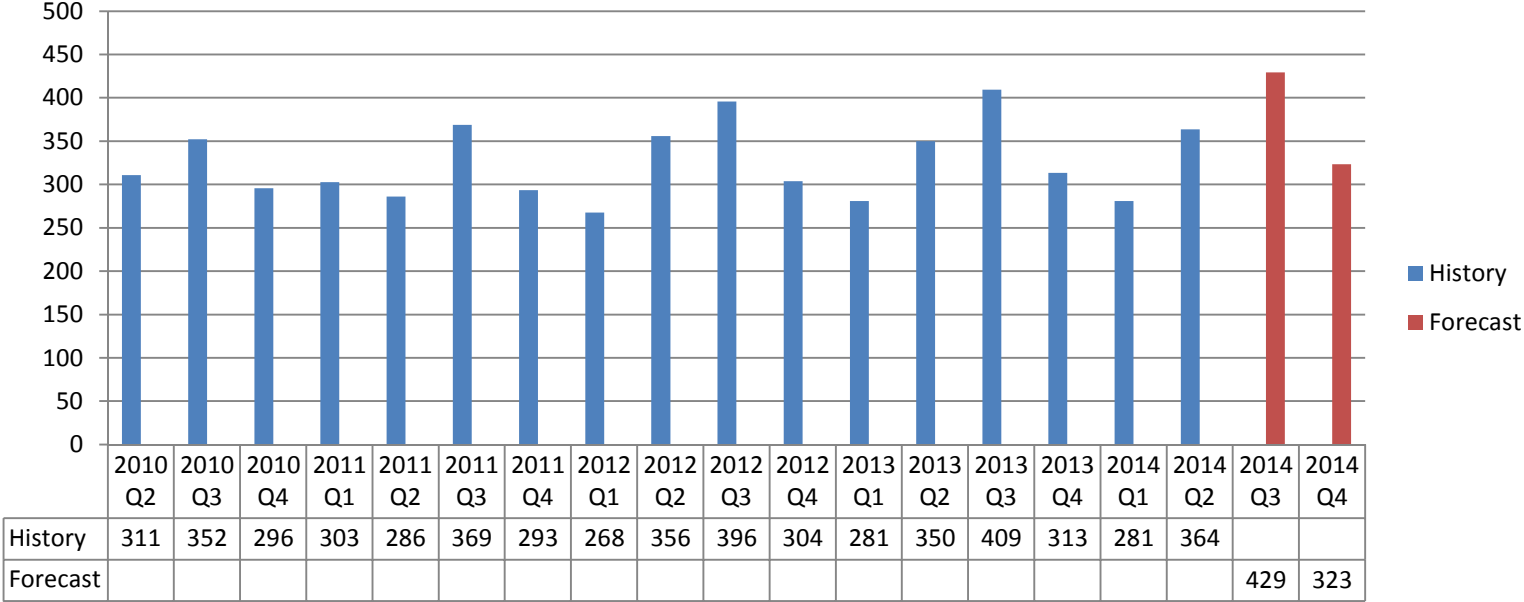
Source: HUD State of the Cities Data System

Regional Retail Sales (\$ Millions)

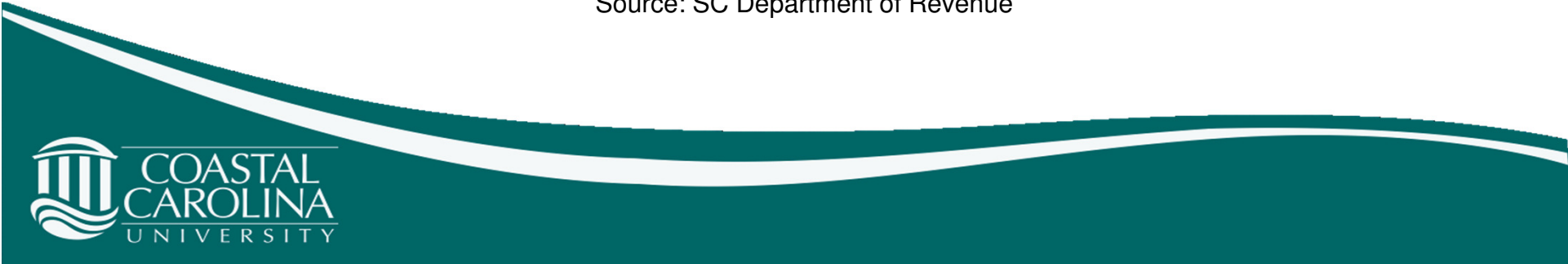


Source: SC Department of Revenue

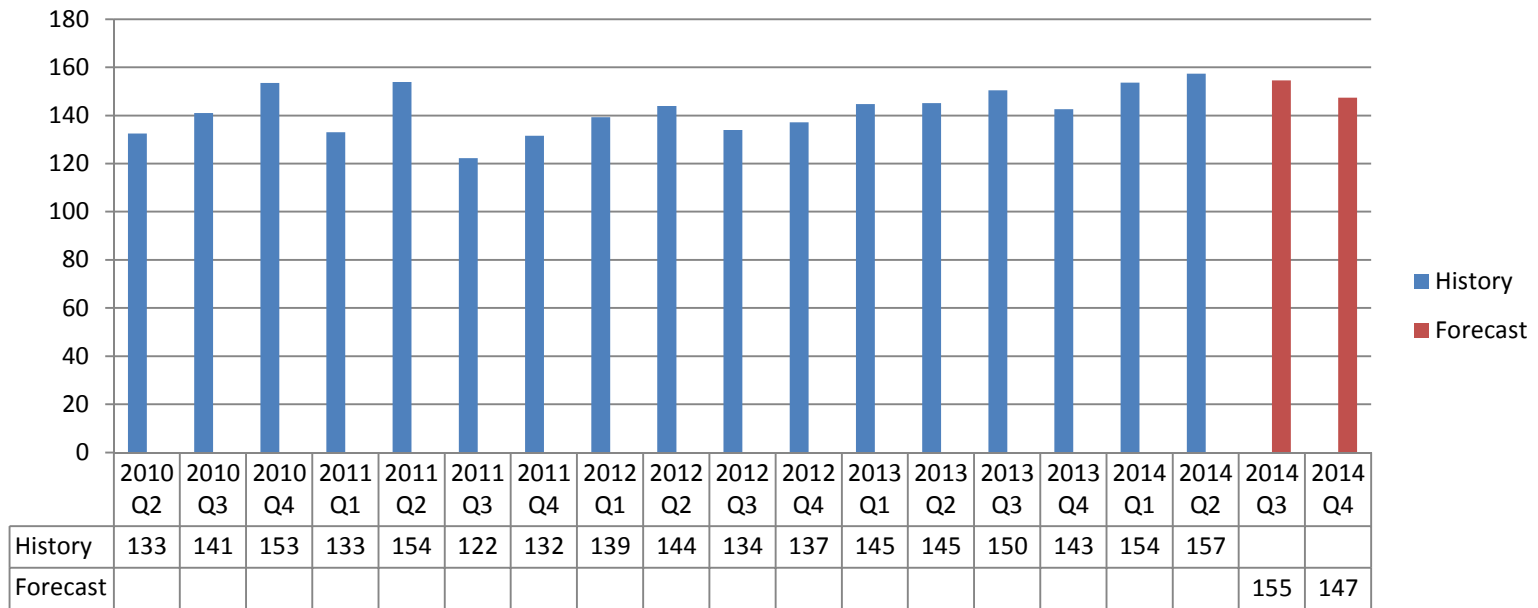
Georgetown Retail Sales (\$ Millions)



Source: SC Department of Revenue

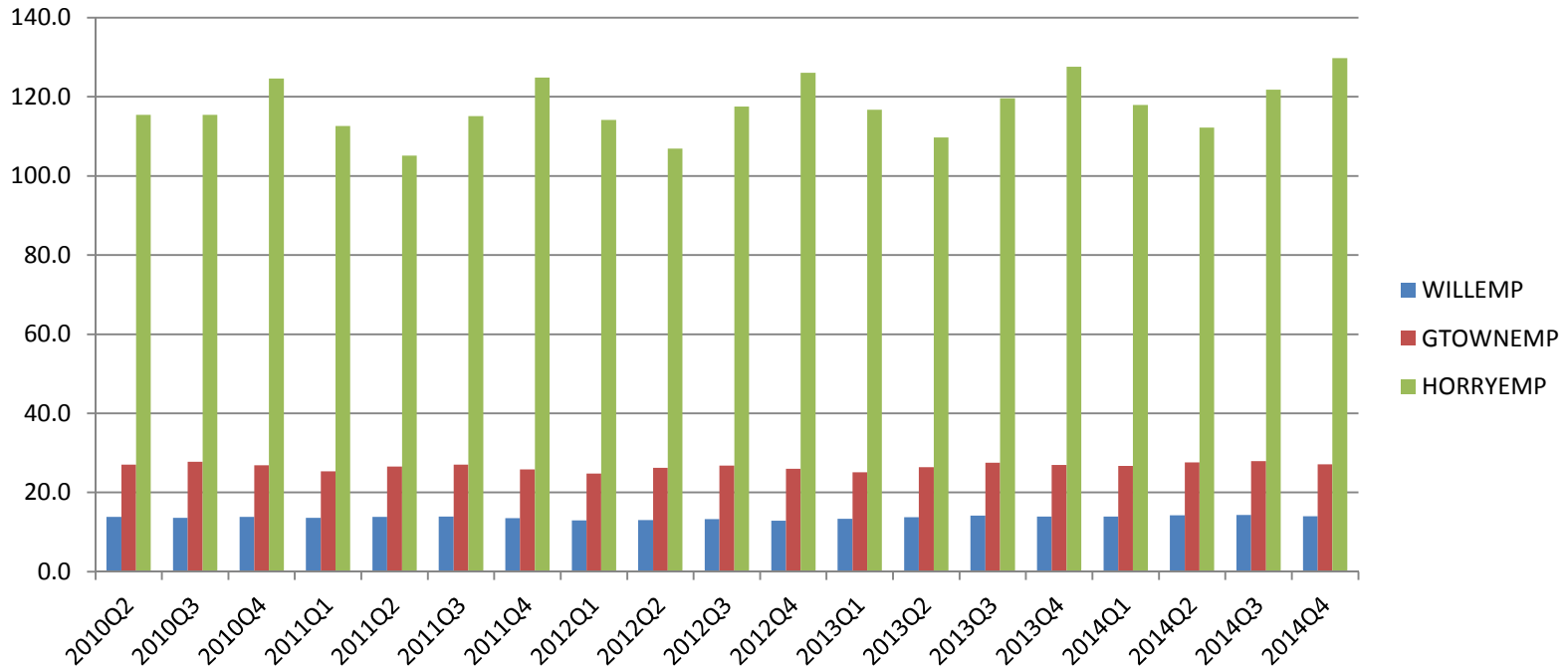


Williamsburg Retail Sales (\$ Millions)



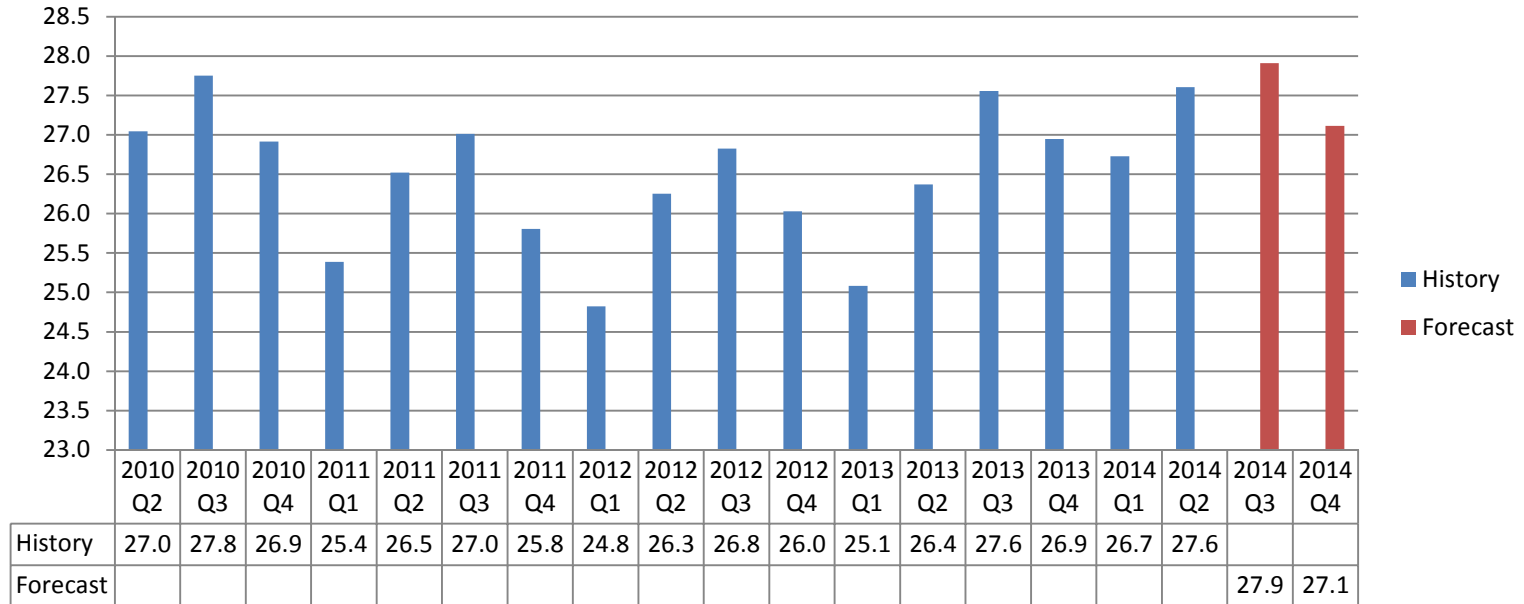
Source: SC Department of Revenue

Regional Employment Breakout (Thousands)



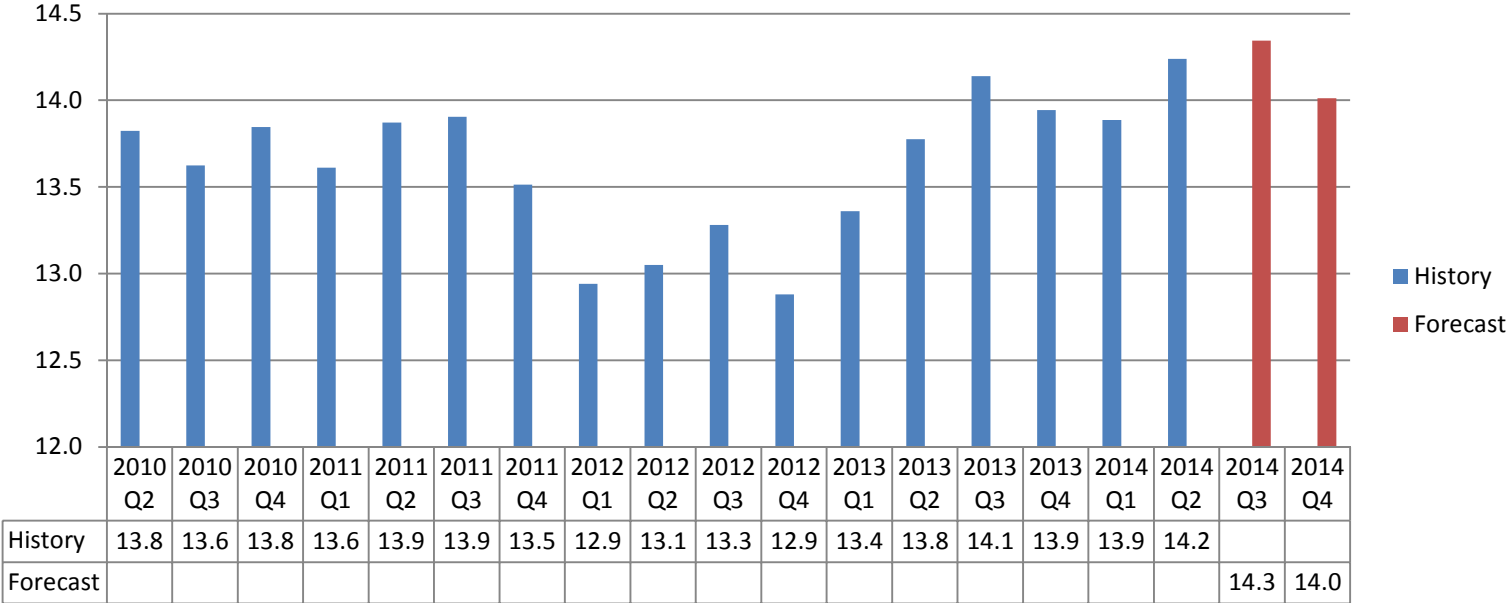
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

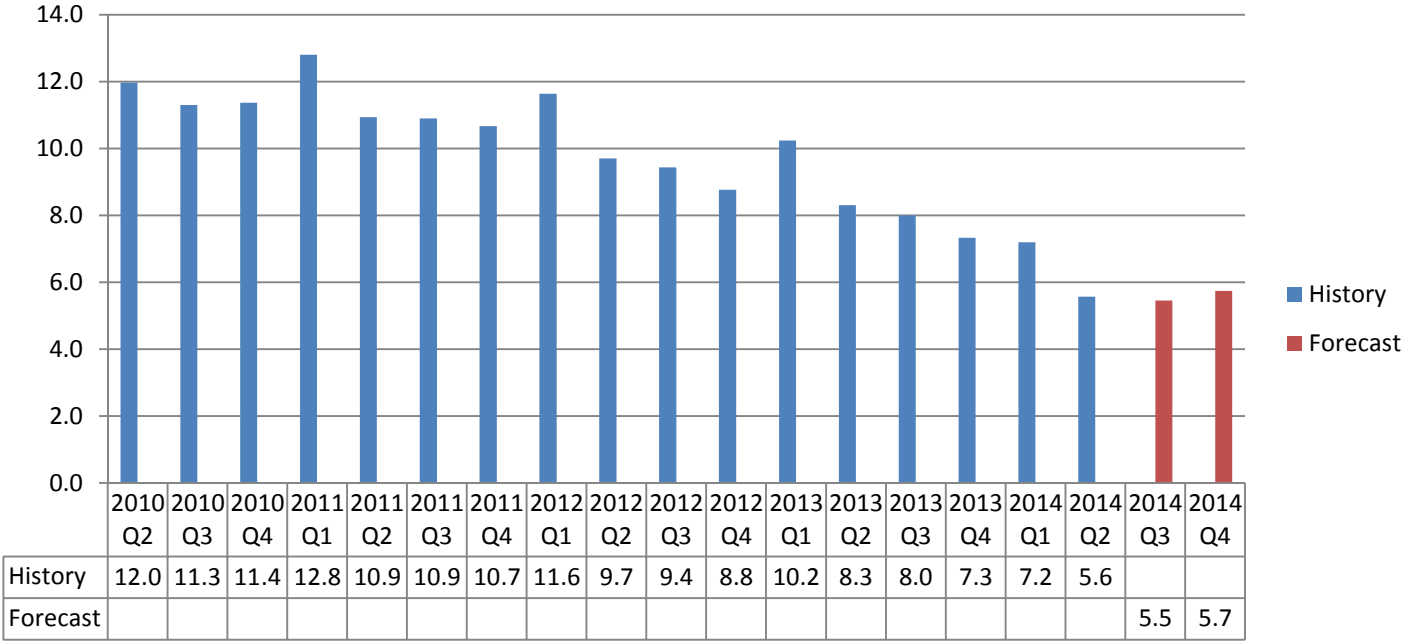
Williamsburg Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



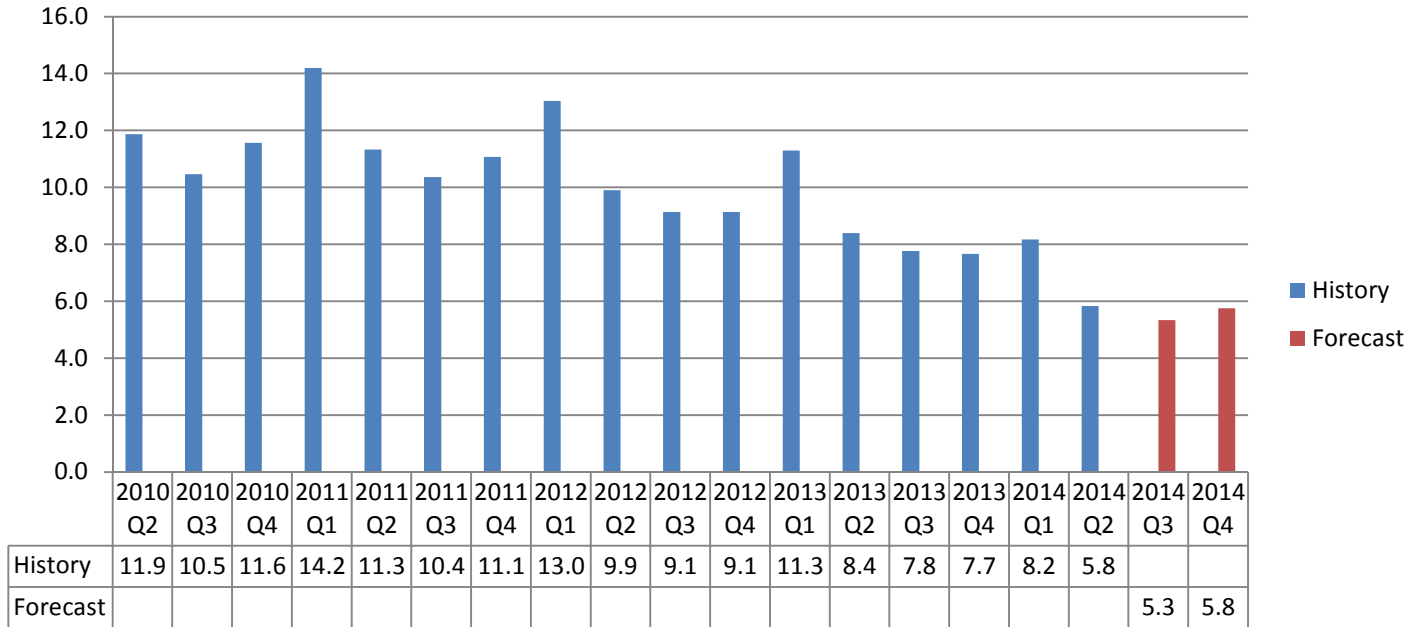
Georgetown Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

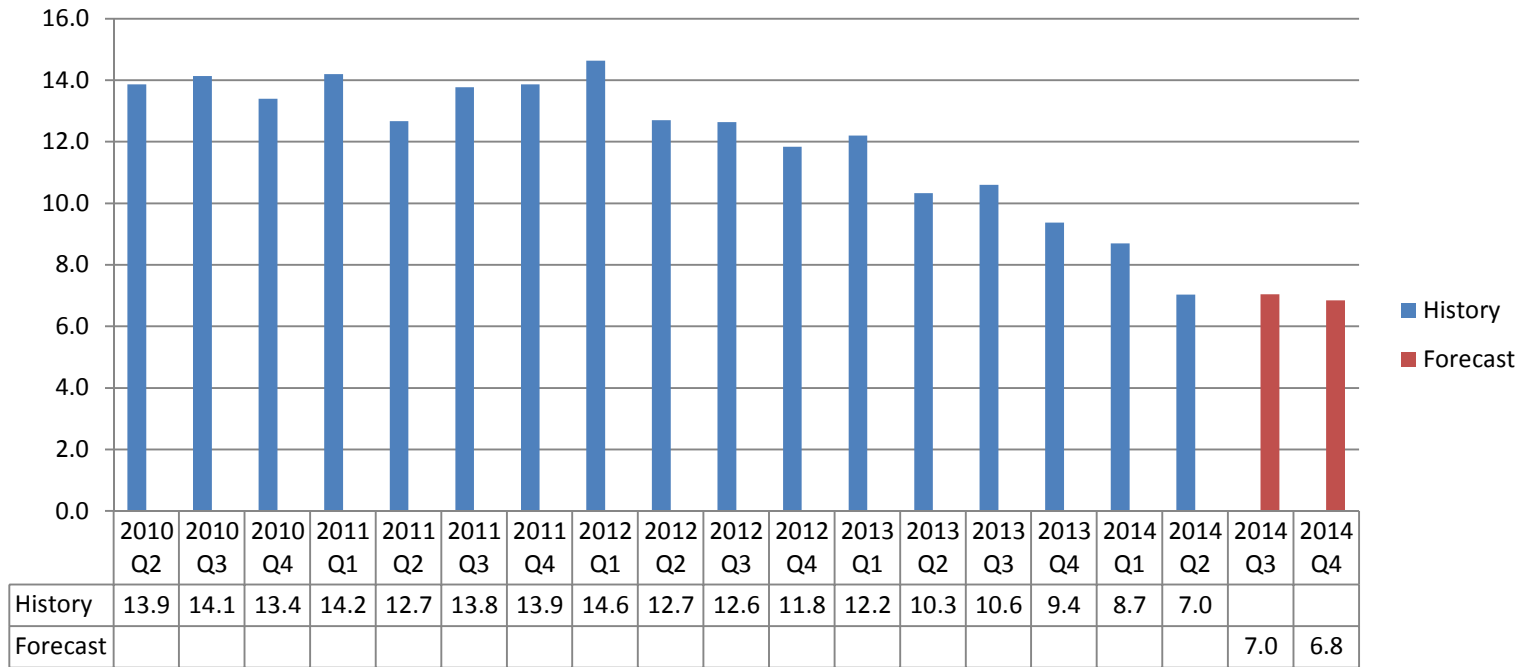


Horry Unemployment Rate



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: Summer 2014

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

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August 2014

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous Quarter Spring 2014	Current Quarter Summer 2014	Next Quarter Fall 2014	Previous Quarter Spring 2014	Current Quarter Summer 2014	Next Quarter Fall 2014
Airport Deplanements (thousands)	245.2	359.2	219.3	9.4	16.1	14.5
Port Tonnage (thousands)	118.1	198.7	170.4	-5.9	29.1	22.4
Occupancy Rate (Full Week)	59.6	82.4	45.7	3.5	-0.9	0.9
Average Daily Rate (Full Week)	\$ 97.6	\$ 152.3	\$ 66.9	0.4	5.3	-0.3
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 8.2	\$ 16.1	\$ 6.5	5.5	5.9	2.6
Accommodations Tax Revenue (\$millions) ^a	No updates received from SCDOR since February, except FY is up and May is up in general.					
Admissions Tax Revenue (\$millions)	\$ 2.8	\$ 4.5	\$ 2.1	-3.4	3.0	7.7
Regional SF Building Permits*	860	812	761	11.1	16.5	19.7
Regional MF Building Permits*	10	73	55	-82.4	247.0	-45.8
Retail Sales (\$millions)						
Georgetown County	\$ 363.7	\$ 429.3	\$ 323.5	3.9	4.9	3.2
Horry County	\$ 2,420.5	\$ 3,128.0	\$ 2,141.1	4.5	3.3	2.5
Williamsburg County	\$ 157.3	\$ 154.5	\$ 147.4	8.4	2.7	3.4
Employment (thousands)						
Georgetown County	27,606	27,908	27,113	4.7	1.3	0.6
Horry County	122,040	132,333	121,540	2.0	3.7	3.1
Williamsburg County	14,238	14,344	14,012	8.4	2.7	3.4
Unemployment Rate						
Georgetown County	5.6	5.5	5.7	-2.7	-2.5	-1.6
Horry County	5.8	5.3	5.8	-2.6	-2.4	-1.9
Williamsburg County	7	7.0	6.8	-3.3	-3.6	-2.5

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.

^aSCDOR 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