

Waccamaw Regional Economic Outlook

Winter 2018

February 7, 2018
Robert F. Salvino, Ph.D.
Coastal Carolina University

Executive Summary

The Economic Outlook Board of the Waccamaw Council of Governments met on February 7, 2018. CCU economist, Robert Salvino, Ph.D., delivered the forecasts followed by an informational presentation detailing the growth and strategic initiatives of the Myrtle Beach International Airport and its impact and relevance to the Grand Strand region. Kirk Lovell, director of air service and business development, led the discussion.

Employment in the Waccamaw Region, comprised of Horry, Georgetown, and Williamsburg Counties, showed continued growth in the recent quarters. Overall projections are for the year-over-year growth trends to continue. Future projections are limited to two advanced quarters and are reassessed on a quarterly basis.

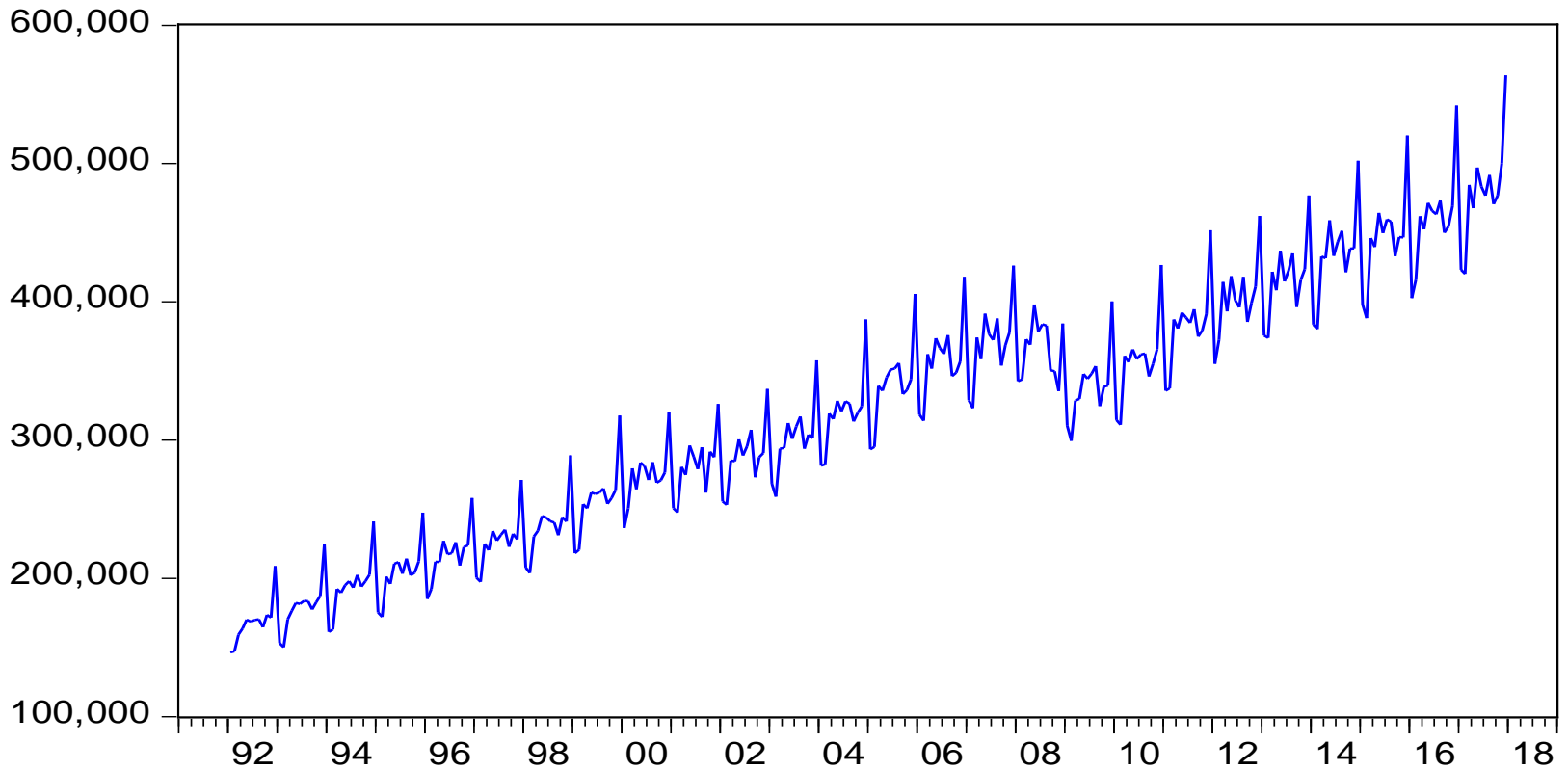
Employment growth in the spring quarter, year-over-year, was roughly even across the three counties in percentage change terms, at 2.6 percent for Georgetown and Williamsburg and 2.5 percent for Horry. Unemployment rates declined year-over-year for each county comparing the fall quarter of 2017 to the fall quarter of 2016, declining to 4.4 percent in Horry, 4.8 percent in Georgetown, and 5.5 percent in Williamsburg. Tourism indicators showed a return to stability after last summer and fall experienced disruptions due to two unrelated, impactful episodes, the shooting attack on the boulevard and the hurricane respectively. Positive growth was reflected in retail spending and another closely watched indicator of the tourism economy, the 1.5% Horry County Hospitality Fee, which increased 4.1 percent in the fall quarter, year-over-year. Residential construction activity is showing little sign of slowing, as fall quarter permits were up 27 percent to 1,453 permits for Horry and Georgetown combined. The pace is largely driven by major builders converting large tracts with favorable lot prices from the median buyer's perspective, a healthy indicator compared to the boom years ending in 2006.

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).

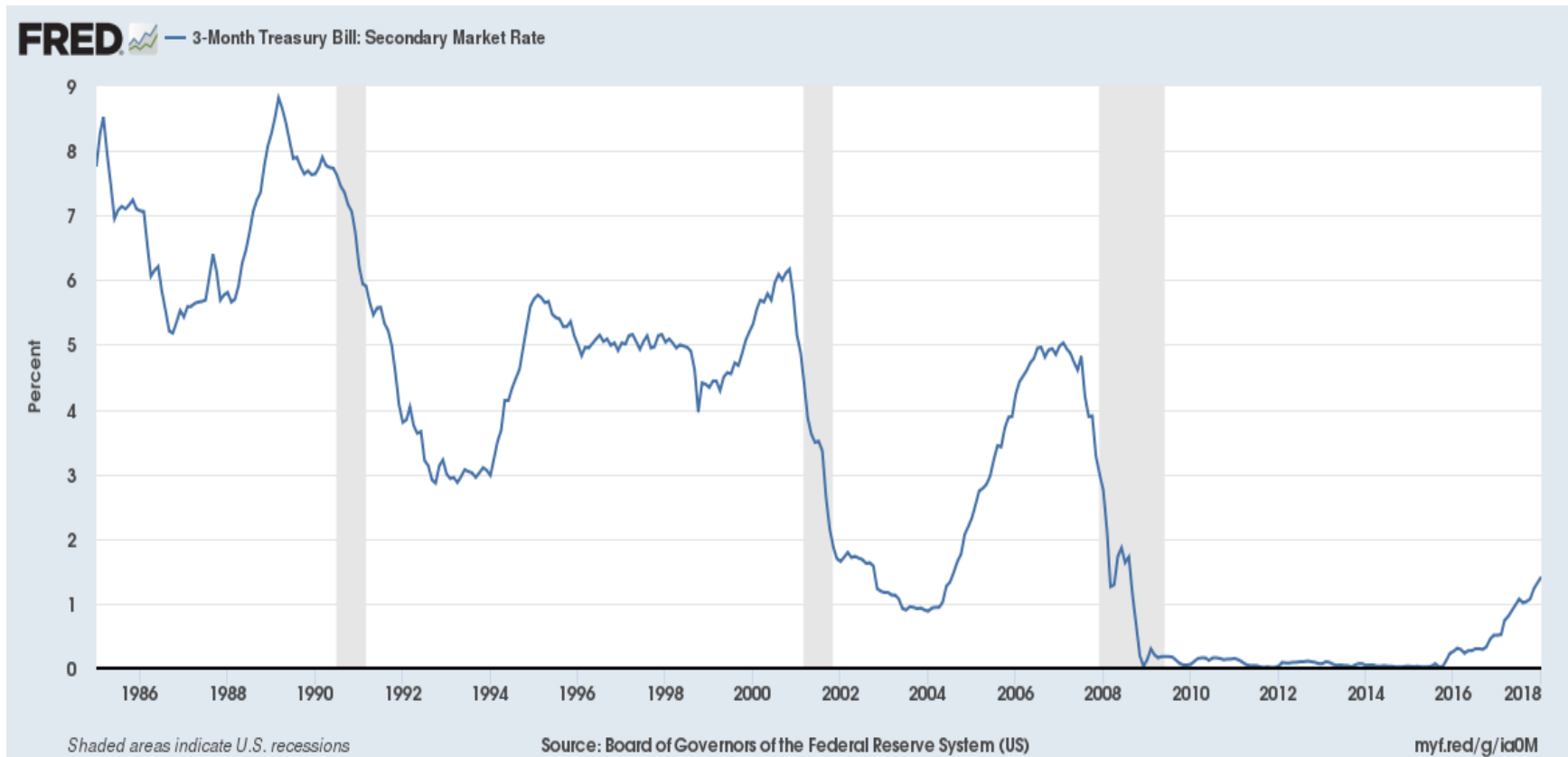
U.S. Retail Sales (\$Millions/Month – nominal, unadjusted)

USRETAILSALES



Source: U.S. Department of Commerce

U.S. 3-Month Treasury Bill (monthly)

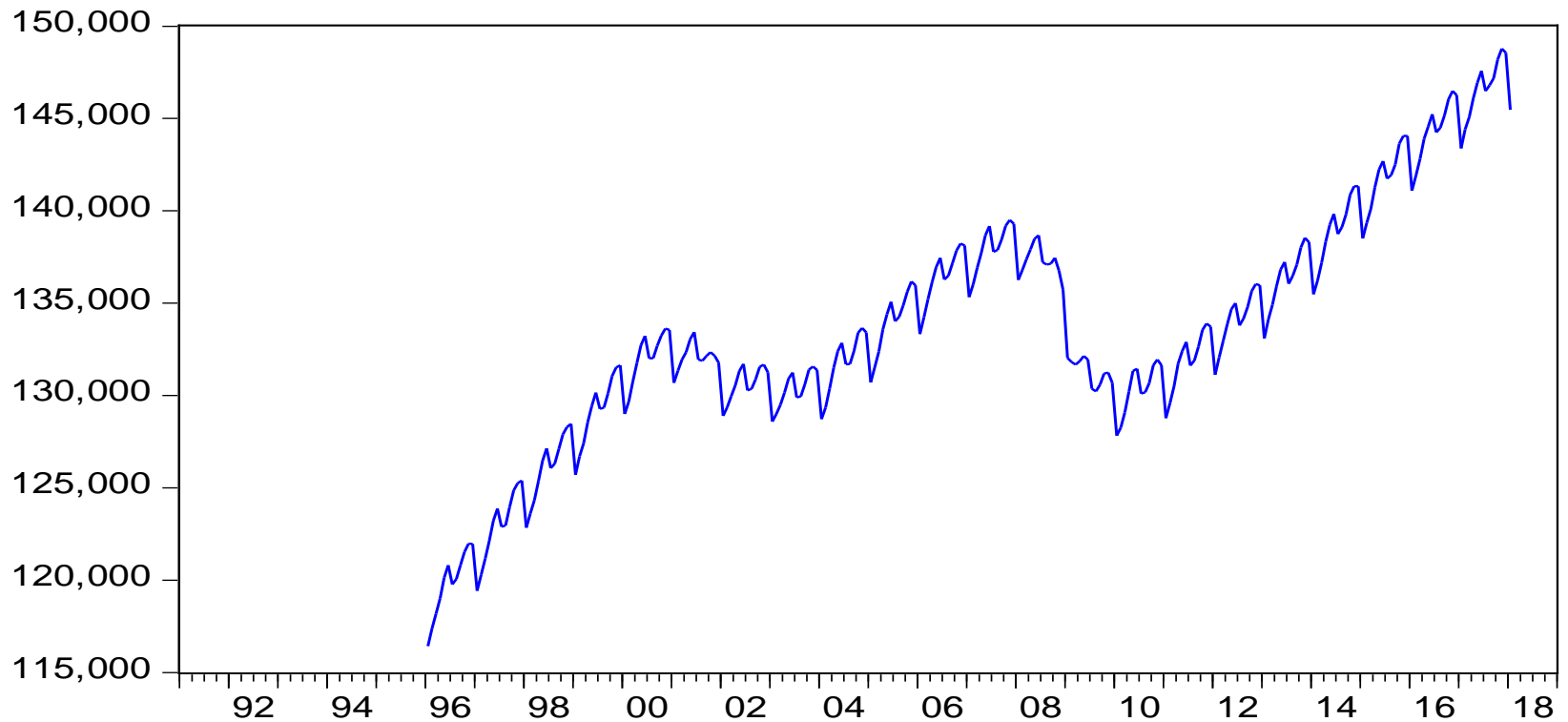


U.S. 30-Year Fixed Rate Mortgage Average (monthly)



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

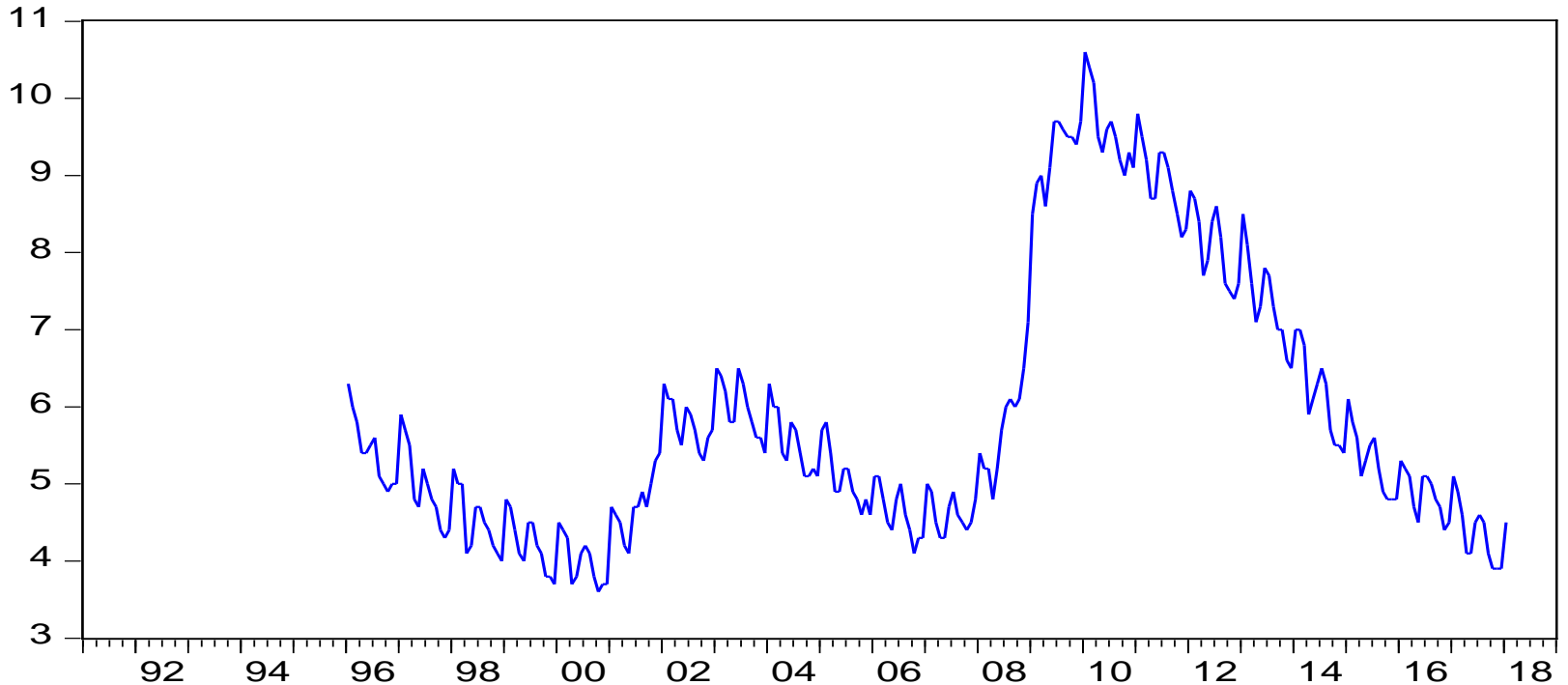
USEMP



Source: Bureau of Labor Statistics

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

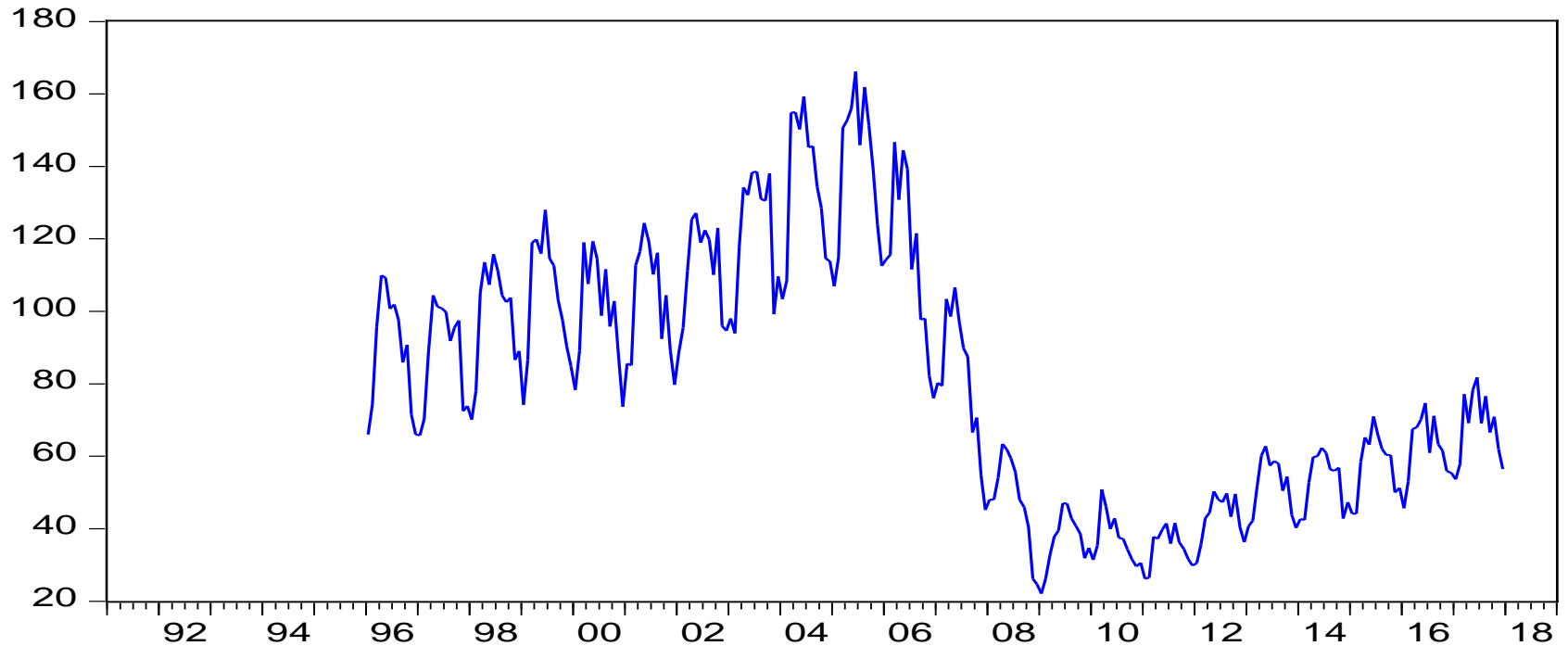
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Source: Bureau of Labor Statistics

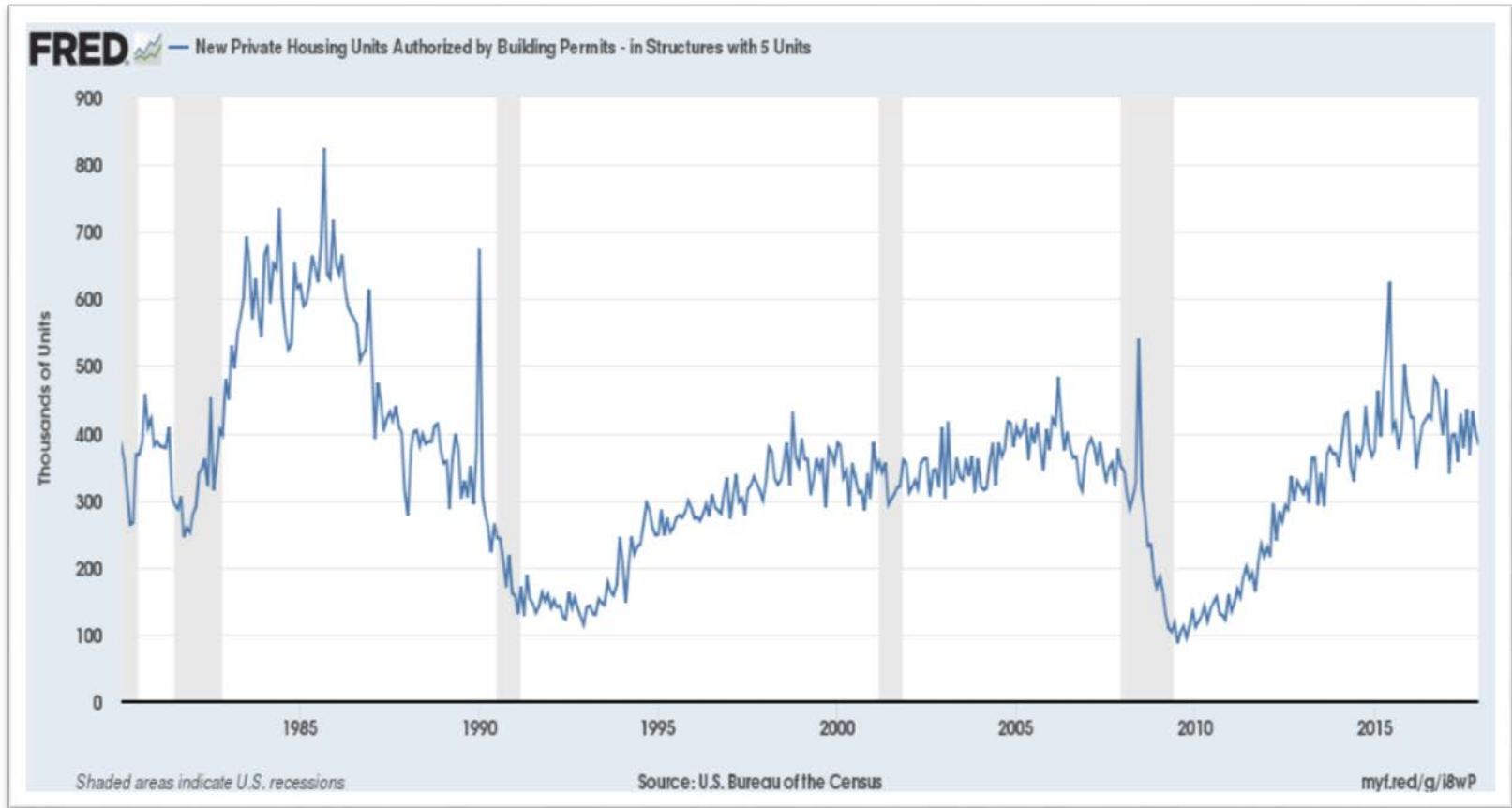
U.S. Single Family Building Permits

US Single Family Real Private Fixed Investment



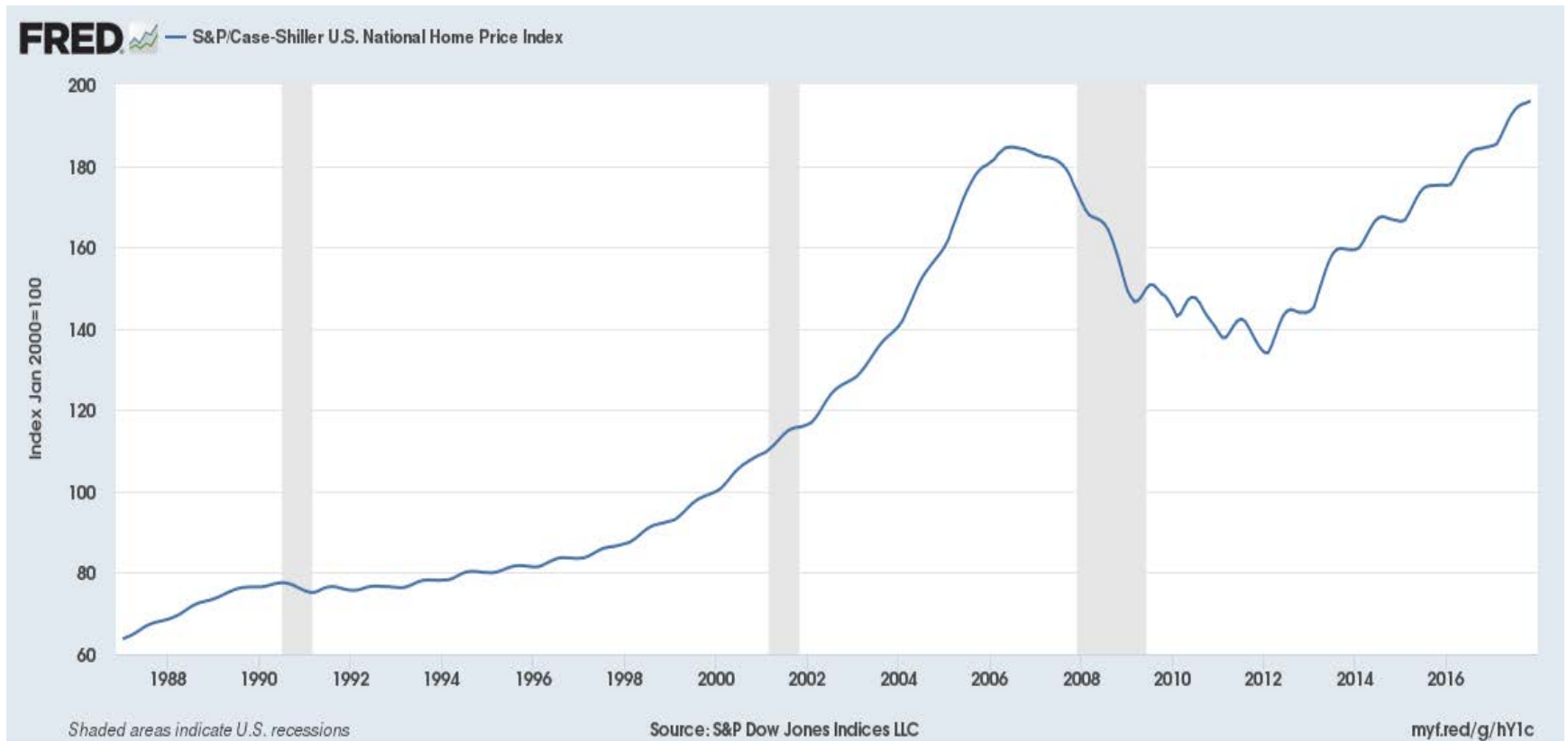
Source: U.S. Census, Department of Commerce

U.S. Multi-Family Building Permits



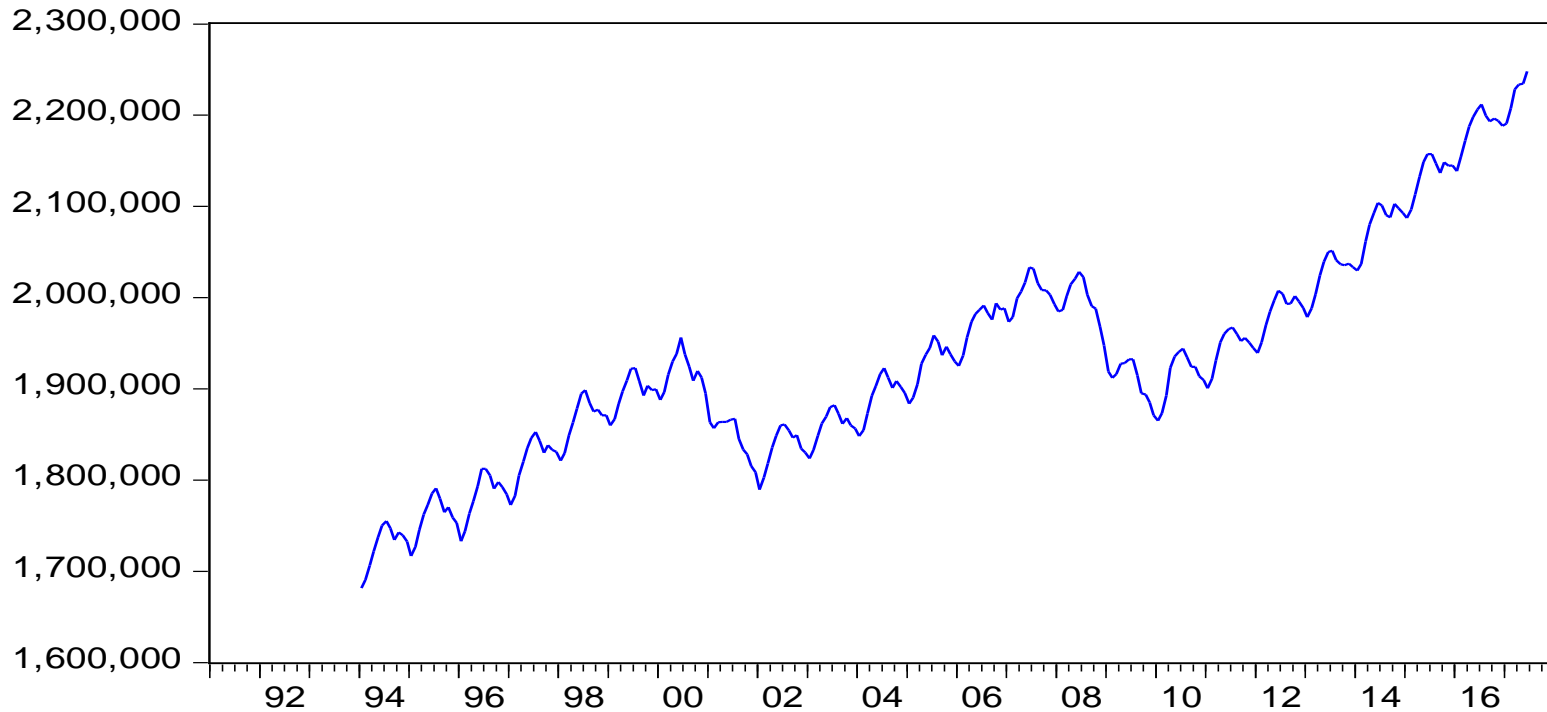
Source: U.S. Census, Department of Commerce

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



South Carolina Employment (Millions)

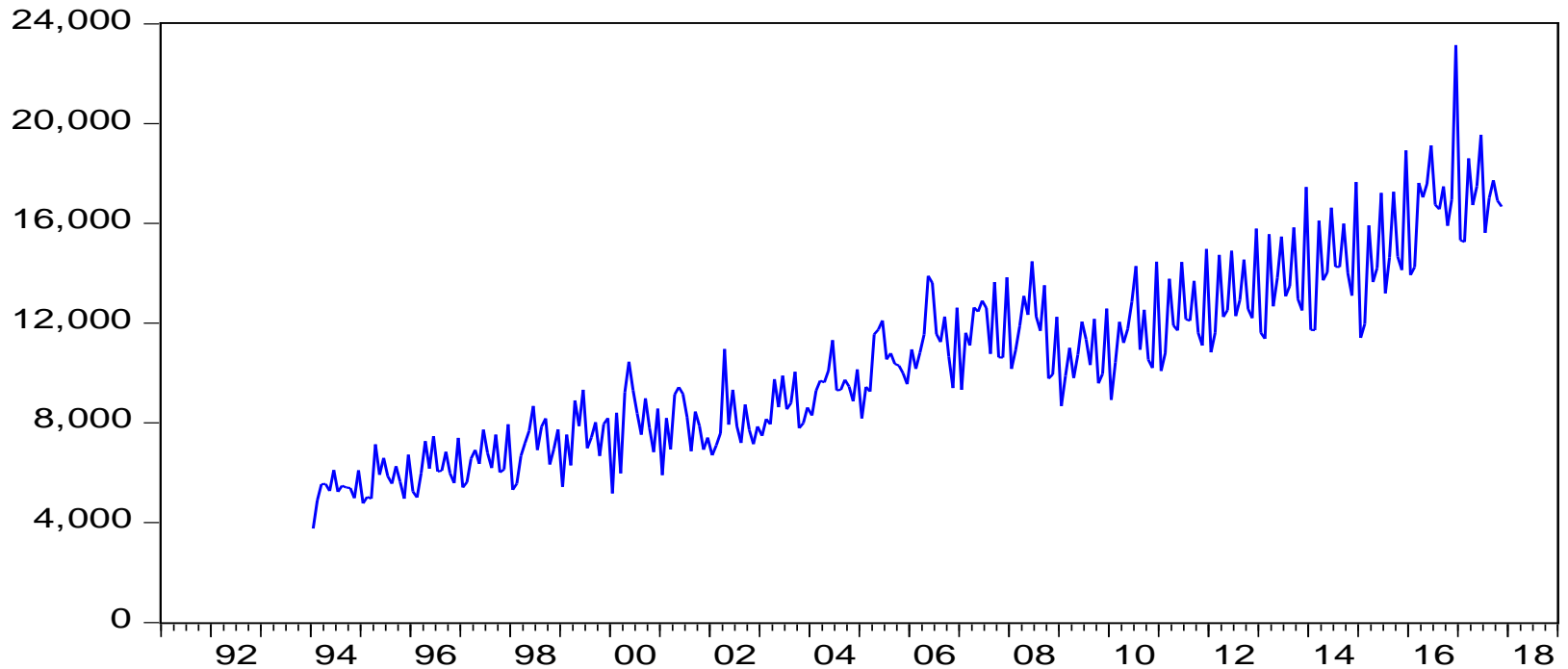
SCEMP



Source: Bureau of Labor Statistics

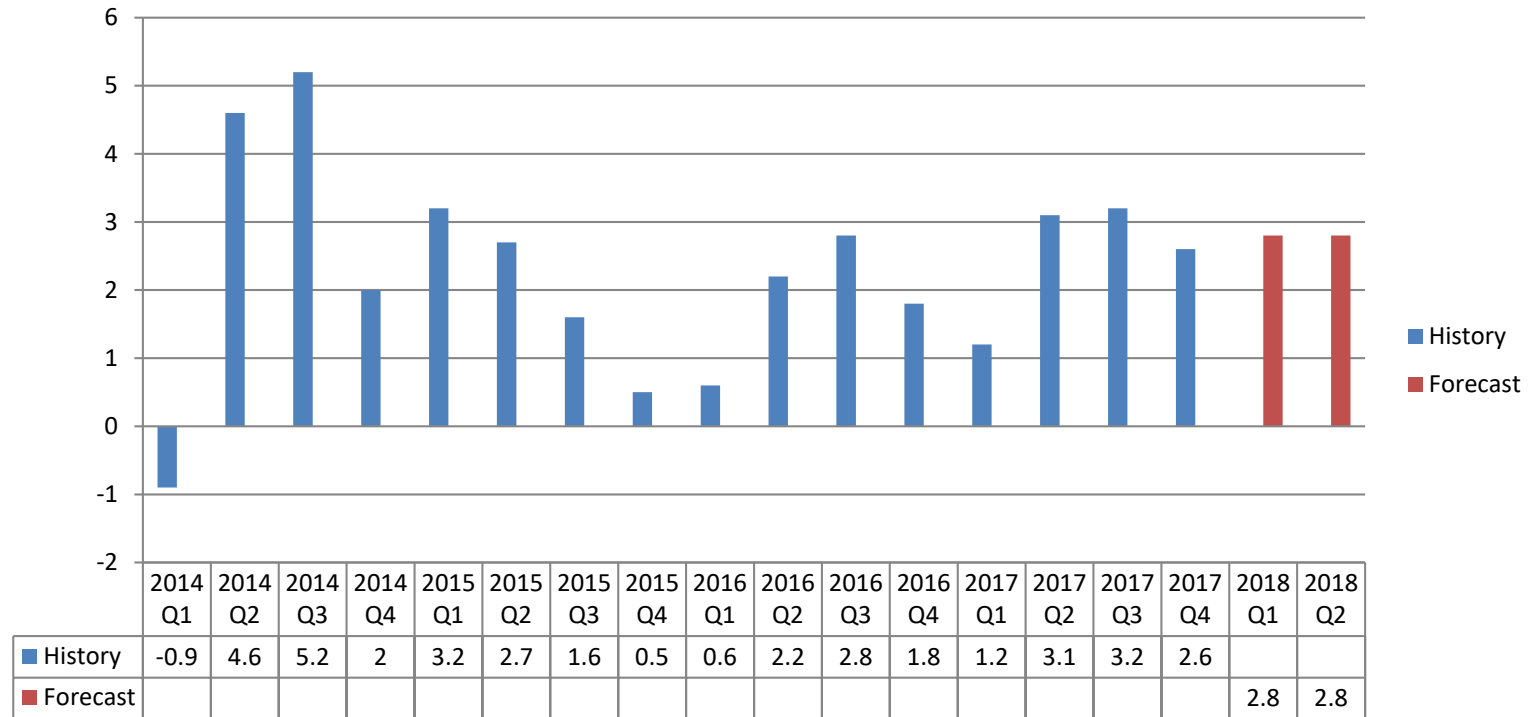
South Carolina Retail Sales (Billions)

SCRETAIL



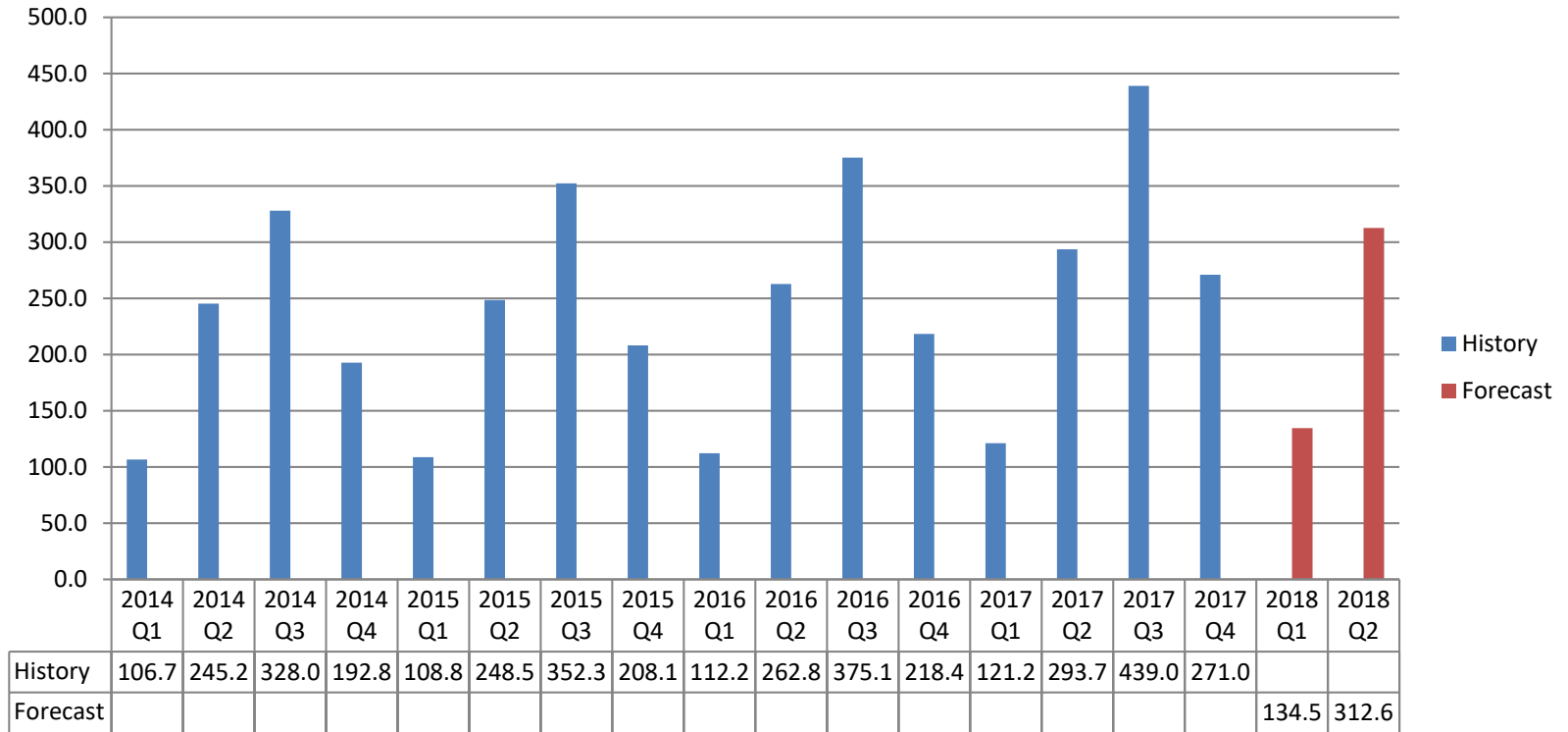
Source: SC Department of Revenue

Annualized Real GDP Growth (%)



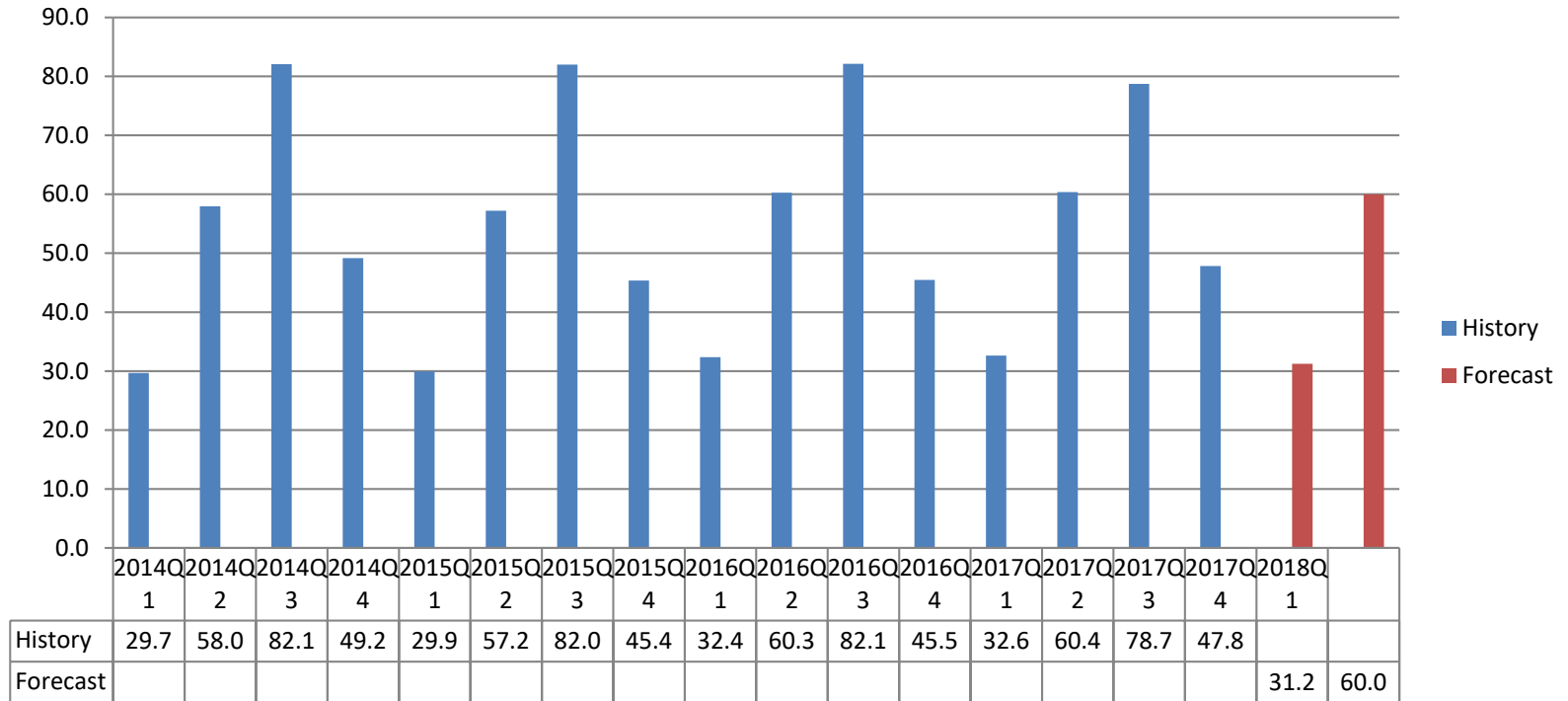
Source: U.S. Department of Commerce: Bureau of Economic Analysis

MYR Airport Deplanements (Thousands)



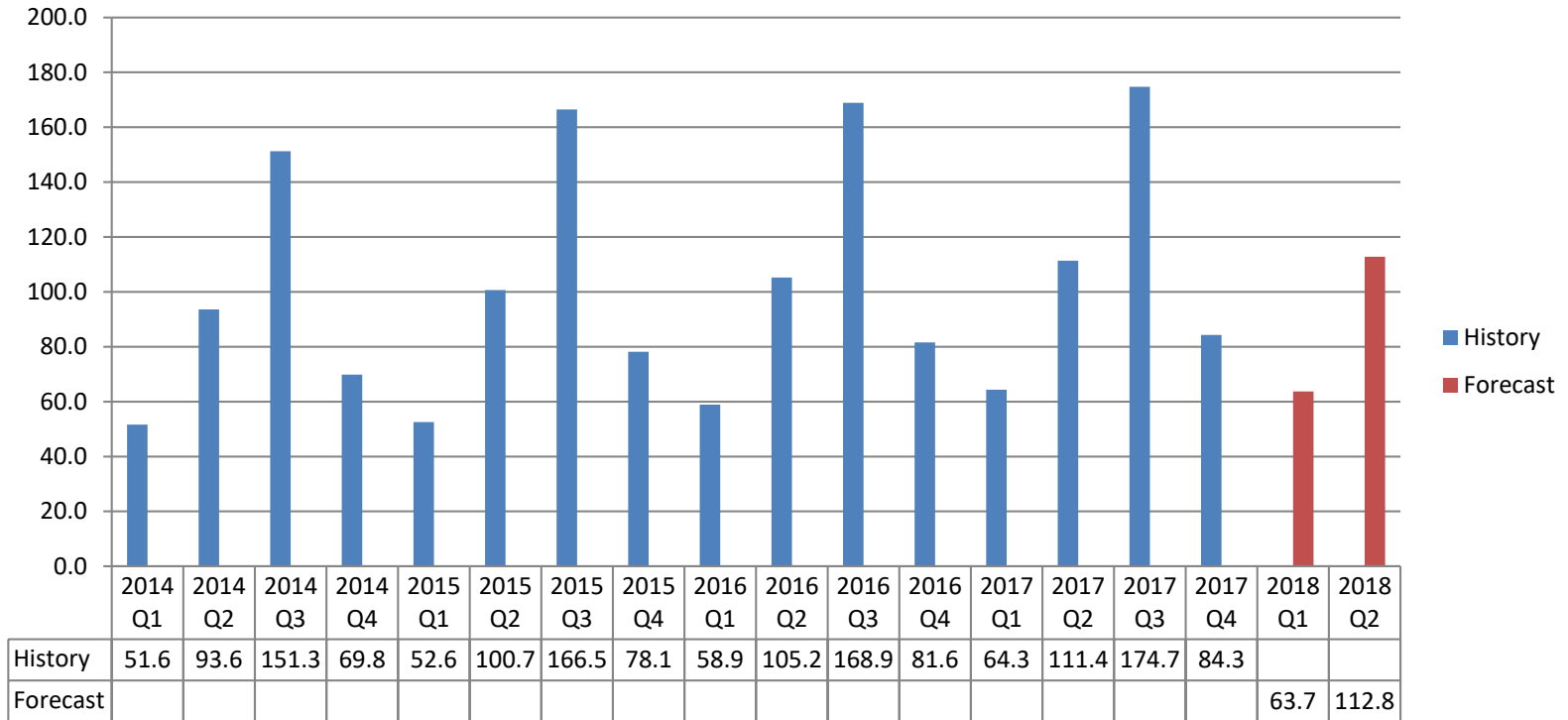
Source: Myrtle Beach International Airport

Hotel-Condotel-Campground Occupancy Rate



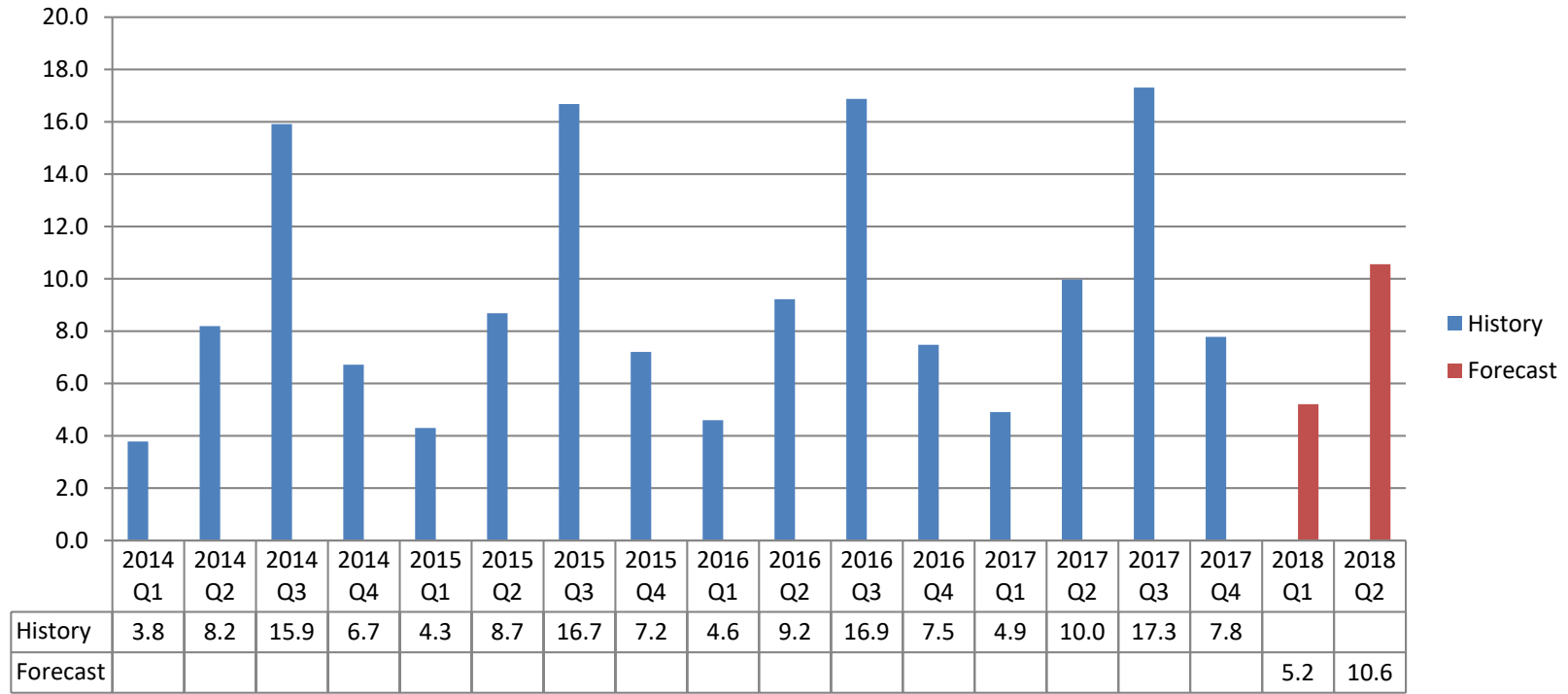
Source: Clay Brittain Jr. Center for Resort Tourism

Hotel-Condotel-Campground Average Daily Rate



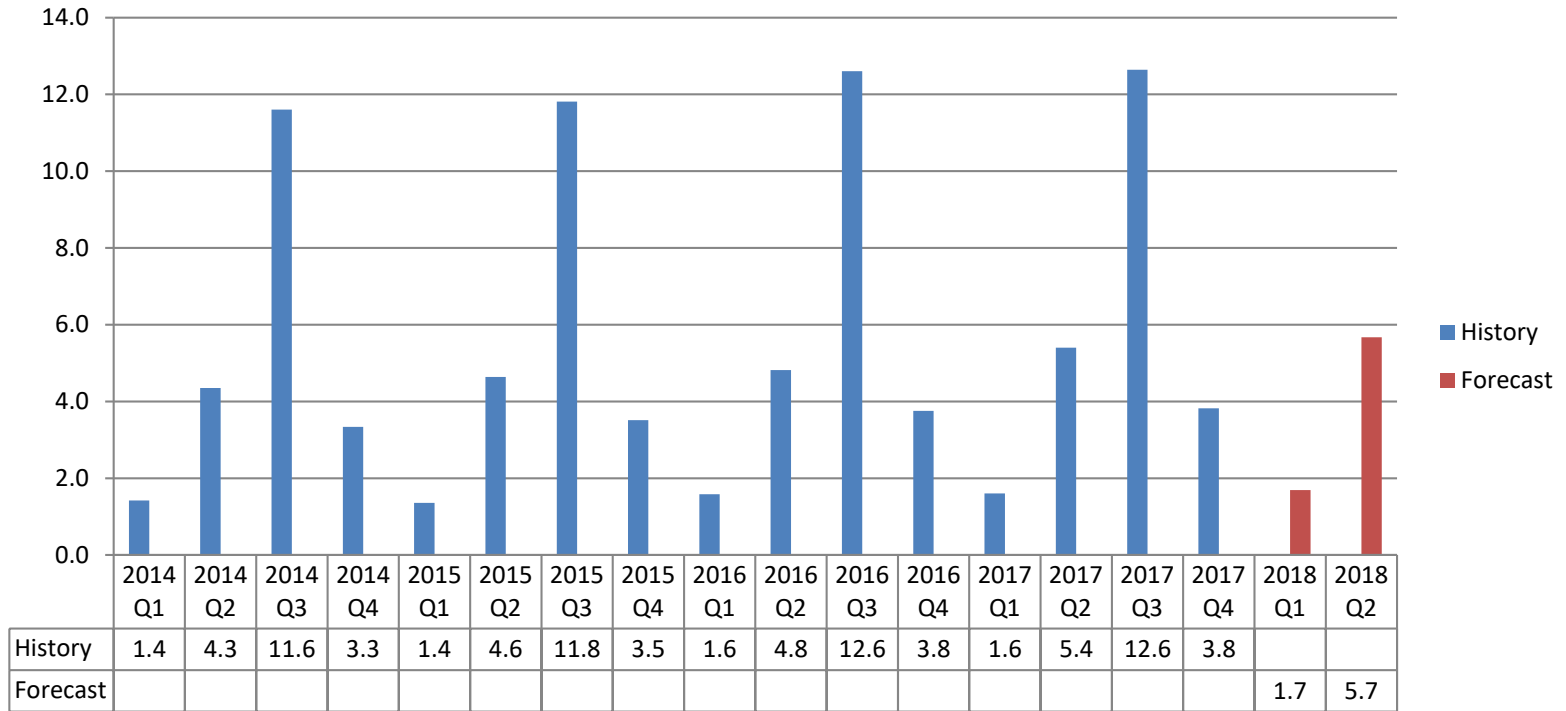
Source: Clay Brittain Jr. Center for Resort Tourism

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



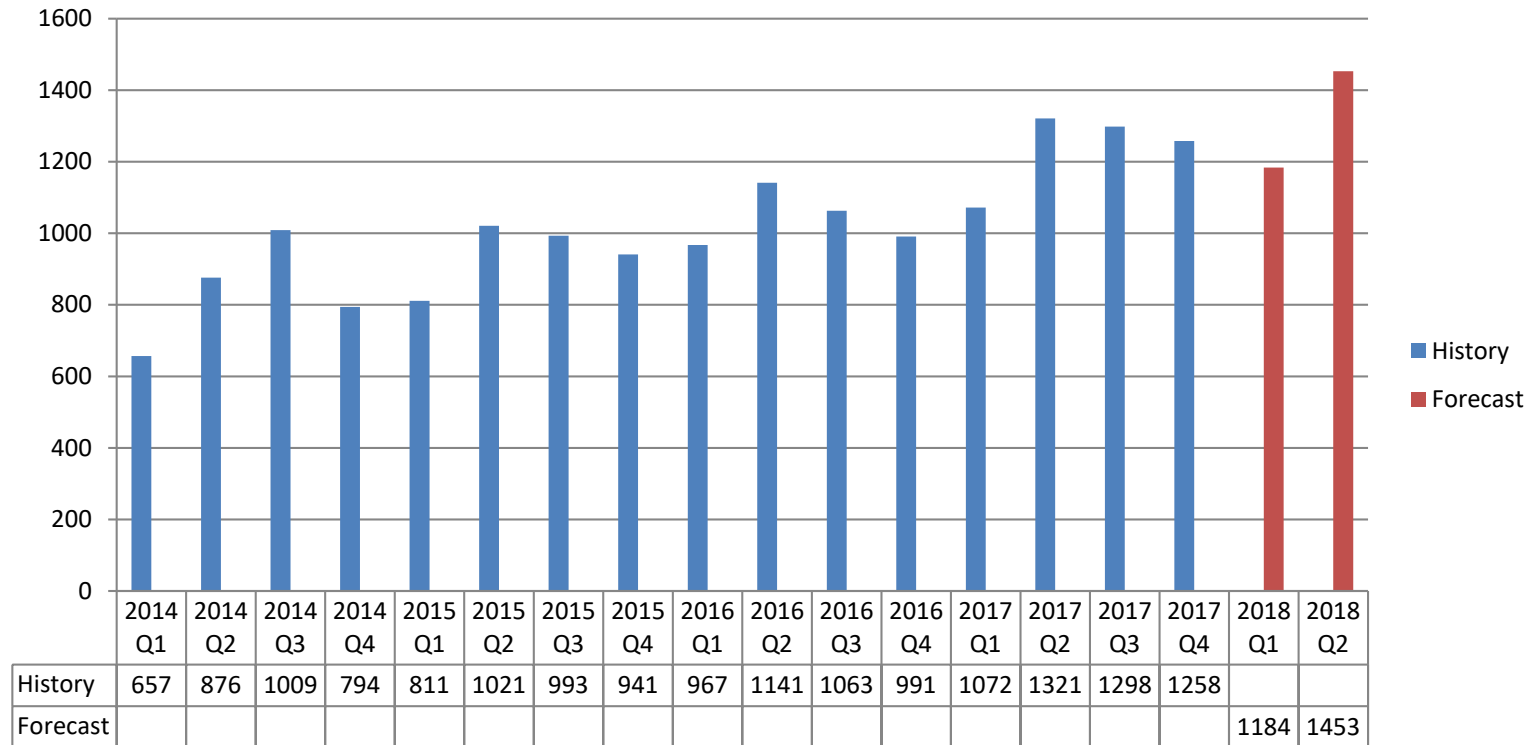
Source: Horry County Government

Accommodations Tax Revenue (\$Millions)



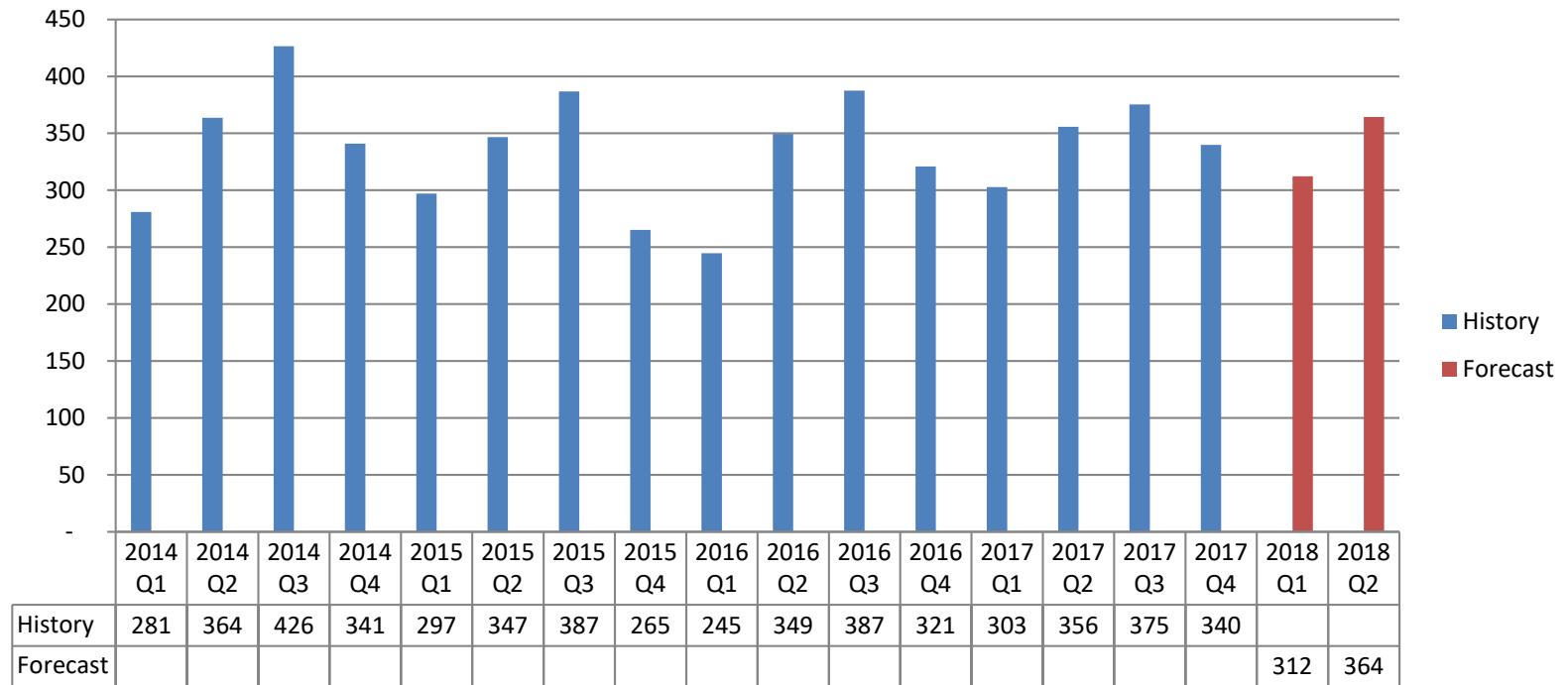
Source: SC Department of Revenue

Regional Single Family Permits



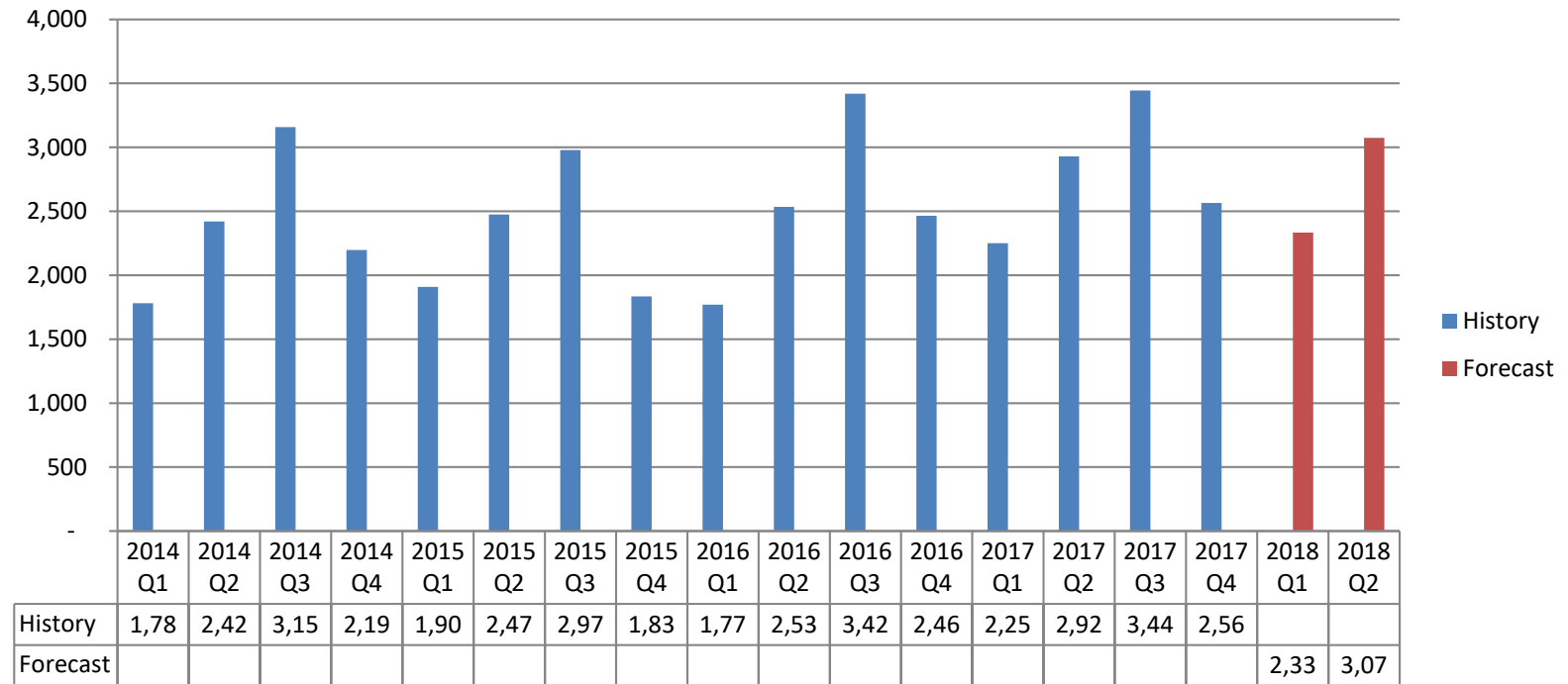
Source: HUD State of the Cities Data System

Georgetown Retail Sales (\$ Millions)



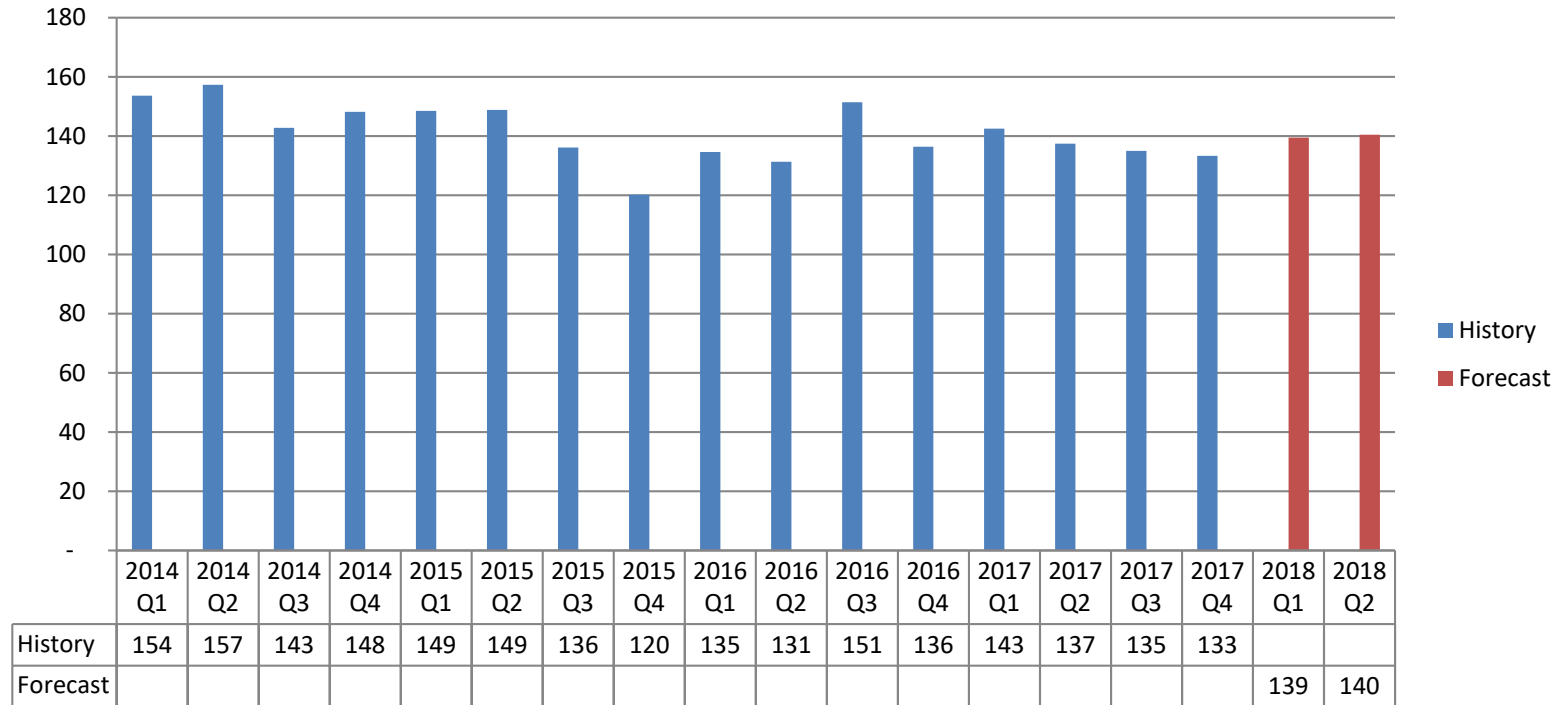
Source: SC Department of Revenue

Horry Retail Sales (\$ Millions)



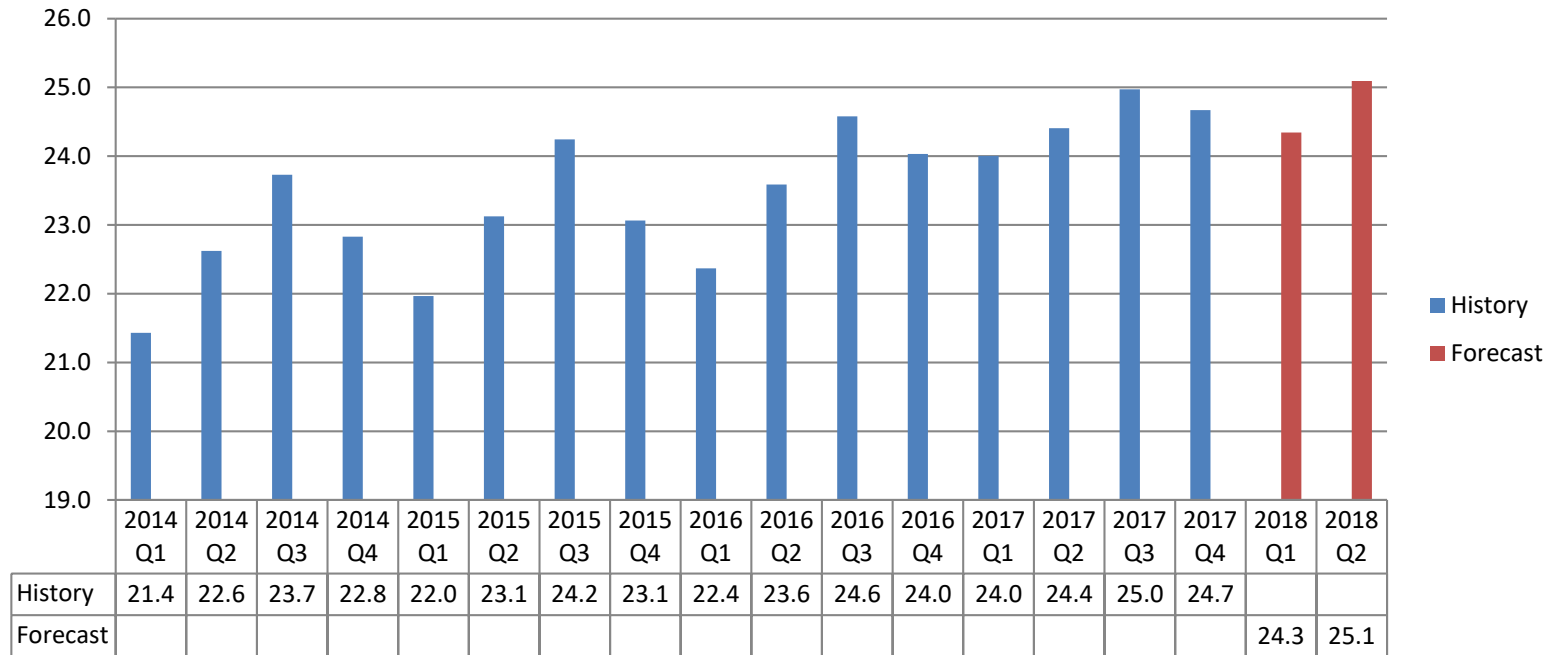
Source: SC Department of Revenue

Williamsburg Retail Sales (\$ Millions)



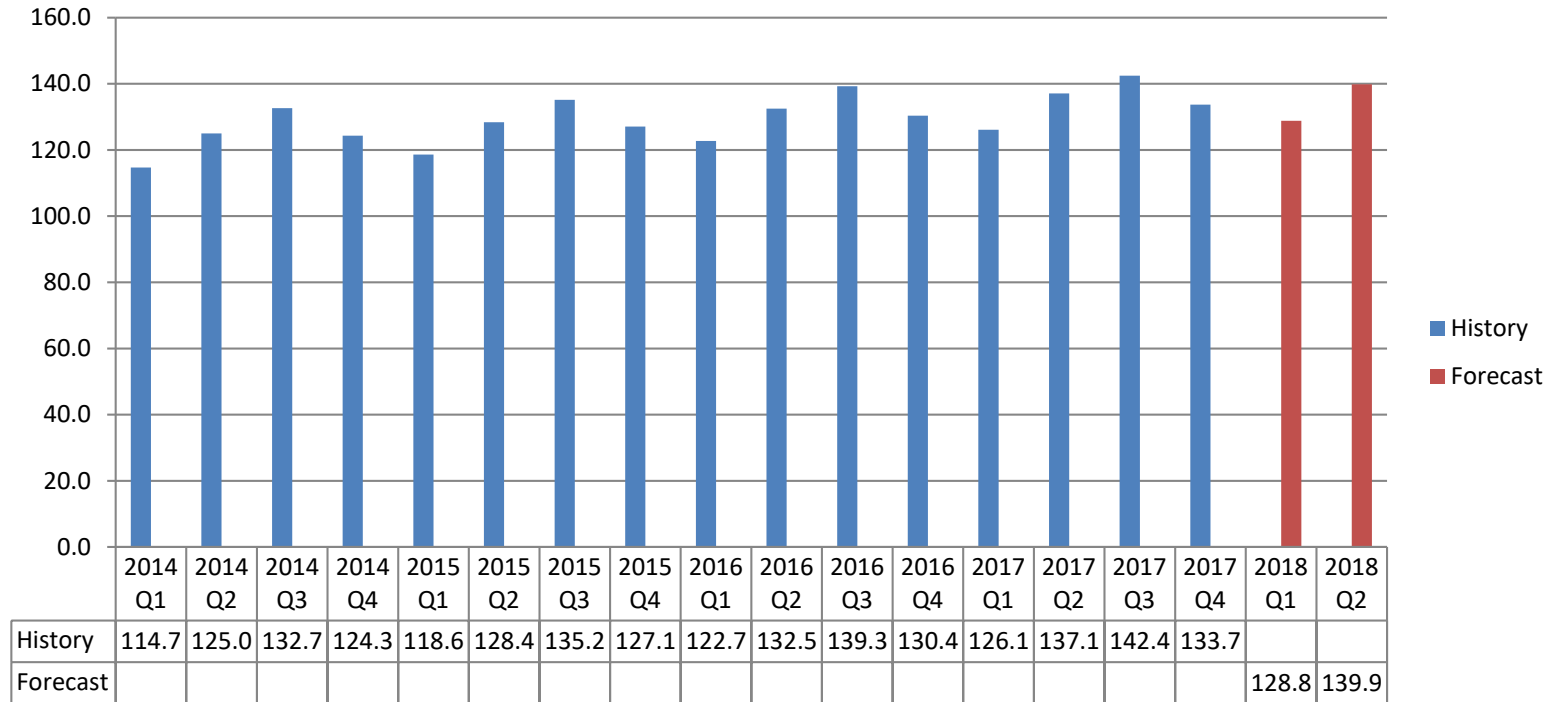
Source: SC Department of Revenue

Georgetown Employment (Thousands)



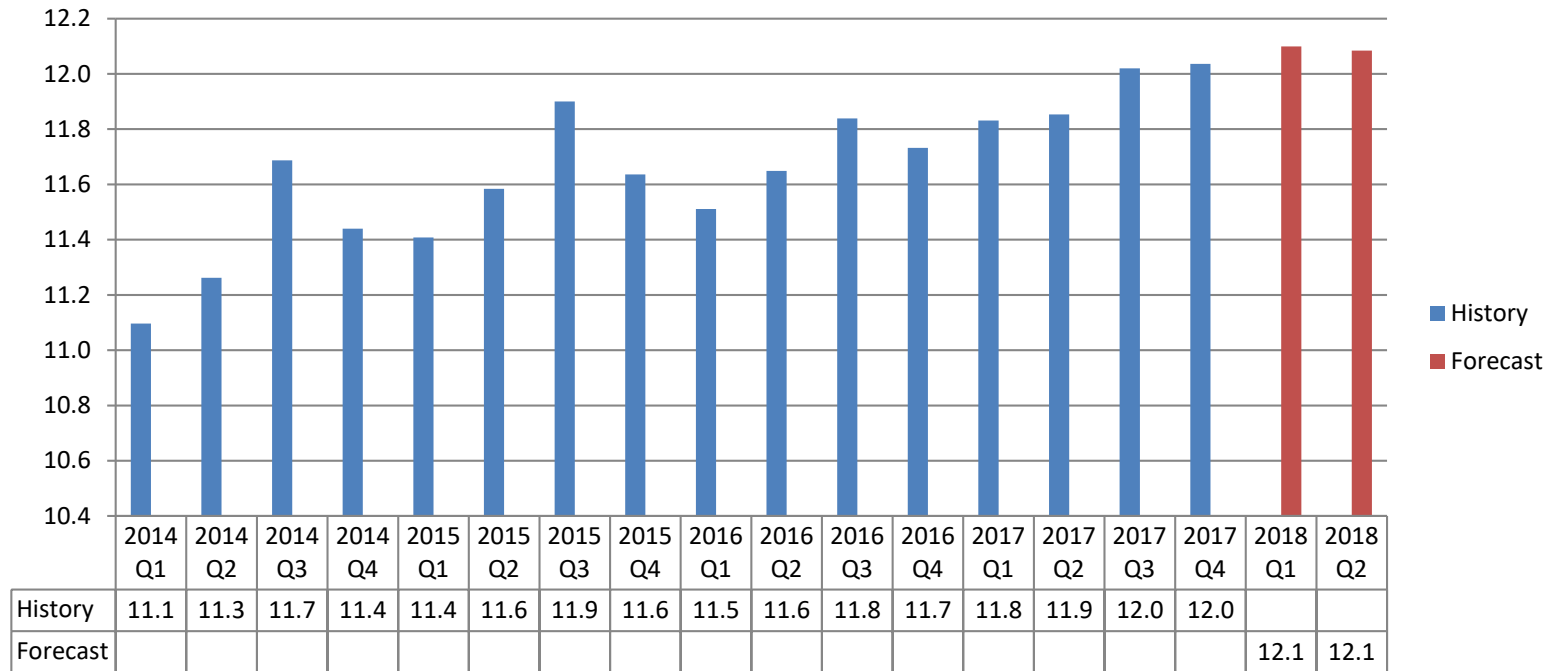
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Horry Employment (Thousands)



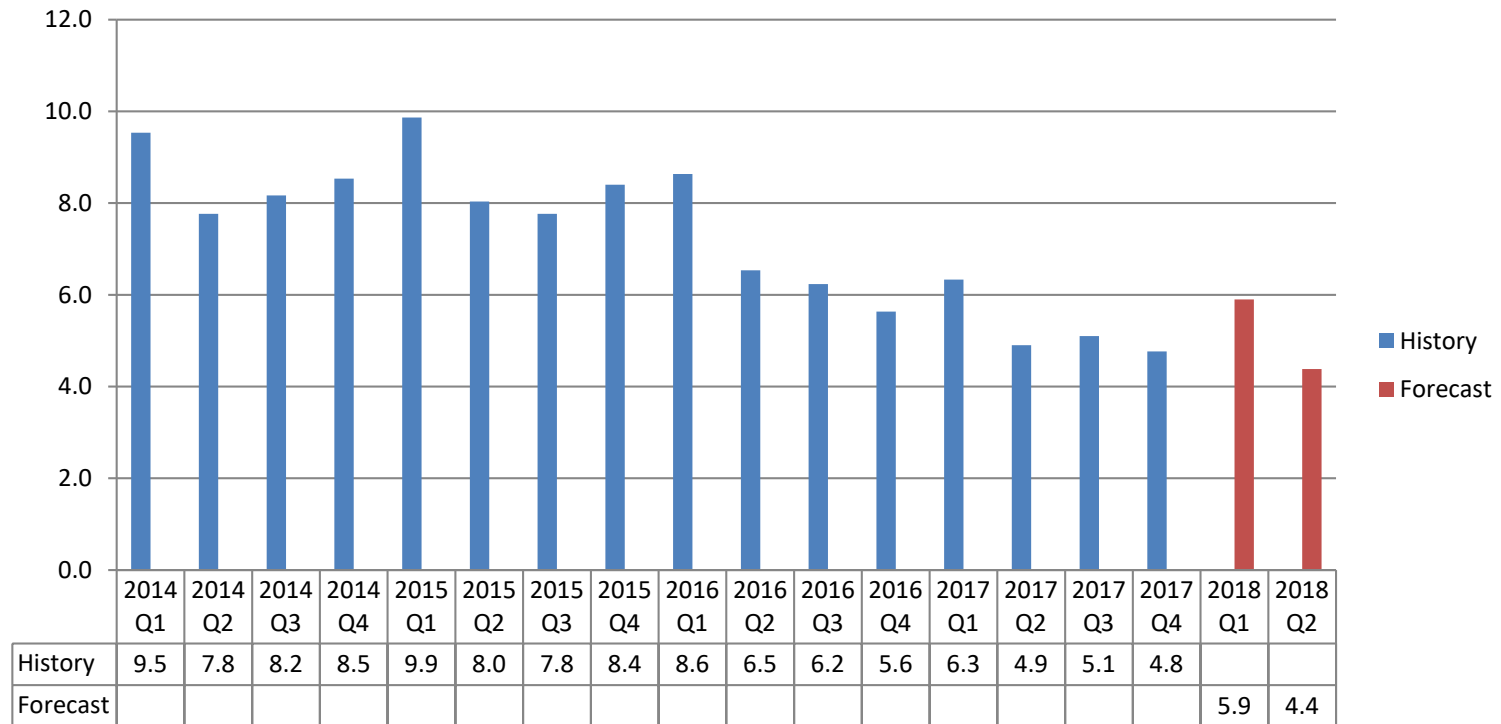
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Williamsburg Employment (Thousands)



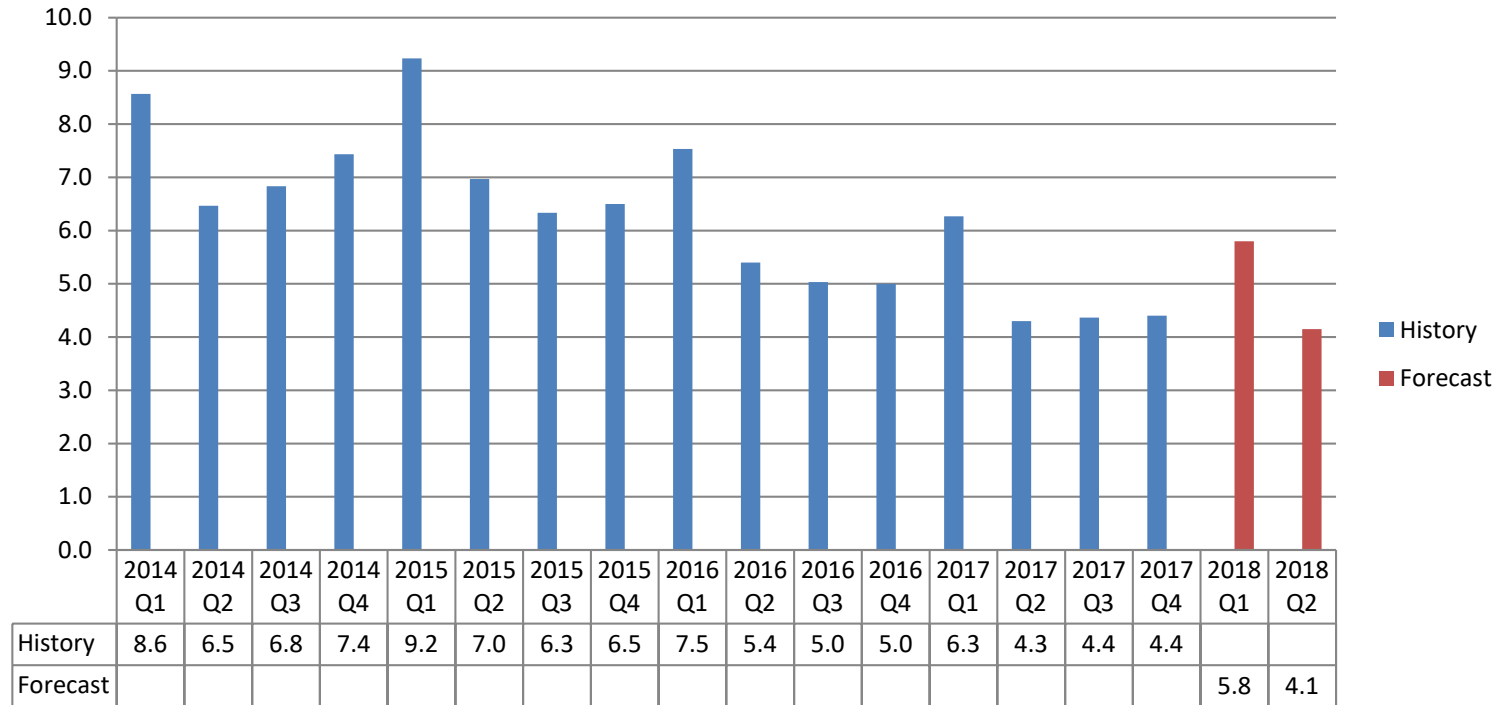
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Unemployment Rate



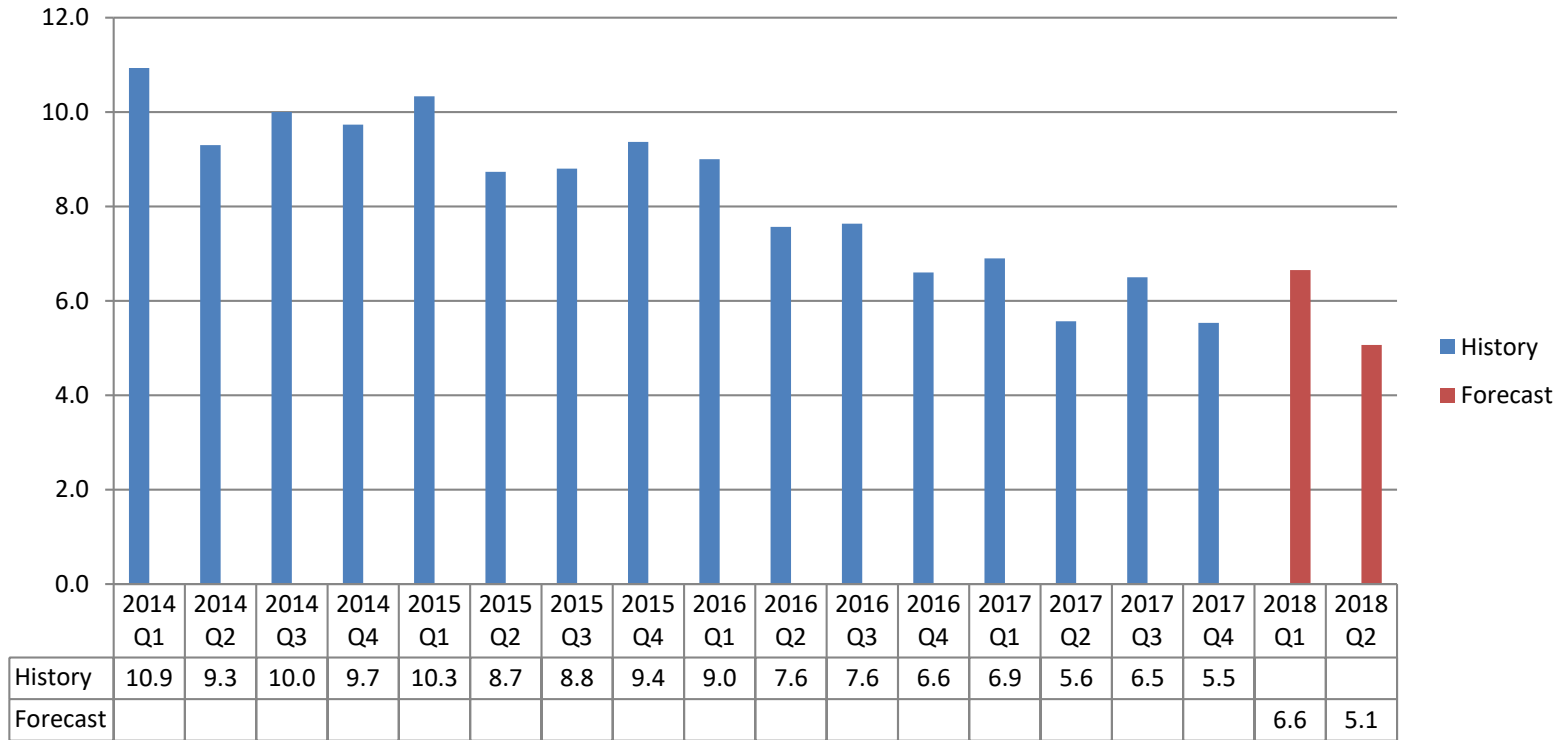
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

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 2018

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

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February 2018

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous Quarter Fall 2017	Current Quarter Winter 2018	Next Quarter Spring 2018	Previous Quarter Fall 2017	Current Quarter Winter 2018	Next Quarter Spring 2018
Airport Deplanements (thousands)	271.0	134.5	312.6	24.1	11.0	6.4
Occupancy Rate (Full Week)	47.8	31.2	60.0	2.3	-1.4	-0.4
Average Daily Rate (Full Week)	84.3	\$ 63.7	\$ 112.8	2.8	-0.6	1.4
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 7.8	\$ 5.2	\$ 10.6	4.1	6.2	6.0
Accommodations Tax Revenue (\$millions)	\$ 3.8	\$ 1.7	\$ 5.7	1.8	5.7	5.0
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	1,258	1,184	1,453	27.0	10.4	10.0
Regional MF Building Permits	<i>Analysis Pending Historical Reporting Analysis</i>			<i>Analysis Pending Historical Reporting Analysis</i>		
Retail Sales (\$millions)						
Georgetown County	\$ 339.8	\$ 312.3	\$ 364.4	5.9	3.1	2.4
Horry County	\$2,564.8	\$2,332.9	\$3,074.6	4.1	3.7	5
Williamsburg County	\$ 133.3	\$ 139.5	\$ 140.0	-2.3	-2.1	2.2
Employment (thousands)						
Georgetown County	24,669	24,344	25,094	2.6	1.4	2.8
Horry County	133,673	128,836	139,853	2.5	2.2	2.0
Williamsburg County	12,036	12,099	12,084	2.6	2.3	1.9
Unemployment Rate						
Georgetown County	4.8	5.9	4.4	-0.9	-0.4	-0.5
Horry County	4.4	5.8	4.1	-0.6	-0.5	-0.2
Williamsburg County	5.5	6.6	5.1	-1.1	-0.25	-0.5

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 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.