

Waccamaw Regional Economic Outlook

Spring 2014

May 14, 2014

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Coastal Carolina University



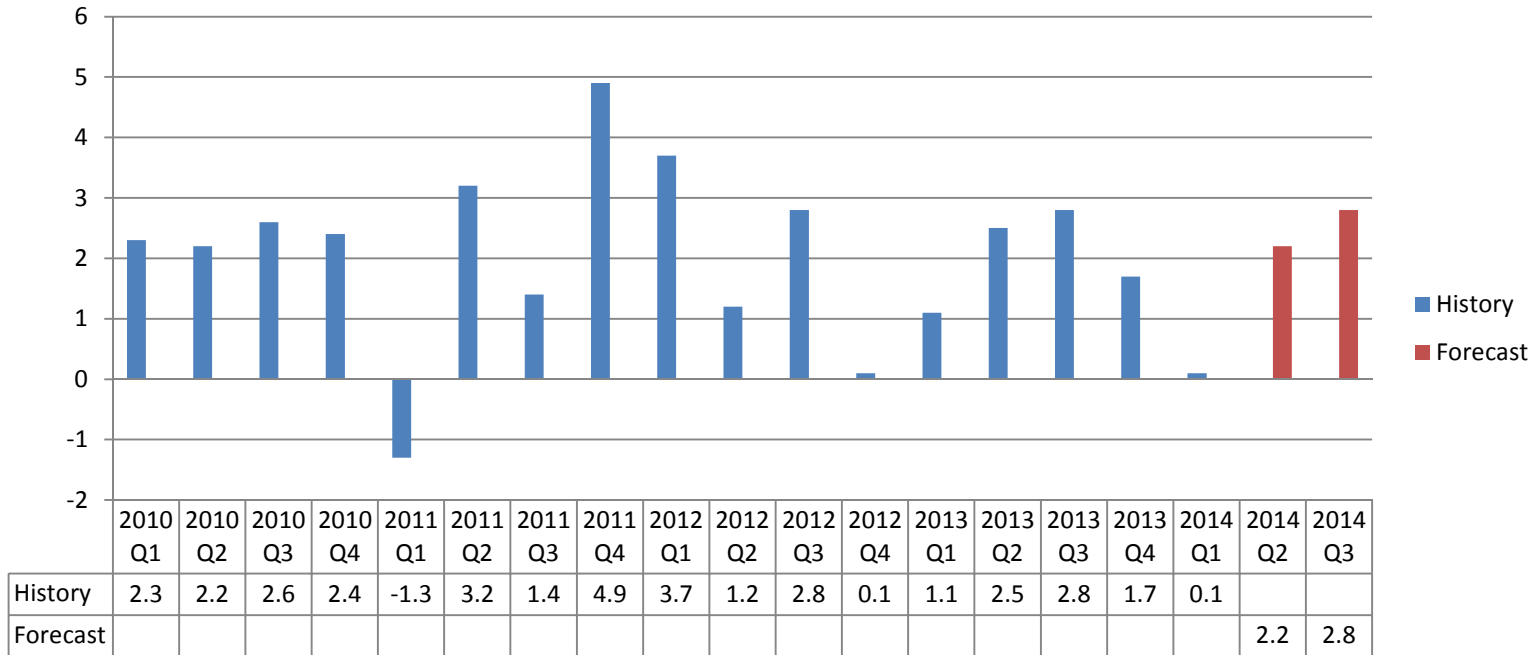
Executive Summary

The winter quarter (December, January, February) survived snow and ice in January and February with mixed results. Tourism was slower, but airport deplanements were up 1.7 percent, and prices on rooms adjusted downward helping occupancy rates show a 1.5 point gain over the previous winter. Hospitality fee revenue was up 3.4 percent, but revenue from the Admissions Tax was down 10.6 percent. Single family residential construction continued to increase, as permits were up 18.8 percent in the winter quarter. Residential multi-family building permits also continued their increased pace of activity, up considerably over the previous year same quarter. Not only have larger projects been more common in multi-family, but a higher volume of smaller projects is also adding to output in construction. Retail sales were up for the quarter in Horry and Williamsburg Counties but flat in Georgetown County. Employment gains continued in all three counties, while the unemployment rate plunged as many unemployed workers left the labor force as emergency unemployment benefits expired January 1, 2014. Evidence of the impact at the state level can be seen in the March labor situation report, as the labor force shrunk by approximately 24,000 people compared to the same month last year. We expect employment gains year over year to continue in the spring and summer quarters. Building activity should continue its upward trend but at a slower pace of growth due in part to higher long-term interest rates. Current tourism indicators also point to continued growth in the spring and summer quarters.

Helpful Notes and Reminders

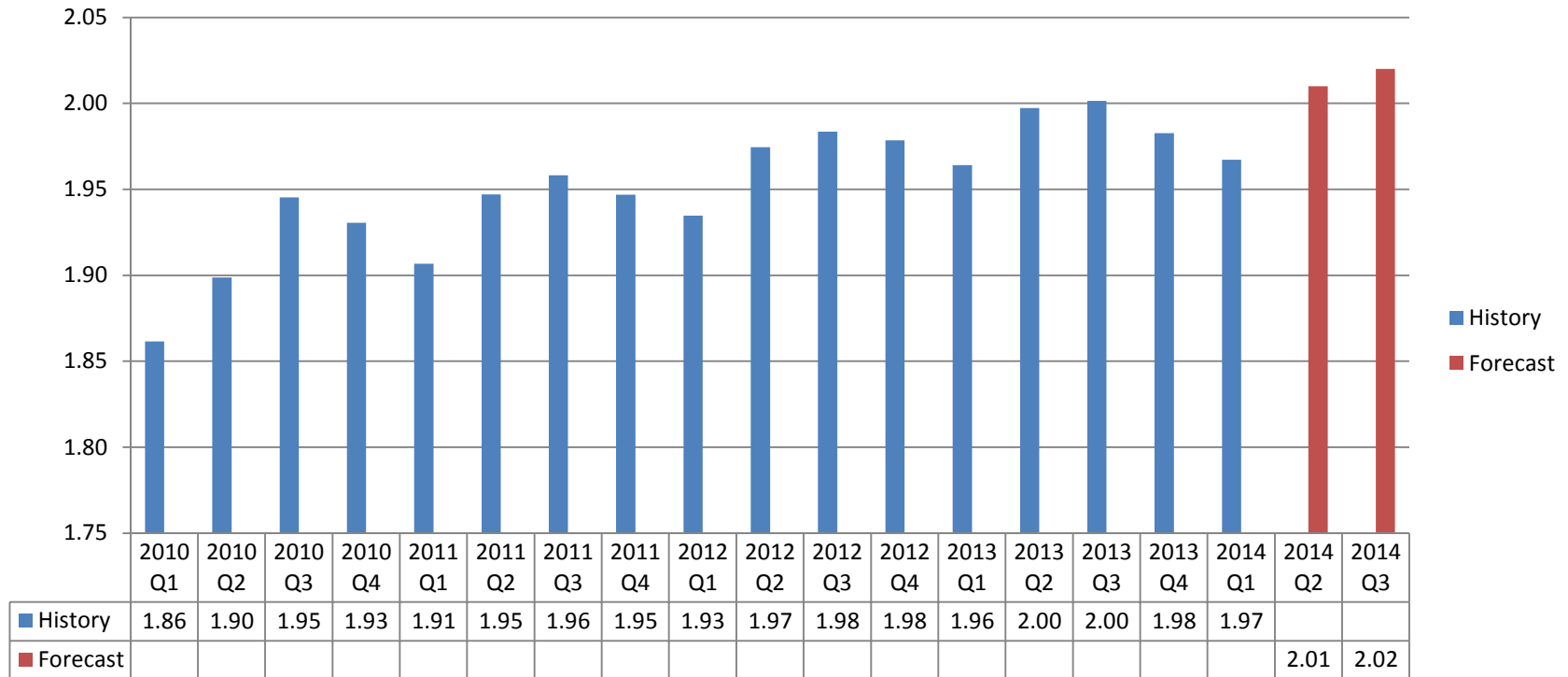
- Tourism Quarters: To reflect the importance of the seasons, offset by 1 month so that Q1 (Winter) is December, January, February, Q2 (Spring) is March, April, May, Q3 (Summer) is June, July, August and Q4 (Fall) is September, October, November.
- National data is based on normal calendar year, e.g.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



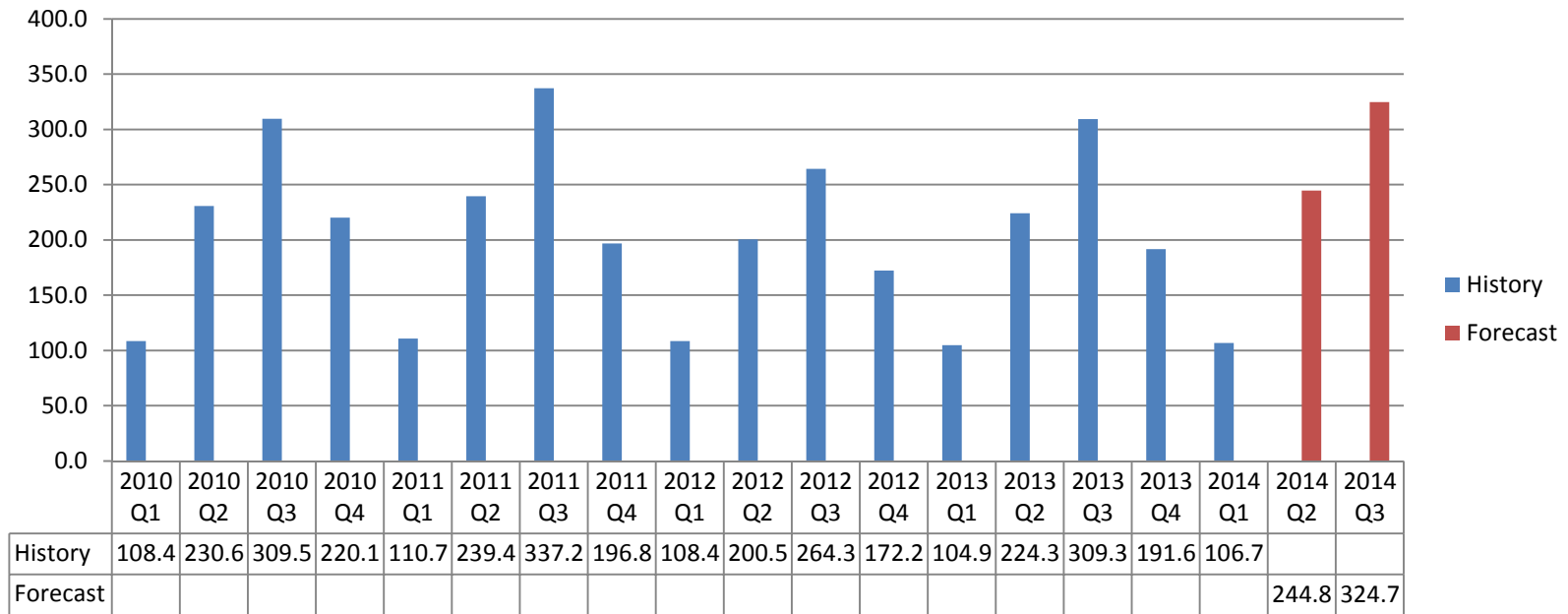
Source: U.S. Department of Commerce: Bureau of Economic Analysis

South Carolina Employment (Millions)



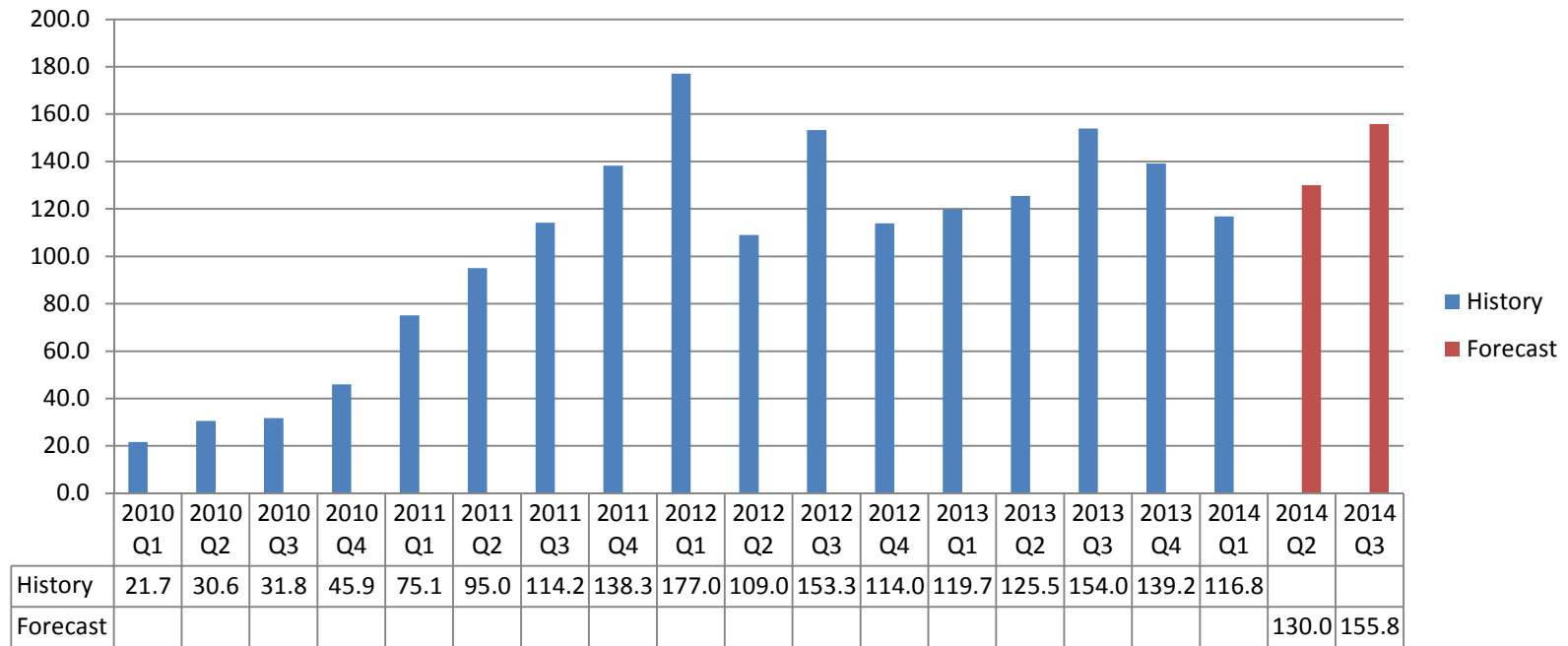
Source: Bureau of Labor Statistics

MYR Airport Deplanements (Thousands)



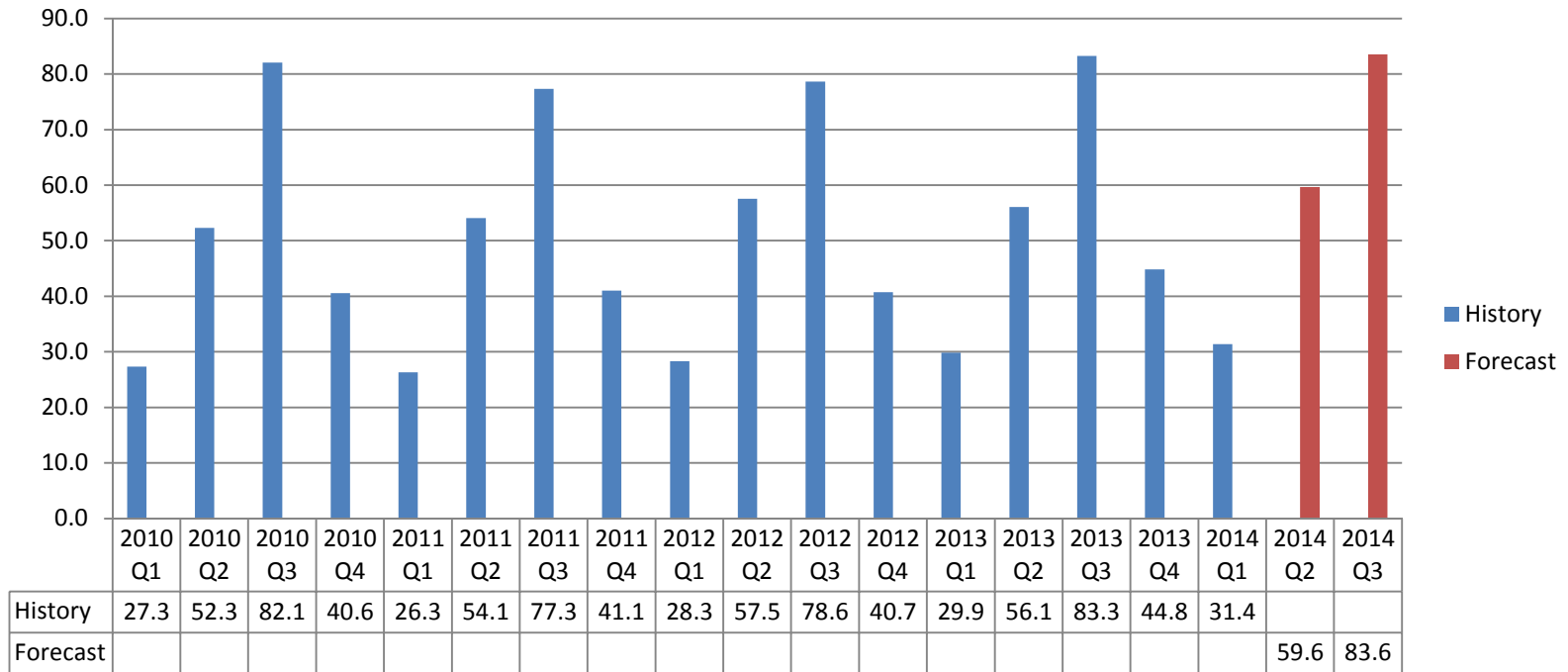
Source: Myrtle Beach International Airport

Georgetown Port Tonnage (Thousands)



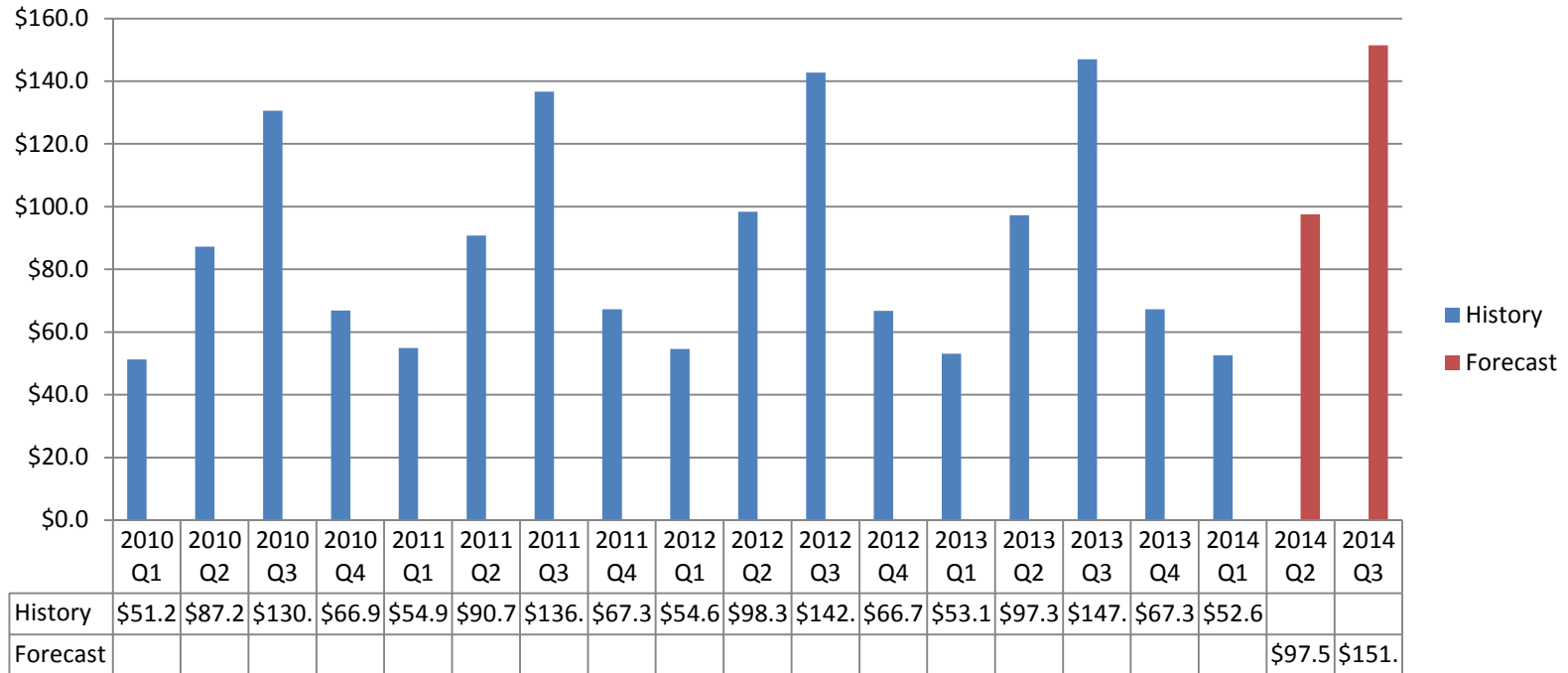
Source: Georgetown Port Authority

Hotel-Condotel-Campground Occupancy Rate



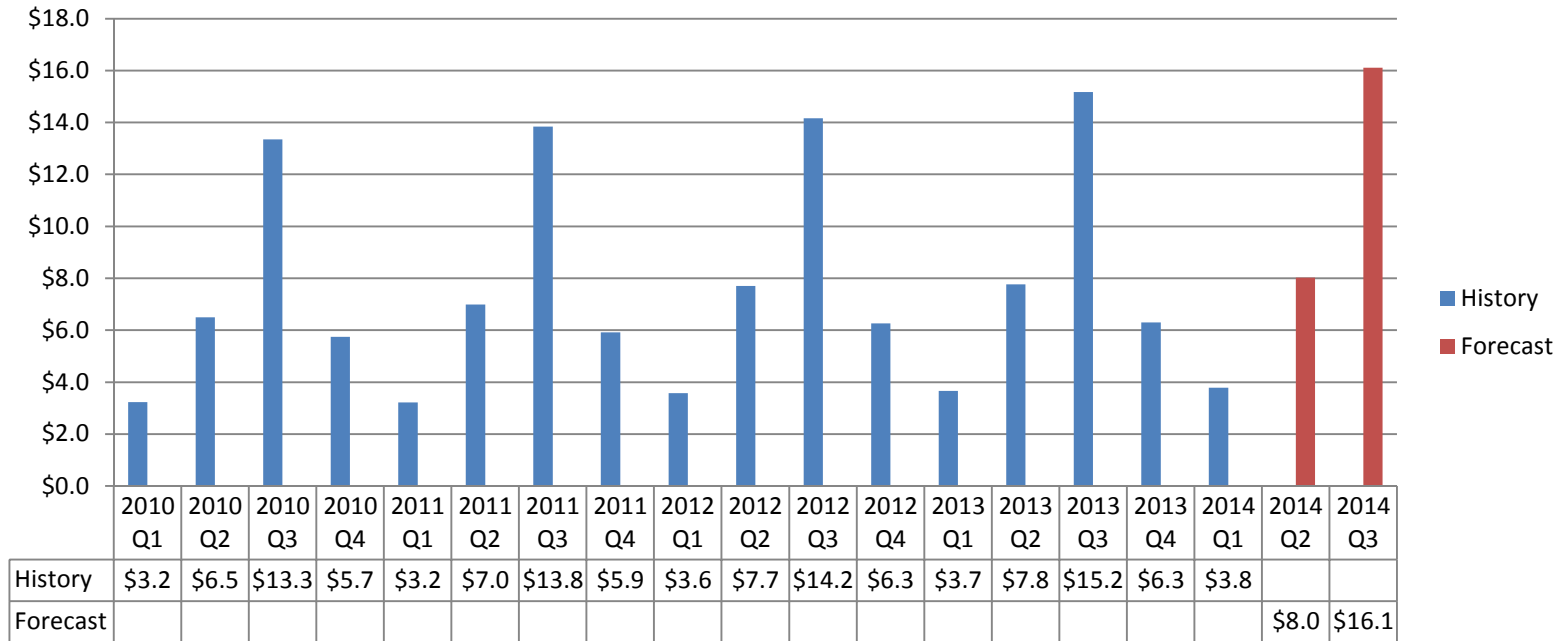
Source: Clay Brittain Jr. Center for Resort Tourism

Hotel-Condotel-Campground Average Daily Rate



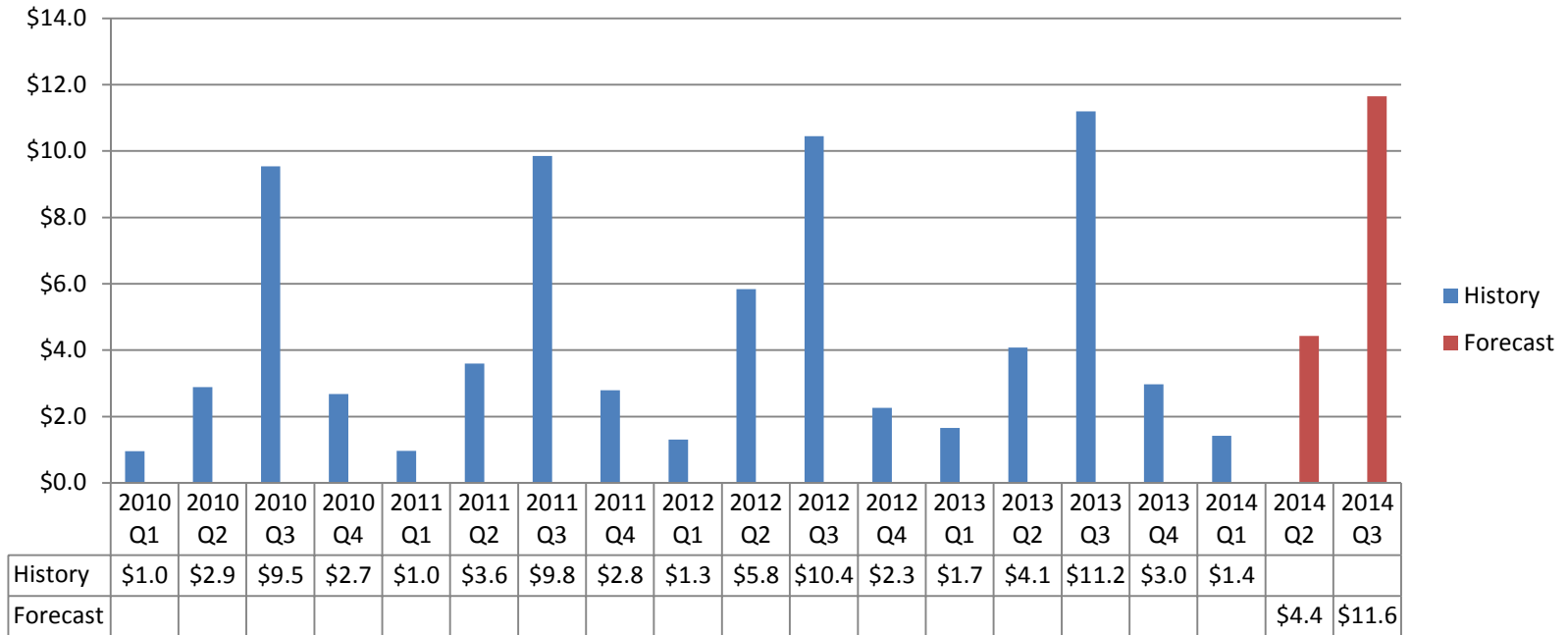
Source: Clay Brittain Jr. Center for Resort Tourism

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



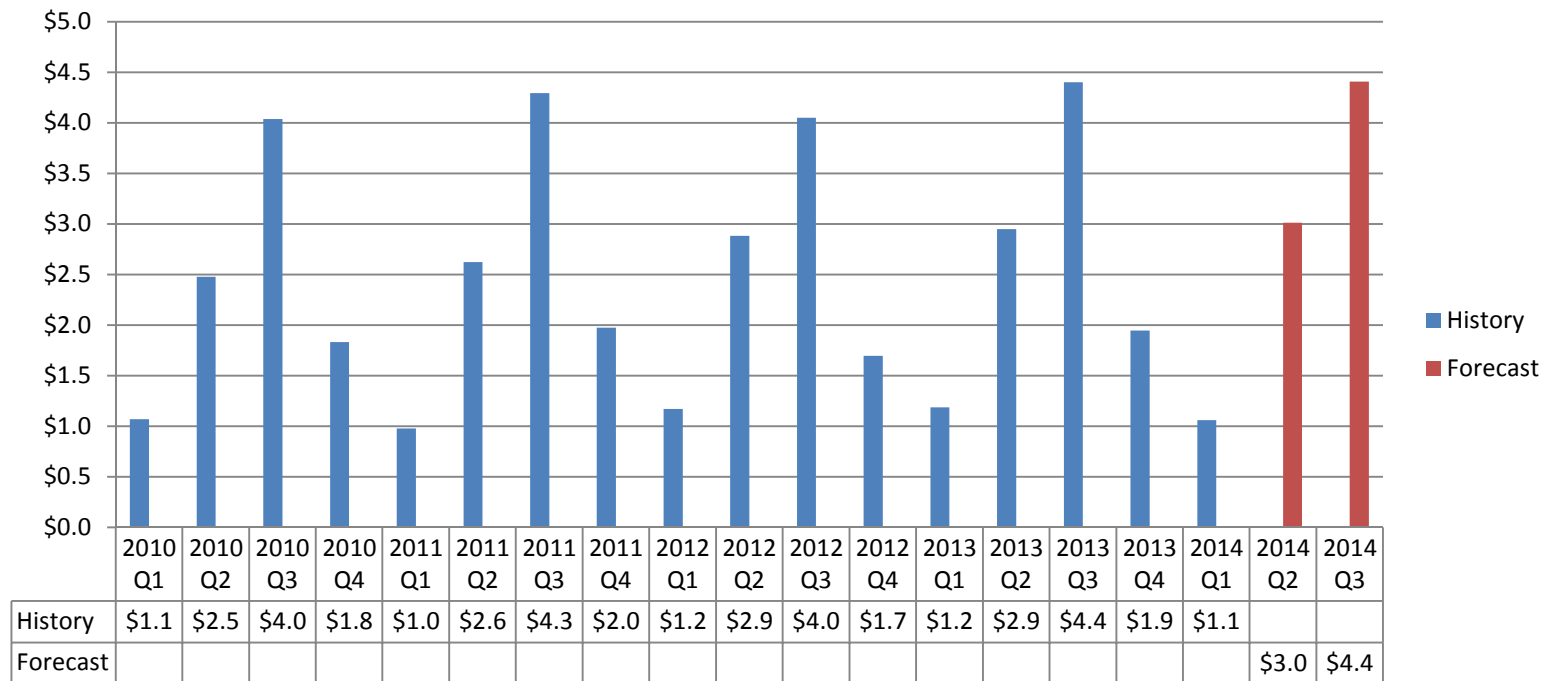
Source: Horry County Government

Accommodations Tax Revenue (\$Millions)



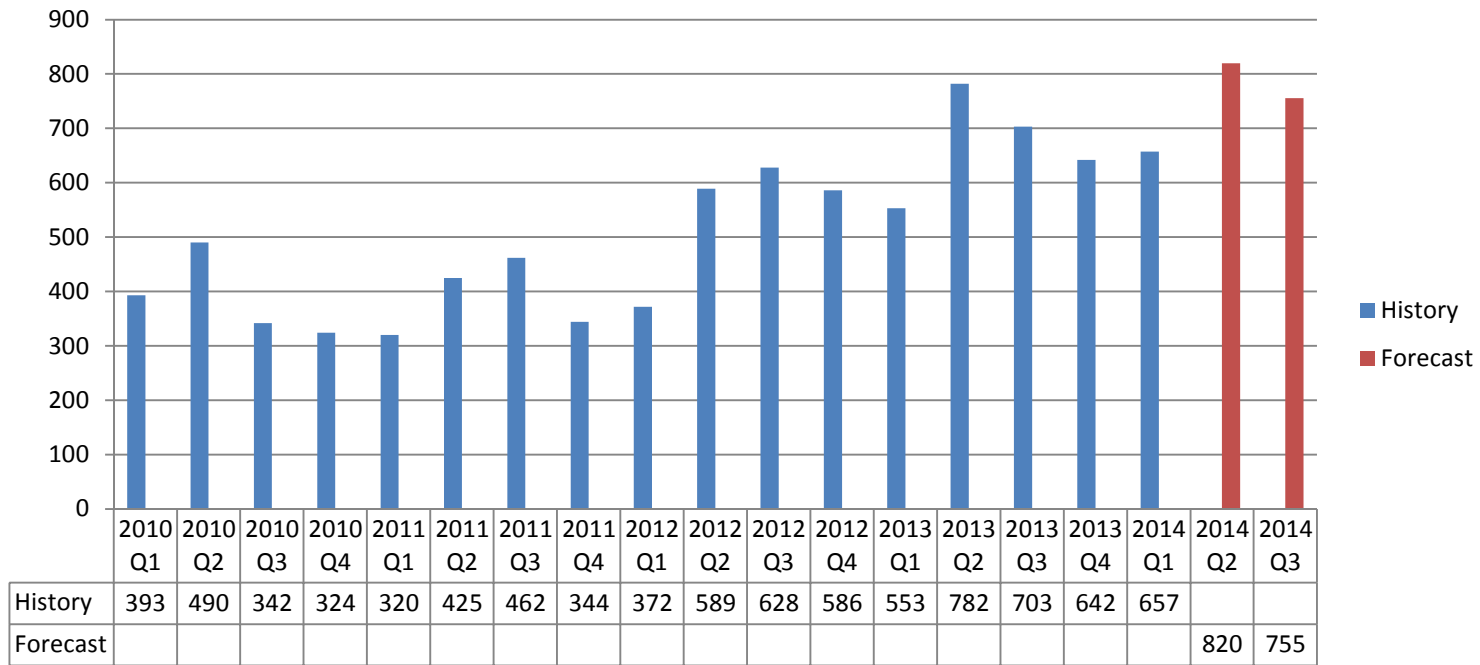
Source: SC Department of Revenue

5% State Admissions Tax (\$ Millions)



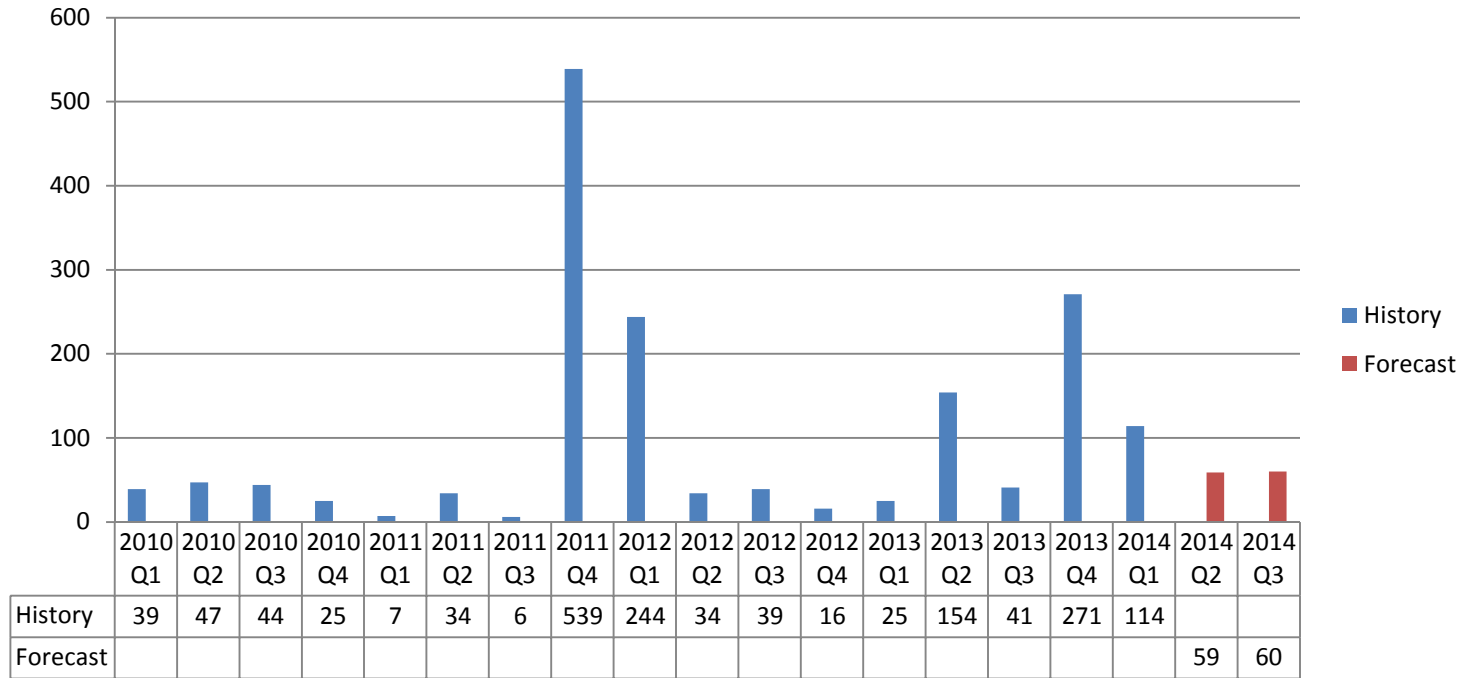
Source: SC Department of Revenue

Regional Single Family Permits



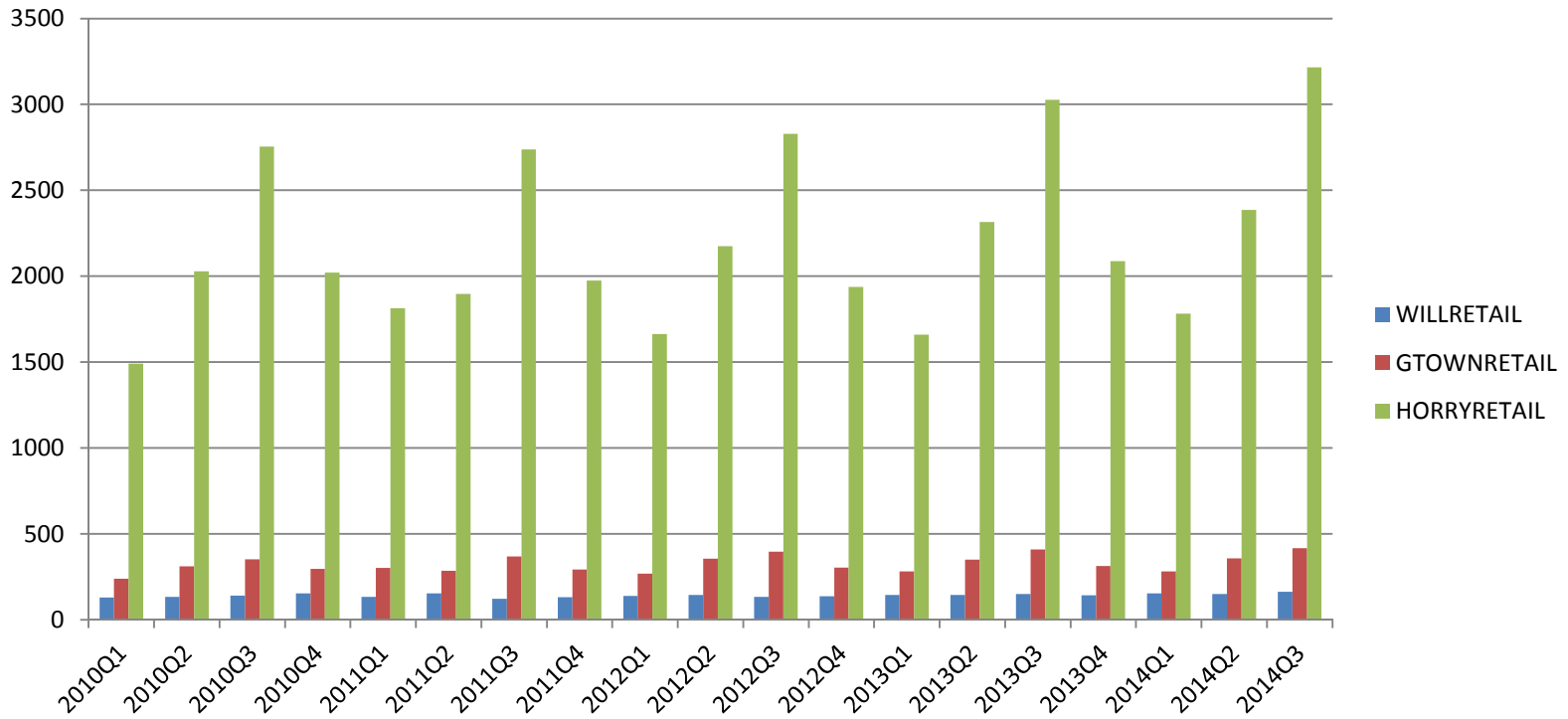
Source: HUD State of the Cities Data System

Regional Multi-family Permits



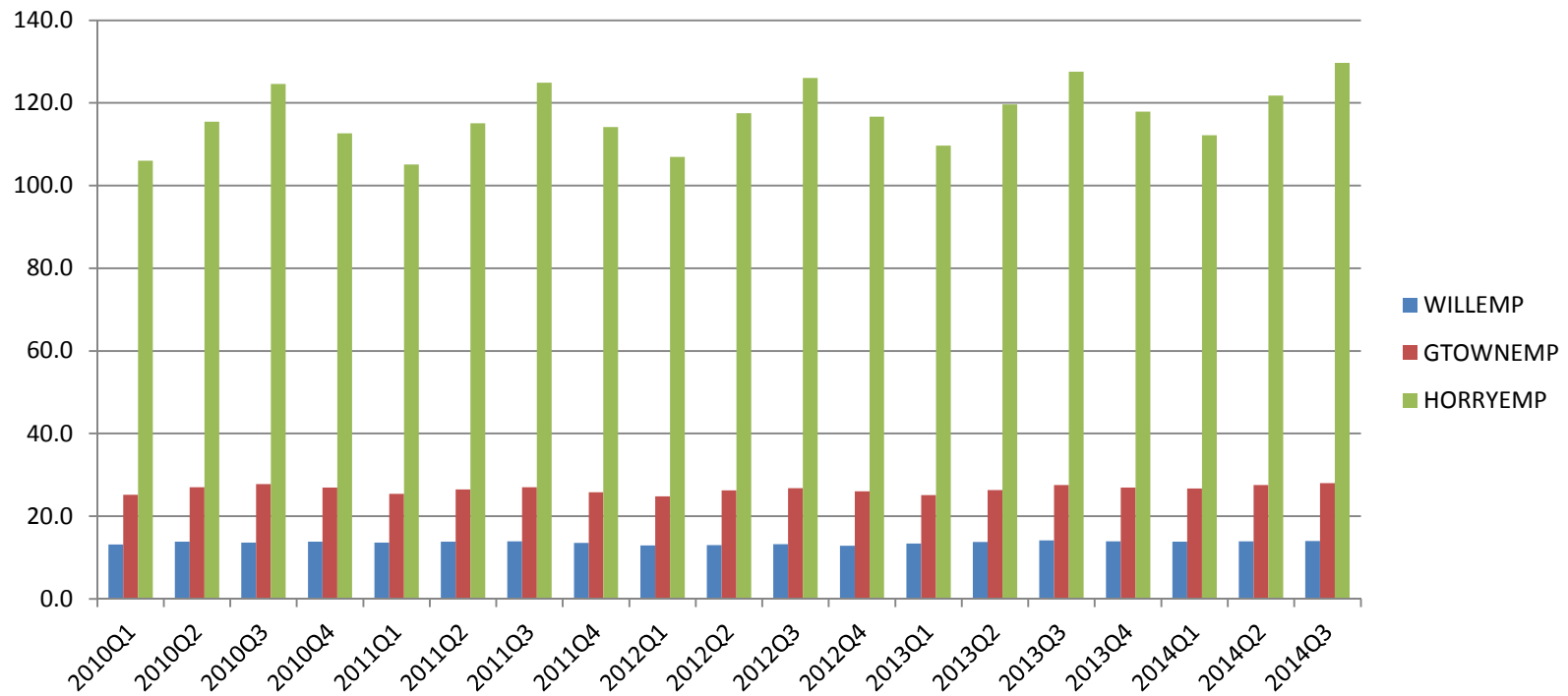
Source: HUD State of the Cities Data System

Regional Retail Sales (\$ Millions)



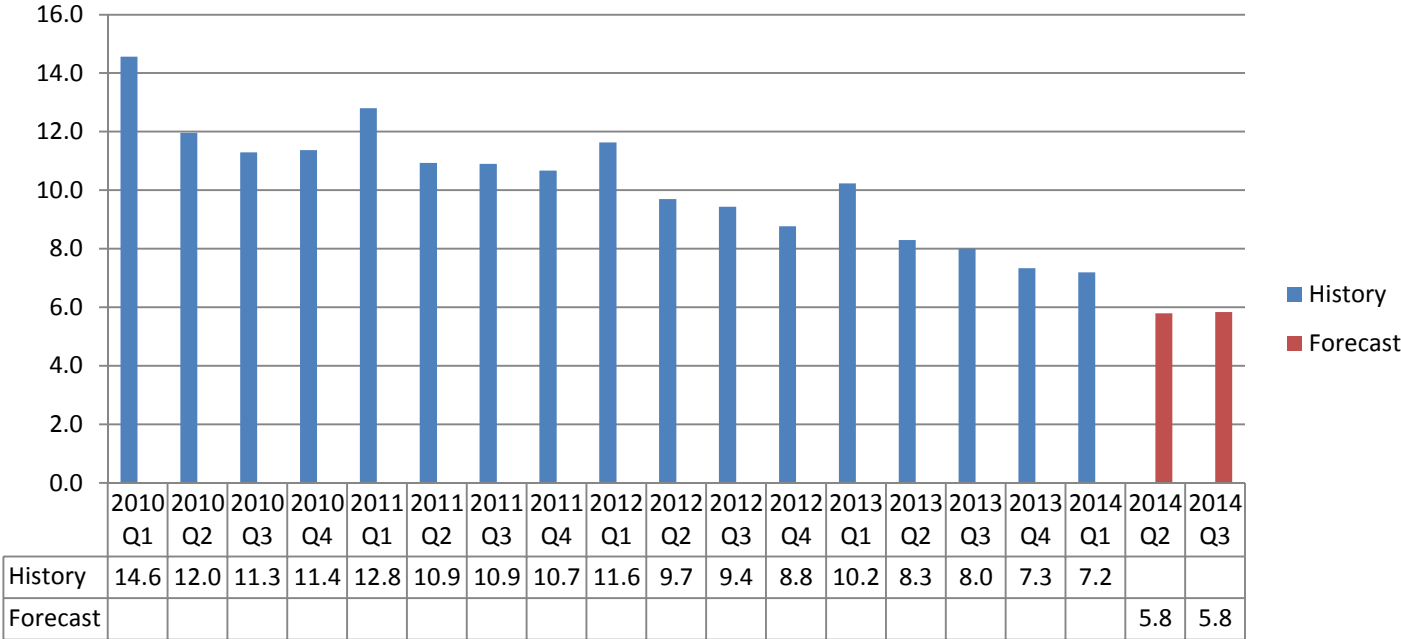
Source: SC Department of Revenue

Regional Employment Breakout (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

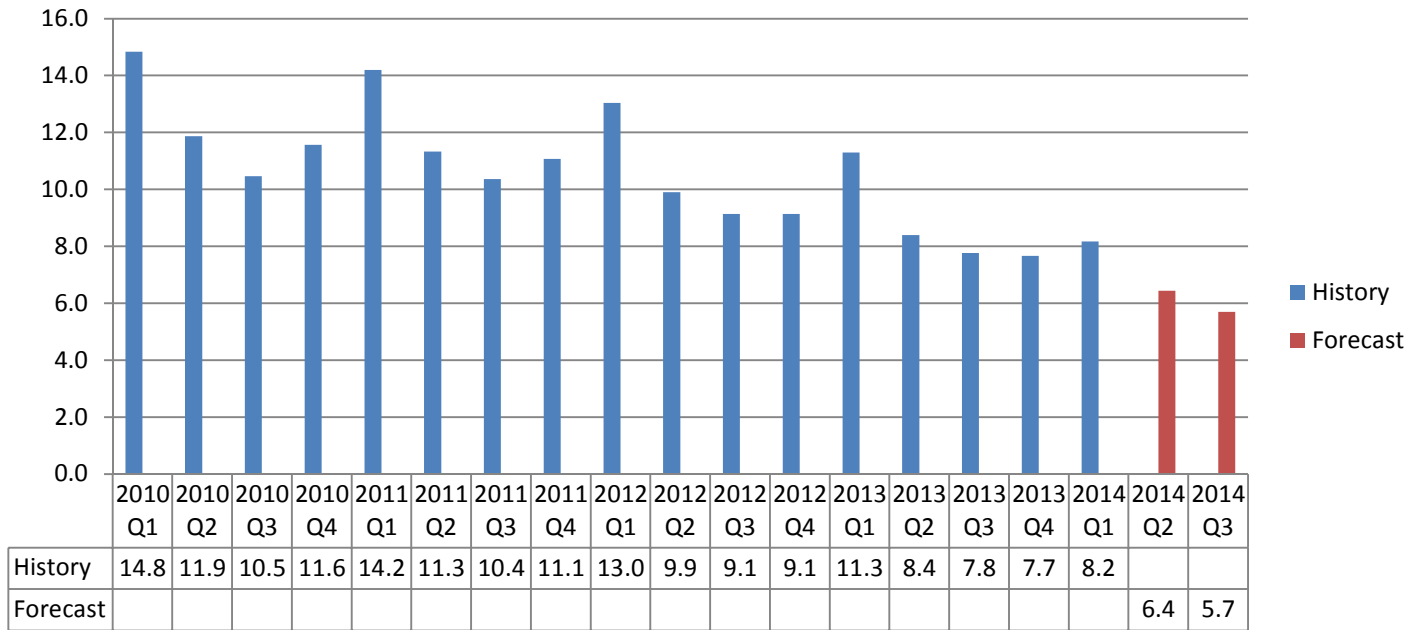
Georgetown Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

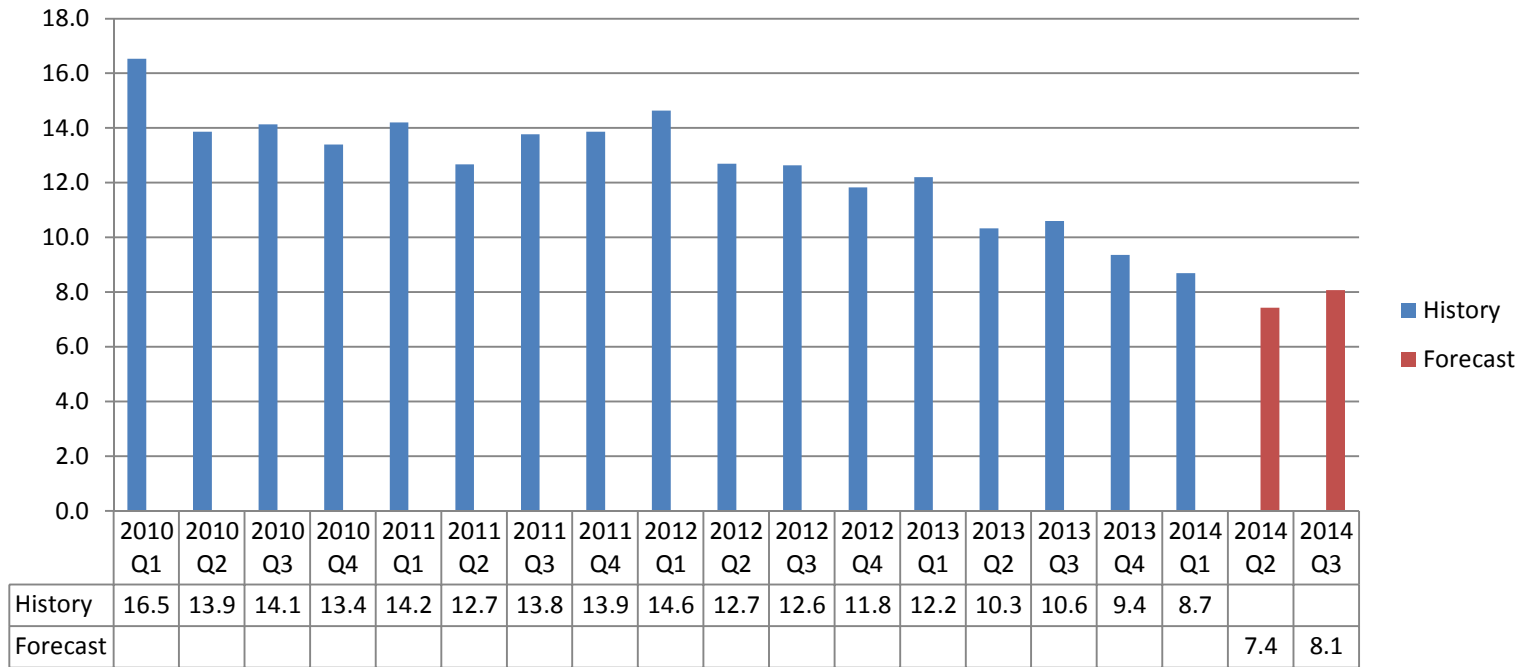


Horry Unemployment Rate



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: Spring 2014

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

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May 2014

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous Quarter Winter 2013	Current Quarter Spring 2014	Next Quarter Summer 2014	Previous Quarter Winter 2013	Current Quarter Spring 2014	Next Quarter Summer 2014
Airport Deplanements (thousands)	106.7	244.8	324.7	1.7	9.1	5.0
Port Tonnage (thousands)	116.8	130.0	155.8	-2.4	3.6	1.2
Occupancy Rate (Full Week)	31.4	59.6	83.6	1.5	3.6	0.3
Average Daily Rate (Full Week)	\$ 52.6	\$ 97.5	\$ 151.4	-0.5	0.2	4.4
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 3.8	\$ 8.0	\$ 16.1	3.4	3.3	6.2
Accommodations Tax Revenue (\$millions) ^a	\$ 1.4	\$ 4.4	\$ 11.6	-14.2	8.6	4.1
Admissions Tax Revenue (\$millions)	\$ 1.1	\$ 3.0	\$ 4.4	-10.6	2.1	0.2
Regional SF Building Permits*	657	820	755	18.8	4.8	7.4
Regional MF Building Permits*	114	58	60	356.0	-61.8	46.4
Retail Sales (\$millions)						
Georgetown County	\$ 281.0	\$ 357.1	\$ 416.2	0.0	2.1	1.7
Horry County	\$ 1,781.6	\$ 2,386.5	\$ 3,216.6	7.4	3.1	6.2
Williamsburg County	\$ 153.6	\$ 149.7	\$ 163.0	6.1	3.1	8.1
Employment (thousands)						
Georgetown County	26,726	27,582	28,034	6.6	4.6	1.7
Horry County	112,218	121,803	129,725	2.3	1.8	1.7
Williamsburg County	13,886	13,960	13,989	3.9	1.3	-1.1
Unemployment Rate						
Georgetown County	7.2	5.8	5.8	-3.0	-2.5	-2.2
Horry County	8.2	6.4	5.7	-3.1	-2.0	-2.1
Williamsburg County	8.7	7.4	8.1	-3.5	-2.9	-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