



South Carolina
Hospitality
23Q2

Key Takeaways

- Hotel values stabilized as available product was limited and borrowing was restrained
- Supply growth and construction remained stable due to a more active pipeline earlier in the year
- ADR increased as occupancy and RevPAR decreased year-over-year



Resilient performance despite capital market challenges

The hospitality industry in South Carolina performed strongly in the second quarter amidst an overall decrease of 62% year-over-year in national sales volume. This decrease was caused by the uncertain interest rate environment which especially impacted portfolio loans and resort properties. Borrowers with maturing debt were largely relegated to expensive short term loans. The reduction in product available for sale allowed hotel values to remain stable as the future construction pipeline softened. Rooms under construction decreased 20.2% from this time last year to 1,978 rooms as total inventory remained flat at 116,937 rooms. 679 rooms are expected to deliver by the end of 2023 and an additional 845 rooms are slated to deliver by the end of 2024.

South Carolina Market Indicators



Historic Comparison

	22Q2	23Q1	23Q2
Total Inventory (in Number of Rooms)	117.1K	116.9K	116.9K
Supply Change (in Number of Rooms)	81	-308	45
Under Construction (in Number of Rooms)	2,479	1,880	1,978
Overall Occupancy	70.90%	66.50%	68.80%
Average Daily Rate	\$147.57	\$128.55	\$149.29
Revenue per Available Room	\$104.63	\$85.66	\$102.64

Occupancy, ADR and RevPAR South Carolina



Overall occupancy increased from Q1 2023 but remained lower than Q2 2022 at 68.80%. Revenue per available room (RevPAR) and average daily rates (ADR) outperformed last quarter and this time last year as 45 rooms were delivered and rooms under construction rose to 1,978.

Recent Sales



Sale
 Holiday Inn
 Charleston
 179 Rooms | \$19M



Sale
 Extended Stay
 Charleston
 126 Rooms | \$9.2M



Sale
 Sleep Inn
 Myrtle Beach
 82 Rooms | \$6.55M



Sale
 Holiday Inn Express
 Greenville
 83 Rooms | \$6.07M



Sale
 Courtyard
 Florence
 90 Rooms | \$5.7M



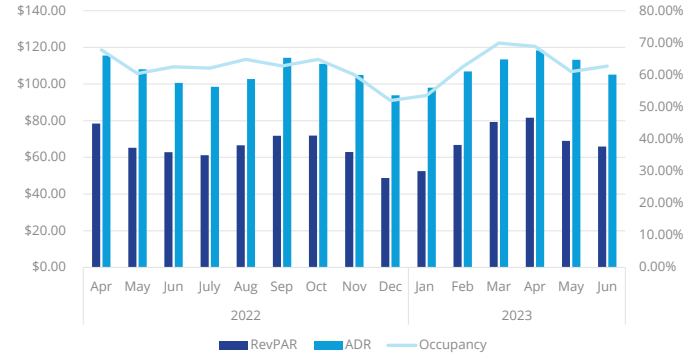
Sale
 Quality Inn
 Myrtle Beach
 68 Rooms | \$5.4M

Columbia

Hospitality performance metrics increased in Columbia from last year by 4.90% for RevPAR, 4.48% for ADR and 0.32% for occupancy. Columbia finished the quarter with a RevPAR of \$65.93, an ADR of \$105.13 and occupancy at 62.70%. Sporting events for the University of South Carolina are a large driving force for the hospitality industry in Columbia, making the hospitality market more uniform year-round compared to Charleston, Myrtle Beach and Hilton Head/Beaufort. Spring is usually the high season for Columbia as RevPAR and ADR continue to grow into the third and fourth quarters.

Occupancy vs. ADR vs. RevPAR

Columbia

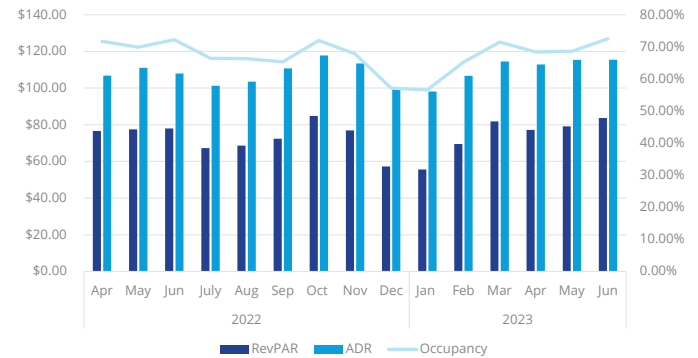


Greenville-Spartanburg

Business-related travel remained a key driver of the hospitality industry in Greenville-Spartanburg. Group bookings remained on the rise to accommodate the need for in-person meetings and synergizing with remote working. Performance indicators in the market increased slightly and remained high in comparison to last year. Occupancy increased to 72.5%, while RevPAR and ADR were up to \$83.66 and \$115.42, respectively. Year-over-year, the Greenville-Spartanburg market had increases of 7.37% for RevPAR, 6.90% for ADR and 0.42% for occupancy. The Greenville-Spartanburg market typically does not follow the seasonal cycles like those of Charleston, Myrtle Beach and Hilton Head/Beaufort, yielding more uniform figures throughout the year.

Occupancy vs. ADR vs. RevPAR

Greenville-Spartanburg

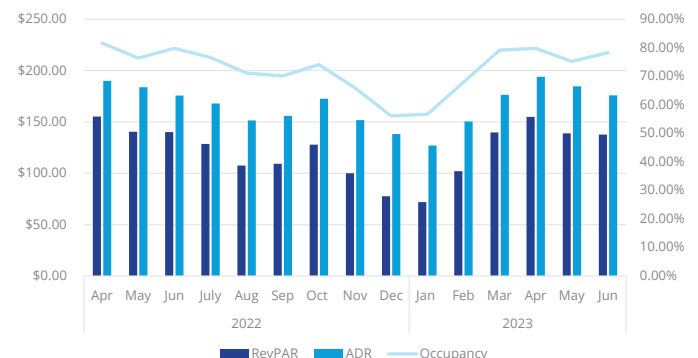


Charleston

Hospitality in Charleston remained strong and stabilized in the second quarter in comparison to the RevPAR, ADR and occupancy of the second quarter of last year. Year-over-year, RevPAR decreased by 1.76% to \$137.61, ADR increased by 0.13% to \$175.84 and occupancy decreased by 1.88% to 78.30%. Charleston's hospitality industry and overall growth remained strong but may begin to soften as seasonal tourism traditionally declines in the third and fourth quarters of the year.

Occupancy vs. ADR vs. RevPAR

Charleston

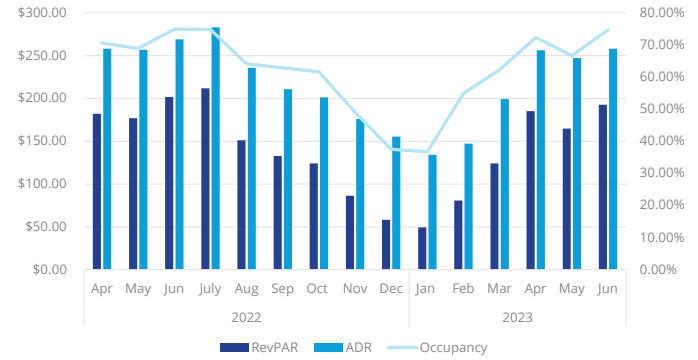


Hilton Head / Beaufort

Core hospitality metrics for Hilton Head and Beaufort were lower year-over-year, due to a lower performing May. Hilton Head and Beaufort finished the second quarter of 2023 with a RevPAR of \$192.74, ADR of \$258.05 and occupancy of 74.70%. These figures were down from last year by 4.44% for RevPAR, 4.13% for ADR and 0.27% for occupancy. The market may begin to experience a leveling or decrease for hospitality as the seasonality of the market slows going into the third and fourth quarters of the year, however, it remains as a well performing leisure market.

Occupancy vs. ADR vs. RevPAR

Hilton Head / Beaufort



Myrtle Beach

Hospitality in Myrtle Beach decreased for RevPAR and occupancy compared to the second quarter of 2022. RevPAR and occupancy decreased by 6.41% to \$121.50 and 7.44% to 69.70%, respectively. ADR outperformed last year with an increase of 1.22% to \$174.41. While performance was lower overall compared to 2022, travel and tourism in Myrtle Beach traditionally peak in the months of June and July.

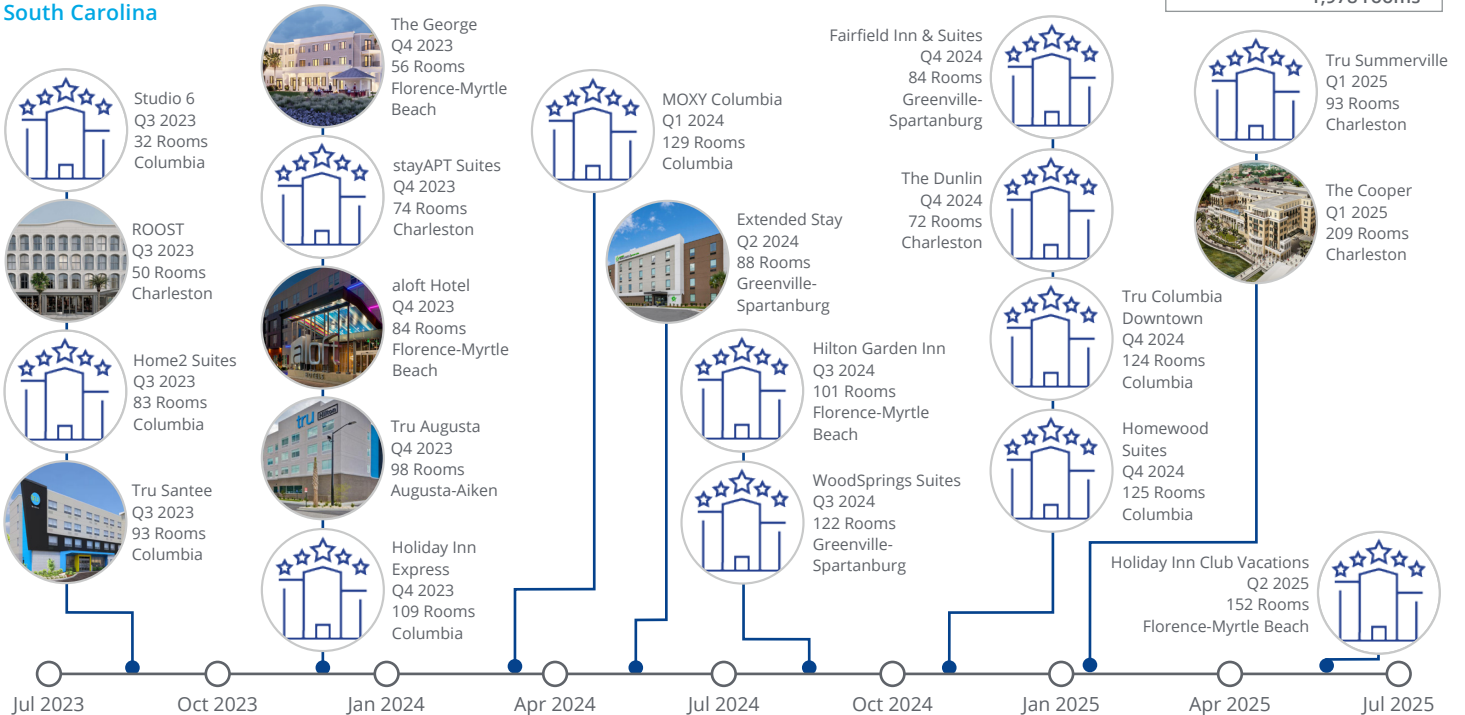
Occupancy vs. ADR vs. RevPAR

Myrtle Beach



Development Pipeline

South Carolina





\$4.5B
Annual revenue



65
Countries we operate in



\$98B
Assets under management



51,000
Lease/sale transactions



2B
Square feet managed



18,000
Professionals

The hospitality study consists of all properties with 25 rooms or more. Data is taken from CoStar.

About Colliers | South Carolina

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