

CITY OF NORTH CHARLESTON • SPRING 2023

2019

ECONOMIC IMPACT:  
**\$9.7 billion**7.43 MILLION  
VISITORSAVG ADULT SPEND/TRIP:  
**\$878**

2021

ECONOMIC IMPACT:  
**\$10.7 billion**7.23 MILLION  
VISITORSAVG ADULT SPEND/TRIP:  
**\$962**

2022

ECONOMIC IMPACT:  
**\$12.8 billion**7.68 MILLION  
VISITORSAVG ADULT SPEND/TRIP:  
**\$1,062**

### Record-Setting Econ Impact Report

College of Charleston's recently-released annual economic impact report quantifies the **impressive results the region's tourism industry realized in '22**. While many U.S. destinations continued to work towards pre-pandemic performance, the Charleston area again exceeded expectations and thrived, generating **a record-high impact of \$12.8 billion and supporting over 51,000 jobs**. Over 4.8 million room nights were sold, representing a **full recovery from the pandemic** and a 4% increase from '19.

**Quality of life for local residents is critical to tourism's success**, and the travel and hospitality industry are vital to the region's identity and economy. **The mission to foster both livability, sustainability and responsible economic development is paramount**. A 21% increase in year-over-year economic impact coupled with a much smaller increase in the number of visitors indicates **progress towards the industry's goal to create the highest yield visit and maximize downstream benefits for the community, not promote mass visitation**.

**Almost one quarter of all sales in the region (23.8%) were attributable to tourism**, further highlighting the industry's investment and crucial role in the destination's long-term reputation as a desirable and vibrant community.

### Lodging Demand Growth Slows

After over two years of robust growth, **average daily rate (ADR) is plateauing and more normalized demand patterns are emerging**. According to Destination Analysts, "Americans

continue to express high levels of enthusiasm for travel, with excitement levels at a record 8.3 out of 10. Nevertheless, increased financial concerns, coupled with the rising cost of travel, have emerged as primary deterrents."

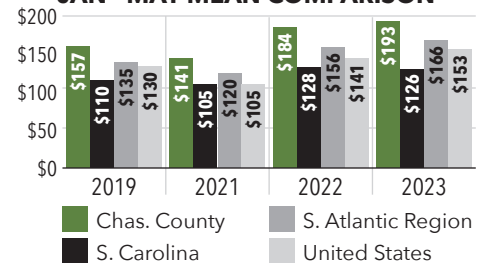
**The return of international travel and more traditional domestic travel patterns are impacting local demand**. National data indicate metro areas in the Northeast (e.g. NYC, Boston, Washington, DC, Philadelphia) are bouncing back, whereas markets in the South have softened (e.g. Orlando, Tampa, New Orleans). In short, some of the demand that shifted south over the last few years is reverting back up north.

Countywide, April and May **hotel demand** came in just behind last year's strong results, and June is trending below '22. However, **bookings in July, August and September are on par with or slightly ahead of last year's pace**.

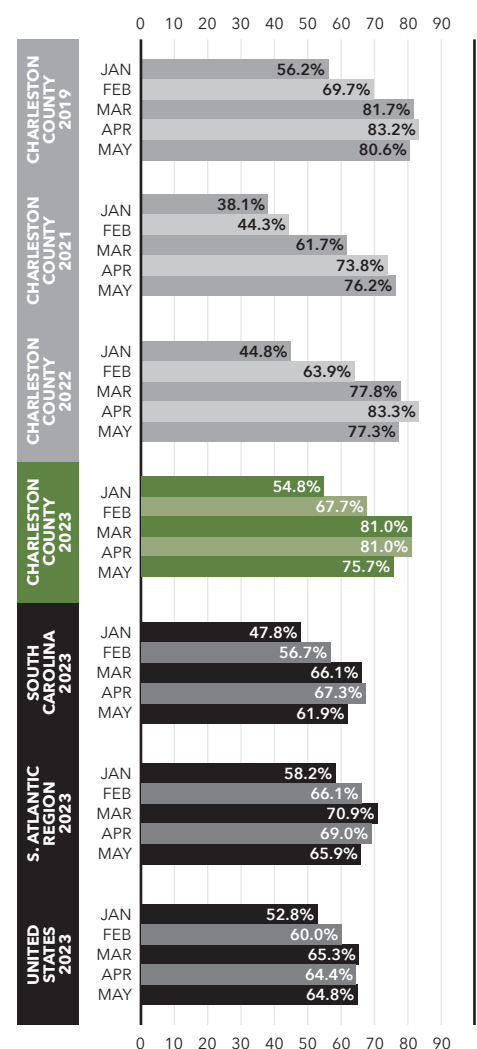
**Vacation rental demand continues to pull back from the record pace in '21**. Summer and early fall bookings are slightly lower than last year; however, ADR is running close to or just ahead of '22. **Demand continues to exceed pre-pandemic levels**. Also noteworthy, are the shortened booking windows. Many reservations are made within 30 days. Trends in local beach communities are consistent with trends happening in similar communities elsewhere.

Overall, **Charleston area lodging continues to outperform state, regional and national levels in year-over-year performance**. Industry researchers indicate the leisure segment is expected to remain resilient in coming quarters. This is reinforced by strong airline passenger bookings at Charleston international.

### HOTEL AVERAGE DAILY RATE JAN - MAY MEAN COMPARISON

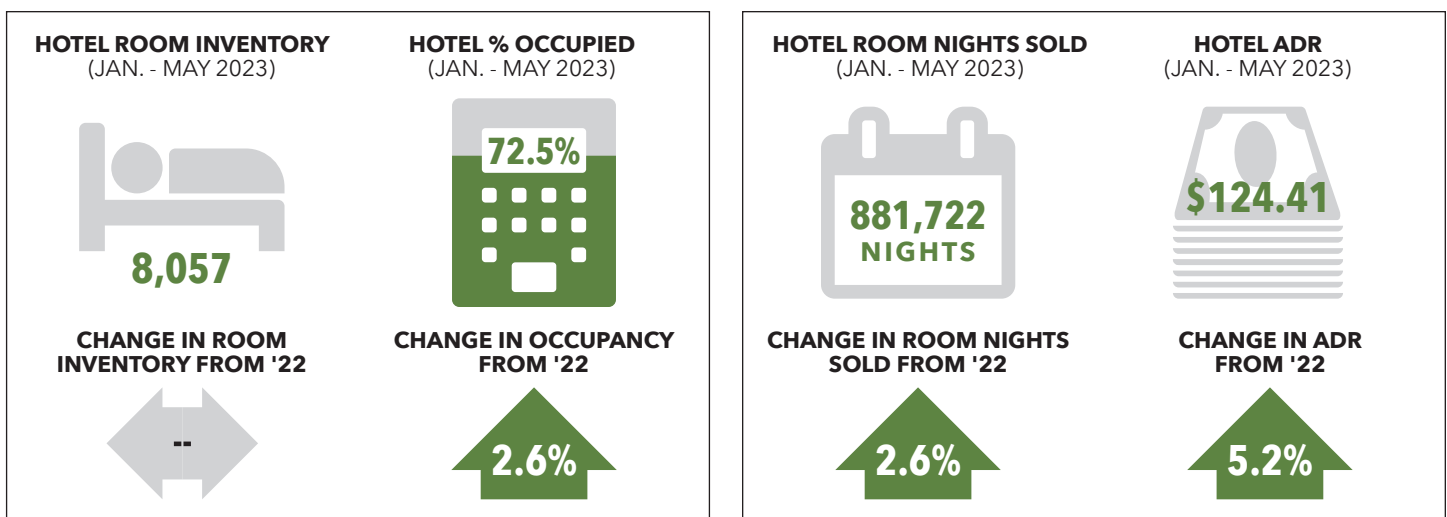


### HOTEL AVERAGE OCCUPANCY





### City of North Charleston Occupancy and Average Daily Rate (ADR)



### Group Sales Activity

Overall, **Charleston County continues to fare well in group sales.** The number of leads serviced by Explore Charleston's sales team in the first quarter of '23 were slightly higher than the same period last year. In terms of proposals converted to contracted business, 61 first quarter leads went definite compared to 53 in '22.

The team continues to see more single-property group inquiries versus citywide events. Group size is increasing modestly but still hasn't returned to pre-pandemic levels.

Nationally, signs of slowing group travel emerged this spring compared to levels seen in '19 and '22. **Headwinds include inflation-impacted company budgets, travel hassles and increased costs.**

Fortunately, **current projections of committed group occupancy in the Charleston region through the summer and fall remain on par with last year.** Additionally, the sales team anticipates positive activity for properties regionwide in early '24. **An increasing rate of leads for the fourth quarter of '24 and beyond bodes well for the Charleston area.**

#### CITY OF NORTH CHARLESTON Q1 COMPARISON: 2019-2023

JAN-MAR '23	JAN-MAR '22	JAN-MAR '21	JAN-MAR '19
<b>148</b>	<b>129</b>	<b>31</b>	<b>110</b>
GROUP SALES LEADS GENERATED REPRESENTING	GROUP SALES LEADS GENERATED REPRESENTING	GROUP SALES LEADS GENERATED REPRESENTING	GROUP SALES LEADS GENERATED REPRESENTING
<b>71,904</b>	<b>66,657</b>	<b>18,761</b>	<b>60,664</b>
POTENTIAL ROOM NIGHTS AND	POTENTIAL ROOM NIGHTS AND	POTENTIAL ROOM NIGHTS AND	POTENTIAL ROOM NIGHTS AND
<b>34,399</b>	<b>53,947</b>	<b>17,415</b>	<b>57,336</b>
POTENTIAL ATTENDEES	POTENTIAL ATTENDEES	POTENTIAL ATTENDEES	POTENTIAL ATTENDEES