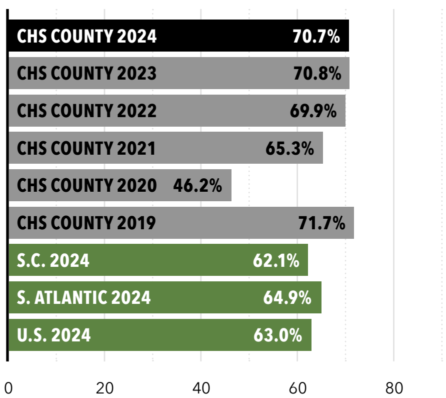
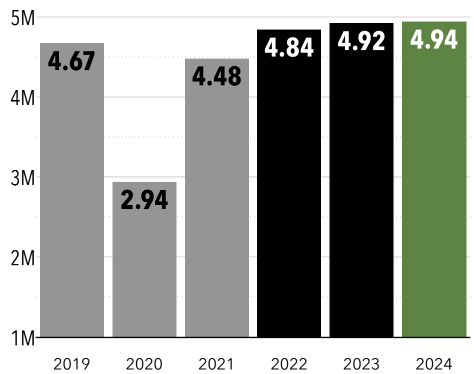
Explore Charleston

MUNICIPAL QUARTERLY UPDATE

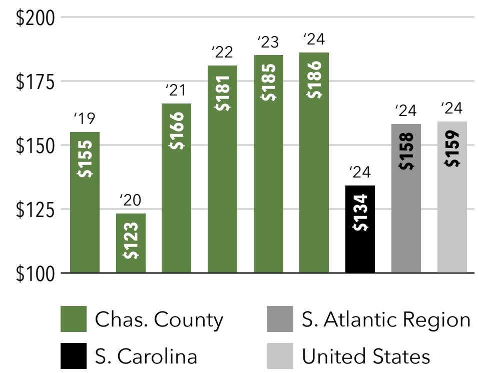
HOTEL OCCUPANCY ANNUAL MEAN COMPARISON



CHARLESTON COUNTY HOTELS ROOM NIGHTS SOLD (MILLIONS)



HOTEL AVERAGE DAILY RATE MEAN COMPARISON



Impressive Year in 2024

Thanks to a strong fourth quarter including the **best December for hotel demand on record,** 2024 was another impressive year for Charleston area hotel performance, particularly in the context of 2023's excellent results. Due to the combined efforts of industry partners, elected officials, and effective marketing, media, sales, and air service initiatives, **Charleston County saw a record-breaking number of room nights sold (RNS).** Demand grew in three of four submarkets, and the region's RNS outpaced 2023 by almost 14,000 rooms (+0.4%) and pre-pandemic levels by approximately 277,000 rooms (+6%).

The Charleston area began to experience stabilization in year-over-year occupancy rates in 2024. The community welcomed one new hotel, The Dunlin Auberge Resort, and the county's occupancy rate of 70.7% almost mirrored last year's 70.9%. Similarly, the peninsula finished the year within 0.3% of prior year. North Charleston and East Cooper maintained demand at 2023 levels. While West Ashley finished about 1% behind 2023, this was a smaller year-over-year variance than between 2022 and 2023 (-2.1%).

Much of the **pricing power gained in the years immediately following the pandemic was preserved.** Just over 1% increase in peninsula average daily rate (ADR) offset a dip of about 1% in rates in the other submarkets, and county ADR ($185.72) was within pennies of 2023.

The Charleston region's annual occupancy relative to the 18-city comparison set, was on par with 2023 results. Though Greenville and Tampa demand exceeded Charleston's this year, indications are that those markets saw a surge in demand in the latter half of the year due to post-hurricane recovery efforts.

Consistent with local and national trends identified in previous reports, **vacation rental demand continued to return to more traditional patterns.** Occupancy was lower than 2023 and the record-setting pace achieved in 2021 and 2022 but remained above pre-pandemic levels in all Charleston area island communities. **Of note, year-end ADR surpassed the prior year across all islands and even exceeded the impressive rates enjoyed in 2021 and 2022.**

COMP CITIES - 2024 OCCUPANCY AND YOY TREND FROM 2023

Asheville, NC	65.2%	▼
Atlanta, GA	64.2%	▼
Baltimore, MD	65.5%	▲
Charlotte, NC	68.0%	▲
Charleston, SC	69.2%	▼
Greenville, SC	71.9%	▲
Hilton Head/Beaufort, SC	58.3%	▼
Jacksonville, FL	67.6%	▼
Myrtle Beach, SC	54.5%	▲
Nashville, TN	66.4%	▼
New Orleans, LA	62.5%	▲
Norfolk/Portsmouth, VA	65.6%	▼
Orlando, FL	71.6%	▼
Savannah, GA	70.5%	▼
Virginia Beach, VA	60.8%	▲
Tampa, FL	72.5%	▲
Fort Lauderdale, FL	71.8%	▼
Austin, TX	65.9%	▼
Santa Barbara/Santa Maria, CA	67.8%	▲

Looking Ahead:

Locally, 2025 started with a curve ball from Mother Nature's uncharacteristic winter weather in January. **Due to positive consumer sentiment and market positioning, there is cautious optimism that demand this spring will remain at the favorable levels realized in 2024.** Pricing power should be maintained as signs point to higher-end travelers continuing to set the pace. **There are headwinds on the radar, including the impact of federal policy on travel costs, consumer confidence and inbound international travel.** Nonetheless, a recent McKinsey and Company report was encouraging. While consumers said they plan to decrease spending across many discretionary categories, "one nonfood category stood out as particularly splurge-worthy: travel," led by baby boomers and Gen X.

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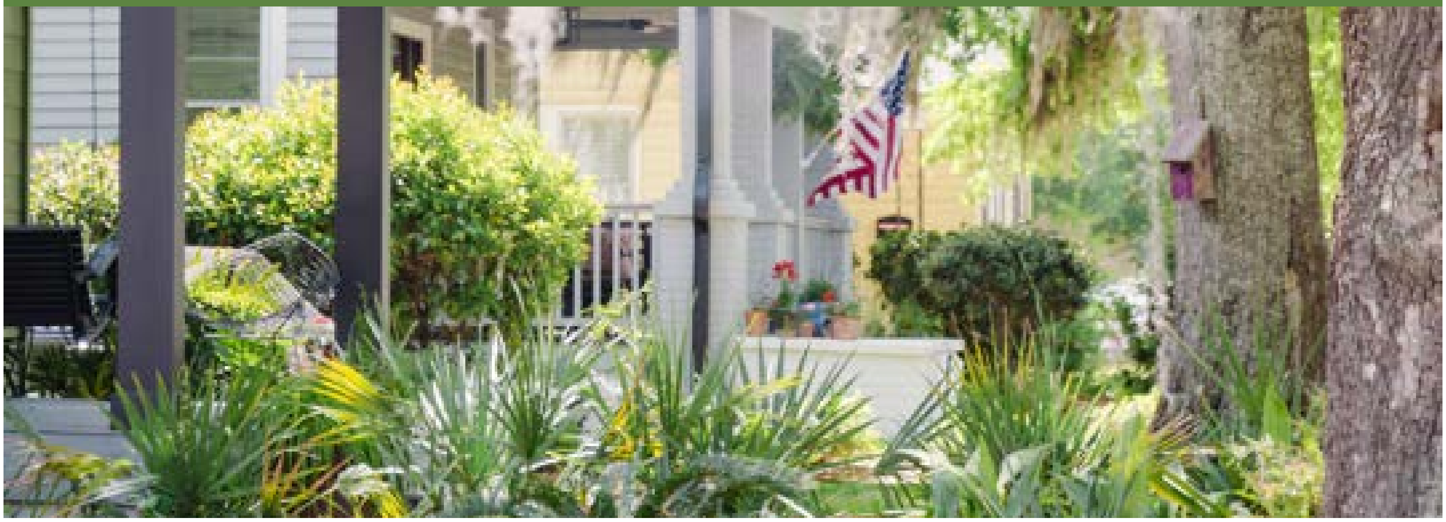
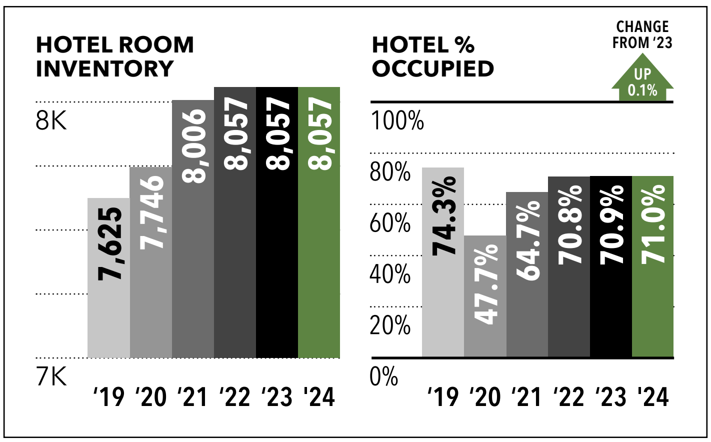
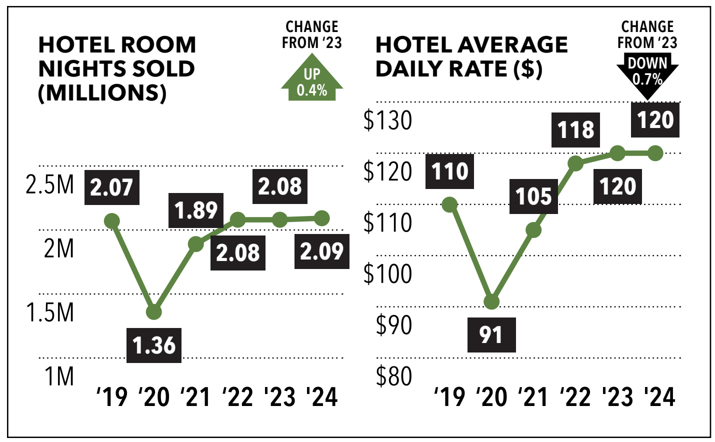


City of North Charleston Hotel Occupancy and Average Daily Rate





Group Sales

The Charleston region remains popular with meeting planners and travel advisors, which supports a **favorable outlook for group and leisure sales over the next 12 months.** Explore Charleston's Group Sales team reports an increase in potential room nights compared to the same time last year, partly due to larger group sizes. The pace of group bookings this spring is significantly higher than the same period last year.

Though demand is still below desired levels, current projections indicate that summer is also pacing ahead of 2024. Reports suggest increasingly **shorter booking windows for the corporate market,** which accounts for 44% of the local market mix. Therefore, the potential for additional summer group business remains strong. **Federal policy may pose challenges for corporate travel, as well as for government-adjacent businesses,** such as contractors and education associations that may have international attendees from countries with visa restrictions and/or a shift in sentiment about travel to the U.S.

CITY OF NORTH CHARLESTON Q4 COMPARISON: 2019-2024

OCTOBER - DECEMBER	GROUP SALES LEADS GENERATED	POTENTIAL ROOM NIGHTS REPRESENTED
2019	**90**	**43,447**
2021	**91**	**47,645**
2022	**95**	**49,340**
2023	**110**	**57,071**
2024	**105**	**82,237**