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TOURISM

High-end facilities changing market

By Dawn Bryant
The Sun News

It wasn't too long ago that the notion of Myrtle Beach boasting several four-diamond hotels, multimillion-dollar condo units and lavish restaurants, such as Ruth's Chris Steak House, would have prompted laughter.

No one's laughing now.

A wave of high-end development in recent years has overtaken the Grand Strand - a drastic shift for a beach destination that was built by catering to blue-collar mill workers in the Carolinas.

But as the lavish lodging towers have gone up, so has the frustration for thousands of longtime tourists who don't like the high-end trend.

They feel they don't fit in - or can't afford - Myrtle Beach anymore. Just as they are turned off by the change, travelers looking for luxury are drawn to the Grand Strand for the first time.

The shift has left some wondering whether Myrtle Beach, once known as a place for an affordable getaway, has gone too far.

This ain't the Redneck Riviera anymore, but some don't want it to fall into a complete lap of luxury.

"Is it too expensive? Yes and no," said Gary Loftus, director of Coastal Carolina University's Center for Economic and Community Development. "I'm thinking the blue-collar visitors, which were our bread and butter, may perceive it as getting up there in price. But others see it as a great value. We are not losing tourists."

Tourism promoters say the Grand Strand can balance both. The high-end trend definitely will continue, they said, but longtime visitors will also have a place.

"It's as if an entirely new group of people are finding our destination for the first time, what is seemingly a 'new Myrtle Beach,'" said Brad Dean, president of the Myrtle Beach Area Chamber of Commerce. "The challenge, of course, is to maintain the image and appeal of a destination that appeals to the mechanic and the factory worker, as much as it does the doctor or lawyer."

Upscale supply, demand

Experts say the upscale building boom has a relatively simple explanation: A growing number of travelers want a high-end experience and are willing to pay for it.

Much of the demand is coming not just because the trend is hot across the country, but because the Grand Strand is now attracting free-spending tourists from areas such as the Northeast who weren't big on the beach previously.

Developers, noticing that trend and wanting to make the most of rising property values along the coast, have built lodging towers, restaurants and stores that meet those tastes.

Kingston Plantation, a sprawling complex owned by FelCor Lodging Trust, is adding high-level luxury with the construction of the 24-story Royale Palms, scheduled to open by June. Next door, the Hilton is getting spiffed up with a grand entrance featuring a fountain and new bedding in the guest rooms.

Upscale is a natural strategy, sales director Sabena Robinson said, because between 25 percent and 35 percent of guests demand higher-end - and it's growing. At Kingston's Margate tower, four-bedroom, oceanfront suites go for \$650 a night during the summer.

"Looking at the demographics, we are starting to see a lot more from the Northeast and areas that had never visited Myrtle Beach before," she said. "It is definitely a trend in the market. We are starting to take our image to the next level."

Myrtle Beach got its first brush with high-end in 2000 when Burroughs & Chapin Co. Inc. started building the 2,200-acre Grande Dunes development. The Marina Inn at Grande Dunes opened in the fall along the Intracoastal Waterway and aims to fetch \$450 a night for a two-bedroom condo this summer.

So far, bookings for the summer are ahead of projections, general manager Axel Suray said.

"There is definitely a pent-up demand in the market waiting for an upscale product," he said.

"I'm really glad we have this type of product in Myrtle Beach. The city is really repositioning itself."

Higher yet affordable

The higher rates are giving some tourists sticker shock.

The high-end trend has driven up hotel rates - visitors to Myrtle Beach in July paid \$17.75 more a night in 2006 than they did in 2003 - and attractions that catered to families looking for affordable entertainment have called it quits, caving to the pressure to redevelop the valuable land.

Gone are the affordable entertainment options vacationing families flocked to for decades, including The Myrtle Beach Pavilion Amusement Park and the Grand Prix Family Thrill Park in North Myrtle Beach.

Despite the changes, there's still plenty for a budget-conscious family to do, Dean said.

"We're far from out of control [with prices], but those who have come to expect bargain basement prices will certainly notice an upward price trend," he said. "That's especially true in the golf industry, where we clearly overbuilt and oversupply kept the lid on prices. As we dig out of that hole, prices are bound to rise, but compare us with any other major golf destination and you quickly realize we are far from overpriced.

"Today, we offer far more for the dollar than most any other destination, with the exception of air service."

Room rates have probably seen the most drastic increases.

"It really took a leap in '05," Loftus said.

The beach's average daily rate has jumped by 11.9 percent between 2003 and last year, according to CCU's tourism center. The center will not release the actual rate to the media.

Fall prices surged by 11.25 percent, while the spring rates saw a 4 percent jump.

Summer prices jumped even more, by 19 percent in the three-year period. Between June and August last year, the average daily rate was \$117.85, according to Smith Travel Research's sampling. Charleston's average summer rate was \$132.33, while Hilton Head Island's was \$145.22.

The most substantial price jumps occurred on the north end, according to Smith Travel Research. The average daily rate for July has surged by \$31.51 since 2003 to reach \$160.81 last summer.

The travelers coming here, with an average household income of more than \$85,000, can afford it, said Paul Williams, director of the North Myrtle Beach Chamber of Commerce.

They don't mind shelling out a few extra bucks to enjoy the amenities of the luxury properties, including spas, catered meeting space and dry cleaning, he said.

"They are used to higher-end destinations," Williams said. "The demographics prove that the clientele we are seeing now ... all have an expectation of a certain level of amenities we didn't provide before."

Not all travelers want to pay to be spoiled. The new fancy towers with higher rates don't impress Pat Boutiette, a snowbird from Rhode Island.

"I don't like all the building going up," she said. "The snowbirds are going to be priced right out of here. We look forward to coming - as long as it's in our budget."

On the other hand, Heather and Ben Jones of Winston-Salem, N.C., who consider themselves bargain travelers, found the prices reasonable during their first visit to the Grand Strand in February.

"It is your typical tourist-area prices," she said. "We look for the discounts and look for the coupons."

Though upscale is the trend, there will be enough affordable places to stay for tourists looking for deals, Williams said. After all, there's no charge for the biggest draw: seeing the beach.

"We can have both," Williams said. "A city that is growing needs both."

Gary Loftus | director of Coastal Carolina University's Center for Economic and Community Development

AAA four-diamond properties

Myrtle Beach Sheraton

Myrtle Beach Marriott at Grande Dunes

Cypress Inn, Conway

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