



# HOUSING CONVERSION STUDY CITY OF MYRTLE BEACH



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# Converted Properties Revenue Impacts

- ▶ Used average of Chamber Dashboard, AirDNA, Chamber Annual Report, and Colliers to determine low, high, and overall average room rates and occupancy rate (64%)
- ▶ Calculated taxes on accommodations, tourism development fee, Capital and ECI County Local Option tax, state sales and accommodations tax, business license fees, and hospitality tax losses for converted properties
- ▶ The next slide outlines losses for the city, county, and state

# Converted Properties Revenue Impacts

## Revenue Loss Per Year

Revenue Source	Low, Average, and High Estimate of Revenue Loss	Average of Averages across 821 Converted Rooms	Revenue Loss per Converted Room	Total Revenue Lost per 1000 Converted Rooms
Accommodations State Myrtle Beach Horry County	\$1.79m – \$2.01m – \$2.30m \$1.02m - \$1.51m - \$1.31m \$.513m - \$.575m - \$.658m	\$2.04m \$1.16m \$.582m		
Prepared Food and Bev State City of Myrtle Beach Horry County	\$.575m – \$1.28m - \$1.72m \$.335m - \$.751m - \$1.00m \$.191m - \$.429m - \$.575m	\$1.19m \$.698m \$.398m		
Business License Fees (City of Myrtle Beach Only)	\$.154m - \$.172m - \$.197m	\$.174m		
<b>Total City of Myrtle Beach Revenue Loss</b>	<b>\$1.51m - \$2.07m – \$2.52m</b>	<b>\$2.03 million lost across 821 converted rooms</b>	<b>\$2,483 lost per converted room</b>	<b>\$2.48 million</b>
<b>Total Horry County Revenue Loss</b>	<b>\$.705m - \$1.00m - \$1.23m</b>	<b>\$.981 million lost across 821 converted rooms</b>	<b>\$1,195 lost per converted room</b>	<b>\$1.19 million</b>
<b>Total State of SC Revenue Loss</b>	<b>\$2.37m - \$3.30m - \$4.03m</b>	<b>\$3.23 million lost across 821 converted rooms</b>	<b>\$3,942 lost per converted room</b>	<b>\$3.94 million</b>
<b><i>Total Combined Revenue Loss for Myrtle Beach, Horry County, and SC</i></b>	<b><i>\$4.58m - \$6.37m - \$7.78m</i></b>	<b><i>\$6.24 million across 821 rooms</i></b>	<b><i>\$7,620 per room converted</i></b>	<b><i>\$7.61 million total per 1000 rooms</i></b>



# Economic Impacts – Local Governments

## Local Governments – City of Myrtle Beach and Horry County

Impact Category	Units	2024
Employment	Jobs Supported/(Lost)	(48)
Compensation	Thousands of Dollars Gained/(Lost)	(\$3,278)
Output with Indirect and Induced Effects	Thousands of Dollars Gained/(Lost)	(\$7,634)
Local Government Revenue	Thousands of Dollars Gained/(Lost)	(\$3,826)
Local Government Expense	Thousands of Dollars Gained/(Lost)	(\$65)
Net Local Government Revenue	Thousands of Dollars Gained/(Lost)	(\$3,761)

# Economic Impacts – Statewide

Impact Category	Units	2024
Employment	Jobs Supported/(Lost)	(53)
Compensation	Thousands of Dollars Gained/(Lost)	(\$4,025)
Output (w/ Indirect and Induced Effects)	Thousands of Dollars Gained/(Lost)	(\$9,283)
State Government Revenue	Thousands of Dollars Gained/(Lost)	(\$4,323)
State Government Expense	Thousands of Dollars Gained/(Lost)	(\$115)
Net State Government Revenue	Thousands of Dollars Gained/(Lost)	(\$4,207)

# Economic Impact Definitions

***Employment*** – jobs lost due to revenue losses from converted properties

***Compensation*** – wages lost due to revenue losses from converted properties

***Output w/ Indirect and Induced Effects*** – total negative economic impact due to revenue losses from converted properties

Indirect Effect – money spent by businesses, governments, and other organizations

Induced Effect – wages spent by employees of businesses, governments, and other organizations

***Local/State Government Revenue*** – gross revenue in form of taxes, fees, etc. lost by government entities due to conversions

***Local/State Government Expenses*** – money governments spend on administration, infrastructure, etc.

***Net Local/State Government Revenue*** – gross revenue minus expenses

# Public Safety Impacts

- ▶ Used average call data to determine a cost per unit for converted and comp properties for police calls
- ▶ Total time spent on incident was used to compare fire calls between converted and comp properties



Agency	Converted Properties	Comp Properties	Difference	Percent Difference
Police	\$65.09/call	\$33.66/call	\$31.43/call	<b>+93% difference</b> in cost per call for converted properties
Fire	46:10:00	35:51:00	10:19:00	<b>+28.7% time spent</b> on converted property calls



# Recommendations

Make residential multi-family in MUH zones a conditional use as a near-term solution

- ▶ Must be purpose built for multi-family and not a conversion from short-term/hotel/motel style properties to multi-family
- ▶ Determine what is what in MUH, A, Ocean Front PUDs

Overlay District?

Updating Zoning Code