

# Market Overview: The State of Tourism

SUPPLEMENT TO EXECUTIVE SUMMARY OF FINDINGS



# Summary

Isle of Palms sits in a large, drive-to beach market that is growing by value rather than by crowds, while the region around it grows by population. Five findings define the tourism environment the brand will enter:

**The market is big, beach-first and arrives by car.**

South Carolina draws about 30M domestic visitors a year. Nearly 9 in 10 trips are made by car and the beach is the top activity.

**Charleston grows by spending, not visitor growth.**

From 2021 to 2025, Greater Charleston's visitor count rose 9% while tourism's economic impact rose 35% (to \$14.35B).

**The region is filling in.**

The tri-county area has added ~90,000 residents since 2020. That growth, not overnight tourism, is the pressure the City names as its top strategic priority.

**Isle of Palms holds an outsized, premium and highly seasonal share of the lodging market.**

It has 41% of the lodging in Charleston's island and beach communities, runs above 90% occupancy in July and near 30% in December, and relies on visitor-linked revenue for a third of its budget.

**Volume is softening while rates rise.**

Statewide vacation-rental nights sold fell in early 2026 as nightly rates climbed, and Isle of Palms' state accommodations-tax receipts have been flat this fiscal year.

# The Carolina Coast

## A DRIVE-TO, BEACH-FIRST MARKET

The Carolinas coast runs on overnight beach trips taken by car, concentrated in summer and heavy with repeat visitors and families. The two states' visitor profiles tell the same story:

| MEASURE                   | SC STATEWIDE     | NC COAST          |
|---------------------------|------------------|-------------------|
| ANNUAL VISITORS           | ~30M domestic    | 11.2M             |
| TRIPS WITH OVERNIGHT STAY | 81%              | 80%               |
| AVERAGE OVERNIGHT STAY    | 4.0 nights       | 4.1 nights        |
| ARRIVE BY CAR             | 89% of trips     | 91% of visitors   |
| BEACH AS TOP ACTIVITY     | 42%              | 71%               |
| TRAVEL WITH CHILDREN      | 26% of trips     | 40% of parties    |
| SUMMER SHARE              | 33% of all trips | 41% of overnights |

**South Carolina's overnight visitors come mostly from next door:** North Carolina (22%), South Carolina itself (21%), Georgia (9%), Florida (6%) and Virginia (5%). The state's out-of-state leisure segment alone totals about 10.8M visitors, 62% of whom go to the beach.

**Volume is now softening while prices rise:** From January to May 2026, South Carolina vacation-rental nights sold fell 5.4% while the average nightly rate rose 4.0% (to \$290). Hotel occupancy slipped 1.1% as hotel rates rose 2.0%. State accommodations-tax collections in the coastal counties grew just 0.9% in fiscal 2024–25.

## CHARLESTON: GROWING BY VALUE OVER VOLUME

Charleston set a record \$14.35B in tourism economic impact in 2025 while its visitor count barely moved. Overnight visitors rose 0.3% to 7.91M, but spending per adult per trip rose 9.7% to \$1,212.

| GREATER CHARLESTON          | 2021     | 2025     | CHANGE |
|-----------------------------|----------|----------|--------|
| OVERNIGHT VISITORS          | 7.23M    | 7.91M    | +9%    |
| ECONOMIC IMPACT             | \$10.62B | \$14.35B | +35%   |
| SPENDING PER ADULT PER TRIP | \$962    | \$1,212  | +26%   |
| LODGING SALES               | \$1.29B  | \$1.61B  | +25%   |

Tourism now accounts for about 23.6% of regional sales and more than 55,500 jobs. The College of Charleston's Office of Tourism Analysis describes the pattern plainly: *the destination is attracting higher-value visits while volume grows gradually.*

Hotels show the same shape as occupancy has held near 70% since 2022 while the average daily rate climbed from \$179 to \$188, and hotel room nights sold dipped 0.9% in 2025. Charleston's calendar peaks regularly in spring and fall with occupancy topping out in April 2025 at 82.6% and rates run highest in April (\$224) and lowest in August (\$170).

The contrast with the Grand Strand is sharp. In 2024, Charleston-area hotels averaged \$182 a night at 70.2% occupancy; Myrtle Beach-area hotels averaged \$133 at 54.5%.

Charleston's visitors are focused on culture, history and historic sites leading the destination's most attractive assets, with beaches and waterfront also among them. In the most recent visitor survey, 89% of parties traveled without children and 69% were first-time visitors. About 20% visited Isle of Palms during their trip, but only 4% stayed there. Top origin markets outside South Carolina include Charlotte, Atlanta, New York, Raleigh and Orlando, and Charleston International handled a record 6.34 million passengers in 2025 (+42%).

#### **A region filling in tri-county.**

The mainland around Isle of Palms keeps filling in. The tri-county area has gained roughly 90,000 residents since 2020, about 11%:

| COUNTY     | 2025 ESTIMATE | GROWTH SINCE 2020 |
|------------|---------------|-------------------|
| CHARLESTON | ~436,200      | +6.8%             |
| BERKELEY   | ~274,700      | +19.5%            |
| DORCHESTER | ~178,400      | +10.4%            |

**Charleston County alone is about 25% larger than it was in 2010:** Nearby residents drive the state's day-trip market – about 19% of South Carolina trips are day trips (and South Carolinians make 54% of them).

**IOP is a small island whose growing mainland neighbors reserve for day use:** With over 4,000 year-round residents, and its population swells to roughly 20,000 on major summer holiday weekends. Each added mainland beach day brings parking and traffic demand but no lodging tax.

The top priority of the City's 2022–2027 Strategic Plan is to manage pressure from population growth in surrounding communities – to reduce tourism's impact on residents, improve traffic flow, and ensure day-visitor costs are offset by day visitors. The IOPThrives! Community Enrichment Plan frames the same challenge as regional population and tourism growth and its first focus area is seasonal parking and traffic. In the 2026 community survey, parking (29%) and traffic (21%) were the problems respondents named most (split among three types of respondents: residents, visitors, and businesses).

# Regional Audience Demographics

Three distinct profiles surround Isle of Palms: an older, affluent island community; a younger, working-age region next door; and mid-life, higher-income coastal visitors who travel with family.

| RESIDENTS         | ISLE OF PALMS       | CHARLESTON COUNTY        |
|-------------------|---------------------|--------------------------|
| POPULATION        | 4,347 (2020 Census) | ~437,200 (2026 estimate) |
| MEDIAN AGE        | 54.6                | 39.4                     |
| PER CAPITA INCOME | ~\$157,000          | ~\$66,500                |

IOP residents are ~15 years older than the county's and earn more than twice as much per person. About 59% of island residents are 50 or older, 32% are 65 or older, and 16% are under 18. The island's median age has edged down since 2020 (from 56.2).

The mainland next door is younger and working-age. Charleston County's median household income is about \$99,800 and 53% of adults hold a bachelor's or graduate degree. Its share of residents aged 55+ (30.9%) sits below the state's (32.5%), and its share of prime working-age adults (25 to 54) is higher than both South Carolina's and the nation's. That runs against the statewide trend: South Carolinians aged 65+ rose from 14% of the population in 2010 to 19% in 2020, and are projected to reach 23% by 2030.

## VISITORS WHO TRAVEL THE COAST

- Coastal beach visitors are mid-life families. North Carolina's coastal overnight visitors average 46 years old, and 66% are married. Their average household income is \$100,000. Forty percent of travel parties include children, and parties average 2.9 people.
- Statewide trips are smaller and less family-heavy. Across all South Carolina trips, parties average 2.2 people, and 26% include children.
- Charleston's cultural visitor is older and adult-only. People who requested the Charleston visitors guide and then visited have a median age of 61. 79% are married, 74% hold a college degree and 43% are retired. More than half earn \$100,000 or more, and 89% traveled without children.
- IOP visitors are loyal and family-minded. Among visitor respondents to the City's 2026 survey, 81% visit often and 48% name the family-friendly atmosphere as what makes the island special. The survey did not collect age or incomes. No island-specific visitor demographics exist yet.

Taken together, the coastal beach visitor looks more like the island's growth audience than Charleston's own visitor does. They are younger than Charleston's cultural traveler, likelier to bring children, and affluent enough for premium lodging.

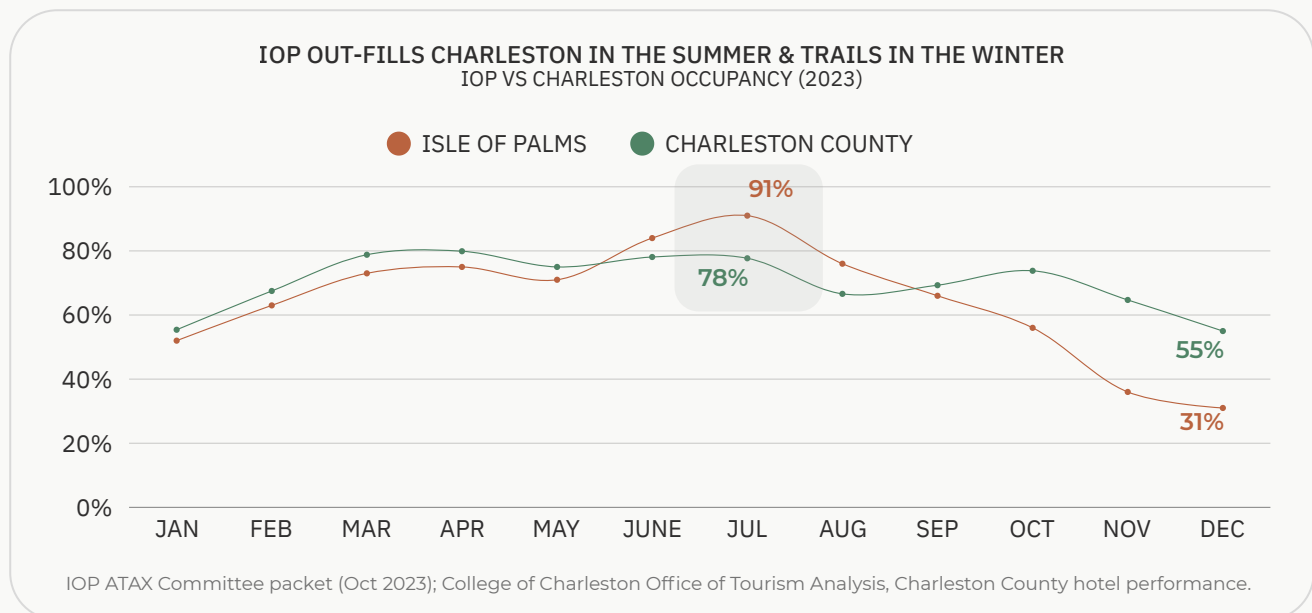
# Where Isle of Palms fits in the Market

IOP holds an outsized, premium share of the region's beach lodging, but fills it only in summer. Its 2,166 lodging units (1,633 short-term rentals and 533 hotel rooms) give it a larger footprint than its size suggests.

| IOP'S SHARE OF CHARLESTON-AREA LODGING | SHARE |
|----------------------------------------|-------|
| ISLAND AND BEACH COMMUNITIES           | 41.4% |
| LUXURY MEETING-PROPERTY ROOMS          | 16.5% |
| ALL CHARLESTON-AREA LODGING            | 8.2%  |
| FULL-SERVICE HOTEL ROOMS               | 8.1%  |

Rentals are woven into the residential fabric: 1,784 of the island's 4,627 dwellings (39%) held a STR license in 2024-25. Rates are premium on IOP with vacation rentals averaging \$818 a night from January to August 2023 (74% occupancy). Rates ranged from \$244 in January to \$1,193 in July. Even the island's lowest-rate month topped the Grand Strand's 2024 vacation-rental average of \$215. Short-term rental rates rose another 6.4% in fiscal 2025.

Demand is concentrated and IOP rentals out-fill Charleston's hotels only in June, July and August. From October through December, the island ran at 31-56% occupancy while Charleston hotels held 55-74%.



Visitor-linked revenue (accommodations tax, beach preservation fee, hospitality tax and parking) makes up \$10.8M (33%) of the City's \$32.7M FY26 budget. Property taxes supply 17%. The City's state accommodations-tax reached \$3.79M FY25 (nearly 2X FY19, but have been flat so far in FY26). Explore Charleston's FY26 VRBO campaign for the island generated \$7.7M in rental revenue.

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