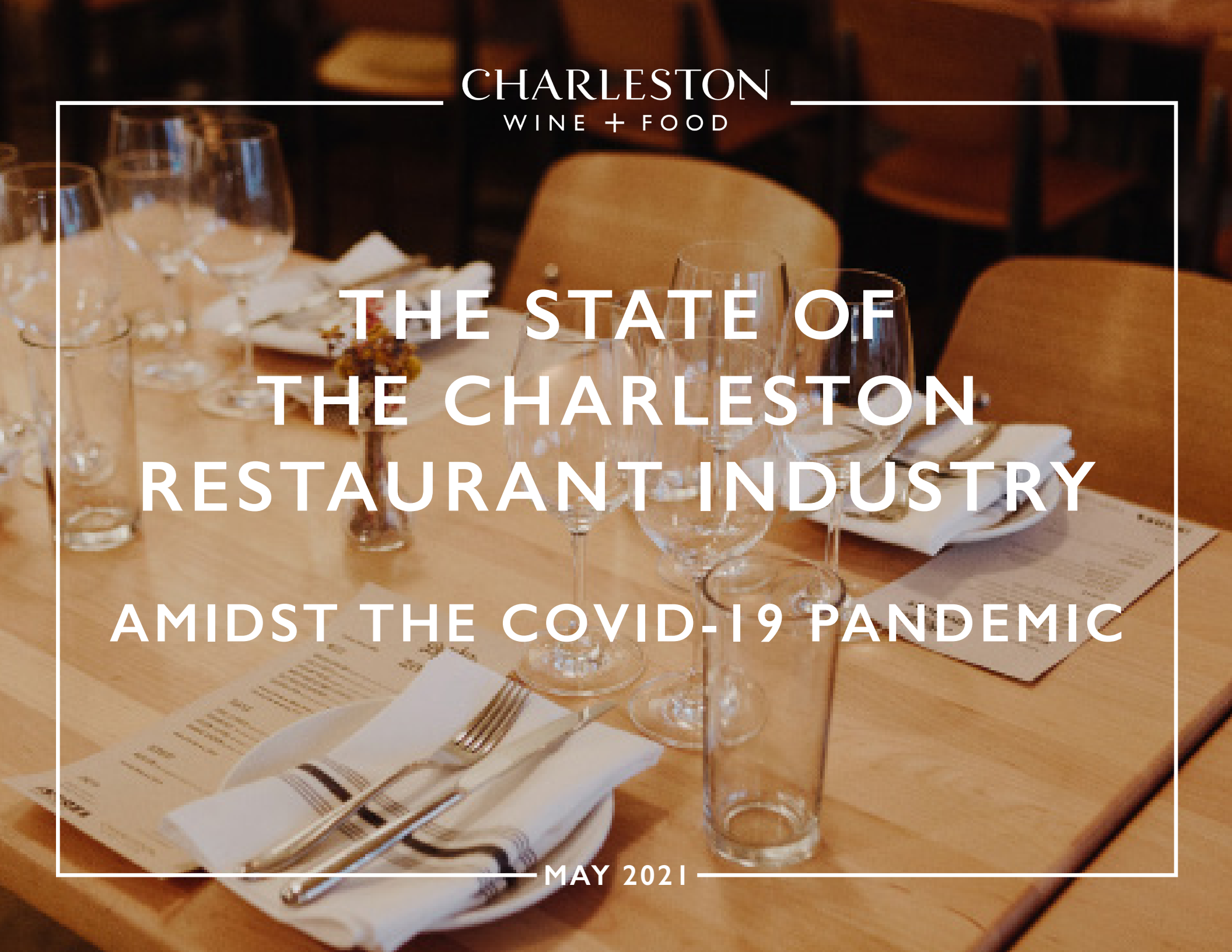




CHARLESTON
WINE + FOOD

THE STATE OF
THE CHARLESTON
RESTAURANT INDUSTRY
AMIDST THE COVID-19 PANDEMIC

MAY 2021

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BACKGROUND + METHODS

The purpose of this research project was to better understand how Charleston's restaurant industry endured the vast challenges posed by the COVID-19 pandemic, and to assess the current state of the industry. The research was conducted by the College of Charleston's Office of Tourism Analysis on behalf of Charleston Wine + Food, with additional support from the City of Charleston.

An online survey was sent by Charleston Wine + Food to 210 Charleston-area restaurants, along with follow-up messages to encourage participation. Data collection began in early February 2021, and concluded in early March. A total of 45 completed + valid responses were received, resulting in a response rate of 21.4%.



ABOUT THE DATA SAMPLE



84% LOCATED DOWNTOWN

Top neighborhoods:

Harleston Village
East Central / N. Morrison Drive
French Quarter
King Street Historic District
Cannonborough / Elliotborough
East Side

7% James Island / 4% North Charleston / 4% West Ashley

45 COMPLETED RESPONSES

35% Fast casual / 35% Fine dining / 13% Casual / 4% Takeout

77% Operate out of a single location

64% Multiple owners / 20% Single owner / 15% Restaurant group

48% Employed <20 people pre-pandemic / 31% Employed >40



CLOSURES + PPP LOANS



8.8 AVERAGE WEEKS FULLY CLOSED

Indoor dining closed: 12.7 weeks / Kitchen closed: 6.5 weeks

71% Fully closed

33% Kitchen closed

73% Indoor dining closed

6.7% Never closed at all

93% STATED THE PPP LOAN PROVIDED SIGNIFICANT ASSISTANCE

89% Applied and received funding
7% Did not apply
4% Applied and did not receive

83% Had applied / planned to apply for round 2 of funding
**Top reason for not applying: would not meet requirements*



OUTDOOR DINING + OPERATIONAL SHIFTS



\$4,594 AVERAGE COST TO EXPAND
OR INTRODUCE OUTDOOR DINING

68% Believe outdoor dining improved revenues

43% State lack of space as the reason for not implementing

64% Would utilize city streets if made available
Would improve: Revenue: 55% / Staffing: 46%

72% Believe takeout cocktails would improve revenues

80% Changed typical operating hours during the pandemic

41% Changed business hours due to local or state regulations

Types of changes: Required curfew, reduce days open, open earlier / close earlier, overall reduction of hours



BY THE NUMBERS: STAFFING

PANDEMIC LAY OFFS

71% Front of house

69% Back of house

61% Operations

CURRENTLY STAFFED

70% Front of house

74% Back of house

79% Operations

73% REPORT DIFFICULTY IN BACK OF HOUSE HIRING

22% Very difficult / 20% Difficult / 31% Somewhat difficult

52% REPORT DIFFICULTY IN FRONT OF HOUSE HIRING

4% Very difficult / 15% Difficult / 33% Somewhat difficult



BACK OF HOUSE

69%
Understaffed

23%
Percentage of vacant positions

FRONT OF HOUSE

44%
Understaffed

28%
Percentage of vacant positions

BY THE NUMBERS: REVENUE + EXPENSES

RENT

69%

Rent building

53%

Pay >\$5,001 in monthly rent

RENT REDUCTIONS

19%

Received rent reduction

83%

Stated it was “very important” to staying in business

90% SAW NEW EXPENSES RELATED TO INCREASED SANITATION NEEDS

Supplies: 91% / Labor: 33% / Third-party sanitation: 41%

91% SAY EXPENSE INCREASES WERE SIGNIFICANT

REVENUE BREAKDOWN

Indoor dining: 60% pre-pandemic / 39% at survey

Outdoor dining: 21% pre-pandemic / 26% at survey

Takeout: 16% pre-pandemic / 24% at survey

Meal kits: 0% pre-pandemic / 3% at survey

Delivery by restaurant: 0.6% pre-pandemic / 1.3% at survey

Delivery by third-party apps: 2% pre-pandemic / 7% at survey

ALCOHOL SALES

40%

Pre-pandemic

35%

At survey



FUTURE OUTLOOK



-42.1% 2019-2020 REVENUE CHANGE

Restaurants are still expected to be down in 2021 compared to 2019 (estimated -12%).

They expect they can sustain themselves at the sales volume when surveyed for an average of 18.7 months.

45% EXPRESS WORRY IN THE RESTAURANT'S FUTURE

90% of respondents were confident in their restaurant's future prior to the pandemic

33% of respondents are confident in their restaurant's future today



A photograph of a restaurant table setting. The table is made of light-colored wood and is set with several wine glasses, water glasses, plates, and menus. The background shows more tables and chairs, suggesting a dining room environment. The text is overlaid on the image.

FOR ADDITIONAL INFORMATION

please reach out to Daniel Guttentag, Director of the College of Charleston's
Office of Tourism Analysis: guttentagda@cofc.edu

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