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Maui, Kaua'i and O'ahu Drove Hawai'i's Hotel Performance in July 2018

Continued Growth Forecasted for All Island Counties in 2018 and 2019

HONOLULU – Hawai'i hotels statewide reported a 3.6 percent increase in revenue per available room (RevPAR) to \$248 in July 2018, according to the *Hawai'i Hotel Performance Report* released today by the Hawai'i Tourism Authority (HTA).

This growth was driven by a 4.9 percent increase in average daily rate (ADR) to \$296, which offset a slight decline in occupancy (-1.0 percentage points to 83.8%) (Figure 1). Statewide, all classes of hotel properties reported higher RevPAR and ADR in July, along with declines in occupancy, compared to a year ago.

HTA's Tourism Research Division issued the report's findings utilizing data compiled by STR, Inc., which conducts the largest and most comprehensive survey of hotel properties in the Hawaiian Islands.

Jennifer Chun, HTA tourism research director, noted, "The state's positive hotel results in July were driven by the performance of properties in Maui County, Kaua'i and O'ahu. This offset the declines reported by hotels on the island of Hawai'i, as these properties continued to be negatively impacted by the Kīlauea volcano eruption.

"July is one of Hawai'i's peak travel months and while statewide hotel occupancy was very good at 83.8 percent, it was a little disappointing to see a decline compared to a year ago.

"Maui County Luxury Class hotels, which includes luxury properties in Wailea and on Lāna'i, did particularly well during July. They collectively led the state in RevPAR at \$564 and ADR at \$675."

Of the four island counties, Maui County hotels reported the highest RevPAR at \$328 (+10.1%) in July, fueled by strong ADR growth to \$404 (+8.8%) and a small increase in occupancy to 81.2 percent (+0.9 percentage points).

Kaua'i hotels also reported impressive growth in July, earning a 9.6 percent increase in RevPAR to \$248, which was boosted by ADR of \$315 (+8.1%) and occupancy of 78.8 percent (+1.0 percentage points).

O'ahu hotels reported a small rise in RevPAR to \$229 (+1.0%) in July due to an increase in ADR to \$260 (+2.5%), which help offset a 1.3 percentage point decrease in occupancy to 87.9 percent.

Hotels on the island of Hawai'i were impacted by the continued eruption of Kīlauea volcano during July, with RevPAR declining 6.0 percent to \$183. ADR was unchanged from last July (\$247, +0.0%) and occupancy fell by 4.7 percentage points to 74.2 percent.

Of the state's resort regions, Wailea properties led in RevPAR to \$563 (+11.7%), ADR to \$621 (+8.4%), and occupancy of 90.6 percent (+2.7 percentage points) in July year-over-year.

The Lahaina/Kā'anapali/Kapalua region also reported growth in July for RevPAR (+8.9% to \$284) and ADR (+8.5% to \$346), with flat occupancy (82.1%, +0.4 percentage points).

Waikīkī hotels in July performed similarly to a year ago, reporting an average RevPAR of \$224 (+0.6%), with ADR of \$255 (+2.8%) to offset lower occupancy of 87.9% (-1.9 percentage points).

Kohala Coast hotels reported a 7.0 percent decrease in July RevPAR to \$249, which was the result of declines in ADR (\$340, -0.9%) and occupancy (73.3%, -4.8 percentage points).

Hawai'i Hotels Forecast for Growth in 2018 and 2019

The overall outlook for Hawai'i's hotel industry for the balance of 2018 and all of 2019 is positive, according to forecasts released by STR, Inc., which, in conjunction with economists at the consulting firm Tourism Economics, produces market forecasts for hotel performance.

These forecasts from STR are updated on a quarterly basis. HTA subscribes to forecast reports for the State of Hawai'i, O'ahu, Maui County, island of Hawai'i and Kaua'i.

Hawai'i's hotels statewide are expected to end 2018 with RevPAR of \$226 (+6.3%), with the increase resulting from ADR of \$279 (+5.5%) and slightly higher occupancy of 80.9 percent (+0.7 percentage points) compared to what was reported in 2017 (Figure 8).

This upward trend statewide is projected to continue in 2019, with RevPAR growing to \$238 (+5.5%) supported by increased ADR to \$292 (+4.9%) and a small increase in occupancy to 81.3 percent (+0.5 percentage points) (Figure 9).

Chun commented, "The forecasts are rate driven with continued growth in RevPAR and ADR anticipated for all island counties through the end of 2019. This year, Maui County and Kaua'i are expected to continue doing well, O'ahu to finish with modest growth, and the island of Hawai'i to improve in the fourth quarter. In 2019, all island counties are projected to realize continued growth in RevPAR and ADR."

Maui County hotels, which have led the state in performance through the first half of 2018, are forecasted to end the year strong with growth in RevPAR to \$299 (+9.6%) and ADR to \$385 (+9.0%), and occupancy of 77.5 percent (+0.4 percentage points). In 2019, the forecast for Maui County hotels sees continued growth in RevPAR to \$315 (+5.7%) and ADR to \$404 (+5.0%), with occupancy of 78.0 percent (+0.5 percentage points).

The forecast calls for Kaua'i properties to earn the highest rates of growth for RevPAR and ADR in both 2018 and 2019 among the island counties. Kaua'i hotels are projected to end 2018 with RevPAR of \$225 (+12.4%), ADR of \$291 (+10.3%) and occupancy of 77.2 percent (+1.5 percentage points). In 2019, Kaua'i hotels are forecasted to have increases in RevPAR to \$241 (+7.5%) and ADR to \$311 (+6.7%), with occupancy of 77.5 percent (+0.5 percentage points).

O'ahu hotels, which reported lower occupancy rates in 2017 while the market absorbed new supply in Kapolei and reintroduced rooms on Kūhiō Avenue, are expected to end 2018 with modest growth in RevPAR to \$201 (+3.3%) and ADR to \$238 (+2.1%) and a small increase in occupancy to 84.4 percent (+0.9 percentage points). In 2019, O'ahu hotels are projected to see increases in RevPAR to \$208 (+3.3%) and ADR to \$245 (+3.0%), with occupancy of 84.7 percent (+0.3 percentage points).

Hotels on the island of Hawai'i, which reported a strong start in the first five months of 2018, are forecasted to improve in the fourth quarter and end the year with a 5.5 percent increase in RevPAR to \$197, a 5.3 percent increase in ADR to \$262, and occupancy of 74.9 percent (+0.1 percentage points). In 2019, island of Hawai'i hotels are forecast to realize increases in RevPAR to \$207 (+5.2%) and ADR to \$275 (+4.8%), with occupancy of 75.2 percent (+0.3 percentage points).

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Tables of hotel performance statistics, including data presented in the news release are available for viewing online at: <https://www.hawaiiitourismauthority.org/research/infrastructure-research/>

About the Hawai'i Hotel Performance Report

The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i. The survey generally excludes properties with under 20 lodging units, such as small bed and breakfasts, youth hostels, single-family vacation rentals, cottages, individually rented vacation condominiums and sold timeshare units no longer available for hotel use. The data has been weighted both geographically and by class of property to compensate for any over and/or under representation of hotel survey participants by location and type. For July 2018, the survey included 165 properties representing 48,749 rooms, or 90.2 percent of all lodging properties with 20 rooms or more in the Hawaiian Islands, including full service, limited service, and condominium hotels.

About the Hawai'i Tourism Authority

The [Hawai'i Tourism Authority](http://www.hawaiiitourismauthority.org) is responsible for strategically managing the State of Hawai'i's marketing initiatives to support tourism. HTA's goal is to optimize tourism's benefits for Hawai'i, while being attentive to the interests of travelers, the community and visitor industry. Established in 1998 to support Hawai'i's leading industry and largest employer, HTA continually strives to help ensure the sustainability of tourism's success.

For more information about HTA, please visit www.hawaiiitourismauthority.org. Follow updates about HTA on [Facebook](#), [Twitter](#) (@HawaiiHTA) and its [YouTube Channel](#).

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Figure 1: Hawai'i Hotel Performance July 2018

	Occupancy %			Average Daily Rate			RevPAR		
	2018	2017	Percentage Pt. Change	2018	2017	% Change	2018	2017	% Change
State of Hawai'i	83.8%	84.8%	-1.0%	\$295.55	\$281.87	4.9%	\$247.63	\$238.97	3.6%
Luxury Class	78.4%	79.6%	-1.2%	\$580.28	\$555.47	4.5%	\$454.68	\$442.00	2.9%
Upper Upscale Class	89.2%	89.8%	-0.6%	\$293.01	\$283.32	3.4%	\$261.36	\$254.39	2.7%
Upscale Class	78.8%	79.6%	-0.8%	\$222.51	\$207.23	7.4%	\$175.34	\$164.93	6.3%
Upper Midscale Class	84.4%	86.1%	-1.7%	\$181.32	\$170.87	6.1%	\$153.09	\$147.18	4.0%
Midscale & Economy Class	81.5%	83.5%	-1.9%	\$173.17	\$157.86	9.7%	\$141.21	\$131.76	7.2%
O'ahu	87.9%	89.2%	-1.3%	\$260.18	\$253.77	2.5%	\$228.66	\$226.30	1.0%
Waikiki	87.9%	89.8%	-1.9%	\$254.84	\$248.01	2.8%	\$224.03	\$222.70	0.6%
Other O'ahu	87.7%	85.3%	2.4%	\$291.97	\$291.29	0.2%	\$256.13	\$248.56	3.0%
O'ahu Luxury	76.0%	78.1%	-2.1%	\$523.01	\$520.63	0.5%	\$397.45	\$406.39	-2.2%
O'ahu Upper Upscale	92.4%	93.6%	-1.2%	\$278.60	\$276.40	0.8%	\$257.46	\$258.66	-0.5%
O'ahu Upscale	83.9%	83.7%	0.2%	\$233.07	\$219.07	6.4%	\$195.63	\$183.47	6.6%
O'ahu Upper Midscale	87.2%	89.4%	-2.2%	\$174.05	\$165.55	5.1%	\$151.69	\$147.98	2.5%
O'ahu Midscale & Economy	89.7%	92.9%	-3.2%	\$152.12	\$144.44	5.3%	\$136.46	\$134.19	1.7%
Maui County	81.2%	80.3%	0.9%	\$404.05	\$371.34	8.8%	\$327.98	\$298.00	10.1%
Wailea	90.6%	87.8%	2.7%	\$621.26	\$573.34	8.4%	\$562.74	\$503.64	11.7%
Lahaina/Kā'anapali/Kapalua	82.1%	81.7%	0.4%	\$345.65	\$318.63	8.5%	\$283.72	\$260.42	8.9%
Other Maui County	80.0%	78.4%	1.6%	\$479.78	\$440.74	8.9%	\$383.92	\$345.46	11.1%
Maui County Luxury	83.5%	79.3%	4.2%	\$674.89	\$638.07	5.8%	\$563.60	\$505.97	11.4%
Maui County Upper Upscale & Upscale	82.0%	82.3%	-0.2%	\$315.62	\$289.54	9.0%	\$258.95	\$238.22	8.7%
Island of Hawai'i	74.2%	78.8%	-4.7%	\$246.73	\$246.82	0.0%	\$183.00	\$194.60	-6.0%
Kohala Coast	73.3%	78.1%	-4.8%	\$340.10	\$343.32	-0.9%	\$249.25	\$267.99	-7.0%
Kaua'i	78.8%	77.8%	1.0%	\$314.73	\$291.04	8.1%	\$248.01	\$226.35	9.6%

Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority

Note: Samples for Maui Upper Midscale, Midscale and Economy Classes were insufficient for reporting purposes, but these data are included in Maui and statewide totals.

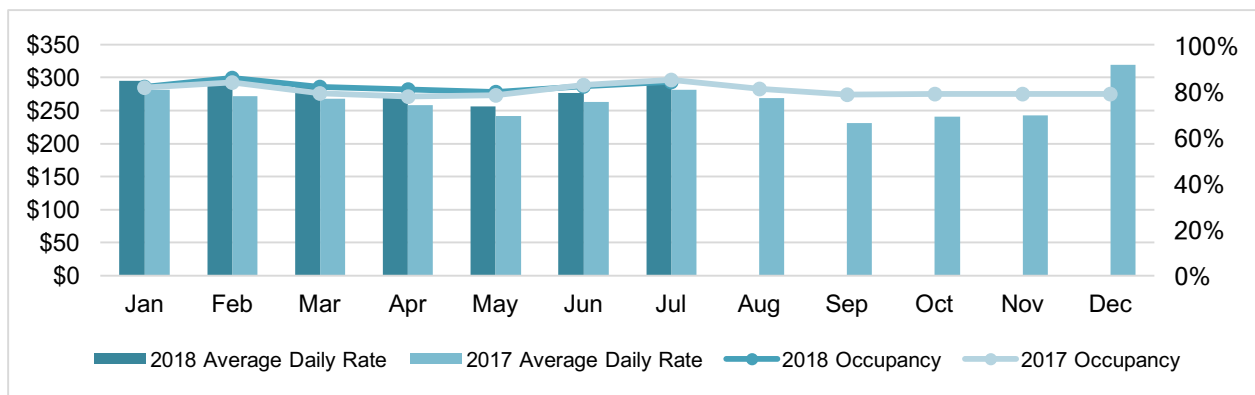
Figure 2: Hawai'i Hotel Performance Year-to-Date July 2018

	Occupancy %			Average Daily Rate			RevPAR		
	2018	2017	Percentage Pt. Change	2018	2017	% Change	2018	2017	% Change
State of Hawai'i	82.0%	81.0%	1.0%	\$282.45	\$266.86	5.8%	\$231.67	\$216.15	7.2%
Luxury Class	77.1%	76.2%	1.0%	\$564.81	\$525.85	7.4%	\$435.51	\$400.47	8.7%
Upper Upscale Class	86.7%	86.5%	0.2%	\$277.17	\$265.49	4.4%	\$240.39	\$229.74	4.6%
Upscale Class	76.9%	75.1%	1.8%	\$213.79	\$199.31	7.3%	\$164.47	\$149.78	9.8%
Upper Midscale Class	82.7%	81.4%	1.3%	\$168.66	\$160.45	5.1%	\$139.46	\$130.58	6.8%
Midscale & Economy Class	83.1%	80.5%	2.5%	\$167.27	\$152.83	9.4%	\$138.96	\$123.11	12.9%
O'ahu	84.9%	83.7%	1.2%	\$237.45	\$232.88	2.0%	\$201.62	\$195.02	3.4%
Waikiki	85.5%	84.4%	1.0%	\$232.73	\$228.21	2.0%	\$198.91	\$192.67	3.2%
Other O'ahu	81.6%	79.5%	2.1%	\$266.81	\$263.47	1.3%	\$217.65	\$209.49	3.9%
O'ahu Luxury	71.1%	70.7%	0.4%	\$493.04	\$483.05	2.1%	\$350.34	\$341.37	2.6%
O'ahu Upper Upscale	89.8%	88.8%	1.0%	\$255.86	\$255.05	0.3%	\$229.83	\$226.60	1.4%
O'ahu Upscale	80.2%	78.4%	1.8%	\$210.03	\$198.52	5.8%	\$168.40	\$155.68	8.2%
O'ahu Upper Midscale	84.1%	83.4%	0.7%	\$156.49	\$152.13	2.9%	\$131.65	\$126.87	3.8%
O'ahu Midscale & Economy	89.6%	87.2%	2.4%	\$135.33	\$130.03	4.1%	\$121.32	\$113.38	7.0%
Maui County	79.0%	78.6%	0.4%	\$398.93	\$360.66	10.6%	\$315.32	\$283.47	11.2%
Wailea	88.8%	86.3%	2.4%	\$608.89	\$540.67	12.6%	\$540.45	\$466.79	15.8%
Lahaina/Kā'anapali/Kapalua	78.6%	78.8%	-0.2%	\$333.86	\$306.26	9.0%	\$262.51	\$241.37	8.8%
Other Maui County	79.6%	78.3%	1.2%	\$480.21	\$428.67	12.0%	\$382.07	\$335.77	13.8%
Maui County Luxury	80.3%	78.7%	1.6%	\$663.70	\$598.88	10.8%	\$533.27	\$471.47	13.1%
Maui County Upper Upscale & Upscale	79.4%	79.5%	-0.1%	\$312.22	\$284.97	9.6%	\$247.85	\$226.62	9.4%
Island of Hawai'i	77.0%	76.3%	0.7%	\$268.07	\$251.56	6.6%	\$206.36	\$191.82	7.6%
Kohala Coast	74.4%	76.2%	-1.9%	\$380.15	\$346.72	9.6%	\$282.71	\$264.32	7.0%
Kaua'i	79.0%	77.1%	1.9%	\$297.97	\$267.24	11.5%	\$235.48	\$206.04	14.3%

Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority

Note: Samples for Maui Upper Midscale, Midscale and Economy Classes were insufficient for reporting purposes, but these data are included in Maui and statewide totals.

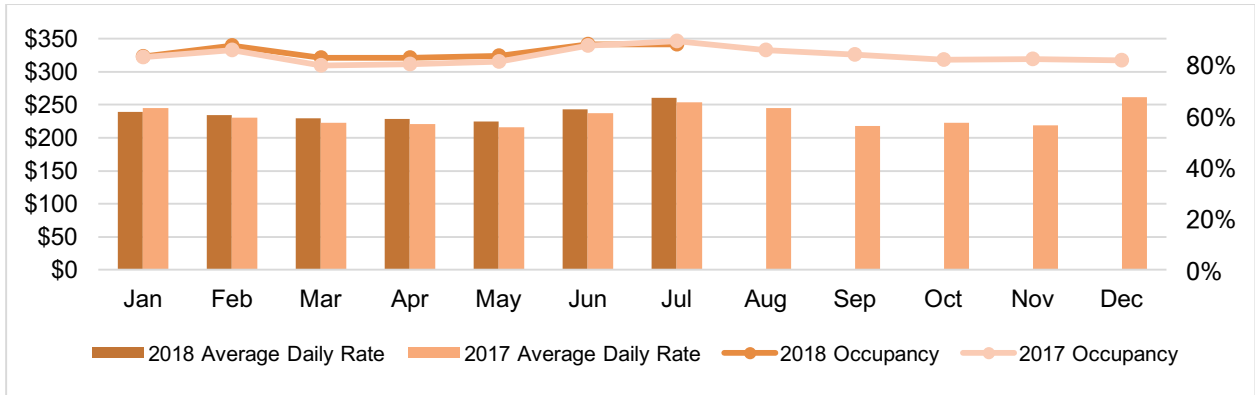
Figure 3: Monthly State of Hawai'i Hotel Performance, 2018 vs. 2017



Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority.

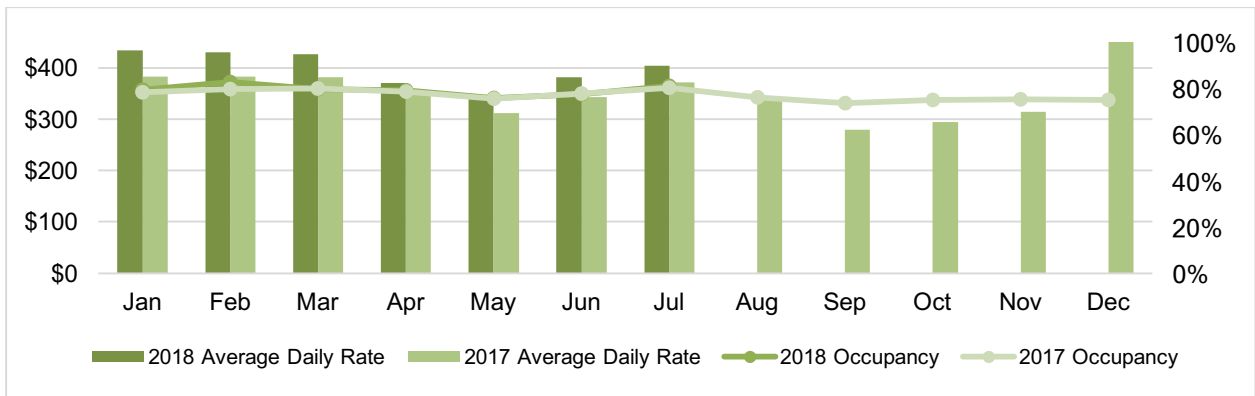
January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 4: Monthly O'ahu Hotel Performance, 2018 vs. 2017



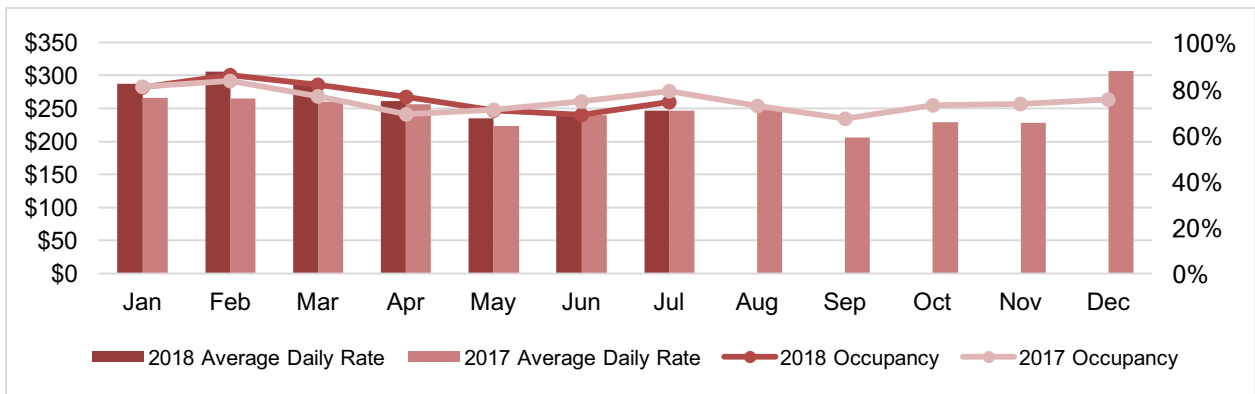
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January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 5: Monthly Maui County Hotel Performance, 2018 vs. 2017



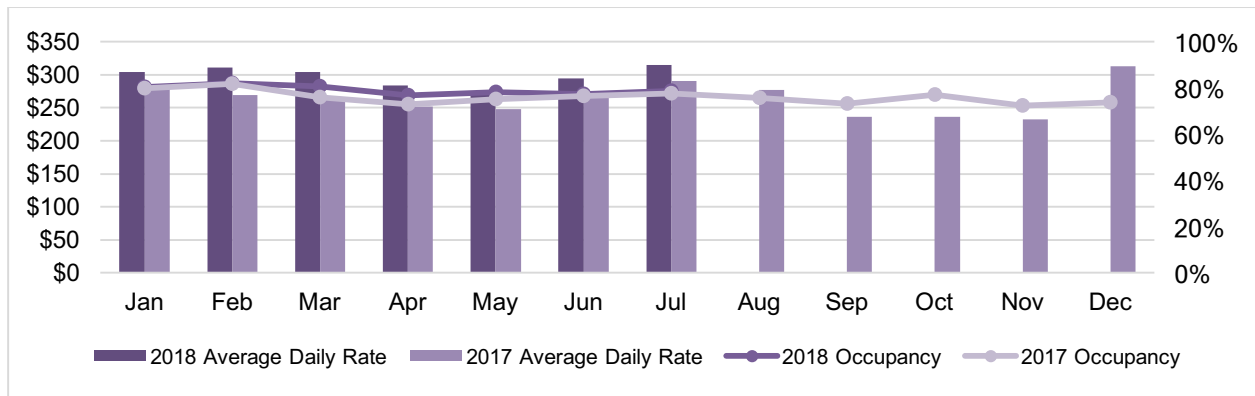
Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority.
January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 6: Monthly Island of Hawai'i Hotel Performance, 2018 vs. 2017



Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority.
January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 7: Monthly Kaua'i Hotel Performance, 2018 vs. 2017



Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority.
 January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 8: STR Forecast - 2018

	Occupancy	Percentage Pt. Chng	ADR	% Change	RevPAR	% Change
State of Hawai'i	80.9%	0.7%	\$278.91	5.5%	\$225.52	6.3%
O'ahu	84.4%	0.9%	\$237.97	2.1%	\$200.89	3.3%
Maui County	77.5%	0.4%	\$385.29	9.0%	\$298.50	9.6%
Hawai'i Island	74.9%	0.1%	\$262.43	5.3%	\$196.51	5.5%
Kaua'i	77.2%	1.5%	\$291.08	10.3%	\$224.62	12.4%

Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority.

Figure 9: STR Forecast - 2019

	Occupancy	Percentage Pt. Chng	ADR	% Change	RevPAR	% Change
State of Hawai'i	81.3%	0.5%	\$292.49	4.9%	\$237.83	5.5%
O'ahu	84.7%	0.3%	\$245.06	3.0%	\$207.58	3.3%
Maui County	78.0%	0.5%	\$404.43	5.0%	\$315.40	5.7%
Hawai'i Island	75.2%	0.3%	\$274.94	4.8%	\$206.66	5.2%
Kaua'i	77.7%	0.5%	\$310.63	6.7%	\$241.41	7.5%

Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority.