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HTA Release (18-11)

Hawai'i Hotels Statewide Set New Annual Records in 2017 for Revenue Per Available Room and Average Daily Rate

Statewide Average Daily Rate Rose to \$319 in December, Highest of Any Month in 2017

HONOLULU – Hotels in the Hawaiian Islands averaged a record \$212 in revenue per available room (RevPAR) for all of 2017, an increase of 5.4 percent compared to 2016, according to the *Hawai'i Hotel Performance Report* released today by the Hawai'i Tourism Authority (HTA).

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.

The average daily rate (ADR) of \$264 in 2017 for hotels statewide also set a new annual record for Hawai'i, an increase of 4.1 percent, or \$10, compared to 2016. As seen in the accompanying chart showing the key performance statistics for Hawai'i hotels from 1990 through 2017, last year marked the sixth straight year of growth for both RevPAR and ADR (Figure 1).

Hotel occupancy statewide averaged 80.0 percent in 2017, an increase of 1.0 percentage points over 2016. The highest average of annual statewide occupancy was in 2005 at 81.1 percent.

On a statewide basis, all classes of hotel properties in Hawai'i performed better in 2017 compared to 2016 (Figure 2). Luxury class properties reported increases in RevPAR to \$394 (+6.2%) and ADR to \$525 (+4.5%), with occupancy at 75.1 percent (+1.2 percentage points).

Midscale and Economy Class hotels reported the highest growth in RevPAR for the year to \$119 (+6.6%), supported by increases in average daily rate to \$153 (+3.4%) and occupancy of 77.9 percent (+2.4 percentage points).

"Coming into 2017 the outlook was soft for the hotel industry, particularly in the third quarter, but the rates that hotels commanded, and the revenues generated, turned out to be far greater than anyone anticipated on a statewide level," said Jennifer Chun, HTA director of tourism research. "However, this growth was not distributed equally among the Hawaiian Islands. While neighbor island hotels performed well in 2017, Waikīkī hotels, with the state's largest concentration of rooms, did not enjoy the same level of success. RevPAR was flat and occupancy, even though it was the highest in the state, was still down slightly compared to 2016."

The average growth in annual RevPAR was strongest on the neighbor islands in 2017. Maui County at \$272 (+8.9%), Kaua'i at \$200 (+8.6%), and the island of Hawai'i at \$185 (+11.7%) all reported strong increases in RevPAR supported by growth in both ADR and occupancy. O'ahu, by comparison, averaged modest growth in RevPAR to \$194 (+1.7%), which was driven by higher ADR to \$233 (+2.5%), as occupancy of 83.3 percent (-0.7 percentage points) declined slightly in 2017 versus 2016.

Chun noted, "The island of Hawai'i really stands out for the way it is bouncing back with healthy increases in RevPAR and occupancy. The increased air seat capacity introduced in 2017 translated into success for the hotel properties."

Month of December 2017

Hawai'i hotels statewide averaged RevPAR of \$251 (+3.8%) in the month of December, the highest monthly total in 2017. ADR increased to \$319 (+3.7%), while occupancy was flat year-over-year.

Chun commented, "December was an exceptional month for hotel properties on the neighbor islands, with the average daily rate for Maui County being head and shoulders above every other county, led by the remarkable performance of the Wailea resort region." (Figures 3)

All classes of properties reported RevPAR improvements in December compared to a year ago, with lower-tier and mid-range properties posting the strongest growth. Midscale and Economy Class hotels achieved the industry's highest growth in RevPAR to \$140 (+14.8%) in December, driven by increases in both ADR to \$174 (+3.8%) and occupancy of 80.8 percent (+7.8 percentage points). Upper Midscale Class hotels grew RevPAR to \$143 (+6.6%) in December versus a year ago, with increases in both ADR to \$179 (+4.4%) and occupancy of 79.5 percent (+1.6 percentage points).

Among Hawai'i's four island counties, hotel properties in Maui County recorded the highest RevPAR in December at \$358 (+6.2%), driven by an increase in ADR to \$477 (+5.6%). Occupancy of Maui County properties rose slightly to 75.1 percent (+0.4 percentage points).

O'ahu hotel properties reported a marginal increase in RevPAR to \$213 (+0.6%) in December, with ADR to \$261 (+1.6%) also increasing modestly. Notably, although occupancy of O'ahu hotels declined slightly to 81.7 percent (-0.9%), this was still the highest rate for any of the counties in December.

Kaua'i hotel properties earned the largest gain in RevPAR to \$231 (+8.4%) in December, boosted by increases in ADR to \$314 (+5.9%) and occupancy of 73.7 percent (+1.7 percentage points).

Hotel properties on the island of Hawai'i saw RevPAR increase to \$231 (+6.1%) in December, fueled by a rise in ADR to \$307 (+2.9%) and the highest growth rate for occupancy at 75.4 percent (+2.2 percentage points) for any of the island counties.

Wailea led the state's resort regions in RevPAR at \$632 (+9.5%), ADR at \$773 (+7.5%), and occupancy of 81.8 percent (+1.5 percentage points) in December.

The Lahaina-Kā'anapali-Kapalua resort area reported growth in RevPAR to \$280 (+8.0%) and ADR to \$374 (+5.8%) in December, with occupancy also increasing to 74.9 percent (+1.5 percentage points).

The Kohala Coast resort area reported growth in RevPAR to \$336 (+5.4%) in December, driven by a strong increase in ADR to \$470 (+11.0%), which offset a decrease in occupancy to 71.7 percent (-3.8 percentage points).

Waikīkī properties earned slightly less per room in December, with RevPAR at \$208 (-0.5%). A small increase in ADR to \$252 (+1.2%) was offset by a decline in occupancy of 82.6 percent (-1.3 percentage points). Despite this drop, Waikīkī properties recorded the highest regional occupancy rate statewide.

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Tables of hotel performance statistics, including data presented in the news release are available for viewing online at: <http://www.hawaiitourismauthority.org/research/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 December 2017, the survey included 166 properties representing 48,876 rooms, or 90.4 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](#) 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.hawaii-tourism-authority.org. Follow updates about HTA on [Facebook](#), [Twitter](#) (@HawaiiHTA) and its [YouTube Channel](#).

For more information, contact:

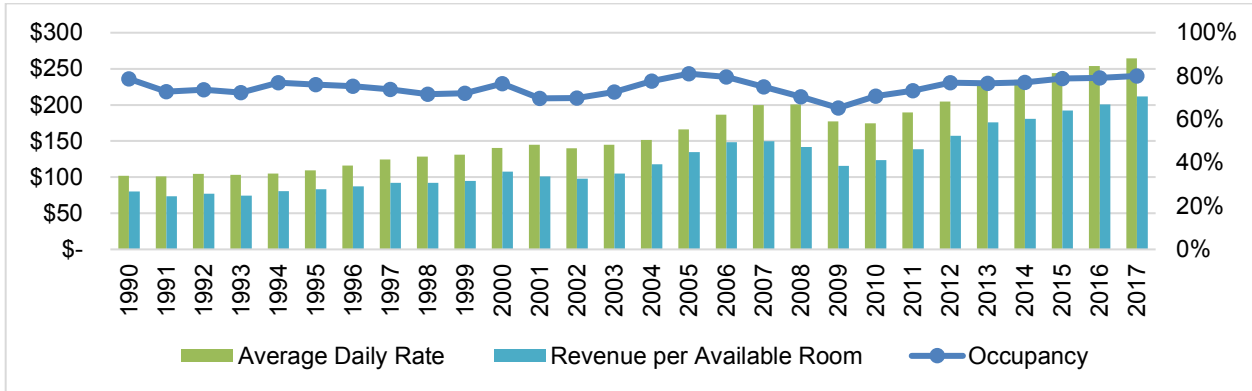
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Figure 1: State of Hawai'i Hotel Performance 1990 – 2017



Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority
1990 – 2017, and January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 2: Year-to-Date December 2017

	Occupancy %			Average Daily Rate			RevPAR		
	2017	2016	Percentage Pt. Change	2017	2016	% Change	2017	2016	% Change
State of Hawai'i	80.0%	79.0%	1.0%	\$264.43	\$254.03	4.1%	\$211.60	\$200.80	5.4%
Luxury Class	75.1%	73.9%	1.2%	\$525.13	\$502.48	4.5%	\$394.29	\$371.41	6.2%
Upper Upscale Class	85.6%	85.2%	0.4%	\$267.47	\$259.24	3.2%	\$229.02	\$220.86	3.7%
Upscale Class	75.2%	73.9%	1.3%	\$195.74	\$189.13	3.5%	\$147.12	\$139.72	5.3%
Upper Midscale Class	81.1%	80.3%	0.8%	\$159.91	\$154.50	3.5%	\$129.75	\$124.09	4.6%
Midscale & Economy Class	77.9%	75.5%	2.4%	\$152.68	\$147.72	3.4%	\$118.86	\$111.53	6.6%
O'ahu	83.3%	83.9%	-0.7%	\$233.11	\$227.42	2.5%	\$194.08	\$190.89	1.7%
Waikiki	84.4%	85.5%	-1.1%	\$228.55	\$225.74	1.2%	\$192.95	\$192.97	0.0%
Other O'ahu	76.3%	74.6%	1.7%	\$263.06	\$238.95	10.1%	\$200.79	\$178.33	12.6%
O'ahu Luxury	71.9%	72.1%	-0.2%	\$484.74	\$464.73	4.3%	\$348.43	\$335.09	4.0%
O'ahu Upper Upscale	89.1%	89.3%	-0.2%	\$257.54	\$256.11	0.6%	\$229.38	\$228.61	0.3%
O'ahu Upscale	77.8%	80.8%	-3.1%	\$194.68	\$192.21	1.3%	\$151.37	\$155.32	-2.5%
O'ahu Upper Midscale	83.3%	83.4%	-0.1%	\$152.07	\$148.37	2.5%	\$126.66	\$123.68	2.4%
O'ahu Midscale & Economy	82.3%	79.8%	2.5%	\$132.91	\$132.68	0.2%	\$109.36	\$105.88	3.3%
Maui County	77.1%	75.9%	1.2%	\$353.04	\$329.58	7.1%	\$272.15	\$250.02	8.9%
Wailea	84.6%	80.8%	3.8%	\$538.22	\$494.86	8.8%	\$455.52	\$399.97	13.9%
Lahaina/Kā'anapali/Kapalua	77.5%	76.6%	0.9%	\$296.48	\$280.59	5.7%	\$229.67	\$214.82	6.9%
Other Maui County	76.6%	75.0%	1.6%	\$424.56	\$389.39	9.0%	\$325.27	\$292.13	11.3%
Maui County Luxury	75.7%	75.1%	0.6%	\$603.71	\$565.97	6.7%	\$456.85	\$424.86	7.5%
Maui County Upper Upscale & Upscale	78.5%	76.5%	2.0%	\$277.62	\$256.34	8.3%	\$217.96	\$196.22	11.1%
Island of Hawai'i	74.4%	68.7%	5.7%	\$249.26	\$241.65	3.1%	\$185.35	\$165.98	11.7%
Kohala Coast	73.3%	70.7%	2.6%	\$348.88	\$330.46	5.6%	\$255.62	\$233.51	9.5%
Kauai	75.7%	72.7%	3.0%	\$263.97	\$253.16	4.3%	\$199.83	\$184.07	8.6%

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.

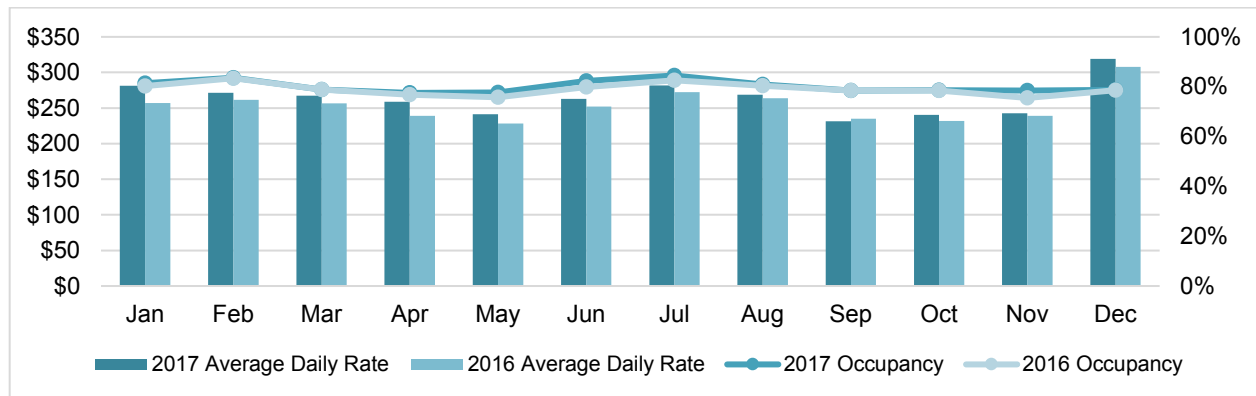
Figure 3: Month of December 2017

	Occupancy %			Average Daily Rate			RevPAR		
	2017	2016	Percentage Pt. Change	2017	2016	% Change	2017	2016	% Change
State of Hawai'i	78.7%	78.6%	0.0%	\$319.20	\$307.78	3.7%	\$251.12	\$242.02	3.8%
Luxury Class	73.3%	73.3%	0.0%	\$727.44	\$701.57	3.7%	\$532.94	\$514.05	3.7%
Upper Upscale Class	83.3%	84.7%	-1.4%	\$307.35	\$296.61	3.6%	\$256.01	\$251.21	1.9%
Upscale Class	74.4%	75.4%	-1.0%	\$220.80	\$211.24	4.5%	\$164.28	\$159.31	3.1%
Upper Midscale Class	79.5%	77.9%	1.6%	\$179.21	\$171.65	4.4%	\$142.55	\$133.73	6.6%
Midscale & Economy Class	80.8%	73.1%	7.8%	\$173.78	\$167.47	3.8%	\$140.49	\$122.34	14.8%
O'ahu	81.7%	82.6%	-0.9%	\$261.23	\$257.06	1.6%	\$213.46	\$212.27	0.6%
Waikīkī	82.6%	83.9%	-1.3%	\$252.42	\$249.51	1.2%	\$208.45	\$209.41	-0.5%
Other O'ahu	76.6%	74.6%	2.0%	\$317.59	\$307.11	3.4%	\$243.13	\$229.11	6.1%
O'ahu Luxury	70.6%	71.9%	-1.3%	\$604.19	\$598.79	0.9%	\$426.67	\$430.75	-0.9%
O'ahu Upper Upscale	86.4%	87.6%	-1.1%	\$279.72	\$279.56	0.1%	\$241.75	\$244.75	-1.2%
O'ahu Upscale	76.5%	81.5%	-5.0%	\$218.44	\$208.79	4.6%	\$167.21	\$170.22	-1.8%
O'ahu Upper Midscale	81.1%	80.9%	0.2%	\$166.79	\$159.84	4.3%	\$135.29	\$129.30	4.6%
O'ahu Midscale & Economy	87.0%	76.4%	10.6%	\$145.12	\$140.79	3.1%	\$126.21	\$107.56	17.3%
Maui County	75.1%	74.7%	0.4%	\$477.22	\$452.01	5.6%	\$358.35	\$337.54	6.2%
Wailea	81.8%	80.2%	1.5%	\$772.65	\$718.95	7.5%	\$631.92	\$576.86	9.5%
Lahaina/Kā'anapali/Kapalua	74.9%	73.4%	1.5%	\$373.73	\$353.13	5.8%	\$280.06	\$259.27	8.0%
Other Maui County	75.3%	76.2%	-0.9%	\$607.29	\$566.76	7.2%	\$457.19	\$431.79	5.9%
Maui County Luxury	72.8%	74.3%	-1.6%	\$925.05	\$874.55	5.8%	\$673.22	\$650.20	3.5%
Maui County Upper Upscale & Upscale	76.6%	75.1%	1.5%	\$341.55	\$314.26	8.7%	\$261.67	\$235.97	10.9%
Island of Hawai'i	75.4%	73.2%	2.2%	\$306.96	\$298.17	2.9%	\$231.36	\$218.16	6.1%
Kohala Coast	71.7%	75.5%	-3.8%	\$469.50	\$422.86	11.0%	\$336.49	\$319.29	5.4%
Kaua'i	73.7%	72.0%	1.7%	\$312.84	\$295.32	5.9%	\$230.54	\$212.68	8.4%

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

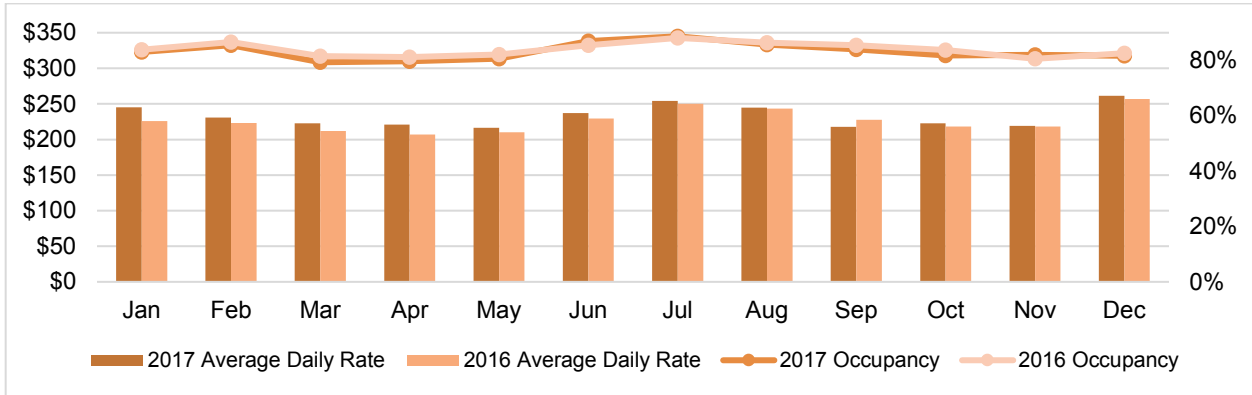
Note: Samples for Maui Upper Midscale, Midscale and Economy Classes were insufficient for reporting purposes, but these data are included in Maui and statewide totals.

Figure 4: Monthly State of Hawai'i Hotel Performance, 2017 vs. 2016



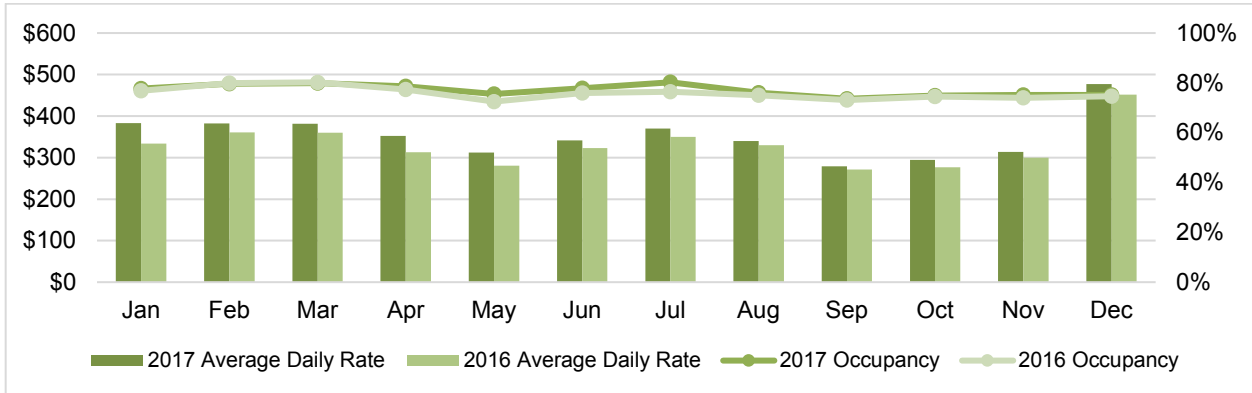
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January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 5: Monthly O'ahu Hotel Performance, 2017 vs. 2016



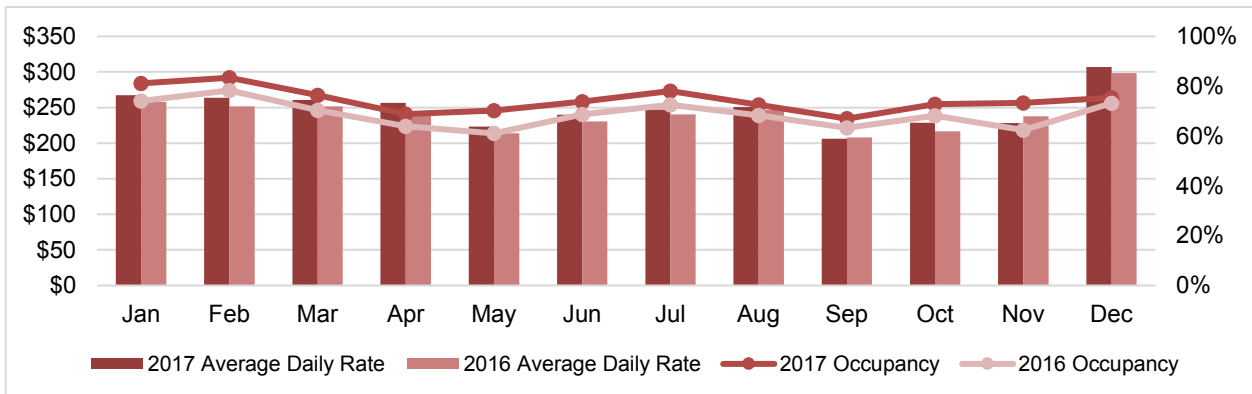
Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority.
January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 6: Monthly Maui County Hotel Performance, 2017 vs. 2016



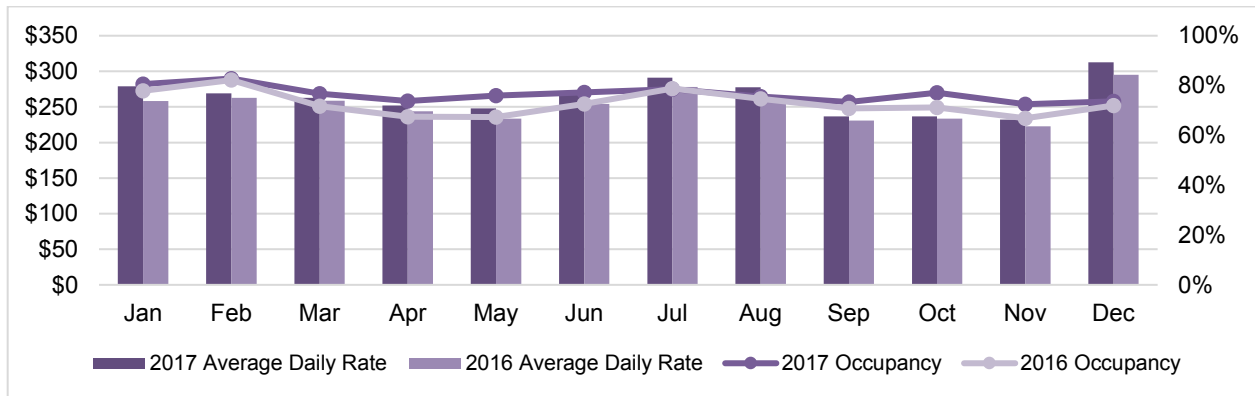
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Figure 7: Monthly Island of Hawai'i Hotel Performance, 2017 vs. 2016



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Figure 8: Monthly Kaua'i Hotel Performance, 2017 vs. 2016



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