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HTA Release (18-40)

Hawaii Hotels Statewide Led U.S. Markets in RevPAR (\$229) and ADR (\$280) in First Half of 2018

HONOLULU – Hawaii hotels statewide recorded the highest revenue per available room (RevPAR) and average daily rate (ADR) of the top U.S. markets in the first six months of 2018, according to the *Hawaii Hotel Performance Report* released today by the Hawaii Tourism Authority (HTA).

Year-to-date, RevPAR in the Hawaiian Islands grew to \$229 (+7.9%), ADR rose to \$280 (+6.0%) and occupancy increased to 81.7 percent (+1.4 percentage points) in the first half of 2018 compared to the same period last year (Figure 1).

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.

All classes of Hawaii's hotel properties statewide reported RevPAR growth in the first half of 2018, with Midscale & Economy Class hotels (\$139, +13.9%) and Upscale Class hotels (\$163, +10.5%) both reporting double-digit increases compared to a year ago. Luxury Class hotels also performed well, earning RevPAR of \$432 (+9.9%), which was driven by increases in both ADR to \$562 (+8.0%) and occupancy of 76.9 percent (+1.3 percentage points).

The strong, across-the-board performance raised the Hawaiian Islands' RevPAR to \$229 and earned a number one nationwide ranking when compared to other top U.S. markets for the first half of 2018. New York City followed at \$205, with San Francisco/San Mateo at \$192 (Figure 2). Hawaii also led the top U.S. markets in ADR at \$280, again followed by New York City at \$241 and San Francisco/San Mateo at \$236 (Figure 3). Hawaii ranked second nationally for occupancy at 81.7 percent, trailing New York City at 85.2 percent and being on par with Orlando, FL¹ (Figure 4).

"For Hawaii to earn the number one ranking in the U.S. in both RevPAR and ADR as the market is rising nationally is a significant achievement for the state," said Jennifer Chun, HTA tourism research director. "Most U.S. markets reported RevPAR growth in the first half of 2018. Very few markets were down compared to a year ago."

Hotels in each of Hawaii's four island counties enjoyed a solid first six months of 2018. Maui County hotels led the state overall in RevPAR at \$313 (+11.5%), driven by an increase in ADR to \$398 (+10.9%). On Maui, the luxury resort region of Wailea generated outstanding results, leading the state in RevPAR at \$537 (+16.5%), ADR at \$607 (+13.4%) and occupancy of 88.4% (+2.4 percentage points) in the first half of 2018. In addition, hotels in the Lahaina-Kā'anapali-Kapalua resort area reported growth in RevPAR to \$259 (+8.8%), which was driven by an increase in ADR to \$332 (+9.1%).

Kauai's hotels led the state in growth of RevPAR (\$233, +15.2%), boosted by increases in ADR to \$295 (+12.0%) and occupancy of 79.2 percent (+2.2 percentage points).

O'ahu hotel properties generated the state's highest occupancy at 84.4 percent (+1.6 percentage points) in the first half of 2018. Coupled with a modest increase in ADR to \$233 (+1.9%), O'ahu hotels earned RevPAR of \$197 (+3.8%). Waikiki hotels grew RevPAR to \$195 (+3.8%) supported by increases in both ADR to \$229 (+1.9%) and occupancy to 85.1 percent (+1.6 percentage points).

¹ State of Hawaii occupancy was 0.01 percentage points higher than Orlando, FL for year-to-date June 2018.

For the first half of the year, hotel properties on the island of Hawai'i reported growth in RevPAR to \$210 (+9.9%), bolstered by increases in ADR to \$272 (+7.6%) and occupancy of 77.5 percent (+1.6 percentage points). The Kohala Coast resort region earned RevPAR of \$288 (+9.4%), with an increase in ADR to \$387 (+11.4%) offsetting a decline in occupancy to 74.6% (-1.4 percentage points).

Chun commented, "The Hawaiian Islands enjoyed the highest RevPAR and ADR over the first six months of the year since the inception of STR's survey. Every class of hotel property and each island county reported increases in RevPAR. Maui's performance was very strong with Wailea being exceptional. The island of Hawai'i benefited from five good months to begin the year, which offset a downturn in occupancy during June while Kīlauea volcano was continuing to erupt."

Hawai'i Ranks High Compared to International "Sun and Sea" Destinations

Hawai'i's four island counties fared favorably in RevPAR growth in the first half of 2018 when compared to international "sun and sea" destinations (Figure 5). Maui County hotels ranked third for RevPAR (\$313, +11.5%), trailing the Maldives (\$447, +3.6%) and French Polynesia (\$321, +9.0%). Kaua'i ranked fifth (\$233, +15.2%), with the island of Hawai'i at seventh (\$210, +9.9%) and O'ahu at eighth (\$197, +3.8%).

Year-to-date through June, Maui County ranked fourth in ADR (\$398, +10.9%), with Kaua'i at sixth (\$295, +12.0%), the island of Hawai'i at seventh (\$272, +7.6%) and O'ahu at eighth (\$233, +1.9%). The top three destinations for ADR were the Maldives (\$680, +1.3%), French Polynesia (\$527, +17.5%) and Cabo San Lucas (\$421.08, +19.6%) (Figure 6).

O'ahu led all sun and sea destinations in occupancy at 84.4 percent (+1.6 percentage points) over the first six months of 2018 followed by Phuket (79.7%, +1.8 percentage points). Kaua'i ranked third (79.2%, +2.2 percentage points), with Maui at fourth (78.7%, +0.4 percentage points), and the island of Hawai'i at fifth (77.5%, +1.6 percentage points) (Figure 7).

June 2018 Hotel Performance

For the month of June, Hawai'i hotels statewide reported increases in RevPAR to \$227 (+4.7%) and ADR to \$277 (+5.4%), which offset a slight decline in occupancy of 82.0% (-0.6 percentage points) (Figure 8).

"Statewide RevPAR and ADR this June were the highest ever for any month of June," said Chun. "That is noteworthy considering how Kīlauea volcano negatively impacted RevPAR and occupancy on the island of Hawai'i. However, the overall performance of Maui County, Kaua'i and O'ahu more than compensated for these declines. Waikīkī and Wailea were full during June with occupancy of 88.2 percent and 89.6 percent, respectively. The success of these regions helped lift up the state."

All classes of hotel properties reported higher RevPAR and ADR in June compared to a year ago. However, only Midscale & Economy Class hotels produced higher occupancy at 82.5% (+0.8 percentage points). Luxury Class hotels recorded a small drop in occupancy to 74.5% (-2.0 percentage points).

In June, Maui County hotels reported the highest RevPAR at \$295 (+10.7%), with strong growth in ADR to \$381 (+11.3%) offsetting flat occupancy of 77.3 percent (-0.4 percentage points). Wailea hotels led the state's resort regions in all three categories, recording increases in RevPAR to \$518 (+18.8%), ADR to \$579 (+12.9%), and occupancy of 89.6 percent (+4.4 percentage points). The Lahaina-Kā'anapali-Kapalua region also grew RevPAR to \$250 (+7.9%), with rising ADR (\$324, +9.4%) offsetting declining occupancy of 77.2% (-1.1 percentage points).

Kaua'i hotels earned the state's highest county RevPAR growth in June, increasing to \$228 (+11.6%), which was supported by ADR of \$294 (+10.1%) and occupancy of 77.4 percent (+1.0 percentage points).

O'ahu hotels reported a respectable June, with increases in RevPAR to \$213 (+3.0%), ADR to \$243 (+2.6%), and similar occupancy of 87.7% (+0.4 percentage points). Waikīkī hotels earned RevPAR of \$210 (+3.2%), supported by an increase in ADR to \$239 (+3.0%) with occupancy remaining flat at 88.2% (+0.2 percentage points).

Hotels on the island of Hawai'i felt the effects of Kīlauea volcano's continued activity in June, however, the 33-room Volcano House, located in Hawai'i Volcanoes National Park, is the only hotel closed due to this impact. RevPAR for the island of Hawai'i dropped to \$163.91 (-8.3%) in June. While the ADR of \$239 (-0.3%) was similar to a year ago, occupancy declined to 68.6 percent (-6.0 percentage points). Hotel properties in the Kohala Coast resort region also experienced a drop in RevPAR to \$214 (-13.3%) in June. While a small increase in ADR to \$335 was realized (+1.0%), this was more than offset by a decline in occupancy to 63.9% (-10.6 percentage points).

Chun noted, "Two notable RevPAR growth streaks for island of Hawai'i hotels were broken in June. The island overall saw its 31-month streak of continuous RevPAR growth, going back to November 2015, ended. In addition, the Kohala Coast resort's streak of continuous growth over the past eight months ended in June as well."

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Tables of hotel performance statistics, including data presented in the news release are available for viewing online at: <https://www.hawaii tourism authority.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 June 2018, the survey included 166 properties representing 48,814 rooms, or 90.4 percent of all lodging properties with 20 rooms or more in Hawai'i, including full service, limited service, and condominium hotels.

About the Hawai'i Tourism Authority

The [Hawai'i Tourism Authority](http://www.hawaii tourism authority.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.hawaii tourism authority.org. Follow updates about HTA on [Facebook](#), [Twitter](#) (@HawaiiHTA) and its [YouTube Channel](#).

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Figure 1: Hawai'i Hotel Performance Year-to-Date June 2018

	Occupancy %			Average Daily Rate			RevPAR		
	2018	2017	Percentage Pt. Change	2018	2017	% Change	2018	2017	% Change
State of Hawai'i	81.7%	80.3%	1.4%	\$280.09	\$264.13	6.0%	\$228.91	\$212.22	7.9%
Luxury Class	76.9%	75.6%	1.3%	\$562.10	\$520.52	8.0%	\$432.23	\$393.36	9.9%
Upper Upscale Class	86.3%	86.0%	0.3%	\$274.33	\$262.26	4.6%	\$236.78	\$225.47	5.0%
Upscale Class	76.6%	74.4%	2.3%	\$212.17	\$197.87	7.2%	\$162.63	\$147.19	10.5%
Upper Midscale Class	82.4%	80.6%	1.8%	\$166.27	\$158.53	4.9%	\$136.99	\$127.72	7.3%
Midscale & Economy Class	83.3%	80.0%	3.3%	\$166.28	\$151.94	9.4%	\$138.58	\$121.62	13.9%
O'ahu	84.4%	82.8%	1.6%	\$233.33	\$229.01	1.9%	\$196.93	\$189.64	3.8%
Waikiki	85.1%	83.5%	1.6%	\$228.74	\$224.54	1.9%	\$194.56	\$187.50	3.8%
Other O'ahu	80.5%	78.5%	2.0%	\$262.11	\$258.30	1.5%	\$211.06	\$202.79	4.1%
O'ahu Luxury	70.2%	69.4%	0.8%	\$487.46	\$475.81	2.4%	\$342.25	\$330.24	3.6%
O'ahu Upper Upscale	89.4%	88.0%	1.4%	\$251.79	\$251.13	0.3%	\$225.07	\$221.08	1.8%
O'ahu Upscale	79.5%	77.5%	2.0%	\$205.87	\$194.72	5.7%	\$163.74	\$150.92	8.5%
O'ahu Upper Midscale	83.6%	82.4%	1.3%	\$153.14	\$149.62	2.4%	\$128.04	\$123.22	3.9%
O'ahu Midscale & Economy	89.6%	86.2%	3.4%	\$132.46	\$127.37	4.0%	\$118.73	\$109.82	8.1%
Maui County	78.7%	78.3%	0.4%	\$398.02	\$358.77	10.9%	\$313.15	\$280.95	11.5%
Wailea	88.4%	86.1%	2.4%	\$606.71	\$534.97	13.4%	\$536.64	\$460.48	16.5%
Lahaina/Kā'anapali/Kapalua	78.0%	78.3%	-0.3%	\$331.73	\$304.01	9.1%	\$258.88	\$238.05	8.8%
Other Maui County	79.5%	78.3%	1.2%	\$480.29	\$426.60	12.6%	\$381.75	\$334.11	14.3%
Maui County Luxury	79.8%	78.6%	1.2%	\$661.70	\$592.11	11.8%	\$528.07	\$465.56	13.4%
Maui County Upper Upscale & Upscale	78.9%	79.0%	-0.1%	\$311.62	\$284.14	9.7%	\$245.95	\$224.60	9.5%
Island of Hawai'i	77.5%	75.8%	1.6%	\$271.57	\$252.39	7.6%	\$210.36	\$191.35	9.9%
Kohala Coast	74.6%	75.9%	-1.4%	\$386.89	\$347.31	11.4%	\$288.44	\$263.70	9.4%
Kaua'i	79.2%	77.0%	2.2%	\$294.76	\$263.09	12.0%	\$233.39	\$202.53	15.2%

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: Top 5 U.S. Markets – Revenue Per Available Room – Year-to-Date June 2018

Rank	Destination	Revenue Per Available Room	% Change
1	Hawaiian Islands	\$228.91	7.9%
2	New York, NY	\$205.38	5.3%
3	San Francisco/San Mateo, CA	\$192.35	4.1%
4	Miami/Hialeah, FL	\$179.14	12.6%
5	Los Angeles/Long Beach, CA	\$142.39	1.8%

Figure 3: Top 5 U.S. Markets – Average Daily Rate – Year-to-Date June 2018

Rank	Destination	Average Daily Rate	% Change
1	Hawaiian Islands	\$280.09	6.0%
2	New York, NY	\$241.01	3.4%
3	San Francisco/San Mateo, CA	\$235.71	4.9%
4	Miami/Hialeah, FL	\$220.58	9.2%
5	Boston, MA	\$189.24	-0.7%

Figure 4: Top 5 U.S. Markets – Occupancy – Year-to-Date June 2018

Rank	Destination	Occupancy	Percentage Pt. Change
1	New York, NY	85.2%	1.6%
2	Hawaiian Islands	81.7%	1.4%
3	Orlando, FL	81.7%	0.9%
4	San Francisco/San Mateo, CA	81.6%	-0.6%
5	Miami/Hialeah, FL	81.2%	2.4%

Figure 5: Competitive Sun and Sea Destinations – Revenue per Available Room – Year-to-Date June 2018

Rank	Destination	Revenue Per Available Room	% Change
1	Maldives	\$446.70	3.6%
2	French Polynesia	\$321.45	9.0%
3	Maui	\$313.15	11.5%
4	Aruba	\$267.39	14.8%
5	Kaua'i	\$233.39	15.2%
6	Cabo San Lucas+	\$226.08	0.1%
7	Island of Hawai'i	\$210.36	9.9%
8	O'ahu	\$196.93	3.8%
9	Cancun+	\$168.97	181.5%
10	Puerto Rico	\$165.32	20.1%
11	Costa Rica	\$129.18	8.8%
12	Phuket	\$112.60	20.8%
13	Fiji	\$98.96	130.1%
14	Puerto Vallarta+	\$72.42	30.9%
15	Bali	\$69.59	-1.4%

Figure 6: Competitive Sun and Sea Destinations – Average Daily Rate – Year-to-Date June 2018

Rank	Destination	Average Daily Rate	% Change
1	Maldives	\$680.12	1.3%
2	French Polynesia	\$526.67	17.5%
3	Cabo San Lucas+	\$421.08	19.6%
4	Maui	\$398.02	10.9%
5	Aruba	\$346.53	10.5%
6	Kaua'i	\$294.76	12.0%
7	Island of Hawai'i	\$271.57	7.6%
8	O'ahu	\$233.33	1.9%
9	Cancun+	\$225.93	191.6%
10	Puerto Rico	\$214.54	12.0%
11	Costa Rica	\$171.97	6.2%
12	Fiji	\$145.09	121.2%
13	Phuket	\$141.26	18.1%
14	Puerto Vallarta+	\$108.22	45.5%
15	Bali	\$105.01	-0.1%

Figure 7: Competitive Sun and Sea Destinations – Occupancy – Year-to-Date June 2018

Rank	Destination	Occupancy	Percentage Pt. Change
1	O'ahu	84.4%	1.6%
2	Phuket	79.7%	1.8%
3	Kaua'i	79.2%	2.2%
4	Maui	78.7%	0.4%
5	Island of Hawai'i	77.5%	1.6%
6	Aruba	77.2%	2.9%
7	Puerto Rico	77.1%	5.2%
8	Costa Rica	75.1%	1.8%
9	Cancun+	74.8%	-2.7%
10	Fiji	68.2%	2.6%
11	Puerto Vallarta+	66.9%	-7.5%
12	Bali	66.3%	-0.9%
13	Maldives	65.7%	1.5%
14	French Polynesia	61.0%	-4.7%
15	Cabo San Lucas+	53.7%	-10.5%

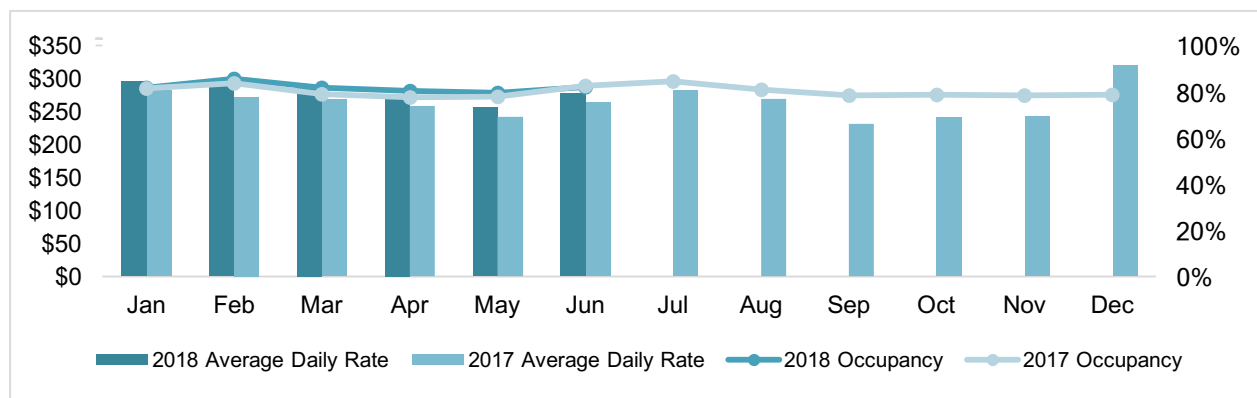
Figure 8: Hawai'i Hotel Performance June 2018

	Occupancy %			Average Daily Rate			RevPAR		
	2018	2017	Percentage Pt. Change	2018	2017	% Change	2018	2017	% Change
State of Hawai'i	82.0%	82.5%	-0.6%	\$277.13	\$262.96	5.4%	\$227.11	\$216.99	4.7%
Luxury Class	74.5%	76.6%	-2.0%	\$537.65	\$510.93	5.2%	\$400.69	\$391.17	2.4%
Upper Upscale Class	87.5%	87.7%	-0.2%	\$276.64	\$266.34	3.9%	\$241.98	\$233.49	3.6%
Upscale Class	77.0%	77.1%	-0.1%	\$212.46	\$195.84	8.5%	\$163.50	\$150.94	8.3%
Upper Midscale Class	83.2%	84.6%	-1.4%	\$172.77	\$159.64	8.2%	\$143.75	\$134.99	6.5%
Midscale & Economy Class	82.5%	81.7%	0.8%	\$166.77	\$149.49	11.6%	\$137.66	\$122.16	12.7%
O'ahu	87.7%	87.4%	0.4%	\$243.07	\$236.99	2.6%	\$213.19	\$207.03	3.0%
Waikiki	88.2%	88.0%	0.2%	\$239.10	\$232.19	3.0%	\$210.82	\$204.30	3.2%
Other O'ahu	85.0%	83.5%	1.5%	\$267.52	\$268.29	-0.3%	\$227.29	\$223.98	1.5%
O'ahu Luxury	72.7%	75.1%	-2.4%	\$470.69	\$477.25	-1.4%	\$342.17	\$358.31	-4.5%
O'ahu Upper Upscale	93.0%	91.8%	1.2%	\$261.97	\$260.99	0.4%	\$243.65	\$239.56	1.7%
O'ahu Upscale	83.5%	82.3%	1.2%	\$221.06	\$204.53	8.1%	\$184.62	\$168.37	9.7%
O'ahu Upper Midscale	86.1%	87.5%	-1.4%	\$165.36	\$154.25	7.2%	\$142.39	\$135.02	5.5%
O'ahu Midscale & Economy	92.4%	91.5%	0.9%	\$144.86	\$133.68	8.4%	\$133.80	\$122.30	9.4%
Maui County	77.3%	77.7%	-0.4%	\$381.03	\$342.35	11.3%	\$294.61	\$266.15	10.7%
Wailea	89.6%	85.2%	4.4%	\$578.70	\$512.50	12.9%	\$518.33	\$436.46	18.8%
Lahaina/Kā'anapali/Kapalua	77.2%	78.3%	-1.1%	\$323.95	\$296.06	9.4%	\$250.04	\$231.82	7.9%
Other Maui County	77.5%	77.0%	0.5%	\$452.89	\$401.95	12.7%	\$350.94	\$309.65	13.3%
Maui County Luxury	80.3%	77.4%	2.9%	\$629.28	\$573.09	9.8%	\$505.59	\$443.69	14.0%
Maui County Upper Upscale & Upscale	77.5%	79.0%	-1.6%	\$297.74	\$271.56	9.6%	\$230.67	\$214.64	7.5%
Island of Hawai'i	68.6%	74.6%	-6.0%	\$239.04	\$239.68	-0.3%	\$163.91	\$178.79	-8.3%
Kohala Coast	63.9%	74.4%	-10.6%	\$334.82	\$331.43	1.0%	\$213.80	\$246.66	-13.3%
Kaua'i	77.4%	76.4%	1.0%	\$294.34	\$267.25	10.1%	\$227.86	\$204.23	11.6%

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.

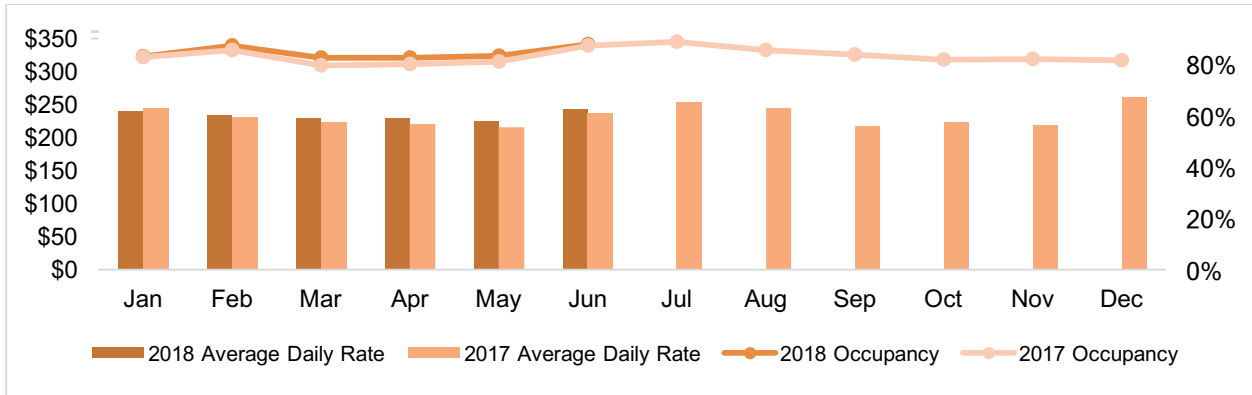
Figure 9: Monthly State of Hawai'i Hotel Performance, 2018 vs. 2017



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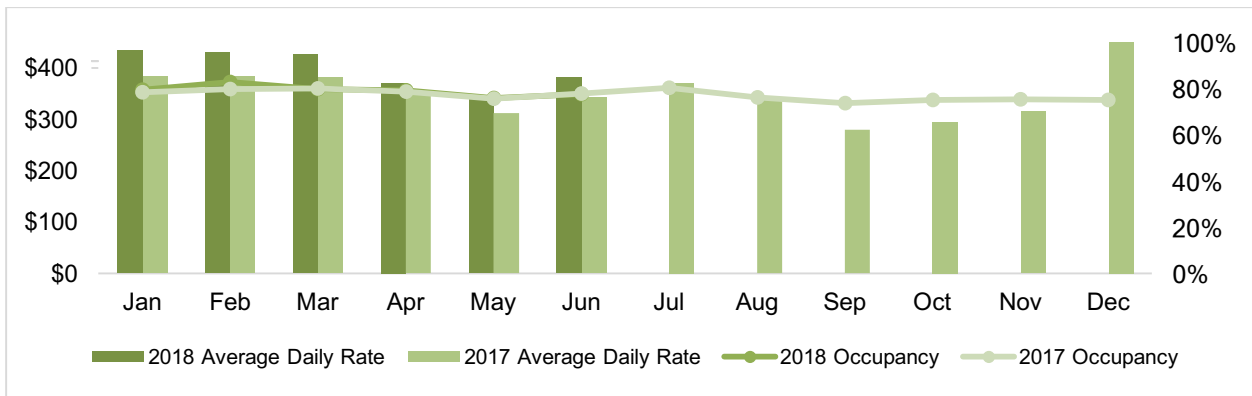
January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 10: Monthly O'ahu Hotel Performance, 2018 vs. 2017



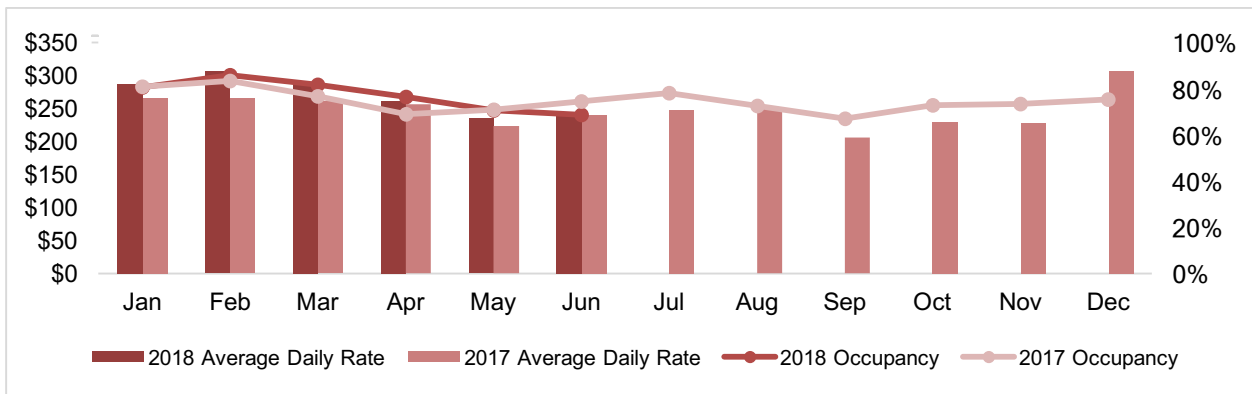
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January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 11: Monthly Maui County Hotel Performance, 2018 vs. 2017



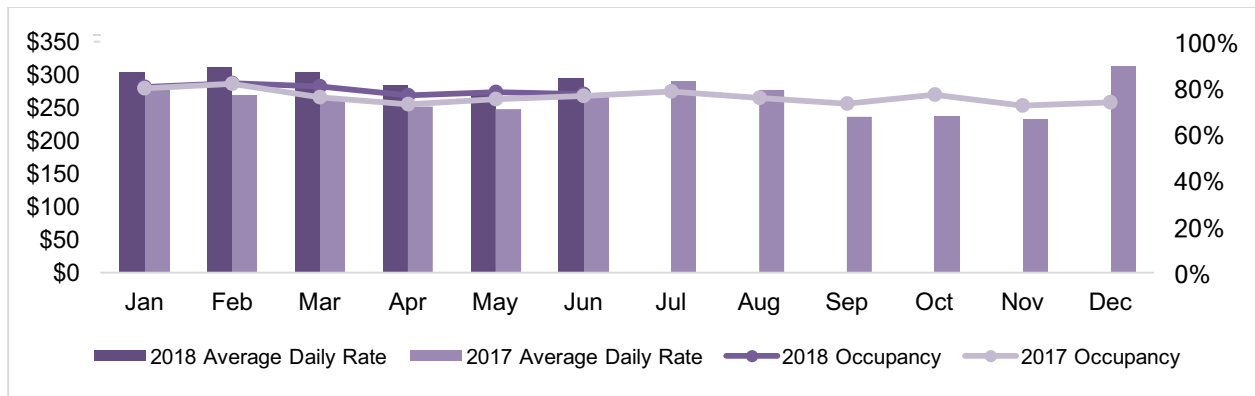
Source: STR, Inc. © Copyright 2018 Hawai'i Tourism Authority.
January and February 2017 data courtesy of Hospitality Advisors LLC.

Figure 12: 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 13: Monthly Kauai Hotel Performance, 2018 vs. 2017



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