

HTA REGULAR BOARD MEETING

Thursday, August 25, 2022

Hō‘ike ‘Ikepili Noi‘i ‘Oihana Ho‘omāka‘ika‘i

Presentation and Discussion of Current Market Insights and Conditions in Hawai‘i and Key Major Hawai‘i Tourism Markets, including the United States, Japan, Canada, Oceania, and Cruise

Jennifer Chun

Director of Tourism Research

HAWAII TOURISM
AUTHORITY

The logo for the Department of Business, Economic Development & Tourism (DBEDT) features a stylized blue wave graphic to the left of the acronym 'DBEDT' in large, bold, white letters. Below the acronym, the text 'STATE OF HAWAII • DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM' is written in a smaller, white, sans-serif font.

STATE OF HAWAII • DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

July 2022 Highlights

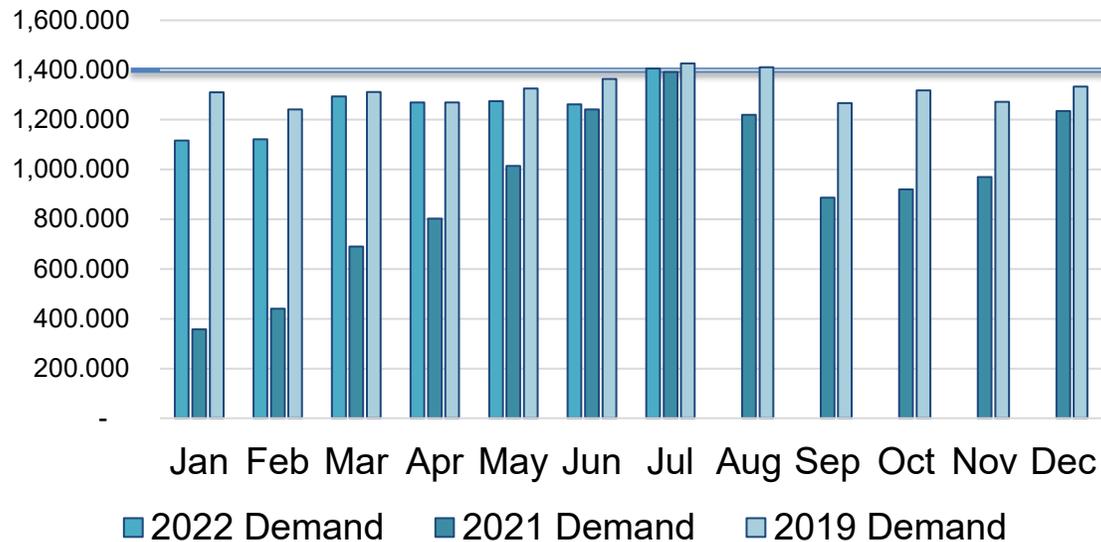
State of Hawai'i Hotel Performance

	2022	2021	2019
Occupancy	81.5%	82.2%	85.3%
ADR	\$414	\$367	\$304
RevPAR	\$337	\$302	\$259

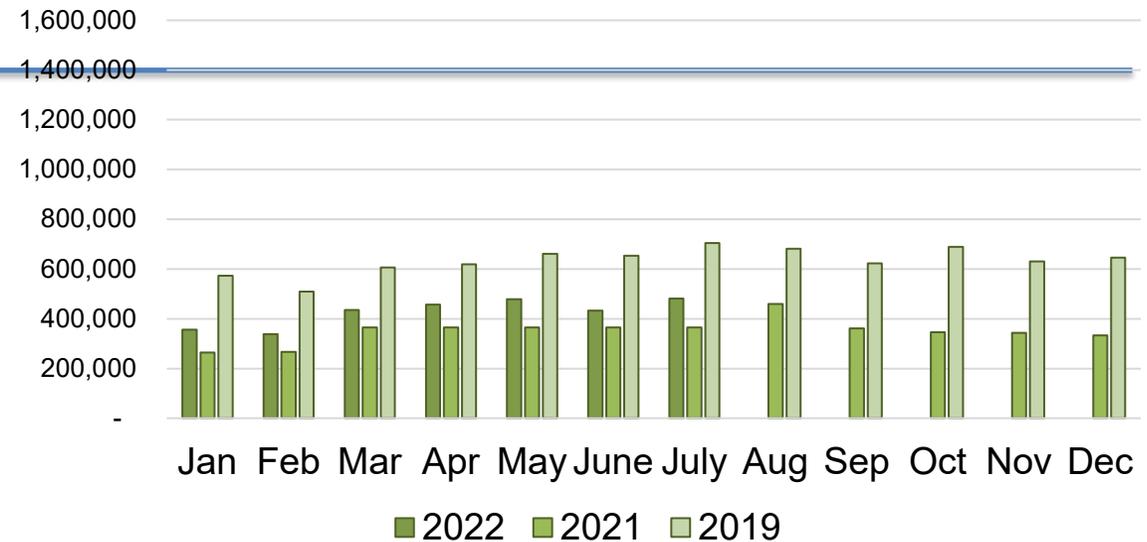
State of Hawai'i Vacation Rental Performance

	2022	2021	2019
Occupancy	71.9%	81.8%	77.8%
ADR	\$301	\$251	\$207

State of Hawai'i Hotel Demand



State of Hawai'i Vacation Rental Demand



Source: STR, Inc. © Copyright 2022 Hawai'i Tourism Authority, Transparent Intelligence, Inc. © Copyright 2022 State of Hawai'i Department of Business, Economic Development & Tourism

Hawai'i Airport Throughput

Throughput by Week

State: Hawaii; Airport: All



Hawaii Airports

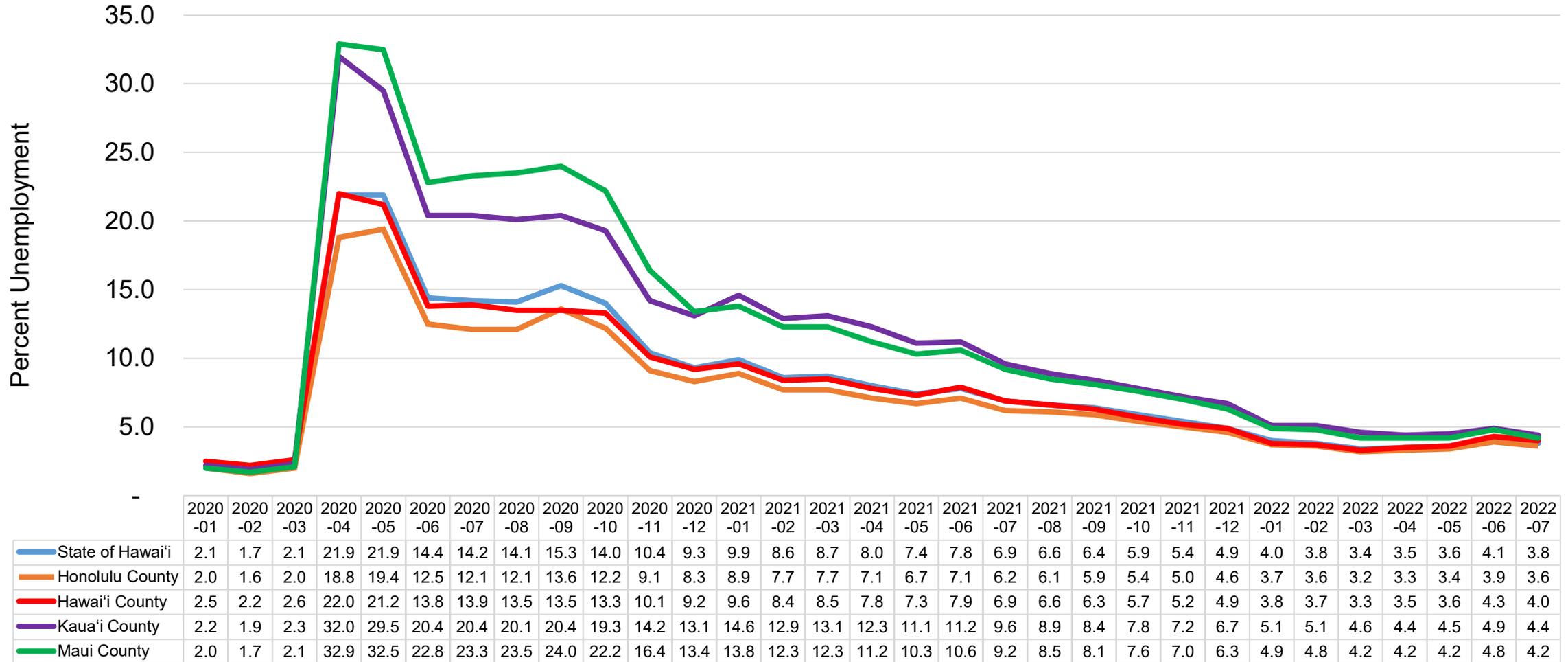
Throughput for the last 6 months, % change compared to same time 2 years ago

	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Daniel K. Inouye International Airport	-32%	-23%	-15%	-19%	-25%	-16%
Kahului	-7%	1%	5%	0%	-1%	-5%
Ellison Onizuka Kona International Airport	-9%	1%	8%	4%	-4%	-2%
Lihue	-5%	-1%	9%	5%	5%	7%
Hilo International	-20%	-4%	-4%	0%	5%	12%

Source: TSA by Tourism Economics

July 2022 Highlights

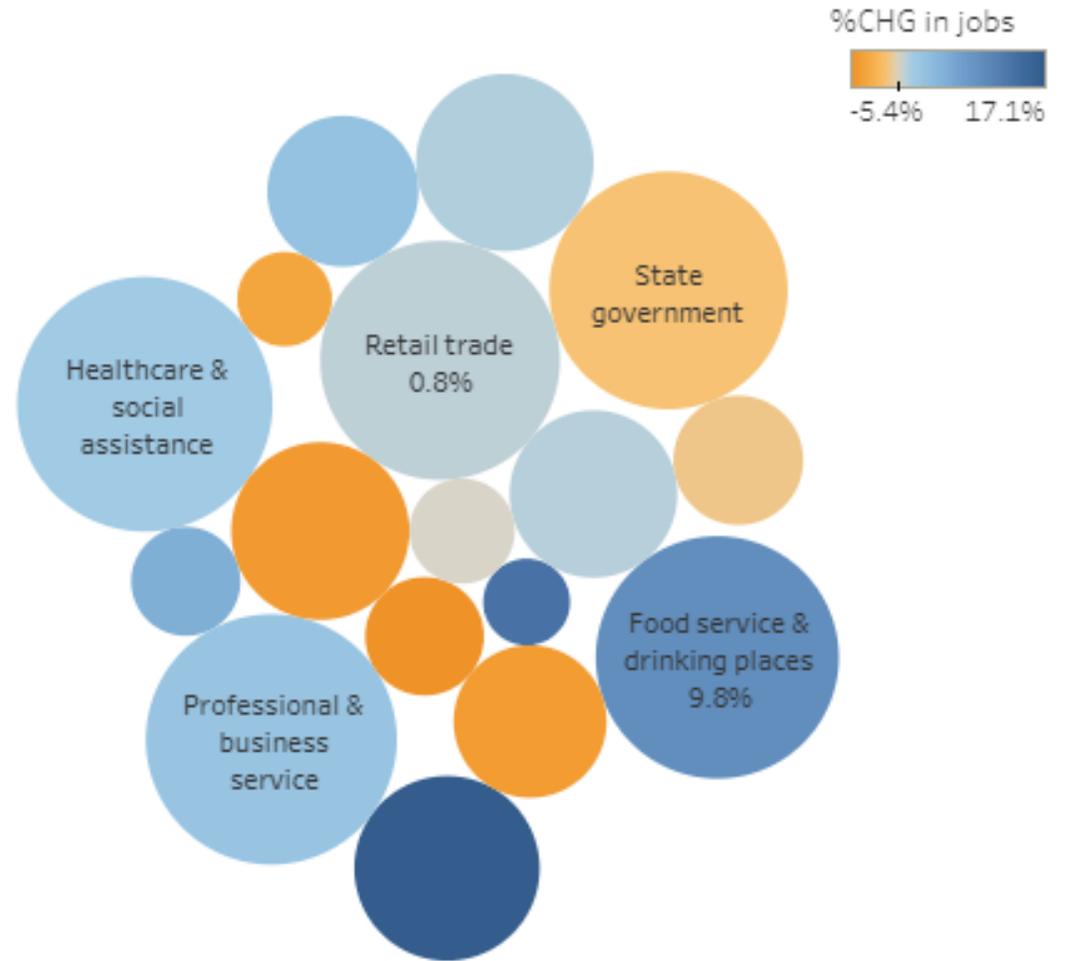
Unemployment Rate, Civilian



Compiled by Research & Economic Analysis Division, State of Hawaii Department of Business, Economic Development and Tourism. Source: State of Hawai'i Dep. of Labor & Industrial Relations

July 2022 Highlights

	Jobs	CHG*	%CHG*
Total non-agriculture W&S jobs	607,000	12,900	2.2%
Nat'l resources, mining & construction	35,400	-1,800	-4.8%
Manufacturing	12,400	0	0.0%
Wholesale trade	15,700	-900	-5.4%
Retail trade	64,100	500	0.8%
Transportation, warehousing & utilities	31,400	300	1.0%
Information	8,400	1,000	13.5%
Financial activities	26,100	-1,300	-4.7%
Professional & business service	70,300	1,900	2.8%
Educational service	13,300	700	5.6%
Healthcare & social assistance	72,800	1,300	1.8%
Arts, entertainment & recreation	10,000	-400	-3.8%
Accommodation	38,300	5,600	17.1%
Food service & drinking places	65,900	5,900	9.8%
Other service	25,500	800	3.2%
Federal government	35,200	400	1.1%
State government	63,400	-900	-1.4%
Local government	18,800	-200	-1.1%



Compiled by Research & Economic Analysis Division, State of Hawaii Department of Business, Economic Development and Tourism. Source: State of Hawai'i Dep. of Labor & Industrial Relations

Scheduled Nonstop Seats to Hawai'i by Port Entry

July	Total			Domestic			International		
	2022	2021	2019	2022	2021	2019	2022	2021	2019
STATE	1,159,031	1,180,965	1,254,165	1,033,264	1,153,656	951,068	125,767	27,309	303,097
HONOLULU	615,139	591,550	753,163	500,005	564,589	468,003	115,134	26,961	285,160
KAHULUI	297,947	343,459	281,642	287,314	343,111	273,488	10,633	348	8,154
KONA	133,184	139,460	119,878	133,184	139,460	110,095	0	0	9,783
HILO	5,549	5,549	5,146	5,549	5,549	5,146	0	0	0
LIHU'E	107,212	100,947	94,336	107,212	100,947	94,336	0	0	0

August	Total			Domestic			International		
	2022	2021	2019	2022	2021	2019	2022	2021	2019
STATE	1,154,124	1,126,296	1,193,649	990,659	1,092,775	881,533	163,465	33,521	312,116
HONOLULU	628,864	568,905	737,103	478,619	539,147	443,146	150,245	29,758	293,957
KAHULUI	295,627	308,898	257,291	284,994	305,135	248,915	10,633	3,763	8,376
KONA	121,033	138,197	108,231	118,446	138,197	98,448	2,587	0	9,783
HILO	5,549	5,549	4,804	5,549	5,549	4,804	0	0	0
LIHU'E	103,051	104,747	86,220	103,051	104,747	86,220	0	0	0

Source: HTA/DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of August 22, 2022, subject to change

Scheduled Nonstop Seats to Hawai'i by Port Entry

September	Total			Domestic			International		
	2022	2021	2019	2022	2021	2019	2022	2021	2019
STATE	969,642	958,679	1,006,133	820,981	923,953	711,307	148,661	34,726	294,826
HONOLULU	552,331	486,410	659,708	415,329	455,149	381,546	137,002	31,261	278,162
KAHULUI	232,534	251,430	204,791	223,462	247,965	197,711	9,072	3,465	7,080
KONA	93,719	118,504	74,540	91,132	118,504	64,956	2,587	0	9,584
HILO	4,117	3,759	3,486	4,117	3,759	3,486	0	0	0
LIHU'E	86,941	98,576	63,608	86,941	98,576	63,608	0	0	0

October	Total			Domestic			International		
	2022	2021	2019	2022	2021	2019	2022	2021	2019
STATE	994,664	1,011,327	1,057,045	823,199	968,518	760,985	171,465	42,809	296,060
HONOLULU	580,996	497,447	673,909	423,912	461,669	399,574	157,084	35,778	274,335
KAHULUI	233,146	284,080	222,366	220,137	277,397	211,816	13,009	6,683	10,550
KONA	91,256	125,379	83,243	90,232	125,205	72,590	1,024	174	10,653
HILO	3,925	3,759	4,648	3,925	3,759	4,648	0	0	0
LIHU'E	85,341	100,662	72,879	84,993	100,488	72,357	348	174	522

Source: HTA/DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of August 22, 2022, subject to change

Scheduled Nonstop Seats to Hawai'i From Japan

	August			September			October		
	2022	2021	2019	2022	2021	2019	2022	2021	2019
JAPAN	70,709	11,214	179,764	59,688	11,650	171,968	68,537	11,723	166,311
Fukuoka	0	0	0	0	0	0	556	0	0
Nagoya	1,592	0	14,415	995	0	13,498	1,274	0	12,155
Osaka	10,848	1,112	34,720	9,057	1,390	33,600	10,269	1,112	34,042
Sapporo	0	0	4,448	0	0	3,614	278	0	3,614
Tokyo HND	27,426	4,010	24,862	25,214	3,746	24,060	28,423	3,392	24,862
Tokyo NRT	30,843	6,092	101,319	24,422	6,514	97,196	27,737	7,219	91,638

Source: HTA/DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of August 22, 2022, subject to change

Pacific Asia Travel Association COVID-19 Update & Recovery Dashboard

Destination	Pandemic Status	Inbound Travel	Outbound Travel	Vaccination Booster
Australia	Open	Open	Open	96.2% 71.6%
Canada	Open	Open	Open	82.0% 49.6%
China	Partial	Partial	Partial	89.0% 56.3%
Japan	Open	Partial	Partial	82.4% 82.3%
Korea (ROK)	Open	Open	Open	86.2% 78.0%
New Zealand	Open	Open	Open	90.0% 73.1%
USA	Open	Open	Open	67.4% 48.4%

Source: Copyright © 2022 Pacific Asia Travel Association, as of August 24, 2022

Lockdown status:

Open – no restrictions on capacities, all economic sectors open - but face mask-wearing may still be imposed.

Partial – some restrictions are in place - that could be certain school classes, nightclubs/ bars, certain economic sectors, limits on the number of people in gatherings, etc.

Restricted – closure of all non-essential businesses, restricted movement.

Inbound travel:

Open – leisure tourism permitted for majority of inbound travellers, although testing/ pre-registration/ visas may be required.

Partial – leisure tourism may be permitted, either to certain parts of the country or for certain nationalities to enter the country only. Could also apply to certain "Green Lane" schemes.

Restricted – leisure tourism not permitted.

Closed – all entry not permitted.



National Travel Indicators

June, 2022



Travel Spending

(Tourism Economics)

+1.0%

June vs. 2019

-3.0%

YTD vs. 2019



Auto Trips

(Arrivalist)

+2.2%

June vs. 2019

YTD N/A



Air Passengers

(TSA)

-10.9%

June vs. 2019

-12.8%

YTD vs. 2019



Overseas Arrivals

(NTTO)

-40.7%

June vs. 2019

-49.5%

YTD vs. 2019



Hotel Demand

(STR)

-1.6%

June vs. 2019

-3.4%

YTD vs. 2019



Short-term Rental Demand

(AIRDNA)

+23.8%

June vs. 2019

+21.8%

YTD vs. 2019

Insights

Auto trips surpassed its 2019 level by 2% in June after dipping slightly in May.

Air passenger volume relative to 2019 receded for the second consecutive month in June, declining to 11% below its 2019 volume.

Overseas arrivals improved slightly in June but remained 41% below its 2019 level.

Hotel room demand remained flat at 2% below its 2019 benchmark in June, but a shift in segment demand saw group demand within the top 25 markets rise to 5% below its 2019 level.

Short-term rental demand declined slightly to 24% above 2019 levels in June from 26% in May.

Travel Indicators

% change relative to same month in 2019

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Travel Spending (Tourism Economics)	-11%	-21%	-14%	-14%	-9%	-4%	-12%	-6%	-5%	3%	0%	1%
Auto Trips (Arrivalist)	2%	-16%	1%	3%	-8%	-2%	-12%	-2%	-13%	6%	-2%	2%
Air Passengers (TSA)	-20%	-24%	-23%	-21%	-15%	-17%	-24%	-14%	-12%	-9%	-10%	-11%
Overseas Arrivals (NTTO)	-78%	-76%	-79%	-78%	-57%	-51%	-65%	-60%	-52%	-43%	-43%	-41%
Hotel Demand (STR)	-4%	-10%	-7%	-7%	-5%	0%	-10%	-5%	-3%	0%	-2%	-2%
Top 25 Group Hotel Demand* (STR)	-54%	-50%	-44%	-46%	-40%	-27%	-58%	-42%	-23%	-16%	-14%	-5%
Short-term Rental Demand (AIRDNA)	2%	-3%	3%	10%	12%	10%	20%	21%	15%	24%	26%	24%
National Park Visits (National Park Service)	-12%	-16%	-10%	-5%	-1%	2%	10%	-3%	-14%	-20%	-18%	-16%
Organic Web Sessions (Simpleview & Tempest)*	36%	28%	31%	35%	34%	28%	30%	38%	30%	28%	26%	21%

*data from 300+ U.S. DMO/CVB destination websites

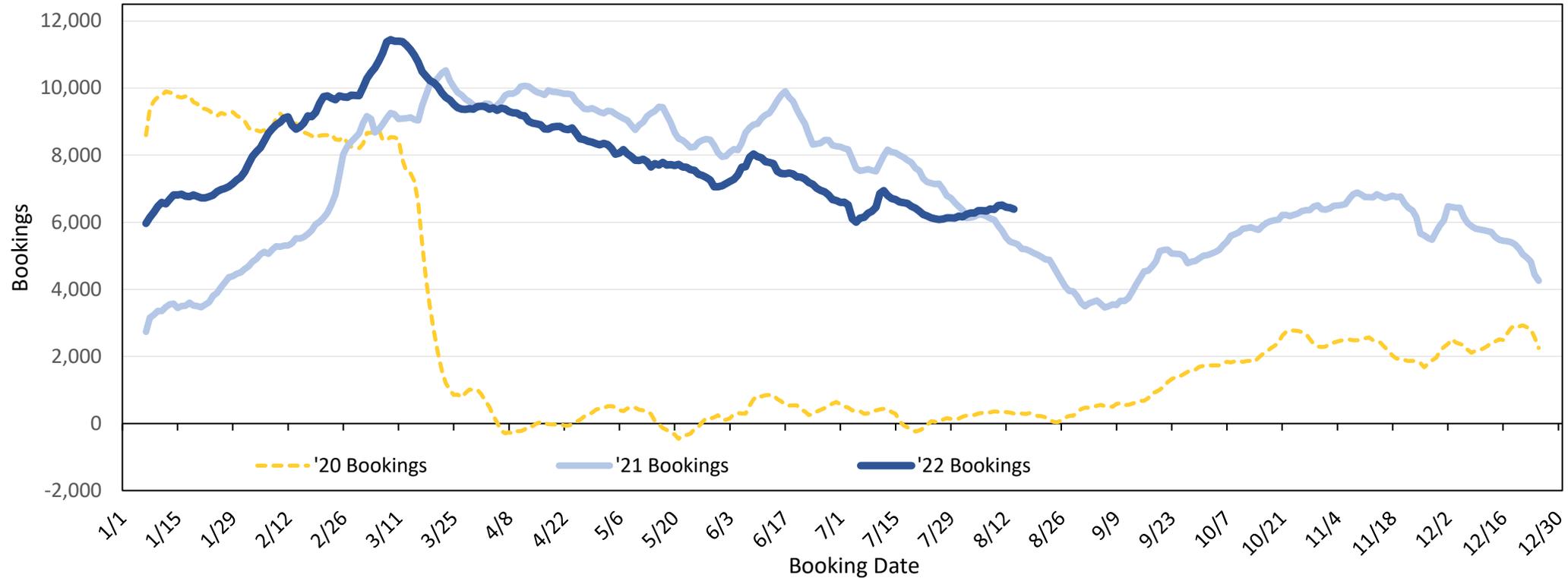


*STR group hotel demand at upper-tier hotels (luxury and upper upscale classes)

TRAVEL AGENCY BOOKING TRENDS

Travel Agency Bookings to Hawai'i for Future Arrivals

Travel Agency Bookings to Hawaii for Future Arrivals*
Based on a 7-day Moving Average as of August 20, 2022
U.S.



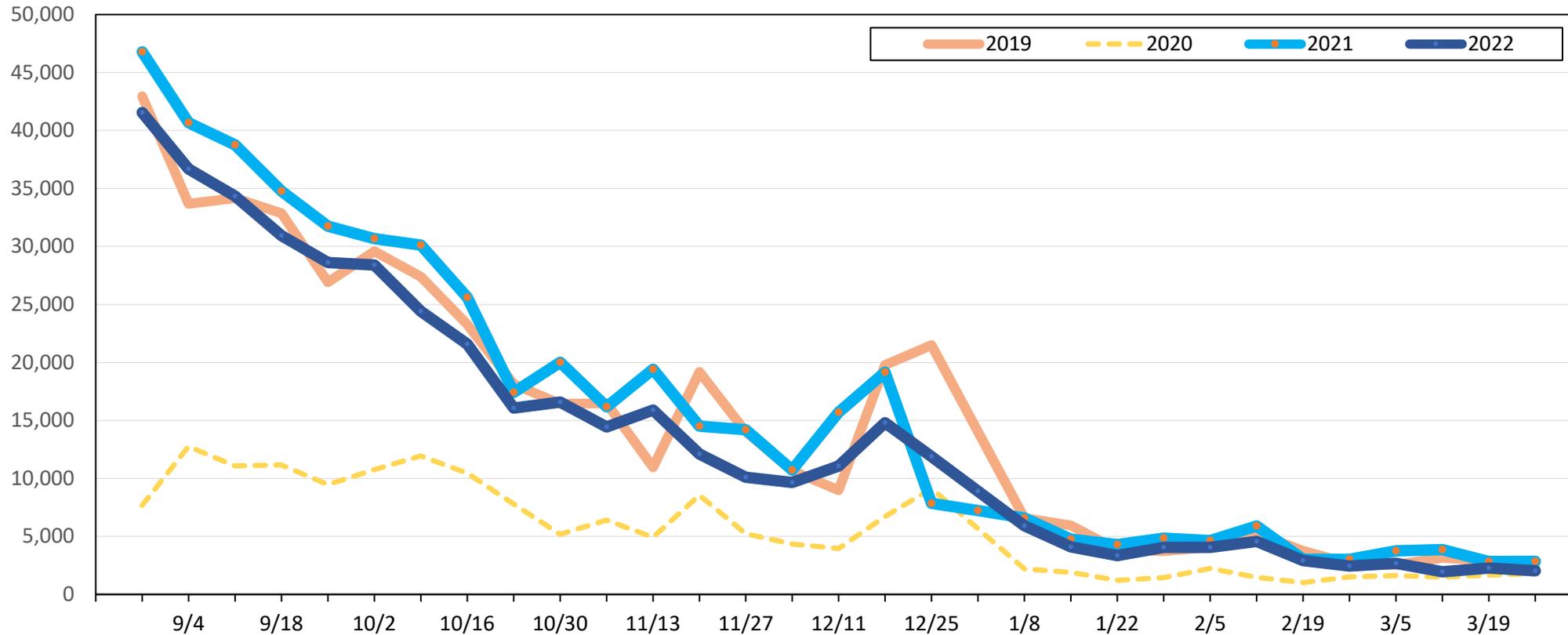
*Future Arrivals refers to all 'future' arrivals relative to a given Booking Date.
 Source: Global Agency Pro

Update: Aug 20, 2022

Source: Global Agency Pro

Travel Agency Bookings to Hawai'i for Future Arrivals

Travel Agency Weekly Bookings for Future Travel to Hawai'i as of August 20, 2022
U.S.



Source: Global Agency Pro, as of August 20, 2022

Source: Global Agency Pro

Travel Agency Bookings to Hawaii for Future Arrivals

Travel Agency Bookings to Hawaii for Future Arrivals*
Based on a 7-day Moving Average as of August 20, 2022
Japan



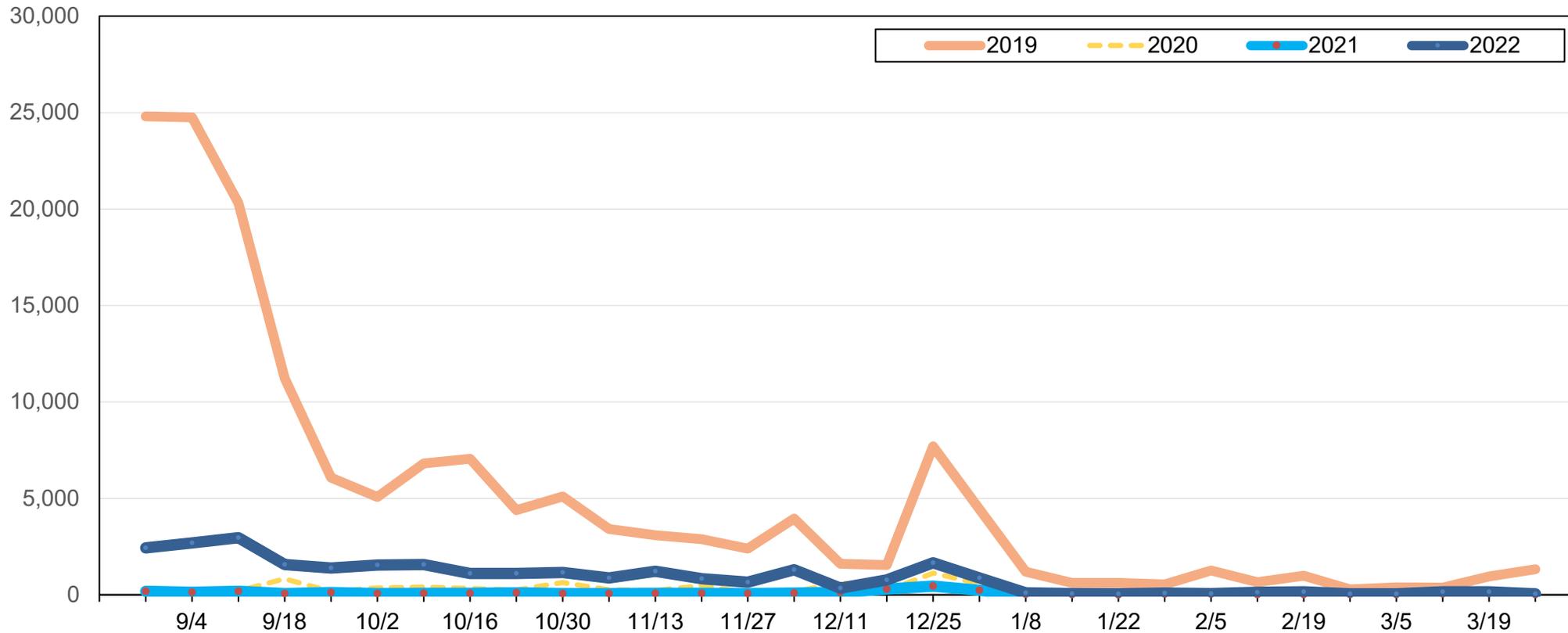
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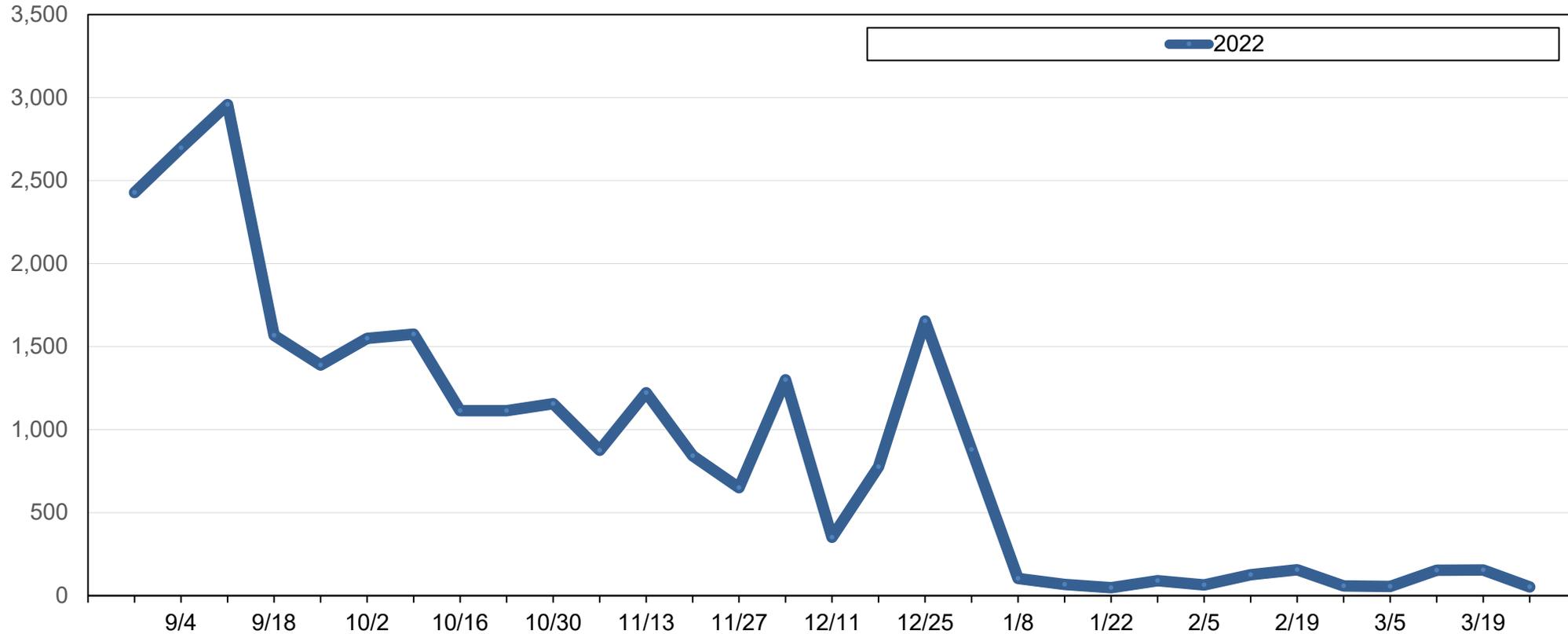


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Source: Global Agency Pro

Travel Agency Bookings to Hawaii for Future Arrivals

Travel Agency Weekly Bookings for Future Travel to Hawai'i as of August 20, 2022 Japan

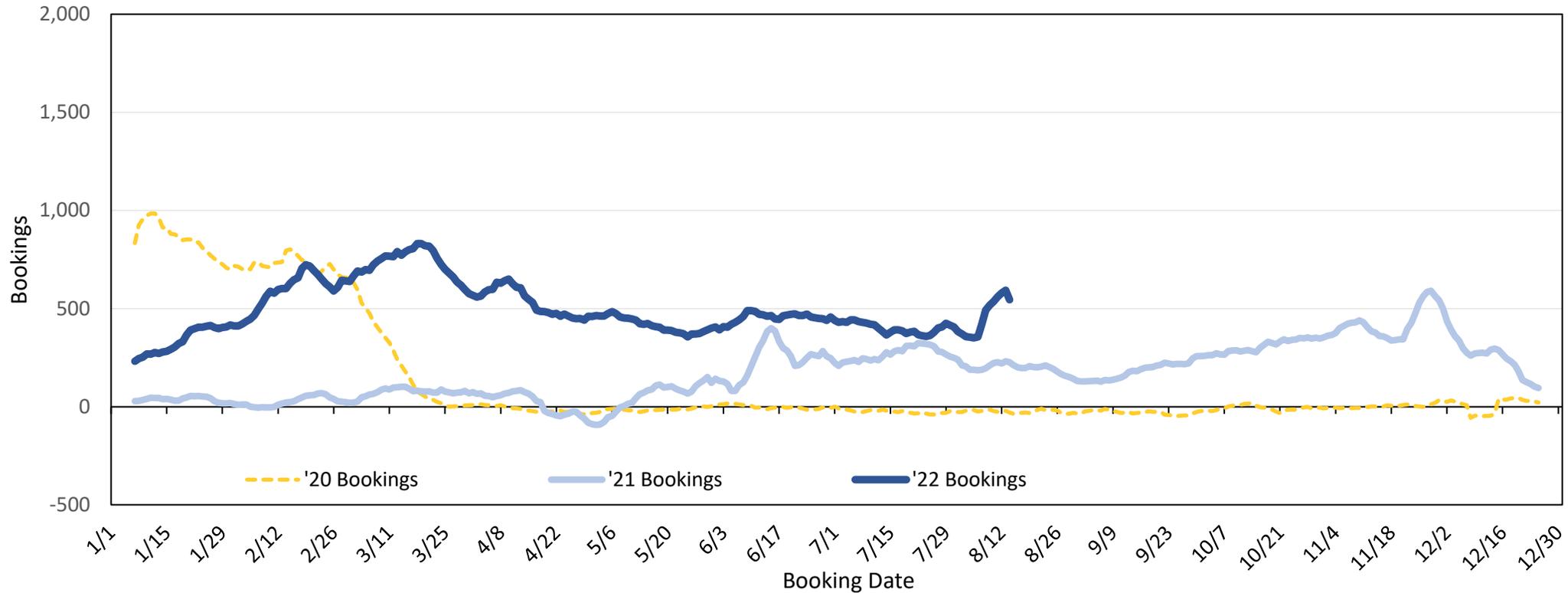


Source: Global Agency Pro, as of August 20, 2022

Source: Global Agency Pro

Travel Agency Bookings to Hawaii for Future Arrivals

Travel Agency Bookings to Hawaii for Future Arrivals*
Based on a 7-day Moving Average as of August 20, 2022
Canada



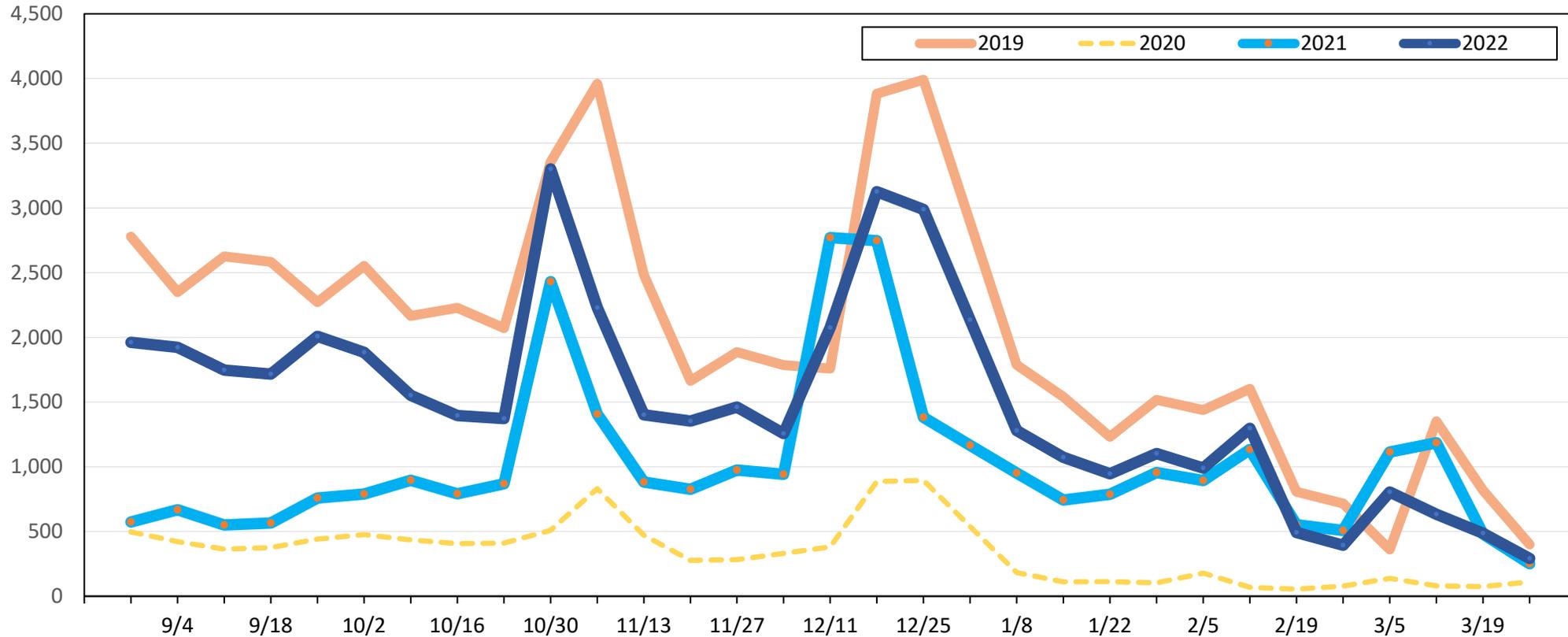
*Future Arrivals refers to all 'future' arrivals relative to a given Booking Date.
Source: Global Agency Pro

Update: Aug 20, 2022

Source: Global Agency Pro

Travel Agency Bookings to Hawaii for Future Arrivals

Travel Agency Weekly Bookings for Future Travel to Hawai'i as of August 20, 2022
Canada

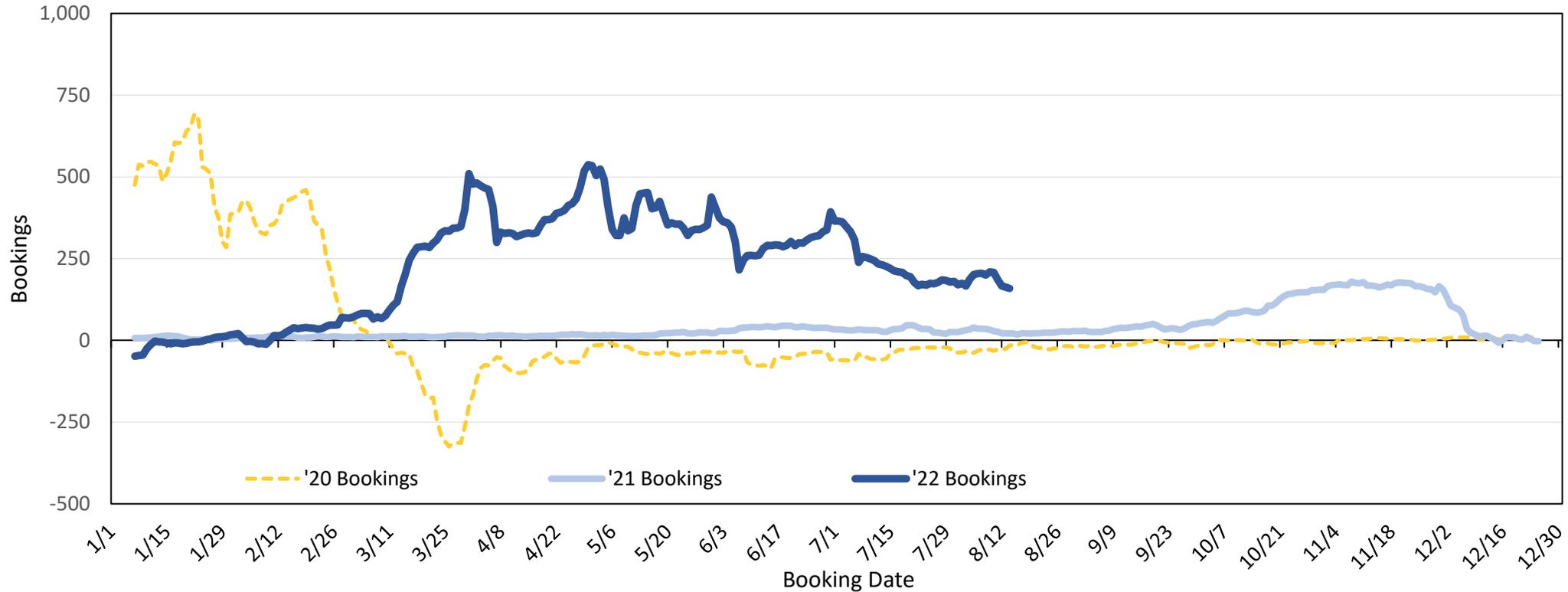


Source: Global Agency Pro, as of August 20, 2022

Source: Global Agency Pro

Travel Agency Bookings to Hawaii for Future Arrivals

Travel Agency Bookings to Hawaii for Future Arrivals*
Based on a 7-day Moving Average as of August 20, 2022
Korea



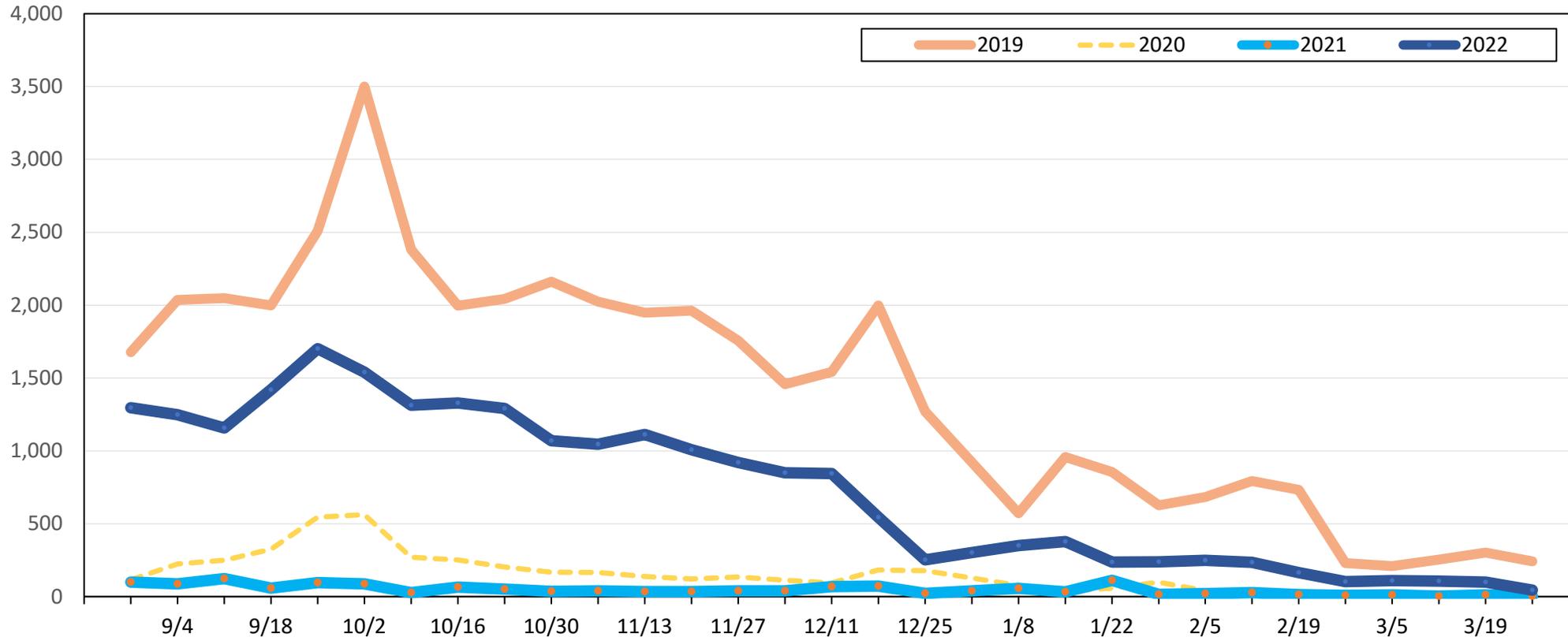
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Source: Global Agency Pro

Update: Aug 20, 2022

Source: Global Agency Pro

Travel Agency Bookings to Hawaii for Future Arrivals

Travel Agency Weekly Bookings for Future Travel to Hawai'i as of August 20, 2022 Korea

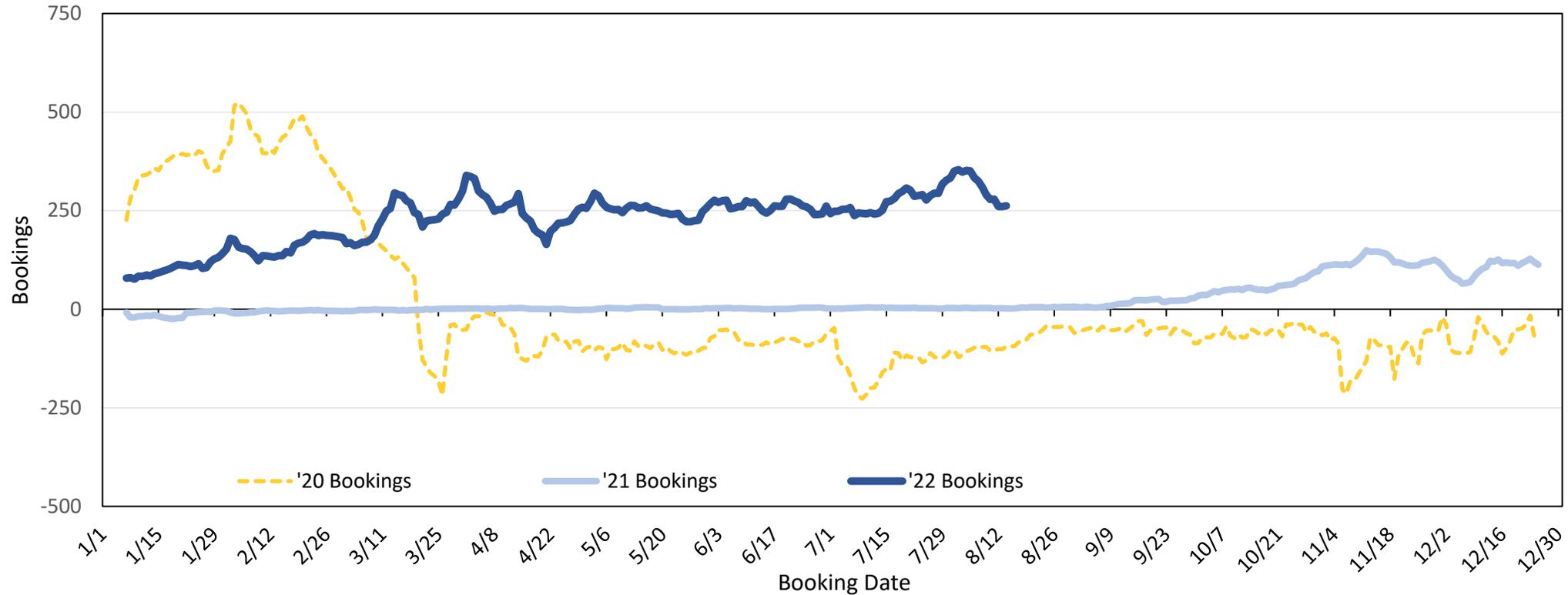


Source: Global Agency Pro, as of August 20, 2022

Source: Global Agency Pro

Travel Agency Bookings to Hawaii for Future Arrivals

Travel Agency Bookings to Hawaii for Future Arrivals*
Based on a 7-day Moving Average as of August 20, 2022
Australia



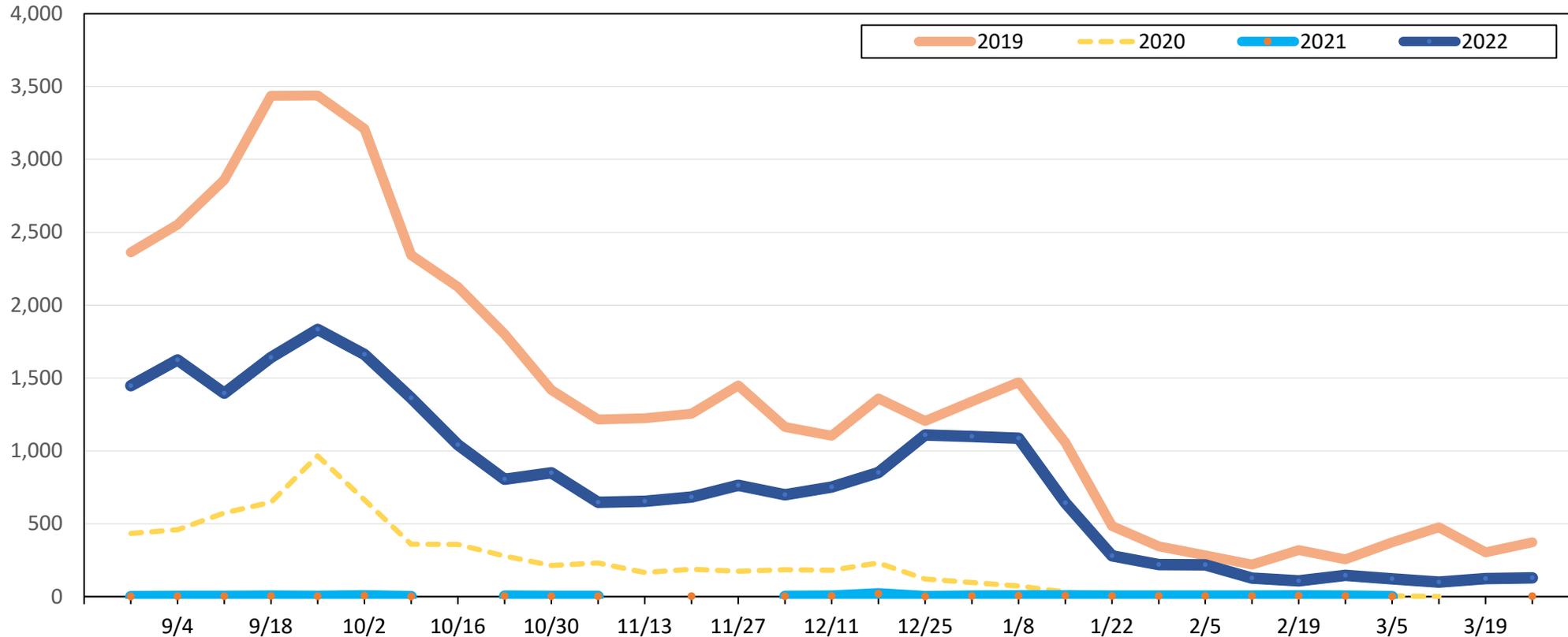
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Source: Global Agency Pro

Update: Aug 20, 2022

Source: Global Agency Pro

Travel Agency Bookings to Hawaii for Future Arrivals

Travel Agency Weekly Bookings for Future Travel to Hawai'i as of August 20, 2022
Australia



Source: Global Agency Pro, as of August 20, 2022

Source: Global Agency Pro



U.S. Hotel Forecast

Forecasted in June, 2022

Insights

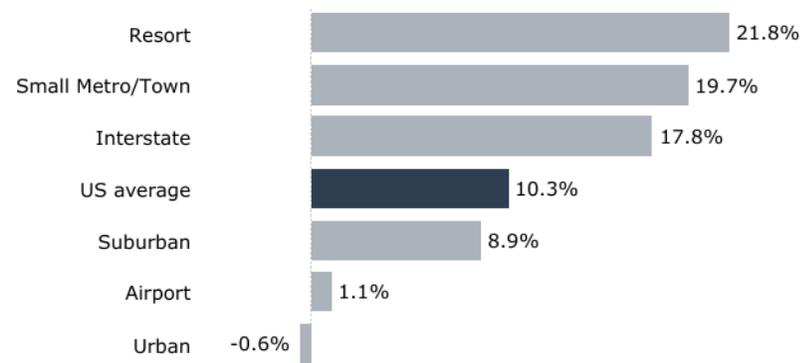
US hotel demand is anticipated to recover to 2019 levels in 2023 based on the updated forecast released in June by Tourism Economics and STR, representing a slightly slower demand recovery than previously anticipated.

Hotel average daily rate (ADR) has recovered strongly in recent months, and on average in 2022, ADR is expected to recover to 11.0% above its 2019 level. However, adjusted for inflation, real ADR in 2022 will still be 2.5% below 2019 levels.

Overall, hotel RevPAR is expected to improve 28.4% in 2022, followed by a 5.7% increase next year.

U.S. Actual RevPAR Growth by Location

June 2022, % change relative to 2019



Source: STR

U.S. Hotel Forecast Summary

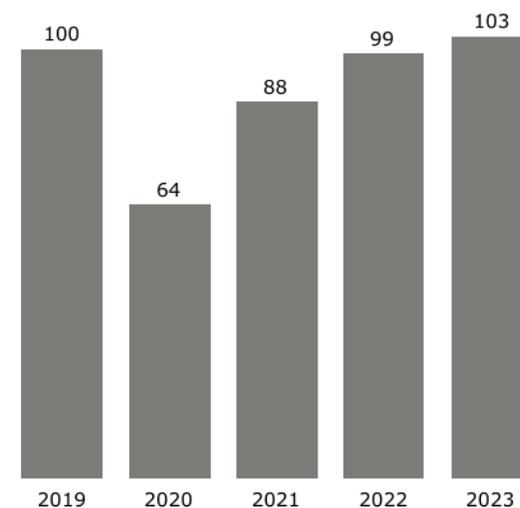
YOY % change, Forecast released June 2022

	2020	2021	2022	2023
Supply	-3.9%	5.0%	2.5%	1.3%
Occupancy	-33.4%	31.0%	10.2%	2.6%
Demand	-36.0%	37.6%	13.0%	3.9%
ADR	-21.1%	20.7%	16.5%	3.1%
RevPAR	-47.4%	58.2%	28.4%	5.7%
RevPAR relative to 2019	-47.4%	-16.8%	6.8%	12.9%

Note: RevPAR reflects standard methodology
Source: STR; Tourism Economics

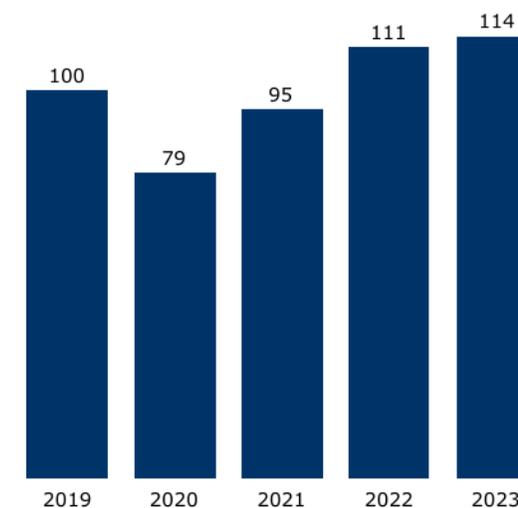
Occupancy Index

Index (2019 = 100)



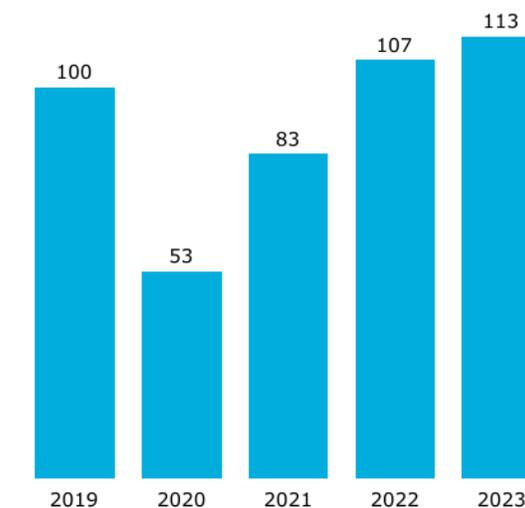
ADR Index

Index (2019 = 100)



RevPAR Index

Index (2019 = 100)



Note: RevPAR reflects standard methodology
Source: STR; Tourism Economics

State of Hawai'i STR Hotel Performance Forecast

Year	Occupancy			ADR			RevPAR		
	%	Pct Point Change		\$	% Change		\$	% Change	
2017	80.7%	1.5%	▲	\$ 261.50	3.8%	▲	\$ 211.10	5.8%	▲
2018	80.2%	-0.5%	▼	\$ 275.55	5.4%	▲	\$ 221.11	4.7%	▲
2019	80.8%	0.6%	▲	\$ 282.46	2.5%	▲	\$ 228.30	3.2%	▲
2020	26.7%	-54.1%	▼	\$ 267.03	-5.5%	▼	\$ 71.41	-68.7%	▼
2021	55.4%	28.7%	▲	\$ 329.89	23.5%	▲	\$ 182.86	156.1%	▲
2022F	74.5%	19.1%	▲	\$ 379.99	15.2%	▲	\$ 283.25	54.9%	▲
2023F	80.0%	5.4%	▲	\$ 374.61	-1.4%	▼	\$ 299.64	5.8%	▲

Source: STR, Inc. © Copyright 2022 Hawai'i Tourism Authority

O'ahu STR Hotel Performance Forecast

Year	Occupancy			ADR			RevPAR		
	%	Pct Point Change		\$	% Change		\$	% Change	
2017	86.3%	0.5%	▲	\$ 235.39	3.5%	▲	\$ 203.08	4.0%	▲
2018	83.8%	-2.5%	▼	\$ 235.94	0.2%	▲	\$ 197.73	-2.6%	▼
2019	84.2%	0.4%	▲	\$ 240.40	1.9%	▲	\$ 202.50	2.4%	▲
2020	39.3%	-45.0%	▼	\$ 215.44	-10.4%	▼	\$ 84.59	-58.2%	▼
2021	55.5%	16.3%	▲	\$ 224.91	4.4%	▲	\$ 124.88	47.6%	▲
2022F	77.4%	21.9%	▲	\$ 272.94	21.4%	▲	\$ 211.38	69.3%	▲
2023F	81.6%	4.2%	▲	\$ 285.86	4.7%	▲	\$ 233.36	10.4%	▲

Source: STR, Inc. © Copyright 2022 Hawai'i Tourism Authority

Maui County STR Hotel Performance Forecast

Year	Occupancy			ADR			RevPAR		
	%	Pct Point Change		\$	% Change		\$	% Change	
2017	77.0%	1.1%	▲	\$ 354.62	7.3%	▲	\$ 273.14	8.8%	▲
2018	75.9%	-1.2%	▼	\$ 387.53	9.3%	▲	\$ 294.01	7.6%	▲
2019	77.7%	1.8%	▲	\$ 401.63	3.6%	▲	\$ 312.06	6.1%	▲
2020	25.2%	-52.5%	▼	\$ 410.26	2.1%	▲	\$ 103.31	-66.9%	▼
2021	60.2%	35.0%	▲	\$ 539.49	31.5%	▲	\$ 324.87	214.5%	▲
2022F	69.0%	8.8%	▲	\$ 639.25	18.5%	▲	\$ 440.93	35.7%	▲
2023F	74.4%	5.4%	▲	\$ 619.69	-3.1%	▼	\$ 460.82	4.5%	▲

Source: STR, Inc. © Copyright 2022 Hawai'i Tourism Authority

Hawai'i Island STR Hotel Performance Forecast

Year	Occupancy			ADR			RevPAR		
	%	Pct Point Change		\$	% Change		\$	% Change	
2017	77.5%	8.9%	▲	\$ 237.10	1.7%	▲	\$ 183.72	15.0%	▲
2018	75.5%	-2.0%	▼	\$ 249.00	5.0%	▲	\$ 188.02	2.3%	▲
2019	77.5%	2.0%	▲	\$ 256.54	3.0%	▲	\$ 198.81	5.7%	▲
2020	28.6%	-48.9%	▼	\$ 247.07	-3.7%	▼	\$ 70.57	-64.5%	▼
2021	58.8%	30.2%	▲	\$ 345.47	39.8%	▲	\$ 203.00	187.7%	▲
2022F	73.3%	14.5%	▲	\$ 420.67	21.8%	▲	\$ 308.33	51.9%	▲
2023F	78.3%	5.0%	▲	\$ 416.20	-1.1%	▼	\$ 325.92	5.7%	▲

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Kaua'i STR Hotel Performance Forecast

Year	Occupancy			ADR			RevPAR		
	%	Pct. Point Change		\$	% Change		\$	% Change	
2017	77.7%	5.0%	▲	\$ 259.54	3.3%	▲	\$ 201.70	10.4%	▲
2018	77.1%	-0.6%	▼	\$ 287.18	10.6%	▲	\$ 221.44	9.8%	▲
2019	73.0%	-4.1%	▼	\$ 281.86	-1.9%	▼	\$ 205.70	-7.1%	▼
2020	27.4%	-45.6%	▼	\$ 260.18	-7.7%	▼	\$ 71.23	-65.4%	▼
2021	51.7%	24.3%	▲	\$ 315.93	21.4%	▲	\$ 163.34	129.3%	▲
2022F	74.7%	23.0%	▲	\$ 407.14	28.9%	▲	\$ 304.04	86.1%	▲
2023F	78.6%	3.9%	▲	\$ 416.36	2.3%	▲	\$ 327.15	7.6%	▲

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MAHALO!

