

Hawaii Hotels: Oahu Ranks Top 3 in Occupancy for ‘Competitive Sun & Sea Destinations’ with the Return of International Travel

▲ 75.2% +490 BPS
Occupancy

▲ \$387.77 +8.4%
ADR

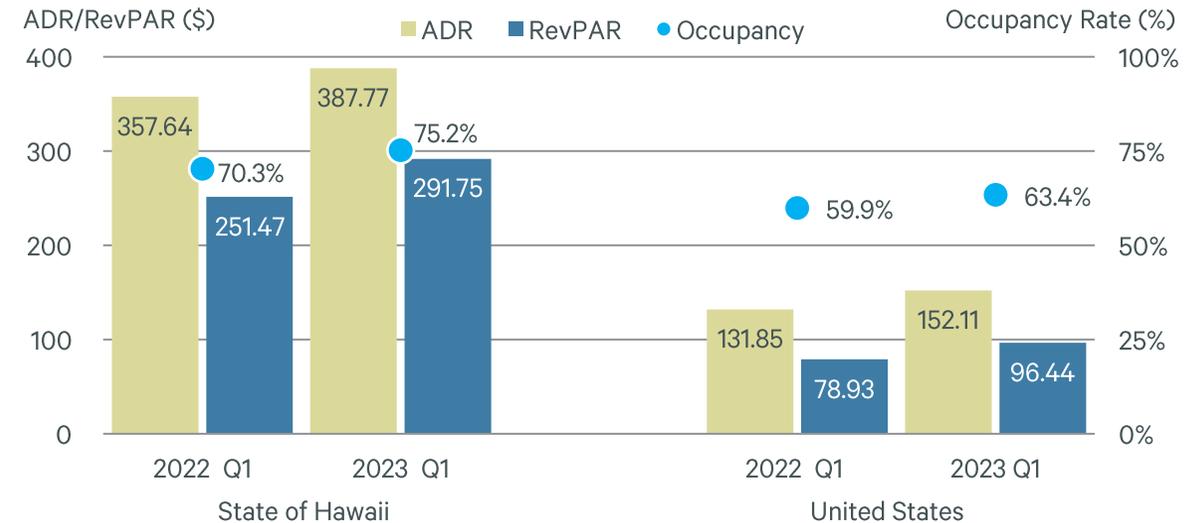
▲ \$291.75 +16.0%
RevPAR

Note: Arrows indicate change from previous year.

FIGURE 1: Q1 2023 Market Statistics

Market	Occupancy Q1 2022 (%)	Occupancy Q1 2023 (%)	Y-O-Y Change (BPS)	ADR Q1 2022 (\$)	ADR Q1 2023 (\$)	Y-O-Y Change (%)	RevPAR Q1 2022 (\$)	RevPAR Q1 2023 (\$)	Y-O-Y Change (%)
Oahu	70.4	77.5	710	239.18	273.18	14.2	168.47	211.72	25.7
Waikiki	70.5	77.6	710	226.74	261.41	15.3	159.83	202.77	26.9
Maui	66.5	69.7	320	599.76	644.67	7.5	398.63	449.11	12.7
Kaanapali/Lahaina/Kapalua	67.8	73.0	520	518.89	563.08	8.5	351.70	411.16	16.9
Kauai	73.5	74.9	130	378.35	412.53	9.0	278.23	308.82	11.0
Hawaii (Big Island)	75.1	76.5	140	419.19	425.31	1.5	314.77	325.18	3.3
State of Hawaii	70.3	75.2	490	357.64	387.77	8.4	251.47	291.75	16.0
United States*	59.9	63.4	590	131.85	152.11	15.4	78.93	96.44	22.2

FIGURE 2: Q1 2023 Lodging Performance



Source: CBRE Research, Q1 2023

Hotels Outlook

Hawaii RevPAR increased 16.0% YOY from \$251.47 in Q1 2022 to \$291.75 in Q1 2023. Occupancy rates increased to an average of 75.2% statewide in Q1 2023 compared to 70.3% in Q1 2022, an increase of +490 basis points (bps). Average Daily Rate (ADR) increased 8.4% from \$357.64 in Q1 2022 to \$387.77 in Q1 2023.

ADRs for the neighbor islands continue to be above the statewide average. Maui ranks first for yet another quarter at \$644.67, followed by the Big Island of Hawaii and Kauai at \$425.31 and \$412.53, respectively. The Luxury Class properties on the island of Maui commanded ADRs of \$1,128.20 in Q1 2023, compared to \$1,037.21 in Q1 2022, and \$703.43 in Q1 2019. Meanwhile, Oahu's Luxury Class was at \$671.93 in Q1 2023, \$651.64 in Q1 2022, and \$497.71 in Q1 2019.

Statewide occupancy is trending closer to the 80.5% levels of Q1 2019 at 75.2% this quarter. All islands continue to surpass the average US occupancy rate of 63.4%, ranging from 69.7% for Maui to 77.5% for Oahu.

The Hawaiian Islands rank #1 in both RevPAR and ADR when compared to the Top 5 U.S. Markets which includes Miami, Orlando, Tampa, Phoenix, San Francisco/San Mateo, and New York. It was edged out slightly by Las Vegas for the top 5 for occupancy rate. All the islands also ranked in the Top 15 of 'Competitive Sun and Sea Destinations' for Occupancy, ADR, and RevPAR. Maui rank 3rd for both ADR and RevPAR, while Oahu rank 3rd for Occupancy.

A total of 2,401,012 visitors arrived in Hawaii through March 2023, compared to 1,976,585 visitors through the same period in 2022, an increase of 21.5%. As another indicator, the March 2023 visitor count was at 97% of March 2019 levels. Of the total visitors in 2023, 78.7% (vs. 65.0% 2019) arrived on domestic flights and 21.3% (vs. 35% 2019) on international flights.

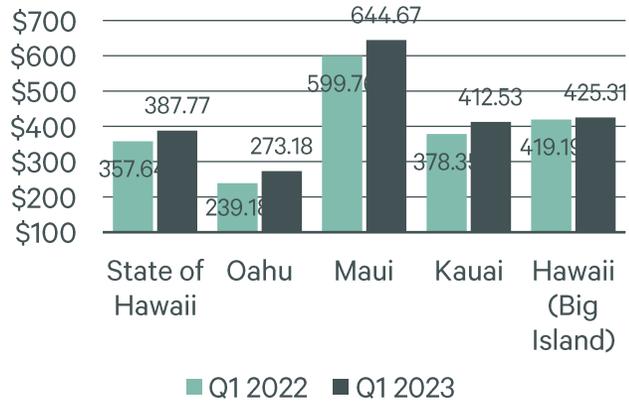
Total visitor expenditures increased from \$4233.6 million to \$5369.6 million, or 26.8% from 2022 to 2023. There was also a 19.5% increase in visitor spending when comparing this March to March 2019. Although international travel was down, domestic traveler spending increased 42.8% from 2019 and increased 10.5% from 2022 to 2023.

Average PPPDS (per person per day spending) segmented by major markets for year end 2023 vs. 2019 are as follows: US West \$223.20/179.60, US East \$257.20/209.00, Japan \$235.10/239.80, and Canada \$214.90/169.10.

Spending by island increased from 2022 to 2023 with Oahu at +18.5%, Maui +38.8%, Kauai +40.5%, and the Big Island of Hawaii +13.7%. There was also an increase in spending when compared to 2019, with Oahu at +6.4%, Maui +34.1%, Kauai +37.1%, and the Big Island of Hawaii +14.7%.

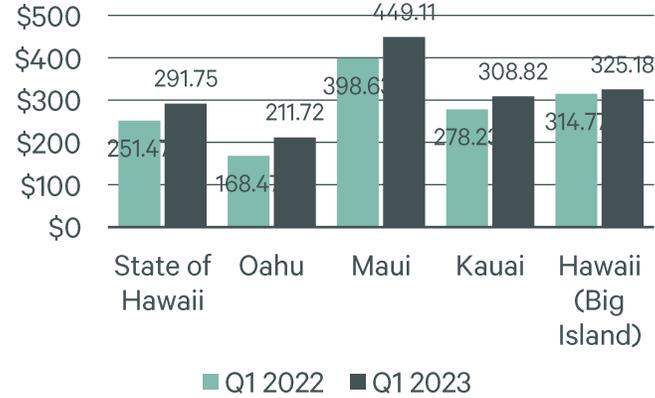
“Visitor arrivals from the US are quite resilient and appear to be holding steady at the start of the year. After that, they will decline slightly with the coming mild US downturn, but remain above the pre-recession peak on an annual basis throughout the forecast horizon. Despite the effect of a slowing global economy, we expect the international visitor census to continue its recovery this year, paving the way for a more diverse visitor mix.” UHERO FORECAST FOR THE STATE OF HAWAII

FIGURE 3: Average Daily Rate (\$)



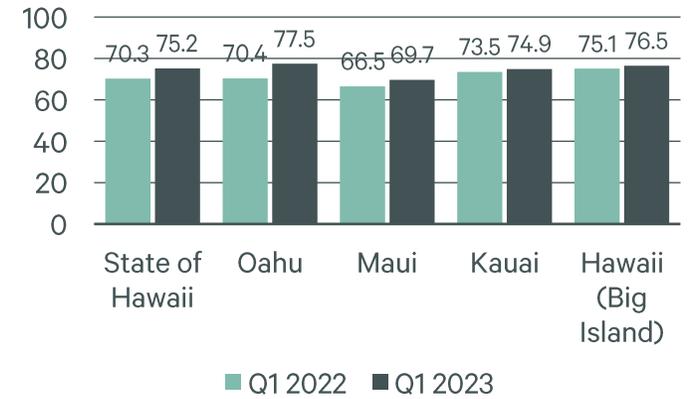
Source: STR, Mar 2023

FIGURE 4: RevPAR (\$)



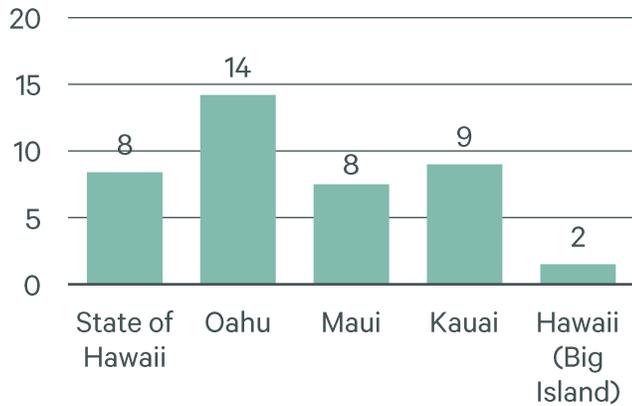
Source: STR, Mar 2023

FIGURE 5: Occupancy Rate (%)



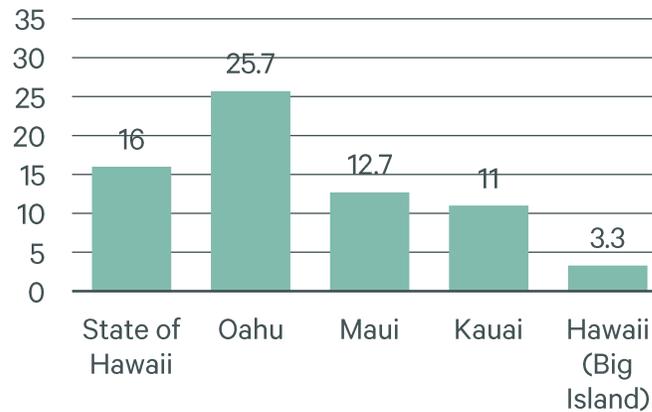
Source: STR, Mar 2023

FIGURE 6: Average Daily Rate – Annual Change (%)



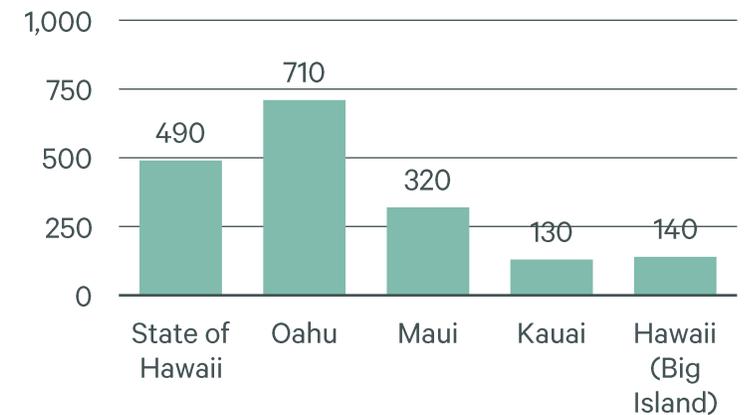
Source: STR, Mar 2023

FIGURE 7: RevPAR – Annual Change %



Source: STR, Mar 2023

FIGURE 8: Occupancy Rate – Annual Change (BPS)



Source: STR, Mar 2023

Market Area Overview



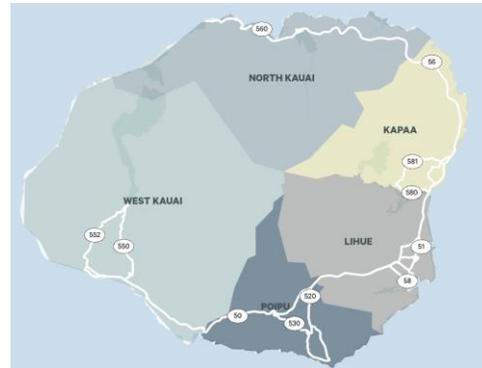
Island of Oahu



Island of Maui



Big Island



Island of Kauai

CBRE HOTELS ADVISORY

CBRE Hotels is a specialized advisory group within CBRE providing brokerage, valuation, consulting, research and capital markets services to companies in the hotel sector. CBRE Hotels is comprised of over 375 dedicated hospitality professionals located in 60 offices across the globe. For more information, visit www.cbrehotels.com

To learn more about CBRE Hotels Research, or to access additional research reports, please visit the Global Research Gateway at pip.cbrehotels.com

Honolulu Office – Bishop Square

CBRE
 1003 Bishop St, Suite 1800
 Honolulu, HI 96813
 +1 808 521 1200

Contacts

Blair Bonuccelli
 Managing Director
blair.bonuccelli@cbre.com

Zach DiSalvo
 Field Research Manager
zach.disalvo@cbre.com

Maggie Lui
 Field Research Analyst
maggie.lui@cbre.com

© Copyright 2023. All rights reserved. This report has been prepared in good faith, based on CBRE’s current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE’s control. In addition, many of CBRE’s views are opinion and/or projections based on CBRE’s subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE’s current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE’s securities or of the performance of any other company’s securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

