

NEWMARK

1Q 2024

Hotel Market Nsights Report

OAHU ISLAND, HI



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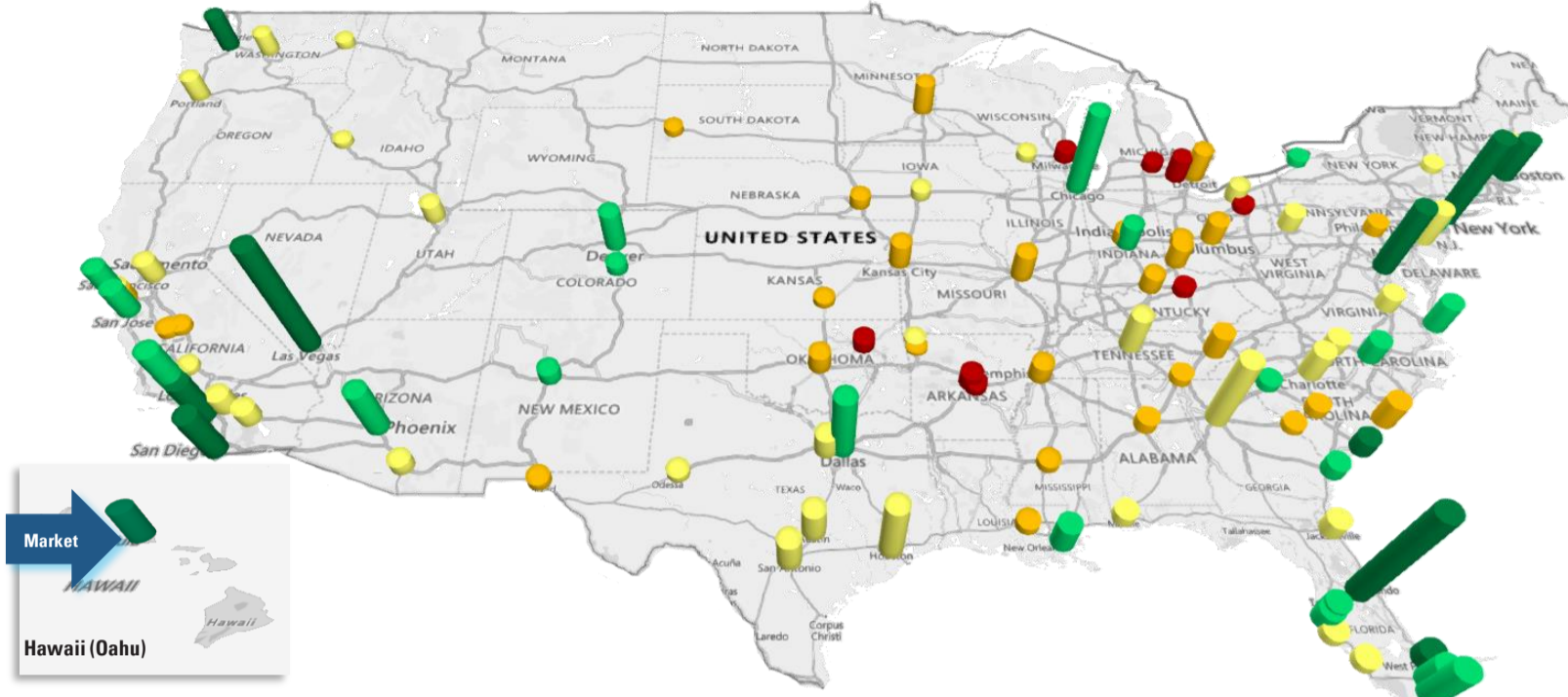
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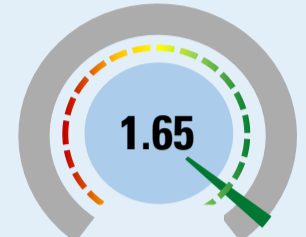


Lodging Performance Index Snapshot



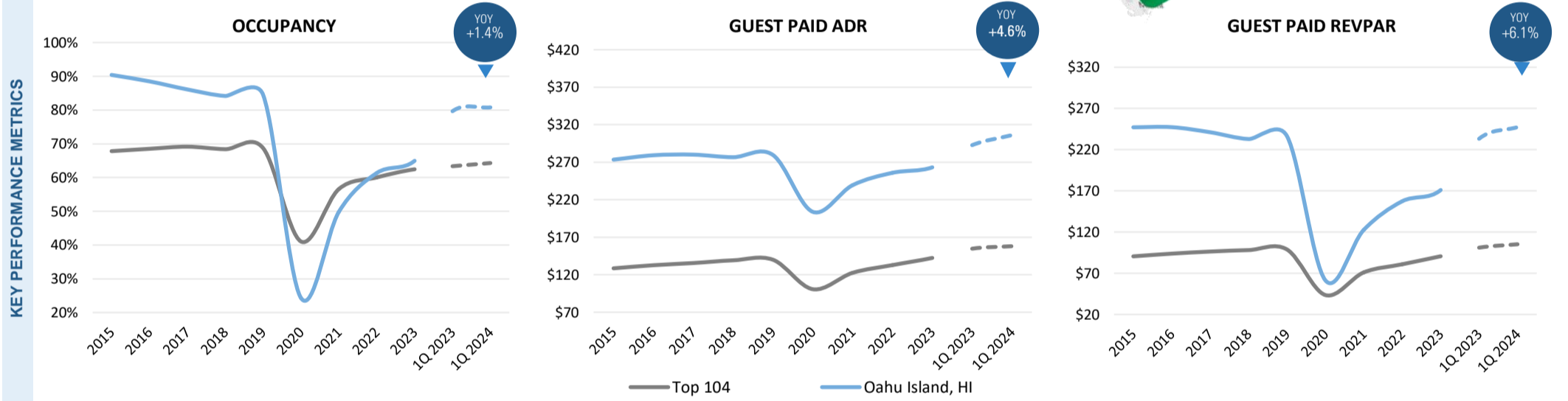
LODGING PERFORMANCE INDEX

Oahu Island, HI



1st of 104
Very Strong

Ranking of overall '1Q 2024 LPI' performance (1.65) against all 104 surveyed markets.

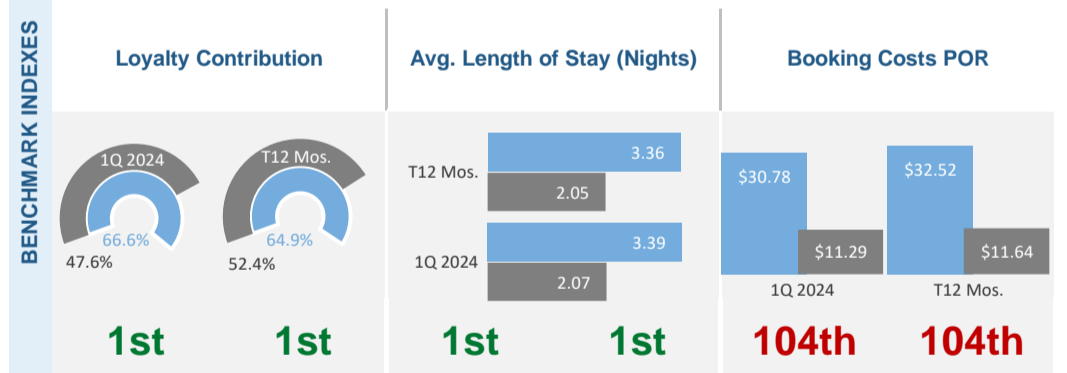


Key Performance Indexes

● Subject Market ● Top 104

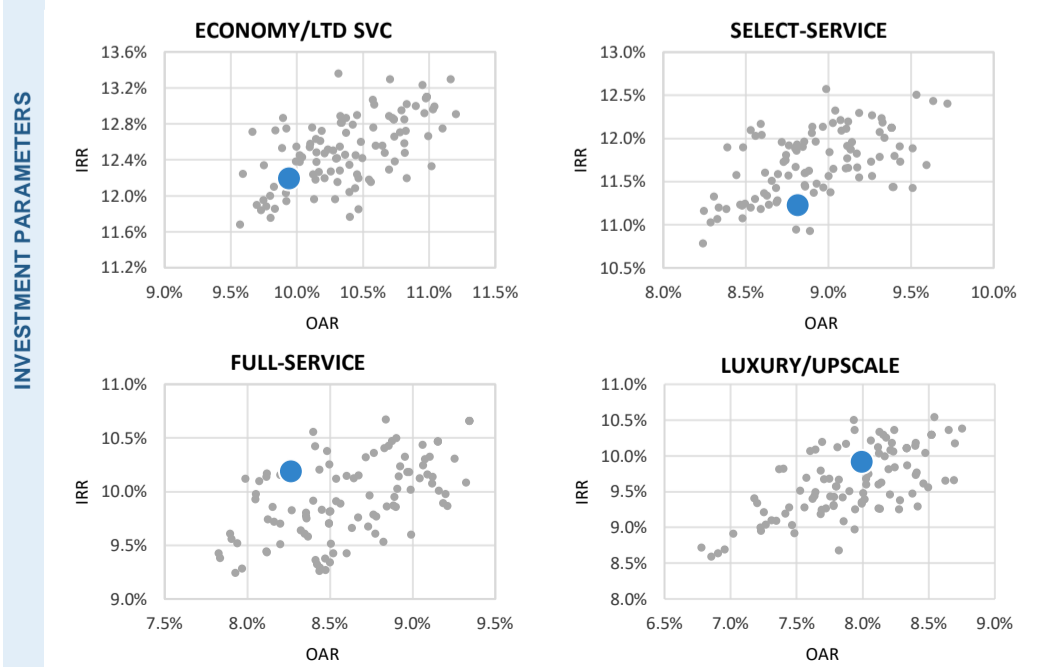


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

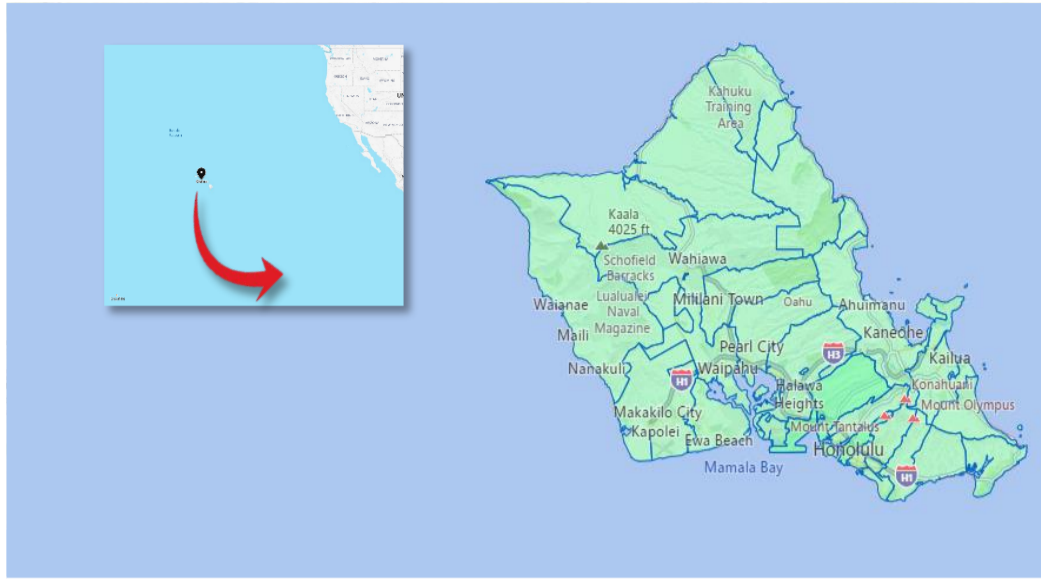


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Multiple	
County:	Honolulu County	
State:	Hawaii	
Geo Coordinates (market center):	21.43952, -157.97418	
Major Hotel Demand Generators		
Wal-Mart Stores Inc. Pearl Harbor Naval Complex Fort Shafter Marine Corps Base Hawaii Kaneohe Bay Hickam AFB University of Hawaii System Hawaii Pacific Health (Kapi'olani Health) Starwood Hotels and Resorts Hilton Hotels Corp. The Queen's Health Systems Hawaiian Airlines Inc. Kaiser Foundation Hawaiian Electric Industries Inc. Wal-Mart Stores Inc. Foodland Super Market Ltd. Securitas Security Services USA Inc. Bank of Hawaii Kamehameha Schools Alexander & Baldwin Inc. First Hawaiian Bank		
Metrics and Ranking		Measurements
Population (hotel market area)	897,402	
Income per Capita	\$86,197	
Feeder Group Size	31.9 Persons PSR	
Feeder Group Earnings	\$2,752,591 PSR	
Total Market Hotel Revenues	\$3.1 billion	
Rankings		
59th of 104 (Average)		
3rd of 104 (Very Strong)		
9th of 104 (Strong)		
27th of 104 (Above Average)		
14th of 104 (Above Average)		

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	90.4%	\$273.46	\$247.13	\$233.45	\$211.04	\$40.01	85.4%	30.8%	3.49	33,470	1.75
2016	88.5%	\$279.33	\$247.30	\$239.38	\$211.85	\$39.95	85.7%	32.7%	3.44	34,110	1.52
2017	86.1%	\$280.13	\$241.14	\$240.19	\$206.80	\$39.94	85.7%	33.3%	3.36	33,360	1.34
2018	84.2%	\$276.69	\$232.89	\$241.44	\$203.22	\$35.25	87.3%	38.0%	3.30	32,770	1.39
2019	84.5%	\$279.69	\$236.44	\$243.32	\$205.69	\$36.37	87.0%	42.4%	3.18	34,660	1.43
2020	24.3%	\$203.91	\$61.36	\$187.54	\$45.63	\$16.37	92.0%	57.1%	3.57	34,710	1.24
2021	49.8%	\$239.43	\$122.74	\$214.74	\$107.02	\$24.70	89.7%	62.3%	3.55	34,950	1.08
2022	61.3%	\$255.90	\$157.39	\$228.87	\$140.38	\$27.03	89.4%	56.4%	3.58	34,870	1.43
2023	65.0%	\$263.22	\$171.00	\$236.30	\$153.50	\$26.92	89.8%	57.9%	3.63	34,690	1.65
CAGR: 2015 thru 2023	-4.0%	-0.5%	-4.5%	0.2%	-3.9%	-4.8%	0.6%	8.2%	0.5%	0.4%	-0.7%
1Q 2023	79.6%	\$292.78	\$233.19	\$262.65	\$209.19	\$30.13	89.7%	68.0%	3.36	34,180	1.51
1Q 2024	80.8%	\$306.17	\$247.35	\$275.39	\$222.48	\$30.78	89.9%	66.6%	3.39	34,750	1.65

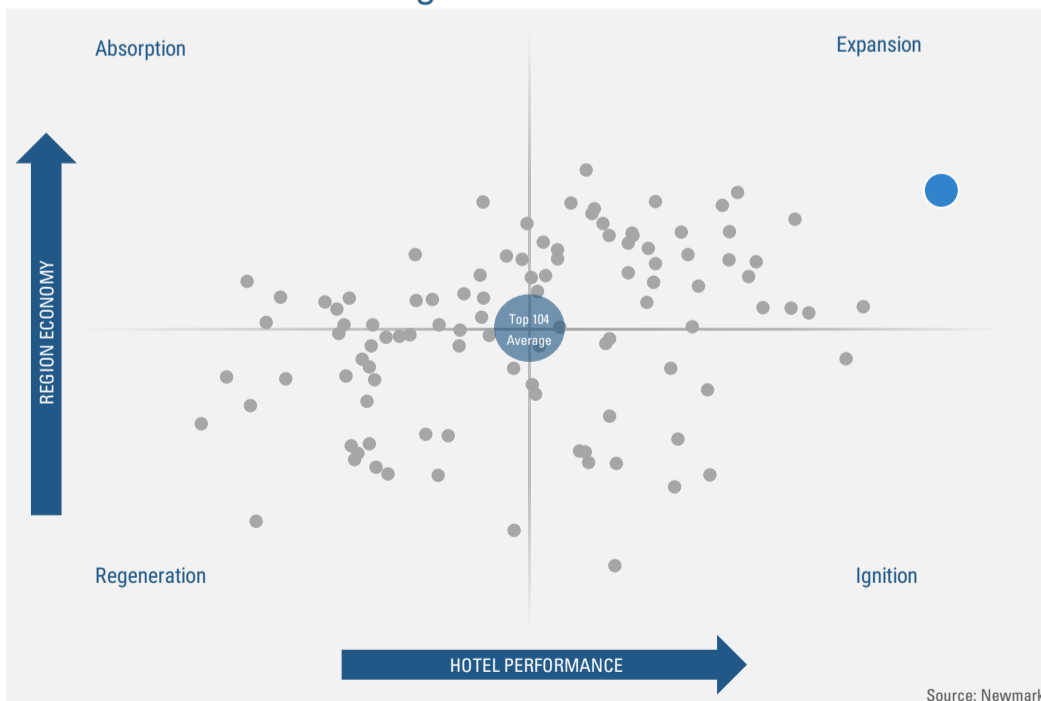
Notable Metrics

	Latest-Quarter Loyalty Contribution	Latest-Quarter Average Length of Stay	Latest-Quarter LPI
HIGHEST	1st Very Strong Oahu Island, HI exhibited strong latest-quarter loyalty contribution (66.6%)	1st Very Strong The market boasted strong latest-quarter average length of stay (3.39 Nights)	1st Very Strong The market also enjoyed strong latest-quarter LPI (1.65)
LOWEST	Last Soft This market has been hampered by weak T12-month COPE ADR percentage (89.4%)	Last Soft The market was burdened by high T12-month booking costs POR (\$32.52)	Last Soft Oahu Island, HI also has been burdened by high latest-quarter booking costs (\$30.78)

Notable Trends

	Long-Term Historical Booking Costs POR Growth	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Loyalty Contribution Growth
STRONGEST	1st Very Strong Oahu Island, HI has benefited from low long-term historical booking costs POR growth (-2.3%)	1st Very Strong The market exhibited strong long-term historical loyalty contribution growth (9.2%)	1st Very Strong The market also enjoyed strong short-term historical loyalty contribution growth (13.8%)
WEAKEST	88th Below Average The market has been hindered by weak long-term historical occupancy growth (-1.1%)	86th Below Average We note this area has been hampered by weak long-term historical Guest Paid RevPAR growth (0.6%)	84th Below Average Oahu Island, HI also exhibited weak long-term historical average length of stay growth (-0.4%)

Market Performance Stage



Oahu Island, HI: Expansion Stage

The Oahu Island, HI market is currently in the 'Expansion' stage of the performance cycle. In this stage, hotels perform adequately, contributing to a resilient economy that has fully exited from the pandemic environment. Displacement demand is high, new hotel supply is feasible (despite barriers normally being high), and the overall economy is expanding. Example markets in this stage include Anaheim, CA; Austin, TX; and Boston, MA.

Other Stages:

- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Cincinnati, OH; Detroit, MI; and Knoxville, TN.
- Ignition:** In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will remain fully recovered from the pandemic. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Baltimore, MD; Chicago, IL; and Miami, FL.
- Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will shed any lingering pandemic impacts, presenting upside for CRE. Barriers to entry are high and the market hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Atlanta, GA; Charlotte, NC; and Columbus, OH.

Industry Observations

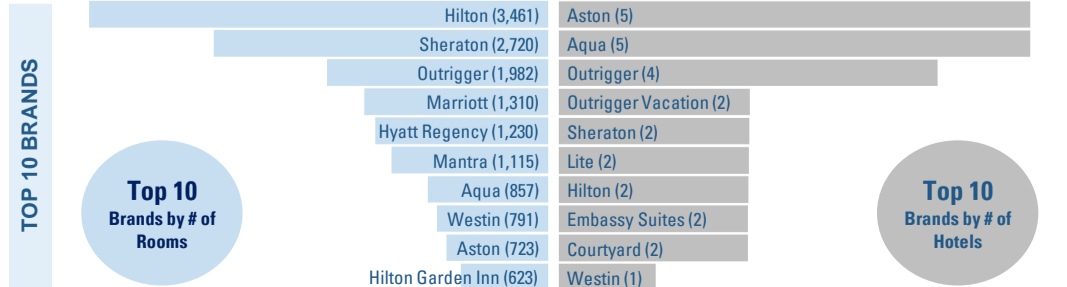
MOODY'S ANALYTICS
 Business Cycle:
 Employment Growth (2 yr):
 Risk Exposure (402 US markets):
 Key Industry Notes:

Recovery
 1.7%
 82nd Percentile: Above Average
 Educational attainment
 Large military presence
 High per capita income
 Overreliance on imported energy sources
 High cost of living and doing business

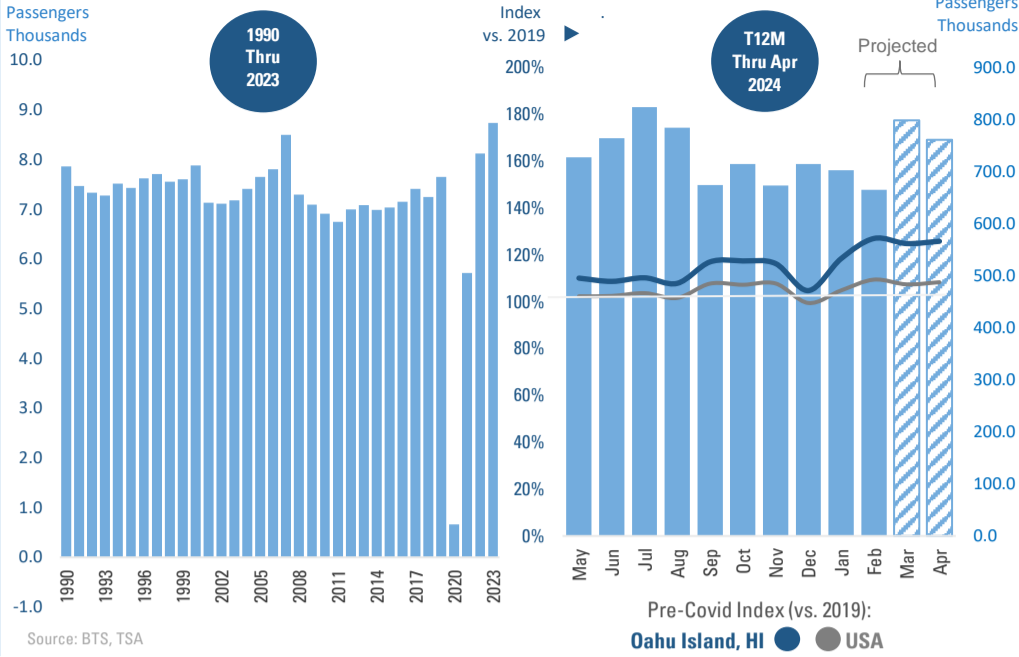
Moody's Rating

Aa2
Investment Grade

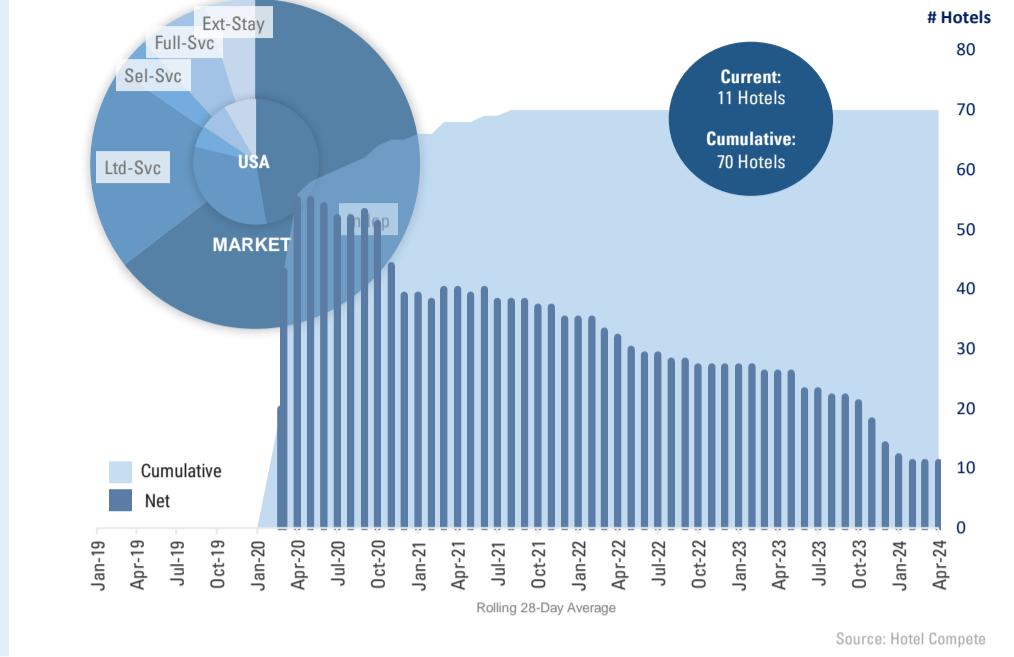
Long-term investment grade, Prime-1 short-term outlook



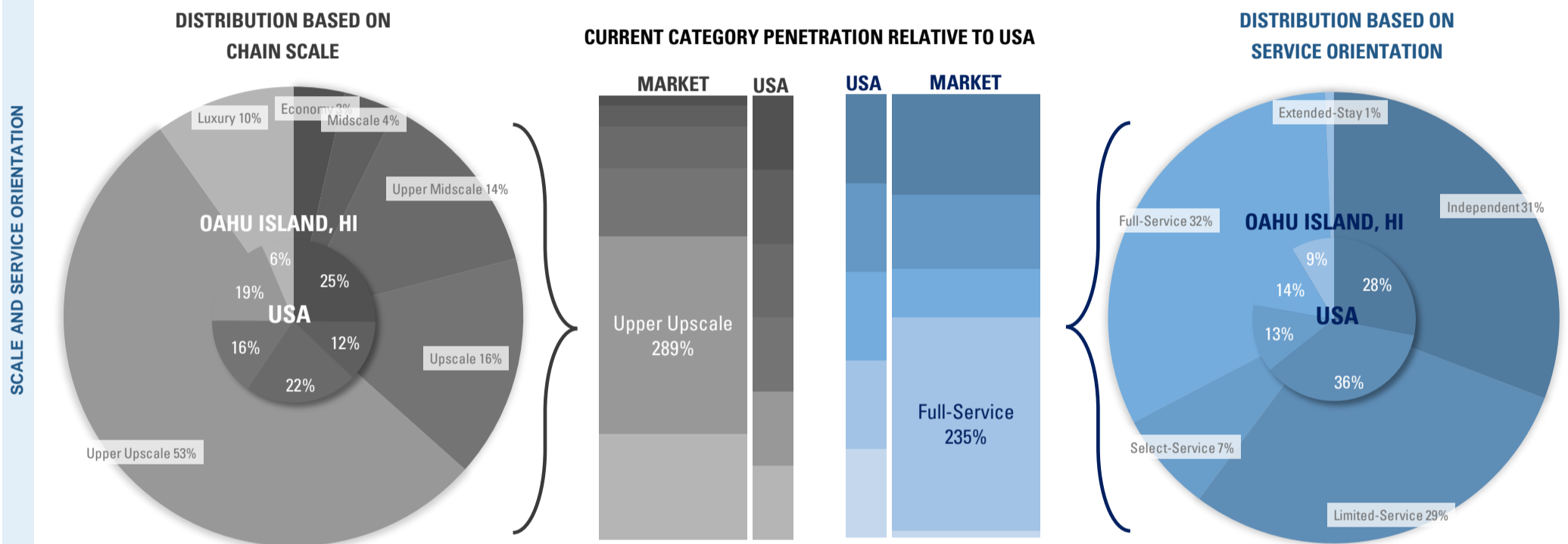
Airport Statistics - Enplanements



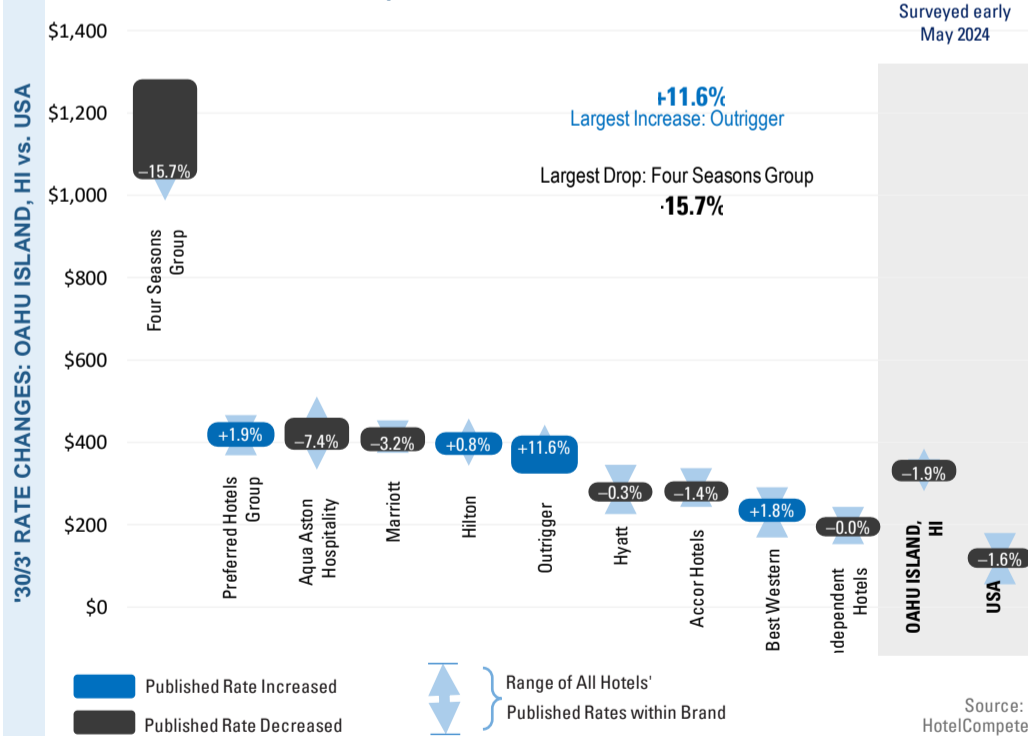
Hotel Closures - Oahu Island, HI



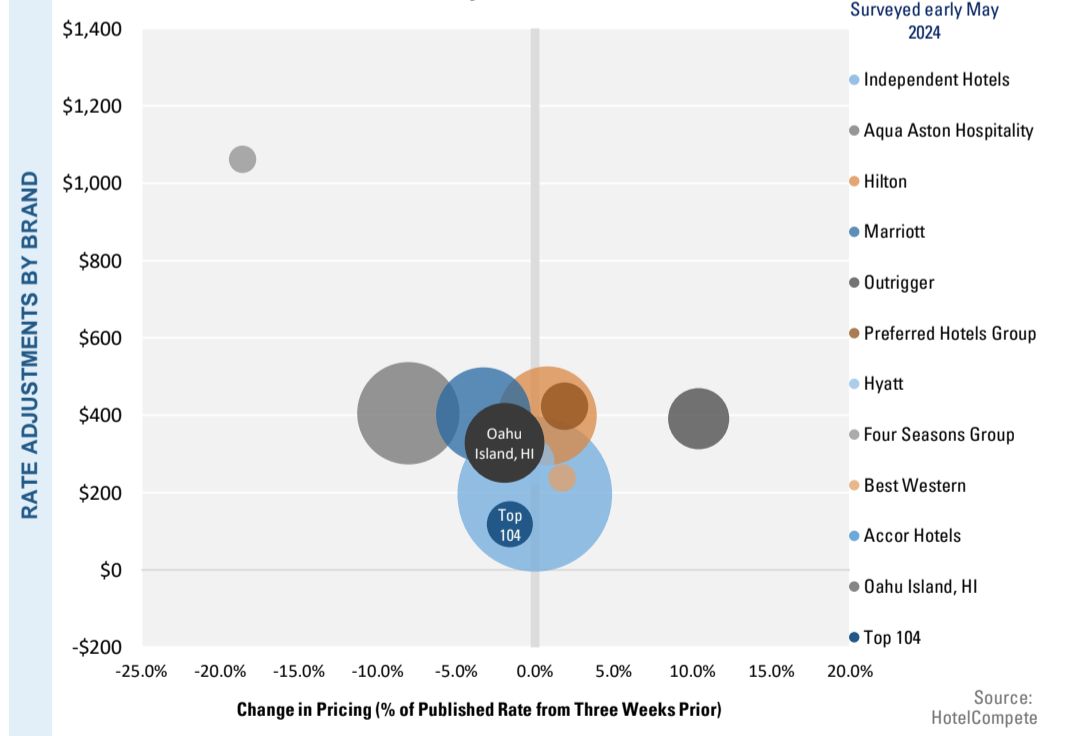
Scale and Service Distribution: Oahu Island, HI



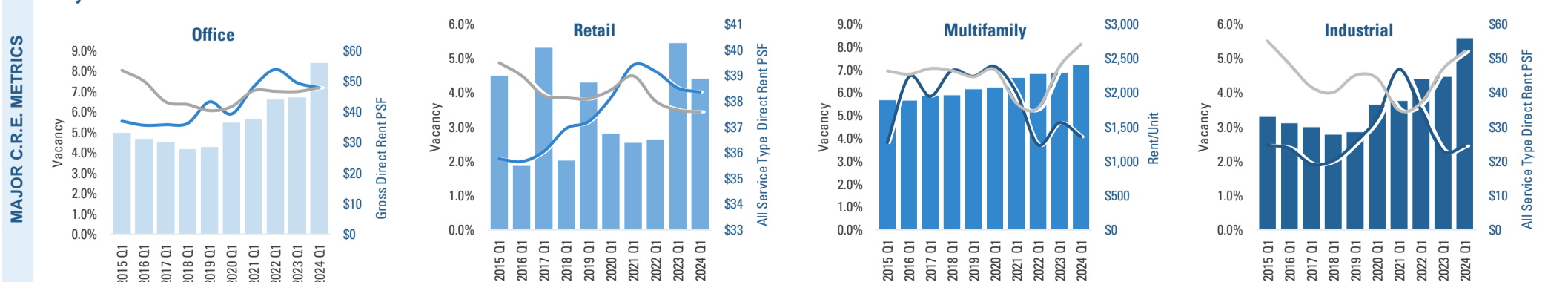
Published Rates: Top 10 Brands



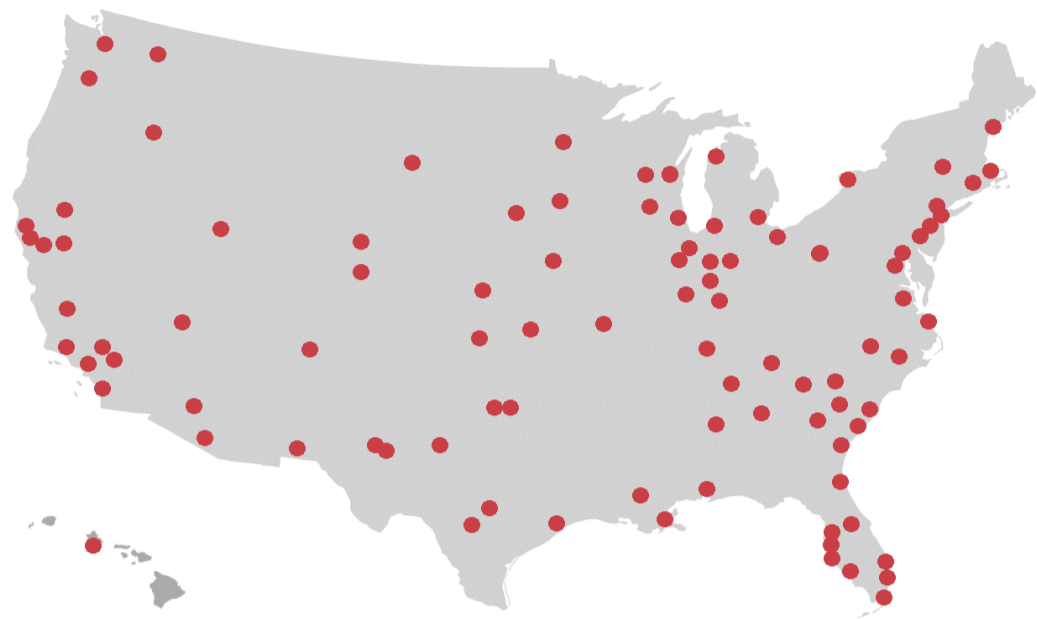
Published Rates: Volatility



Major CRE Market Performance



Nsights Hotel Market Reports Coverage



Akron, OH	Dayton, OH	Louisville, KY	Portland, OR
Albany, NY	Denver, CO	Madison, WI	Raleigh, NC
Albuquerque, NM	Des Moines, IA	Memphis, TN	Rapid City, SD
Anaheim, CA	Detroit, MI	Miami, FL	Richmond, VA
Arkansas State Area, AR	El Paso, TX	Michigan North Area, MI	Sacramento, CA
Atlanta, GA	Fayetteville, AR	Michigan South Area, MI	Saint Louis, MO
Augusta, GA	Fort Lauderdale, FL	Milwaukee, WI	Saint Petersburg, FL
Austin, TX	Fort Myers, FL	Minneapolis, MN	Salt Lake City, UT
Bakersfield, CA	Fort Worth, TX	Mobile, AL	San Antonio, TX
Baltimore, MD	Fresno, CA	Myrtle Beach, SC	San Bernardino, CA
Baton Rouge, LA	Greensboro, NC	Nashville, TN	San Diego, CA
Bentonville, AR	Greenville, SC	New Brunswick, NJ	San Francisco, CA
Birmingham, AL	Harrisburg, PA	New Orleans, LA	San Joaquin Valley, CA
Boise City, ID	Hartford, CT	New York, NY	San Jose, CA
Boston, MA	Houston, TX	Newark, NJ	Sarasota, FL
Buffalo, NY	Indiana North Area, IN	Oahu Island, HI (Branded)	Savannah, GA
Charleston, SC	Indiana South Area, IN	Oakland, CA	Seattle, WA
Charlotte, NC	Indianapolis, IN	Odessa-Midland, TX	Spokane, WA
Chattanooga, TN	Jackson, MS	Oklahoma City, OK	Tampa, FL
Chicago, IL	Jacksonville, FL	Omaha, NE	Tucson, AZ
Cincinnati, OH	Kansas City, MO	Orlando, FL (Non-Disney)	Tulsa, OK
Cleveland, OH	Knoxville, TN	Palm Desert, CA	Virginia Beach, VA
Colorado Springs, CO	Las Vegas, NV (Non-Strip)	Philadelphia, PA	Washington State Area, WA
Columbia, SC	Lexington, KY	Phoenix, AZ	Washington, DC
Columbus, OH	Little Rock, AR	Pittsburgh, PA	West Palm Beach, FL
Dallas, TX	Los Angeles, CA	Portland, ME	Wichita, KS

*Customized market reports available upon request

Hospitality, Gaming & Leisure

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Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

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Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

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Property Tax

We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

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