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Flower of the month:

Poinsettia
The long lasting red, pink and green foliage are widely used in Christmas floral displays



SKYLINE AT ISLAND COLONY



December
2015

ISLAND COLONY PARTNERS NEWSLETTER

ALOHA Island Colony Partners - news from Hawaii Tourism Association is great. According to preliminary year-end statistics, tourism in Hawaii set new records with the totals of visitor arrivals and visitor expenditures generated for the state in 2015. This year also set a new record for annual arrivals to the island of Oahu.

HOTEL PERFORMANCE

On the right is an abbreviated statistical presentation of Revenue per Available Room (RevPAR) and composite of Average Daily Rate (ADR) for the month of December 2015 versus December 2014:

E Star Report	Skyline 12/2015	Comp Set 12/2015	Skyline 12/2014	Comp Set 12/2014
RevPAR	\$136.69	\$154.32	\$139.34	\$138.73
ADR	\$152.57	\$182.35	\$154.32	\$178.35

[2015 Comp Set = similar competitor hotels including Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel and Joie De Vivre Coconut Waikiki Hotel]

The following chart shows percentage changes in Occupancy, ADR, and RevPAR for the current month of December 2015, year-to-date, running three months, and running twelve months for Skyline at Island Colony as compared to our competitive set:

	Current	Month	Year to	Date	Running 3	Months	Running 12	Months
E_Star Report	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set
Occupancy	-0.8%	8.8%	-0.1%	1.7%	-1.2%	6.8%	-0.1%	1.7%
ADR	-1.1%	2.2%	-3.8%	1.0%	-3.7%	1.4%	-3.8%	1.0%
RevPAR	-1.9%	11.2%	-3.9%	2.7%	-4.9%	8.3%	-3.9%	2.7%

Aqua Skyline at Island Colony finished the month of December at 89.6% occupancy, compared to our competitive set at 84.6%. Although our occupancy was higher than other hotels, rates were reduced to fill rooms. Typically a busy month with high seasonal rates, December started off slow with no signs of demand until Honolulu Marathon weekend. During this period, we saw increased rates and business from our Japanese travel partners.

After the marathon, we hit a mid-month lull until Christmas and New Year's, when Aqua Skyline's ADR surpassed \$200.



Skyline's competitive set of hotels for 2016 remain the same as 2015. L-R Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel and Joie De Vivre Coconut Waikiki Hotel



PROJECTED JANUARY RESULTS:

Demand in January has been mixed. According to HLTA, more than 50% of visitors are booking through Air B&B as their rates are more competitive than the hotel market. We have seen this trend continue throughout the industry this month as rates have been reduced to fill occupancy. Currently at 89.75% on the books, we are currently pacing behind last year in revenues and, although we are ahead in ADR, the projections we anticipated for 2016 will fall short of budget. With the Pro Bowl coming to Honolulu this year, we see higher rates at the end of the month, which will help everyone throughout Waikiki.



FUTURE OUTLOOK:

February is currently pacing ahead in revenue as we look to stay ahead of our competitive set while watching rates in Waikiki. Demand dates of Valentine's weekend, which includes the President Day holiday, are nearly sold out. During this period, the 2016 BMT Tandem Meeting Conference will be in Waikiki and has added additional demand between February 15-23.



Aqua Skyline secured a government group of 27 rooms, checking in on March 2, and staying until June 1. This gives us a great base at a strong rate during what is typically our slow period of the year.

PARTNERSHIP NEWS:

The AOA will be mailing packets to partners for the annual meeting within the next few weeks. Upon receipt, please put Kristie Maruyama as the proxy holder and send the packet to the Partnership office via mail, email, or fax. Thank you for your continued support!

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AOAO UPDATE:

- Fire System: Work continues on the property fire system upgrades. All units have completed the Fire System upgrades. Contractors are working to tie in the system to the main panel which is located in the Security Office.
- Cameras in Hallways: This project is ongoing in conjunction with the hallway renovations which is still in progress.
- Hallway Renovations: This project continues with the AOA - currently on the 25th floor. They project to finish about a floor a week as the major work of the fire alarm renovation is now complete.

2016 Year of the Monkey



Royal Hawaiian Center hosts Chinese New Year Celebrations

Usher in the Year of the Monkey at the Royal Hawaiian Center with a week of special Chinese New Year celebrations, activities and promotions from February 8 through February 18.

Festivities kick off on Chinese New Year, Monday, February 8 at 5:00 p.m. with Chinese entertainment followed by firecrackers to ward off evil spirits in the Royal Grove with a traditional lion dance by the Lung Kong Physical Culture Club and a special appearance by the Miss Chinatown Hawaii and her court wearing traditional cheongsam.

As always, we appreciate your support and thank you for your continued patience and assistance during these extraordinary times.

Please feel free to contact Kristie Maruyama at 808-772-2662 or via email at kmaruyama@islandcolonypartners.com, or either one of us should you have any questions.

*Me ke Aloha Pumehana,
"With Warmest Aloha"*

SKYLINE
AT ISLAND COLONY

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