

Inside this Issue ...

Hotel Performance
 Projected September Results
 Future Outlook

Partnership News
 AOA Update
 Renovation Update

Often called the 'corsage' flower, cattleya comes in dozens of beautiful varieties



SKYLINE

AT ISLAND COLONY



August 2017

ISLAND COLONY PARTNERS NEWSLETTER

Aloha Island Colony Partners—So true are the recent sentiments expressed by the Hawai'i Tourism Authority, "The natural disasters that struck Texas, Louisiana, Florida, Puerto Rico and the Caribbean Islands these past few weeks remind us again that we can never take tourism in Hawaii for granted, and that our State's future well-being could be suddenly altered. Going forward, we must strive for a balance that allows Hawaii's tourism industry to continue thriving while seeking sustainable solutions that perpetuate culture, preserve natural resources and supports the quality of life we all want."

HOTEL PERFORMANCE

To the right is an abbreviated statistical presentation of Revenue per Available Room (RevPAR) and composite of Average Daily Rate (ADR) for the month of August 2017 versus August 2016:

E Star Report	Skyline 8/2017	Comp Set 8/2017	Skyline 8/2016	Comp Set 8/2016
RevPAR	\$117.37	\$147.97	\$133.61	\$160.63
ADR	\$130.10	\$167.92	\$145.53	\$175.32

[2016 Comp Set = similar competitor hotels including Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel and Coconut Waikiki Hotel]

The following chart shows percentage changes in Occupancy, ADR, and RevPAR for the current month of August 2017, 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	-1.7%	-3.8%	-0.3%	-1.8%	-1.0%	-1.6%	-0.6%	-1.7%
ADR	-10.6%	-4.2%	-4.5%	-0.4%	-9.1%	-3.2%	-3.5%	0.6%
RevPAR	-12.2%	-7.9%	-4.8%	-2.2%	-10.0%	-4.8%	-4.1%	-1.1%



Above - Skyline at Island Colony's spacious and beautiful open-air lobby



2017 Comp set hotels include - clockwise from top right: OHANA Waikiki Malia and Joie de Vivre Coconut Waikiki Hotel, Ilima Hotel, Hyatt Place Waikiki Beach, Aqua Pacific Monarch

The Aqua Skyline at Island Colony finished behind revenue budget goals for the month of August. Demand has been down in the non-RimPac year and ADR has dropped over last year by over \$15. Hotels throughout Waikiki have struggled to fill occupancy and because of this, rates for our competitive set of hotels were reduced to fill room nights. .

PROJECTED SEPTEMBER RESULTS:

The month of September, typically the start of our slow season, has seen rates drastically reduced and with occupancies behind pace over last year. We continue to succeed with online and bookings from the extranet sites and we are working towards increasing direct bookings from our website, central reservations office and property direct. We will finish the month of September behind revenue goals as we look to salvage what we can to finish out the month.

FUTURE OUTLOOK:

The fall months have continued to pace behind last year. In the month of October, we are fortunate enough to have a large group in-house which will occupy 53 rooms over a 9 day period. In addition, we have secured groups from our Chinese Market which will help occupy our non-renovated rooms and lower floor studios during the months of October and November.

As we move towards December, we are pacing behind last year. Rates remain high as this will be a busy month for Aqua Skyline and Waikiki with the Honolulu Marathon and year end business.

PARTNERSHIP NEWS:

As Halloween is just around the corner, Island Colony Partners would like to wish you and your family a safe and happy holiday.

RENOVATION UPDATE:

Bathtub Reglazing Project: We will start our bathtub refinishing project and have contracted Aloha Tub & Tile to perform the work. Most units that need attention will be re-glazed with a new finish that will give an uplifting look to the bathroom.



Carpet Replacement Project: We have secured a contractor to work on replacing worn out and bad carpets in our guest rooms. A schedule is pending and we look to get this started during slow times in October and November.

AOAO UPDATE:

Building Painting Update: Contractors are painting the Seaside side of the building, work will continue daily with expected finish by the end of the year.

HALLOWEEN EVENTS at The Royal Grove located at the Royal Hawaiian Center

SATURDAY, OCTOBER 28, 2—4pm Pumpkin Carving, Sculpture Demonstration

SUNDAY, OCTOBER 29, 2—7pm Keiki Trick-Or-Treating ... 4—5:30pm Keiki Costume Contest

TUESDAY, OCTOBER 31, 4—9pm Trick-Or-Treating

FRIDAY, OCTOBER 27—TUESDAY 31, 10am—10pm Halloween Spinning Wheel



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

William T. Tanaka, Jr.

Managing Partner, American Pacific Hotels, LLC
General Partner, Island Colony Partners

PH: 808-921-7110

Kristie L. Maruyama

Managing Director
Island Colony Partners

PH: 808-921-7110

Brian H. "Kovy" Kovaloff

Hotel Manager
Aqua Skyline at Island Colony

PH: 808-921-7140