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Flower of the month:

HIBISCUS
 The yellow hibiscus is the official state flower (*hibiscus brackenridgei*), also known as the pua aloalo.



SKYLINE

AT ISLAND COLONY



FEBRUARY 2014

ISLAND COLONY PARTNERS NEWSLETTER

ALOHA ...

Here is the current DBEDT (Dept of Business, Economic Development and Tourism) forecast –**1st Quarter 2014** (released on February 25, 2014) that may be of interest to you.

Visitor arrivals are expected to increase 1.7 percent in 2014, one percentage point below the previous forecast.

The forecast for visitor days in 2014 was also lowered from 2.8 percent to 1.8 percent. The forecast for visitor expenditures in 2014 has been revised downward to 3.4 percent, from 4.2 percent growth projected in the previous forecast. For 2015, the growth rates of visitor arrivals, visitor days, and visitor expenditures are now expected to be 2.0 percent, 1.9 percent, and 4.9 percent, respectively.

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 January:

E Star Report	Skyline 1/2014	Comp Set 1/2014	Skyline 1/2013	Comp Set 1/2013
RevPAR	\$130.87	\$128.62	\$126.68	\$123.26
ADR	\$136.08	\$162.96	\$135.03	\$152.31

[2013 Comp Set = similar competitor hotels including Hyatt Place Waikiki Beach (Prior Renovation), Maile Sky Court, Aston Hotel Pacific Monarch, Ohana Waikiki Malia

[2014 Comp Set = similar competitor hotels (taken from websites) including clockwise from left: Hyatt Place Waikiki Beach, Aqua Pacific Monarch, Ilima Hotel, 'OHANA Waikiki Malia and Joie De Vivre Coconut Waikiki Hotel

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

	Current	Month	YTD	YTD	Running 3	Months	Running 12	Months
E_Star Report	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set
Occupancy	2.5%	-2.5%	2.5%	-2.5%	2.0%	-3.4%	-5.6%	2.2%
ADR	0.8%	7.0%	0.8%	7.0%	3.4%	7.5%	39.5%	16.1%
RevPAR	3.3%	4.4%	3.3%	4.4%	5.5%	3.8%	31.7%	18.7%

Occupancies for January reached 96.2%, versus our competitive set at 78.9%. Because of this, we gained a higher RevPAR versus our competitive set for the second month in a row. Skyline's competitive set of hotels for 2014 are Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel, and Joie De Vivre Coconut Waikiki Hotel.

RENOVATION STATUS:

During the month of January, we renovated three units with one more nearly completed and leaving just four un-renovated. Moving forward, as more units enter the program, we may decide to commence with another renovation.

PROJECTED FEBRUARY RESULTS:

Currently at 97.38% on the books for February. We have already surpassed revenue goals for the month.

CAPITAL IMPROVEMENT PROJECTS & MISCELLANEOUS UPDATES

Hallway repair work has continued throughout the building. This new look will give the hallways a fresh new look to go along with the newly renovated product.

ANNUAL OWNERS' MEETING—APRIL 3

- **The annual owners' meeting takes place on April 3. It's important to receive as many owner proxies as possible to vote in the best interest of the partnership.**
- **Three board positions are up for election.**

WAIKIKI NEWS

The International Market Place Closes. The cheap and kitschy shops that were popular with many looking for gifts to take home are now gone, making way for more high-end retail in Waikiki.

The new project is scheduled to open in spring 2016. Located on six acres in the heart of Waikiki, the center will include approx. 60 stores, many of which are anticipated to be unique to Waikiki, a three-level Saks Fifth Avenue and seven restaurants on a third-level grand lanai. A parking garage with approx 750 spaces will provide convenient access for visitors and residents.

The well-known iconic banyan tree will be preserved and incorporated into the design.

UPCOMING CALENDAR OF EVENTS

March 9, 2014 Sunday

4:30PM Starts, 7:30PM Ends

HONOLULU FESTIVALS PARADE

The event is expected to have 3,000 marchers, 35 vehicles & 6 bands. It will start at Kalakaua Ave. at Saratoga Rd and end at Waikiki Shell parking lot, Queen Kapiolani Park.



March 17, 2014 Monday

12noon Starts, 2:00PM Ends

ST. PATRICK'S DAY PARADE

The event is expected to have 750 marchers, 50 vehicles, 1 float & 5 bands. It will start at Saratoga Rd./Kalakaua Ave. and end at Queen Kapiolani Park.

March 22, 2014 Saturday

10:00AM Starts, 12:30PM Ends

PRINCE KUHIO COMMEMORATION PARADE

The event is expected to have 800 marchers, 35 vehicles, 2 floats, & 2 bands. It will start at Kalakaua Ave. at Saratoga Rd and end at Waikiki Shell parking lot, Queen Kapiolani Park.



Prince Jonah Kūhiō Kalanianaʻole Piʻikoi (1871–1922) was a prince of the reigning House of Kalākaua when the Kingdom of Hawaiʻi was overthrown in 1893. He later went on to become a politician in the Territory of Hawaiʻi as delegate to the US Congress and was the first native Hawaiian and only person ever elected to that body who was born a royal. (excerpt from Wikipedia)

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 Cachola at 808-772-2662 or via email at laucachola@gmail.com, or either one of us if you have any questions.

SKYLINE AT ISLAND COLONY

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