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TUBEROSE
 One of the most popular
 flowers for lei because of its
 sweet fragrance

Flower of the month:



SKYLINE

AT ISLAND COLONY



March 2014

ISLAND COLONY PARTNERS NEWSLETTER

ALOHA ...

Excerpt from statement issued on March 27, 2014, by Mike McCartney, president of the Hawai'i Tourism Authority

HAWAII MARKET PLATEAUS

For the first 59 days of the year, we have seen a plateau or leveling off of our 2014 arrivals and expenditures. Here is a summary of facts:

- There are 303 fewer air passenger arrivals per day (-1.4%).
- There are about 219,808 guests in Hawaii on any given day (-1.0%).
- Everyday our guests spent \$43.8 million per day and contributed \$4.7 million in state tax revenue (-2.8%).
- Spent an average of \$196.5 per person per day, \$3.30 less than in 2013 (-1.6%).
- Spent an average of \$1,944 per person per trip, \$16 less than in 2013 (-0.8%).
- We have seen fewer arrivals from U.S. West and U.S. East. In 2013, 780,000 (59% of visitor market share) visited the Hawaiian Islands compared to 744,627 (58% of market share) in 2014.
- We have seen a slight increase in arrivals from international markets from 533,803 (41% of visitor market share) in 2013 compared to 551,257 (42% of visitor market share) in 2014.

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 February.

E Star Report	Skyline 2/2014	CompSet 2/2014	Skyline 2/2013	Comp Set 2/2013
RevPar	\$145.14	\$146.99	\$131.59	\$133.79
ADR	\$149.24	\$168.77	\$134.76	\$155.85

[2014 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 February, 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	-0.4%	1.5%	1.1%	-0.6%	1.2%	-3.3%	-5.5%	0.9%
ADR	10.7%	8.3%	5.5%	7.7%	7.9%	8.2%	34%	14.2%
RevPAR	10.3%	9.9%	6.6%	7.1%	9.2%	4.7%	26.6%	15.3%

Occupancies for February reached 97.3%, versus our competitive set at 87.1%. Because of this, our RevPAR finished only \$1.85 below our competitive set. It was a successful month for Skyline as our high occupancy along with an improved ADR allowed us to exceed budget goals for the month.

Skyline's competitive set of hotels for 2014 include Hyatt Place Waikiki Beach, Aqua Hotel Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel, and Joie De Vivre Coconut Waikiki Hotel.

RENOVATION STATUS

Renovation of rooms is ongoing as additional non-renovated rooms enter the rental program.

PROJECTED MARCH and APRIL RESULTS

Currently at 93.79% on the books for March, we will fall short of reaching budget goals as we move to the slower months of April and May.

April is currently at 69.64% on the books with an ADR of \$116.73. With the low occupancy and ADR, Waikiki is in a slump in tourism and bookings. Rates across our competitive set and, Waikiki in general, have been reduced drastically as we endeavor to maintain occupancy throughout April and May. We will slowly start to see higher occupancies and ADR improve as we head to the summer months starting in June.

AOAO 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.

Building spalling work is being done to repair emergency cracks that have erected from the exterior of the building.

Big **mahalo** to owners for their support and attendance at the April 3 meeting!
Congratulations to George Vozikis (hotel pool owner) on his election to the board.



SKYLINE EMPLOYEES HONORED

Each year, the Hawai'i Lodging & Tourism Association honors individuals who contribute to the visitor industry through exceptional service, professionalism, and aloha spirit. These are the employees who continue to make Hawaii a premier destination. Our visitor industry needs and appreciates their energy, expertise, intuition, and most of all – their aloha spirit! This year, two Skyline employees were honored:

L-R Jessie Uy, Maria Nodora (Honorable Mention/Nominee Housekeeper of the Year), Kristie Cachola, Kimberly Oshiro and Monalisa Tupua (Honorable Mention/Nominee Front Office of the Year). Congratulations!

WAIKIKI NEWS

H&M opened its first location in the state of Hawaii on March 27. The flagship store, located in the Waikiki Business Plaza, features 31,000 square feet of fashion with collections for ladies, men, young ladies and young men, with separate "store within store" sections for accessories, lingerie and sports apparel.

Store hours are Sunday through Saturday 10:00 a.m. to 11:00 p.m.



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 808-772-2-662 or email laucachola@gmail.com, or either one of us if you have any questions.

SKYLINE

AT ISLAND COLONY

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