



HAWAII

VISITORS & CONVENTION BUREAU™

ANNUAL MEMBERSHIP MEETING

Hawai'i Forward: Beyond the Tourism Crossroads

Wednesday, 28 January 2026

Meeting Agenda



Welcome & Introduction

2025 Highlight Year in Review

Hawai'i Market Intelligence

Global Industry Outlook

2026 Brand Campaign

Looking Back at 2026

State of HVCB



Karen Wataru Nakaoka
Senior Director
Member & Community Engagement



Invitation stands...come lunch with us!



Luca



MEMBER PROMISE

Supporting our membership 'ohana is central in our efforts to achieve our vision and mission.

By bringing Hawai'i's visitor industry together and providing unique, strategic benefits, we help our members achieve their goals.



RELATIONSHIPS





Sean Dee

**EVP & CCO, Outrigger Hospitality Group
Chair, HVCB Board of Directors**





Dr. Aaron J. Salā
President & CEO





2025 Highlights In Review

Strategic Plan Phase 1



Maui Emergency Marketing Campaign



Lilo & Stitch Premiere



Neighbor Island Membership Events





Hawai'i Market Intelligence



Jeffrey Eslinger
Senior Director
Market Insights & CRM



Hawai'i Tourism: 2025 Review & 2026 Outlook



Selective Growth, Not Volume Recovery

THE 2025 REALITY

Actuals: What Really Happened

Metric	2025 Actual	vs. 2024	Forecast	Hawai'i vs. US
Hotel RevPAR	\$271	+1.5%	Flat	✓ Outperforming
Hotel ADR	\$367	+0.8%	+0.8%	✓ #1 in USA
Hotel Occupancy	73.9%	+0.5 pp	62.0%	✓ Strong
Hotel Revenue	\$5.6B	+2.0%	Soft	✓ Growing
Visitor Arrivals (Nov YTD)	8.77M	-0.2%	Modest growth	⚠ Flat
Visitor Spending (Nov YTD)	\$19.64B	+5.9%	Soft	✓ Growing
Daily Visitor Spend (Nov YTD)	\$258	+6.2%	Flat	✓ Growing

WHERE THE GROWTH IS AND IS NOT

Island Performance: 2025 Actuals + Forward Outlook

Island	2025 RevPAR	2025 Arrivals	2025 Visitor Spend	2026 Transient Pacing	Status
O'ahu	\$223 (−1.3%)	−1.4%	+6.2%	−11% to −32%	⚠ Challenged
Maui	\$346 (+2.2%)	+7.0%	+12.6%	+24%	✓ Recovering
Kaua'i	\$314 (+4.1%)	+2.2%	+1.5%	−5% to −15%	⚠ Soft forward
Island of Hawai'i	\$308 (+7.5%)	+1.2%	−0.3%	+1%	✓ Strongest growth

THREE HEADWINDS SHAPING 2026

What's Actually Holding Us Back

HEADWIND 1

International Recalibration

The Problem:

Canada arrivals down 11.2%,
spending down 8.0%

Other international down 19.0%
arrivals, -3.9% spending

Impact on Hawai'i:

- O'ahu RevPAR -1.3% (worst major U.S. market)
- International revenue evaporating exactly when we need to grow

HEADWIND 2

Luxury Isolation

The Reality:

Luxury RevPAR +12.5%, ADR
+\$863 (our bright spot)

Midscale/Economy: Flat (no
growth)

The Problem:

- Only one segment is growing meaningfully
- Midscale and economy have nowhere to go
- Growth is siloed at the top

HEADWIND 3

Labor Cost Squeeze

The Math:

National rooms and F&B labor:
+9.8% inflation

Hawaii ADR growth: +0.8%

Reality: Cost inflation is 12× our
revenue growth

The Implication:

- Margins are unsustainable at current mix
 - We cannot survive on midscale/economy volume
- We must shift business to high-value segments for profitability

HOW HAWAII COMPETES

We're Not Virginia or Orlando—We're a Global Premium Destination

U.S. Destinations—Growth Model

Destination	Growth Driver	2025 Volume Trend	2025 Yield Trend
Hawai'i	Higher spend per visitor	Arrivals -0.2%	Spend +5.9%; daily +6.2%
Virginia	Drive-market volume	+2.6% growth	Demand-driven, not rate
Orlando	Group & leisure volume	Strong pacing	International/biz lagging

Global "Sun & Sea" Destinations—Where Hawai'i Really Competes

Destination	RevPAR YTD 2025	ADR YTD 2025	Global Rank
French Polynesia	\$528	\$783	Ultra-luxury
Maldives	\$400	\$597	Ultra-luxury
Maui County	\$346	\$537	#3 globally
Kaua'i	\$314	\$417	#5 globally
Hawai'i Island	\$308	\$444	#6 globally
O'ahu	\$223	\$284	High occ, under-earning

FORWARD LOOKING HOTEL PACING: STATE AND ISLAND PERFORMANCE

Transient momentum is outpacing group. Leisure mix is driving 2026 growth.

2026 Bookings as of 11 January 2026 | Year-over-Year Change

State of Hawai'i

Metric	YOY %
Transient Rooms	+7%
Group Committed	0%
Total Rooms	+4%

By Island (Transient | Group)

Island	Transient YOY	Group YOY
O'ahu	+3%	+1%
Maui*	+24%	+7%
West Maui	+21%	+6%
Hawai'i Island	+1%	-4%
Kaua'i	-5%	-15%

Sources: HVCB TravelClick Forward Pacing (Jan 11, 2026);

Air Service Matrix: Protect/Optimize/Grow/Constrain Strategic Response to Performance and Market Realities

PROTECT (HNL/OGG)

Markets to PROTECT (Stabilize, don't cut):

- **Canada** (Vancouver YVR, Toronto YYZ)
- **Australia** (Sydney SYD, Melbourne MEL)
- **Japan** - Selective HNL Rebuilding; Prioritize KOA non-stop
- **U.S. West** (LAX, SFO, SEA, SLC, PHX, DEN — existing)
- **U.S. East** (ORD, DFW, ATL, MSP, JFK, EWR, IAD)

GROW (KOA/HNL)

- **LAX/SFO/ORD/SFO/DFW/SEA nonstops**
- **Secondary U.S. West Markets** (OAK, SMF, PDX, SAN, ONT, SNA)
- **Japan/Korea nonstop** (NRT/ICN)
- **Taipei, Mexico City, LHR, FRA**

OPTIMIZE (HNL/OGG)

Routes to OPTIMIZE (yield improvement, no new capacity):

- **LAX ↔ HNL** (highest volume)
- **SEA ↔ HNL** (stable)
- **ORD ↔ HNL** (stable)
- **LAX/SFO ↔ OGG** (Maintain; optimize yield)
- **Domestic leisure markets OGG ↔ Defend existing; no growth**

CONSTRAIN (LIH)

Preserve Premium Positioning Through Supply

CONSTRAINT:

- **LAX/SFO/SEA ↔ LIH** (maintain; no growth)
- Preserve Kaua'i's unique positioning
- Kauai's competitive advantage is SCARCITY, not volume

THE 2026 CHALLENGE (Ecosystem-Wide)

Not just hotels—entire destination must execute:



1. PROTECT O'AHU FROM FURTHER REVPAR EROSION

- Hotel Challenge: Hold RevPAR at \$223; shift mix to MCI + upscale leisure
- Destination Challenge: Reposition O'ahu as premium MCI destination + cultural/upscale leisure hub



2. OPTIMIZE MAUI'S YIELD DURING RECOVERY

- Hotel Challenge: Stabilize ADR \$537; support Wailea premium
- Destination Challenge: Rebuild Lahaina, Kā'anapali with quality-focused, community-aligned tourism



3. GROW HAWAII ISLAND INTO RATE POTENTIAL

- Hotel Challenge: Push RevPAR to \$320+; add nonstop flights DFW, ORD, LAX, SFO, SEA – Japan, Korea
- Destination Challenge: Build adventure-wellness tourism infrastructure for new nonstop markets



4. PRESERVE KAUA'I'S PREMIUM POSITIONING

- Hotel Challenge: Maintain RevPAR \$320+; no new capacity
- Destination Challenge: Intentional constraint on tourism infrastructure preserves authenticity and community



Global Industry Outlook



Hannah Smith
Senior Analyst
STR





Hospitality Trends in the Year Past and the Years Ahead

HVCB Annual Meeting
January 28, 2026

Hannah Smith | Senior Analyst



Agenda

1.

Big Picture

Global Overview
Performance Trends

2.

Outlook

US Forecast
Trends to Watch

3.

Hawaii

Performance Overview
Market Forecasts

Agenda

1.

Big Picture

Global Overview
Performance Trends

2.

Outlook

US Forecast
Trends to Watch

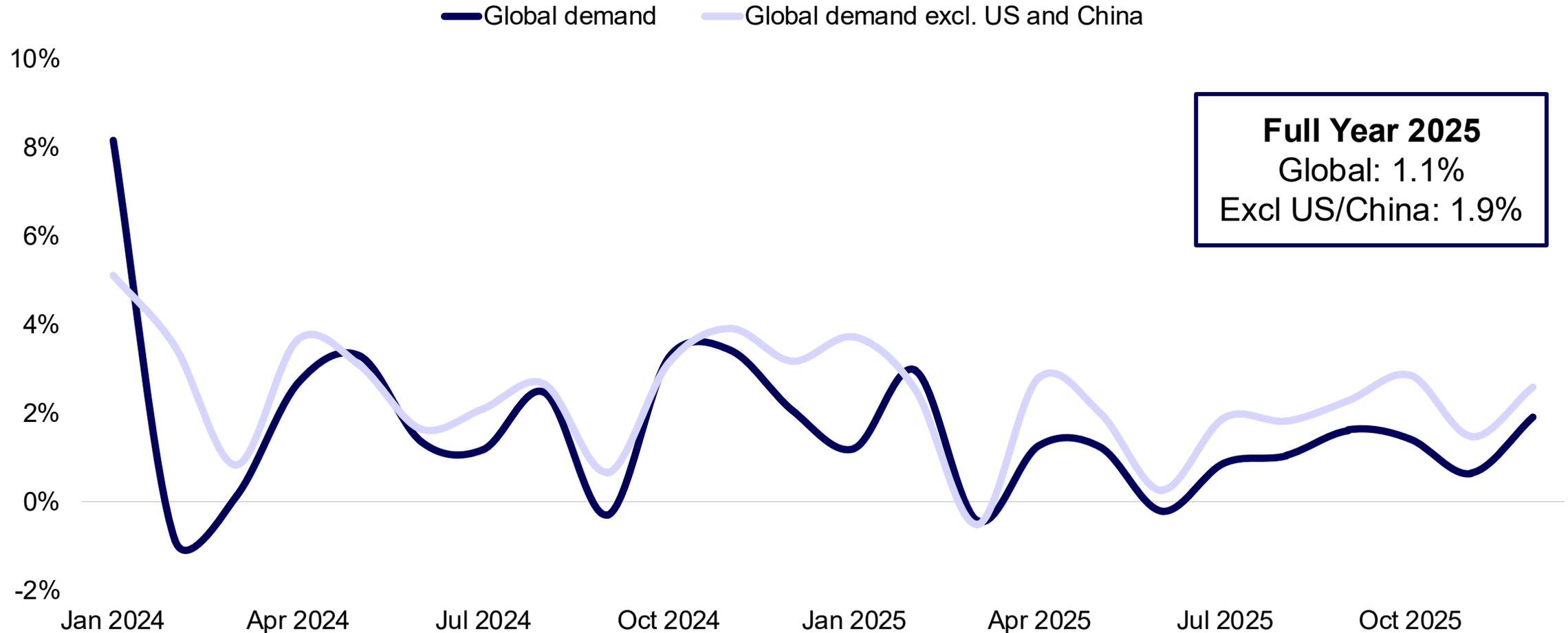
3.

Hawaii

Performance Overview
Market Forecasts

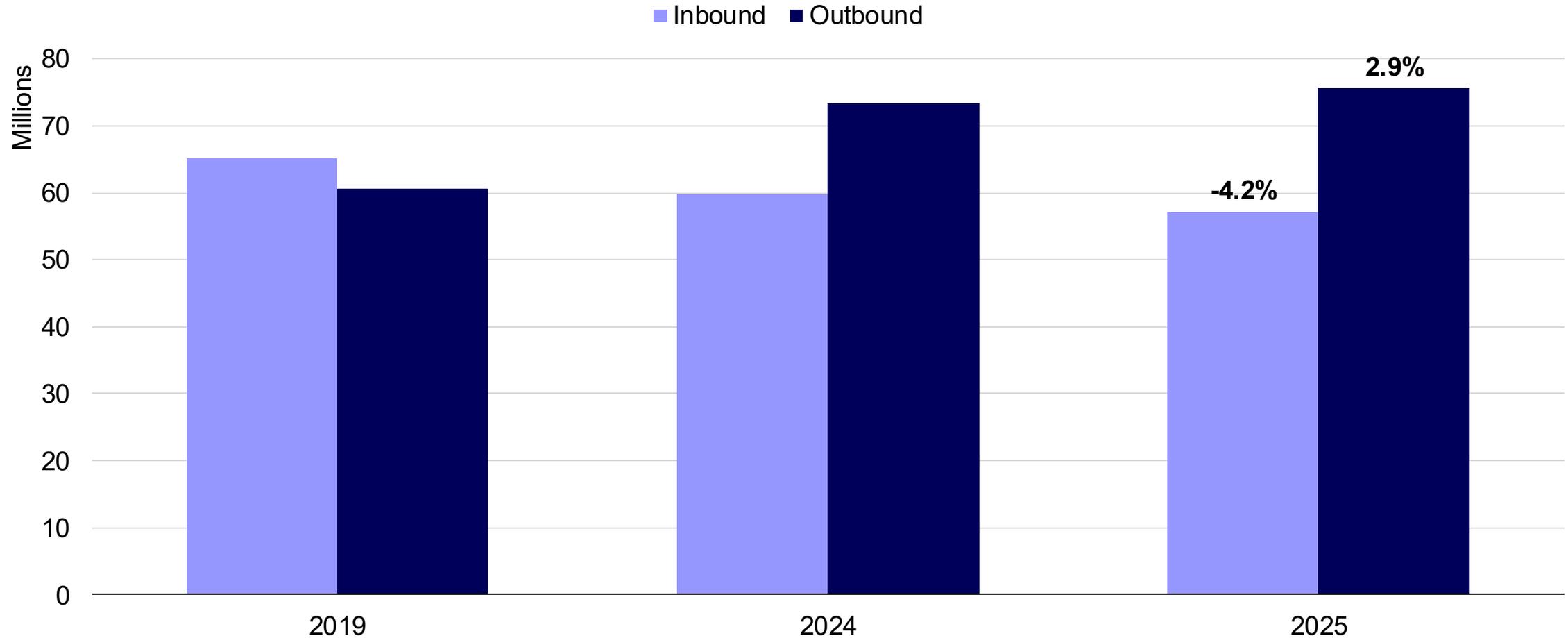
US and China dragging down global growth

Global demand, % change YoY



Outbound international still up, while inbound takes a hit

Total US, inbound and outbound international travel, full year

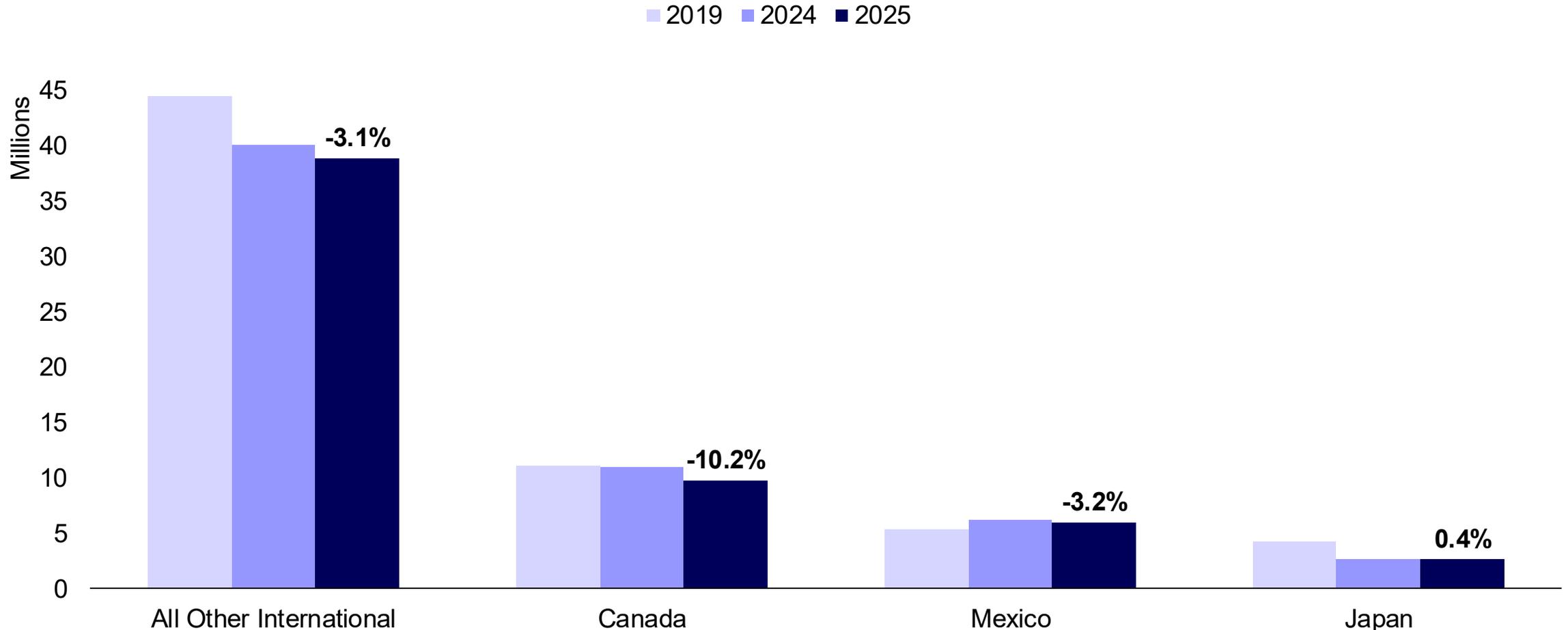


Source: International Trade Administration, US Department of Commerce

© 2025 CoStar Group

Canada arrivals decline represent 44% of all international inbound decline

Non-US international arrivals to US, full year

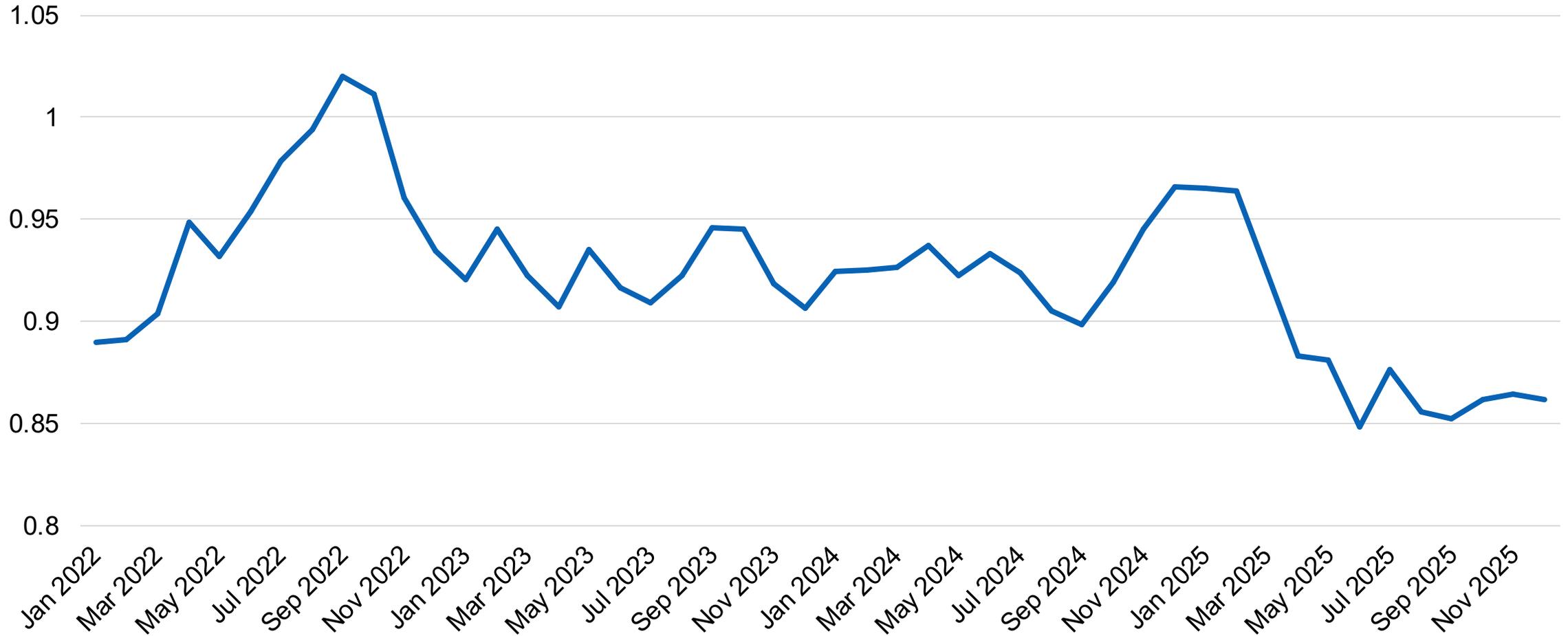


Source: International Trade Administration, US Department of Commerce

© 2025 CoStar Group

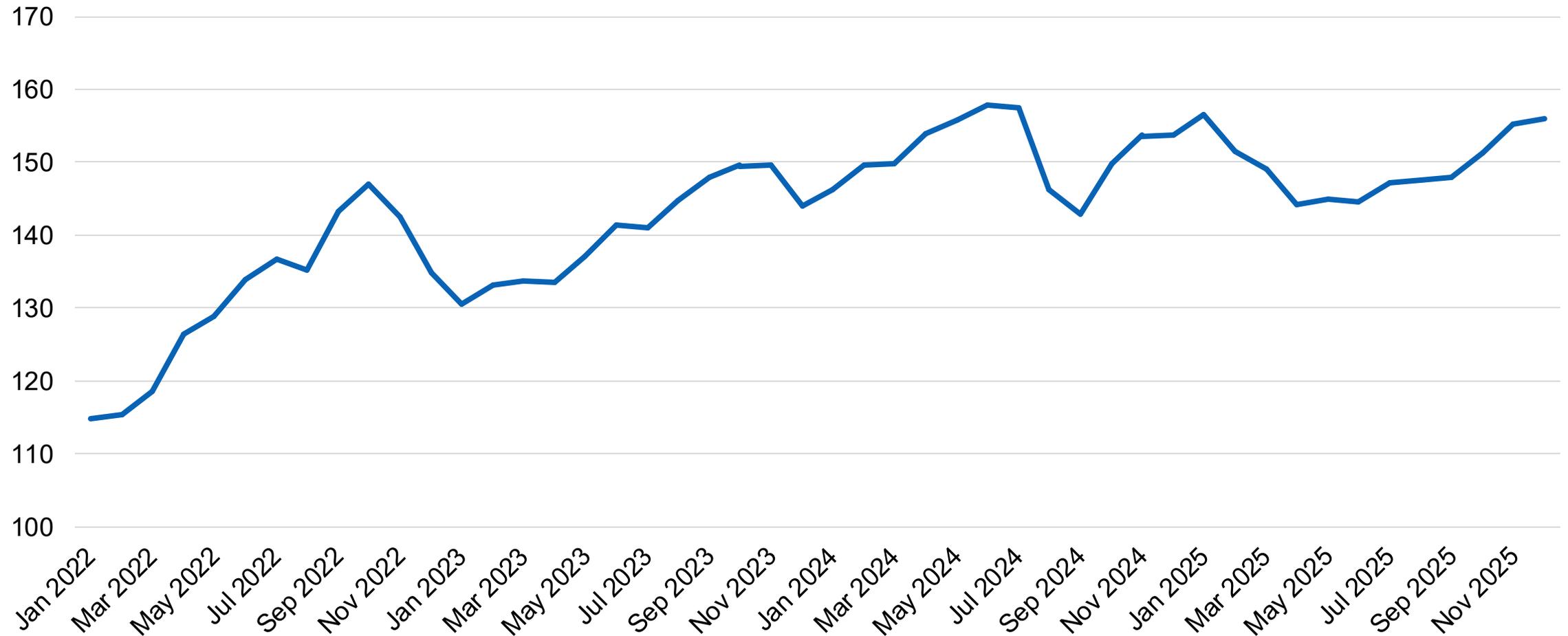
Dollar noticeably weaker against the Euro than recent years

Euro exchange rate to 1 USD, Federal Reserve Bank of St Louis



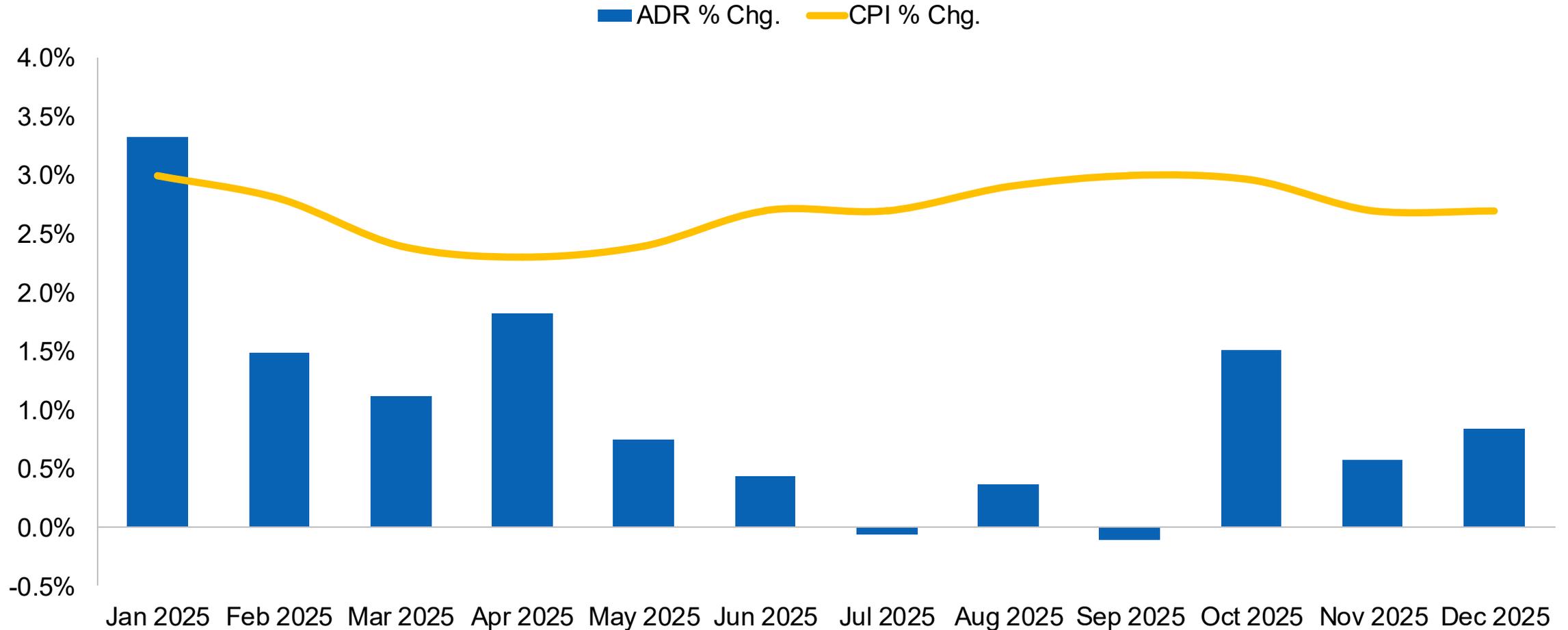
Some monthly variation, but Yen remains weaker against the dollar

Yen exchange rate to 1 USD, Federal Reserve Bank of St Louis



Inflation continues while ADR growth stalls

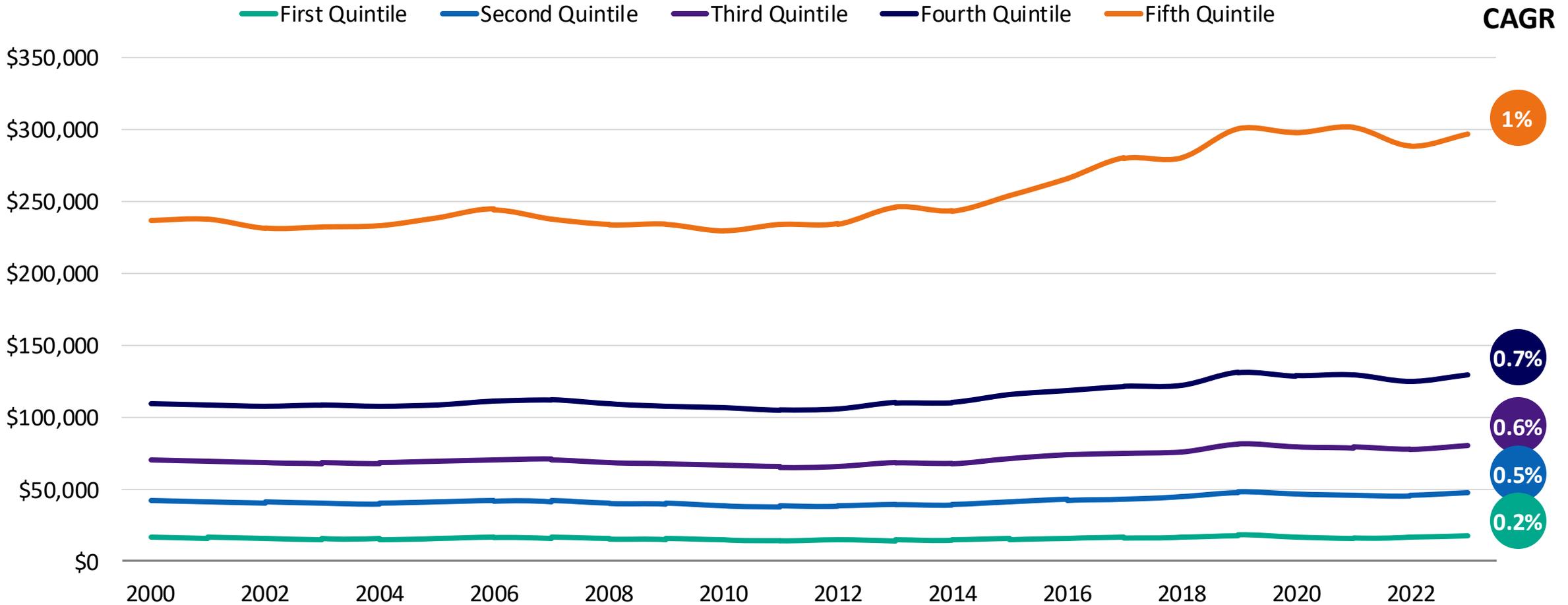
US, ADR and CPI % chg. YoY



Not just hotels ... high-end earners have pulled away from the pack

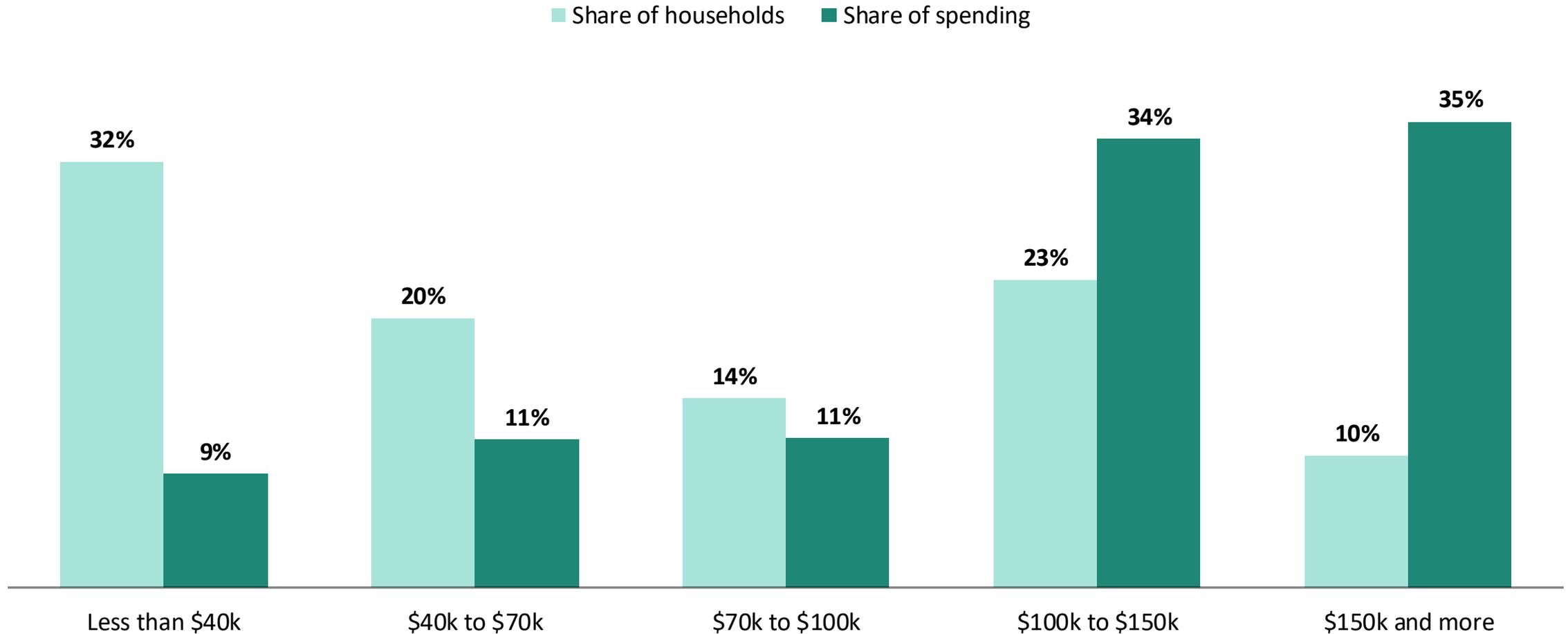
Mean household income by quintile, adjusted to 2023 dollars*

*Households as of March of the following year. Income in 2023 C-CPI-U (2000-2023)



High-end earners make up small % of households, large % of spend

US households share, and share of lodging spending, 3-year average through 2023



Agenda

1.

Big Picture

Global Overview
Performance Trends

2.

Outlook

US Forecast
Trends to Watch

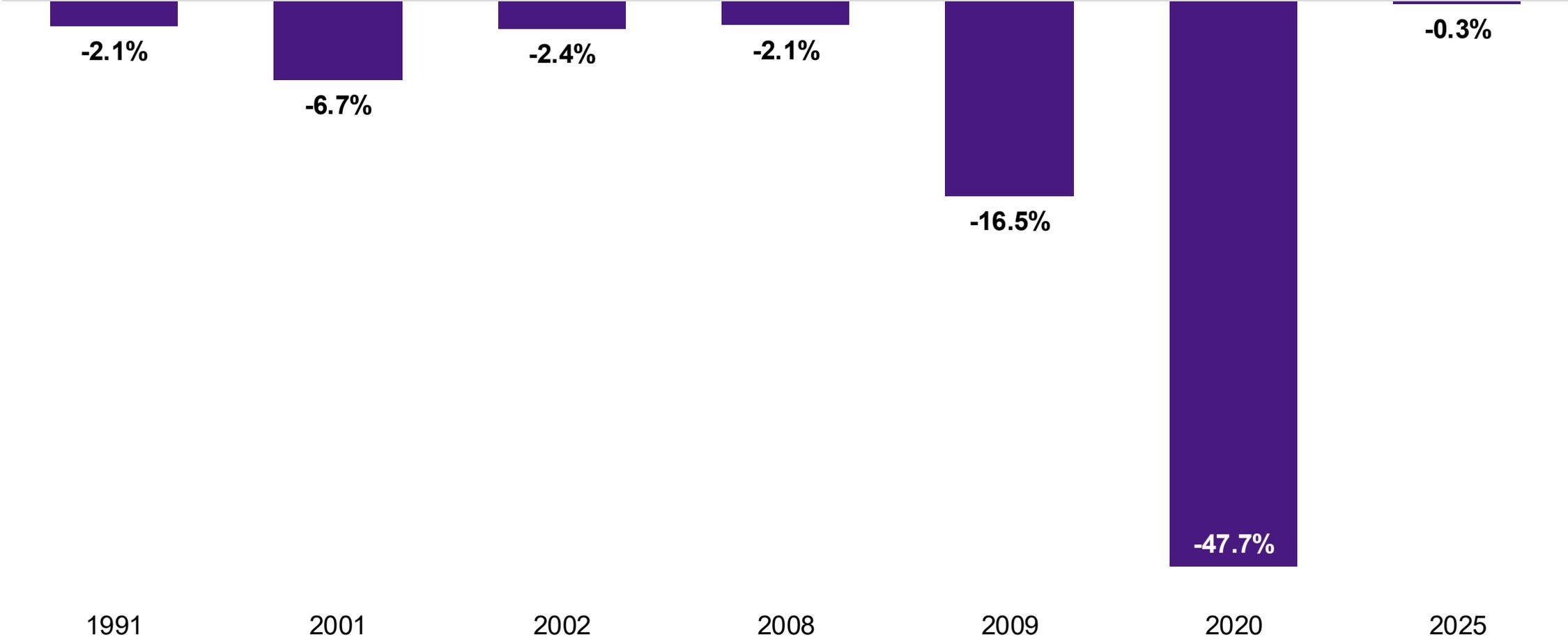
3.

Hawaii

Performance Overview
Market Forecasts

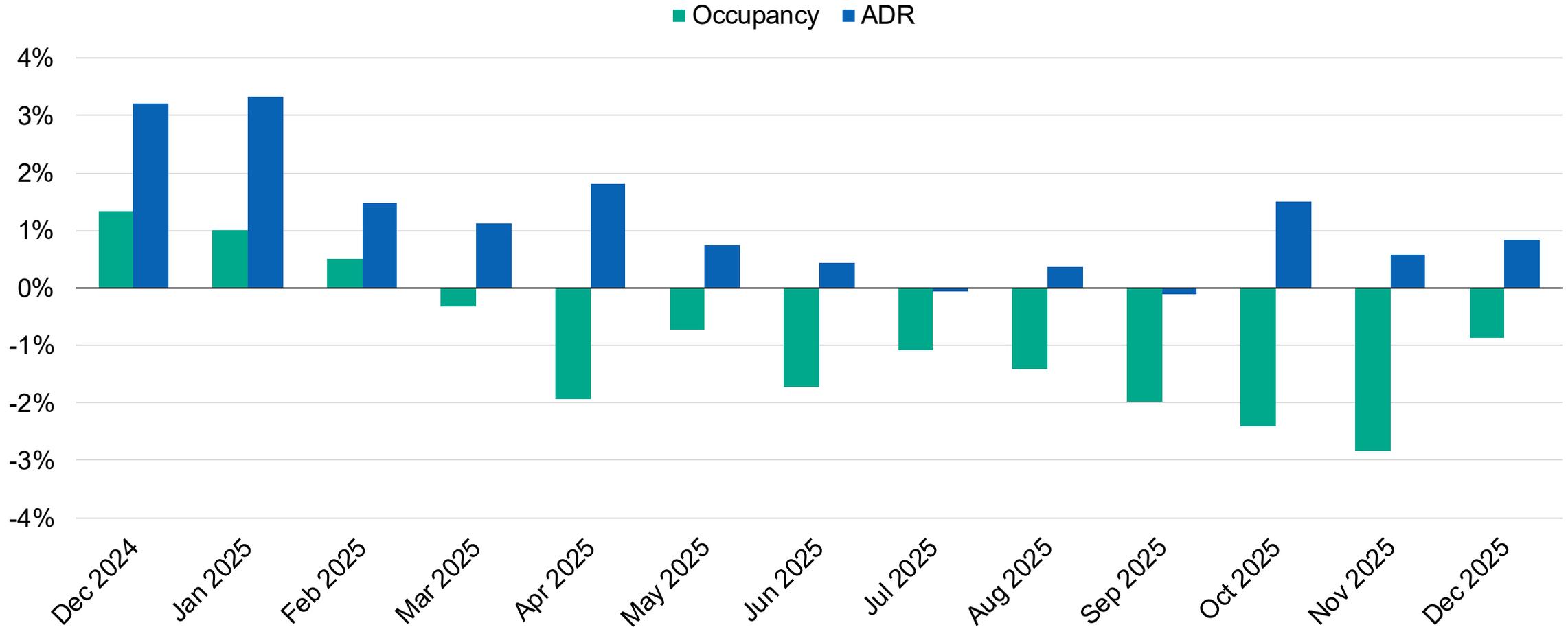
All previous years of RevPAR decline have come amid a recession

Total US, annual RevPAR % change



Occupancy down since March, ADR down 2 of last 6 months

Total US, occupancy and ADR % change



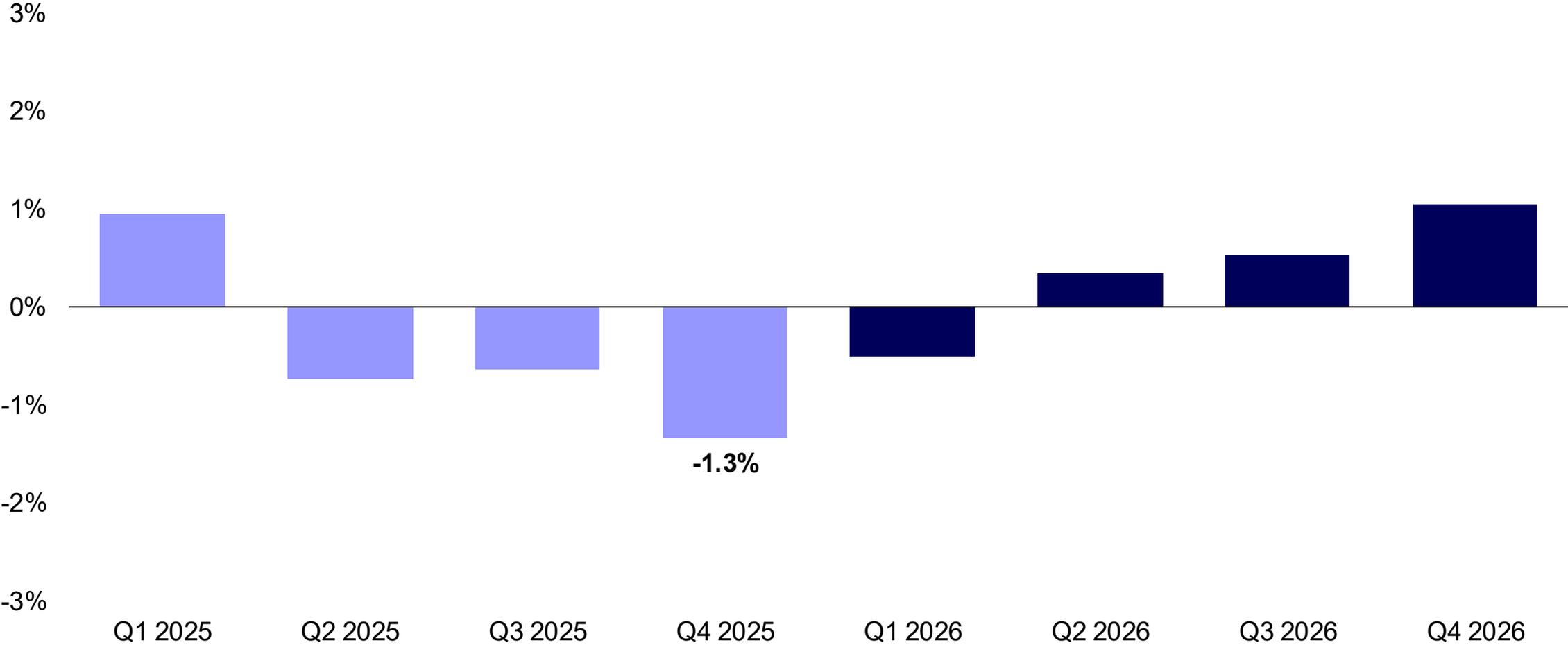
2026: slow, but growth will return

US KPI forecast

	2025 (actual)	2026 (forecast)	2027 (forecast)
Supply (YoY)	+0.7%	+0.7%	+0.9%
Demand (YoY)	-0.5%	+0.4%	+1.0%
Occupancy	62.3%	62.1%	62.2%
ADR (YoY)	+0.9%	+1.0%	+1.3%
RevPAR (YoY)	-0.3%	+0.6%	+1.4%

We have reached the bottom, but return will be gradual and fragile

US, demand % chg. YoY, 2025 actual, 2026 forecast



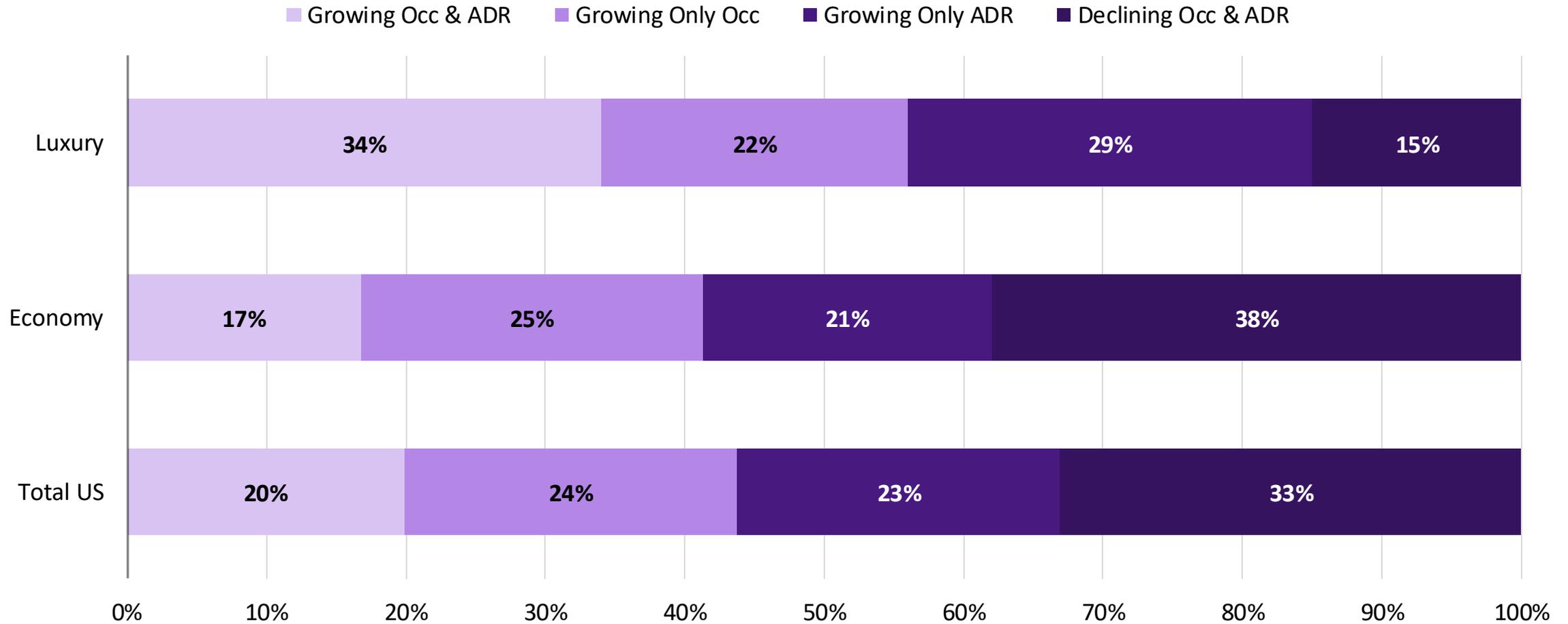
2026: Low end RevPAR will continue to struggle to find growth

US KPI forecast

	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy
Occupancy	68.6%	68.2%	68.3%	65.0%	57.5%	53.0%
Demand (YoY)	+1.8%	+1.1%	+1.1%	+1.0%	+0.6%	-1.1%
ADR (YoY)	+2.4%	+1.5%	+0.7%	+0.5%	+0.3%	-0.5%
RevPAR (YoY)	+3.2%	+1.6%	-0.1%	+0.1%	-0.6%	-1.5%

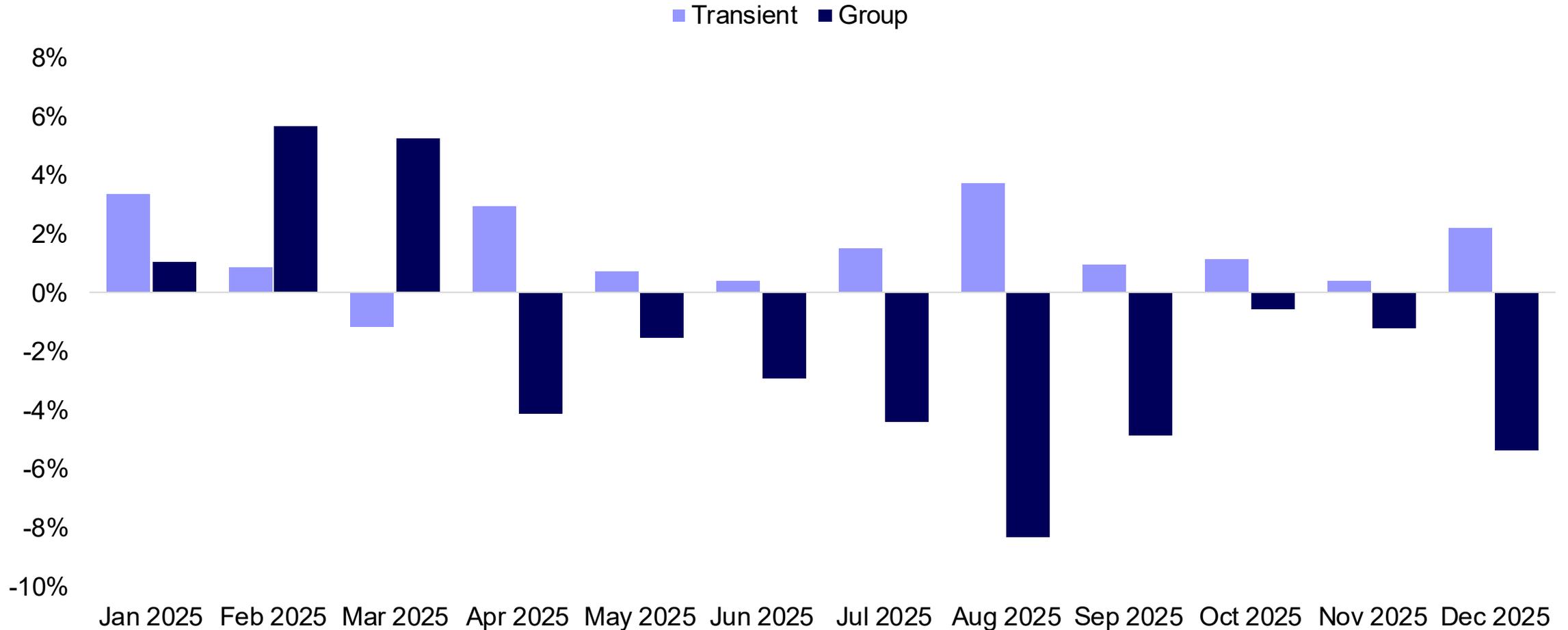
Luxury is the outlier: a third of luxury hotels growing occupancy and ADR

2025, percentage of hotels with KPI growth



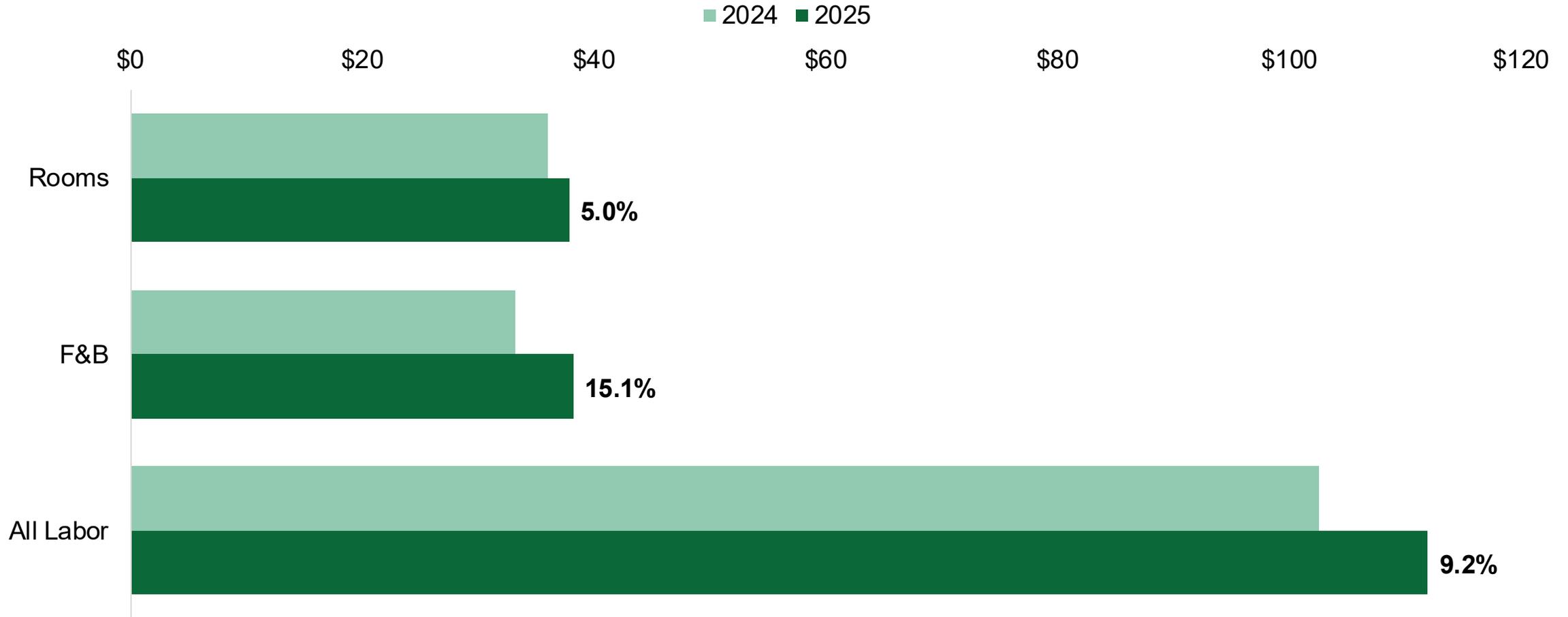
Group demand growth has slowed since Q2

US, luxury & upper upscale classes, ADR % chg. YoY



Half of labor cost growth over last year comes from F&B department

Departmental labor costs per occupied room night, November YTD



Agenda

1.

Big Picture

Global Overview
Performance Trends

2.

Outlook

US Forecast
Trends to Watch

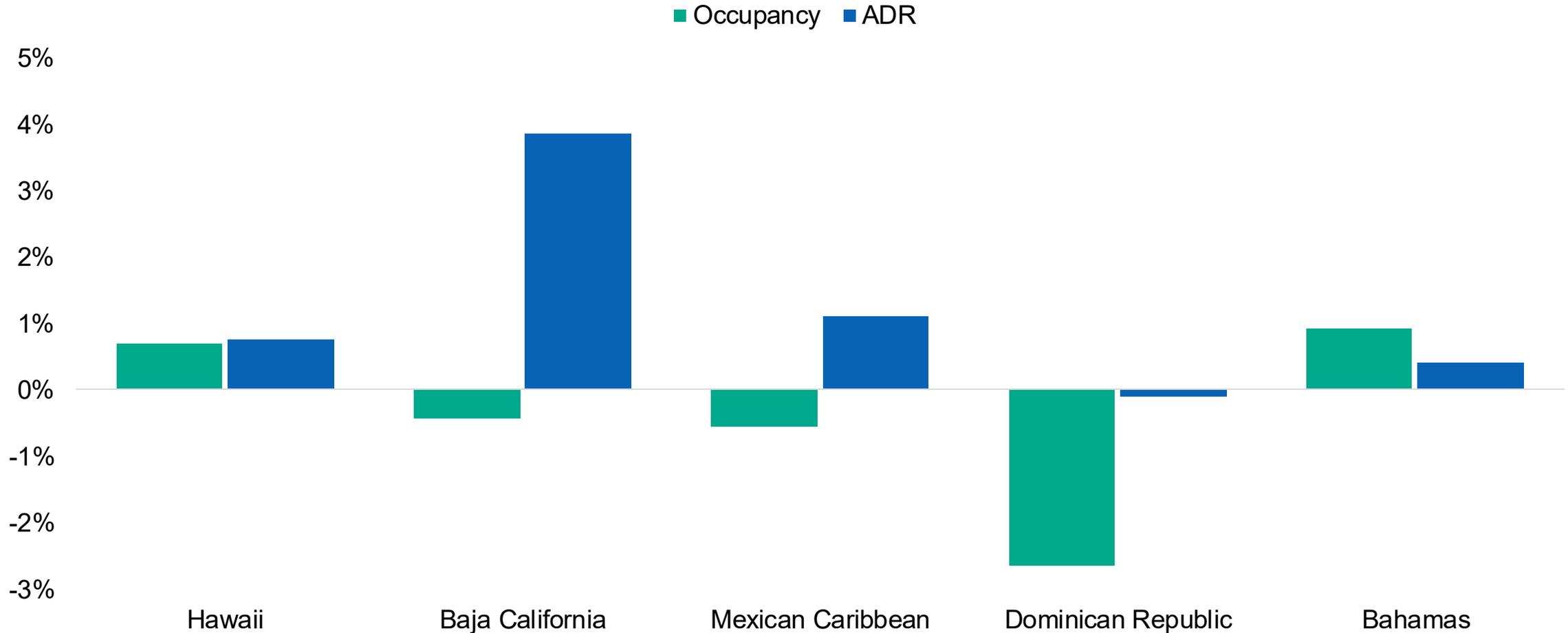
3.

Hawaii

Performance Overview
Market Forecasts

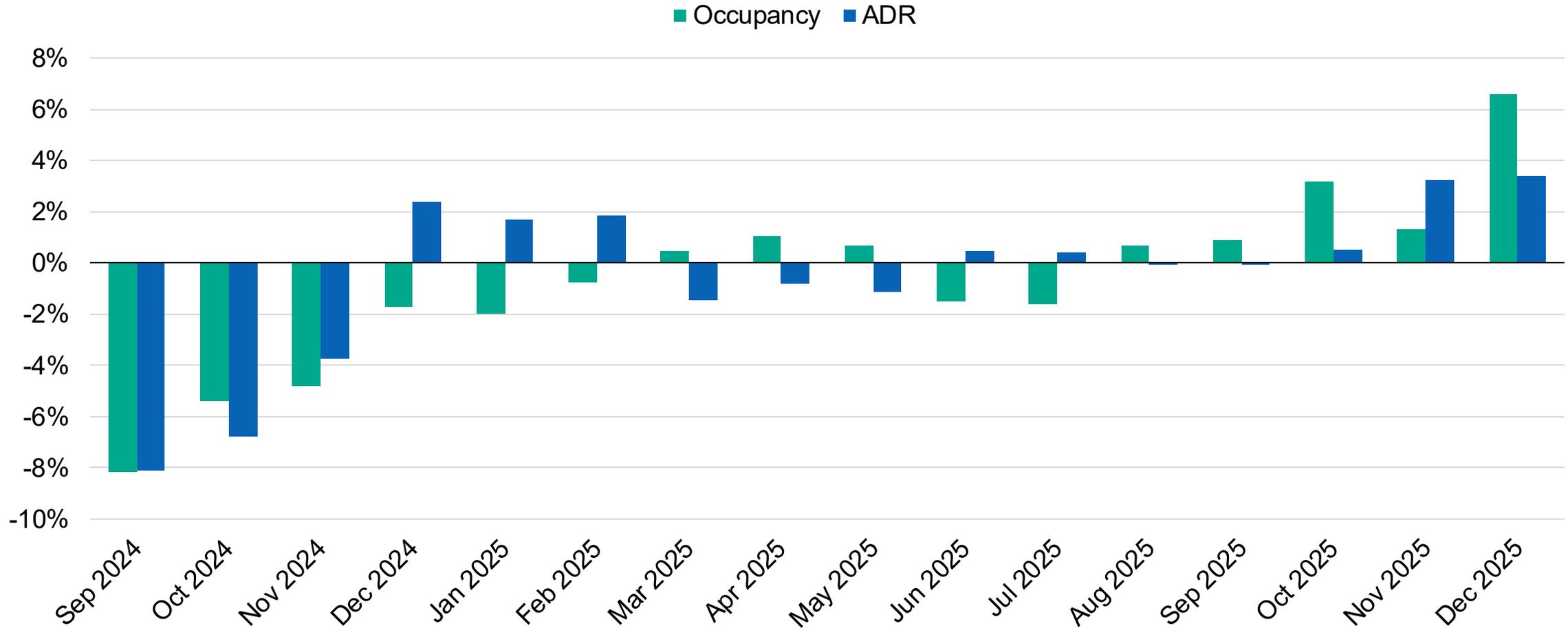
For many resort areas, growth has been slow and (barely) ADR led

Market KPI % change, full year 2025



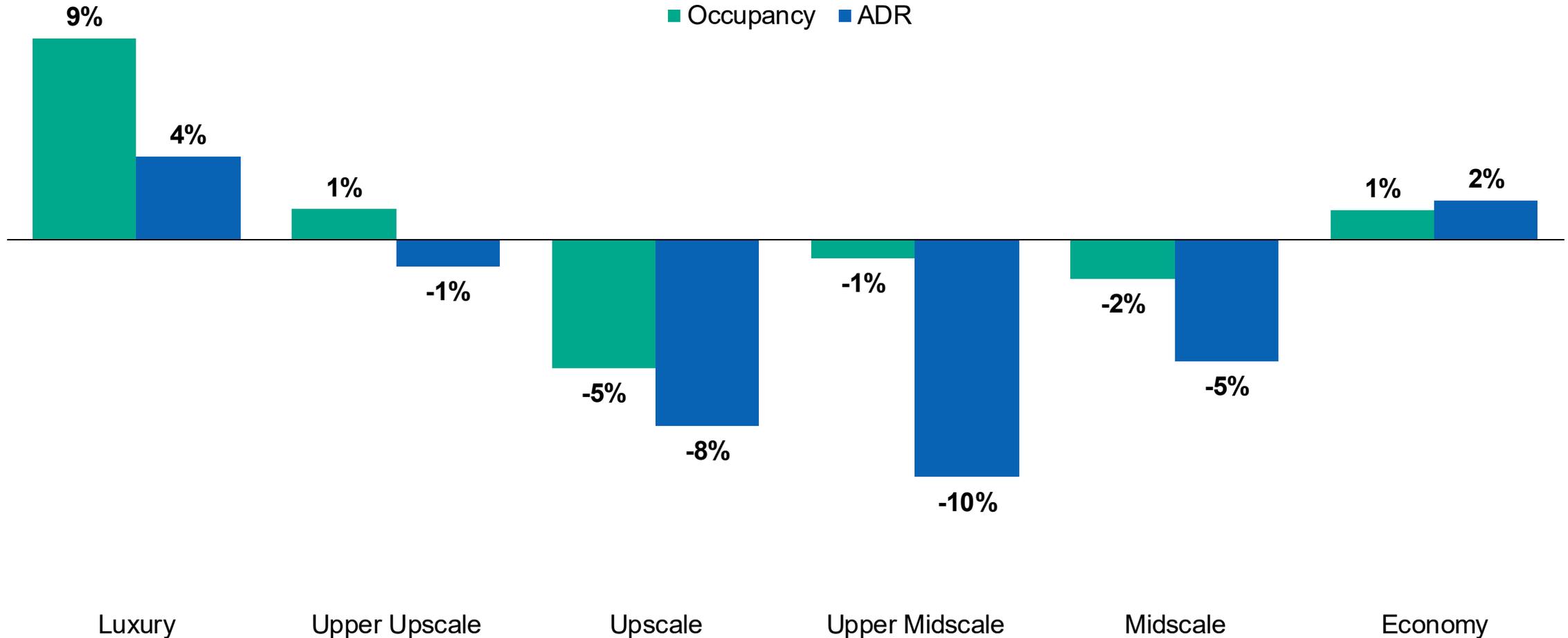
Occupancy rebounding from end of last year

State of Hawaii, occupancy and ADR % change



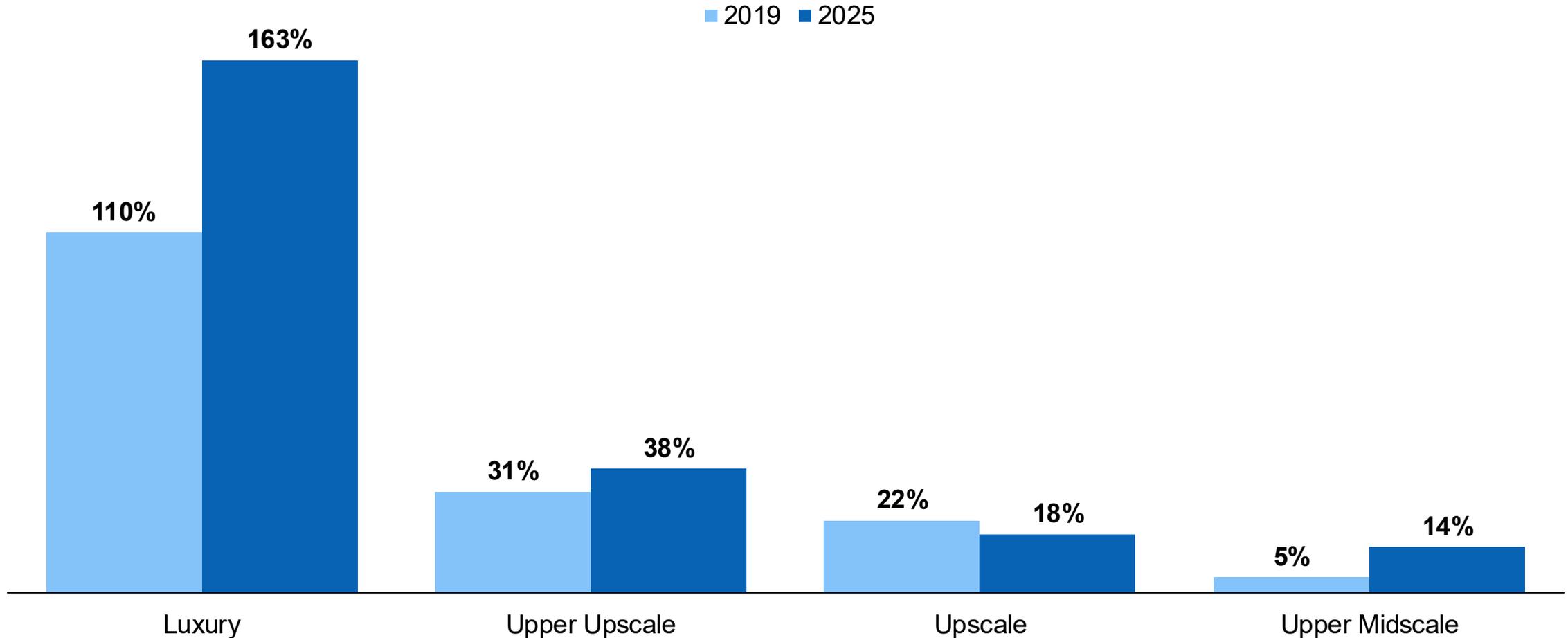
Like the rest of the US, luxury still growing!

State of Hawaii, full year 2025, occupancy and ADR % change



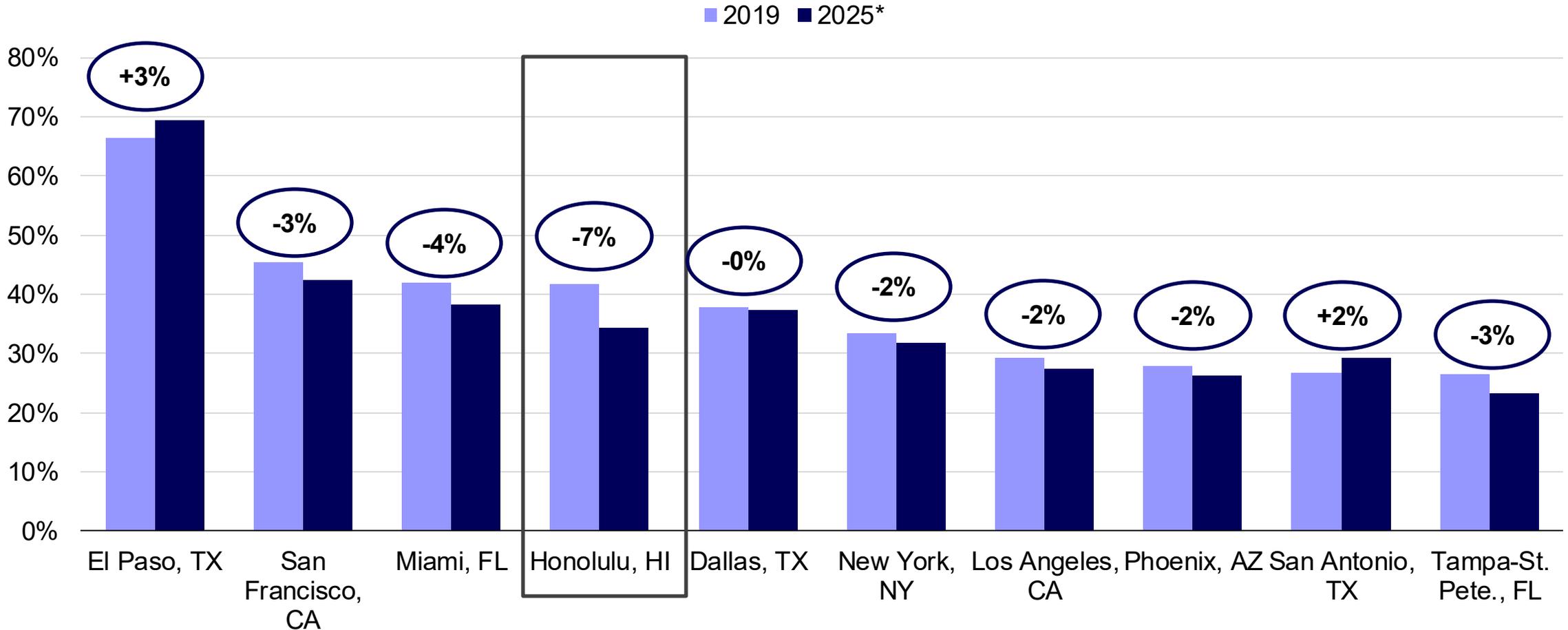
Luxury's pricing premium over upper upscale has grown over 50%

State of Hawaii, full year 2019 and 2025, ADR premium over next class



Among high-international markets, Honolulu int'l share still down most

Top 10 US markets by international demand share, 2019 and 2024, percentage point change

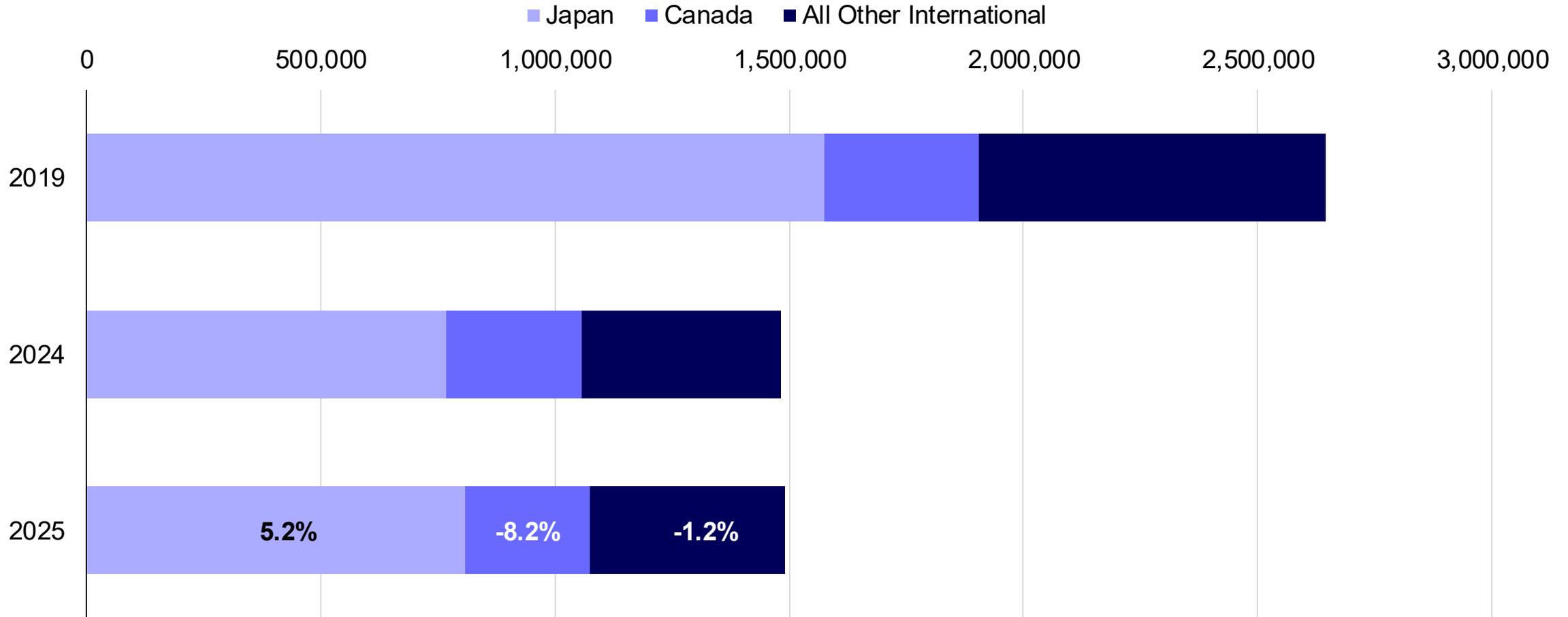


*2025 preliminary data

Source: Oxford Economics

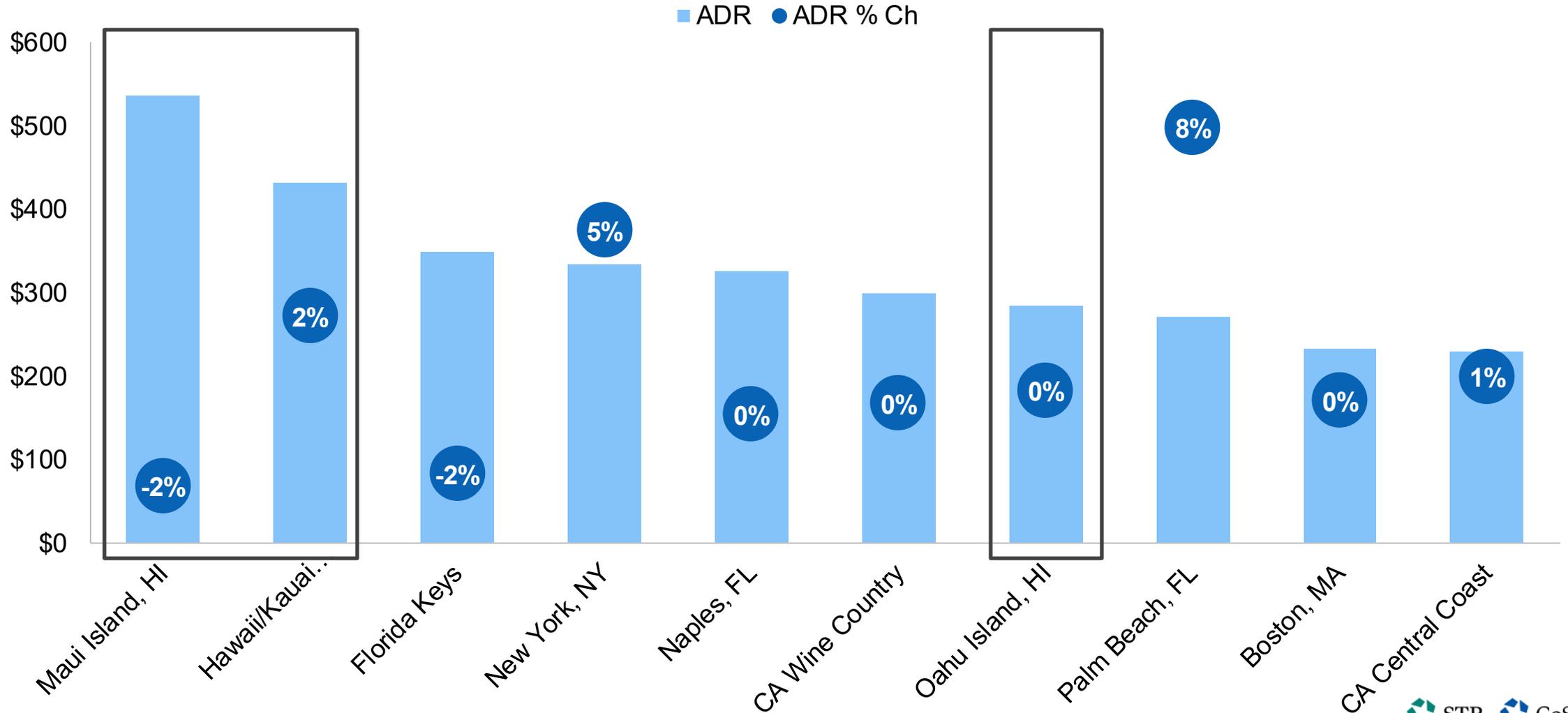
Japan visitation up in 2025, all other international is down

Inbound international travel by source market, Honolulu and Kahului airports, full year 2025



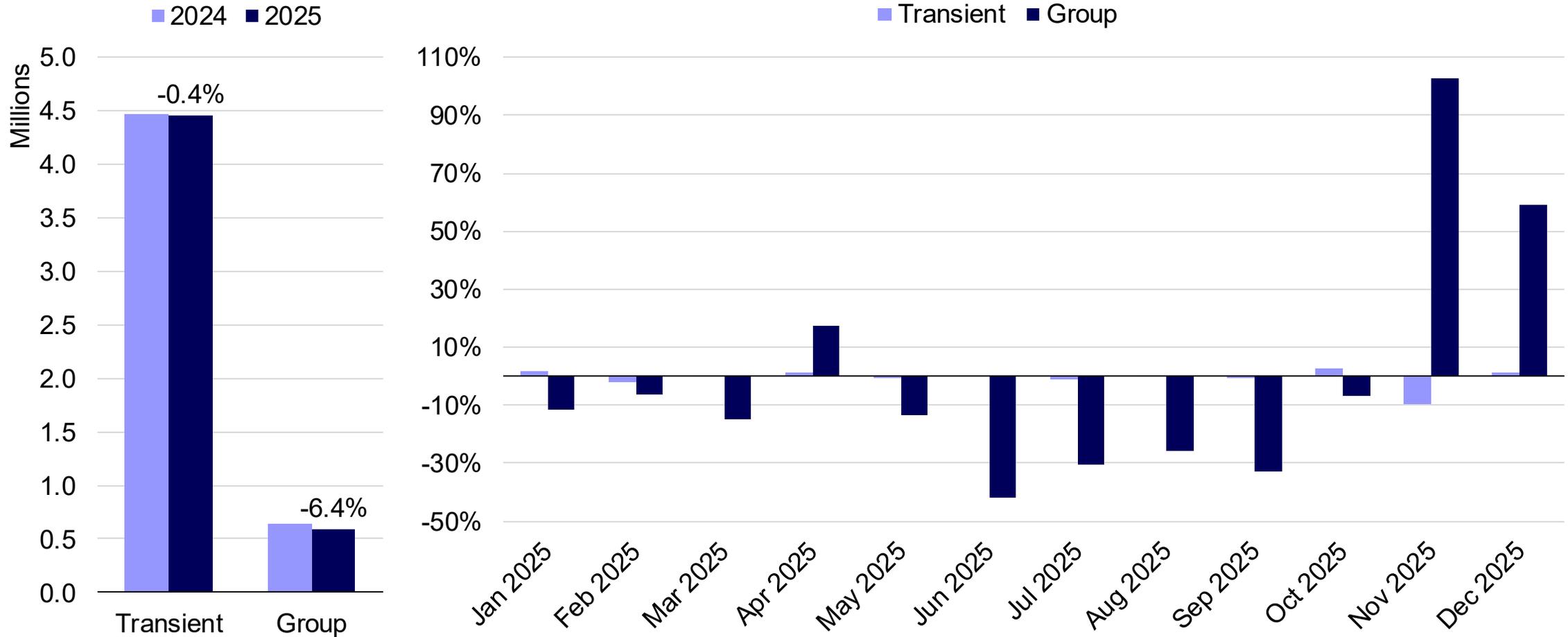
For most high-priced markets, ADR is down or flat

Full year 20252025, top US markets by ADR



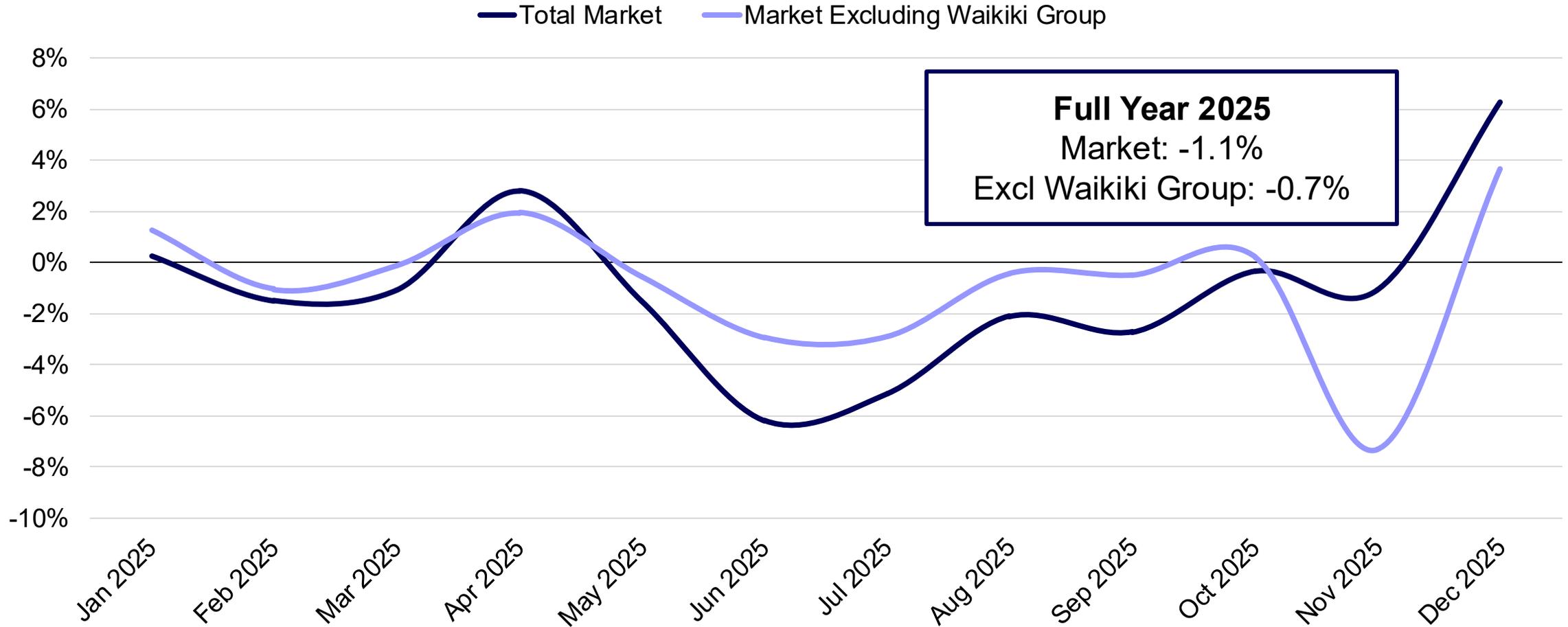
Transient has been flat for the past 12 months, big swings from group

Waikiki submarket, upper upscale & luxury class, demand % change



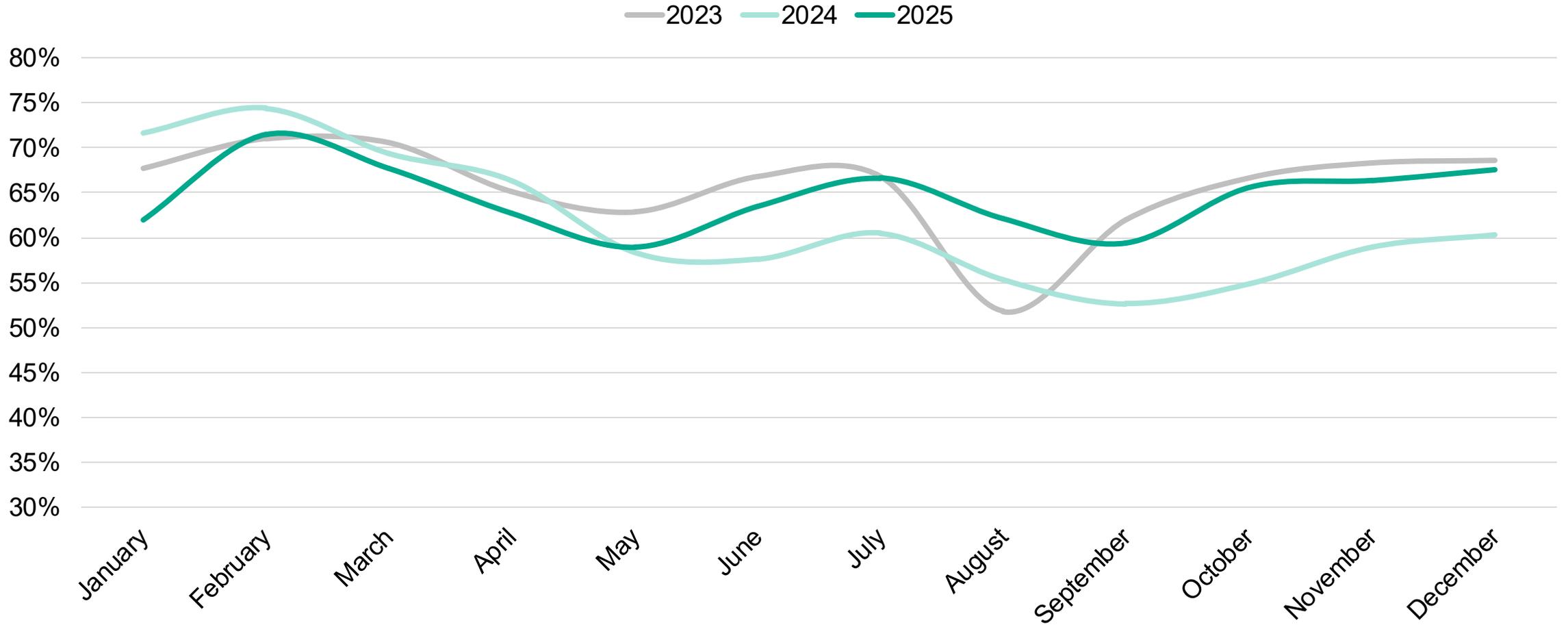
Honolulu group performance dragged down the middle of the year

Oahu, demand % change



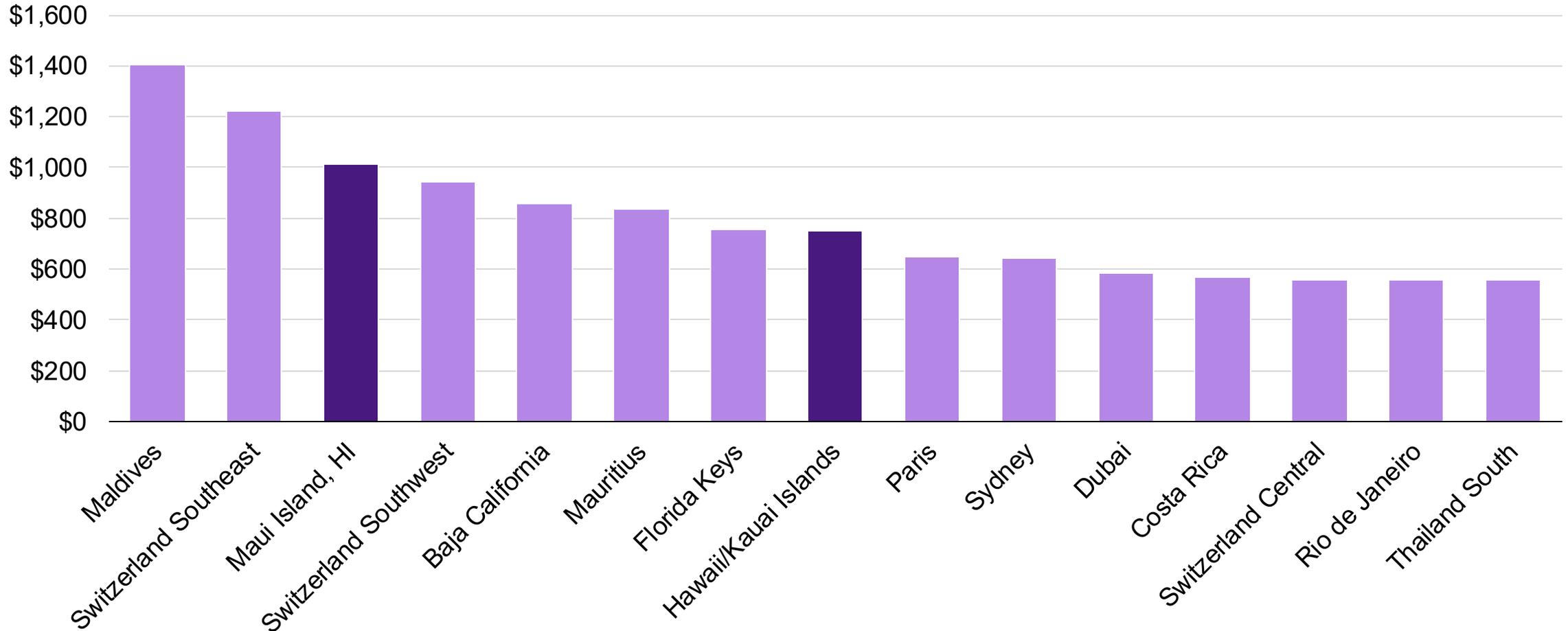
Maui occupancy returning to normal

Maui, occupancy



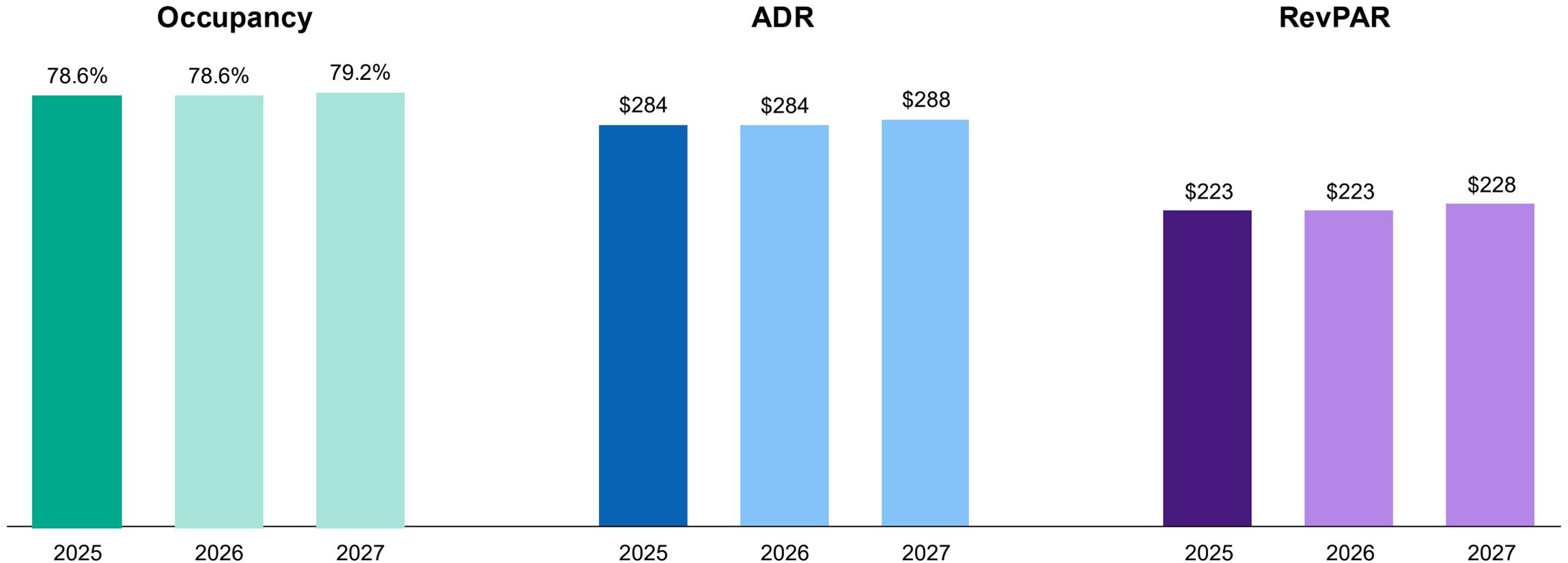
Maui and Hawaii among the highest performing markets on NYE

Markets > 10,000 rooms, December 31, 2025 RevPAR, USD



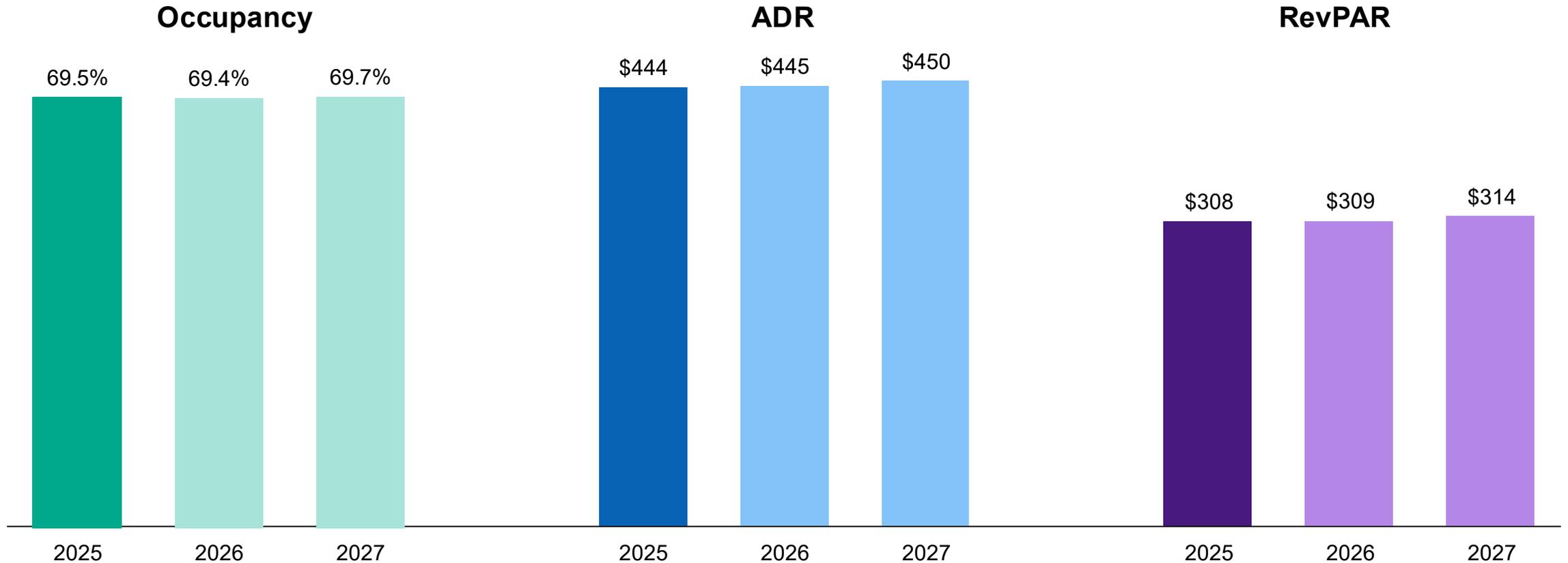
Oahu performance expected to stay steady in 2026, growth in 2027

Oahu, HI KPI forecast



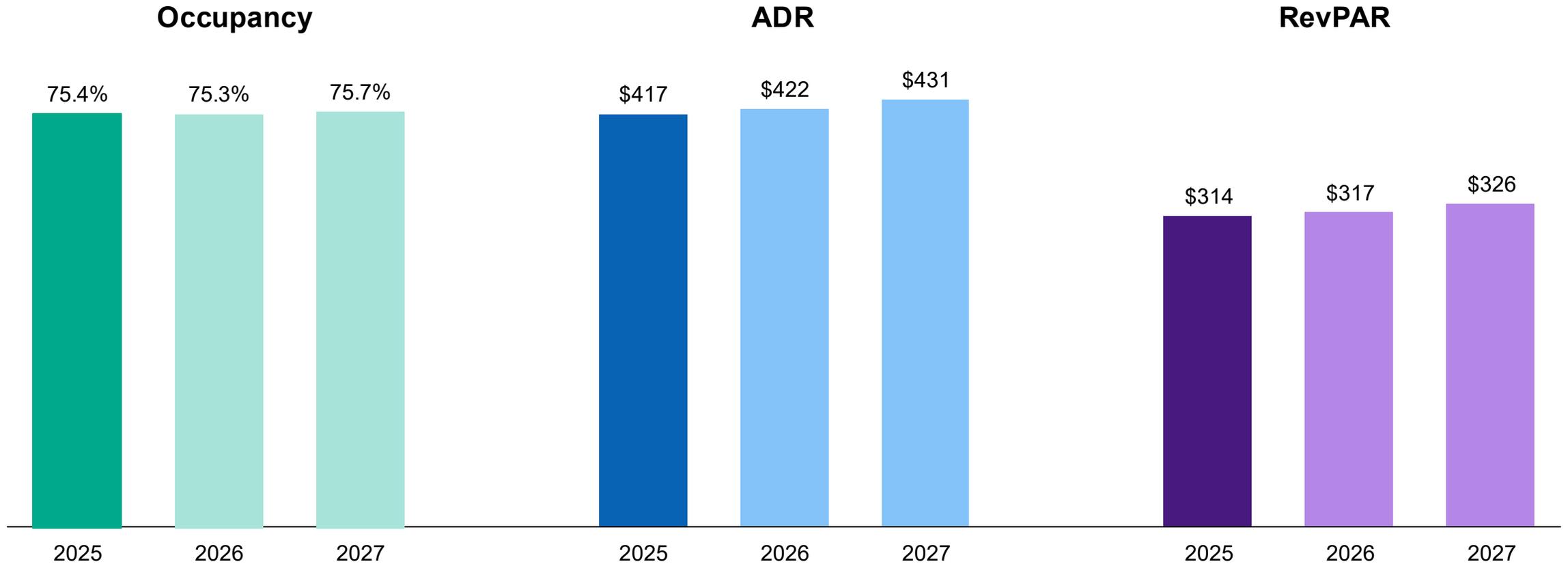
Big Island performance stable, slight growth in 2027

Hawaii (Big Island), HI KPI forecast



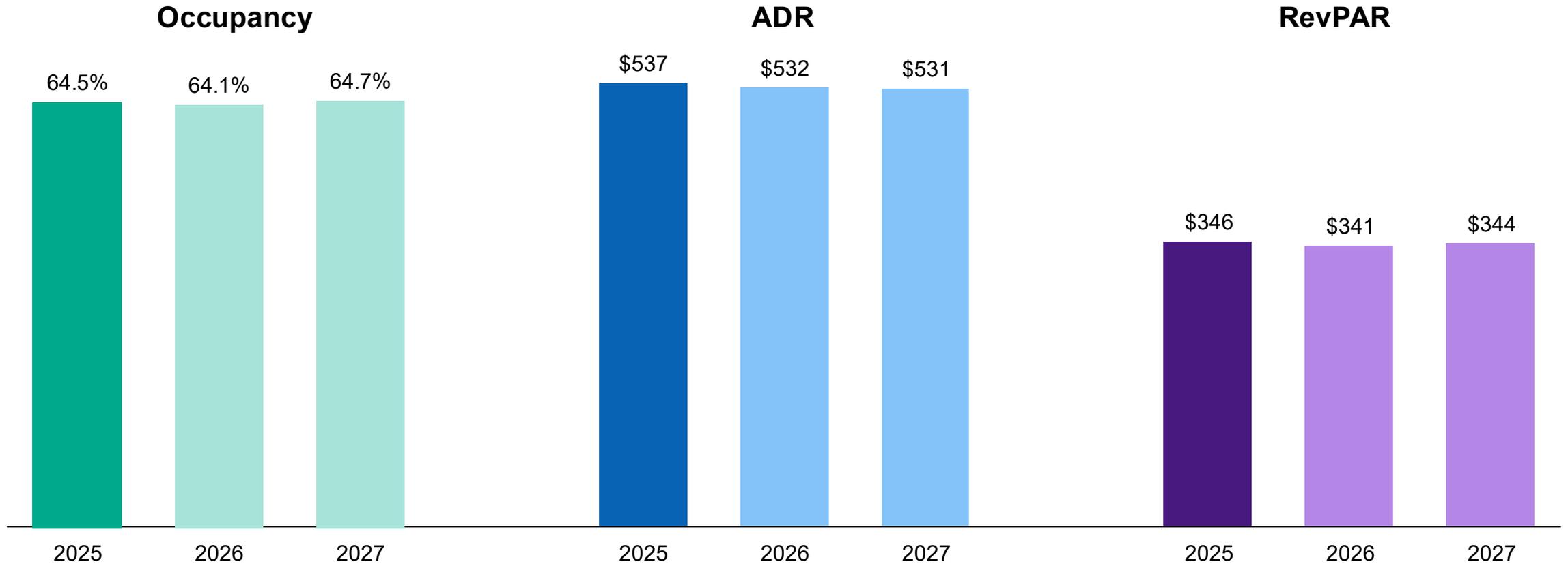
Kauai expected to trade occupancy for ADR next year

Kauai, HI KPI forecast



Maui pricing power not projected to return next year

Maui, HI KPI forecast





Thank you!

Hannah Smith
Senior Analyst

hsmith@str.com



Brand Campaign 2026



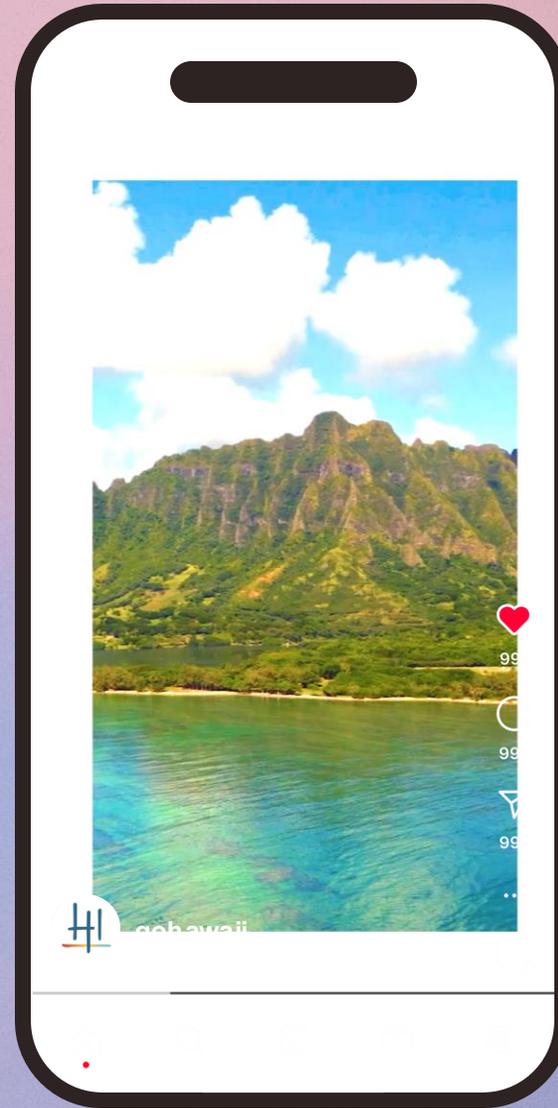
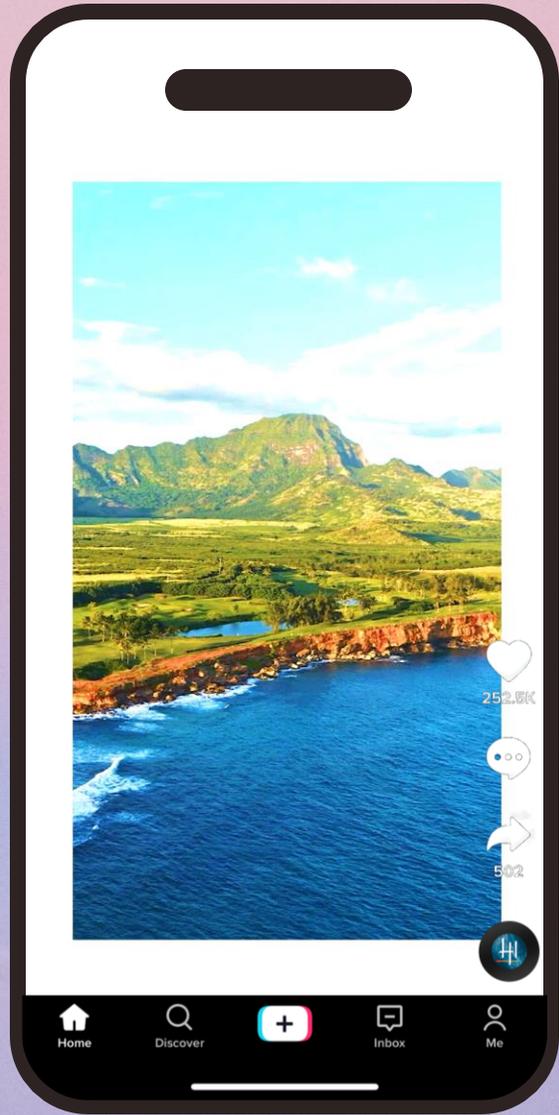
HAWAII STAYS WITH YOU

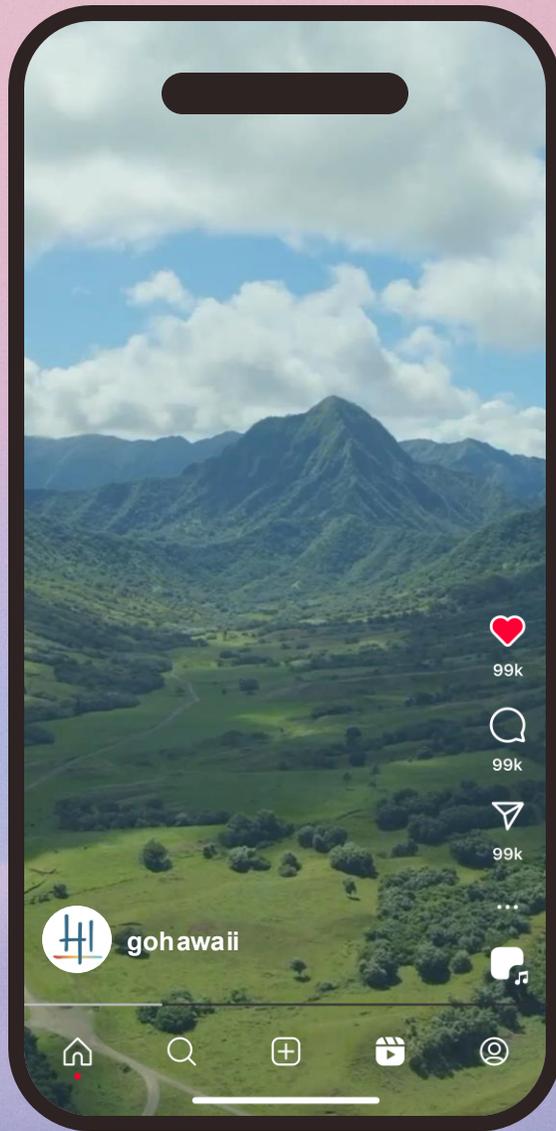


*WHERE ANOTHER WAY OF LIFE
CAN CHANGE YOURS*











Looking Back at 2026

Long Range Strategic Goals
Internal Business & Execution Goals
Realigning the HVCB





IN-HOUSE CREATIVE STUDIO





INNOVATIVE TECHNOLOGY & SELF-SERVICE PLATFORM



INTERNATIONAL BUSINESS VERTICAL BUILD-OUT





Goal 1

Make Regenerative Tourism Operational

Goal 2

Diversify the Business Model

Goal 3

Turn Destination Education into a Platform

Goal 4

Establish Global Tourism Thought Leaders

Goal 5

Raise the Bar on Organizational Execution



HVCB

Brand &
Narrative

Commercial &
Market
Activation

Operations &
Network
Enablement

Financial &
Administrative

Strategy,
Intelligence &
Foresight

COO

Vice President,
Islands

Island Director,
Kaua'i

Island Director,
O'ahu

Island Director,
Maui nui

Island Director,
Hawai'i

Market Activation
and Program
Delivery

Communications
and PR

Communications
and PR

Communications
and PR

Communications
and PR

Operations and
Administration

Operations and
Administration

Operations and
Administration

Operations and
Administration



Hawai'i Visitors & Convention Bureau: Destination Futures Enterprise

TM



Mahalo

