

Vacation rental outlook brightens

Hawaii is seeing a dramatic increase in the tourism industry

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The outlook is getting brighter for short-term vacation rentals, which put more heads on beds at available units in February and held onto rates better than their hotel counterparts.

February occupancy for short-term vacation rentals statewide hit 49.8%, a decline of 34.3 percentage points from the same month last year, the Hawaii Tourism Authority reported Wednesday.

The average daily rate for vacation rental units statewide in February fell by 1.3% to \$242, according to HTA's Hawaii Vacation Rental Performance Report, which was produced using data compiled by Transparent Intelligence Inc.

The report noted that total monthly supply of statewide vacation rentals in February declined 26.6% to 534,932 unit nights, while monthly demand decreased 56.5% to 266,562 unit nights.

Hawaii hotels, which weren't subject to as many government-issued COVID restrictions, saw room supply fall just 7.3% to 1.4 million nights. Still, the February drop in room demand was a steeper 66.5% for Hawaii hotels, which recorded 429,700 nights.

HTA reported that Hawaii hotels statewide in February had an average occupancy rate of 30.5%, a 54-percent-age-point drop from February 2020. February ADR for Hawaii hotels fell 16.5% to \$259.

HTA noted the comparisons between hotels and vacation rentals, but pointed out that they aren't equivalent. HTA said vacation rental units, unlike hotels, "are not necessarily avail-

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Elite Pacific Properties*

able year-round or each day of the month and often accommodate a larger number of guests than traditional hotel rooms.”

Andreea Grigore, senior vice president of property management for Elite Pacific Properties, said the state's short-term vacation rental industry began recovering in October upon creation of the Safe Travels Hawaii program and now is "finally starting to see pre-pandemic

occupancy rates.”

Grigore, who also serves as vice president of the non-profit Hawaii Legal Short-Term Rental Alliance, said all counties, except for Kauai, are on pace to meet or exceed 2019 occupancy and revenue numbers.

“With travelers reluctant to gather in crowded resorts during the pandemic, it seems legal vacation rentals have become the norm for many guests that were not

traditionally in this demographic,” she said. “We believe the guest market for legal short-term rentals has fundamentally and permanently expanded and will continue to strengthen for the foreseeable future, especially with the massive ramp-up of vaccinations and steady decline of COVID-19 cases.”

That's also true for Hawaii's broader tourism industry, which has seen dramatic pickup.

Airports across the Hawaiian islands were so busy for spring break that the Transportation Security Administration issued a travel advisory Tuesday urging travelers to get to Hawaii's commercial airports more than two hours prior to departure.

Hawaii Safe Travels data, which include screenings of trans-Pacific and interisland travelers, counted 19,363 traveler screenings on Tuesday and as many as

28,434 on March 20, the best day of the season so far.

Passenger counts for 2020 in Hawaii prior to the pandemic ranged from a low of just below the mid 20,000s to about 37,500 per day, according to state Department of Business, Economic Development & Tourism data.

TSA officials said they are “using all available resources to screen travelers and their belongings during this busy travel season.”

“However, during multiple times throughout the day, the number of departing travelers may exceed the capacity of the TSA security checkpoint,” officials said.

The uptick in Hawaii travelers coincides with national trends.

TSA spokesman Mark Howel tweeted that TSA officers screened nearly 1.1 passengers and crew nationwide Tuesday, which was the 13th consecutive day with a volume over one million.