



MAY 2012



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Aloha,

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Our occupancy for May 2012 was 54% compared to 72% in 2011. The average daily rate (ADR) for May was \$138.73 compared to \$133.77 in 2011. The occupancy on-book for June 2012 is currently 70%, July 2012 is at 82% and August 2012 is presently at 48%.

Category	Occupancy	Average Daily Rate (ADR)
Garden View Studio	76%	\$116.01
1 Bedroom Garden View	65%	\$129.22
2 Bedroom 1 Bath Garden View	45%	\$150.29
2 Bedroom 2 Bath Garden View	38%	\$160.15

I want to begin this newsletter with great news. Trip Advisor's 2012 Certificate of Excellence has been awarded to 29 Outrigger properties. Look who is right there at the top... 'aina nalu! The Certificate of Excellence honors hospitality excellence. The accolade is given only to establishments that consistently achieve outstanding travel reviews on Trip Advisor and is extended to qualifying businesses worldwide. Only 10 percent of accommodations listed on Trip Advisor receive this prestigious award. To qualify for the Certificate of Excellence, businesses must maintain an overall rating of four or higher, out of a possible five, as reviewed by travelers on Trip Advisor. Additional criteria include the volume of reviews received within the last 12 months. On Maui, two of the other Outrigger properties honored with this award are Napili Shores and Maui Eldorado. Trip Advisor is the world's largest travel site, so this is quite a distinction. Can you tell we are very proud of this award?

While Maui County led the state in making incremental gains toward economic recovery in 2011, recovery is far from complete, according to a report issued May 18, 2012 by the University of Hawaii Economic Research Organization. However, the good news is that conditions look favorable for additional gains in 2012. The economists predict that all four of the state's counties will continue economic recoveries, with tourism leading the way and propelled by an ongoing boom in arrivals from nontraditional markets.

In Maui County, the volume of visitors – as measured by visitor days – has grown to within four percentage points of the peak in 2006, two years before the Great Recession hit at the end of the first quarter in 2008. (Economists note, however, that visitor arrivals to the county remain about 12 percent below 2006 levels. This year also will be good for Maui County tourism, the economists predict, because of more airline seats being available, although a smaller increase by percentage as compared with more air seats to the Big Island and Kauai, according to a recent forecast of airline seats by the Hawaii Tourism Authority. (Brian Perry, City Editor, The Maui News, May 18, 2012)

Hawaii's tourism barometer is expected to rise steadily this summer. Indicators point to continued momentum for Hawaii's tourism economy, including busy summer travel periods, said Mike McCartney, president and CEO of the Hawaii Tourism Authority. More direct access to the Islands through added flights expanded marketing efforts and festivals and events are expected to boost occupancy levels at local hotels.

Increased airlift during the summer months, both domestically and internationally, with new and expanded service, as well as both scheduled and charter air service, will meet increased demand during summer months. For example, on June 4 Hawaiian Airlines will launch new nonstop service from New York to Honolulu, said Peter Ingram, executive vice president and chief commercial officer. It also is adding nonstop service from Maui to Los Angeles, increasing the frequency to Maui from Oakland and San Jose, and increasing frequency between Honolulu and Pago, Pago American Samoa. We also will increase our Neighbor Island flight schedule to accommodate peak summer season travel from and average of 170 flights daily to 184 flights daily. The airline's total capacity, or available seat miles, will be 28 percent higher this summer than last, Ingram said. In April, year-to-date transport levels were up 6 percent to 3 million passengers compared to the same periods last year. On June 7, United Airlines will add nonstop daily service to Hawaii from Dulles International Airport outside Washington, D.C. The HTA has estimated that the additional air seats from United alone will generate about \$135 million in visitor spending over the next year and \$14 million in state tax revenue. Allegiant Air will launch air service to Honolulu from its Las Vegas hub three times a week beginning June 29, and weekly Fresno-to-Honolulu service will begin on June 30. Total nonstop air seats to Hawaii between May and July are projected to increase nearly 9 percent compared to last year, HTA estimates.

While airlines prepare to offer more travelers greater access to Hawaii, HTA is expanding its marketing efforts. HTA is changing its destination website infrastructure to provide better information about each of the Hawaiian Islands. That will enable the different islands to cross-sell multiple-island visits, McCartney said.

Joseph Toy, president and CEO of Hospitality Advisors, said he anticipates the recovery in Hawaii's hotel market to continue to be uneven through the summer. There will definitely be increased occupancy this summer, he said. I think Maui will do well and the Big Island will lag, but Kauai will do well. It's still an uneven recovery because most of the recovery is concentrated in Waikiki. Like many resorts seeking family travelers this summer, Outrigger Hotels & Resorts is conducting value-added marketing through summer vacation packages and specials offering paired recreational activities bundled with room rates. Barry Wallace, executive vice president of hospitality services for Outrigger Enterprises Group, said, "our reservations show that summer bookings on Neighbor Islands are less strong, but it is a bit early to predict since booking times have become increasingly shorter and tied to pricing of airfare." Wallace said he attributes Outrigger's positive performance overall to a solid value equation of appropriate pricing, added value, exceptional hospitality and increased interest from international markets. International travelers are helping to bring in high occupancy numbers at Outrigger, he said. Strong exchange rates between the U.S. and Australia, Canada and Japan make vacations to Hawaii more affordable and enticing for this market segment. We are also starting to see more visitors from China, which is an exciting prospect for Hawaii's tourism industry as a whole. (Vanessa Van Voorhis, Pacific Business News May 25, 2012)

Check us out on Face Book on the following link! We have 238 LIKES. <http://www.facebook.com/pages/Outrigger-Aina-Nalu/154637224570994> Right now we are offering information about what's happening on Maui, as well as links to activity promotions and flight discount information. Let your friends and family know they can check out our Face Book Page and become our "LIKE".

A Hui Hou!
(Until next time)

Sheila Gerbig-Hussey
General Manager