

CALIFORNIA COASTAL COMMISSION

455 MARKET ST, SUITE 300
SAN FRANCISCO, CA 94105-2219
VOICE (415) 597-5885



W14a

LCP-4-SBV-25-0043-1 (Short Term Vacation Rentals) Time Extension

October 6, 2025

CORRESPONDENCE

County of Hawai‘i Economic Impact Study on Short-Term Vacation Rentals

Honorable Chair, Commissioners, and Staff:

I am writing after reviewing the **County of Hawai‘i: Economic Impact Study on Short-Term Vacation Rentals (June 2025)**.

This neutral, public, data-driven government study stands in contrast to advocacy materials promoted by [Better Neighbors LA](#), a regional coalition created by hotel workers’ union [Unite Here Local 11](#) with the goal of eliminating short-term rentals (STRs) through complete bans. My goal is to clarify the public record by highlighting where the study’s evidence counters certain claims made in recent STR policy discussions and advocacy testimony.

Background: Neutral Study vs. Advocacy Claims

Unite Here Local 11 is motivated by the belief that removing STRs strengthens job security for its members, and it formed Better Neighbors LA to pursue that objective via outright bans. Better Neighbors LA commissioned Professor David Wachsmuth of McGill University, known for research aligning with their anti-STR stance, to produce analysis supporting their position. Both Unite Here Local 11 and Better Neighbors LA regularly appear at city and California Coastal Commission meetings whenever STR policy is on the agenda, promoting the McGill study and repeating the same assertions.

These submissions are advocacy pieces, not neutral evaluations.

Unsubstantiated Assumptions vs. Data

In many local hearings, letters and testimony have relied on unsubstantiated assumptions that were treated as fact.

For example, it is often claimed that allowing STRs would “further reduce [housing] supply and drive-up costs,” or implied that STRs are predominantly corporate-owned.

The Hawai‘i study tests such assumptions with surveys and measured data.

Where advocates assert, the study provides evidence.

(Notably, this data-driven approach is reinforced by the Coastal Commission’s own findings: Commission staff have observed in briefings that findings from big-city STR research (such as the Better Neighbors LA-commissioned McGill study) do not map cleanly to coastal settings, and that cutting STRs alone does not produce affordable housing. In other words, evidence – not assumptions – should guide policy.)

Summary of Hawai‘i County Visitor Demand and Economic Impact Report

STRs are a major part of the Hawai‘I County visitor economy: In 2023, **43.7% of Hawai‘i Island visitors stayed in STRs**, contributing approximately **\$1.3 billion** to the local economy and generating over **\$17.7 million** in Transient Accommodations Tax (TAT) and **\$7.1 million** in General Excise Tax (GET) revenues.

Hawai‘i STR guests currently pay a combined **17.75%** tax on their stays (10.25% state TAT + 3% county TAT + 4.5% GET), a rate scheduled to rise to **18.5%** on January 1, 2026.

- **Visitor demand is not fully replaceable by hotels:** Survey data show that if STRs were unavailable, **24%** of STR visitors *would not have made the trip at all*, a loss of nearly one-quarter of the lodging, food, transportation, shopping, and entertainment spending those visitors bring.
The remaining visitors would disperse among other accommodations (about 26% shifting to full-service hotels, 19% to timeshares/condos, 14% to limited-service hotels, etc.), meaning there is no one-for-one replacement.
In short, prohibiting STRs would turn away a significant share of visitors outright and leave a gap in local demand.
- **Visitor behavior and spending:** Over **60%** of Hawai‘i STR guests engage in nature-based recreation (hiking, watersports, etc.), similar to what visitors to California’s coastal communities value.
Many trips are family or group-oriented: Nearly **40%** of travel parties have 4 or more guests, and **73%** of STR visitors stay 3–7 nights.
On recent trips, a large majority of STR users rented an entire home/unit (as opposed to a hosted/shared space).
Eight in ten STR guests reported being *more likely* to frequent local shops, restaurants, and attractions during their stay, reflecting how STRs drive business to local establishments. Visitors staying in STRs spend about **\$131.50 per person, per day** off-site on food, transport, shopping, and entertainment, directly benefiting local businesses.
- **Market scale and accommodation gaps:** There were **8,008 active STR listings** on Hawai‘i Island as of March 2025, compared to **6,816 hotel rooms**.
Both the STR sector and the hotel sector each generate on the order of **\$700 million** in annual room revenues.
This shows that a large STR sector can co-exist alongside traditional lodging.
STRs tend to serve budget-conscious travelers and larger groups that hotels may not fully accommodate (hotels on the island skew toward high-end resorts catering to more affluent visitors).

Housing Market and Community Impacts

- **STRs are geographically concentrated (not in every neighborhood):** Most STRs on Hawai‘i Island are located in designated resort zones or high-tourism submarkets, rather than being spread uniformly through residential neighborhoods.
This targeted concentration means STR impacts (and regulations) can be focused where tourism activity already exists, instead of assuming a citywide neighborhood disruption.
- **Minimal conversion to long-term housing if STRs are banned:** A key finding is that only **4%** of Hawai‘i STR owners *would definitely convert* their unit to a long-term rental if STR use were eliminated, while **68%** said they *would not*.
In other words, more than two-thirds of owners simply would not put their homes into the long-term market if they couldn’t use them for STRs.
This evidence directly refutes the assumption that banning STRs would free up a significant number of units for local housing, it **would not**.
The vast majority of these homes would likely sit unused, be used only sporadically by their owners, or otherwise remain off the long-term rental market.
- **Local buyers still dominate home sales:** Despite claims that STR investors are buying up all the homes, the data show local residents are still the primary home buyers.
In 2024, **60%** of homes on Hawai‘i Island were purchased by local buyers (down from 64% in 2023).
Mainland buyers accounted for most of the remainder, while foreign buyers made up only around **1%** of purchases.
This counters the narrative that STR-focused outsiders are taking over the housing stock, the majority of real estate transactions remain local.
- **Community sentiments and neighborhood character:** According to the resident survey, **52.6% (≈53%)** of Hawai‘i Island residents said STRs have *not* changed the character or dynamics of their neighborhood.
Similarly, **61.82%** said STRs have *not* affected their ability or decision to rent or purchase a home.
A majority of residents (~**60.66%**) report experiencing *no* noise, traffic, or disruption due to STRs in their vicinity.
Most residents also do not link STRs to infrastructure strain or environmental degradation: **57.47%** see no strain on local infrastructure from STR activity, and roughly 60% do not associate STRs with any negative impacts on natural resources.
These findings suggest that the often-cited “nuisances” of STRs are not a universal experience, many residents do not perceive STRs as undermining neighborhood livability.
- **Public favors rules, not blanket bans:** Notably, the community leans toward targeted regulations to address STR impacts rather than prohibitions.
According to the Hawai‘i study’s resident survey, about **67%** of residents would support STRs if the associated taxes and fees were dedicated to local infrastructure and community programs, and **65%** would support STRs if strong noise-control rules were enforced.
In other words, roughly two-thirds of people favor a regulated approach with community benefits and quality-of-life safeguards over an outright ban. This mirrors the policy direction many jurisdictions take: allow STRs within reasonable limits, enforce rules against bad actors, and reinvest STR tax revenue locally.

STR Owners and Operations

- **Profile of STR owners:** The Hawai‘i study finds the STR market is dominated by “mom-and-pop” operators, not large corporations. More than **75%** of STR owners operate only **one** rental unit, and **54%** rely on their STR income to cover housing costs. Only **20%** view their property purely as an investment. This shows that the vast majority of STRs are not corporate-owned, they are owned by individuals or families, often renting out their primary or second home to make ends meet.
- **Management and local spending:** **69%** of STR owners self-manage their rentals (rather than using a property manager). This means the revenue and upkeep expenditures flow directly through local owners, who in turn hire local services. STR operations routinely engage a wide array of local vendors between guest stays, creating steady demand that a typical long-term rental would not. These services include house cleaners, maintenance technicians, handy people, landscapers, electricians, plumbers, appliance repairers, laundry services, property managers, and more. The frequent guest turnover translates into more regular work for these local service providers. In essence, each STR supports a mini-ecosystem of local jobs in the community.
- **Jobs supported:** On average, each STR unit sustains approximately **1.6** full-time jobs and **4** part-time jobs on the island when accounting for direct and indirect employment (cleaners, repair services, retail, dining, etc.). By comparison, a single hotel room does not necessarily generate the same level of distributed local employment, hotels centralize many services on-site, whereas STRs hire out in the community. The takeaway is that STRs contribute meaningfully to employment across various local sectors.
- **Resident participation:** Most residents are not personally involved in STR activity. About **77%** of Hawai‘i County residents have no affiliation with any STR (i.e. they neither own nor operate one). And there is not a big wave of new STR hosts waiting in the wings: **72%** of residents say they are unlikely to make their home available as an STR in the next 12 months. These figures indicate that the pool of STR hosts is limited and relatively stable, the majority of homeowners are not suddenly turning their houses into STRs, contrary to some fears.

Broader Evidence and Case Studies

- ***New York City's STR crackdown:*** New York's implementation of **Local Law 18** (a strict STR registration and enforcement regime) two years ago effectively eliminated most short-term rentals in the city almost overnight. Before the law, NYC had roughly **40,000** Airbnb listings. As of mid-2024, only **~2,200** registrations had been approved – a massive drop in STR supply. After two years, there has been *no meaningful increase* in long-term rental supply or vacancies, and rents remain near record highs. In fact, analysts found that rental price growth continued in neighborhoods that had high Airbnb concentrations even after those STR listings were removed. In short, New York's STR ban did **not** improve housing availability or affordability; it simply removed one option for visitors, with no measurable benefit for local renters.
- ***Bans don't solve the housing crisis:*** This conclusion is echoed by housing experts and even acknowledged by officials who favor STR restrictions. Hawai'i's Governor **Josh Green** noted that if O'ahu "got rid of vacation rentals entirely, rents and prices would drop by ~5%. So even if we achieve that, O'ahu would still have among the highest housing prices in the country, which wouldn't solve the housing crisis." In other words, eliminating STRs is at best a minor tweak to housing economics in high-demand areas, it is not a silver bullet for affordability. The California Coastal Commission's staff reached a similar bottom line in 2024: reducing or restricting STRs alone will *not* create affordable housing in coastal communities. Complex housing shortages require broader solutions; scapegoating STRs does not materially expand affordable inventory.

Economic Risks of an STR Ban

The Hawai'i study also quantified the economic trade-offs of prohibition.

Modeling a full STR ban on Hawai'i Island yielded eye-opening results: an outright ban would forfeit over **\$110 million** in annual lodging revenue and **\$135 million** in annual visitor spending that STR guests currently generate.

The County would lose more than **\$3.35 million** in TAT revenue each year.

Such a ban would also eliminate an estimated **12,000+** full-time jobs and **30,000+** part-time jobs tied to the STR sector.

While some of this activity might be recaptured by hotels, the study concludes it is unlikely that *all* employment would be regained.

In sum, banning STRs comes at a steep cost to the local economy and workforce, costs that must be weighed against speculative housing benefits that, as the data show, are minimal.

Fiscal Benefits of Strengthened Compliance

Rather than bans, the Hawai'i study points to strengthening registration and tax compliance as a *win-win* approach.

Hawai'i County discovered a large compliance gap: approximately **3,500** units are registered out of an estimated **7,925** STR units, indicating roughly **4,400** unregistered STRs.

Due to under-reporting, the County is missing out on an estimated **\$12 million** in TAT and **\$1.6 million** in GET revenues annually from STRs. This revenue gap can be closed through better enforcement tools.

(Outside the Hawai'i study:) California's new **SB 346** law, for example, allows cities to require hosting platforms to provide address-level listing information and to display local permit and tax IDs.

Implementing such measures will enable coastal cities to identify illegal STR listings and ensure all operators are remitting Transient Occupancy Tax (TOT).

In other words, effective regulation and data-sharing can boost tax compliance without resorting to bans.

Several coastal cities, including Hermosa Beach, have aggressively enforced blanket residential STR prohibitions without first obtaining coastal authorization.

Courts have already held that eliminating STRs in the coastal zone constitutes "development" that requires California Coastal Act authorization (see *Kracke v. City of Santa Barbara* (2019) and *Keen v. City of Manhattan Beach* (2022)).

To prevent SB 346's platform data from becoming a backdoor tool for enforcing unauthorized bans, I respectfully request that the agency clarify that SB 346 data-sharing may be used by local governments only where STR rules are contained in a Commission-certified LCP or are otherwise authorized by a CDP, and that any use of SB 346 data for enforcement include due process, public notice, and transparent reporting.

Conclusion

California's coastal communities are, of course, not identical to the Island of Hawai'i, the markets differ in scale and context.

However, the parallels are instructive.

Both are coastal visitor economies where family and group access matters.

Both have high-value coastal housing and a prevalence of second homes, meaning an automatic conversion of STR units to long-term rentals is unlikely.

Both face questions about neighborhood quality of life that should be answered with *data*, not assumptions.

And both can improve fiscal outcomes through better registration, data-sharing, and practical compliance measures.

Thank you for considering this data-driven perspective.

The attached Hawai'i STR study provides the full context and source data underlying these points.

Sincerely,

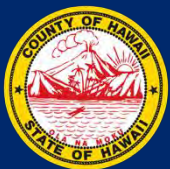
Jim Holtz

Attachment: *County of Hawai'i: Economic Impact Study on Short-Term Vacation Rentals (June 2025).*

hunden partners

COUNTY OF HAWAII'
**Economic Impact
Study on Short-Term
Vacation Rentals**

June 2025



COUNTY OF
HAWAII'



Who we are

We are the leading global advisor in place strategy—where tourism development, economic development, and real estate development intersect.

With professionals in Chicago, New York, Dallas, and Minneapolis, Hunden provides a variety of services for all stages of destination development.



\$20B

in projects successfully developed and/or in progress

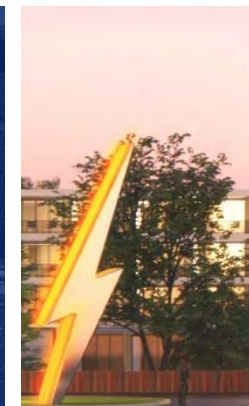
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studies & processes. Of these, **over 80%** are for public sector or DMO clients



200+

youth sports complex, professional stadium & arena studies



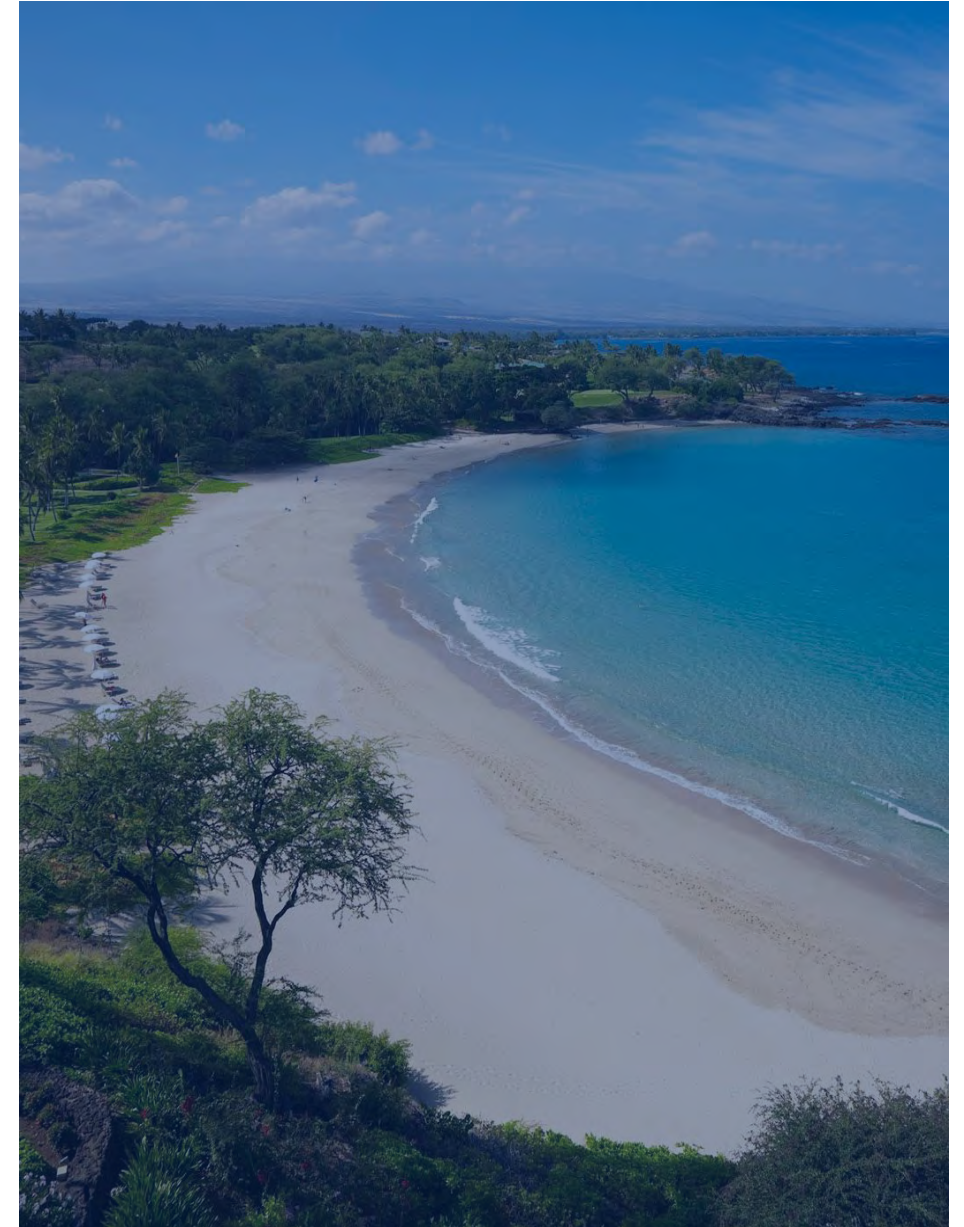
600+

conference, convention, event center & hotel studies



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Executive Summary Overview



Process
overview



Data
analysis



Survey &
interview
feedback



High-level
recommendations
& implications

Project Introduction

The County of Hawai'i has engaged Hunden Partners to conduct an economic impact study focused on the role and implications of short-term vacation rentals (STVRs) across Hawai'i Island. Directed by Hawai'i County Council Resolution 556-24, the study is designed to provide a data-driven understanding of how STRs affect the local housing market, economy, tourism dynamics, and residents' quality of life.

The Project will incorporate the latest legislative developments, housing and tourism trends, and stakeholder perspectives to assess the current and future impacts of STRs. Hunden's work will include housing affordability and availability analysis, economic and fiscal modeling, visitor behavior research, and case study comparisons, to inform policy decisions. The study will support County leaders in evaluating the optimal approach to STVR regulation and long-term community development strategy.



Resolution 556-24

Hawai'i County Council Resolution 556-24 directs the County's Department of Research and Development to procure a comprehensive study on the economic and fiscal impacts of the transient accommodation rental industry, commonly known as short-term vacation rentals (STVRs), within Hawai'i County.

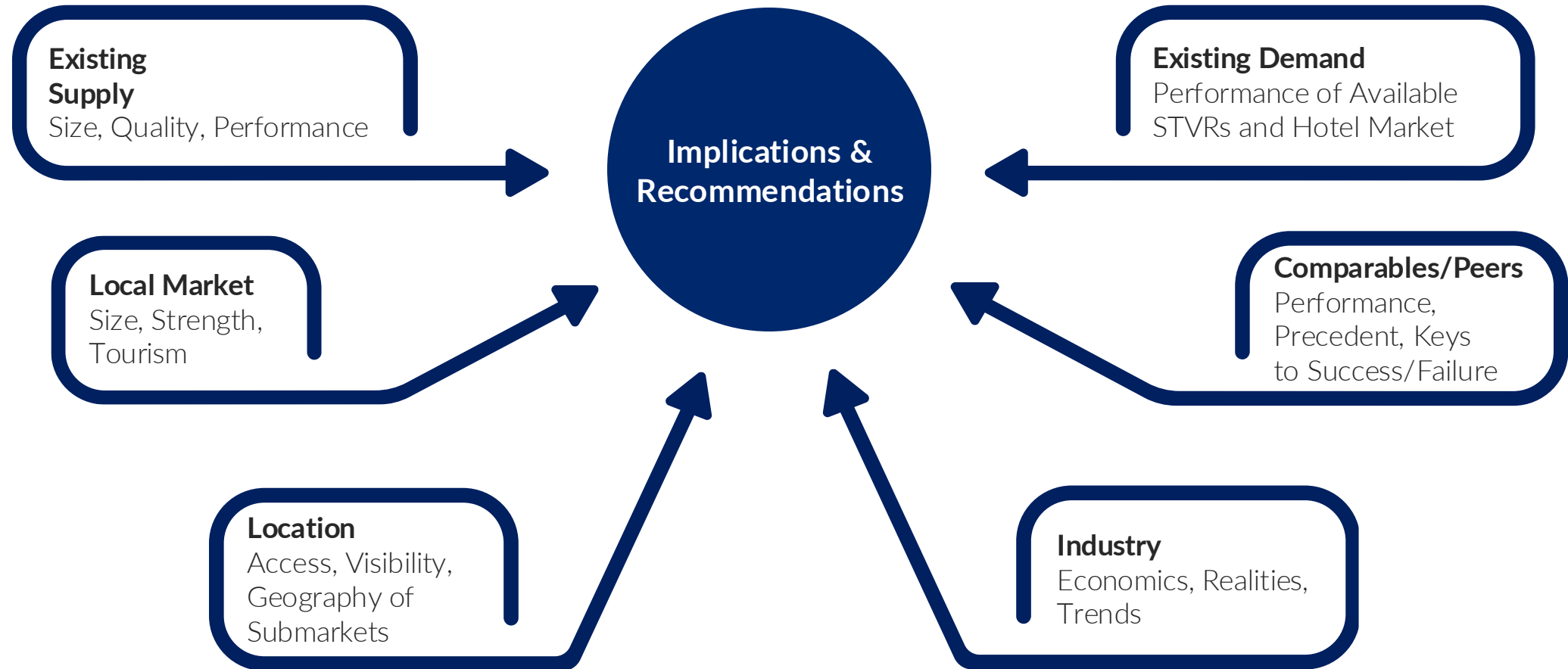
Over time, Hawai'i's tourism industry has expanded through the rise of hosting and booking platforms, offering a wider range of accommodations to meet diverse visitor needs. STVRs have allowed residents to become entrepreneurs, generating income that supports families and local reinvestment. A 2024 report by Kloninger & Sims found that in 2023, 43.7 percent of visitors to Hawai'i Island stayed in STVRs, contributing an estimated \$1.3 billion to the local economy and generating more than \$17.7 million in Transient Accommodations Tax and \$7.1 million in General Excise Tax revenues.

Given the presence of STVRs in Hawai'i County, there is a need to evaluate their economic and fiscal impacts, including effects on tax revenue, employment, economic activity, housing affordability, neighborhood character, infrastructure, public services, and local businesses. The assumption that existing STVRs could be converted to long-term housing if phased out or restricted requires further assessment. To support informed policymaking, the County seeks a comprehensive economic and fiscal impact study to assess these issues from all stakeholder perspectives.

The study is expected to evaluate the following:

- **Data Analysis Using AirDNA:** Examine daily listings, occupancy, pricing, geographic distribution, ownership proximity, number of structures, market value, and other metrics.
- **Economic Contributions:** Measure direct and indirect contributions of STVRs to the County's economy.
- **Housing Market Impact:** Analyze the influence of STVRs on housing availability and affordability.
- **Conversion Feasibility:** Assess whether STVR units could realistically be converted into long-term rentals.
- **Stakeholder Engagement:** Involve STVR hosts, local businesses, housing advocates, and industry reps to ensure well-rounded input.

Study Methodology



Market Snapshot

Below is a snapshot of Hawai'i Island's housing market, visitor statistics, hotel market, and short-term vacation rental (STVR) sector, based on data from the Department of Business, Economic Development & Tourism (DBEDT), Azira, Smith Travel Research, AirDNA, and other sources. Further details on each section are provided throughout the study.



HOUSING

Housing Units: 92,660
Median Sale Price: \$610K
Homes for Sale: 1,247
Homes Sold: 159



VISITOR

Visitor Arrivals: 1,735,821
Visitor Spending: \$3.23B
Non-Lodging Visitor Spend:

- **F&B:** \$52.10
- **Ent & Rec:** \$23.00
- **Transportation:** \$22.80
- **Shopping:** \$25.00
- **Other:** \$8.60

Total: \$131.5



HOTEL

Hawai'i County Hotels: 55
hotel properties totaling
6,816 rooms

Occupancy Rate: 68.2%

Average Daily Rate (ADR):
\$429.80

**Revenue Per Available
Room (RevPAR):** \$293.17



STVR

Active Listings: 8,008
Occupancy Rate: 65%
Average Length of Stay: 4.3
Days

Average Daily Rate (ADR):
\$379.05

Top Markets by Listings:

- Kailua Kona
- Waikoloa
- Keaau

Survey Findings

As part of this study, Hunden Partners surveyed residents, visitors, and property owners to capture perceptions, behaviors, and impacts of STVRs. The findings reveal key trends in housing, tourism, and quality of life that directly inform the study's economic, social, and policy analyses. A detailed breakdown of each survey's results is provided in a later section of this report.

RESIDENT SURVEY

1,726 RESPONSES

87%

Identified as Full-Time Residents

12%

Identified as Native Hawaiian

41%

Reside in Hawai'i County for more than 20 years

77%

Do not affiliate with an STVR unit in any way

SUPPLY SURVEY

688 RESPONSES

40%

Rent a unit that is their secondary home

28%

Rent their primary residency

20%

Rent out a unit as an investment

69%

Self-manage their STVR unit(s)

DEMAND SURVEY

101 RESPONSES

41%

Stayed in STVRs

24%

Would not come if there was not STVRs

60%

Took part in nature-based experiences

40%

Were groups of four people or more

Summary of STVR Impacts

The following section outlines the economic impact of STVRs on Hawai'i Island in 2024, drawing from survey data, market research, and state economic benchmarks:

- In 2024, STVR lodging revenue on Hawai'i Island is estimated at approximately \$710 million, comparable to total hotel room night revenue on the island.
- According to the demand-side survey, 41 percent of visitors surveyed stayed in STVRs.
 - STVRs contribute significantly to the island's tourism economy through spending on food & beverage, transportation, shopping, and entertainment. According to the DBEDT, average per-person daily spending outside of lodging is \$132.
 - Based on AirDNA data and survey responses, this equates to a total estimated economic impact of \$565 – \$862 million on the island from STVR spending outside of lodging.
- Survey results show that 24 percent of STVR users would not travel to Hawai'i Island if this lodging option were unavailable.
 - This would represent a loss of \$112 million to \$170 million in annual STVR lodging revenue that would not be recaptured.
 - For Hawai'i County, this equates to \$3.35 million to \$5.11 million in foregone Hawai'i County Transient Accommodations Tax (HCTAT) revenue annually.
 - Non-lodging visitor spending losses would range from \$136 million to \$207 million if STVR restrictions were implemented.
- From a labor perspective, the supply-side survey found that each STVR unit supports an average of 1.6 full-time and 4 part-time employees. Limiting STVR operations would not only reduce visitor spending and owner income, but also eliminate jobs and wages tied to the STVR sector.
 - Based on average 2024 listings, this would equate to a loss of more than 12,000 full-time jobs and more than 30,000 part-time jobs. While some of these jobs may be absorbed into the hotel market, it is unlikely that all employment would be recaptured.

Implications

Based on comprehensive market research, including three separate surveys targeting supply (STVR owners and operators), demand (visitors), and residents (Hawai'i County residents), Hunden has triangulated the findings to assess the impacts and implications of the STVR industry on the County.

- Survey results show that if STVRs were unavailable, **24 percent of visitors would not have made the trip**, 26 percent would have stayed in a full-service or luxury hotel, 19 percent would have rented a timeshare or condo, and 14 percent would have chosen a limited-service hotel. **This indicates that restricting STVRs would result in a loss of close to one fourth of the lodging, food & beverage, transportation, shopping, and entertainment spending attributed to STVRs.**
- The Hawai'i County STVR market primarily appeals to budget-conscious travelers, larger groups, and frequent STVR users, while the hotel market is dominated by luxury properties catering to more affluent visitors.
- All visitors surveyed, regardless of lodging type, prioritized nature-based outdoor recreation. **STVR visitors were more likely by 79 percent to engage in these activities as well as local culture.** With the growth in wellness tourism and related trends nationally, Hawaii County is poised to continue to grow in this space, as wellness and community well-being remain central to the Hawai'i Island Tourism Strategic Plan.
- If STVRs were restricted on the island, only **4 percent of owners and operators would definitely convert their listed units to long-term rentals**, while 68 percent indicated they would not. **This suggests that the likelihood of STVRs converting to long-term housing for residents is minimal.**
- Both **hotel and STVR lodging revenues exceed \$700 million annually on Hawai'i Island**, with additional daily visitor spending averaging more than \$130 per person. Most STVRs are concentrated within designated Resort Zones.
- **Resident sentiment toward tourism is largely positive**, with respondents recognizing its importance to the local economy, job creation, and cultural vibrancy. Most do not believe STVRs have negatively impacted their neighborhood or quality of life. While 56 percent perceive that housing costs and availability have increased due to tourism, 61 percent said STVRs have not deterred them from renting or purchasing property.
- More than 75 percent of STVR owners operate only one rental unit, and **54 percent rely on the income to cover housing-related costs**. Only 20 percent of owners view their property as a pure investment, **suggesting that most STVRs are operated by individuals with a personal financial stake rather than large-scale investors.**

Recommendation

Based on this study's findings, STVRs contribute significant economic value to Hawai'i County and its communities. Resident survey respondents indicated that the community is largely in support of tourism and understands the importance of visitor spending to local economy and quality of life. Additionally, case studies of STVR policies worldwide have not identified substantial data that proves bans successfully addressed housing issues. The economic value of the STVR industry is substantial, and a county-wide ban would not be in the best interest of the county's economy and community at large.

Instead, Hunden recommends that Hawai'i County continues to enable STVRs while building on the existing 2020 – 2025 Hawai'i Island Tourism Strategic Plan, which seeks to align tourism growth with residents' quality of life in a sustainable, community-based manner. Drawing on demand and supply survey results, Hunden proposes the following four goals:

1. Continue to closely monitor STVR usage and supply growth on a bi-annual basis

2. Achieve 100% compliance with STVR registration to ensure the economic benefits are captured on the island and to the County

3. Consider implementing strategic development guidelines for STVRs located within resort zones versus those located outside of such zones

4. Explore public-private partnerships to develop housing for local residents, ensuring that community members receive prioritized access to inexpensive housing

These initiatives would strive to achieve balance between the economic benefits of the STVR industry with community well-being and neighborhood integrity. No single finding should be interpreted in isolation; readers must consider the systemic context—including Hawai'i Island's unique geographic, cultural, and economic conditions—and acknowledge that no ideal model exists and many uncertainties remain.

Hotel Market & Visitor Trends



Luxury Hotel Market



REVENUE GROWTH

As of 2024, U.S. RevPAR is 16 percent above 2019 levels, driven primarily by price increases, with ADR now 21 percent higher than in 2019.



BRANDED HOTELS

Since 2019, major branded hotel groups have seen double-digit growth in market share, driven by operational efficiencies, loyalty programs, and acquisitions of independent hotels.



DEMAND FOR QUALITY

Luxury and Upper Upscale hotels have experienced increased room demand. Meanwhile, economy hotels have experienced a decline in RevPAR and room demand.



LEISURE & GROUP DYNAMICS

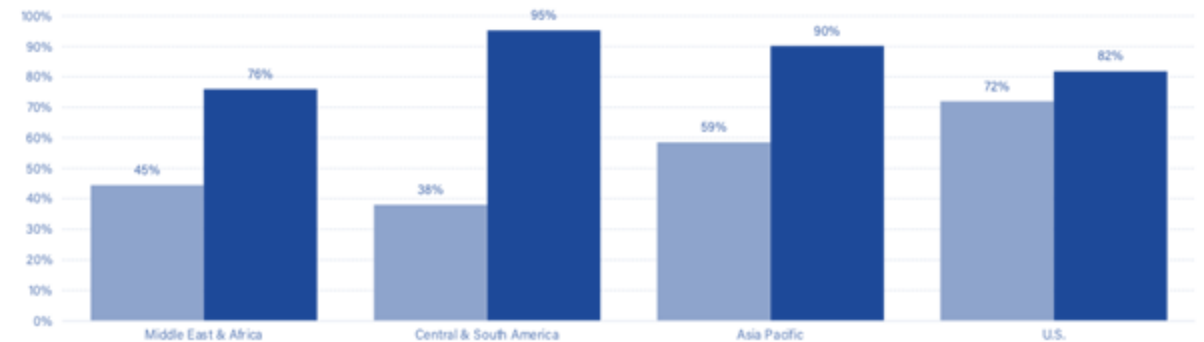
Leisure travelers are increasingly drawn to international destinations due to the strong dollar and pent-up demand following Covid-19. However, group demand for domestic high-end hotels also continues to rise.

Global hotel revenues (\$ billions)

Global hotel revenues have exceeded 2019 levels for the first time since the pandemic.



Hotels: Branded existing supply vs. future pipeline



■ Brands as % of total current supply

■ Brands as % of total future pipeline

Source: Skift Research, Costar, Various

Hotel Development & Demographic Trends

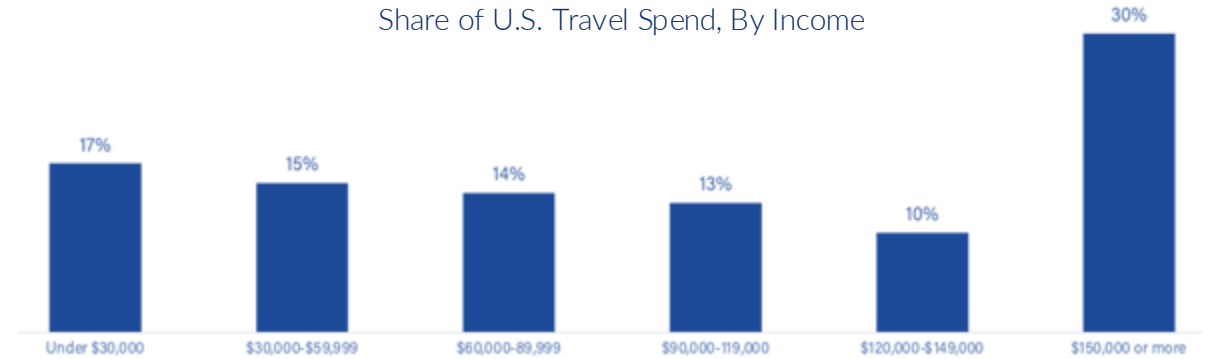
Luxury travel demand surged in 2023 and continues to increase, with travel being the top priority for higher-income households.

- Higher-income households dominate the U.S. travel market, with those earning \$150,000 or more accounting for 30 percent of total travel spending.
- High-income travelers are most likely to view their trips as luxury experiences, with 93 percent of travelers who took a luxury trip at an income level of \$500,000 or more.
- Today's luxury travel, highly personalized, offers exclusive, intellectually stimulating, and engaging experiences.
- Investors are responding to these trends, with new luxury hotel construction outpacing all other chain scales, according to Smith Travel Research data.

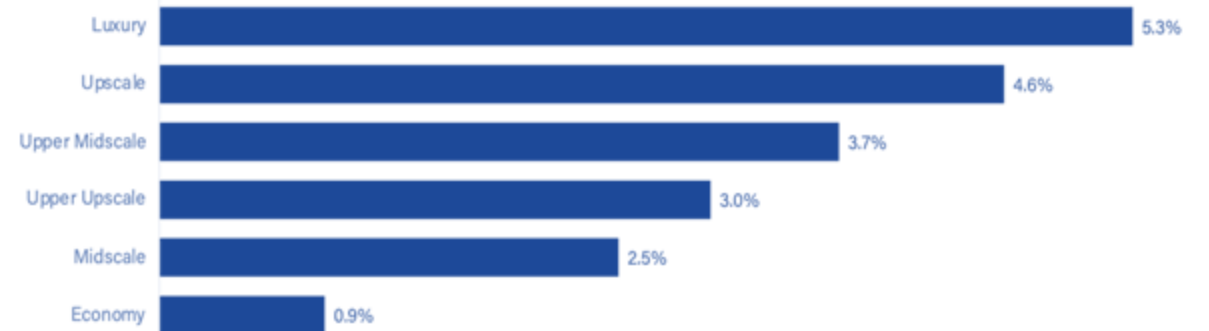
Source: Skift Research, Smith Travel Research

Share of U.S. Travel by Household Income

Share of U.S. Travel Spend, By Income



U.S. Room Supply: Future Pipeline Under Construction as a % of Existing Supply



Wellness Tourism Trends



WELLNESS GROWTH

Wellness tourism is expected to experience robust growth, with a CAGR* of 36.2 percent from 2020 to 2022, reflecting a strong, post-pandemic recovery.



HIGHER EARNERS

Higher income earners are increasingly likely to prioritize their physical and mental well-being when making travel decisions.



OUTDOOR ACTIVITIES

When planning a wellness vacation, 79 percent of people prioritize accessible nature and outdoor activities.



WELLNESS OUTSPENDING

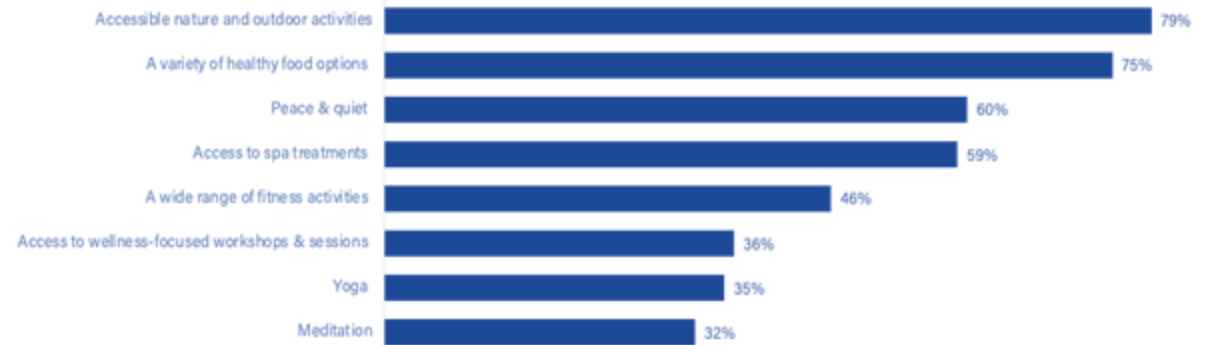
Most travelers seek a reboot during wellness vacations, with wellness tourists outspending non-wellness travelers by 175 percent domestically and 41 percent internationally.

*Compound Annual Growth Rate

Source: Skift Research

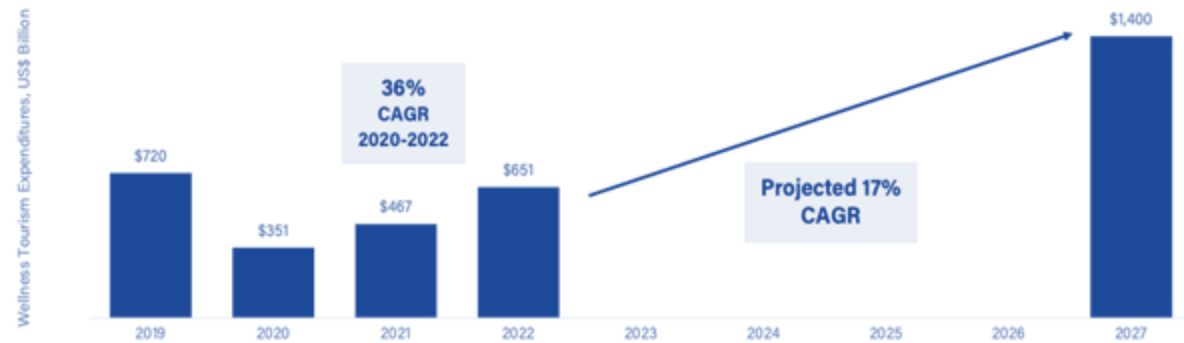
Top Must-Haves for a Personal Wellness Vacation

Consumer Preferences for Wellness Vacation Essentials, Share of Respondents



Wellness Tourism is Set to Quadruple by 2027

Wellness Tourism Growth Projections, 2019–2027



Hotel Market Overview

68.2%
OCCUPANCY

\$429.80
ADR

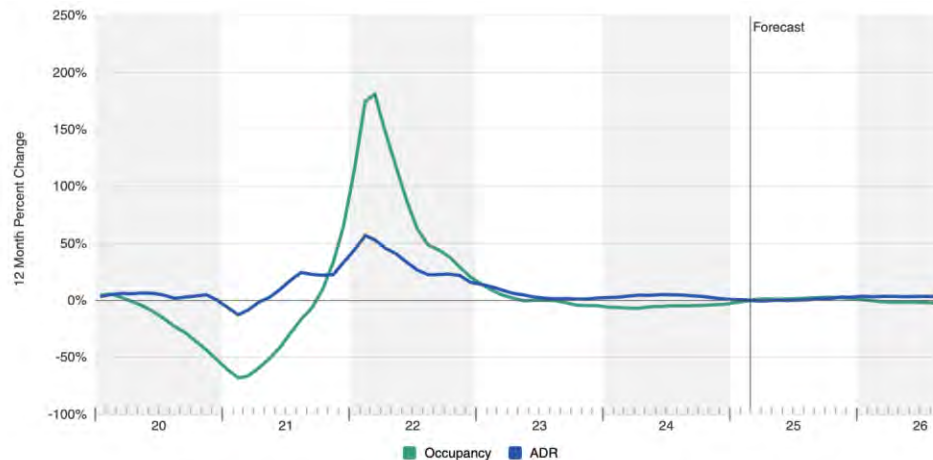
\$293.17
REVPAR

2.45M
SUPPLY

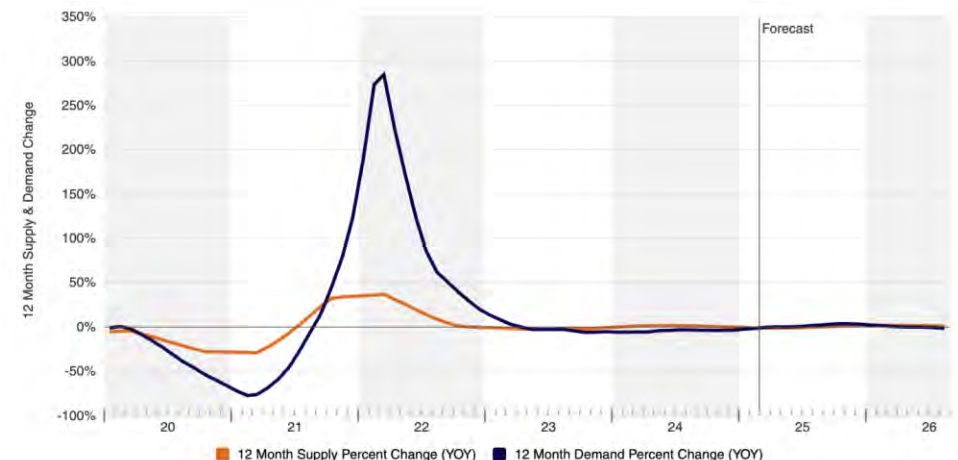
Hunden's key takeaways from the hotel market are as follows:

- Hawai'i County contains 55 hotel properties totaling 6,816 rooms. The supply consists of 58 percent Luxury and Upper Upscale properties, 32 percent Upscale and Upper Midscale properties, and 10 percent Midscale and Economy properties. This composition reflects a hospitality market oriented toward affluent leisure travelers and higher-spending visitors.
- Year-over-year occupancy, ADR, and RevPAR on the Island of Hawai'i declined significantly during the pandemic, followed by a sharp increase in early 2022 due to pent-up demand. Since then, performance metrics have returned to pre-pandemic levels and have remained relatively stable.
- Hawai'i County has a stagnant development pipeline, with no hospitality products under construction and no hotel properties delivered in the past four years, potentially due to increased competition from alternative lodging options.

OCCUPANCY & ADR CHANGE



SUPPLY & DEMAND CHANGE



Visitation Trends

Hunden used Hawai'i's Department of Business, Economic Development and Tourism (DBEDT) and Azira data from 2024 to identify visitor trends on the Island of Hawai'i.

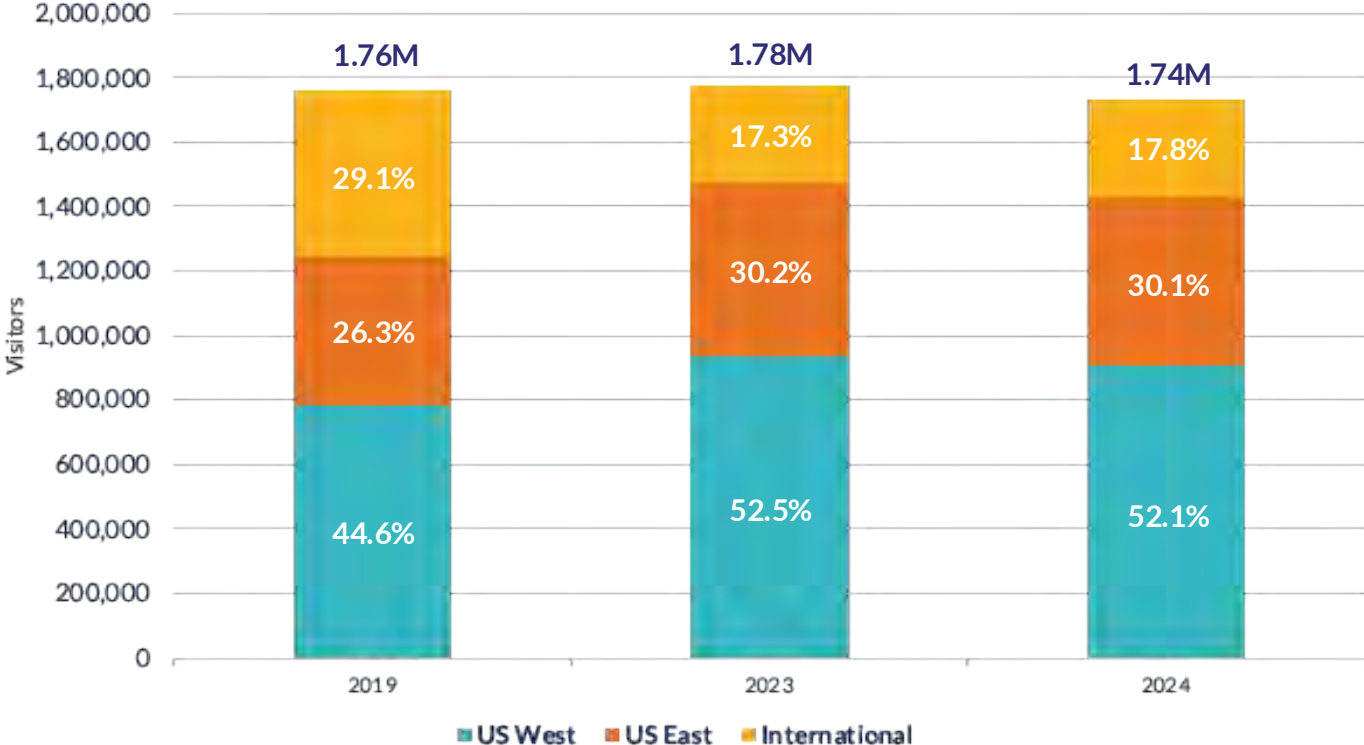
- Hawai'i County's total visitation exceeded pre-pandemic levels in 2023, with more than 1.78-million visitor arrivals. However, a slight decline occurred in 2024.
- The Island of Hawai'i remains heavily reliant on domestic tourism, with more than 82 percent of visitors originating from the United States. More than half of all visitors come from the Western United States.
- Canada continues to be the leading international source market, contributing more than 74,000 arrivals in 2024. Japan and other Asian countries follow, although these markets have not yet fully recovered since the pandemic.
- Since 2019, U.S.-based visitation to the Island of Hawai'i has increased by 14 percent; however, international travel remains down by 40 percent. Had international travel experienced a comparable rebound, total visitation to the island would have exceeded 2 million in 2024.

 **1.74M**
Visitor Arrivals

 **\$3.23B**
Visitor Spending

 **7.4 Days**
Avg Length of Stay

Market Share by Origin Markets
Percent Share of Total Visitors to Hawai'i Island



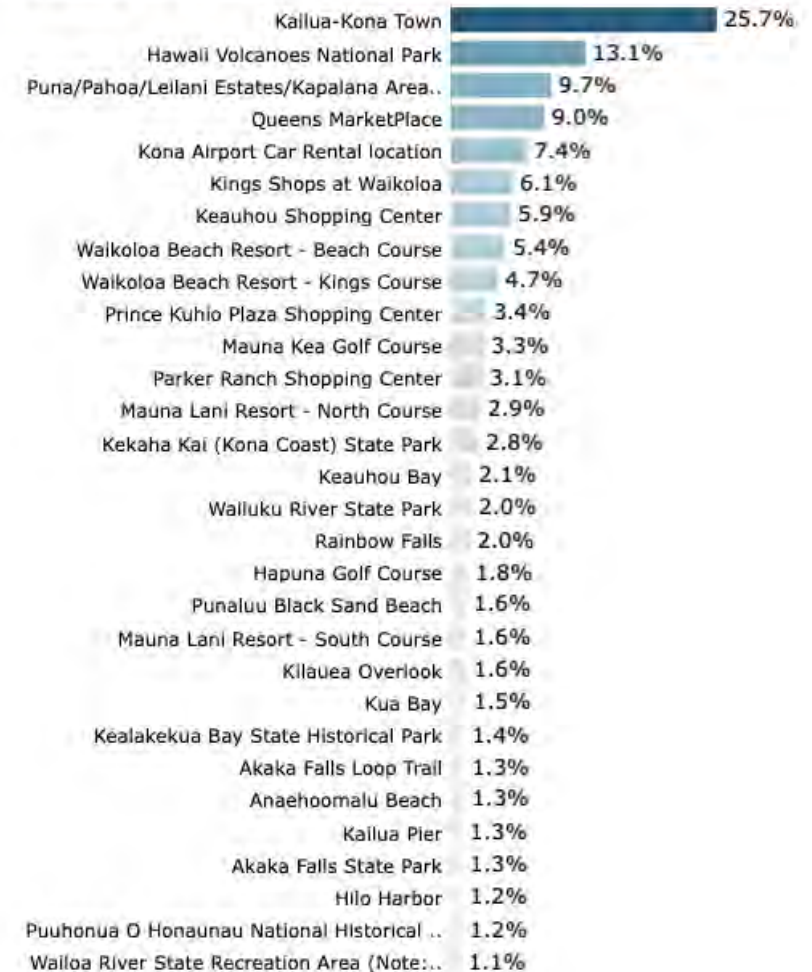
Visitation Trends (Con't.)

Hunden used Azira data from 2024 to identify visitor trends to various points of interest on the Island of Hawai'i.

- Of the top 30 points of interest on Hawai'i Island, more than half of all visits occurred at the top four locations, with Kailua-Kona Town receiving the largest share at 25.7 percent.
- The top locations include local neighborhoods, national parks, and retail districts, indicating that visitors prioritize cultural experiences, outdoor recreation, and retail spending during their vacations.
- Of all non-resident visits to points of interest on Hawai'i Island, 97 percent originated domestically from other parts of the United States, while only 3 percent were international visitors.
- The average number of visits to all points of interest, across both domestic and international visitors, was 5.9 times.
- The top origin state for domestic visits was California (28.9 percent), while the leading origin countries for international visits were Canada and Japan, at 27.9 percent and 25.5 percent, respectively.

Top 30 Points of Interest on Hawai'i Island

Percent Share of Visits by Visitors to Hawai'i Island



Source: Azira (formerly Near)

Short-Term Vacation Rental Overview



Short-Term Vacation Rental Overview

Hawai'i County's Bill 121 establishes a registration requirement for all transient accommodation rentals (TARs) operating for fewer than 180 days. As part of this regulatory framework, the bill introduces a classification system that defines three types of short-term vacation rentals based on the presence and role of the host or operator. Each classification is subject to distinct zoning, operational, and compliance requirements.

Owner-Hosted Short Term Vacation Rentals are operated by a property owner who resides on the premises as their primary residence. These rentals are permitted in any zoning area, provided the owner lives on the property and certifies that the accommodations meet all applicable safety and code requirements.

Operator-Hosted Short-Term Vacation Rentals are managed by an on-site operator who is not necessarily the property owner. These rentals are allowed in resort and commercial zones. Operator-hosted rentals located outside these zones as of January 1, 2024, will be grandfathered in; however, no new operator-hosted rentals will be permitted outside the designated zones after the bill's passage.

Unhosted Rentals refer to accommodations without an on-site host or operator. These rentals are subject to specific regulations and restrictions based on zoning and other applicable factors.

STVR Inventory

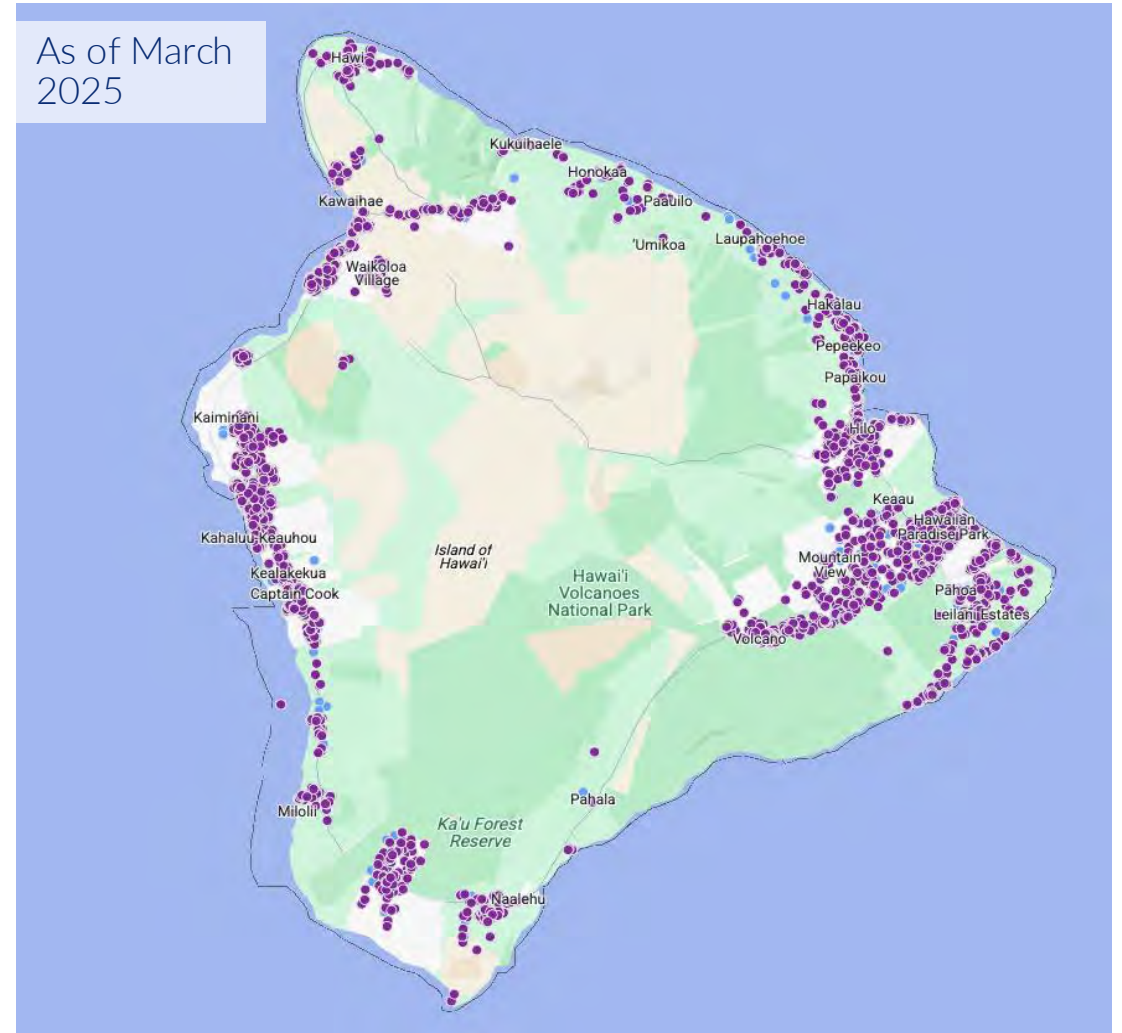
 **8,008**
Active Listings

 **65%**
Occupancy Rate

 **4.3 Days**
Avg Length of Stay

Hunden assessed the short-term vacation rental (STVR) market on the Island of Hawai'i, which includes 8,008 active rentals as of March 2025. Key takeaways from the STVR market are as follows:

- The number of rentals has increased substantially over the past three years, rising from 6,700 in 2022 to more than 8,000 in 2025.
- There are 17 submarkets across the island. Kailua-Kona is the largest, accounting for more than half of the island's supply with 4,324 active rentals. Waikoloa follows with 2,082 active listings.
- Approximately 43 percent of properties are listed exclusively on Airbnb, 19 percent on VRBO, and 38 percent on both platforms.
- Most listings are one-bedroom units (41 percent), followed by two-bedroom units (33 percent) and three-bedroom units (17 percent).
- Roughly 93 percent of listings are entire homes, with the remainder being private rooms, indicating a visitor preference for privacy and self-contained accommodations.

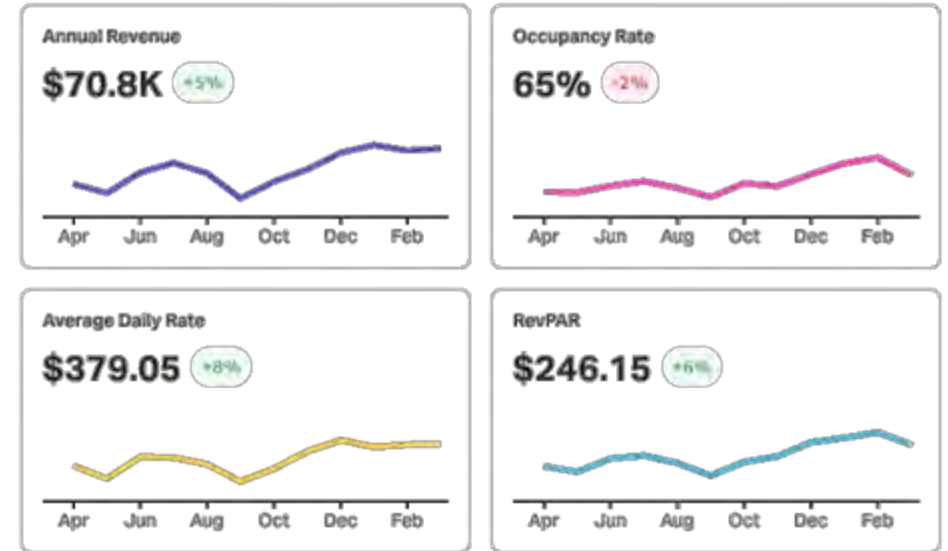


STVR Performance

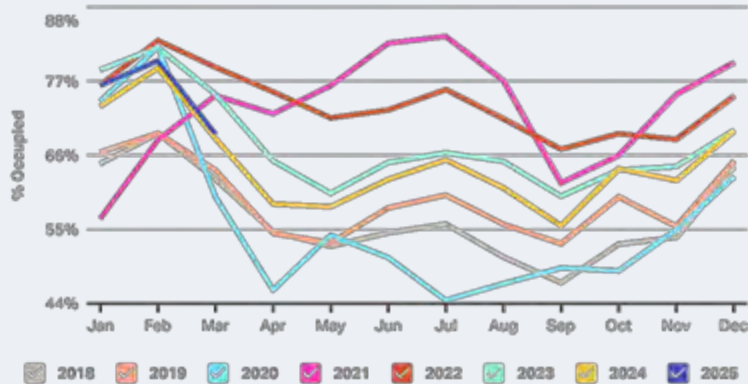
There has been substantial rental growth over the past five years.

- Occupancy rates typically peak in February, averaging 81.2 percent over the past five years. The year 2021 was an outlier due to pent-up demand following the pandemic, with the highest occupancy recorded in July at 83.7 percent.
- Annual revenue averages \$70,800, typically highest in the winter and peaking in December. However, since the pandemic, demand has shifted, with summer months now showing the strongest performance.
- Both the number of listed days and total bookings have increased since 2018, with December 2024 recording the highest monthly total to date.

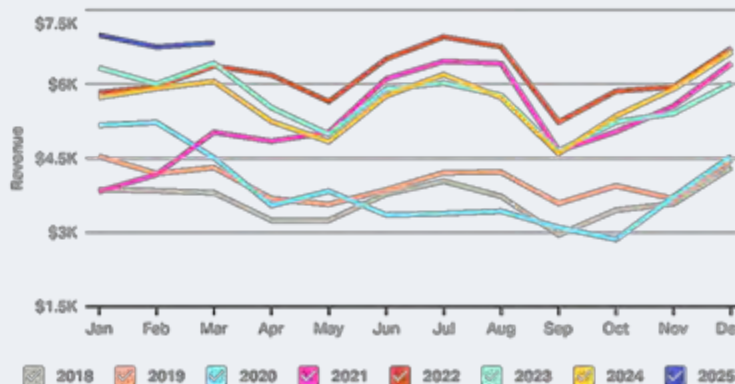
2024 SUBMARKET PERFORMANCE



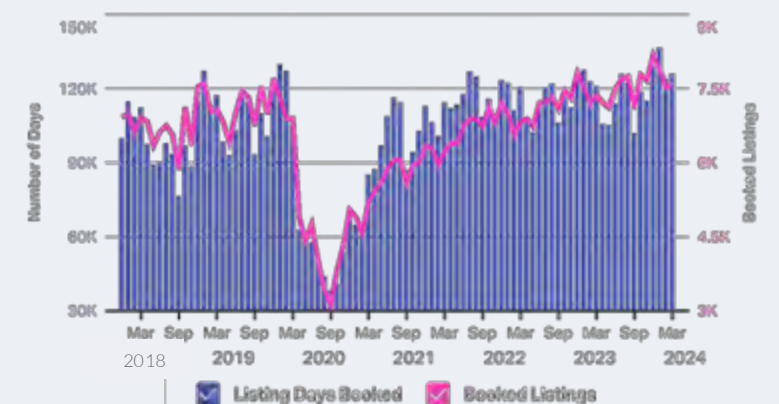
OCCUPANCY



REVENUE



DEMAND OVER TIME



STVR Submarket Highlights

The following highlight the top three STVR submarkets in Hawai'i County as of March 2025, according to AirDNA:

KAILUA KONA

Active Listings: 3,461

Average Length of Stay: 4.6 days

Annual Revenue: \$74,700

Average Daily Rate: \$397.60

Occupancy Rate: 69 percent

- This rental market is robust, with the number of active listings increasing by 21 percent since April 2022
- The Kailua-Kona submarket accounts for 43 percent of the County's total short-term vacation rental inventory
- Performance has remained consistently highest during the winter months, excluding 2021, which was an outlier due to pent-up demand following the pandemic

WAIKOLOA

Active Listings: 1,820

Average Length of Stay: 4.8 days

Annual Revenue: \$103,800

Average Daily Rate: \$673.30

Occupancy Rate: 66 percent

- The rental market has experienced significant growth, with active listings increasing from 1,500 in April 2022 to 1,900 in December 2024
- This submarket has the highest average daily rates on the island at \$673
- Unlike other leading submarkets, Waikoloa has a higher proportion of two-bedroom listings compared to all other units

KEAAU

Active Listings: 439

Average Length of Stay: 3.9 days

Annual Revenue: \$35,600

Average Daily Rate: \$201.10

Occupancy Rate: 62 percent

- This rental market has grown steadily over the past three years, with active listings increasing by more than 45 percent since 2022
- Revenue has risen significantly from pre-pandemic levels, with the annual average daily rate increasing by 46 percent since 2018
- Performance remains strong throughout the year, with the slowest periods occurring in the fall

STVR Submarket Highlights (Con't.)

The following highlight the next top three STVR submarkets in Hawai'i County as of March 2025, according to AirDNA:

PAHOA

Active Listings: 411

Average Length of Stay: 3.9 days

Annual Revenue: \$33,300

Average Daily Rate: \$186.30

Occupancy Rate: 58 percent

- The number of active listings in Pahoa peaked in March 2024 at 461, and has since decreased by 15 percent
- Both the number of listed days and booked listings have decreased since 2018, with February 2018 showing the highest month to date
- Average annual revenue peaked in 2022 at more than \$38,000 and has since decreased

VOLCANO

Active Listings: 392

Average Length of Stay: 2.7 days

Annual Revenue: \$39,600

Average Daily Rate: \$220.40

Occupancy Rate: 58 percent

- The number of listings in Volcano has increased by 30 percent since 2022
- Both the number of listed days and booked listings have recovered significantly and surpasses pre-pandemic figures
- Volcano has the shortest average length of stay compared to the top six submarkets in Hawai'i County

HILO

Active Listings: 411

Average Length of Stay: 3.7 days

Annual Revenue: \$42,800

Average Daily Rate: \$241.30

Occupancy Rate: 62 percent

- The total number of active listings has increased by 23 percent since 2022, peaking in April 2024 at 431
- Occupancy rates typically peak in the winter and summer, with slower periods during the spring and fall
- The number of listed days and booked listings has returned to pre-pandemic levels

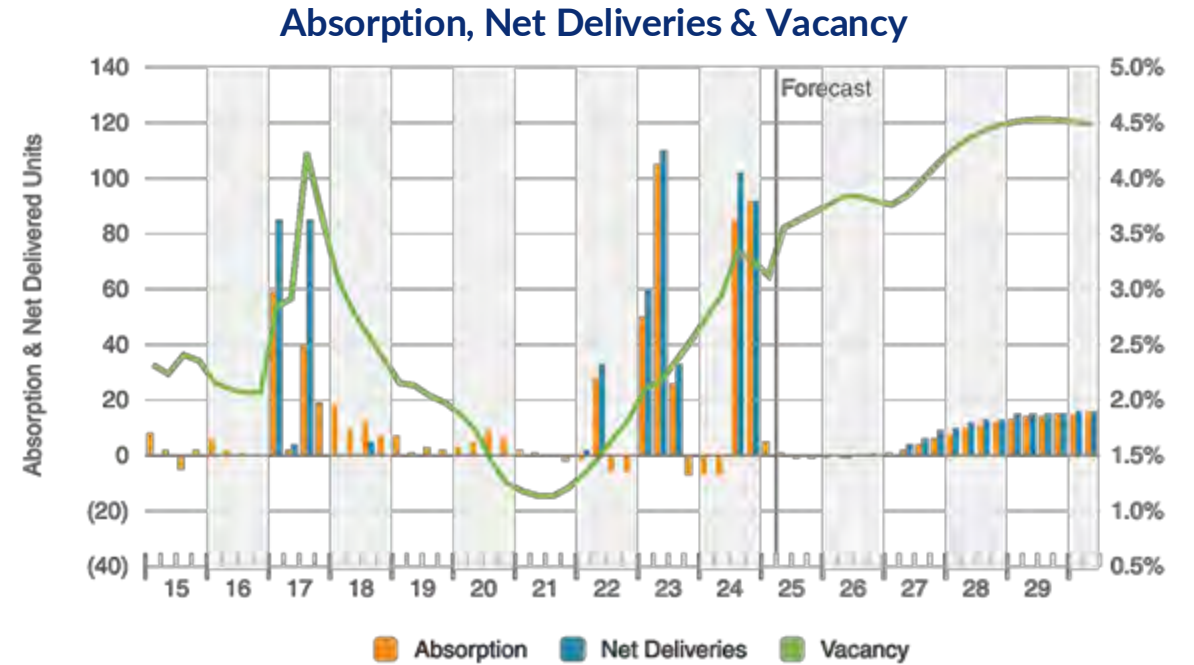
Housing Market Overview



Residential Market Overview

Hunden’s key takeaways from the residential market are as follows:

- In 2017, vacancy rates reached a 10-year high of 4.23 percent following the delivery of 174 new units to the market. This was followed by a period with virtually no new supply, allowing the market to absorb existing inventory and return vacancy rates to typical levels.
- Conversely, in 2021, vacancy rates reached their 10-year low of 1.13 percent. This was likely due to the surge of mainland residents who relocated to Hawai'i in search of a change in scenery and lifestyle while working remotely amid the pandemic.
- Over the past three years, 432 units were delivered, representing an increase of more than 11 percent in the market’s supply. Despite healthy absorption levels, vacancy rates more than doubled following these deliveries.



12-Month Key Market Indicators	Average Rent	Absorption	Vacancy	Rent Growth
	\$1,442	178 Units	3.1%	3.4%
Development Pipeline	Supply	Delivered Past 2 Yrs.	Under Construction	Delivered Next 2 Yrs.
	4,081 Units	337 Units	0 Units	0 Units

Source: Costar

Housing Market Overview

FEBRUARY 2025

\$610K

Median Sale Price

\$483

Median Sale \$/SF

1,247

Number of Homes for Sale

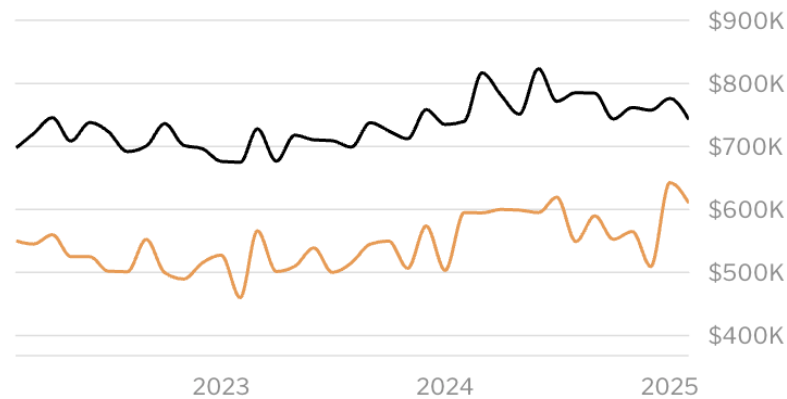
92,660

Total Housing Units

Hunden's key takeaways from the housing market are as follows:

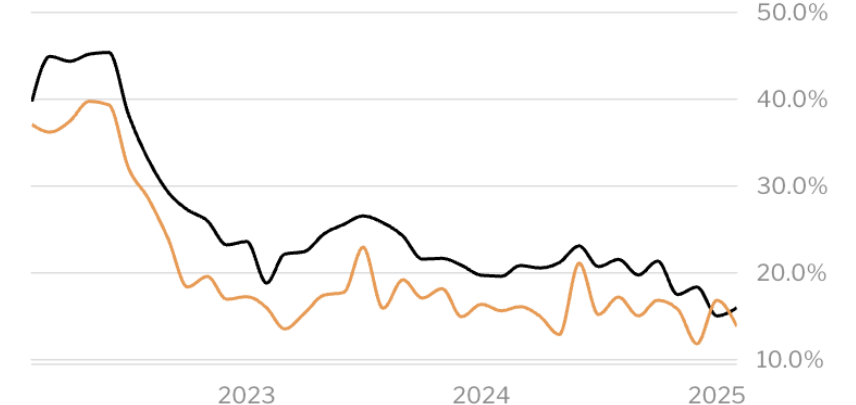
- As of February 2025, Hawai'i County home prices increased by 2.5 percent year-over-year, with a median sale price of \$610,000. This level of growth surpassed that of the State of Hawai'i during the same period.
- The percentage of homes sold above list price has declined significantly since early 2023, indicating a less competitive housing market with fewer bidding wars.
- Median sale prices peaked in January 2025 at \$643,000 – a 27.7-percent increase from the prior year. This figure significantly exceeds the national median sale price of \$431,000.
- The number of homes sold reached a five-year peak in March 2021 at 417 units. Since then, annual sales volumes have declined each year.

MEDIAN SALE PRICE CHANGE



■ Hawai'i County, HI ■ Hawai'i

PERCENT OF HOMES SOLD ABOVE LIST PRICE CHANGE



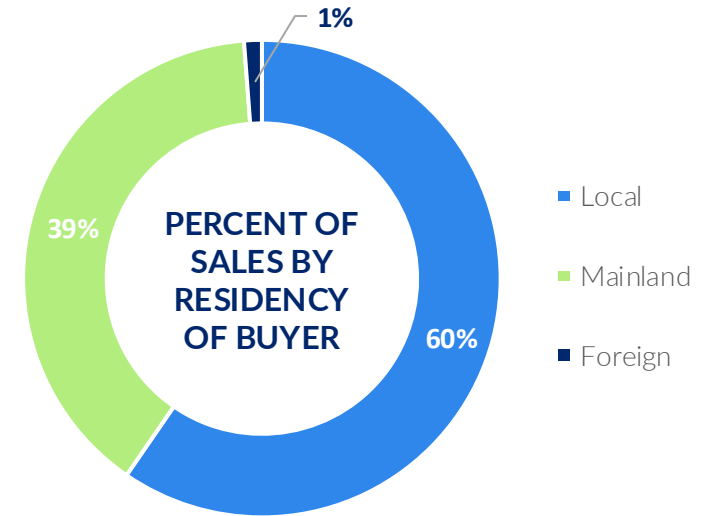
■ Hawai'i County, HI ■ Hawai'i

Source: Redfin (February 2025), US Census (2024)

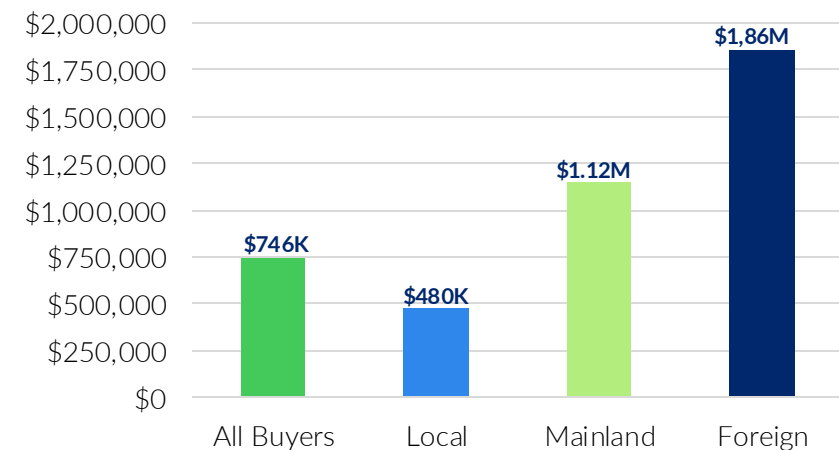
Home Sales Trends

Hunden used 2024 data from the Department of Business, Economic Development and Tourism (DBEDT) to assess home sales trends by buyer residency on the Island of Hawai'i. Key takeaways are as follows:

- In 2024, 4,236 homes were sold at an average price of \$745,000, compared to 3,648 homes sold in 2023 at an average price of \$652,000.
- Mainland and foreign buyers in 2024 primarily sought luxury properties, with average sales prices of \$1.12 million and \$1.86 million, respectively – approximately 1.3 times higher than the average purchase price among local buyers.
- Local buyers accounted for 60 percent of all home sales in 2024, down from 64 percent in 2023.
- South Hilo had the lowest proportion of local buyers, with more than 68 percent of 2024 home sales attributed to mainland buyers.
- The Kohala Coast recorded the second-highest share of non-local purchases in 2024, with 3.3 percent from foreign buyers and 54.6 percent from mainland buyers.
- California accounted for 47 percent of all mainland buyers, while Canada and Japan represented 73 percent and 14 percent of all foreign buyers, respectively.



AVERAGE SALES PRICE BY RESIDENCY OF BUYER



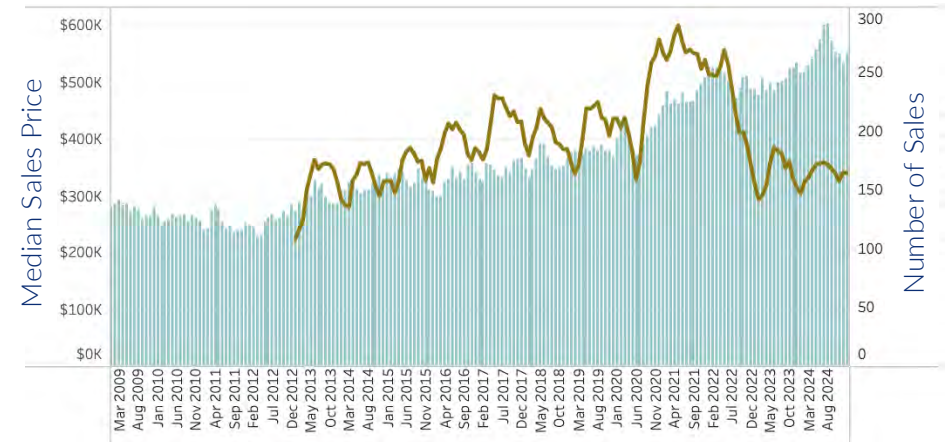
Resale Housing Market

Hunden used 2024 data from DBEDT to assess resale housing market trends in Hawai'i County. Key takeaways are as follows:

- In 2024, the median resale price of single-family homes in Hawai'i County averaged \$553,000 – an 11.1-percent increase from 2023. The median resale price for condominiums averaged \$642,000, reflecting a 16-percent increase.
- Despite this increase, Hawai'i County's median resale price remains well below the average of \$1.1 million across all the state's counties.
- The number of resold single-family homes and condominiums peaked in May 2021, with 261 and 108 sales, respectively. This increase was likely driven by the rise of remote work during the pandemic, during which residents returned to the Big Island to be closer to family, while others sought a change in environment.
- Resale activity for both single-family homes and condominiums follows a seasonal trend, peaking during the summer months and slowing during the winter.

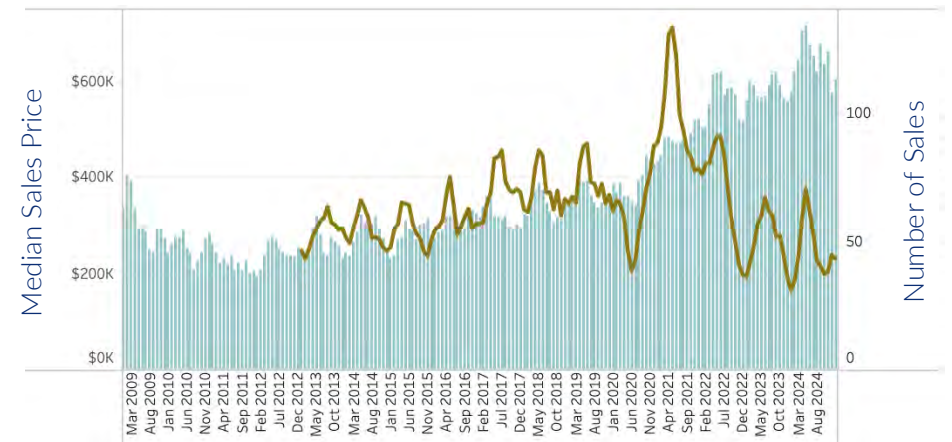
Hawai'i County – Single Family Homes

Median Price & Number of Sales



Hawai'i County – Condominiums

Median Price & Number of Sales



■ Number of Sales

■ Price

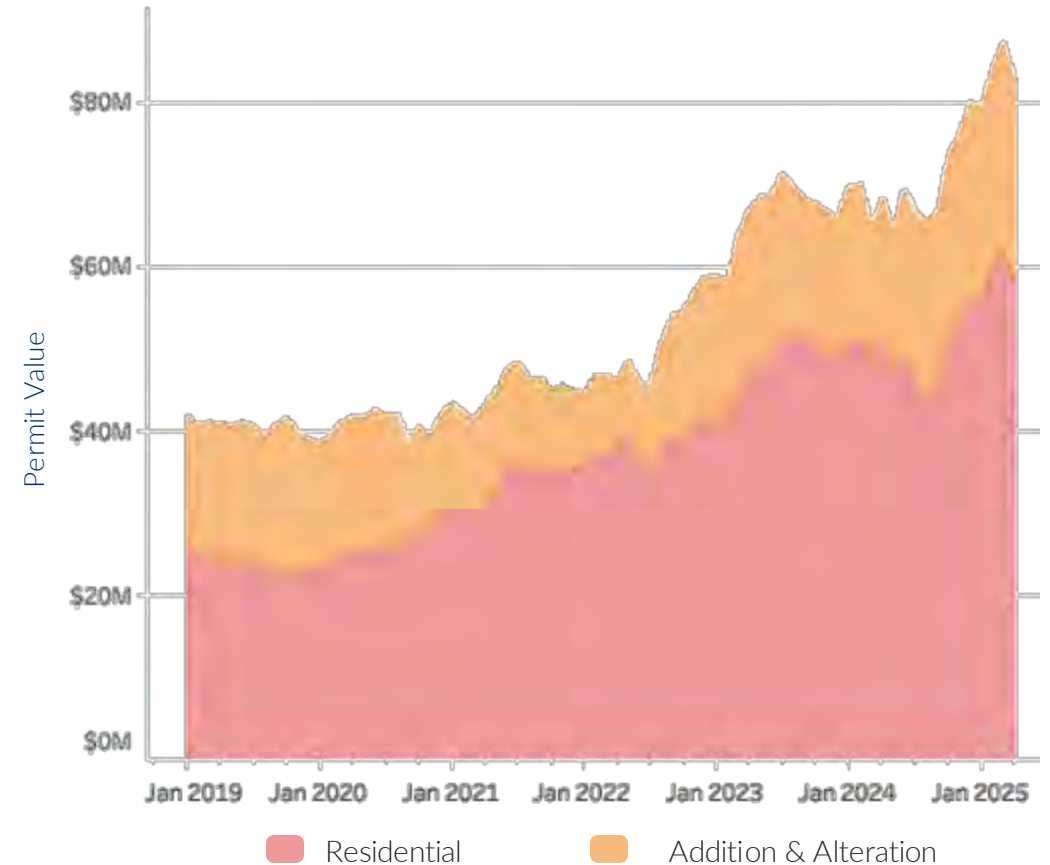
■ Median Sales

Building Permits

Hunden used data from the Hawai'i County Permit Office to assess private building permit value trends in Hawai'i County. Key takeaways are as follows:

- In early 2019, the combined monthly permit value for residential properties and additions and alterations totaled approximately \$40 million. By early 2025, this figure had increased to more than \$80 million, more than doubling over six years.
- Permit values for additions and alterations began at approximately \$15 million per month in early 2019 and increased to about \$25 million by 2025. Although this category accounts for a smaller share of total activity, it has shown steady year-over-year growth, particularly since 2022.
- Total permit values showed a notable plateau or slight decline in mid-2020, likely due to the pandemic, and again from early to mid-2024. Since that period, values have rebounded sharply, peaking in March 2025.
- The increase in residential permit values reflects a robust housing demand in Hawai'i County, potentially driven by demographic shifts, relative affordability compared to other Hawaiian Islands, or post-pandemic relocations.

Hawai'i County – Private Building Permit Values
12-Month Moving Averages



Survey & Interview Feedback Analysis



Stakeholder Interviews

Hunden Partners conducted a series of in-depth interviews with a range of local stakeholders and industry professionals to gather insights into the STVR industry and impact. Below is a list of groups Hunden engaged:

- County Representatives
- STVR Owners, Operators, and Management Companies
- Local Realtors and Brokers
- Hotel and Hospitality Groups
- Event Organizers (including Merrie Monarch Festival)
- Indigenous Data Science Representatives

Across conversations, stakeholders were split on the impacts of STVRs to the local economy and overall quality of life. A summary of the key themes follows:

STVR market tensions persist over neighborhood impacts, non-local ownership, and perceived threats to cultural and community identity.

STVRs are vital to the livelihood of thousands of families on Hawai'i Island. Many Kama'āina* rely on the STVR market for employment or assistance in affording their homes.

Geography is important. STVR regulation should look closely at sensitive residential zones and areas such as homestead lands.

Lack of government oversight and enforcement can lead to inequality between STVRs and compliant hotels and resorts. This issue is mainly present in registration fees and tax collection.

Communities support tourism when it reflects local culture, offers economic opportunity, and respects place. Stakeholders back indigenous-led lodging and a shift toward more responsible, locally grounded tourism.

Lodging shortages can occur during major Island-wide events such as the Merrie Monarch Festival and IRONMAN World Championship in Kona. However, these sellouts are rare.

**Native-born, longtime, or permanent residents*

Resident Survey Findings

FROM 1,726 RESPONSES

87%

Identified as Full-Time Residents

12%

Identified as Native Hawaiian

41%

Reside in Hawai'i County for more than 20 years

77%

Do not affiliate with an STVR unit in any way

Source: Hunden Partners

Hunden conducted a resident survey to assess the local residents' perception of STVRs' impacts on social and environmental effects. Key takeaways from the resident survey are as follows:

- On average, 77 percent of residents are not affiliated with an STVR, and 72 percent are unlikely to rent their unit in the next year, compared with 17 percent who are likely. This underscores a low propensity among homeowners to convert existing housing stock into short-term rentals, despite perceived benefits.
- The responses are significantly supportive of tourism, with 96 percent of residents believing tourism is important to Hawai'i County's economy, and the majority agree that tourism positively impacts jobs for residents, local businesses, and community well-being.
- The perception of impact on housing is evenly split among the respondents, with 53 percent feeling neighborhood character has not changed due to STRs, and 55 percent believing restricting STVRs would increase house availability and homeownership for locals. However, data from the supply side survey showed only 4 percent definitely would convert their STVR and 67 percent of owners would not convert their STVR to long-term housing stock.
- Most respondents, 62 percent, say STVRs have not influenced their decisions to rent or purchase a home, and 61 percent have not experienced noise or traffic disruptions linked to STVRs. Similarly, nearly 60 percent do not connect negative infrastructure constraints or impacts to natural resources from STVR activity. This all indicates general resident tolerance or neutrality of STVRs.
- Overall, residents were positive about the impact of tourism on the county. More than 70 percent of respondents stated that tourism generates employment opportunities for locals, attracts new businesses, and provides revenue for existing businesses. The majority of respondents were either neutral or in agreement that tourism creates a positive ambience, introduces diversity, enhances quality of life, supports amenities beyond what the resident base alone could sustain, and is a key factor in making the island a desirable place to live.

Supply Survey Findings

FROM 688 RESPONSES

40%

Rent a unit that is their secondary home

28%

Rent their primary residency

20%

Rent out a unit as an investment

69%

Self-manage their STVR unit(s)

Hunden conducted a supply survey to assess the owners' perspectives of STVR's impacts on social and environmental effects. Key takeaways from the supply survey are as follows:

- A majority of hosts operate just one STVR unit, with 76 percent owning or operating a single property and 24 percent managing multiple units. Approximately 40 percent of respondents rent out a secondary or part-time home, 28 percent rent their primary residence, and 20 percent do so strictly as an investment, indicating most supply comes from individual, non-professional owners.
- Most STRs are concentrated geographically: 40 percent of units are in Kailua-Kona, followed by 11 percent in Waikoloa and 8 percent in Pahoia. Host occupancy patterns vary: 45 percent rent only when they're away, 22 percent rent while present, and 34 percent never occupy the unit themselves, underscoring a mix of owner usage versus full-time visitor rentals.
- Self-management dominates, as 69 percent of hosts manage their own units, 21 percent use a local property manager, and only 5 percent engage a national service. On average, 55 percent of hosts seek incremental earnings, and 54 percent need rental revenue to cover housing costs, highlighting both entrepreneurial and financial necessity motivations.
- If regulations prevented STRs, only 4 percent would definitely convert to long-term rentals, while 68 percent would not and 19 percent are unsure. This suggests minimal impact on long-term housing supply.
- Peak demand occurs from December through February, with a moderate increase during summer months. Nearly half of parties consist of four or more guests, and 41 percent are couples. Typical stays last three to seven nights for 73 percent of visitors. Seventy-five percent of guests come from the U.S.

Source: Hunden Partners

Demand Survey Findings

FROM 101 RESPONSES

41%

Stayed in STVRs

24%

Would not come if there were no STVRs

60%

Took part in nature-based experiences

40%

Were groups of four people or more

Hunden conducted a survey on visitors to get data on their motivations and likelihood to visit if it were not for STVR availability. Key takeaways from the demand survey are as follows:

- From the 41 percent of respondents that stayed in a STVR during their most recent visit to Hawai'i, 67 percent were due to being a larger party size, 57 percent were due cost, and 36 percent were STVR regulars. Additionally, 74 percent of these respondents rented a whole house, 19 percent rented a hosted unit, and 2 percent rented a shared unit. This highlights STVRs' appeal to budget-conscious, larger-group, and loyal rental audiences.
- Outdoor recreation dominated visitor activities, with more than 60 percent of visitors taking part in nature-based experiences, including hiking and watersports. Additionally, 25 percent attended cultural events, and 18 percent took part in agri-tourism. These results reflect a strong priority for active, experiential travel and suggest the need for accommodations and packages that emphasize access to trails, watersports, and cultural programming.
- For visitors who stayed in STVRs, 24 percent would not have made the trip if restrictions prohibited them, 26 percent would have chosen a full-service or luxury hotel experience, 19 percent would have rented a timeshare or condo, and 14 percent would have chosen a limited-service hotel.
- For visitors who stayed in STVRs, close to 79 percent reported a higher likelihood of experiencing local shops, restaurants, and attractions, while 19 percent said it didn't influence how they engaged with the destination. This indicates that STVR visitors have different motives than those staying in other accommodations.

Source: Hunden Partners

05

Case Studies



Case Studies Overview

CASE STUDY ASSESSMENT

Market	AirDNA Market Score* (Investors)	Listings**	License Restrictions	Geographical Restrictions	Ownership/ Resident Requirements	Future Full STRs Ban
Barcelona	90	22,400	✓	✓	✓	✓
Mammoth Lakes	65	4,100	✓	✓	✓	✗
Maui	99	14,800	✓	✓	✓	✗
New York City	65	25,200	✓	✗	✓	✗
O'ahu	99	13,400	✓	✓	✓	✗
Island of Hawai'i	94	8,008				

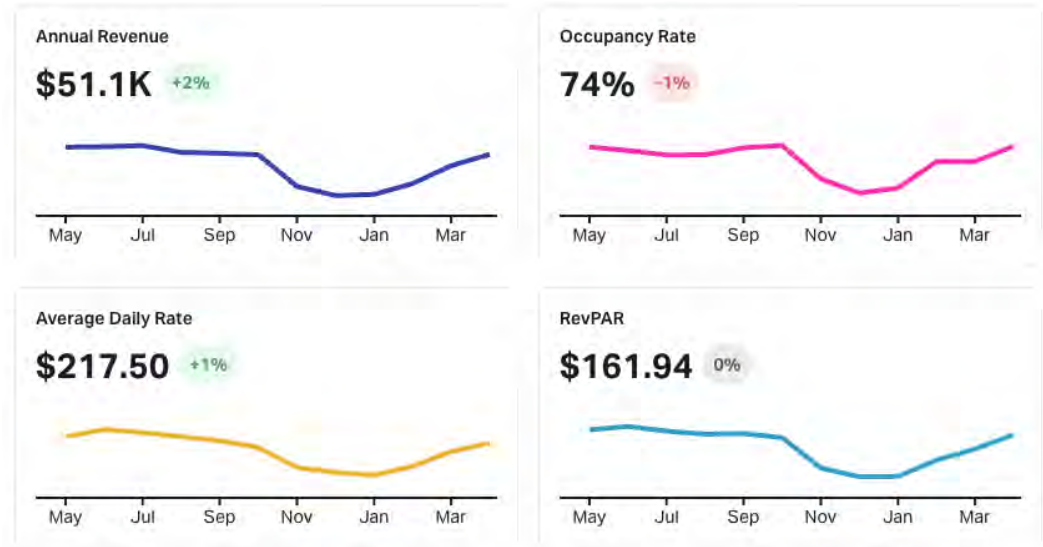
*It is calculated by comparing each market, provided it has at least 15 listings, across five key metrics. Markets with a higher number of listings carry greater weight in the overall Market Score comparisons.

**Listings as of June 2025.

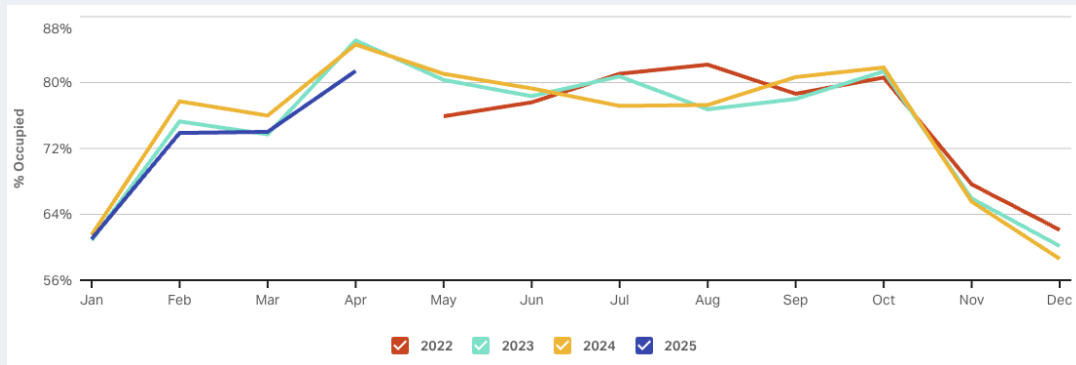
Barcelona

- Occupancy rates typically peak in April and October, averaging more than 80 percent during the past three years
- Annual revenue averages \$51,100, mostly consistent year-round outside of the winter months
- The Barcelona market has 70 submarkets and more than 22,000 listings

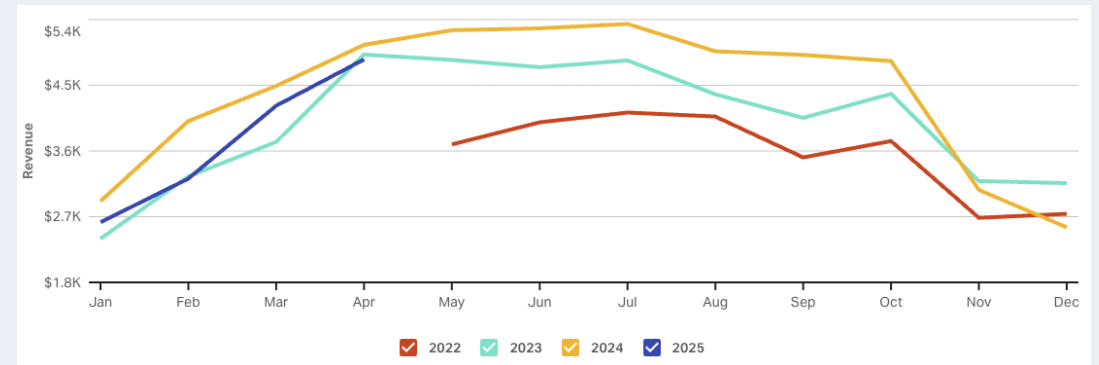
MARKET PERFORMANCE



OCCUPANCY



REVENUE



Barcelona

Current STVR Regulations

Barcelona has not issued new tourist licenses for STVRs since 2014. Property owners wishing to operate an STVR must acquire a property that already possesses a valid license.

Licensed STVR operators must:

- Obtain a certificate of occupancy.
- Register with the Catalan Tourism Registry.
- Display the registration number on all listings.
- Provide guests with rental contracts, complaint forms, and emergency contact information.
- Collect and remit tourism taxes.
- Limit rentals to a maximum of 120 days per year if the owner does not reside onsite.

Enforcement: The city actively monitors compliance, with fines for violations reaching up to €600,000.



Barcelona

Proposed Regulations and Implications

In 2024, Barcelona announced that it will cease issuance of new licenses and not renew existing licenses upon expiration in 2028. This means that by 2029, no homes in Barcelona will have permission to be rented as tourist accommodations. The policy aims to increase the availability of housing for residents and curb the negative effects of overtourism.

Economic Implications:

- **Housing Market:** The ban is expected to return approximately 10,000 tourist apartments to the long-term rental market, potentially easing housing shortages and stabilizing rent prices.
- **Tourism:** While the move may benefit residents, it has faced criticism from property owners and the tourism sector, who argue that it could lead to economic drawbacks and a rise in illegal rentals.
- **Legal Challenges:** Property owners' associations have initiated legal actions against the ban, claiming it infringes on property rights and could negatively impact the local economy.



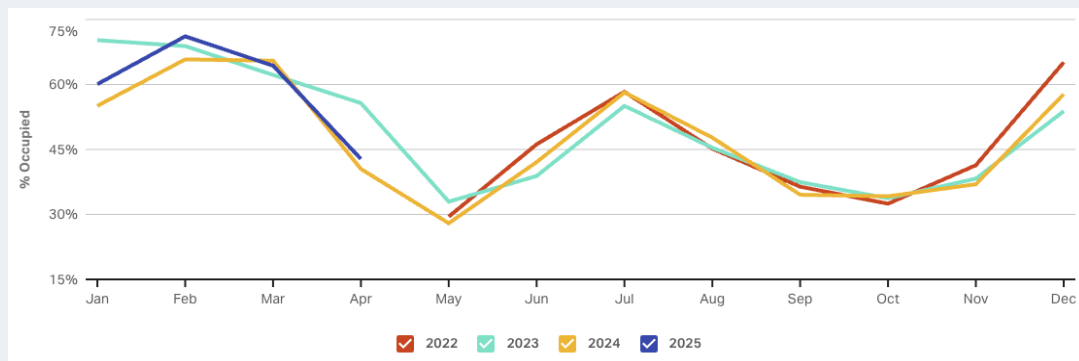
Mammoth Lakes

- Occupancy rates typically peak in the winter months during ski season as well as mid-summer
- Annual revenue averages \$67,500, typically highest in the winter and peaking in February
- Mammoth Lakes has slightly more than 4,000 listings, up just one percent over the past three years

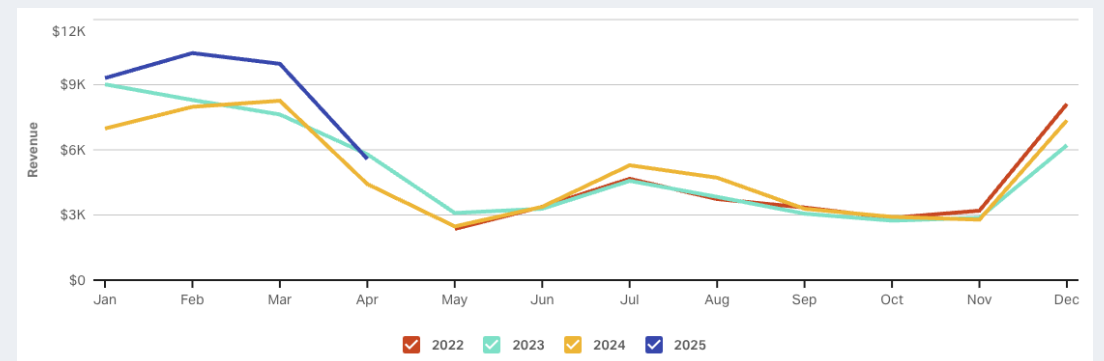
MARKET PERFORMANCE



OCCUPANCY



REVENUE



Mammoth Lakes

Current STVR Regulations

Mammoth Lakes, California, enforces restrictions on STVRs (defined as stays of less than 31 days) by prohibiting certain zoning districts. These zones primarily include single-family and rural residential areas.

Following a moratorium on new STVR permits from October 18, 2023, to April 22, 2024, Mammoth Lakes introduced the “Certified Properties” program to enhance oversight.

Certification Requirements Include:

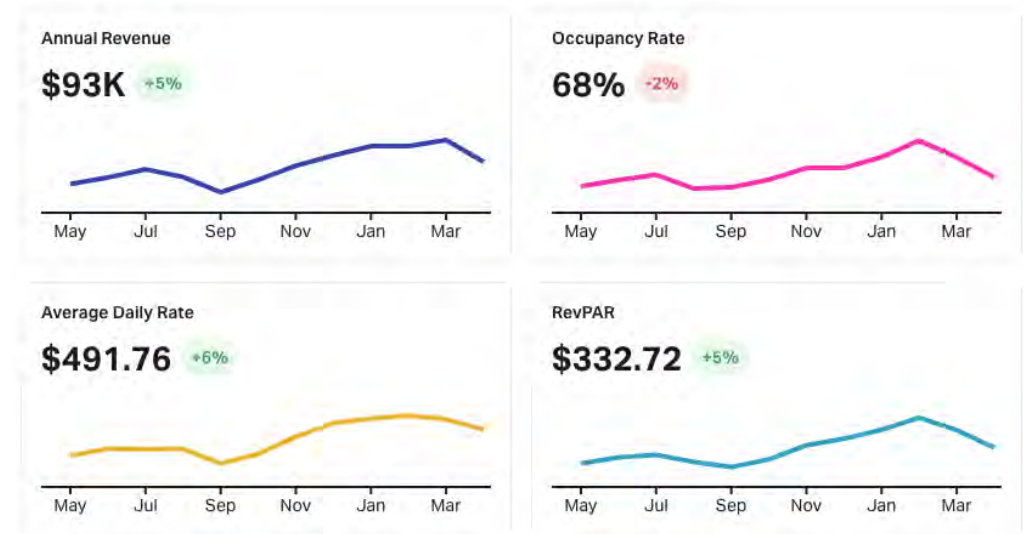
- Property owners must obtain certification, including periodic inspections every four years.
- Provide emergency contact information and identify cleaning services.
- Pay an initial fee of \$125 per property, with an annual renewal fee of \$250 starting in 2025.
- All previously issued Transient Occupancy Tax (TOT) certificates were cancelled and property owners were required to complete the new certification process by June 2024.



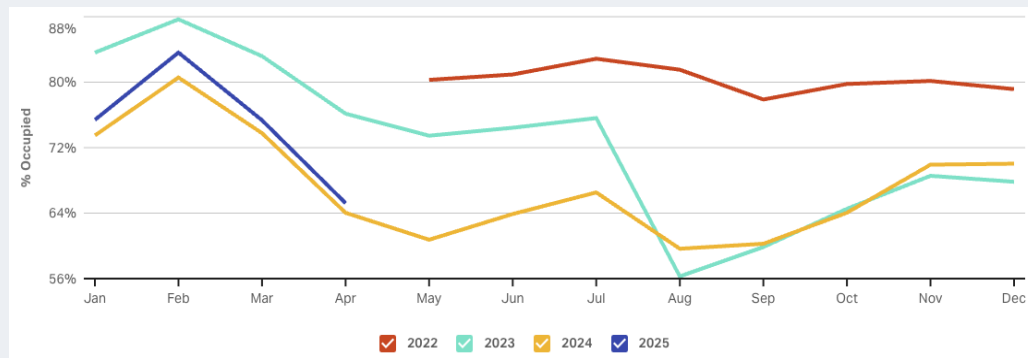
Maui

- Occupancy rates typically peak in February, averaging more than 80 percent over the past three years
- Annual revenue averages \$93,000, typically highest in the winter to early spring and peaking in February and March
- Average daily rate is nearly \$500, up six percent from the previous year
- The Maui market has nearly 15,000 listings across 19 submarkets

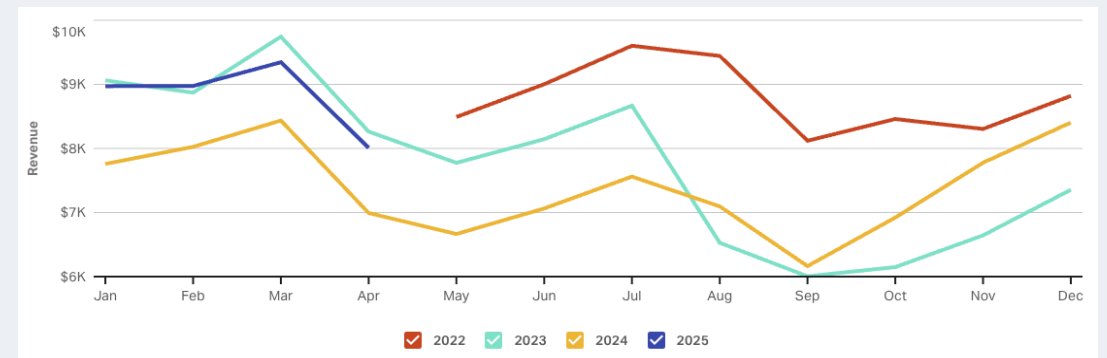
MARKET PERFORMANCE



OCCUPANCY



REVENUE



Maui

Current STVR Regulations

Permitting: Operators must obtain a Short-Term Rental Home (STRH) or Bed & Breakfast (B&B) permit.

Ownership Requirements: A five-year ownership period is required before applying for an STRH permit.

On-Island Representative: An on-island representative must be designated to address any issues that arise.

Tax Obligations: Owners are responsible for paying General Excise Tax (GET) and Transient Accommodations Tax (TAT).

Permit Display: All marketing materials must include the property's permit number.

Fines: Operating an unpermitted STRH can result in fines of up to \$1,000 per day.



Maui

Proposed Regulations and Implications

In July 2024, the Maui Planning Commission unanimously recommended phasing out approximately 7,000 STRs listed on the “Minatoya List.” This list comprises properties in apartment-zoned areas that were grandfathered in for STR use under a 2001 legal opinion. The proposed timeline is as follows:

- West Maui Units: Phased out by July 1, 2025
- Remaining Units: Phased out by January 1, 2026

The initiative aims to convert these vacation rentals into long-term housing for residents. However, the proposal has sparked controversy due to the potentially negative economic impact.

Economic Implications: The University of Hawaii Economic Research Organization completed a study that indicates the phasing out of STRs could result in:

- 6,127 units added back to Maui’s housing supply
- Loss of around 1,900 jobs
- Annual decline of \$60 million in property tax revenues
- Decreased visitor spending and overall economic activity



Maui

“Takings” Lawsuits

One result of regulations in Maui is a federal lawsuit that was filed in May 2024 claiming that the county’s actions violate the Takings Clause in the Fifth Amendment to the U.S. Constitution. They are seeking to stop the enforcement of the ban or receive compensation for lost use and value of the STVRs.

Key Arguments Include:

- **Property value loss:** Plaintiffs say the new rules dramatically devalue their properties, which were bought and managed under the assumption of continued STR income.
- **No compensation offered:** Maui’s policies ended uses without offering buyouts or compensation.

Potential Ramifications Include:

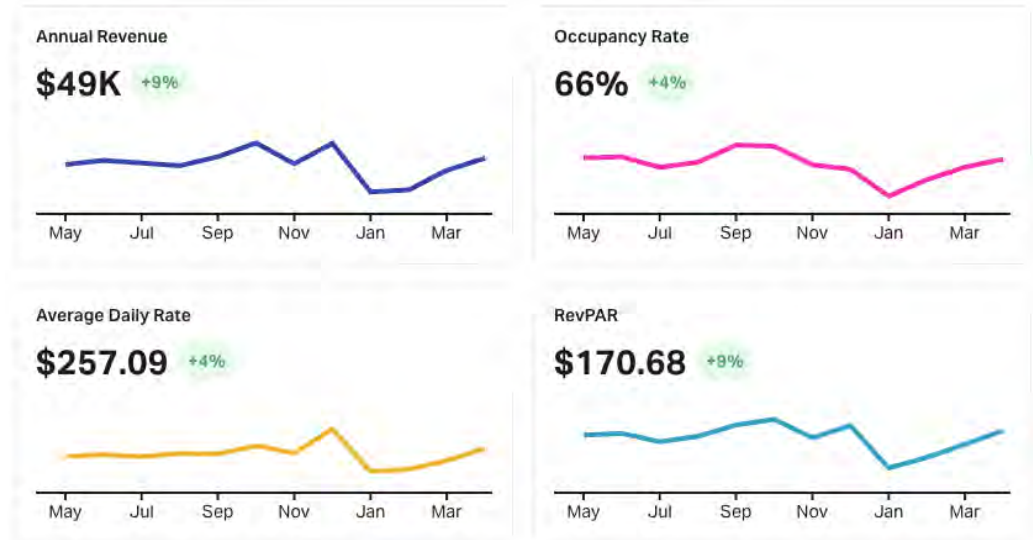
- Financial Risk to Maui County (Compensation Liability)
- Legal Precedent Nationwide
- Investor & Real Estate Market Impact (Increased Risk)
- Housing & Community Impact



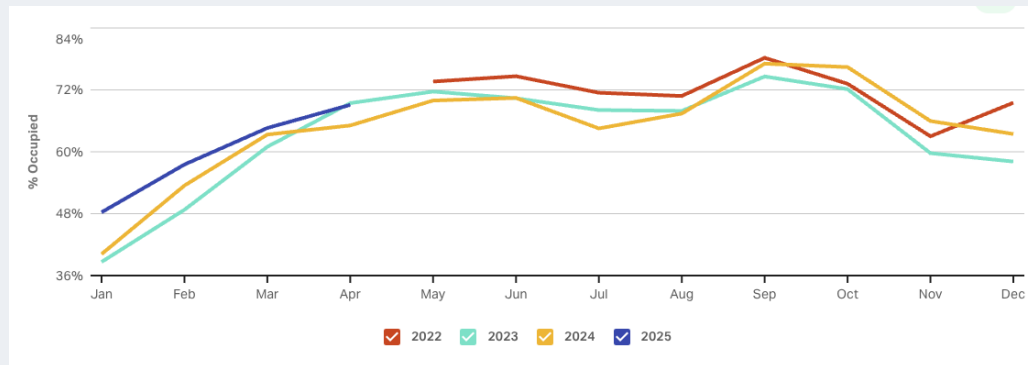
New York City

- Occupancy rates are relatively steady between March and December, dipping in January and February
- Annual revenue averages \$49,000, fluctuating monthly throughout the year
- The New York City market exceeds 25,000 listings across 83 submarkets. Annual occupancy for the market is 66 percent

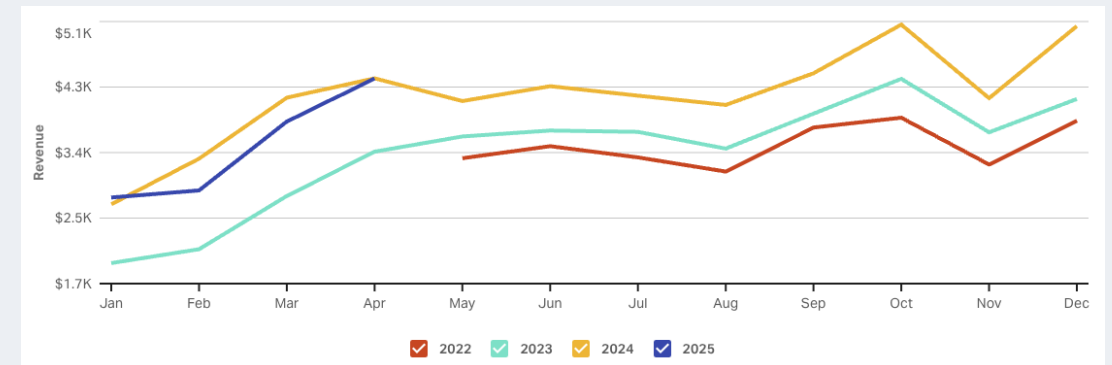
MARKET PERFORMANCE



OCCUPANCY



REVENUE



New York City

Local Law 18 (LL18)

Host Presence Requirement: For rentals shorter than 30 consecutive days, the host must be physically present during the stay.

Guest Limitations: A maximum of two guests are allowed per short-term rental, regardless of the property's size.

Registration Mandate: Hosts must register their properties with the city's Office of Special Enforcement (OSE). Booking platforms like Airbnb, Vrbo, and Booking.com are prohibited from processing transactions for unregistered listings.

Primary Residence Requirement: Only primary residences can be rented out for short-term stays, preventing the use of investment properties or secondary homes for such purposes.

Penalties for Non-Compliance: Hosts face fines of up to \$5,000 per violation while booking platforms can be fined \$1,500 for processing transactions related to illegal rentals.



New York City

Implications

The enforcement of LL18 has led to a decrease in short-term rentals in New York City. As of June 2024, only 2,242 host registrations had been approved. This represents a significant drop from the approximately 40,000 listings available in January 2023.

While the law aimed to increase housing availability and affordability, its effectiveness is debated. Critics argue that rents have continued to rise, and hotel prices have increased due to reduced competition from short-term rentals. Additionally, some travelers are turning to unregulated platforms, potentially undermining the law's objectives.

In response to these challenges, NYC lawmakers have proposed a bill to ease certain restrictions, such as allowing hosts to rent out their homes without being present and increasing the guest limit. However, this proposal has faced opposition from groups concerned about the potential resurgence of illegal hotel operations.

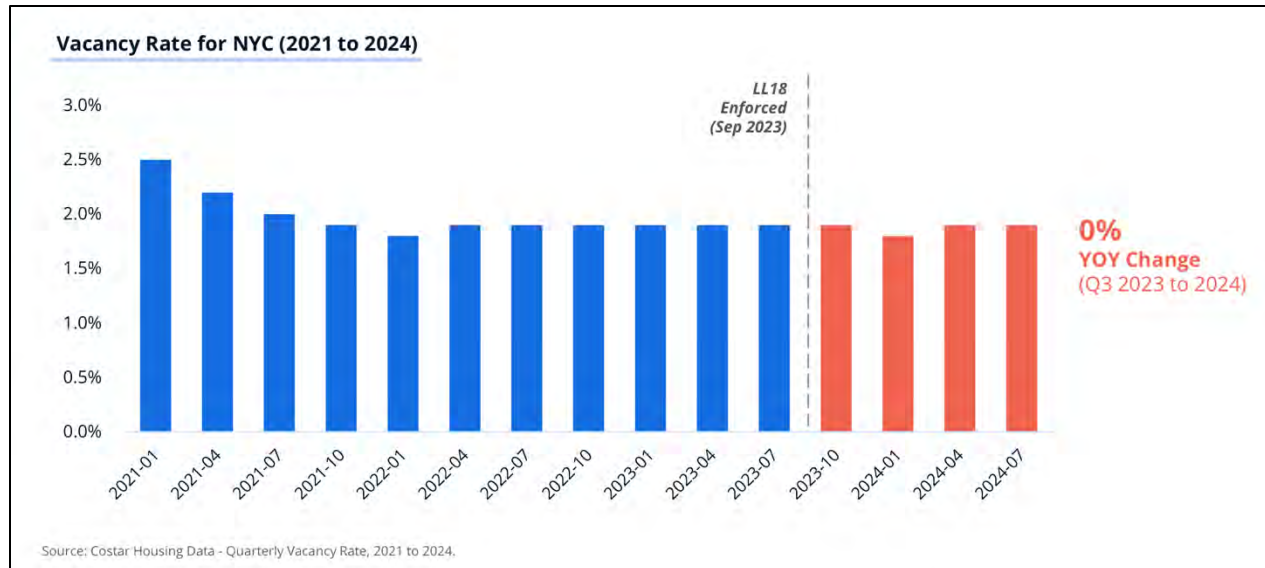


New York City

Aftermath & Statistics

A 2024 third-party study concluded the following results of the LL18 regulations:

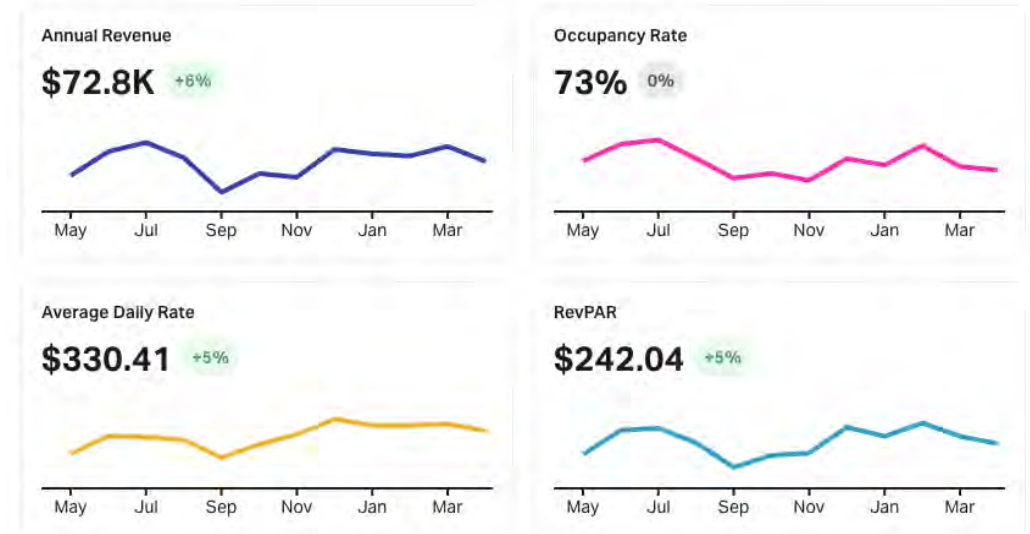
- The pre-LL18 share of Airbnb listings of entire homes or apartments represented just **1%** of all units in New York City.
- “The reduction in Airbnb listings does not appear to have meaningfully increased the supply of long-term rental units, since vacancy has remained stable and inventory growth has been slower in higher Airbnb concentration neighborhoods.”
- Minimal Rental Impact – “rental growth has continued to rise faster in the months post-LL18 compared to pre-LL18 in neighborhoods that had a higher concentration of Airbnbs.”



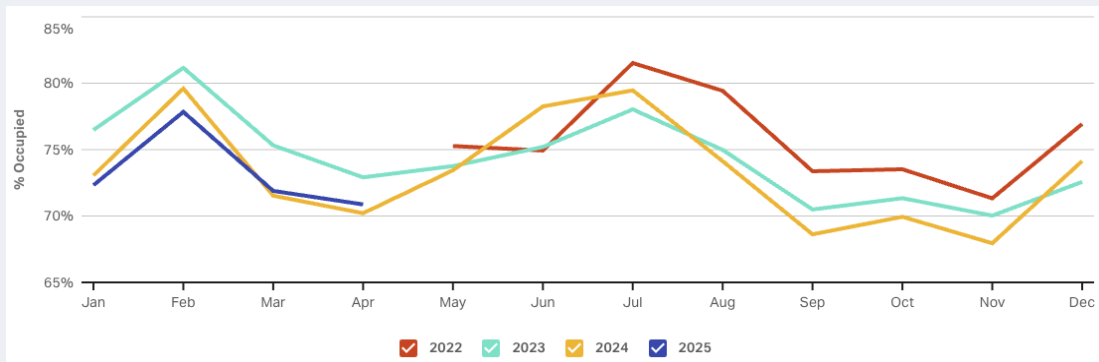
O'ahu

- Occupancy rates typically peak in February and July, and annual occupancy maintains at approximately 73 percent
- Annual revenue averages \$72,800, and monthly performance fluctuates throughout the year
- The O'ahu market has more than 13,000 listings across 30 submarkets

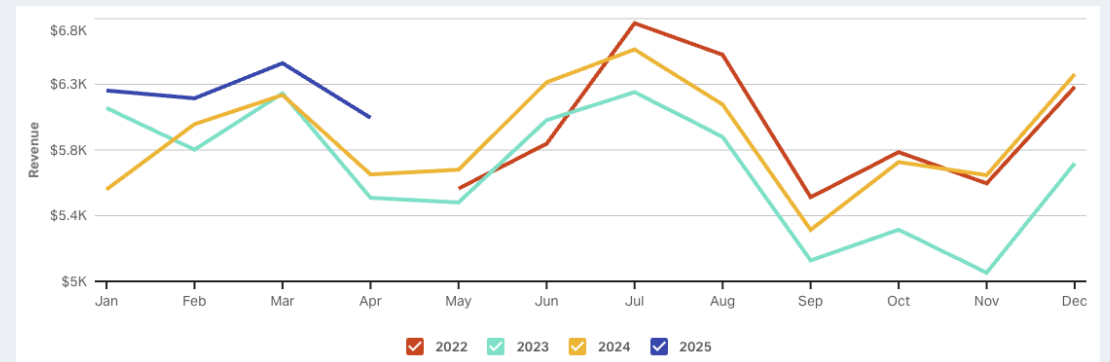
MARKET PERFORMANCE



OCCUPANCY



REVENUE



O'ahu

Current STR Regulations

In June 2019, Honolulu Ordinance 19-18 (Bill 89) was signed into law, restricting STRs to designated resort zones and requiring Nonconforming Use Certificates (NUCs) for operations outside these areas.

STRs, defined as rentals under 30 consecutive days, are generally prohibited outside of specified zones including resort-zoned areas and certain apartment-zoned areas.

To legally operate an STR on O'ahu, owners must meet the following requirements:

Eligibility Check: Verify zoning eligibility via Honolulu's STR eligibility map.

Application: Submit an online application through the DPP website.

Fees: Pay a non-refundable \$1,000 registration fee.

Documentation: Provide proof of GET license, TAT license, O'ahu Transient Accommodations Tax (OTAT) license, \$1 million liability insurance, association approval (if applicable).

Information Binder: Maintain a binder in the unit with emergency contacts, house rules and relevant licenses.



O'ahu

Implications

Housing Implications: Research from the University of Hawai'i Economic Research Organization (UHERO) indicates that for every 2 percent of housing supply converted to STRs, housing costs on O'ahu increase by approximately 5 percent.

Economic Implications:

- **Property Owners:** Many local homeowners who previously relied on income from STRs have faced financial challenges.
- **Tourism:** While hotels may benefit from reduced competition, the overall tourism industry can experience shifts. STRs often cater to budget-conscious travelers or those seeking longer stays, and their reduction might influence visitor demographics and spending patterns.
- **Tax Revenue:** The island anticipated increased tax revenue from registered STRs. However, the decline in legal STR operations may offset these gains, and the full fiscal impact remains to be seen.

Affordable Housing:

- In a February 2024 article published by Hawaii News Now, Governor Josh Green stated "Our best guess for Oahu is if we got rid of vacation rentals entirely, rents and prices would drop by about 5%. So, even if we achieve that, Oahu would still have among the highest housing prices in the country, which wouldn't solve the housing crisis."



Headlines – Case Studies

Key headlines from the case studies are summarized below. These headlines serve as a summary of strategies and impacts of regulations by various comparable destinations, rather than suggesting effectiveness of the regulations.



HOUSING PRIORITY

All case studies prioritize long-term housing for residents over short-term tourism.



GEOGRAPHIC ZONING

STRs are typically limited to specific zones, with restrictions or bans occurring in traditionally quieter residential areas.



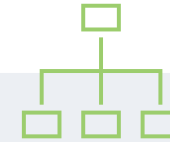
LICENSING AND REGISTRATION

Requiring operators to register, often with strict compliance, can be a key tool. However, enforcement can be a challenge.



TOURISM VS. COMMUNITY BALANCE

Tension exists between supporting tourism (economic benefits) and mitigating impacts on housing, affordability and quality of life.



PROPERTY OWNERS

Property owners face challenges with bans, phase-outs and stricter regulations.



COMMUNITIES

Regulations may alleviate housing shortages but can also lower tourism-related income.

06

Impact



Impact of Restrictions

The following section outlines the economic impact of STVRs on Hawai'i Island in 2024, drawing from survey data, market research, and state economic benchmarks:

- In 2024, STVR lodging revenue on Hawai'i Island is estimated at approximately \$710 million, comparable to total hotel room night revenue on the island.
- According to the demand-side survey, 41 percent of visitors stayed in STVRs.
 - STVRs contribute significantly to the island's tourism economy through spending on food & beverage, transportation, shopping, and entertainment. According to the DBEDT, average per-person daily spending outside of lodging is \$132.
 - Based on AirDNA data and survey responses, this equates to a total estimated economic impact of \$565 – \$862 million on the island from STVR spending outside of lodging.
- Survey results show that 24 percent of STVR users would not travel to Hawai'i Island if this lodging option were unavailable.
 - This would represent a loss of \$112 million to \$170 million in annual lodging revenue that would not be recaptured.
 - For Hawai'i County, this equates to \$3.35 million to \$5.11 million in foregone Hawai'i County Transient Accommodations Tax (HCTAT) revenue annually.
 - Non-lodging visitor spending losses would range from \$136 million to \$207 million if STVR restrictions were implemented.
- From a labor perspective, the supply-side survey found that each STVR unit supports an average of 1.6 full-time and 4 part-time employees. Limiting STVR operations would not only reduce visitor spending and owner income, but also eliminate jobs and wages tied to the STVR sector.
 - Based on average 2024 listings, this would equate to a loss of more than 12,000 full-time jobs and more than 30,000 part-time jobs. While some of these jobs may be absorbed into the hotel market, it is unlikely that all employment would be recaptured.

Considerations for Range of Impacts

Hawai'i County implemented a Short-Term Vacation Rental (STVR) permitting process in 2023 and currently has approximately 3,500 registered units. Based on this study's research, not all units are likely registered, meaning the County is not collecting the full amount of the Hawai'i County Transient Accommodations Tax (HCTAT).

- Hunden's modeling suggests the County could be collecting up to \$21 million annually in TAT from STVRs if full compliance were achieved. Current collections are estimated at only \$9 million, indicating that roughly \$12 million in revenue remains unreported and uncollected.
- In addition, Hawai'i County levies a 0.5-percent General Excise Tax (GET) on top of the state's 4-percent rate. Based on AirDNA's 2024 estimate of \$70,800 in average rental revenue per unit and an average inventory of 7,925 units, the County could generate approximately \$2.8 million in GET if all units were permitted and reporting. However, actual collections are likely closer to \$1.2 million, resulting in a significant shortfall.
- A variety of reasons may explain the lack of collection and compliance in Hawai'i County. These factors can include:
 - **Enforcement & Data Gaps:** Many STVRs operate without permits due to limited county capacity, inconsistent enforcement, and lack of STVR platform-level data sharing.
 - **Tax Compliance Issues:** Some hosts underreport income or fail to submit required County TAT, especially in rural areas or in cases of informal rental arrangements.
 - **Legal & Political Hurdles:** Zoning ambiguities, pending lawsuits, and political caution make aggressive enforcement difficult despite known revenue leakage.
 - **Cost & Documentation:** A registered STVR in Hawai'i requires a \$500 fee, zoning verification, detailed documentation (site plans, permits, tax information, etc.), and approval from the Planning Department.

07

Implications



Implications

Based on comprehensive market research, including three separate surveys targeting supply (STVR owners and operators), demand (visitors), and residents (Hawai'i County residents), Hunden has triangulated the findings to assess the impacts and implications of the STVR industry on the County.

- Survey results show that if STVRs were unavailable, **24 percent of visitors would not have made the trip**, 26 percent would have stayed in a full-service or luxury hotel, 19 percent would have rented a timeshare or condo, and 14 percent would have chosen a limited-service hotel. **This indicates that restricting STVRs would result in a loss of close to one fourth of the lodging, food & beverage, transportation, shopping, and entertainment spending attributed to STVRs.**
- The Hawai'i County STVR market primarily appeals to budget-conscious travelers, larger groups, and frequent STVR users, while the hotel market is dominated by luxury properties catering to more affluent visitors.
- All visitors surveyed, regardless of lodging type, prioritized nature-based outdoor recreation. **STVR visitors were more likely by 79 percent to engage in these activities as well as local culture.** With the growth in wellness tourism and related trends nationally, Hawaii County is poised to continue to grow in this space, as wellness and community well-being remain central to the Hawai'i Island Tourism Strategic Plan.
- If STVRs were restricted on the island, only **4 percent of owners and operators would definitely convert their listed units to long-term rentals**, while 68 percent indicated they would not. **This suggests that the likelihood of STVRs converting to long-term housing for residents is minimal.**
- Both **hotel and STVR lodging revenues exceed \$700 million annually on Hawai'i Island**, with additional daily visitor spending averaging more than \$130 per person. Most STVRs are concentrated within designated Resort Zones.
- **Resident sentiment toward tourism is largely positive**, with respondents recognizing its importance to the local economy, job creation, and cultural vibrancy. Most do not believe STVRs have negatively impacted their neighborhood or quality of life. While 56 percent perceive that housing costs and availability have increased due to tourism, 61 percent said STVRs have not deterred them from renting or purchasing property.
- More than 75 percent of STVR owners operate only one rental unit, and **54 percent rely on the income to cover housing-related costs**. Only 20 percent of owners view their property as a pure investment, **suggesting that most STVRs are operated by individuals with a personal financial stake rather than large-scale investors.**

Outcomes

Based on significant data findings from this study, Hunden compared the projected outcomes of the following two policy scenarios: (1) maintaining the current STVR legislation; and (2) implementing a full ban on STVRs in Hawai'i County.

WITH STVRs As it is Today

Since Hawai'i County implemented a STVR permitting process in 2023, approximately 3,500 units are now registered island-wide. However, AirDNA data and stakeholder feedback indicate that a significant number of STVRs remain unregistered, meaning the County is not collecting the full amount of Hawai'i County TAT or GET revenues. Based on average STVR listings and Hunden's calculations, the County is not collecting the following estimated annual revenues:

- \$12 million in TAT revenue
- \$1.6 million in GET revenue

Some residents have also expressed concerns that STVRs strain local infrastructure, create traffic congestion, and reduce long-term housing availability.

WITHOUT STVRs Introducing Strict Bans

STVRs contribute significantly to the island's tourism economy through both lodging revenue and visitor spending. Survey results indicate that if STVRs were unavailable, 24 percent of STVR users would not travel to Hawai'i Island. This would result in the following estimated losses:

- More than \$110 million in annual lodging revenue
- More than \$135 million in annual non-lodging visitor spending
- More than \$3.35 million in foregone HCTAT revenue annually
- More than 10,000 full-time jobs and 30,000 part-time jobs

Additionally, this would not significantly increase homeownership opportunities for residents, as only 4 percent of STVR owners reported that they would convert their units to long-term housing.

Recommendation

Based on this study's findings, STVRs contribute significant economic value to Hawai'i County and its communities. Resident survey respondents indicated that the community is largely in support of tourism and understands the importance of visitor spending to local economy and quality of life. Additionally, case studies of STVR policies worldwide have not identified substantial data that proves bans successfully addressed housing issues. The economic value of the STVR industry is substantial, and a county-wide ban would not be in the best interest of the county's economy and community at large.

Instead, Hunden recommends that Hawai'i County continues to enable STVRs while building on the existing 2020 – 2025 Hawai'i Island Tourism Strategic Plan, which seeks to align tourism growth with residents' quality of life in a sustainable, community-based manner. Drawing on demand and supply survey results, Hunden proposes the following four goals:

1. Continue to closely monitor STVR usage and supply growth on a bi-annual basis

2. Achieve 100% compliance with STVR registration to ensure the economic benefits are captured on the island and to the County

3. Consider implementing strategic development guidelines for STVRs located within resort zones versus those located outside of such zones

4. Explore public-private partnerships to develop housing for local residents, ensuring that community members receive prioritized access to inexpensive housing

These initiatives would strive to achieve balance between the economic benefits of the STVR industry with community well-being and neighborhood integrity. No single finding should be interpreted in isolation; readers must consider the systemic context—including Hawai'i Island's unique geographic, cultural, and economic conditions—and acknowledge that no ideal model exists and many uncertainties remain.

hunden
partners

213 W. Institute Place, Suite 707
Chicago, IL 60610

312.643.2500 | hunden.com

Appendix



Market Size Calculations

The table below presents Hunden’s methodology for estimating the market size of Hawai’i Island hotel rooms alongside STVR listings. Hotel data are sourced from the State of Hawai’i, and STVR metrics are based on AirDNA’s 2024 annual performance averages.

Hawai’i Island Lodging Market	Room / Listings	Total Room Nights per Year	Occupancy	Sold Rooms / Nights per Year	ADR	Estimated Annual Revenue
Estimated Hotel Market	6,816	2,487,840	68.2%	1,696,707	\$429.80	\$729,244,617
Estimated STVR Market	7,925	2,892,625	64.7%	1,872,010	\$379.05	\$709,585,572

Implications Methodology

Using State of Hawai'i per capita spending, Hawai'i County's 2024 visitor arrivals, and survey responses, Hunden estimated the lodging and non-lodging visitor expenditures that would be lost to the island if short-term vacation rentals (STVRs) were banned. Hunden also projected the number of full-time and part-time jobs supported by the STVR industry.

These estimates rely on conservative survey assumptions and therefore represent a lower-bound estimate relative to the AirDNA market projections on the previous slide.

Spending Categories	2024 Per Cap	Total
F&B	\$52.10	\$223,902,399
Ent&Rec	\$23.00	\$98,843,669
Transportation	\$22.80	\$97,984,159
Shopping	\$25.00	\$107,438,771
Other	\$8.60	\$36,958,937
Non-Lodging STVR Visitor Spend	\$131.50	\$565,127,935

Total number of visitor arrivals in 2024	1,735,821
% of visitors who stayed in STVR (Demand Survey)	41%
Total number of STVR visitors	711,687
Average visitor length of stay (Supply Survey)	6.04
Total number of visitor days	4,297,551
Average group size (Supply Survey)	3.50
Total number of booked units	203,215
Total number of booked room nights	1,227,121
2024 STVR Average ADR	\$379.05
Total Revenue of STVRs	\$465,140,179
% who would not visit without STVRs (Demand Survey)	24%

STVR room revenue lost to island	\$111,633,643
Lost Hawaii County TAT (3.00%)	\$3,349,009

Non-lodging STVR per visitor spend	\$131.50
Total non-lodging STVR visitor spend in 2024	\$565,127,935

Visitor spend lost to island	\$135,630,704
-------------------------------------	----------------------

Full-time employees per STVR (Supply Survey)	1.60
Part-time employees per STVR (Supply Survey)	3.95

Loss of Full-time Jobs	12,680
Loss of Part-time Jobs	31,304

Hotel

Competitive Set Statistics



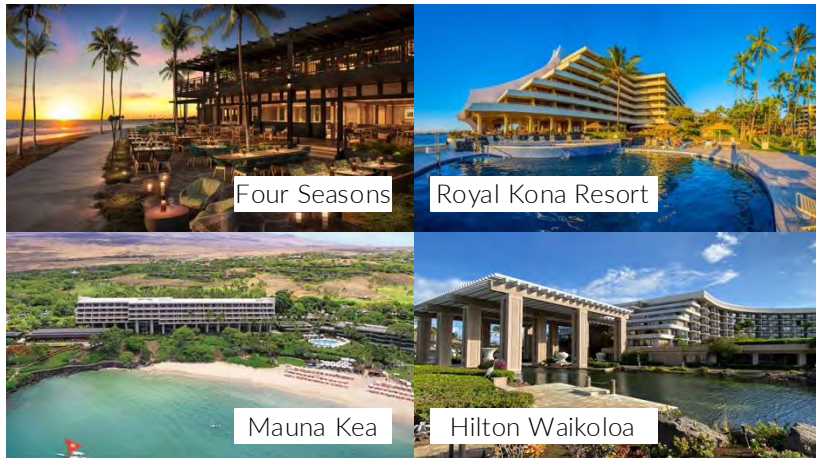
Competitive Hotel Supply Analysis

•Hunden analyzed 13 competitive hotels within the Hawai'i Island supply, based on their size and quality. The set ranges from Upscale to Luxury properties and totals more than 4,300 rooms. This makes up nearly 65 percent of the total rooms on the island.

•These properties are scattered across three markets including Waikoloa, Kailua Kona and Kamuela. The following slides include hotel performance data across this competitive set.

COMPETITIVE HOTEL SUPPLY LIST - HAWAII ISLAND

Property Name	Location	Rooms	Scale	Date Opened
Waikoloa Beach Marriott Resort & Spa	Waikoloa, HI	297	Upper Upscale Class	Jun 1981
Hilton Waikoloa Village	Waikoloa, HI	653	Upper Upscale Class	Sep 1988
Hilton Grand Vacations Club Ocean Tower Waikoloa Village	Waikoloa, HI	230	Upper Upscale Class	Oct 2018
Courtyard King Kamehameha's Kona Beach Hotel	Kailua Kona, HI	455	Upscale Class	Jun 1975
Kona Village, A Rosewood Resort	Kailua Kona, HI	150	Luxury Class	Jun 1965
Royal Kona Resort	Kailua Kona, HI	376	Upper Upscale Class	Jun 1970
Pacific 19 Kona	Kailua Kona, HI	148	Upscale Class	Jun 1971
OUTRIGGER Kona Resort and Spa	Kailua Kona, HI	511	Upper Upscale Class	Jun 1971
Four Seasons Resort Hualalai	Kailua Kona, HI	249	Luxury Class	Sep 1996
Mauna Kea Beach Hotel, Autograph Collection	Kamuela, HI	156	Upper Upscale Class	Jun 1965
Mauna Lani, Auberge Resorts Collection	Kamuela, HI	333	Luxury Class	Feb 1984
Fairmont Orchid Hawaii	Kamuela, HI	540	Luxury Class	Dec 1990
The Westin Hapuna Beach Resort	Kamuela, HI	249	Upper Upscale Class	Aug 1994
Average/Total	--	4,347	13 Hotels	Aug 1982



Source: Smith Travel Research, Costar

Source: Hunden Partners, Placer.ai, Various Facilities

Competitive Set Performance

Hunden pulled data from Smith Travel Research to understand the performance of the competitive hotel set from January 2017 through December 2024.

The average room supply has decreased slightly by 1.2 percent since 2017, reflecting a lack of new, quality product development in the market. Recent occupancy rates have not yet returned to pre-pandemic levels. However, the Average Daily Rate (ADR) has shown substantial growth, particularly since 2020. Revenue per Available Room (RevPAR) has decreased since its peak in 2022, driven by higher ADR and lower occupancy levels.

HISTORICAL SUPPLY, DEMAND, OCCUPANCY, ADR, AND REVPAR FOR COMPETITIVE HOTELS

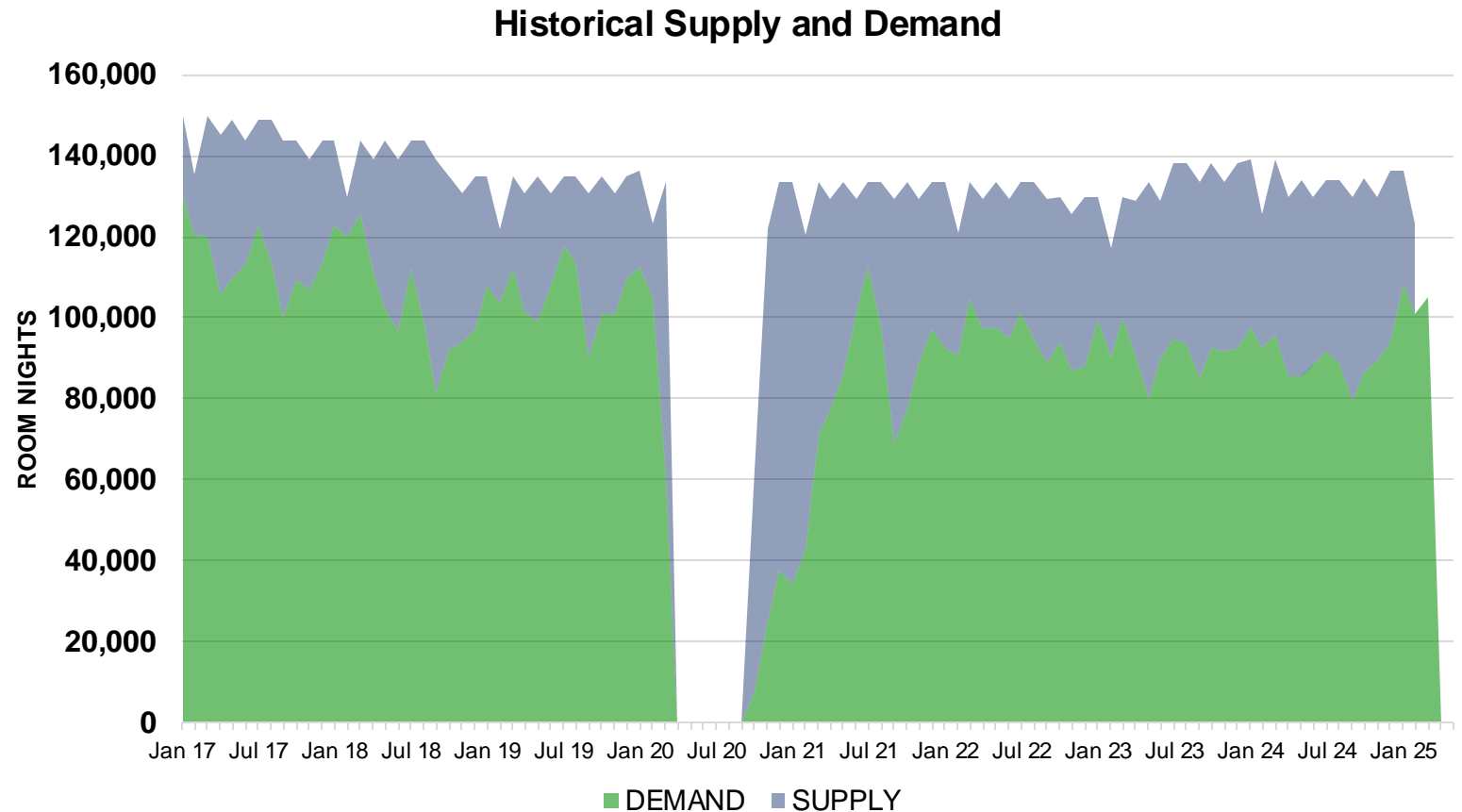
Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	% Occupancy	% Change	ADR	% Change	RevPar	% Change
2017	4,772	1,741,764	--	1,365,285	--	78%	--	\$284	--	\$222	--
2018	4,570	1,667,923	-4%	1,253,757	-8%	75%	-4%	\$295	4%	\$222	0%
2019	4,352	1,588,480	-5%	1,265,361	1%	80%	6%	\$303	3%	\$241	9%
2020	0	0	-100%	0	-100%	0%	-100%	\$0	-100%	\$0	-100%
2021	4,313	1,574,256	--	955,740	--	61%	--	\$424	--	\$257	--
2022	4,283	1,563,386	-1%	1,131,546	18%	72%	19%	\$494	17%	\$358	39%
2023	4,348	1,586,850	2%	1,099,831	-3%	69%	-4%	\$496	0%	\$344	-4%
2024	4,372	1,595,634	1%	1,075,341	-2%	67%	-3%	\$505	2%	\$340	-1%
CAGR (2017-2024)		-1.2%		-3.0%		-0.9%		11.2%		7.6%	

Source: Smith Travel Research, Hunden Partners

Supply & Demand

The supply of room nights in the competitive set has slightly decreased with renovations and no new development between 2017 and 2024. Hotel room demand has a lot of fluctuation in terms of seasonality, but a few periods with notable demand include December through February.

When the pandemic occurred in March and April 2020, hotels shut down temporarily until travel restrictions and social distancing guidelines lifted. Hawaii realized this impact more than most markets across the country. Demand has recovered and nearly resembles pre-pandemic levels.



ADR – Average Daily Rate
Source: STR

Heat Charts

Hotel ADR & Occupancy

The adjacent tables detail the weekly performance of the competitive set by month from March 2024 through February 2025.

Throughout the annual analysis, Wednesdays and Thursdays consistently show the highest average daily rate. On a monthly basis, November saw the best performance with rates reaching \$694.

Occupancy was highest on Thursdays through Saturdays with average occupancy rates of 71, 72, and 73 percent, respectively.

December, January, and February achieved some of the highest rates with occupancies between 77 percent and 82 percent.

ADR by Day of Week and Month | Hawai'i County
March 2024 through February 2025

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
March-24	\$485	\$519	\$519	\$556	\$548	\$526	\$483	\$519
April-24	\$424	\$428	\$414	\$415	\$425	\$406	\$406	\$416
May-24	\$498	\$508	\$492	\$494	\$504	\$487	\$472	\$493
June-24	\$501	\$516	\$511	\$504	\$512	\$504	\$494	\$506
July-24	\$515	\$519	\$520	\$523	\$514	\$503	\$482	\$509
August-24	\$407	\$416	\$407	\$403	\$405	\$402	\$398	\$405
September-24	\$441	\$432	\$430	\$447	\$454	\$454	\$441	\$443
October-24	\$466	\$456	\$467	\$478	\$474	\$451	\$435	\$460
November-24	\$667	\$683	\$694	\$585	\$628	\$641	\$673	\$656
December-24	\$512	\$481	\$475	\$611	\$599	\$549	\$542	\$543
January-25	\$547	\$534	\$538	\$547	\$547	\$555	\$549	\$545
February-25	\$538	\$540	\$537	\$550	\$569	\$562	\$535	\$547
Average	\$506	\$509	\$506	\$513	\$517	\$505	\$485	

Source: Smith Travel Research

Occupancy by Day of Week and Month | Hawai'i County
March 2024 through February 2025

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
March-24	64%	64%	63%	64%	67%	70%	70%	66%
April-24	61%	61%	62%	62%	65%	67%	69%	64%
May-24	64%	65%	67%	67%	69%	72%	71%	68%
June-24	66%	65%	67%	69%	70%	70%	73%	68%
July-24	62%	64%	64%	65%	68%	69%	70%	66%
August-24	58%	66%	60%	63%	66%	65%	65%	61%
September-24	62%	62%	62%	63%	65%	70%	68%	64%
October-24	66%	68%	67%	67%	70%	71%	71%	69%
November-24	67%	68%	69%	67%	68%	72%	72%	69%
December-24	79%	79%	79%	79%	80%	80%	81%	79%
January-25	81%	80%	80%	82%	84%	86%	82%	82%
February-25	73%	74%	78%	78%	77%	79%	82%	77%
Average	67%	67%	68%	69%	71%	72%	73%	

Source: Smith Travel Research

Resident Survey

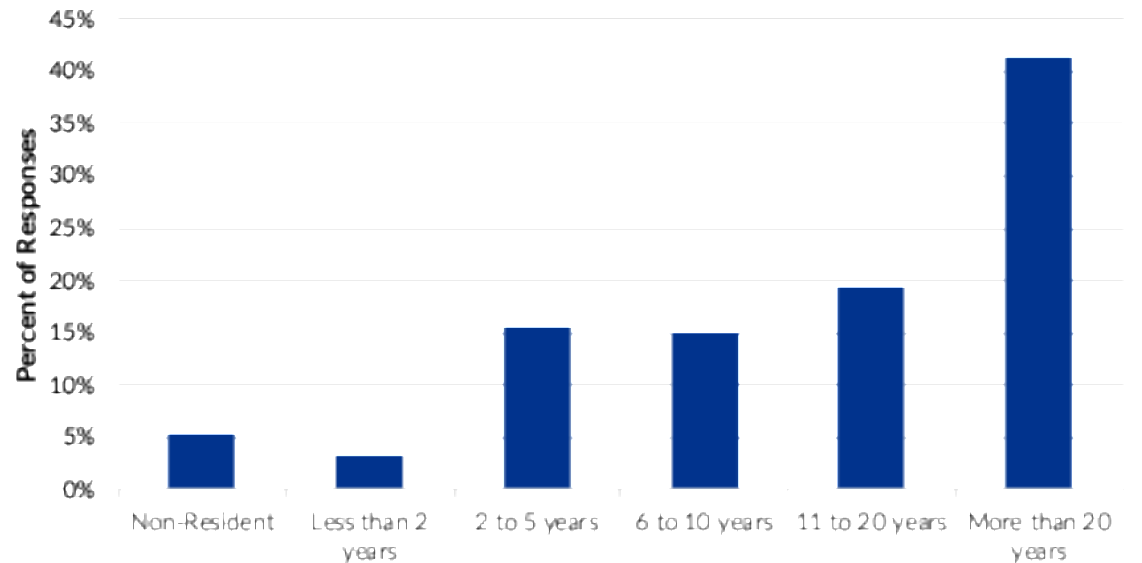
1,726 Responses



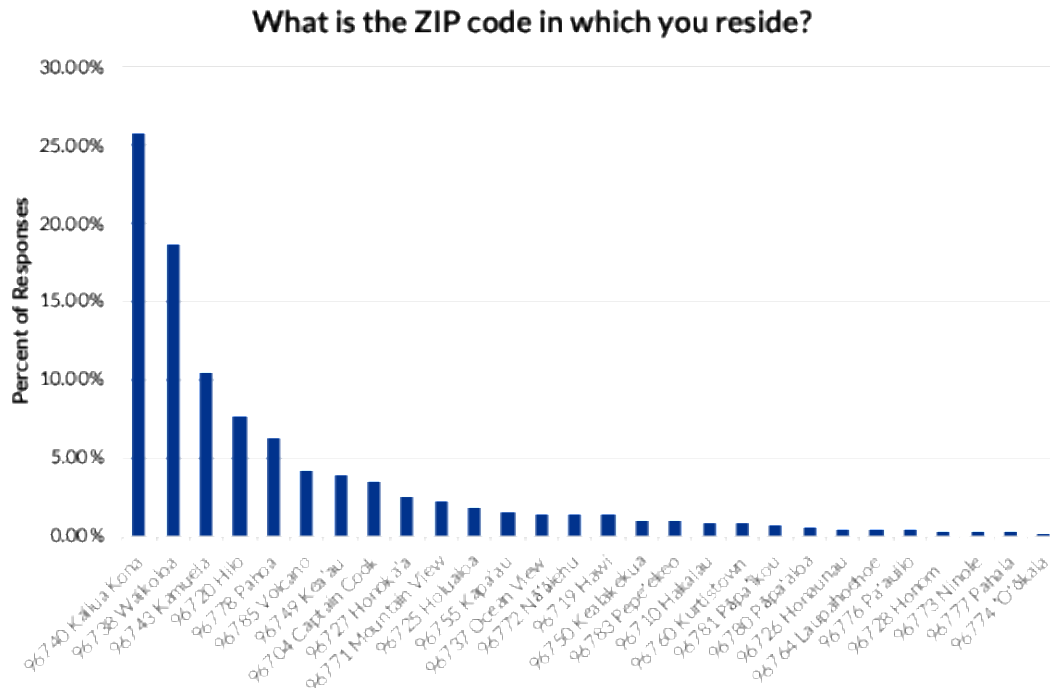
1. How long have you been a resident of Hawai'i County?

Answer Choices	Percent of Responses	Number of Responses
Non-Resident	5.39%	93
Less than 2 years	3.36%	58
2 to 5 years	15.53%	268
6 to 10 years	15.06%	260
11 to 20 years	19.29%	333
More than 20 years	41.37%	714
Total Responses		1,726

How long have you been a resident of Hawai'i County?



2. What is the ZIP code in which you reside?



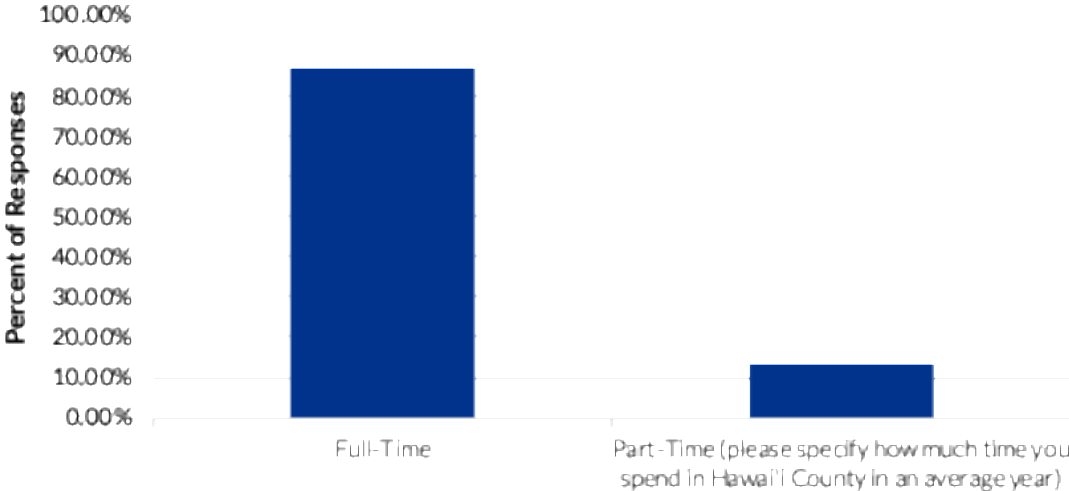
Answer Choices	Percent of Responses	Number of Responses
96740 Kailua Kona	25.78%	445
96738 Waikoloa	18.71%	323
96743 Kamuela	10.49%	181
96720 Hilo	7.71%	133
96778 Pāhoa	6.26%	108
96785 Volcano	4.17%	72
96749 Kea'au	3.94%	68
96704 Captain Cook	3.53%	61
96727 Honoka'a	2.55%	44
96771 Mountain View	2.20%	38
96725 Hōlualoa	1.80%	31
96755 Kapa'au	1.56%	27
96737 Ocean View	1.39%	24
96772 Nā'ālehu	1.39%	24
96719 Hāwī	1.33%	23
96750 Kealahou	1.04%	18
96783 Pepe'ekeo	0.98%	17
96710 Hakalau	0.87%	15
96760 Kurtistown	0.87%	15
96781 Pāpa'ikou	0.70%	12
96780 Pāpa'aloa	0.52%	9
96726 Hōnaunau	0.46%	8
96764 Laupāhoehoe	0.41%	7
96776 Pa'auilo	0.41%	7
96728 Honomū	0.29%	5
96773 Ninole	0.29%	5
96777 Pāhala	0.23%	4
96774 'O'okala	0.12%	2
Total Responses		1726

3. Are you a full-time or part-time resident? If part-time, how much time do you spend in Hawai'i County in an average year?

Answer Choices	Percent of Responses	Number of Responses
Full-Time	86.79%	1,498
Part-Time*	13.21%	228
Total Responses		1,726

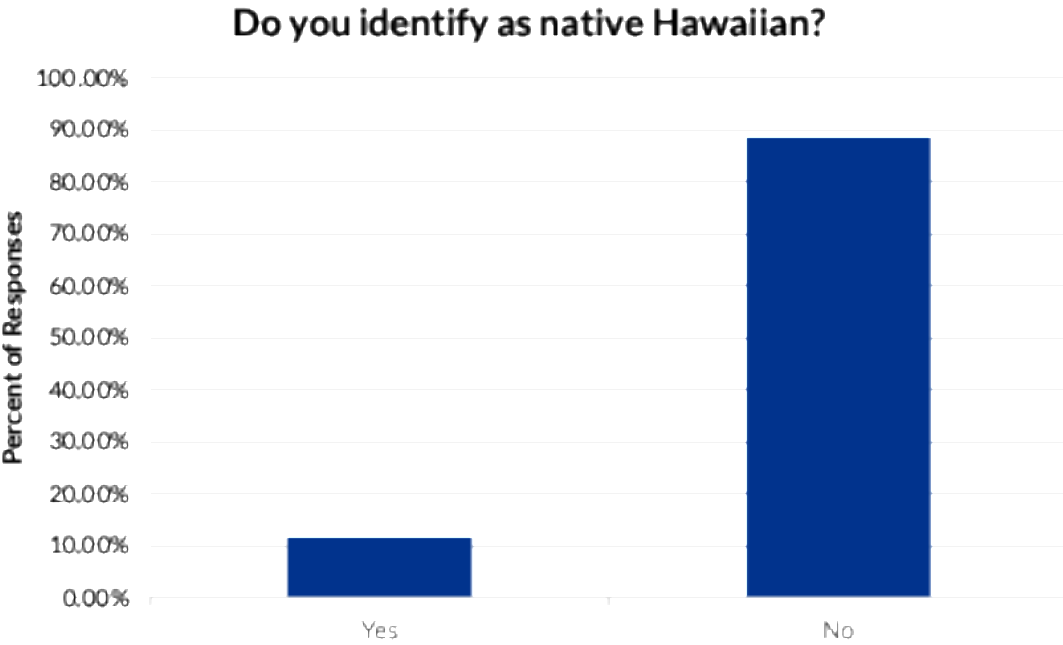
**Part-time residents spend on average 4.2 months a year in Hawai'i County*

Are you a full-time or part-time resident? If part-time, how much time do you spend in Hawai'i County in an average year?



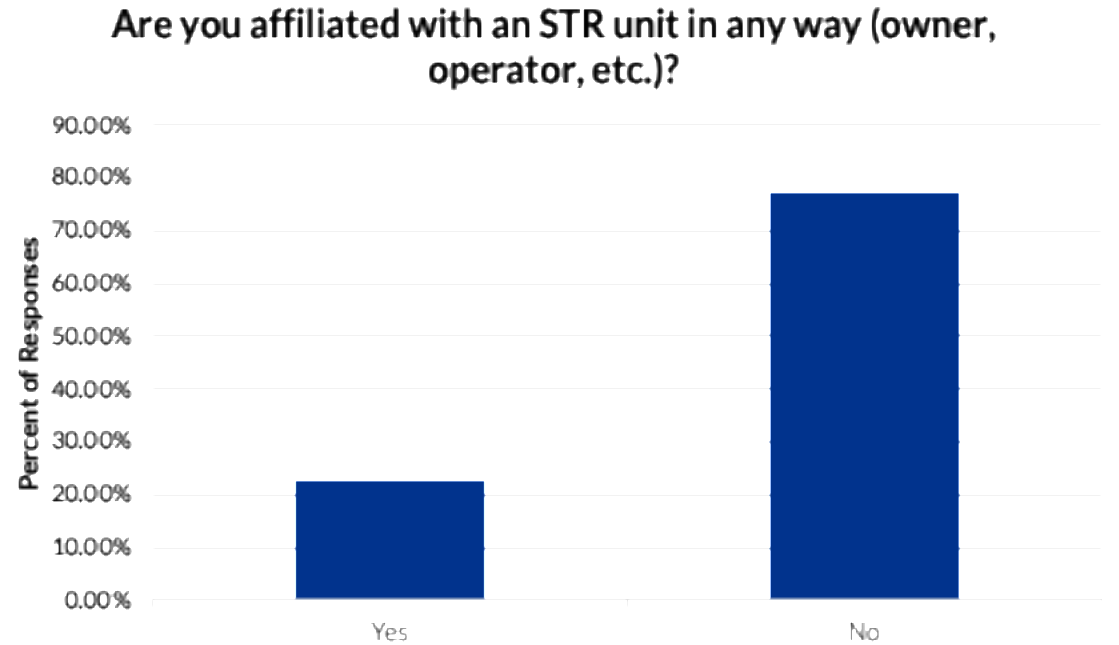
4. Do you identify as native Hawaiian?

Answer Choices	Percent of Responses	Number of Responses
Yes	11.53%	199
No	88.47%	1,527
Total Responses		1,726



5. Are you affiliated with an STR unit in any way (owner, operator, etc.)?

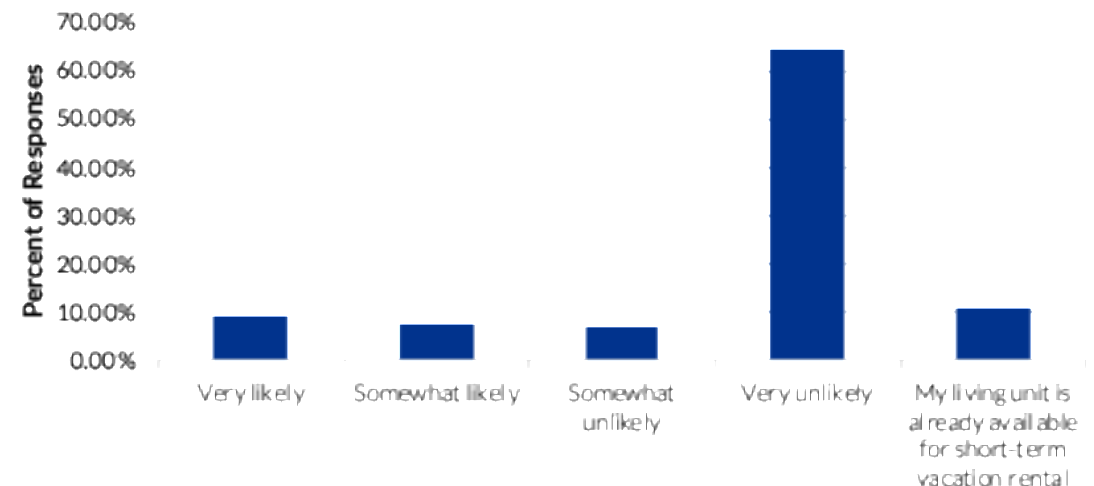
Answer Choices	Percent of Responses	Number of Responses
Yes	22.77%	393
No	77.23%	1,333
Total Responses		1,726



6. In the next 12 months, how likely are you to consider making your living unit in Hawai'i County available for short-term vacation rental to visiting guests through a home or vacation rental site or management company or other booking method?

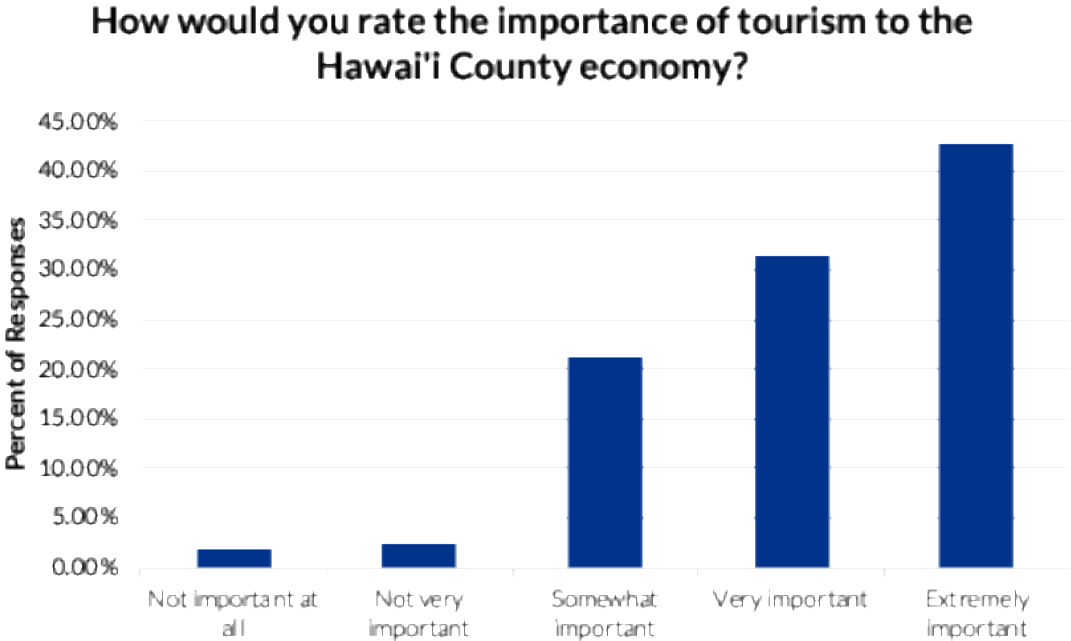
Answer Choices	Percent of Responses	Number of Responses
Very likely	9.59%	164
Somewhat likely	7.54%	129
Somewhat unlikely	7.13%	122
Very unlikely	64.58%	1,105
My living unit is already available for short-term vacation rental	11.16%	191
Total Responses		1,726

In the next 12 months, how likely are you to consider making your living unit in Hawai'i County available for short-term vacation rental to visiting guests through a home or vacation rental site or management company or other booking method?



7. How would you rate the importance of tourism to the Hawai'i County economy?

Answer Choices	Percent of Responses	Number of Responses
Not important at all	1.91%	33
Not very important	2.55%	44
Somewhat important	21.26%	367
Very important	31.58%	545
Extremely important	42.70%	737
Total Responses		1,726



8. From your perspective, to what extent do you agree or disagree with each of these statements for Hawaii County?

Tourism in Hawai'i ...

Answer Choices	Disagree		Neutral		Agree		Total	Weighted Average
Creates good employment opportunities for residents.	10.06%	173	19.66%	338	70.27%	1,208	1,719	2.6
Creates opportunity for new businesses.	8.13%	140	19.69%	339	72.18%	1,243	1,722	2.64
Creates revenue for local businesses.	3.14%	54	11.91%	205	84.95%	1,462	1,721	2.82
Creates traffic congestion.	10.92%	188	26.44%	455	62.64%	1,078	1,721	2.52
Strains local infrastructure.	18.51%	318	25.20%	433	56.29%	967	1,718	2.38
Brings diversity to our island.	25.76%	442	34.50%	592	39.74%	682	1,716	2.14
Creates a positive ambience/vibe in the local community.	33.88%	583	35.91%	618	30.21%	520	1,721	1.96
Is an important factor in making our community a great place to live.	31.06%	534	30.02%	516	38.92%	669	1,719	2.08
Increases housing costs.	21.28%	365	21.92%	376	56.79%	974	1,715	2.36
Supports amenities and attractions beyond what our resident-base can support alone for residents to also enjoy.	18.99%	326	22.83%	392	58.18%	999	1,717	2.39
Improves our quality of life.	31.75%	541	29.93%	510	38.32%	653	1,704	2.07
Total Responses								1,726

Positive themes:

Tourism and STRs are viewed as vital economic drivers that support local businesses, create jobs, and help residents maintain property ownership.

Neutral themes:

Respondents recognize the need to strike a balance between tourism and residents' quality of life, calling for better management, regulation, and sustainable planning.

Negative themes:

STRs and mass tourism are criticized for disrupting neighborhoods, straining infrastructure, displacing locals, and reflecting government neglect of residents' needs.

9. How likely are you to support STRs in your community if...

Answer Choices	Unlikely	Likely	Total	Weighted Average		
STR taxes and fees funded infrastructure (roads, parks, etc.) and programs (education, culture, etc.) in your community?	32.82%	557	67.18%	1140	1697	1.67
The minimum duration of stay were set to reduce traffic/disruption?	58.40%	970	41.60%	691	1661	1.42
Noise time limits followed County regulations and were enforced?	34.83%	590	65.17%	1104	1694	1.65
STRs were owner-occupied hosted?	32.96%	560	67.04%	1139	1699	1.67
STRs were on-site manager hosted?	45.48%	769	54.52%	922	1691	1.55
STRs were unhosted?	70.68%	1193	29.32%	495	1688	1.29
You knew that your friend/neighbor relied on STR income to afford to live there?	38.11%	649	61.89%	1054	1703	1.62
STR number limits were set per community?	50.81%	849	49.19%	822	1671	1.49
STR operators were trained and followed visitor acculturation procedures (stewarding visitors, Pono Pledge for care of the aina (land), etc.)?	45.80%	769	54.20%	910	1679	1.54
STRs created job opportunities in your community?	36.61%	619	63.39%	1072	1691	1.63
Total Responses						1,726

Supportive themes:

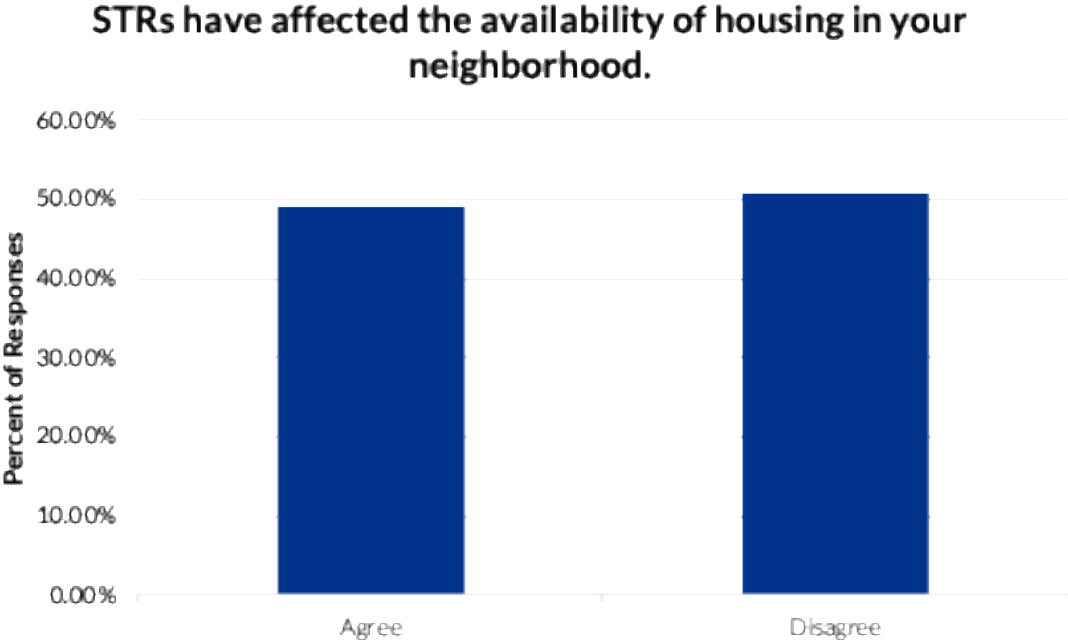
Many residents support STRs as a critical source of income that enables local homeownership and sustains small businesses, provided they are fairly regulated and responsibly operated.

Non-Supportive themes:

Opponents argue STRs displace local housing, disrupt community cohesion, and serve the interests of off-island investors at the expense of long-term residents' stability and cultural integrity.

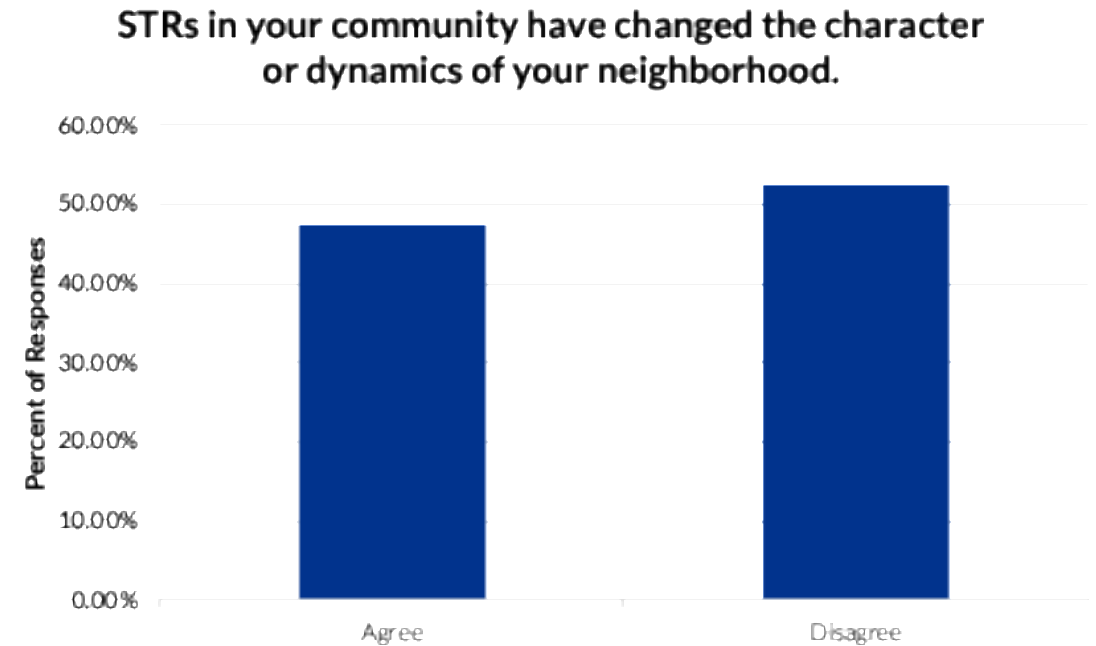
10. STRs have affected the availability of housing in your neighborhood.

Answer Choices	Responses	
Agree	49.07%	847
Disagree	50.93%	879
Total Responses		1,726



11. STRs in your community have changed the character or dynamics of your neighborhood.

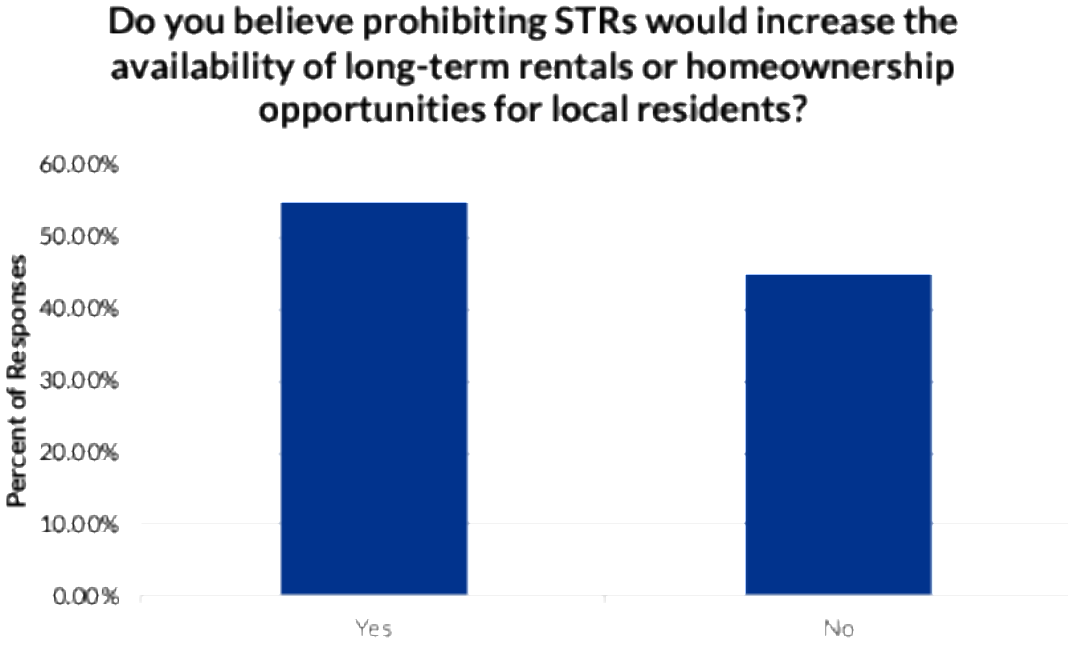
Answer Choices	Responses	
Agree	47.39%	818
Disagree	52.61%	908
Total Responses		1,726



12. Do you believe prohibiting STRs would increase the availability of long-term rentals or homeownership opportunities for local residents?

Answer Choices	Responses	
Yes	55.10%	951
No	44.90%	775
Total Responses	1,726	

Note: According to the Supplemental Supply Survey (Question 4), only 4% of owners would consider converting their STRV units to long-term rentals if regulations prohibited short-term rental use.



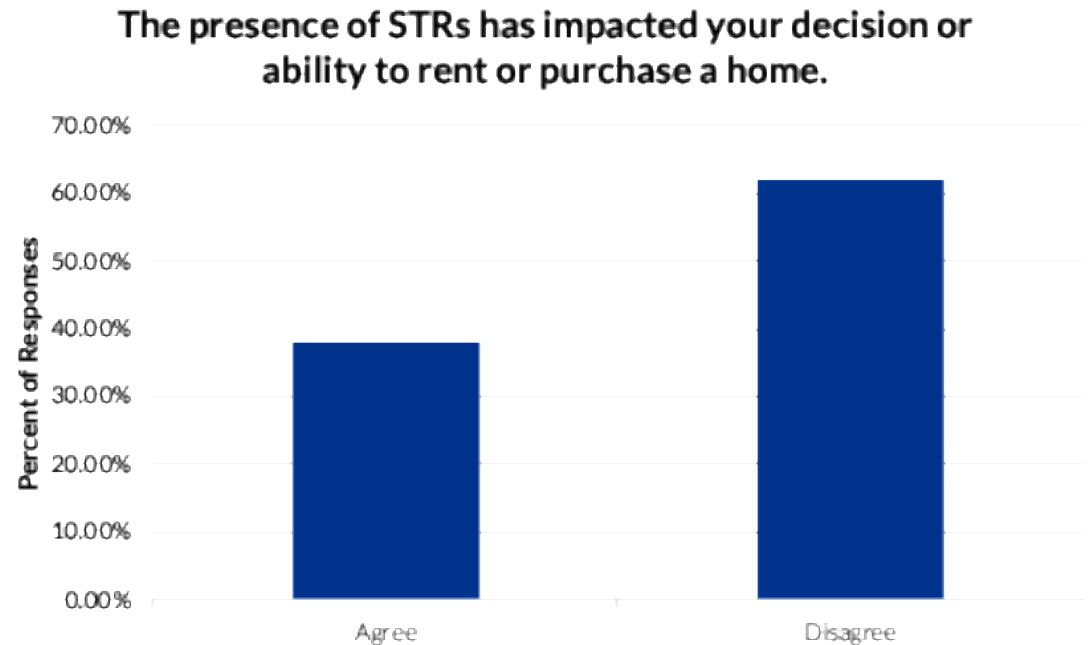
13. What challenges do you foresee in converting existing STRs into long-term housing units (e.g., employment, transportation, environmental)?

Most common themes include:

- **Loss of Income for Owners:** Many responses highlight that STRs generate higher revenue compared to long-term rentals, and owners rely on this income to cover mortgages, taxes, and other expenses. Converting to long-term rentals would reduce their income, potentially making it financially unsustainable for some owners to maintain their properties.
- **Affordability Issues for Local Residents:** Several responses note that even if STRs are converted to long-term rentals, the resulting rental prices would likely remain unaffordable for local residents due to high property costs, taxes, and maintenance fees. Many STRs are high-end or located in expensive areas, making them unsuitable as affordable housing options.
- **Resistance from Owners and Legal/Political Challenges:** A significant number of responses mention resistance from STR owners, particularly those who are non-residents or investors, who may lobby or pursue legal action to protect their ability to operate STRs. Additionally, concerns about property rights and government overreach are frequently cited as barriers to enforcing such conversions.
- **Impact on Employment and Local Economy:** Numerous responses emphasize that converting STRs to long-term rentals could lead to job losses in sectors like housekeeping, property management, and tourism-related services, as STRs generate employment opportunities and tourist spending supports local businesses. This reduction in economic activity could negatively affect the community's financial stability.

14. The presence of STRs has impacted your decision or ability to rent or purchase a home.

Answer Choices	Responses	
Agree	38.18%	659
Disagree	61.82%	1,067
Total Responses		1,726

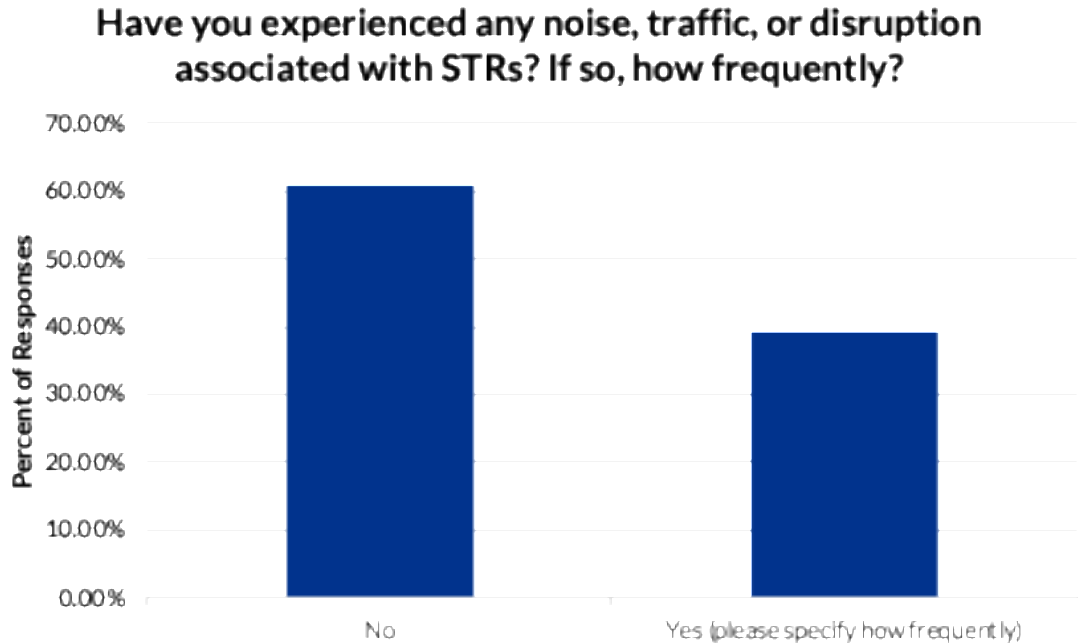


15. Have you experienced any noise, traffic, or disruption associated with STRs?

Answer Choices	Responses	
No	60.66%	1,047
Yes*	39.34%	679
Total Responses	1,726	

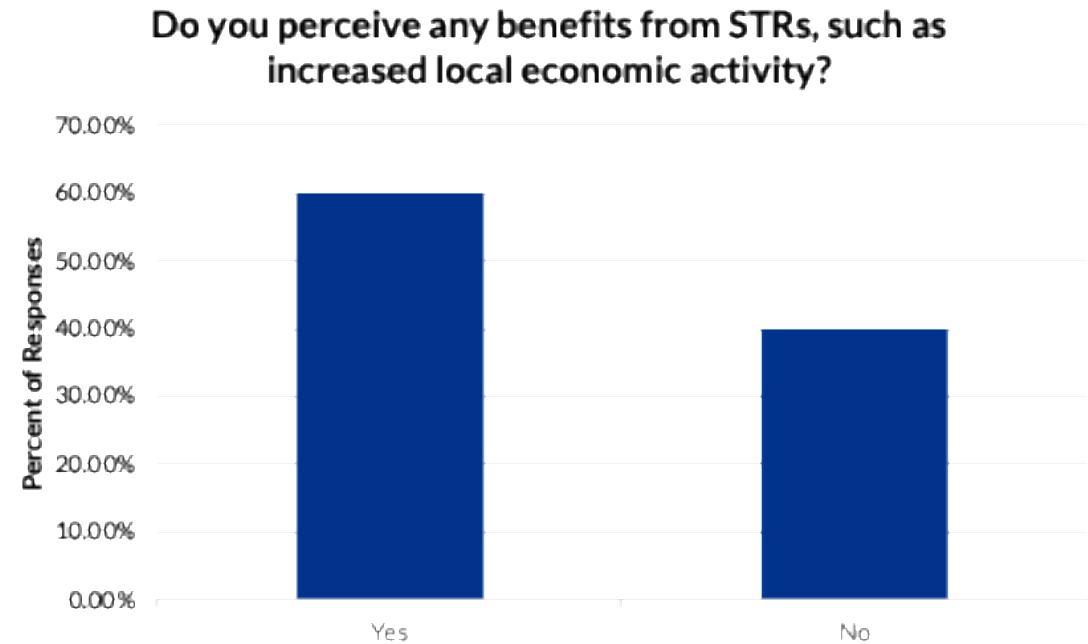
**This disruption is often described as daily or weekly, with limited enforcement of regulations. Respondents consistently express concern that STR occupants do not integrate with or respect the character and norms of residential neighborhoods, leading to a decline in quality of life, community cohesion, and safety.*

Additionally, these disruptions are often compounded during peak tourist seasons or holidays, and many note the ineffectiveness of reporting mechanisms or county enforcement, contributing to frustration and loss of confidence in governance.



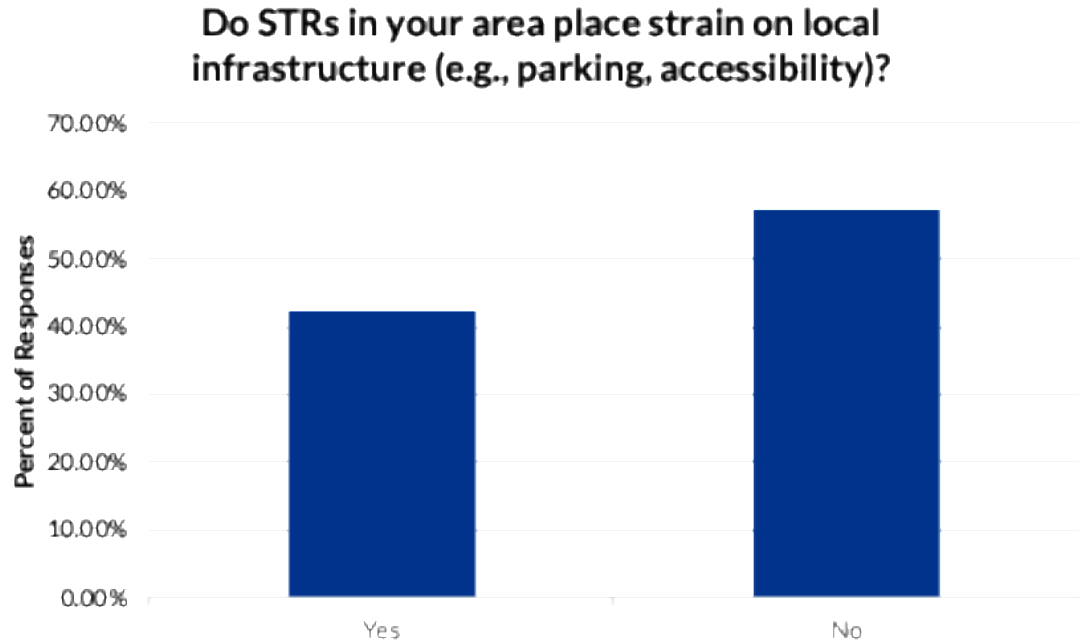
16. Do you perceive any benefits from STRs, such as increased local economic activity?

Answer Choices	Responses	
Yes	60.14%	1,038
No	39.86%	688
Total Responses		1,726



17. Do STRs in your area place strain on local infrastructure (e.g., parking, accessibility)?

Answer Choices	Responses	
Yes	42.53%	734
No	57.47%	992
Total Responses		1,726



18. In your opinion, how do STRs influence local culture and traditions in your area?

The majority of responses (approximately 60 percent) indicate that short-term rentals (STRs) have a negative or negligible influence on local culture and traditions in Hawai'i, particularly in areas like Kailua-Kona, Waikoloa, and Puna. Common concerns include:

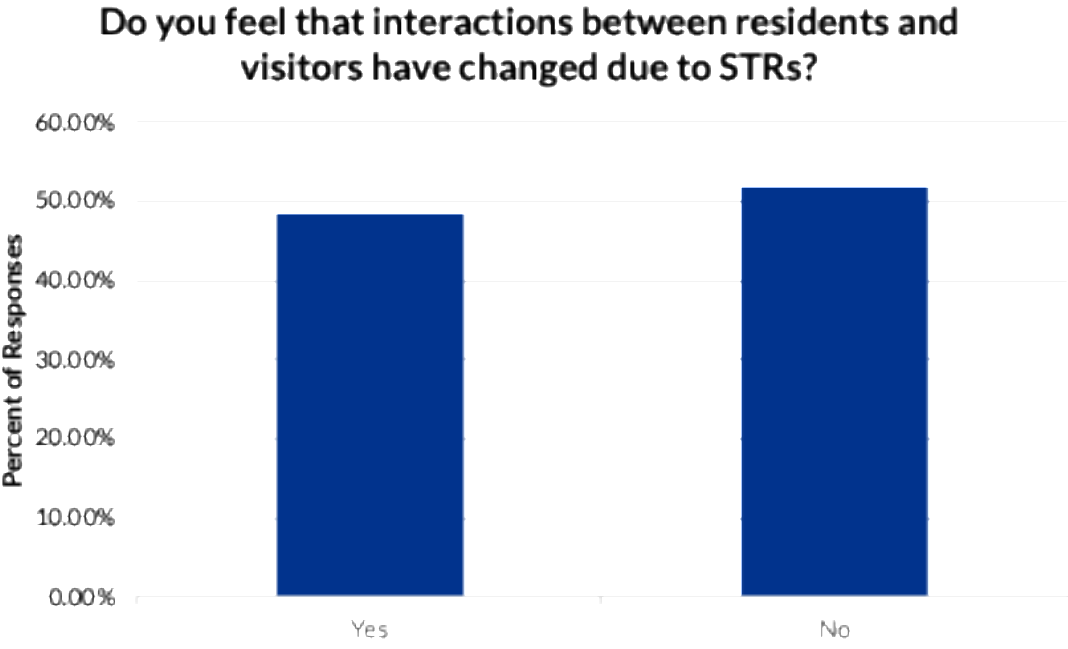
- *Lack of respect or understanding from visitors, who are often seen as prioritizing vacation enjoyment over cultural sensitivity, leading to behaviors like littering, overcrowding sacred sites, or disregarding local customs.*
- *STRs contribute to housing shortages, driving locals out and eroding community cohesion, which they view as integral to sustaining Hawai'ian culture.*

However, a significant minority (approximately 30 percent) argue STRs can positively impact local culture when managed responsibly, especially through hosted rentals. Some mentioned:

- *STRs allow visitors to engage more authentically with Hawai'ian life compared to hotels, fostering cultural exchange through interactions with local hosts, participation in events like farmers' markets or festivals, and support for small businesses.*
- *Others emphasize economic benefits, suggesting that STR income enables locals to stay in Hawai'i, preserving cultural practices indirectly.*

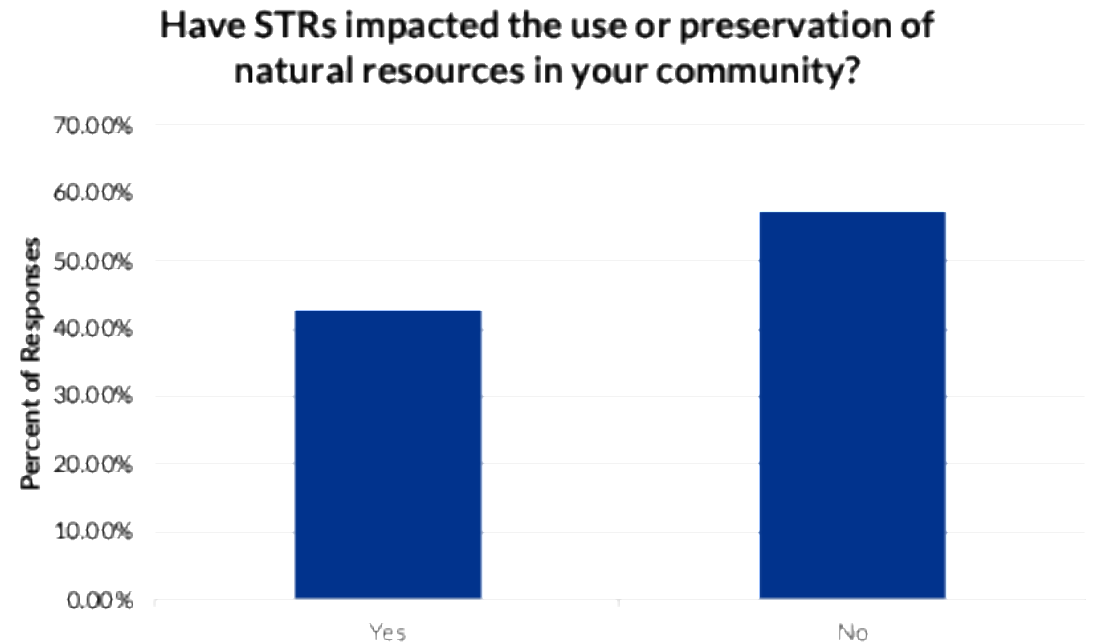
19. Do you feel that interactions between residents and visitors have changed due to STRs?

Answer Choices	Responses	
Yes	48.32%	834
No	51.68%	892
Total Responses		1,726



20. Have STRs impacted the use or preservation of natural resources in your community?

Answer Choices	Responses	
Yes	42.82%	739
No	57.18%	987
Total Responses		1,726



Supply Survey

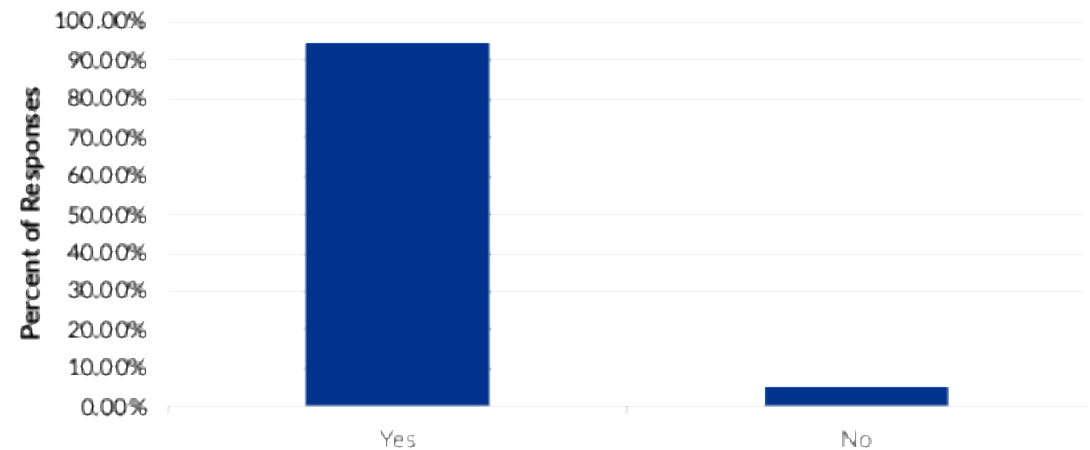
688 Responses



1. During the past three years, have you owned or operated at least one short-term vacation rental (or made part of your living unit available for short-term vacation rental) in Hawai'i County?

Answer Choices	Responses	
Yes	94.62%	651
No	5.38%	37
Total Responses		688

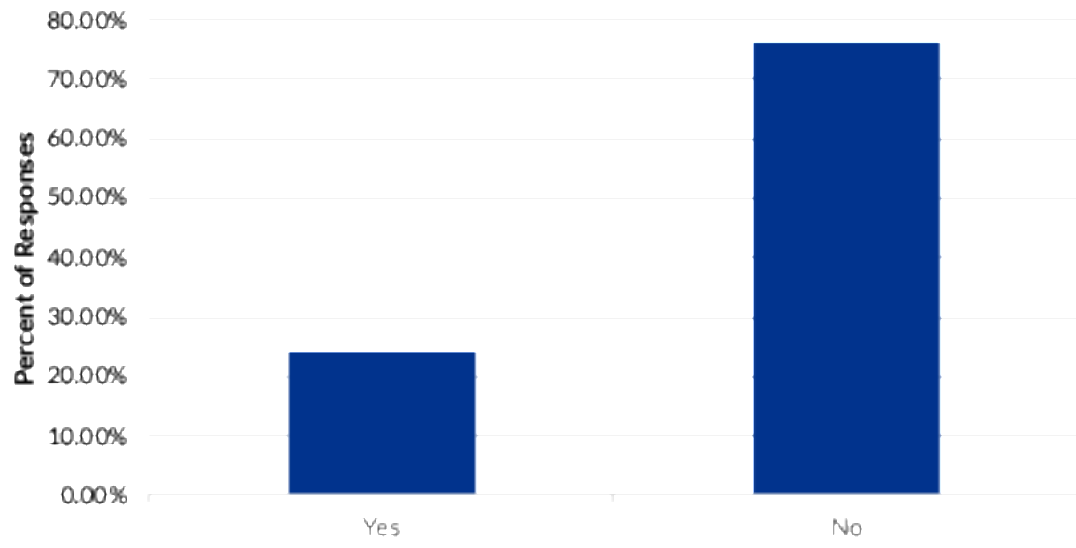
During the past three years, have you owned or operated at least one short-term vacation rental (or made part of your living unit available for short-term vacation rental) in Hawai'i County?



2. Do you own or operate more than one short-term vacation rental?

Answer Choices	Responses	
Yes	23.98%	112
No	76.02%	355
Answered	467	
Skipped	221	

Do you own or operate more than one short-term vacation rental?



3. Which of the following describes the living unit (or part thereof) that you make available for short-term vacation rental?

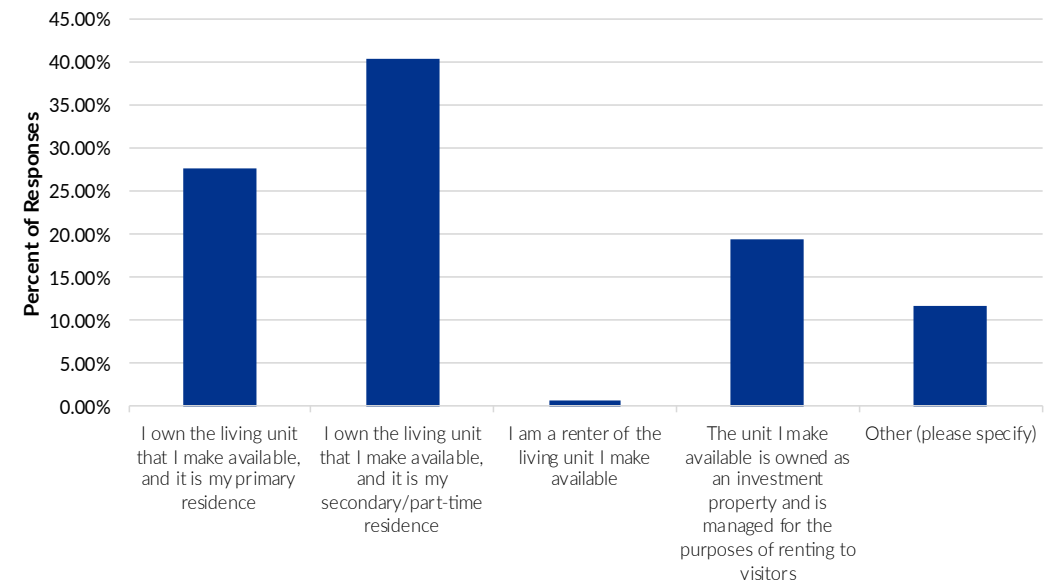
Answer Choices	Responses	
I own the living unit that I make available, and it is my primary residence	27.62%	129
I own the living unit that I make available, and it is my secondary/part-time residence	40.47%	189
I am a renter of the living unit I make available	0.64%	3
The unit I make available is owned as an investment property and is managed for the purposes of renting to visitors	19.49%	91
Other (please specify)*	11.78%	55
Answered		467
Skipped		221

*Other include the following:

- Many live on the property and rent an ohana unit, attached studio, or separate dwelling for supplemental income.
- Some use the property part-time as a vacation or retirement home and rent it when not in use.
- Others own fully dedicated investment properties rented year-round with little or no personal use.
- A few rent their primary home temporarily while away for work or during transitional periods.

Some partners use personal, family, or cultural use with rental activity when the unit is unoccupied.

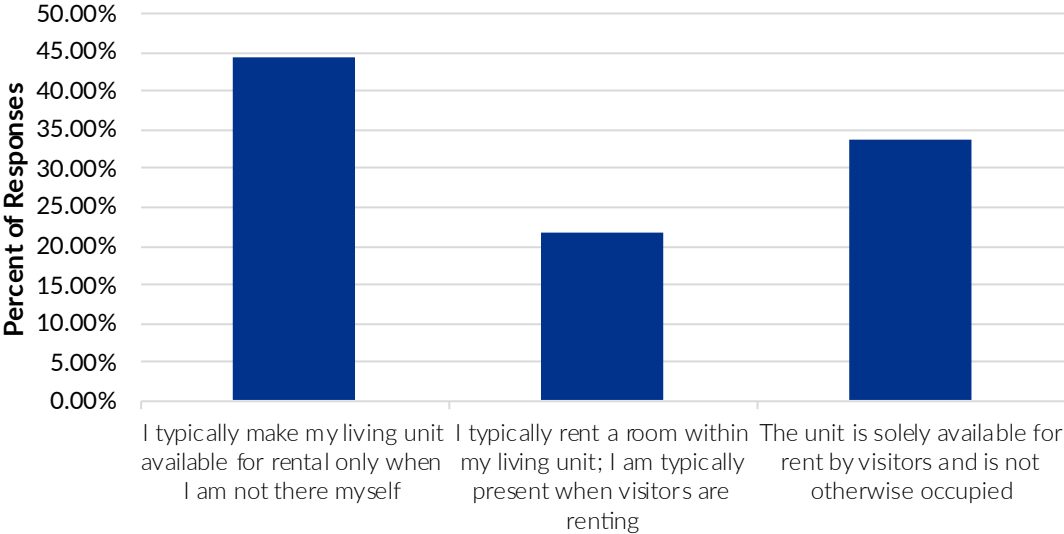
Which of the following describes the living unit (or part thereof) that you make available for short-term vacation rental?



4. Which of the following best describes when the living unit is made available for short-term vacation rental?

Answer Choices	Responses	
I typically make my living unit available for rental only when I am not there myself	44.54%	208
I typically rent a room within my living unit; I am typically present when visitors are renting	21.63%	101
The unit is solely available for rent by visitors and is not otherwise occupied	33.83%	158
Answered	467	
Skipped	221	

Which of the following best describes when the living unit is made available for short-term vacation rental?

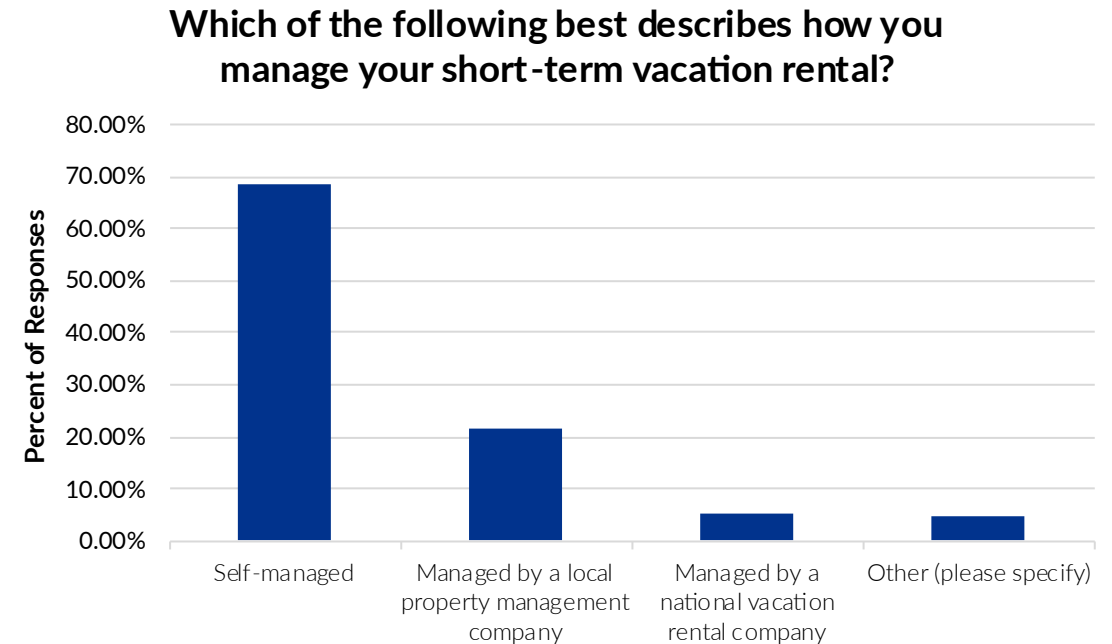


5. Which of the following best describes how you manage your short-term vacation rental?

Answer Choices	Responses	
Self-managed	68.74%	321
Managed by a local property management company	21.41%	100
Managed by a national vacation rental company	5.35%	25
Other (please specify)*	4.50%	21
Answered	467	
Skipped	221	

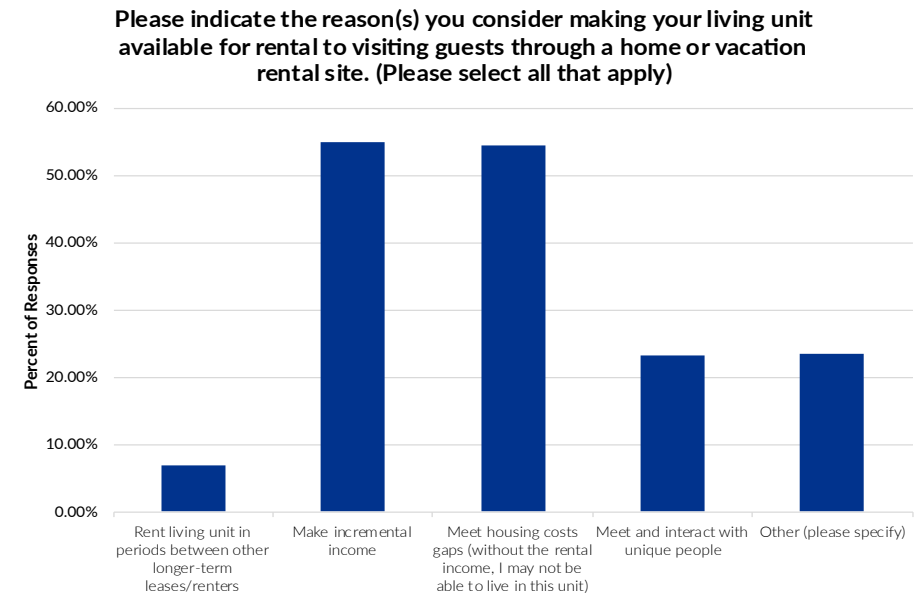
*Other include the following:

- Many self-manage their STRs, often with help from a local contact or caretaker.
- Some rely on national platforms like Airbnb or VRBO for bookings but handle operations themselves.
- Several hire local property managers or friends living nearby to oversee day-to-day operations.
- A few combine national and local management, using professional teams for on-site support.
- Others involve family members or former tenants in property upkeep and guest services.



6. Please indicate the reason(s) you consider making your living unit available for rental to visiting guests through a home or vacation rental site. (Please select all that apply)

Answer Choices	Responses	
Rent living unit in periods between other longer-term leases/renters	6.85%	32
Make incremental income	55.03%	257
Meet housing costs gaps (without the rental income, I may not be able to live in this unit)	54.39%	254
Meet and interact with unique people	23.34%	109
Other (please specify)*	23.55%	110
Answered		467
Skipped		221



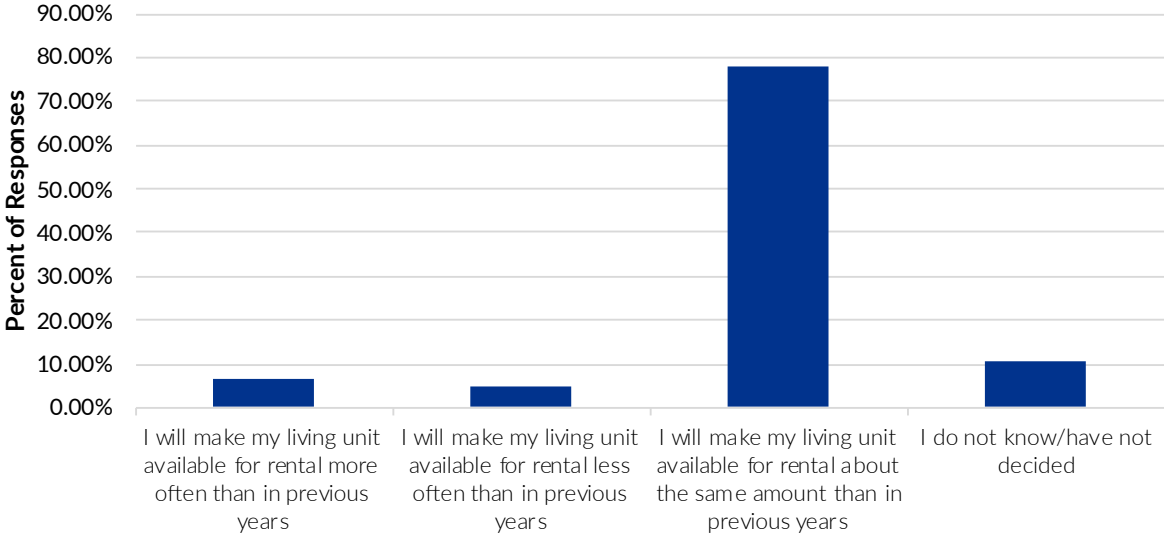
*Other include the following:

- STR income helps cover high living costs, mortgages, property taxes, and retirement expenses, making it essential for many owners to remain in Hawaii.
- Many use STRs to sustain second homes, future retirement residences, or vacation properties when not in personal use.
- STRs allow owners to keep properties occupied, secure, and maintained while generating supplemental income.
- Some rely on STRs as their primary livelihood, particularly after career changes, job loss, or to support family, medical, or educational needs.
- Several offer STRs in underserved areas to fill lodging gaps, support local businesses, and promote cultural connection and responsible tourism.

7. Over the next year, do you anticipate changes in the level to which you make your living unit available through a home or vacation rental site? Please choose the response that most accurately describes your expectations.

Answer Choices	Responses	
I will make my living unit available for rental more often than in previous years	6.42%	30
I will make my living unit available for rental less often than in previous years	4.71%	22
I will make my living unit available for rental about the same amount than in previous years	78.16%	365
I do not know/have not decided	10.71%	50
Answered	467	
Skipped	221	

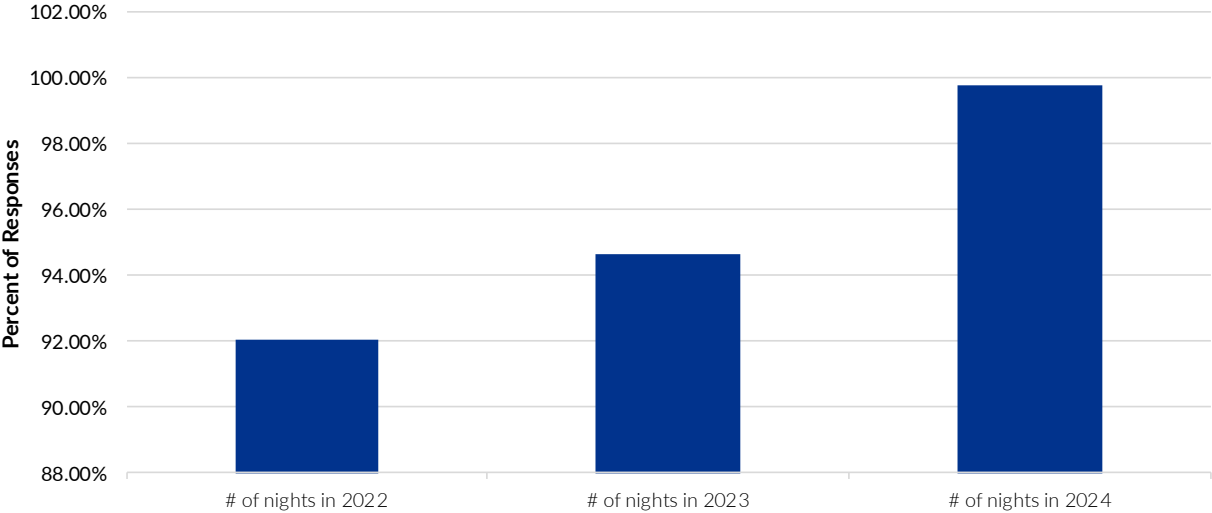
Over the next year, do you anticipate changes in the level to which you make your living unit available through a home or vacation rental site? Please choose the response that most accurately describes your expectations.



8. On average over the past three years, for how many nights per year did you rent your living unit to visiting guests as a short-term vacation rental through a home or vacation rental site (based on average operation if you own multiple units)? Please provide your most accurate recollection.

Answer Choices	Average	Responses
# of nights in 2022	163.69	430
# of nights in 2023	169.33	442
# of nights in 2024	177.68	466
Answered		467
Skipped		221

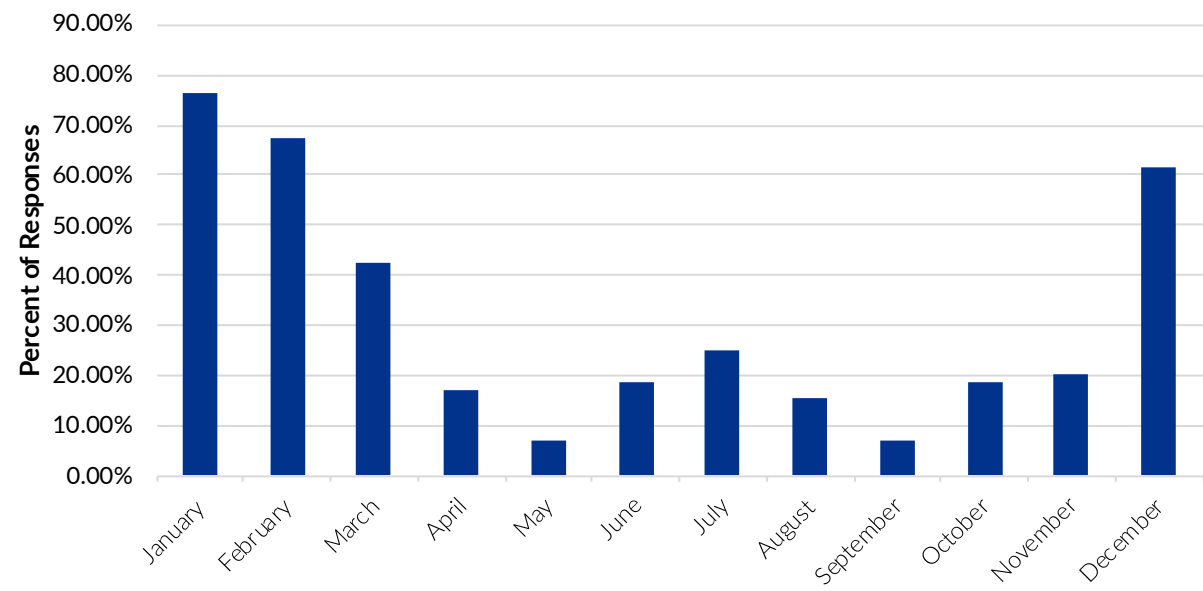
On average over the past three years, for how many nights per year did you rent your living unit to visiting guests as a short-term vacation rental through a home or vacation rental site (based on average operation if you own multiple units)?



9. During what months of the year have you observed the highest demand for your short-term vacation rental? (Please select up to 3 months)

Answer Choices	Responses	
January	76.66%	358
February	67.45%	315
March	42.61%	199
April	16.92%	79
May	6.85%	32
June	18.63%	87
July	25.05%	117
August	15.63%	73
September	7.07%	33
October	18.63%	87
November	19.91%	93
December	61.67%	288
Answered	467	
Skipped	221	

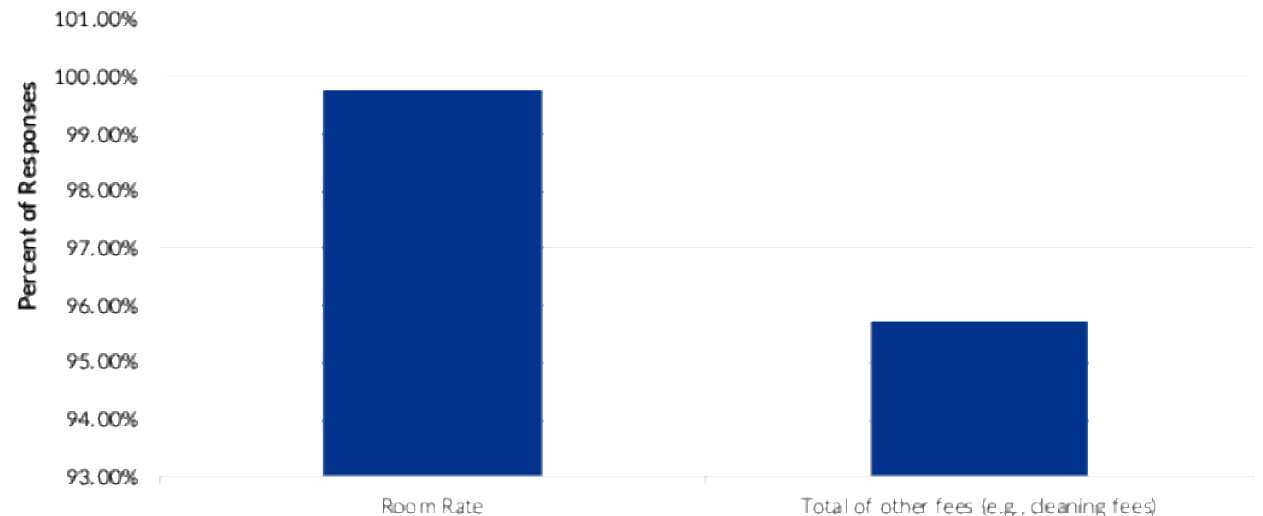
During what months of the year have you observed the highest demand for your short-term vacation rental? (Please select up to 3 months)



10. Thinking of your five most recent rentals, what was the average nightly rate you charged your visiting guests (based on your most expensive unit, if you own multiple)? Please provide your most accurate recollection.

Answer Choices	Average	Responses
Room Rate	\$301.64	466
Total of other fees (e.g., cleaning fees)	\$214.25	447
Answered		467
Skipped		221

Thinking of your five most recent rentals, what was the average nightly rate you charged your visiting guests (based on your most expensive unit, if you own multiple)? Please provide your most accurate recollection.



11. What have been some challenges you have experienced working with the rental platforms (Airbnb, Homeaway, Vrbo, Clear Stay, FlipKey, etc.)? Please state any ideas for how Hawai'i County can address these.

Most common themes include:

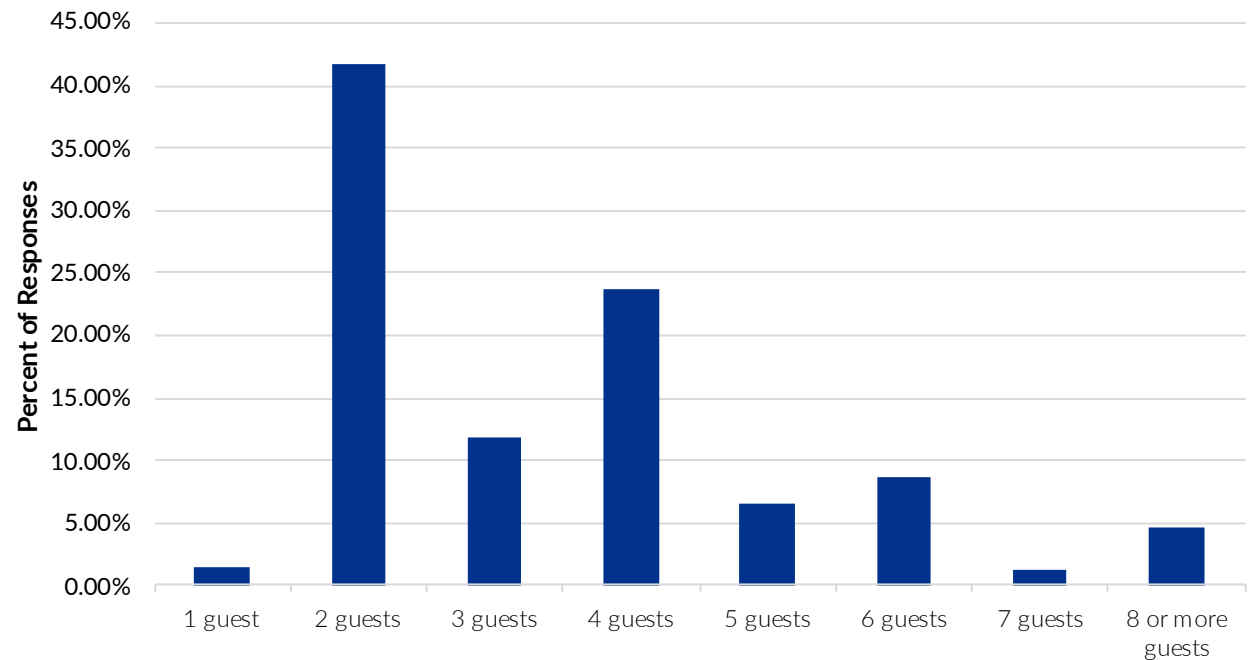
- **High Fees Charged by Platforms:** Many hosts expressed frustration with the high fees imposed by platforms like Airbnb and Vrbo, which affect both hosts and guests. These fees increase the cost of rentals, reduce hosts' profits, and make rentals less competitive.
- **Complex Tax Collection and Reporting:** A significant number of responses highlighted difficulties with managing and remitting Hawai'i's General Excise Tax (GET), Transient Accommodations Tax (TAT), and County taxes. Hosts noted that platforms often do not automatically collect or remit these taxes, creating a bookkeeping burden.
- **Guest-Related Issues (Cancellations, Damage, and Behavior):** Hosts frequently reported challenges with guests, including last-minute cancellations, property damage, and disrespectful behavior.
- **Poor Customer Service and Platform Support:** Several responses pointed to inadequate customer service from platforms, particularly Vrbo, with issues like long hold times, unhelpful support, and lack of accountability.
- **Competition from Illegal or Unregulated Rentals:** Hosts expressed concern about competition from illegal or unregistered STRs listed on platforms, which often undercut legal rentals by not paying taxes or permit fees.

12. Generally, what is the average party size of the visiting guests who stay at your living unit(s) during a short-term vacation rental?

Average Response: ~3.50 Guests

Answer Choices	Responses	
1 guest	1.50%	7
2 guests	41.76%	195
3 guests	11.78%	55
4 guests	23.77%	111
5 guests	6.64%	31
6 guests	8.57%	40
7 guests	1.28%	6
8 or more guests	4.71%	22
Answered	467	
Skipped	221	

Generally, what is the average party size of the visiting guests who stay at your living unit(s) during a short-term vacation rental?



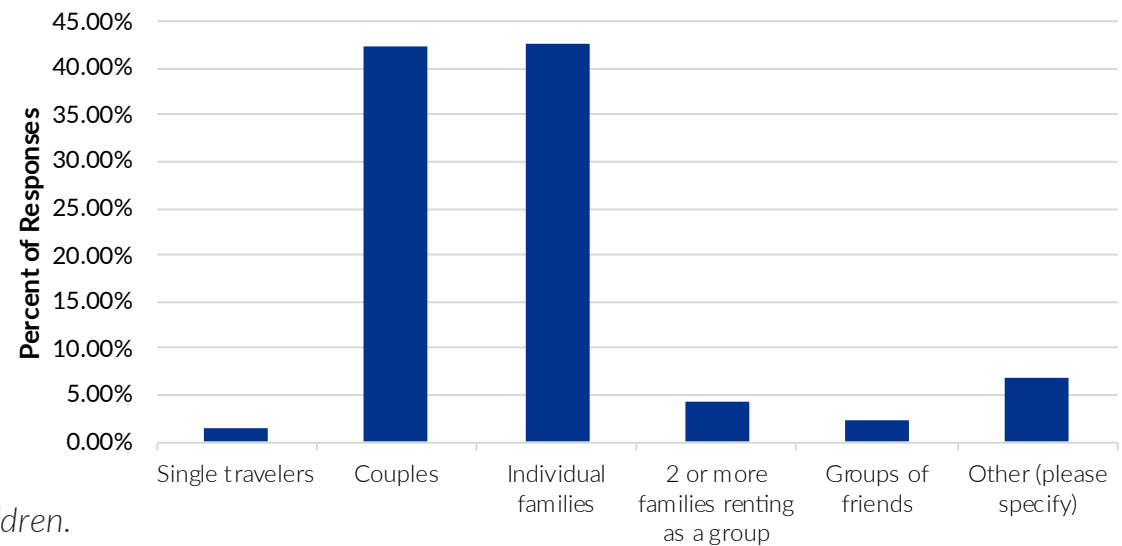
13. What party types do you most commonly accommodate? (Select all that apply.)

Answer Choices	Responses	
Single travelers	1.50%	7
Couples	42.40%	198
Individual families	42.61%	199
2 or more families renting as a group	4.28%	20
Groups of friends	2.36%	11
Other (please specify)*	6.85%	32
Answered	467	
Skipped	221	

*Other include the following:

- Many STRs host couples and individual families, often with one or two children.
- Several report accommodating multigenerational families gathering for reunions or extended stays.
- Groups of friends and multiple families traveling together are also frequent guests.
- Some properties serve single travelers, including business travelers.
- A few STRs are used by companies housing workers or contractors temporarily on the island.

What party types do you most commonly accommodate? (Select all that apply)

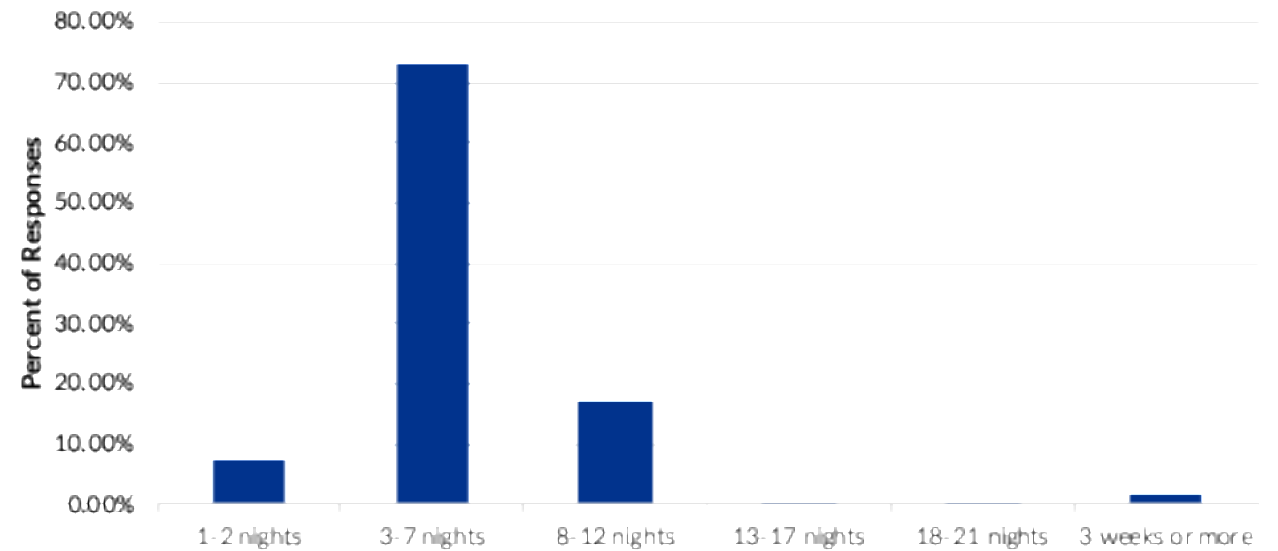


14. Generally speaking, what is the average length of stay for visiting short-term vacation rental guests staying at your living unit(s)?

Average Response: **~6.04 Days**

Answer Choices	Responses	
1-2 nights	7.28%	34
3-7 nights	73.23%	342
8-12 nights	16.92%	79
13-17 nights	0.43%	2
18-21 nights	0.43%	2
3 weeks or more	1.71%	8
Answered		467
Skipped		221

Generally speaking, what is the average length of stay for visiting short-term vacation rental guests staying at your living unit(s)?



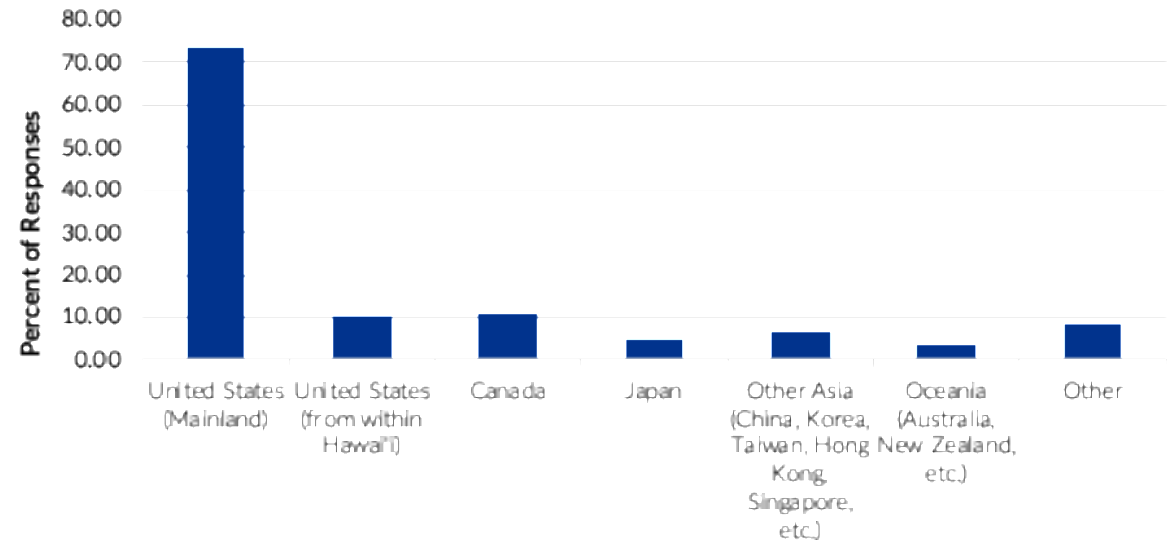
15. Generally speaking, from where do your visiting short-term vacation guests originate? (Please allocate percentages accordingly so that the total equals 100%.)

Answer Choices	Average Number	Responses	
United States (Mainland)	73.57%	99.79%	466
United States (from within Hawai'i)	10.49%	69.81%	326
Canada	10.75%	74.52%	348
Japan	4.66%	48.82%	228
Other Asia (China, Korea, Taiwan, Hong Kong, Singapore, etc.)	6.73%	53.32%	249
Oceania (Australia, New Zealand, etc.)	3.33%	43.68%	204
Other*	8.50%	46.25%	216
Answered			467
Skipped			221

*Other include the following:

- Mauna Lani is the most frequently cited location.
- Hawi and North Kohala appear repeatedly.
- Puako is mentioned several times.
- Lower Puna, Kehena, Kalapana, and Kurtistown represent strong activity in the Puna District.
- Other locations such as Hōlualoa, Keauhou, Honaunau, Kona Paradise, and Hakalau show STR spread across both Kona and Hamakua regions.

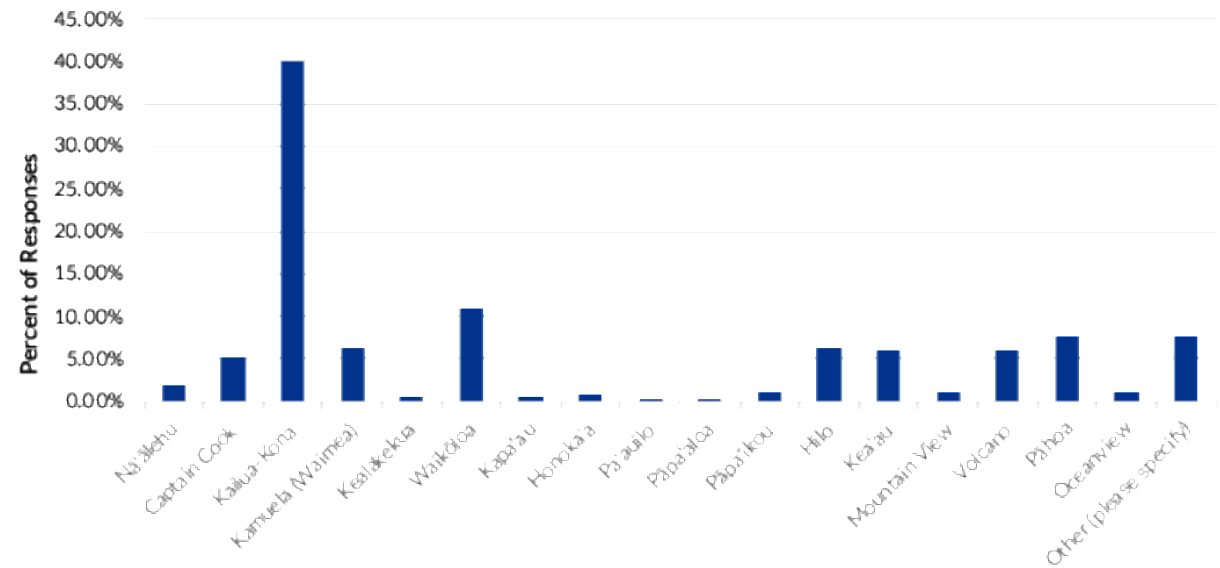
Generally speaking, from where do your visiting short-term vacation guests originate? (Please allocate percentages accordingly so that the total equals 100%)



16. In which area of Hawai'i County is your short-term vacation rental unit located? (Select all that apply.)

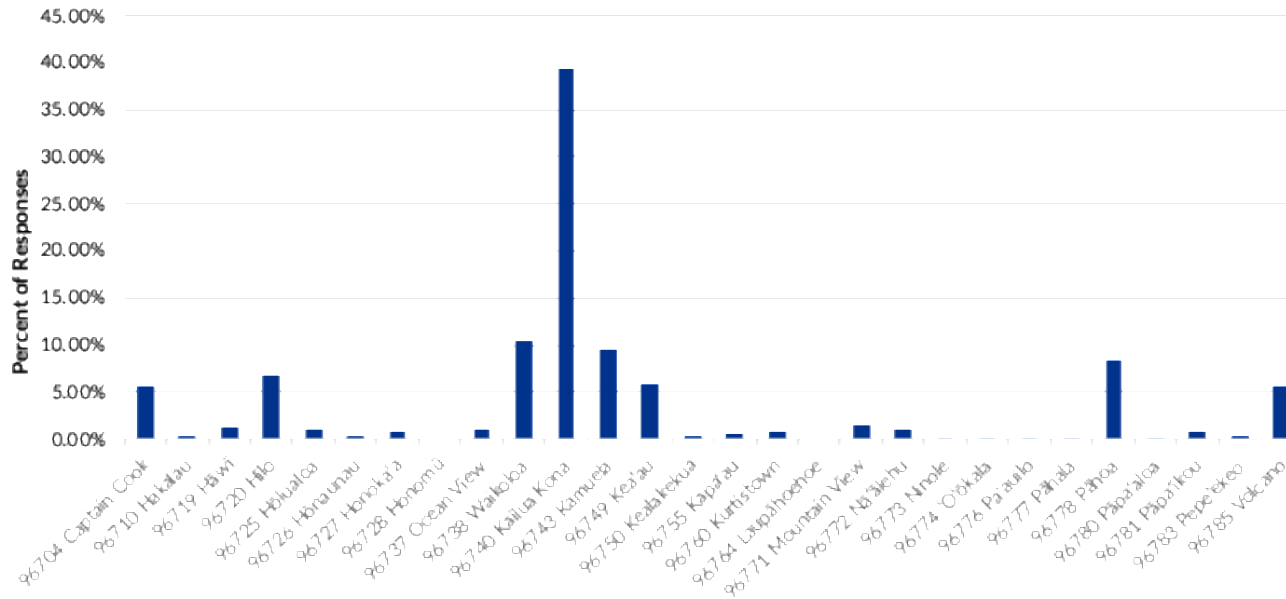
Answer Choices	Responses	
Nā'ālehu	1.93%	9
Captain Cook	5.14%	24
Kailua-Kona	40.04%	187
Kamuela (Waimea)	6.42%	30
Kealahou	0.64%	3
Waikōloa	10.92%	51
Kapa'au	0.64%	3
Honoka'a	0.86%	4
Pa'auilo	0.21%	1
Pāpa'aloa	0.43%	2
Pāpa'ikou	1.07%	5
Hilo	6.42%	30
Kea'au	6.21%	29
Mountain View	1.28%	6
Volcano	6.00%	28
Pāhoa	7.71%	36
Oceanview	1.28%	6
Other (please specify)	7.71%	36
Answered		467
Skipped		221

In which area of Hawai'i County is your short-term vacation rental unit located? (Select all that apply)



17. What is the ZIP code of the unit you make available for rental? (Select all that apply.)

What is the zip code of the unit you make available for rental? (Select all that apply)

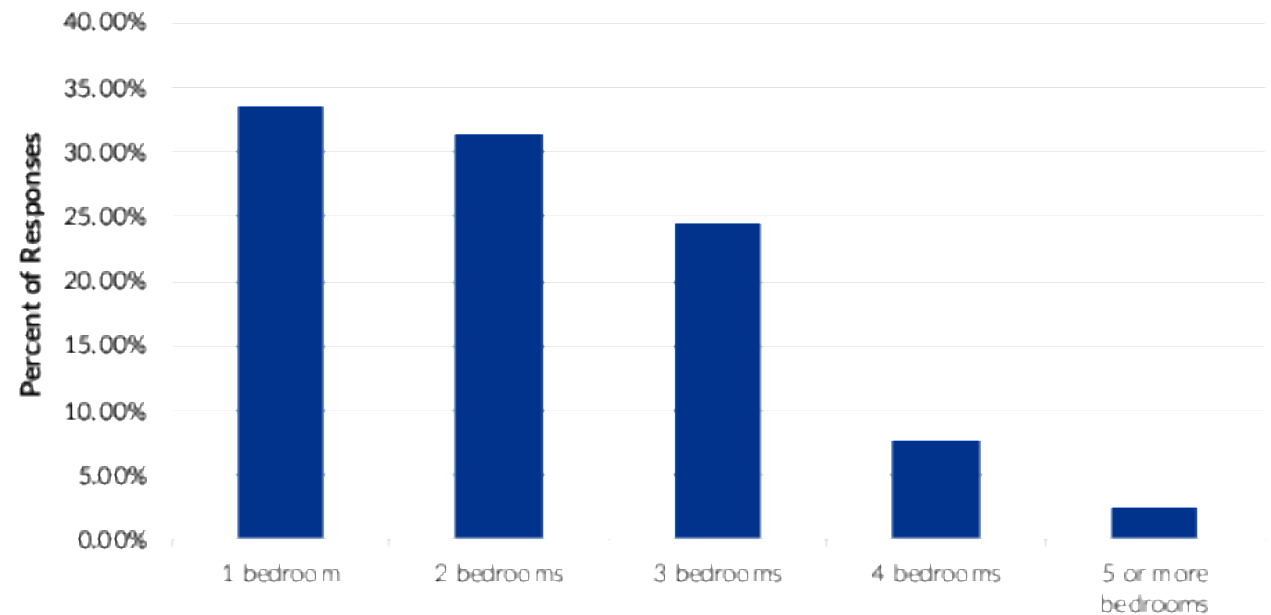


Answer Choices	Responses	
96704 Captain Cook	5.57%	26
96710 Hakalau	0.43%	2
96719 Hāwī	1.28%	6
96720 Hilo	6.85%	32
96725 Hōlualoa	1.07%	5
96726 Hōnaunau	0.43%	2
96727 Honoka'a	0.86%	4
96728 Honomū	0.00%	0
96737 Ocean View	1.07%	5
96738 Waikoloa	10.49%	49
96740 Kailua Kona	39.40%	184
96743 Kamuela	9.64%	45
96749 Kea'au	6.00%	28
96750 Kealahou	0.43%	2
96755 Kapa'au	0.64%	3
96760 Kurtistown	0.86%	4
96764 Laupāhoehoe	0.00%	0
96771 Mountain View	1.50%	7
96772 Nā'ālehu	1.07%	5
96773 Ninole	0.21%	1
96774 'O'ōkala	0.21%	1
96776 Pa'auilo	0.21%	1
96777 Pāhala	0.21%	1
96778 Pāhoa	8.35%	39
96780 Pāpa'aloa	0.21%	1
96781 Pāpa'ikou	0.86%	4
96783 Pepe'ekeo	0.43%	2
96785 Volcano	5.57%	26
Answered		467
Skipped		221

18. How many bedrooms are there in the unit you make available for rentals (based on your most expensive unit, if you own multiple)?

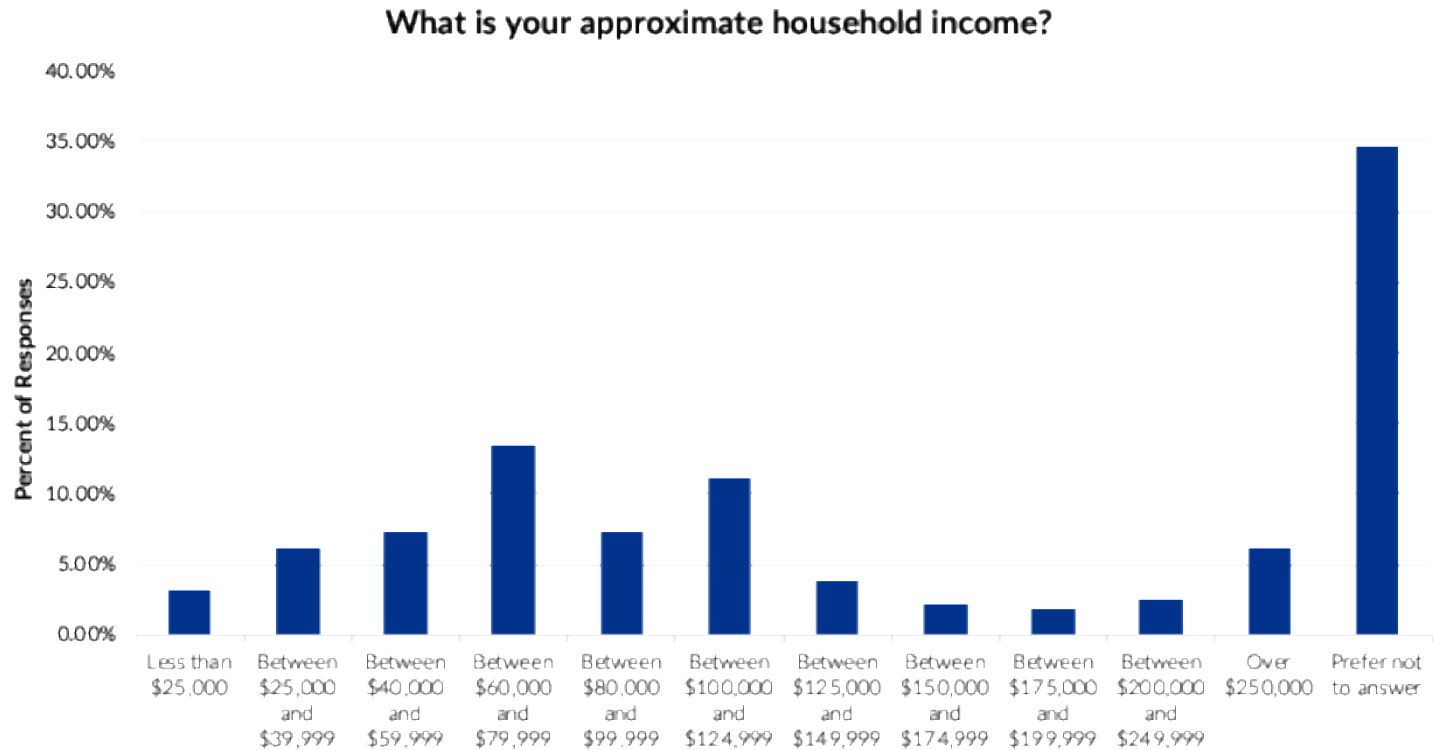
Answer Choices	Responses	
1 bedroom	33.62%	157
2 bedrooms	31.48%	147
3 bedrooms	24.63%	115
4 bedrooms	7.71%	36
5 or more bedrooms	2.57%	12
Answered	467	
Skipped	221	

How many bedrooms are there in the unit you make available for rentals (based on your most expensive unit, if you own multiple)?



19. What is your approximate household income?

Answer Choices	Responses	
Less than \$25,000	3.21%	15
Between \$25,000 and \$39,999	6.21%	29
Between \$40,000 and \$59,999	7.28%	34
Between \$60,000 and \$79,999	13.49%	63
Between \$80,000 and \$99,999	7.28%	34
Between \$100,000 and \$124,999	11.13%	52
Between \$125,000 and \$149,999	3.85%	18
Between \$150,000 and \$174,999	2.14%	10
Between \$175,000 and \$199,999	1.93%	9
Between \$200,000 and \$249,999	2.57%	12
Over \$250,000	6.21%	29
Prefer not to answer	34.69%	162
Answered		467
Skipped		221



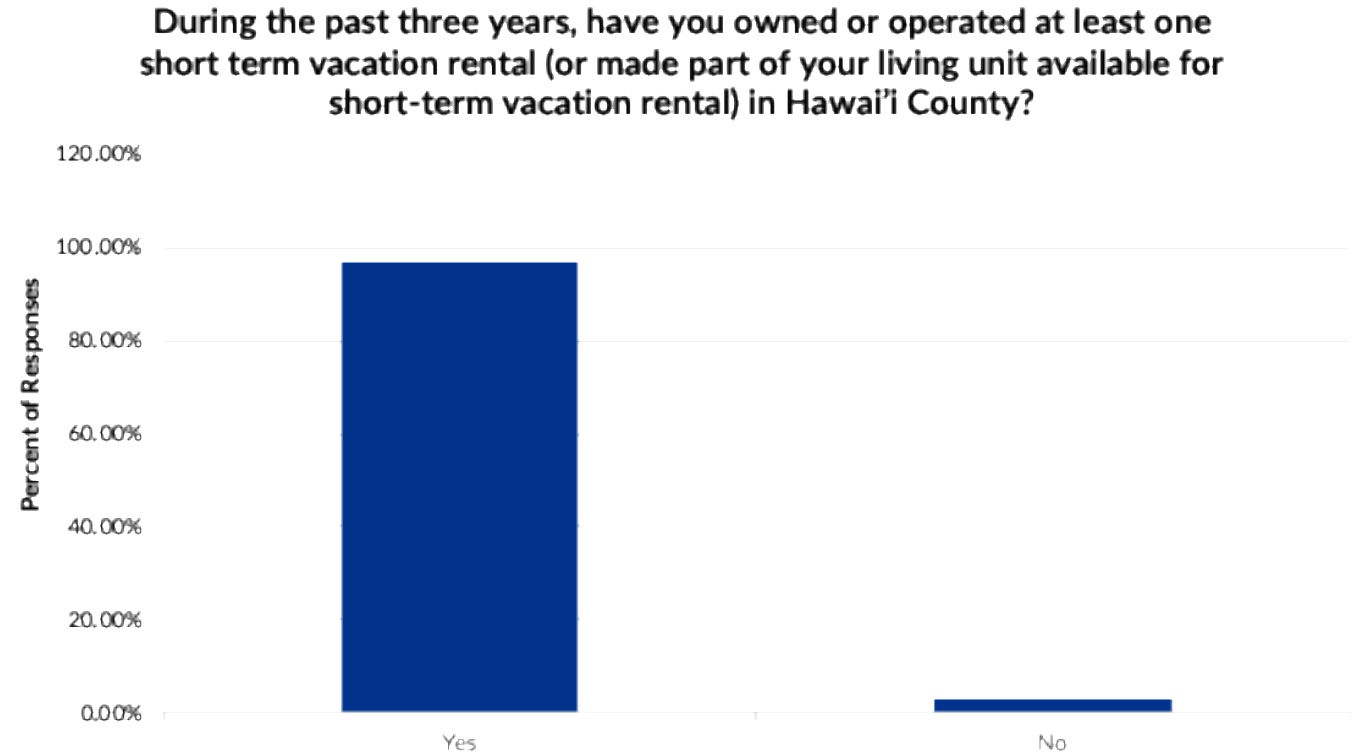
Supplemental Supply Survey

319 Responses



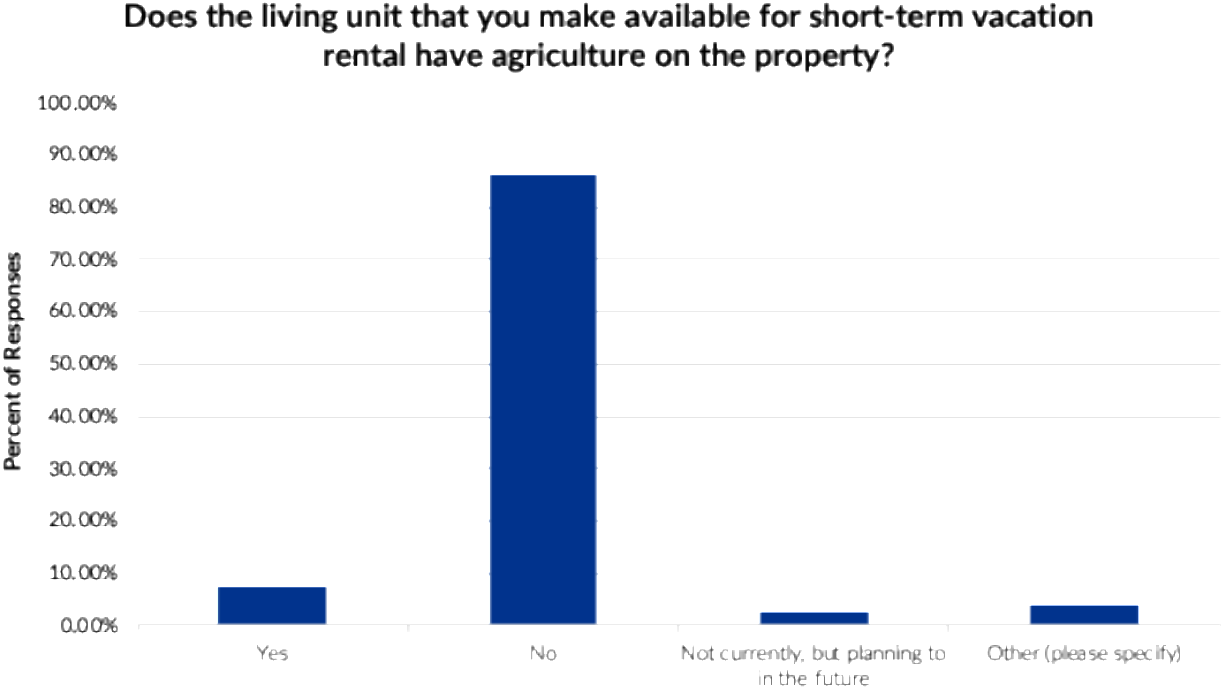
1. During the past three years, have you owned or operated at least one short-term vacation rental (or made part of your living unit available for short-term vacation rental) in Hawai'i County?

Answer Choices	Responses	
Yes	97.18%	310
No	2.82%	9
Answered	319	
Skipped	0	



2. Does the living unit that you make available for short-term vacation rental have agriculture on the property?

Answer Choices	Responses	
Yes	7.29%	21
No	86.11%	248
Not currently, but planning to in the future	2.78%	8
Other (please specify)*	3.82%	11
Answered	288	
Skipped	31	



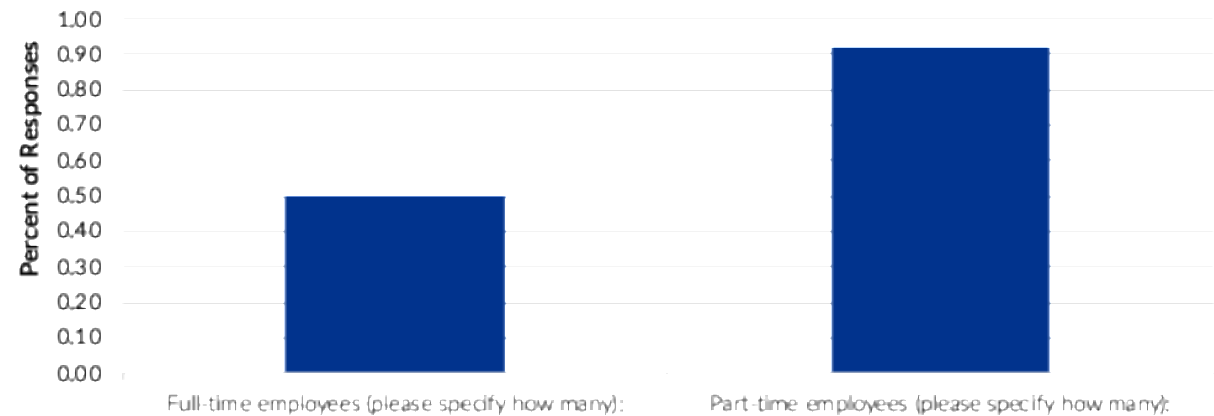
*Other include the following:

- Zoned Agricultural but Inactive
- Personal-Use Cultivation
- Native Vegetation
- Not Agricultural Land
- Uncertainty or No Activity

3. Please specify the number of individuals you employ to help operate or maintain your STR property (e.g., housekeepers, landscapers, property managers, etc.). Type 0 if you do not employ anyone.

Answer Choices	Average	Responses
Full-time employees (please specify how many):	1.60	145
Part-time employees (please specify how many):	3.95	266
Answered		288
Skipped		31

Please specify the number of individuals you employ to help operate or maintain your STR property (e.g., housekeepers, landscapers, property managers, etc.). Type 0 if you do not employ anyone.



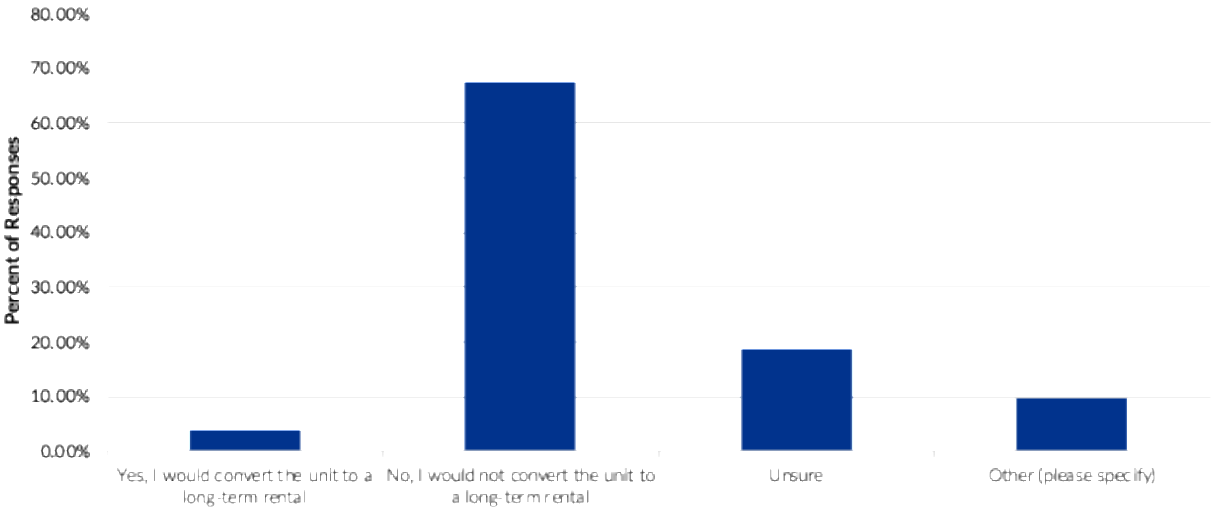
4. If regulations no longer allow you to operate this property as a short-term rental, would you consider offering it as a long-term rental?

Answer Choices	Responses	
Yes, I would convert the unit to a long-term rental	3.82%	11
No, I would not convert the unit to a long-term rental	67.71%	195
Unsure	18.75%	54
Other (please specify)*	9.72%	28
Answered	288	
Skipped	31	

*Other include the following:

- Would Sell Property
- Not Suitable for Long-Term Use
- Reserved for Personal or Family Use
- Income Gap Between STR and LTR
- Owners or Managers Require Flexibility
- Already Long-Term or Mixed Use
- Business/Employment Impact

If regulations no longer allow you to operate this property as a short-term rental, would you consider offering it as a long-term rental?



Demand Survey

102 Responses



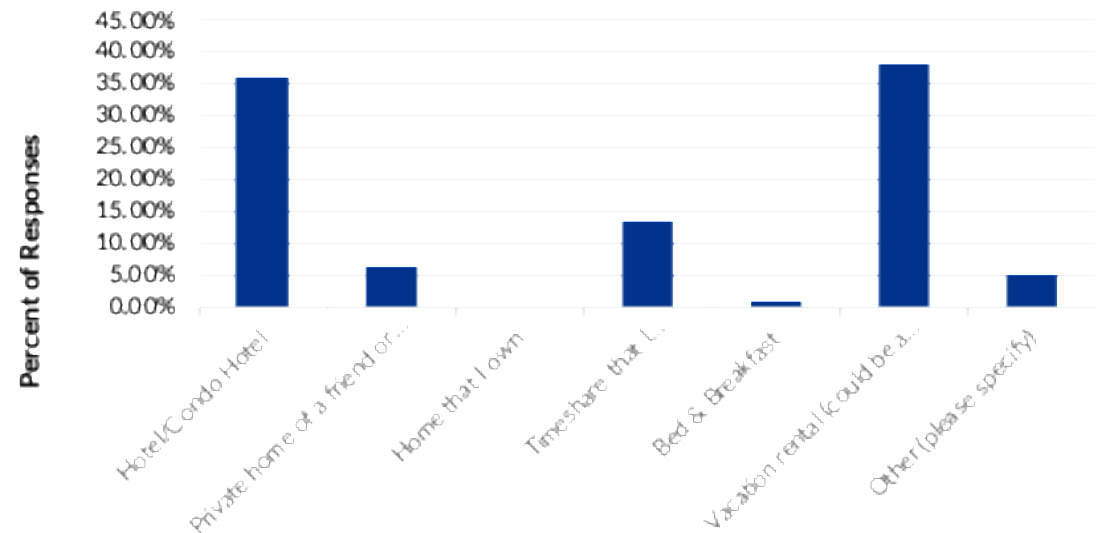
1. What type of accommodation did you use during your most recent visit to Hawai'i? (Check 1 box only.)

Answer Choices	Responses	
Hotel/Condo Hotel	35.29%	36
Private home of a friend or family member	5.88%	6
Home that I own	0.00%	0
Timeshare that I own/timeshare exchange	13.73%	14
Bed & Breakfast	0.98%	1
Vacation rental (could be a condo, apartment, house/villa, or shared accomodation)	38.24%	39
Other (please specify)*	5.88%	6
Answered	102	
Skipped	0	

*Other include the following:

- Retreat property
- Airbnb (mentioned 3 times – included in Vacation rental responses)
- Cruise Ship
- Relative's house

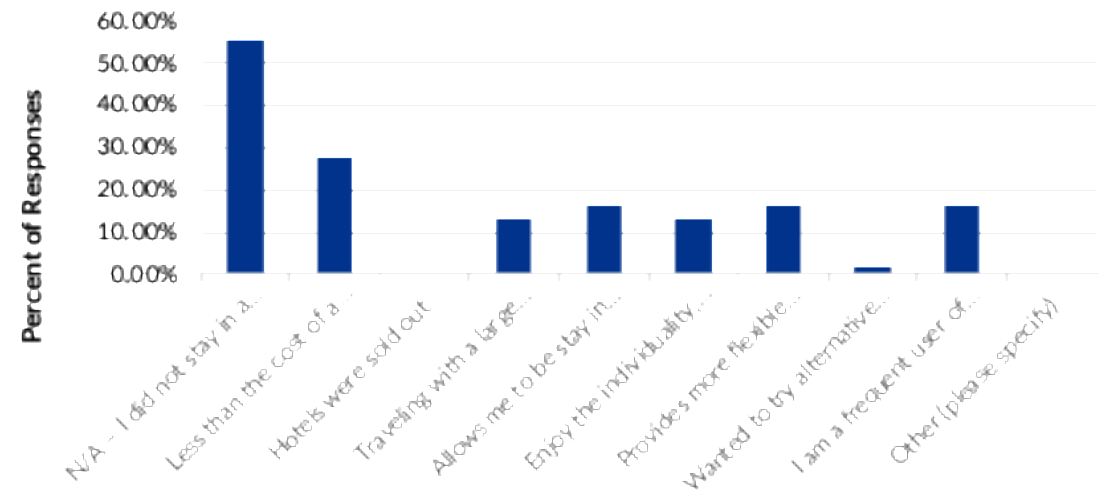
What type of accommodation did you use during your most recent visit to Hawai'i? (Check 1 box only)



2. If you stayed in an STVR, what were your primary reasons for choosing this option? (Select all that apply.)

Answer Choices	Responses	
N/A – I did not stay in an STVR	55.88%	57
Less than the cost of a hotel of comparable quality and positioning	26.47%	27
Hotels were sold out	0.00%	0
Traveling with a large group/family	13.73%	14
Allows me to be stay in locations outside of traditional hotel zones	17.65%	18
Enjoy the individuality, community spirit, and local guides/input that come with short-term vacation rentals	12.75%	13
Provides more flexible arrangements for larger parties (such as more bedrooms/beds, couches, kitchen, outdoor spaces, etc.)	16.67%	17
Wanted to try alternative accommodations such as Airbnb (or similar) for the first time	1.96%	2
I am a frequent user of alternative short-term vacation rental accommodations such as Airbnb (or similar)	15.69%	16
Other (please specify)	0.00%	0
Answered		102
Skipped		0

If you stayed in an STVR, what were your primary reasons for choosing this option? (Select all that apply)



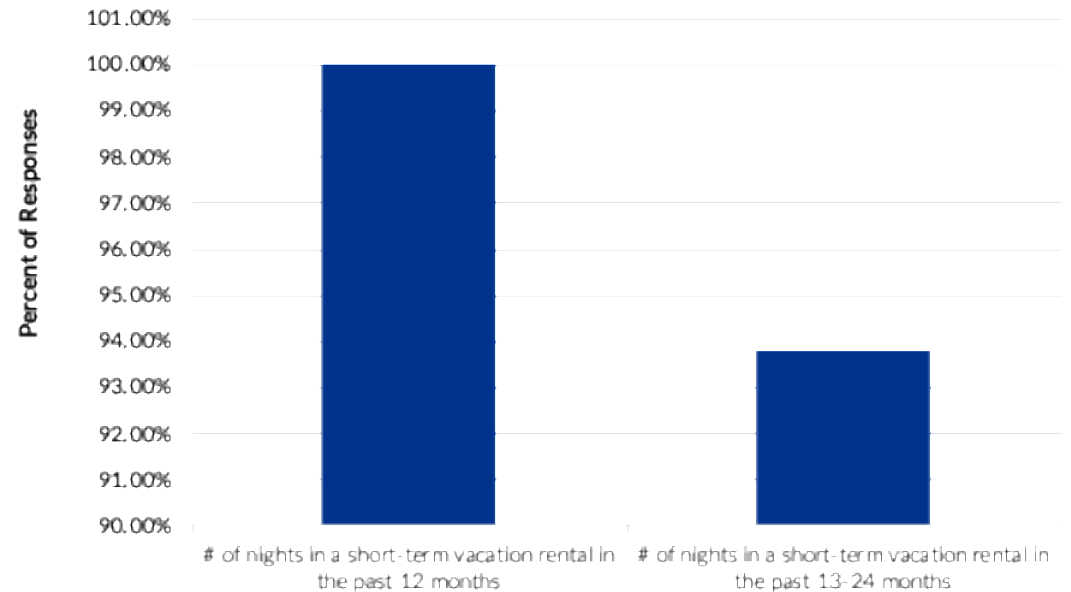
3. If you indicated that paying a lower price than a traditional hotel with comparable quality and positioning influenced your decision to book a short-term vacation rental during your visit(s) to Hawai'i, please answer the following (if not, respond "N/A"): We are interested in understanding the average price point at which visitors to Hawai'i begin to consider short-term vacation rentals instead of hotels. At what average nightly rate do you begin to consider booking a short-term vacation rental? A traditional hotel?

	N/A	Less than \$100/night	\$100-\$150/night	\$151-200/night	\$201-250/night	\$251-300/night	\$300-350/night	\$351-400/night	More than \$400/night	Total	Weighted Average
Short-term vacation rental offered via a vacation rental site	47.00% 47	6.00% 6	11.00% 11	13.00% 13	11.00% 11	5.00% 5	5.00% 5	1.00% 1	1.00% 1	100	2.34
Traditional Hotel	35.37% 29	0.00% 0	13.41% 11	12.20% 10	7.32% 6	6.10% 5	12.20% 10	4.88% 4	8.54% 7	82	3.34
Answered											102
Skipped											0

4. On average over the past 24 months, how many nights per year did you spend in a short-term vacation rental booked through a home or vacation rental site in Hawai‘i? Please provide your most accurate estimate.

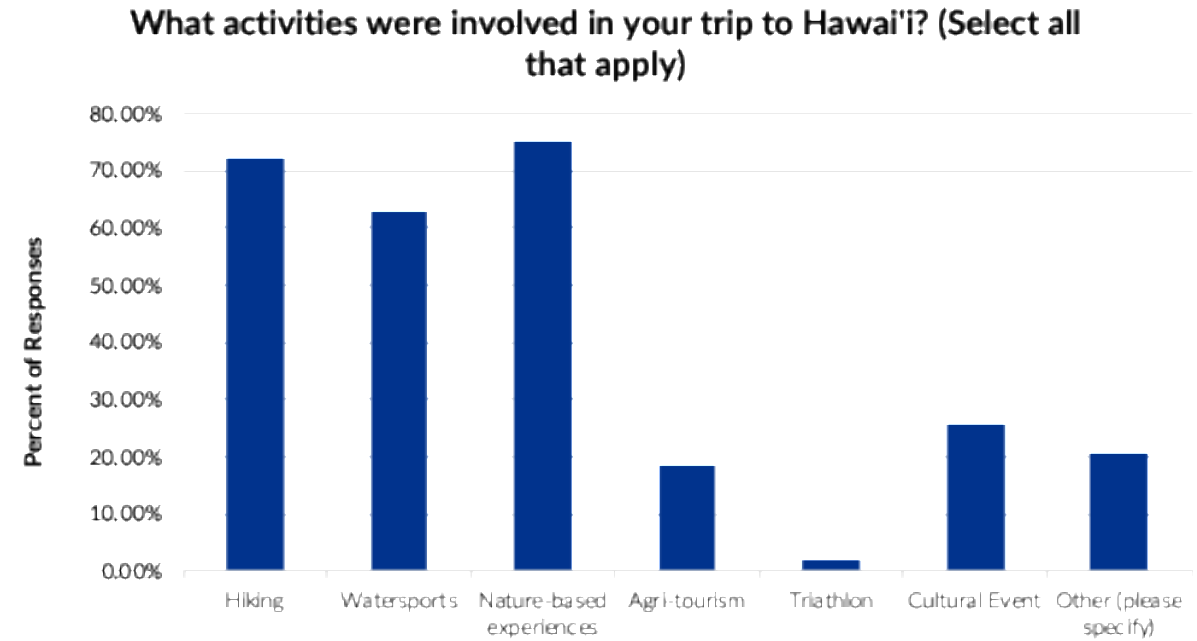
Answer Choices	Average	Responses
# of nights in a short-term vacation rental in the past 12 months	4.52	102
# of nights in a short-term vacation rental in the past 13-24 months	6.13	96
Answered		102
Skipped		0

On average over the past 24 months, how many nights per year did you spend in a short-term vacation rental booked through a home or vacation rental site in Hawai‘i? Please provide your most accurate estimate



5. What activities were involved in your trip to Hawai'i? (Select all that apply.)

Answer Choices	Responses	
Hiking	73.53%	75
Watersports	63.73%	65
Nature-based experiences	75.49%	77
Agri-tourism	17.65%	18
Triathlon	1.96%	2
Cultural Event	27.45%	28
Other (please specify)*	20.59%	21
Answered	102	
Skipped	0	



*Other include the following:

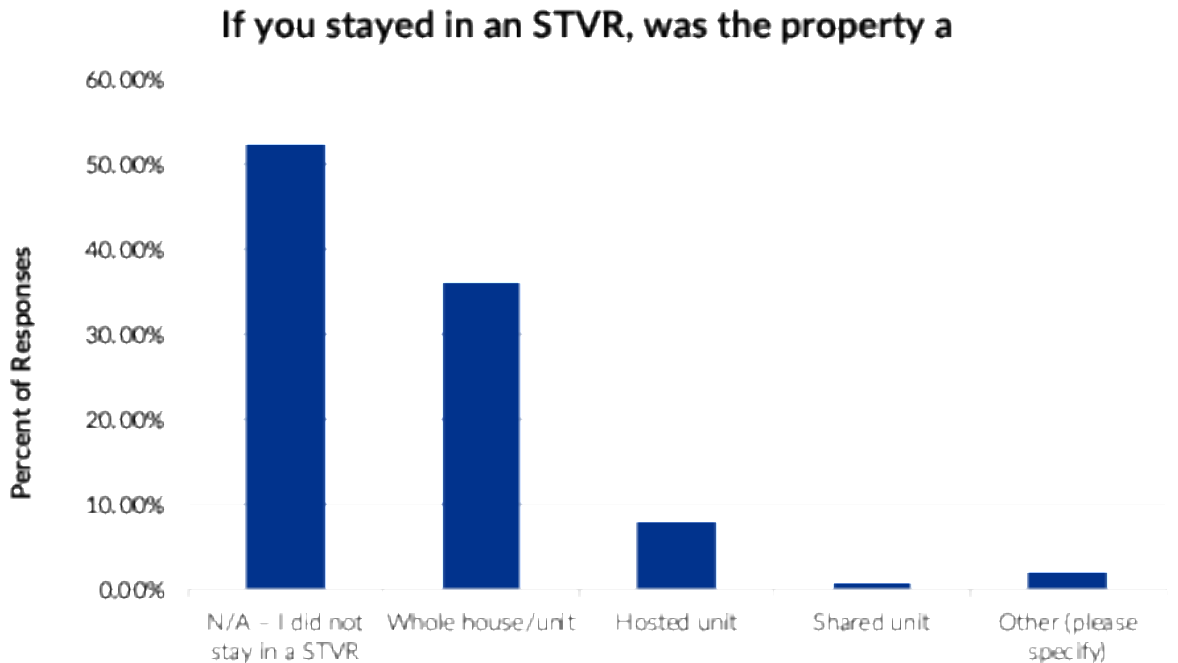
- Golf
- Pickleball
- Work/Business/Conference
- Fishing
- Scuba
- Sightseeing
- Farmers Market
- Relaxation

6. If you stayed in an STVR, was the property a

Answer Choices	Responses	
N/A – I did not stay in a STVR	52.94%	54
Whole house/unit	36.27%	37
Hosted unit	7.84%	8
Shared unit	0.98%	1
Other (please specify)*	1.96%	2
Answered		102
Skipped		0

*Other include the following:

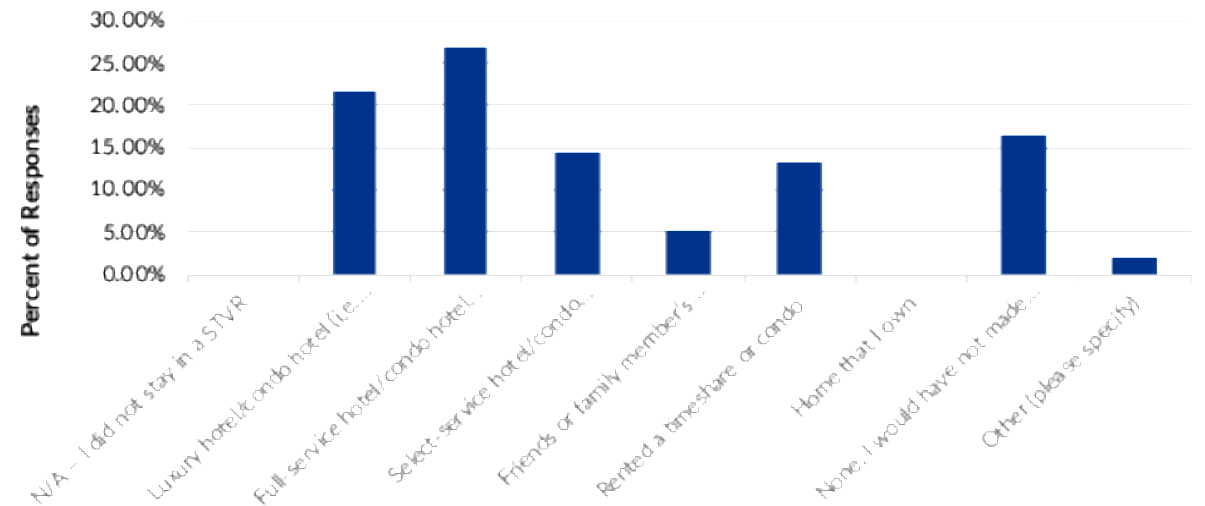
- “Tiny house”
- Condo



7. For your most recent trip to Hawai'i, If STVRs were not available during your visit, where would you have stayed? (Check 1 box only.)

Answer Choices	Responses	
N/A - I did not stay in a STVR	0.00%	0
Luxury hotel/condo hotel (i.e. Four Seasons, Fairmont Orchid, Mauna Lani, Mauna Kea)	21.57%	22
Full-service hotel/condo hotel (i.e. Marriott, Hilton, Westin)	27.45%	28
Select-service hotel/condo hotel (i.e. Courtyard, Hilton Garden Inn)	14.71%	15
Friends or family member's home	4.90%	5
Rented a timeshare or condo	13.73%	14
Home that I own	0.00%	0
None, I would have not made the trip or chosen a destination outside Hawai'i Island	15.69%	16
Other (please specify)*	1.96%	2
Answered		102
Skipped		0

For your most recent trip to Hawai'i, If STVRs were not available during your visit, where would you have stayed? (Check 1 box only)



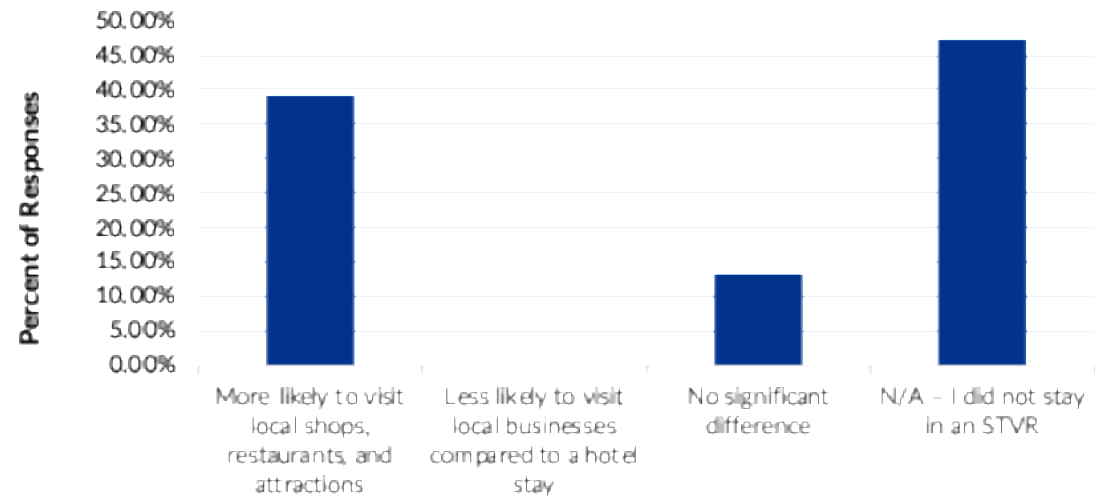
*Other include the following:

- "Would have had to drive across the island for 3 days"
- "We stayed in a resort"

8. How did your stay in an STVR influence your engagement with local businesses and communities? (Check 1 box only.)

Answer Choices	Responses	
More likely to visit local shops, restaurants, and attractions	39.22%	40
Less likely to visit local businesses compared to a hotel stay	0.00%	0
No significant difference	12.75%	13
N/A – I did not stay in an STVR	48.04%	49
Answered	102	
Skipped	0	

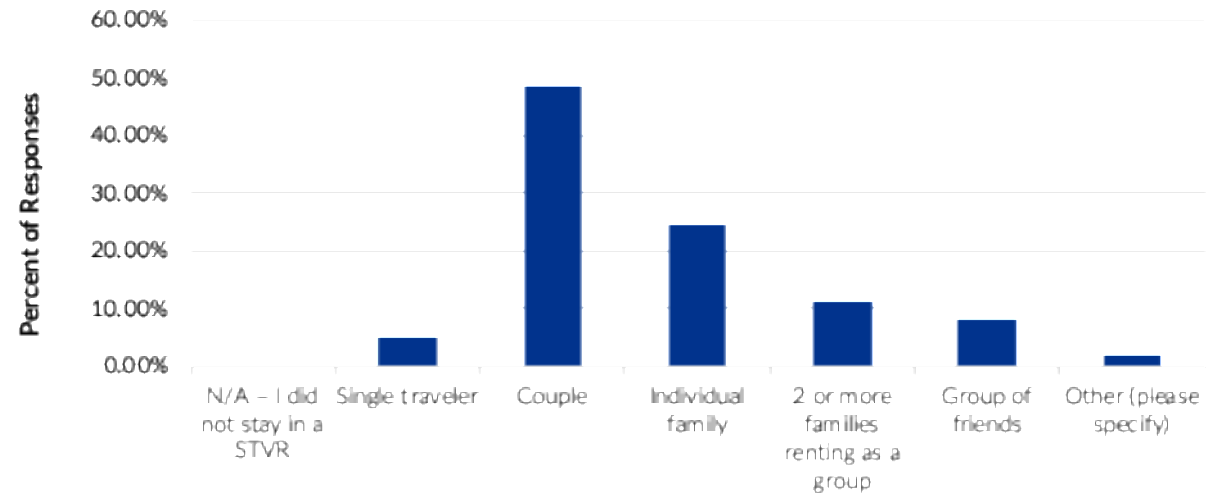
How did your stay in an STVR influence your engagement with local businesses and communities? (Check 1 box only)



9. Thinking back to your most recent visit to Hawai'i, please select the option that best describes your party. (Check 1 box only.)

Answer Choices	Responses	
N/A - I did not stay in a STVR	0.00%	0
Single traveler	5.88%	6
Couple	48.04%	49
Individual family	24.51%	25
2 or more families renting as a group	11.76%	12
Group of friends	7.84%	8
Other (please specify)*	1.96%	2
Answered	102	
Skipped	0	

Thinking back to your most recent visit to Hawai'i, please select the option that best describes your party. (Check 1 box only)



*Other include the following:

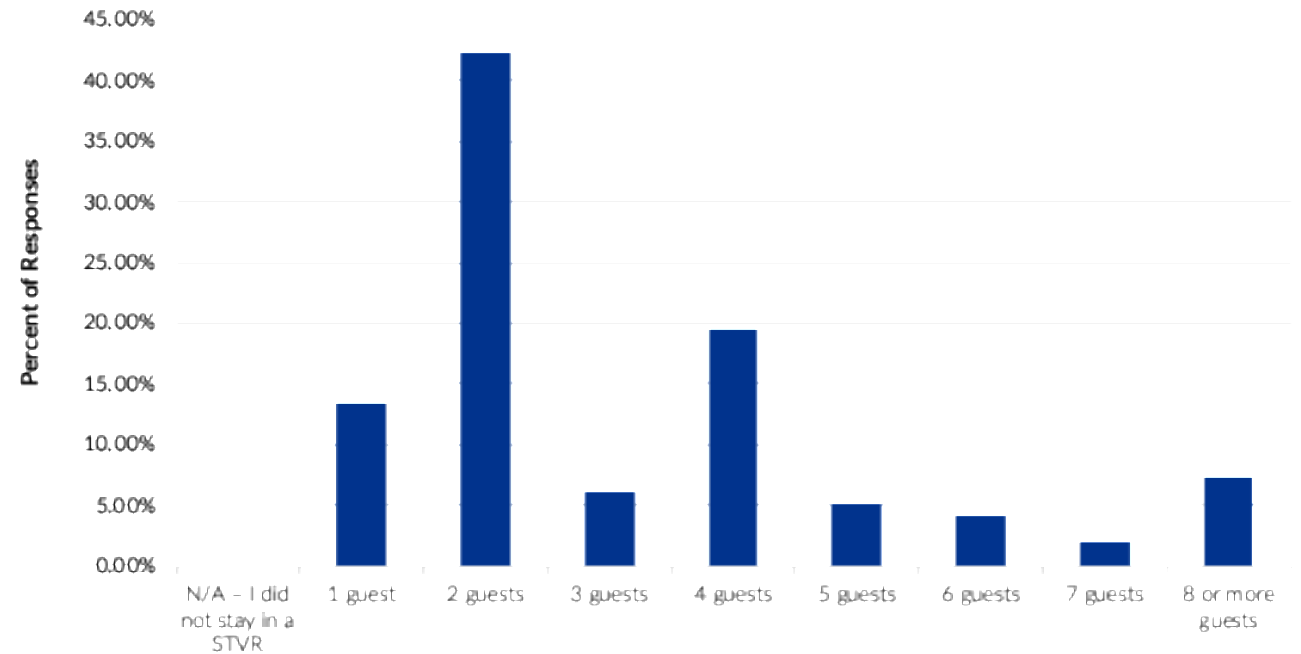
- "Co-workers"
- "1 large family (parents, 2 brothers + spouses & 2 babies)"

10. Thinking back to your most recent visit to Hawai'i, how many people stayed in the accommodation with you (including yourself)? (Check 1 box only.)

Average Response: **~3.22 Guests**

Answer Choices	Responses	
N/A - I did not stay in a STVR	0.00%	0
1 guest	14.71%	15
2 guests	41.18%	42
3 guests	5.88%	6
4 guests	18.63%	19
5 guests	5.88%	6
6 guests	4.90%	5
7 guests	1.96%	2
8 or more guests	6.86%	7
Answered	102	
Skipped	0	

Thinking back to your most recent visit to Hawai'i, how many people stayed in the accommodation with you (including yourself)? (Check 1 box only)

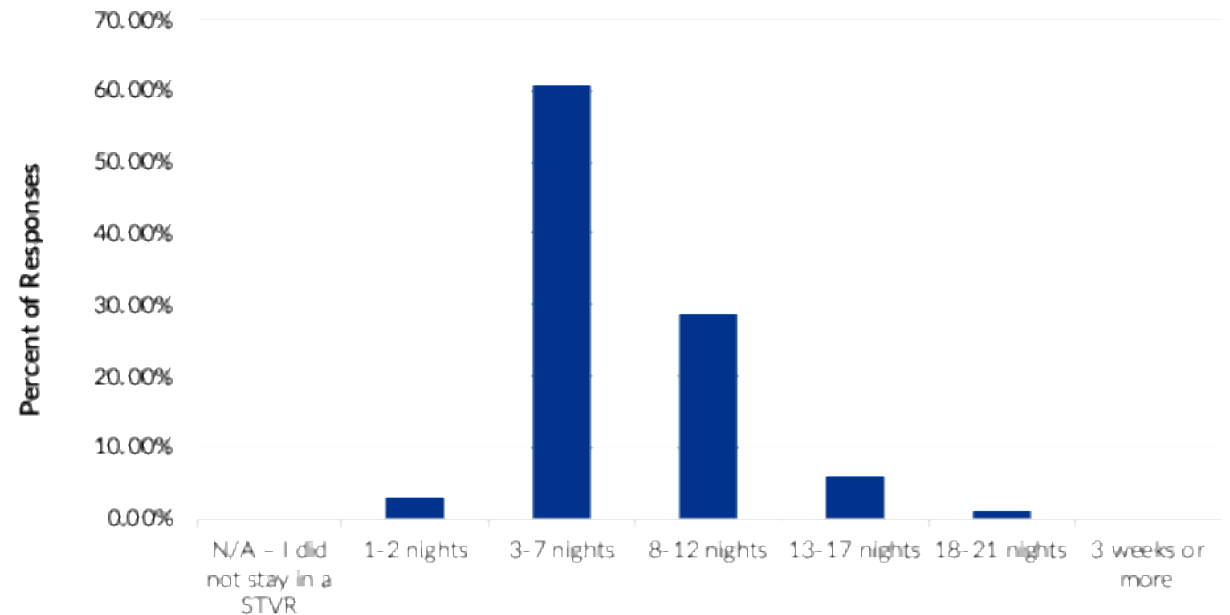


11. Thinking back to your most recent trip to Hawai'i, how many nights did you stay? (Check 1 box only.)

Average Response: **7.00 Days**

Answer Choices	Responses	
N/A - I did not stay in a STVR	0.00%	0
1-2 nights	2.94%	3
3-7 nights	62.75%	64
8-12 nights	27.45%	28
13-17 nights	5.88%	6
18-21 nights	0.98%	1
3 weeks or more	0.00%	0
Answered		102
Skipped		0

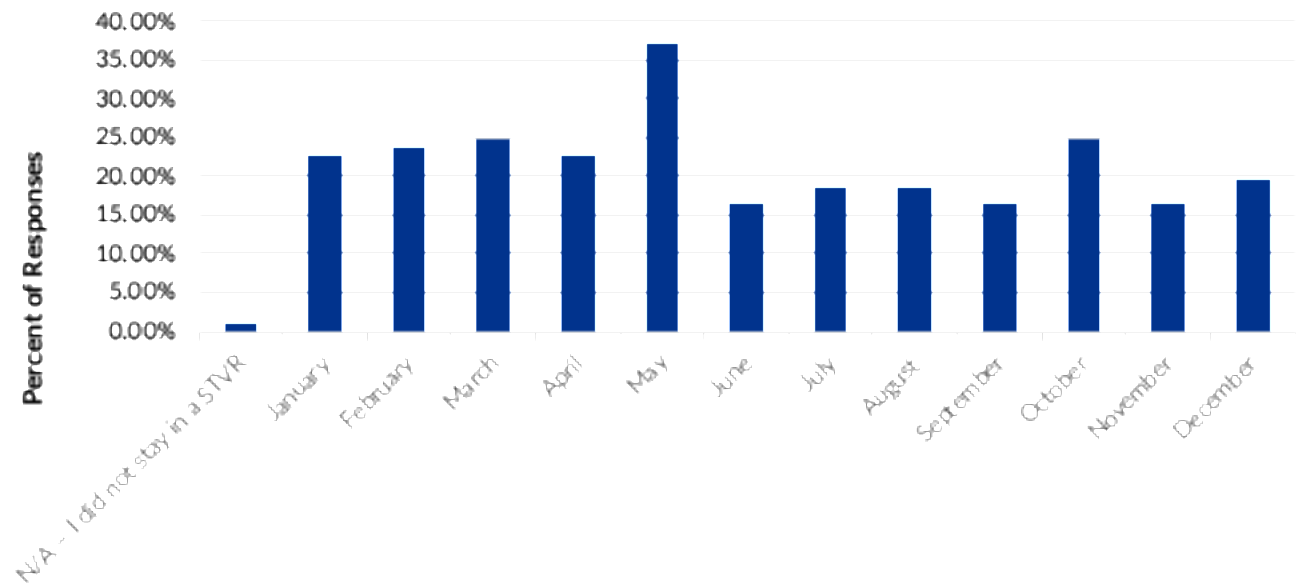
Thinking back to your most recent trip to Hawai'i, how many nights did you stay? (Check 1 box only)



12. During what months of the year have you visited Hawai'i? (Select all months that apply.)

Answer Choices	Responses	
N/A - I did not stay in a STVR	0.98%	1
January	22.55%	23
February	22.55%	23
March	26.47%	27
April	24.51%	25
May	35.29%	36
June	17.65%	18
July	18.63%	19
August	17.65%	18
September	15.69%	16
October	23.53%	24
November	16.67%	17
December	19.61%	20
Answered		102
Skipped		0

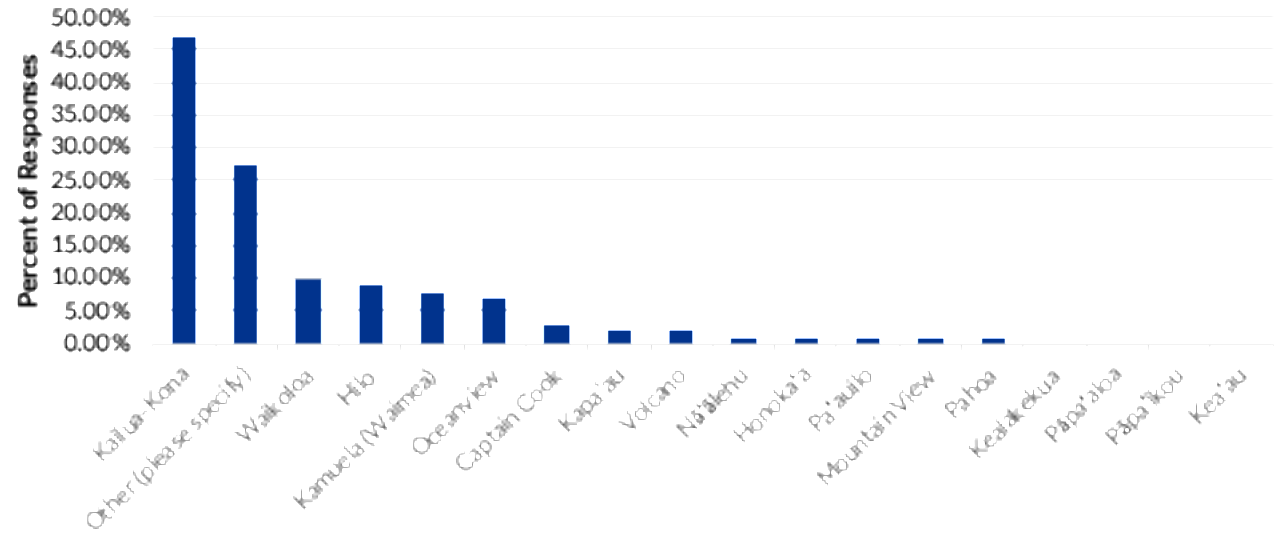
During what months of the year have you visited Hawai'i?
(Select all months that apply)



13. Thinking back to your most recent trip to Hawai'i, where did you stay? (Select all that apply.)

Answer Choices	Responses	
Kailua-Kona	47.06%	48
Other (please specify)*	27.45%	28
Waikoloa	9.80%	10
Hilo	8.82%	9
Kamuela (Waimea)	7.84%	8
Oceanview	6.86%	7
Captain Cook	2.94%	3
Kapa'au	1.96%	2
Volcano	1.96%	2
Nā'ālehu	0.98%	1
Honoka'a	0.98%	1
Pa'auilo	0.98%	1
Mountain View	0.98%	1
Pahoa	0.98%	1
Kealahou	0.00%	0
Pāpa'aloa	0.00%	0
Pāpa'ikou	0.00%	0
Kea'au	0.00%	0
Answered		102
Skipped		0

Thinking back to your most recent trip to Hawai'i, where did you stay? (Select all that apply)

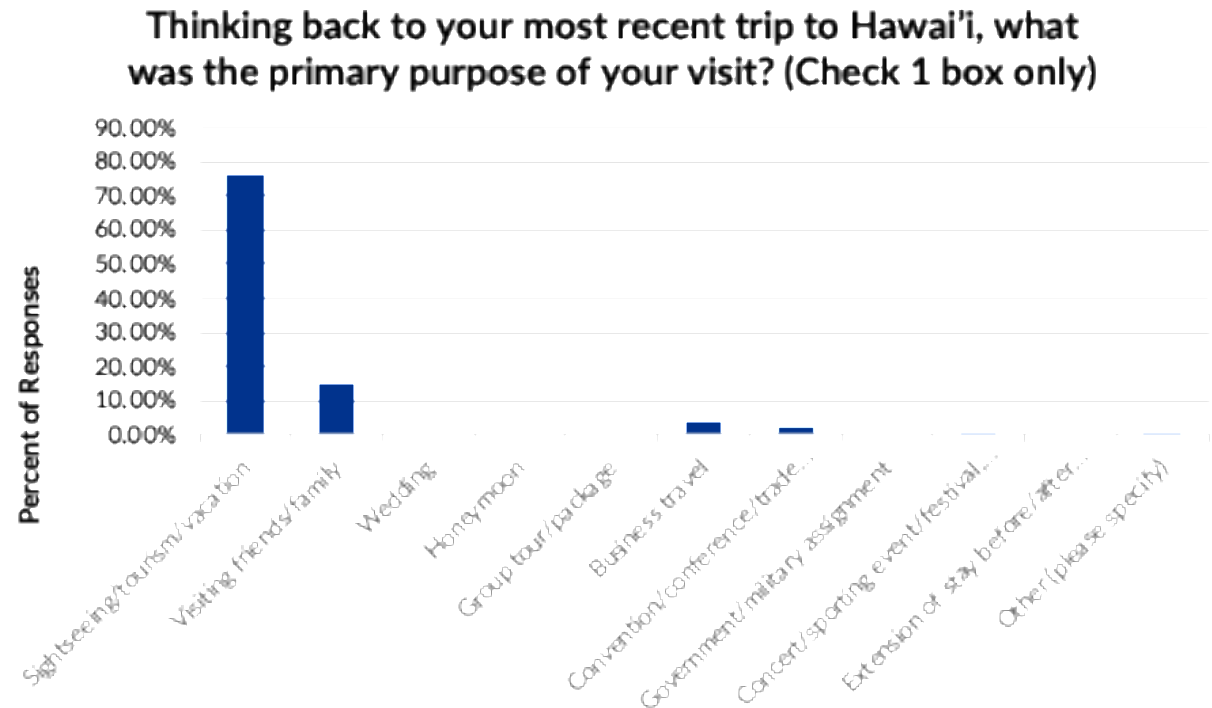


*Other include the following:

- Maui is the most frequently mentioned island, with specific areas like Lahaina, Kaanapali, and Kihei cited multiple times.
- O'ahu is also commonly referenced, particularly locations like Honolulu, Waikiki, Kapolei, Ko Olina, and Kunia.
- Kaua'i appears several times, especially Po'ipū, Princeville, and Līhu'e.
- A few respondents mention Hawai'i Island locations like Pāhala, Hōlualoa, and Mauna Lani.

14. Thinking back to your most recent trip to Hawai'i, what was the primary purpose of your visit? (Check 1 box only.)

Answer Choices	Responses	
Sightseeing/tourism/vacation	75.49%	77
Visiting friends/family	15.69%	16
Wedding	0.00%	0
Honeymoon	0.00%	0
Group tour/package	0.00%	0
Business travel	3.92%	4
Convention/conference/trade show, etc.	1.96%	2
Government/military assignment	0.00%	0
Concert/sporting event/festival, etc.	0.98%	1
Extension of stay before/after business purpose	0.00%	0
Other (please specify)	1.96%	2
Answered		102
Skipped		0



*Other include the following:

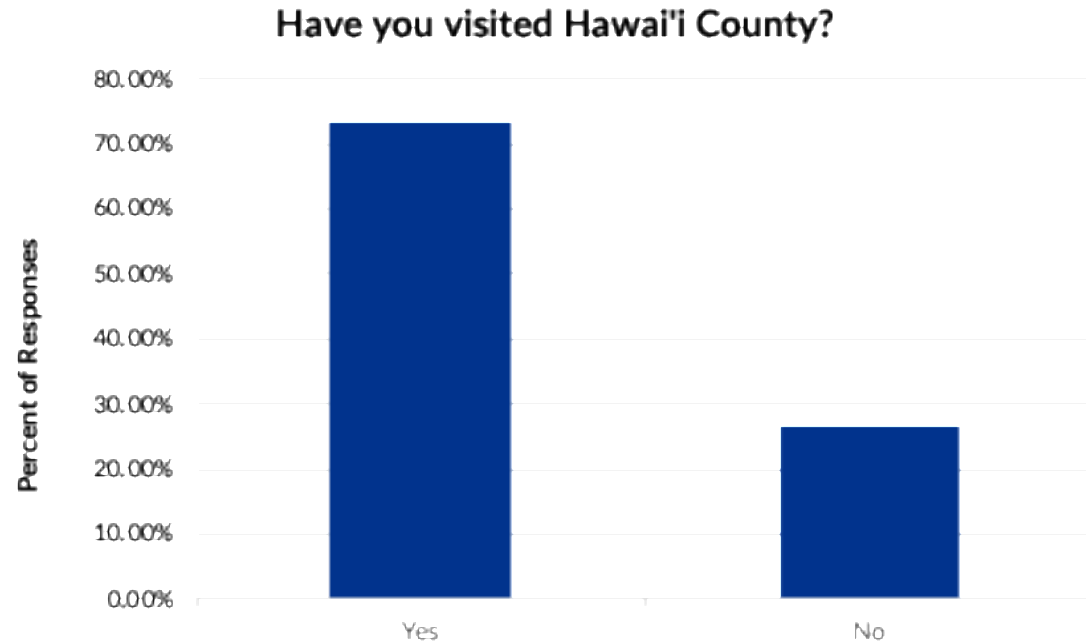
- "Creative writing"
- "Sales club"

15. During your most recent visit to Hawai'i, what was the average rate you paid per night for the short-term vacation rental in which you stayed? Please include any cleaning and booking fees, etc., in the figure. (Please list rate in \$US – if N/A please put 0.)

Average Response: **\$204.28**

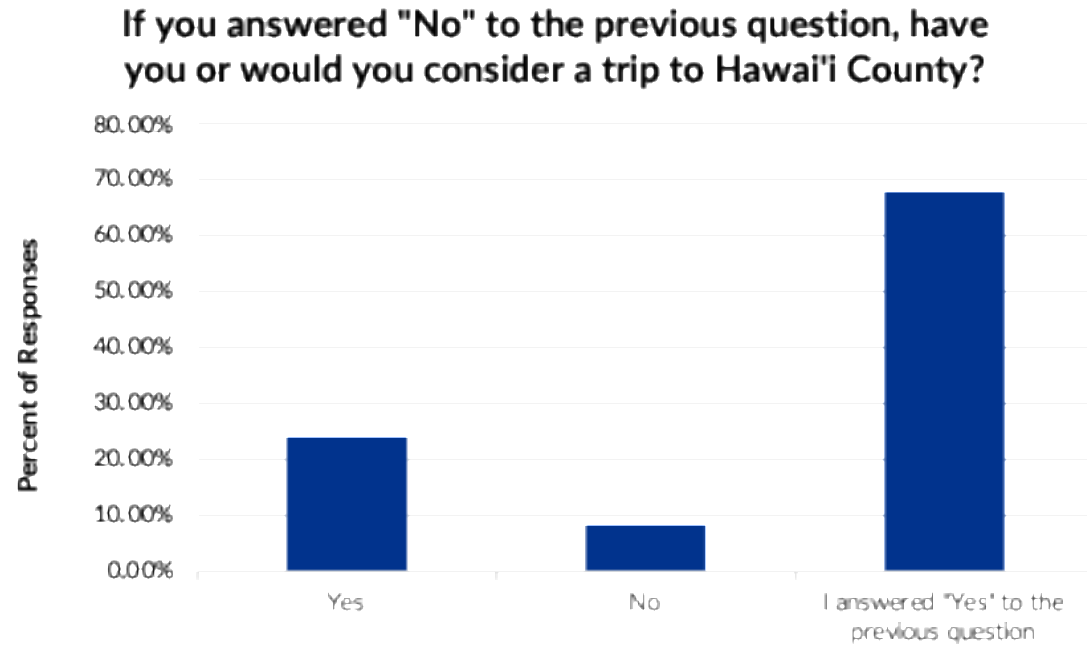
16. Have you visited Hawai'i County?

Answer Choices	Responses	
Yes	74.51%	76
No	25.49%	26
Answered	102	
Skipped	0	



17. If you answered "No" to the previous question, have you or would you consider a trip to Hawai'i County?

Answer Choices	Responses	
Yes	22.55%	23
No	7.84%	8
I answered "Yes" to the previous question	69.61%	71
Answered		102
Skipped		0



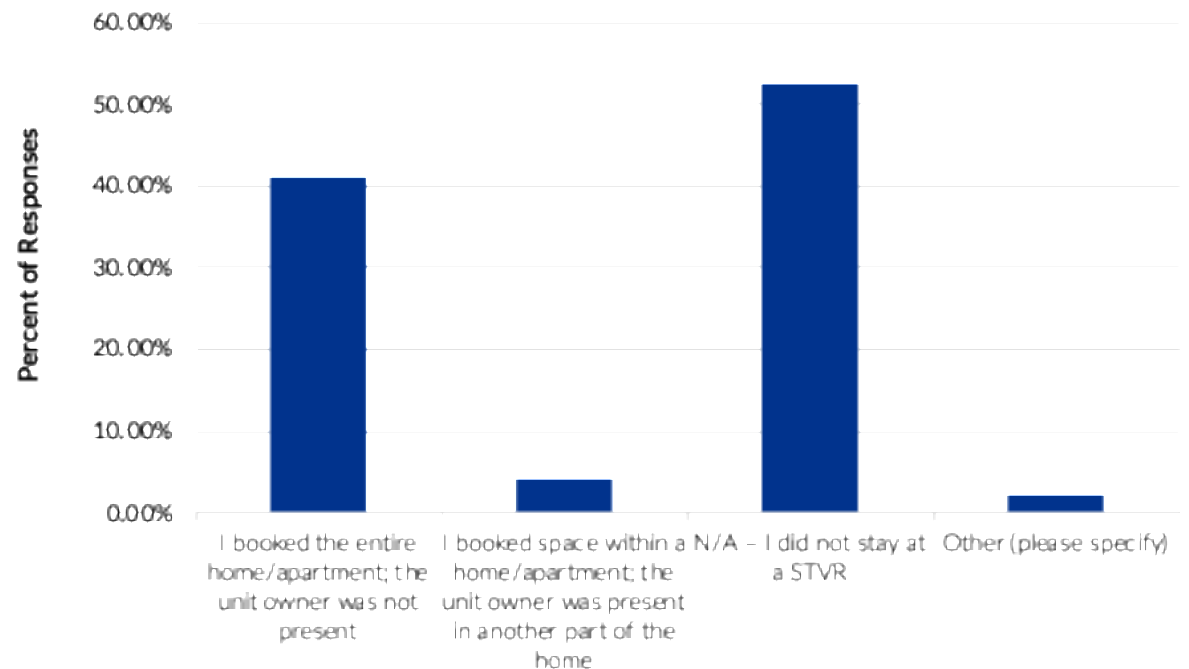
18. Thinking back to your most recent trip to Hawai'i when you stayed at a short-term vacation rental, select the situation which best describes the short-term vacation rental category: (Check 1 box only.)

Answer Choices	Responses	
I booked the entire home/apartment; the unit owner was not present	41.18%	42
I booked space within a home/apartment; the unit owner was present in another part of the home	3.92%	4
N/A – I did not stay at an STVR	52.94%	54
Other (please specify)*	1.96%	2
Answered	102	
Skipped	0	

*Other include the following:

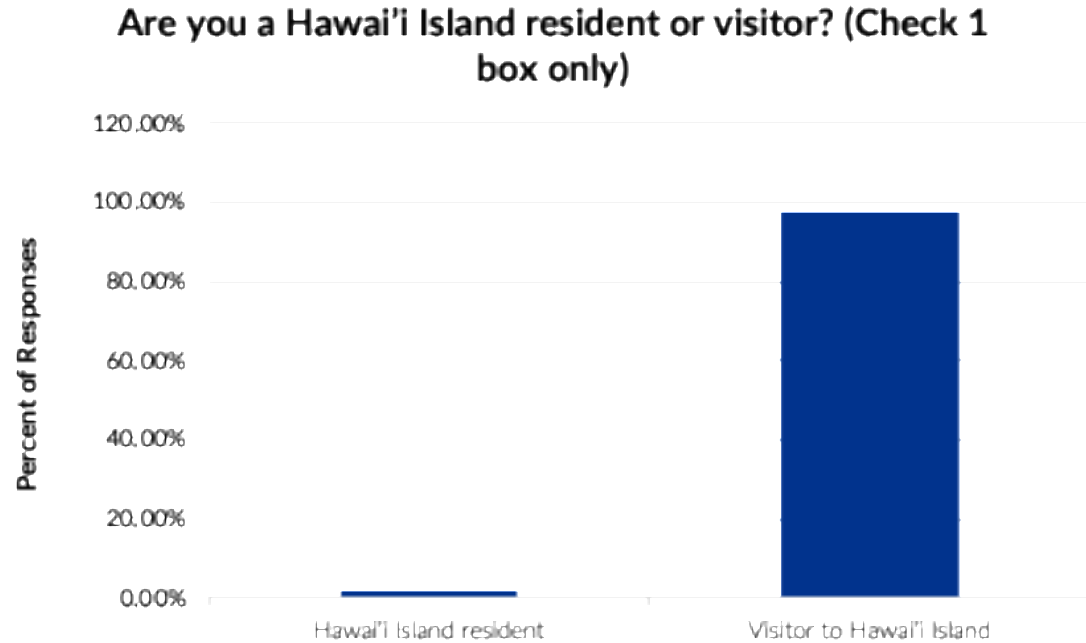
- "I rented to Mauna Lani for the last 20 years"
- "I booked a tiny home on the property of the owner. He occupied the house."

Thinking back to your most recent trip to Hawai'i when you stayed at a short-term vacation rental, select the situation which best describes the short-term vacation rental category: (Check 1 box only)



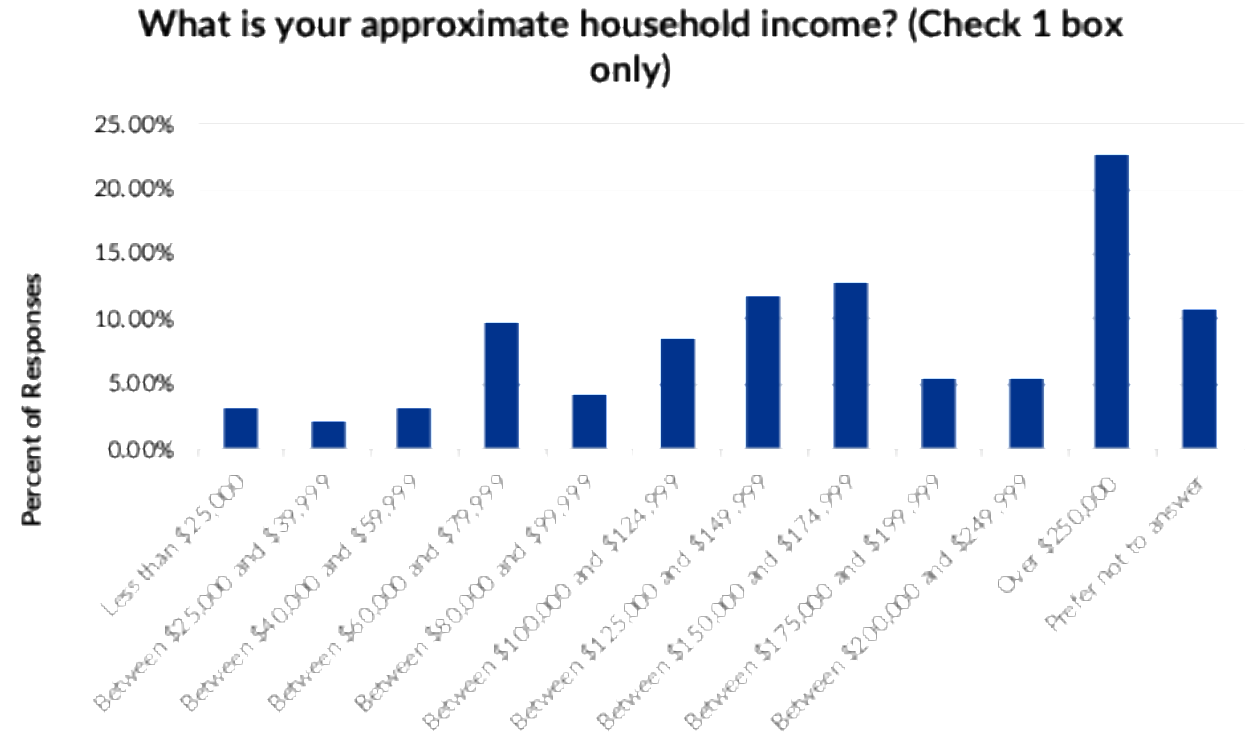
19. Are you a Hawai'i Island resident or visitor? (Check 1 box only.)

Answer Choices	Responses	
Hawai'i Island resident	2.04%	2
Visitor to Hawai'i Island	97.96%	96
Answered	98	
Skipped	4	



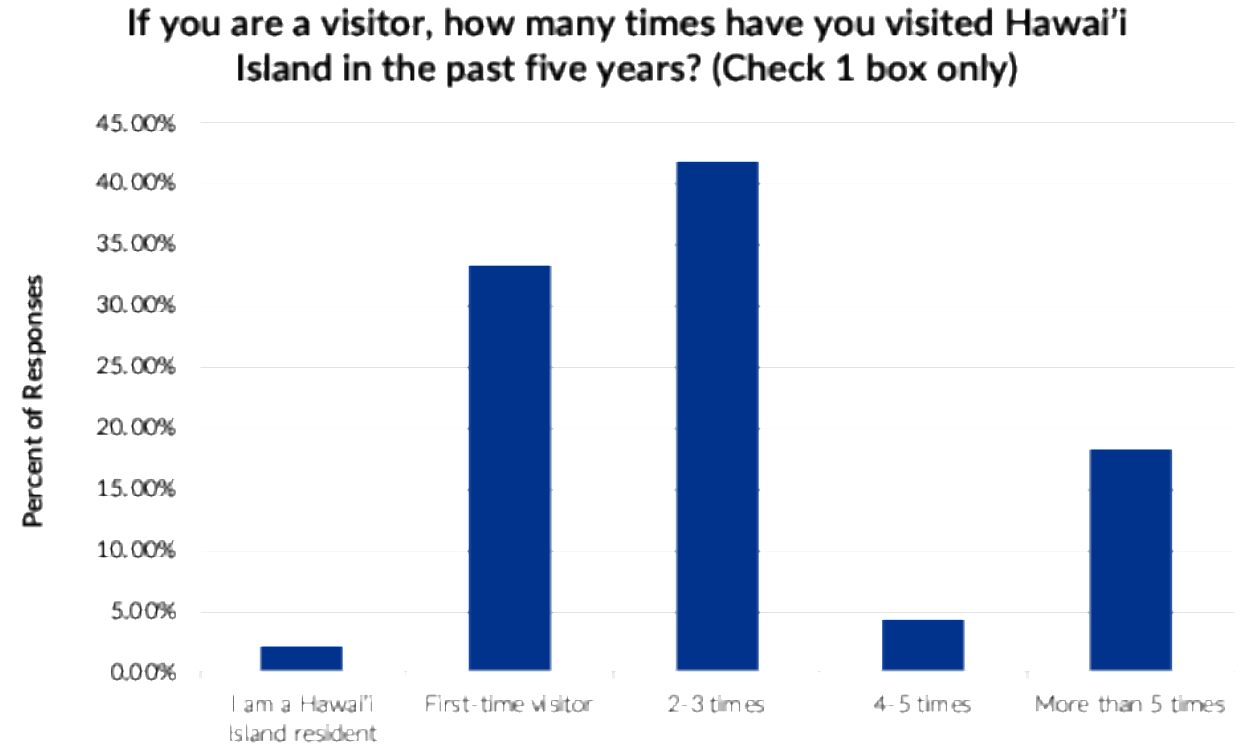
20. What is your approximate household income? (Check 1 box only.)

Answer Choices	Responses	
Less than \$25,000	3.06%	3
Between \$25,000 and \$39,999	2.04%	2
Between \$40,000 and \$59,999	3.06%	3
Between \$60,000 and \$79,999	9.18%	9
Between \$80,000 and \$99,999	4.08%	4
Between \$100,000 and \$124,999	9.18%	9
Between \$125,000 and \$149,999	12.24%	12
Between \$150,000 and \$174,999	12.24%	12
Between \$175,000 and \$199,999	5.10%	5
Between \$200,000 and \$249,999	6.12%	6
Over \$250,000	23.47%	23
Prefer not to answer	10.20%	10
Answered		98
Skipped		4



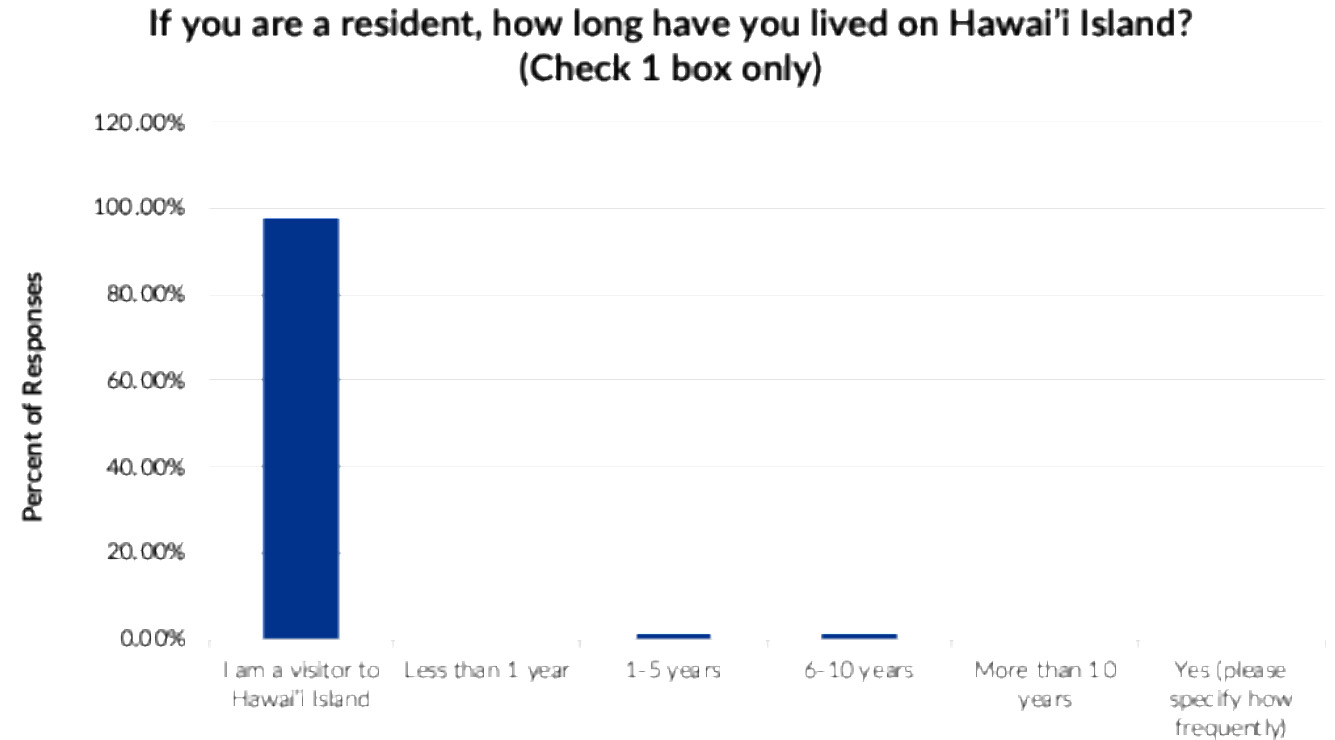
21. If you are a visitor, how many times have you visited Hawai'i Island in the past five years? (Check 1 box only.)

Answer Choices	Responses	
I am a Hawai'i Island resident	2.04%	2
First-time visitor	34.69%	34
2-3 times	41.84%	41
4-5 times	4.08%	4
More than 5 times	17.35%	17
Answered	98	
Skipped	4	



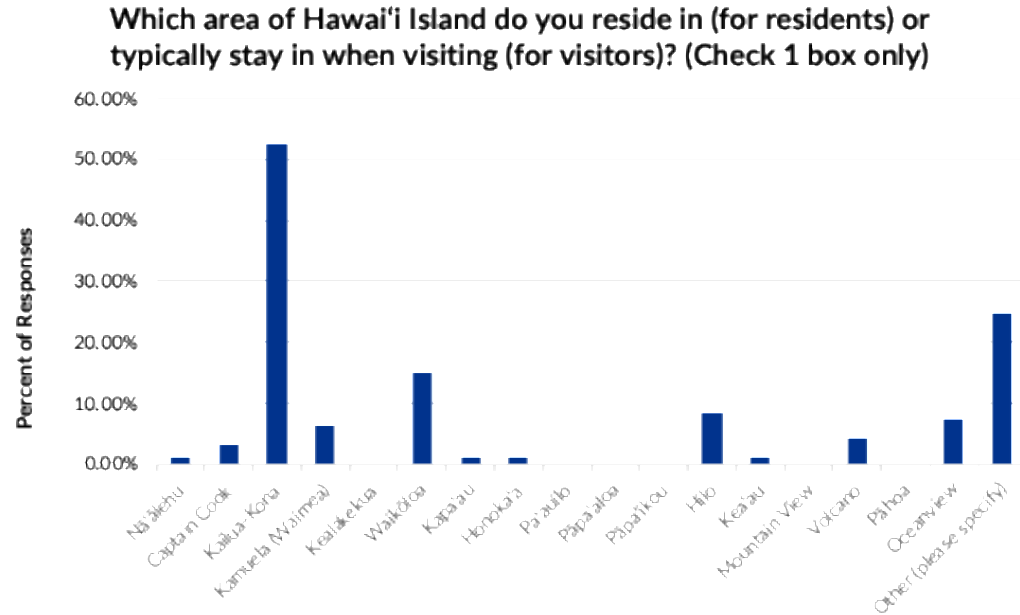
22. If you are a resident, how long have you lived on Hawai'i Island? (Check 1 box only)

Answer Choices	Responses	
I am a visitor to Hawai'i Island	97.96%	96
Less than 1 year	0.00%	0
1-5 years	1.02%	1
6-10 years	1.02%	1
More than 10 years	0.00%	0
Yes (please specify how frequently)	0.00%	0
Answered	98	
Skipped	4	



23. Which area of Hawai'i Island do you reside in (for residents) or typically stay in when visiting (for visitors)? (Check 1 box only.)

Answer Choices	Responses	Count
Nā'ālehu	1.02%	1
Captain Cook	3.06%	3
Kailua-Kona	51.02%	50
Kamuela (Waimea)	7.14%	7
Kealahou	0.00%	0
Waikōloa	16.33%	16
Kapa'au	1.02%	1
Honoka'a	1.02%	1
Pa'auilo	0.00%	0
Pāpa'aloa	0.00%	0
Pāpa'īkou	0.00%	0
Hilo	8.16%	8
Kea'au	1.02%	1
Mountain View	0.00%	0
Volcano	4.08%	4
Pāhoa	1.02%	1
Oceanview	7.14%	7
Other (please specify)*	23.47%	23
Answered		93
Skipped		4



*Other include the following:

- Maui is frequently mentioned, including specific areas like Kā'anapali, Kīhei, and Westin properties.
- O'ahu is also common, with mentions of Honolulu, Waikīkī, Hawai'i Kai, Ko Olina, and Kunia.
- Kaua'i appears several times, especially Po'ipū and Kōloa.
- A few mentioned the Big Island, with Mauna Lani and Hōlualoa cited.

hunden
partners

213 W. Institute Place, Suite 707
Chicago, IL 60610

312.643.2500 | hunden.com