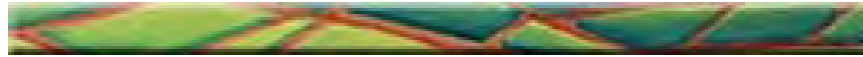


MARKET SEGMENT ASSESSMENT



TRANSIENT VACATION RENTALS IN HAWAII

**A COMPARATIVE ANALYSIS OF THE
GEOGRAPHIC AND ECONOMIC FOOTPRINT**

**BASED ON
A NEIGHBORHOOD-LEVEL COUNT
OF VACATION HOMES AND B&Bs
PROMOTED ON THE INTERNET,
WITH BENCHMARK INDICATORS
OF NEIGHBORHOOD HOUSING**

OCTOBER 2005



TVR DATA SOURCES

- **TVR UNITS:** (The Kauaian Institute, Internet search)
- **TVR PATRONS:** (DBEDT, inbound visitor survey respondents)
- **SEASONAL UNITS:** (CENSUS 2000, subcategory of vacant units)
- **VISITOR ACCOMMODATIONS:** (DBEDT, Visitor Plant Inventory)

TVR RESEARCH METHODOLOGY

- **SEARCH INTERNET LISTINGS**
- **MERGE & PURGE RECORDS**
- **SORT BY SIZE & TOWN**
- **CROSS-CHECK FOR DUPLICATES**

TVR UNIT DEFINITIONS

- **B&B = BEDROOMS**
- **HOME = SINGLE-FAMILY STRUCTURE**
- **PROPERTY = 1+ UNITS ON PARCEL**

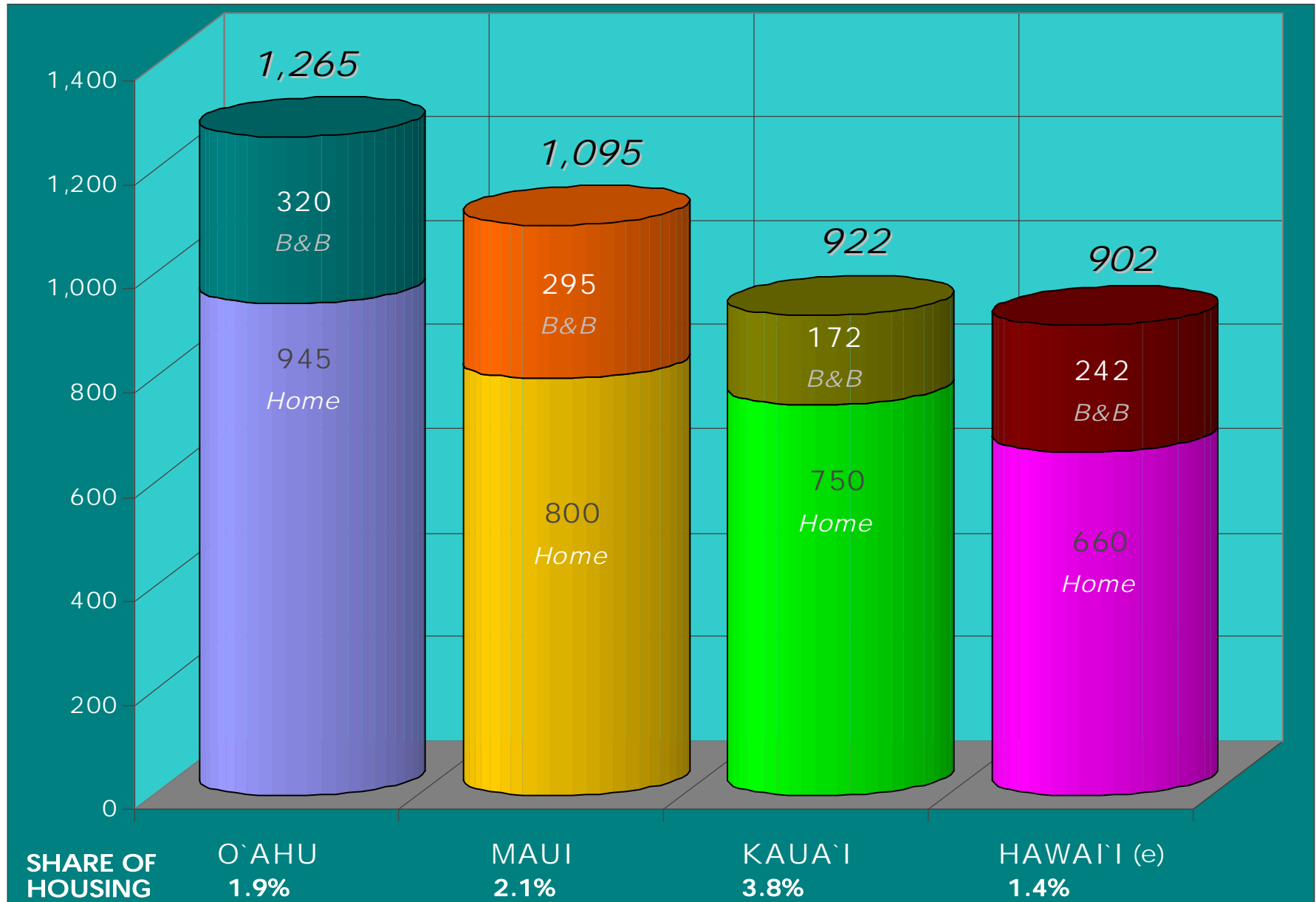
EVIDENCE OF TVR SCALE & SCOPE

- ~4,200 UNITS STATEWIDE
- WIDE VARIATION IN MARKET PENETRATION
- MODEST SHARE OF 2ND HOME BOOM
- FEW LOCATIONS IN TROUBLE, YET...
- CONTINUING RAPID GROWTH LIKELY

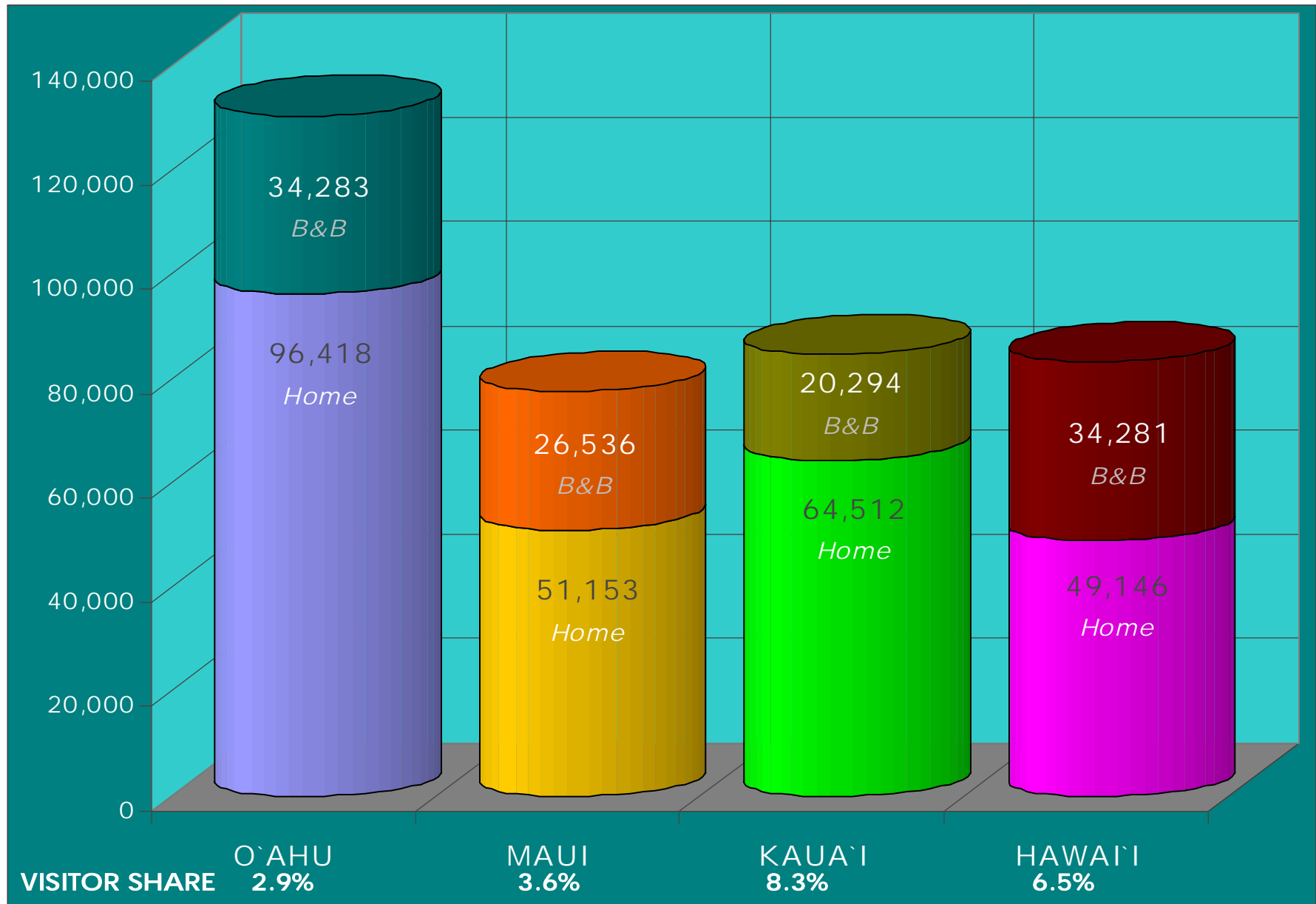
TVR POLICY IMPLICATIONS

- **SMALL ENOUGH TO GET IT RIGHT**
- **BIG ENOUGH TO INTEGRATE WITH VISITOR STRATEGY**
- **VARIED ENOUGH TO RESOLVE BY COMMUNITIES**

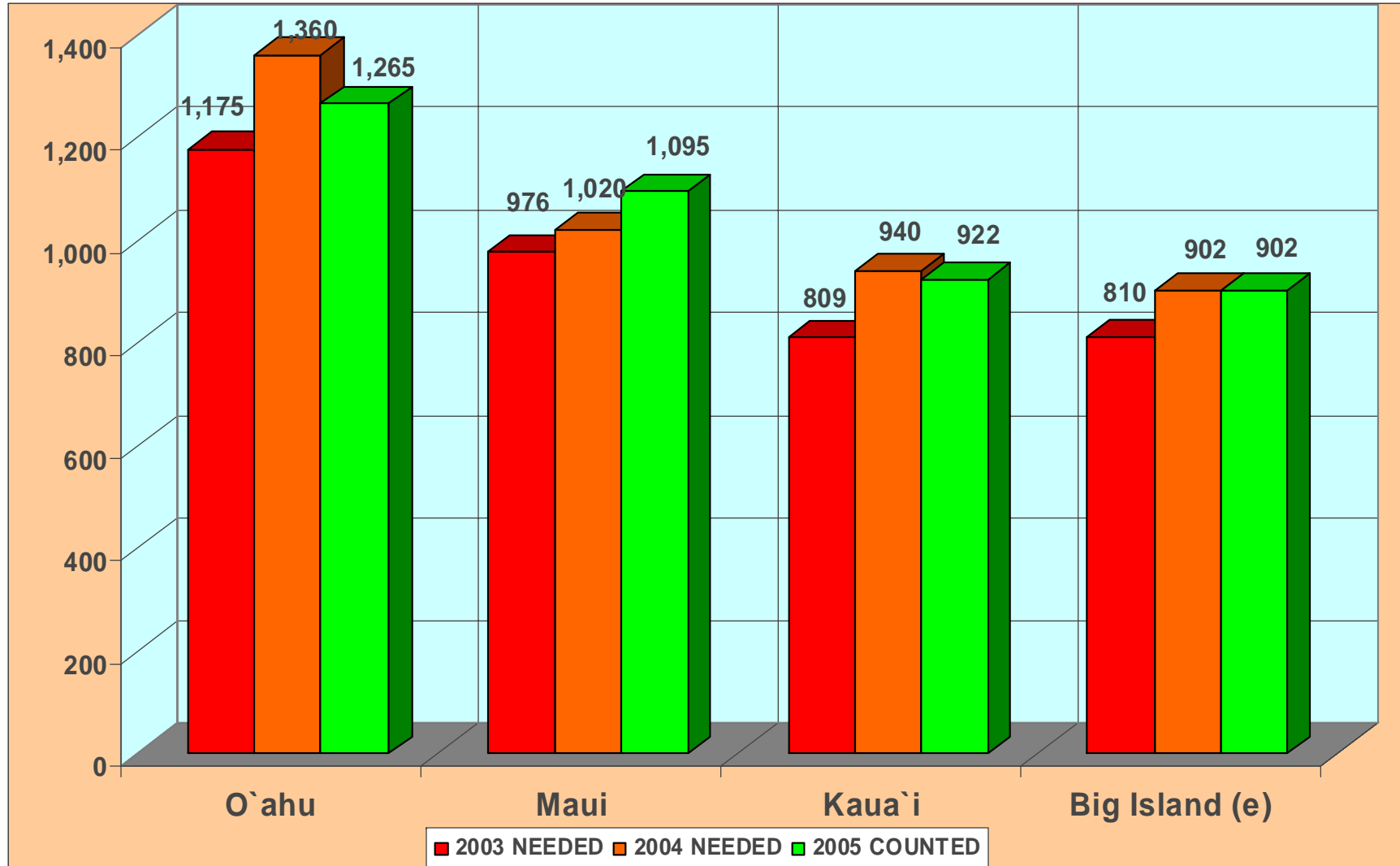
TVR UNITS BY ISLAND & SEGMENT, 2004



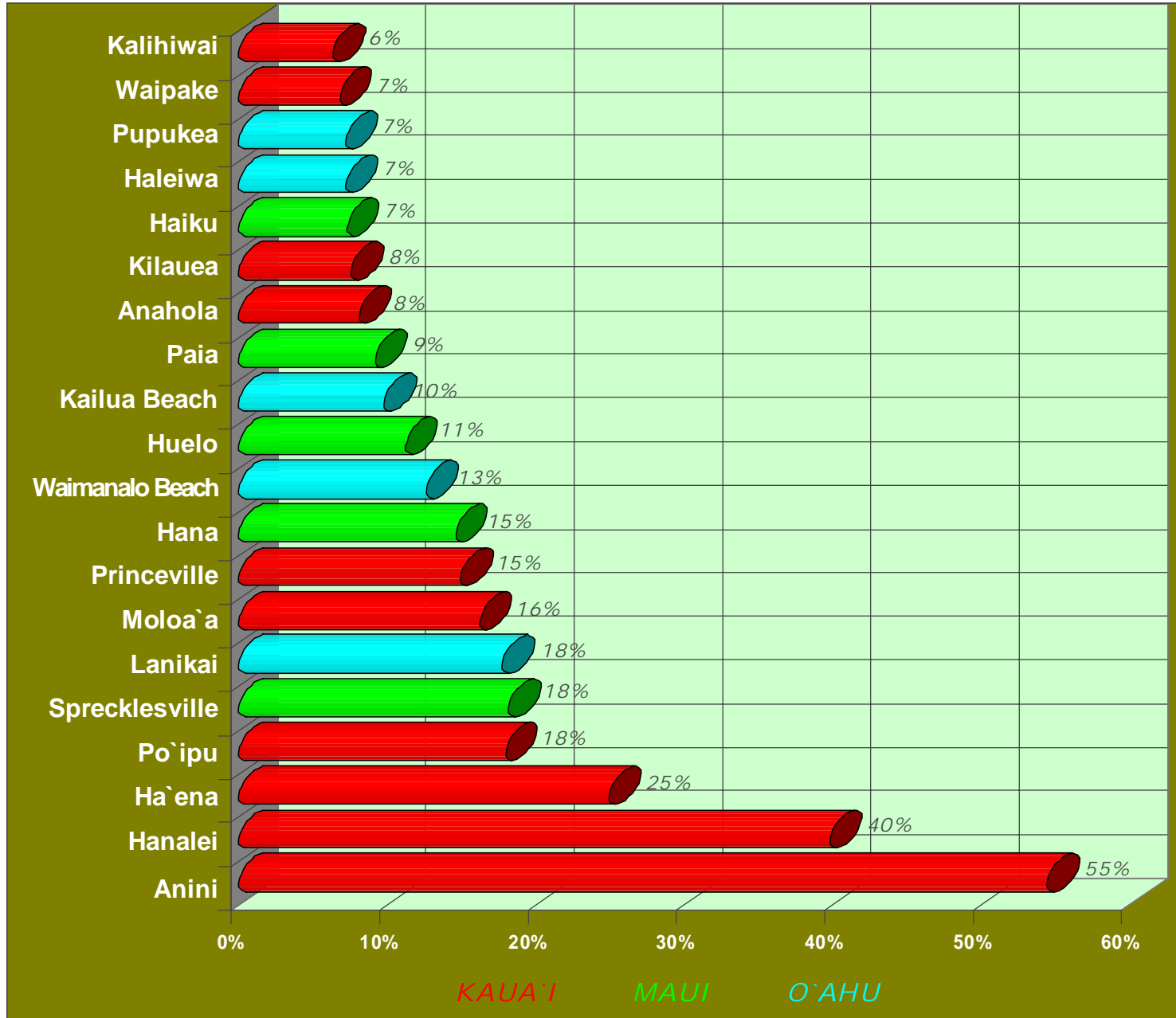
TVR PATRONS BY ISLAND & SEGMENT, 2004



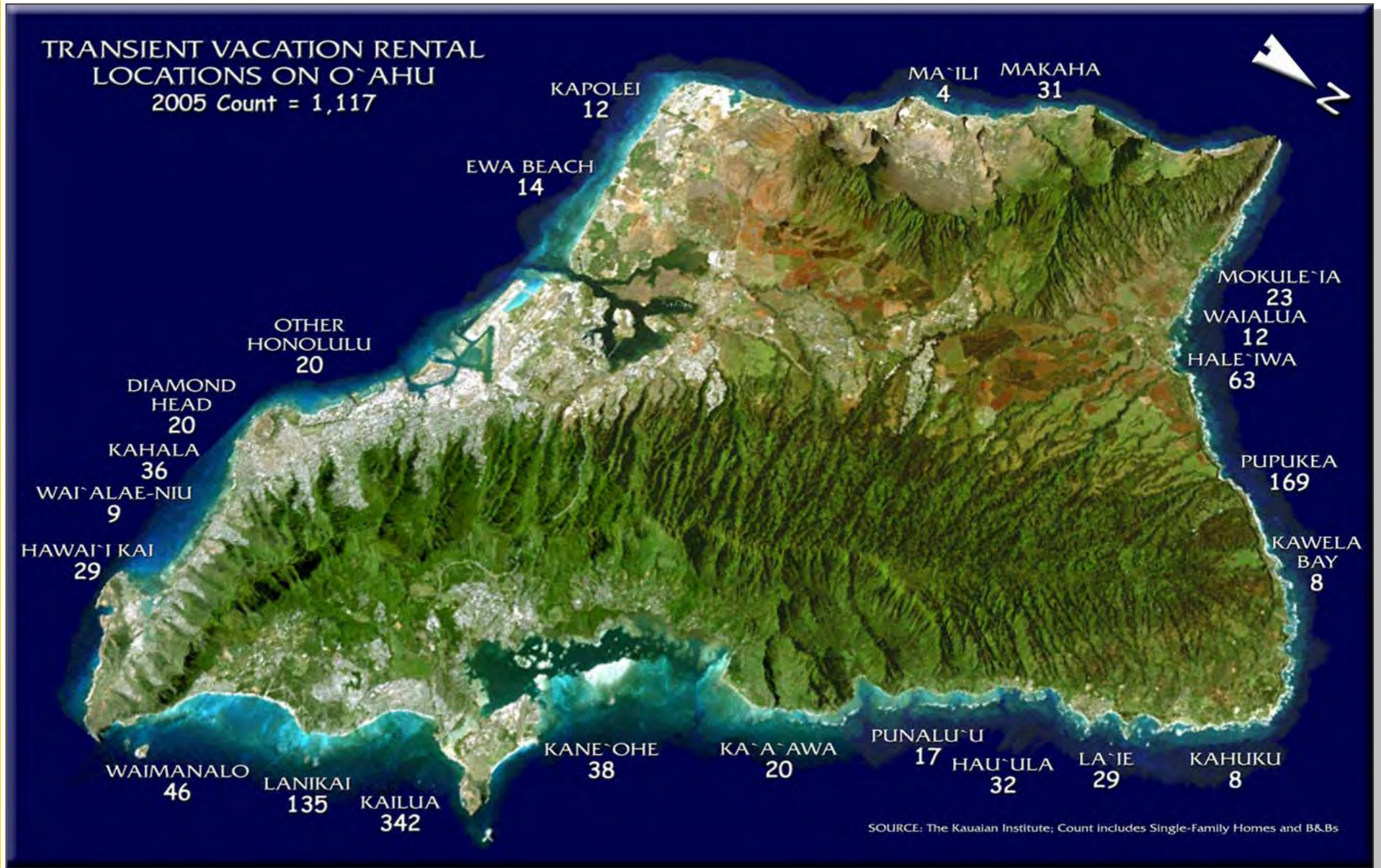
COMPARING TVR UNITS NEEDED VS COUNTED



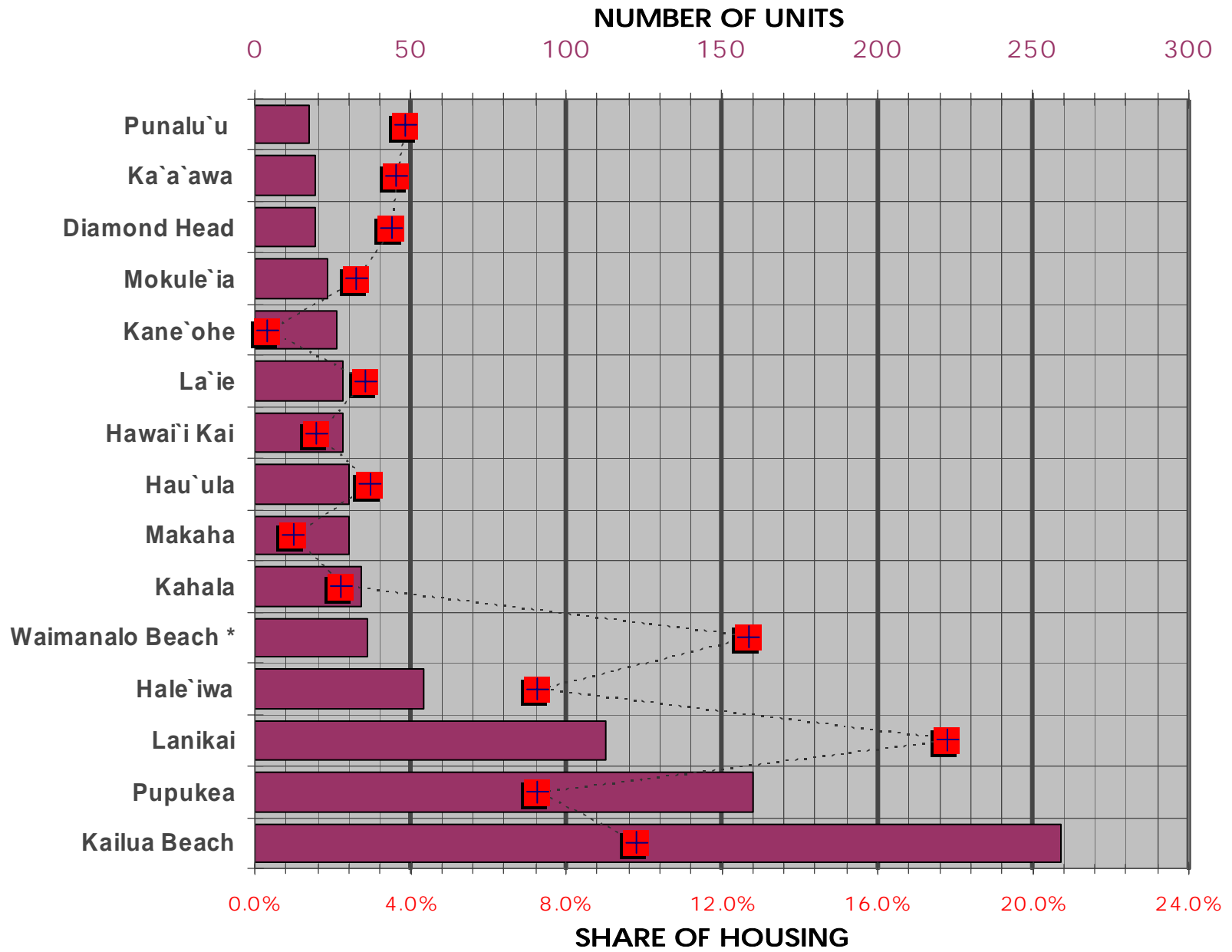
TVR SHARE OF HOUSING: TOP 20 TOWNS



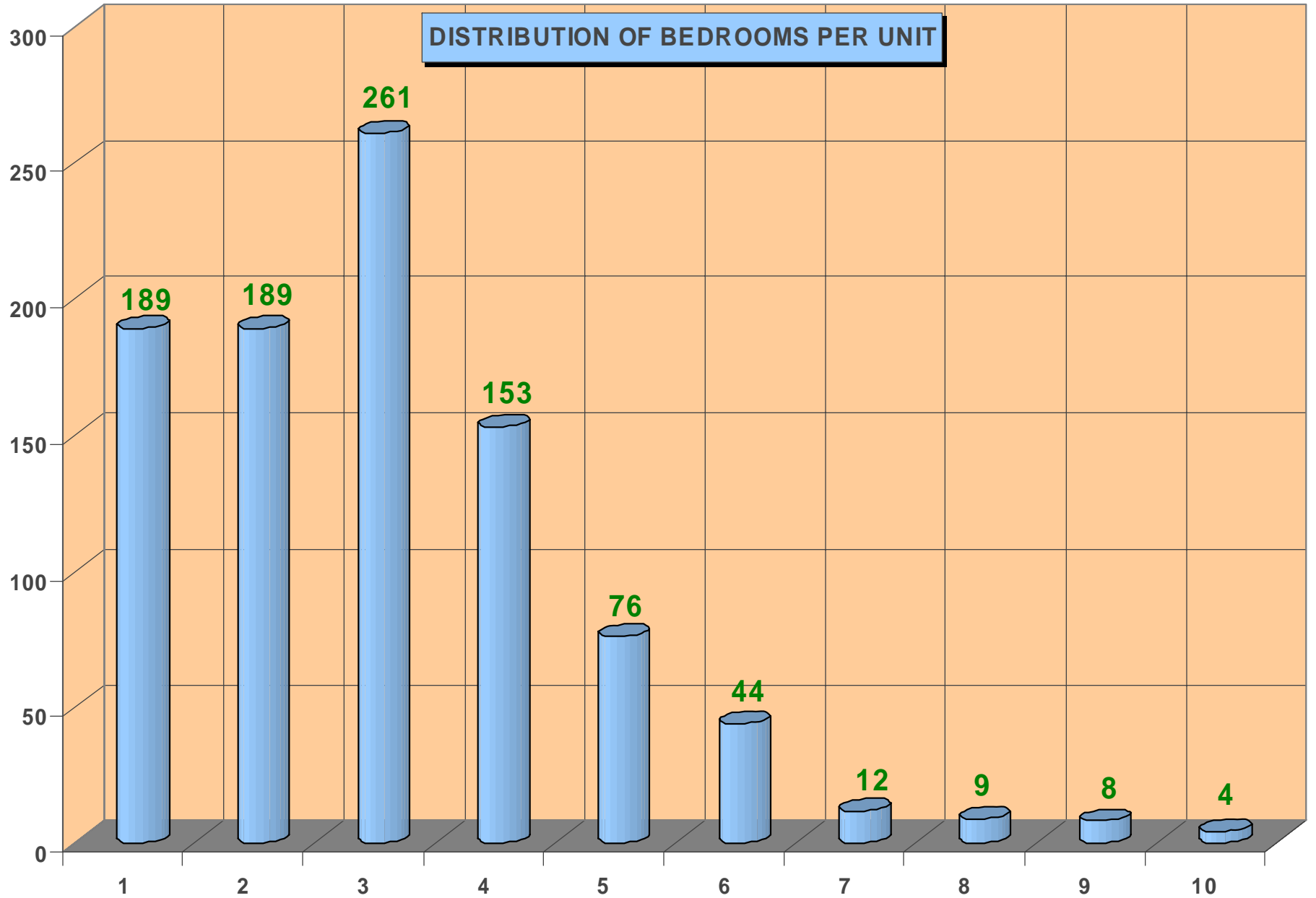
O`AHU: TVR LOCATIONS



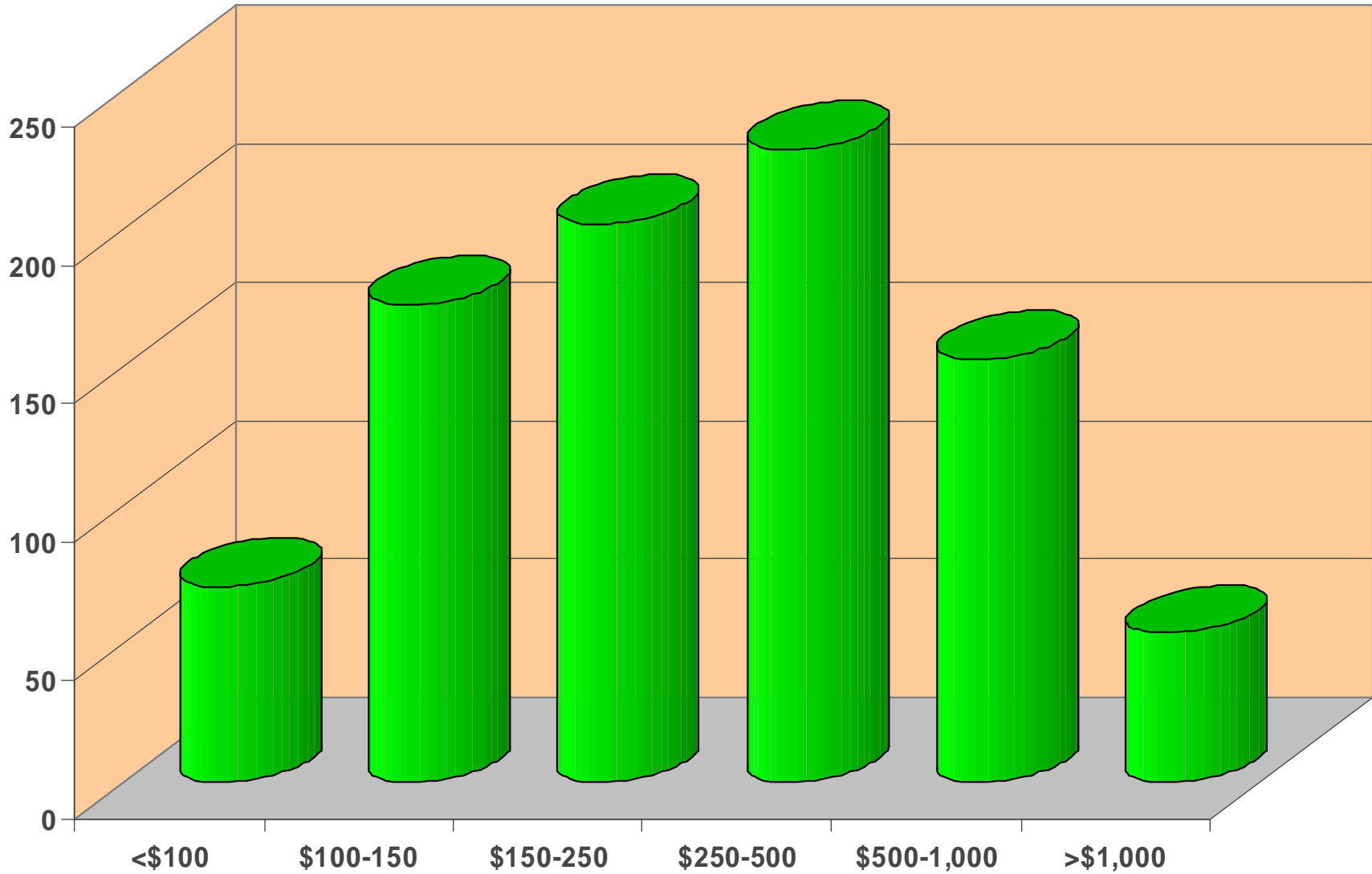
O`AHU: TOP 15 TVR LOCATIONS



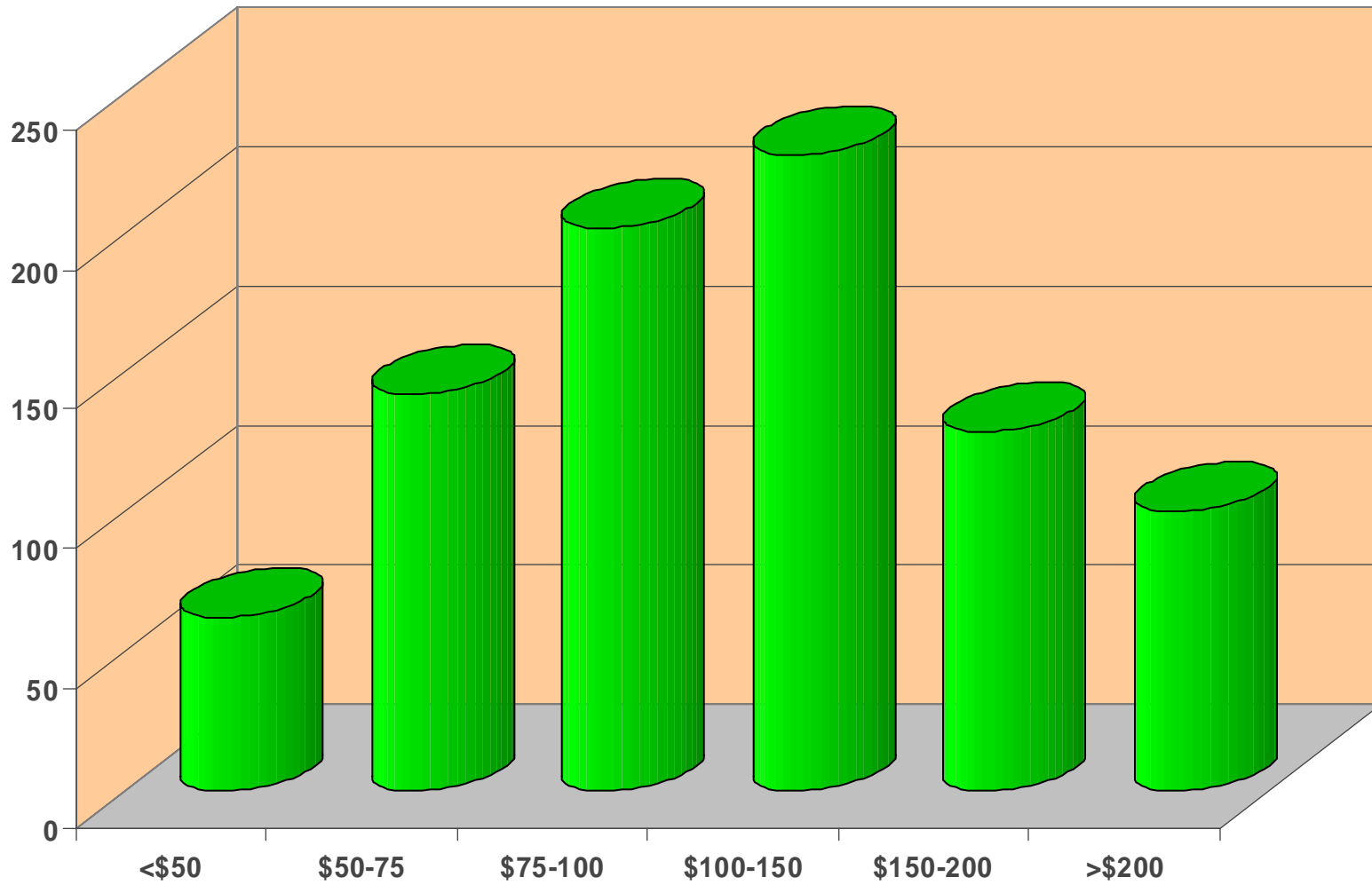
O`AHU: VACATION HOMES BY SIZE



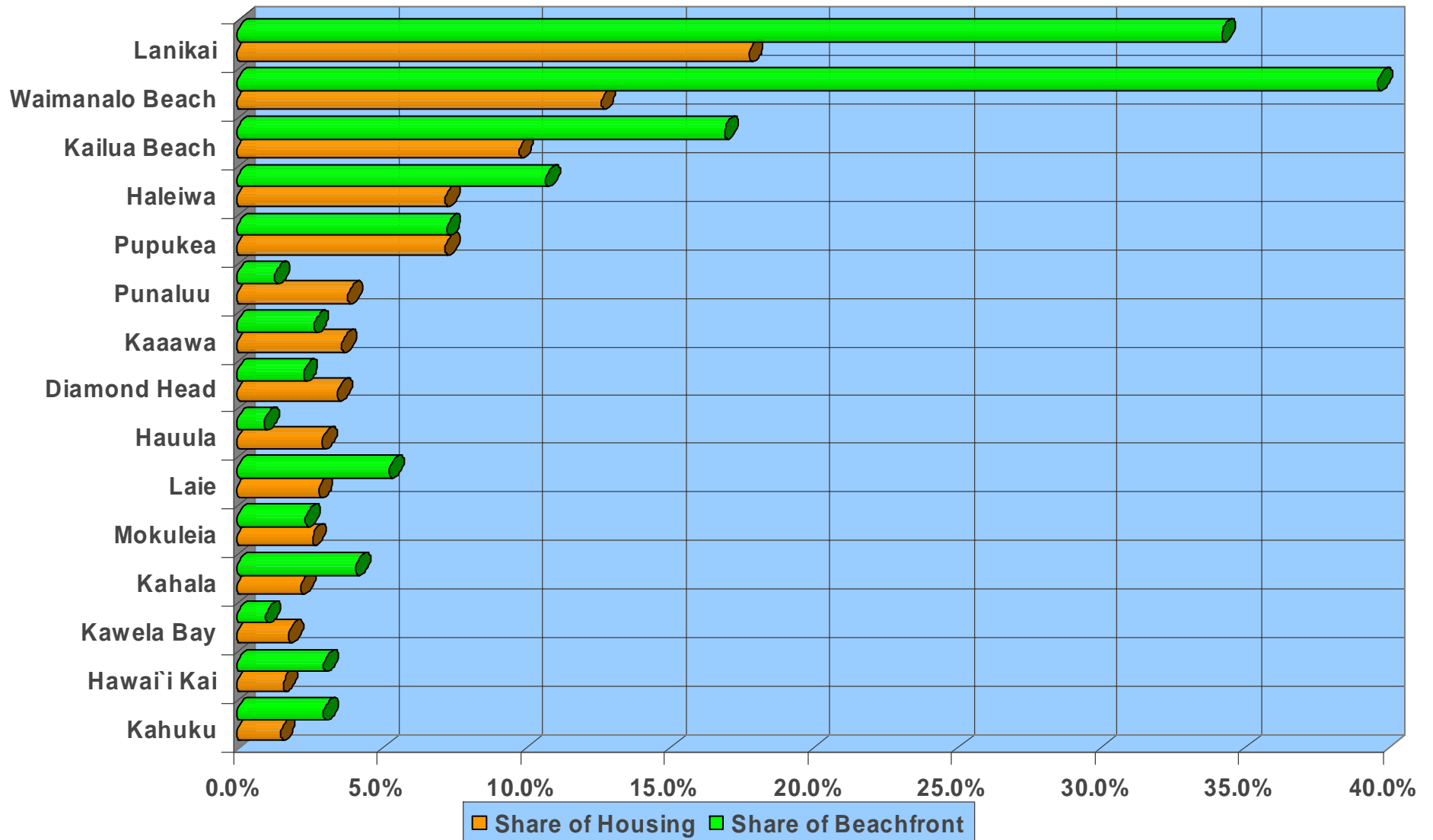
O`AHU: VACATION HOME RATES PER NIGHT



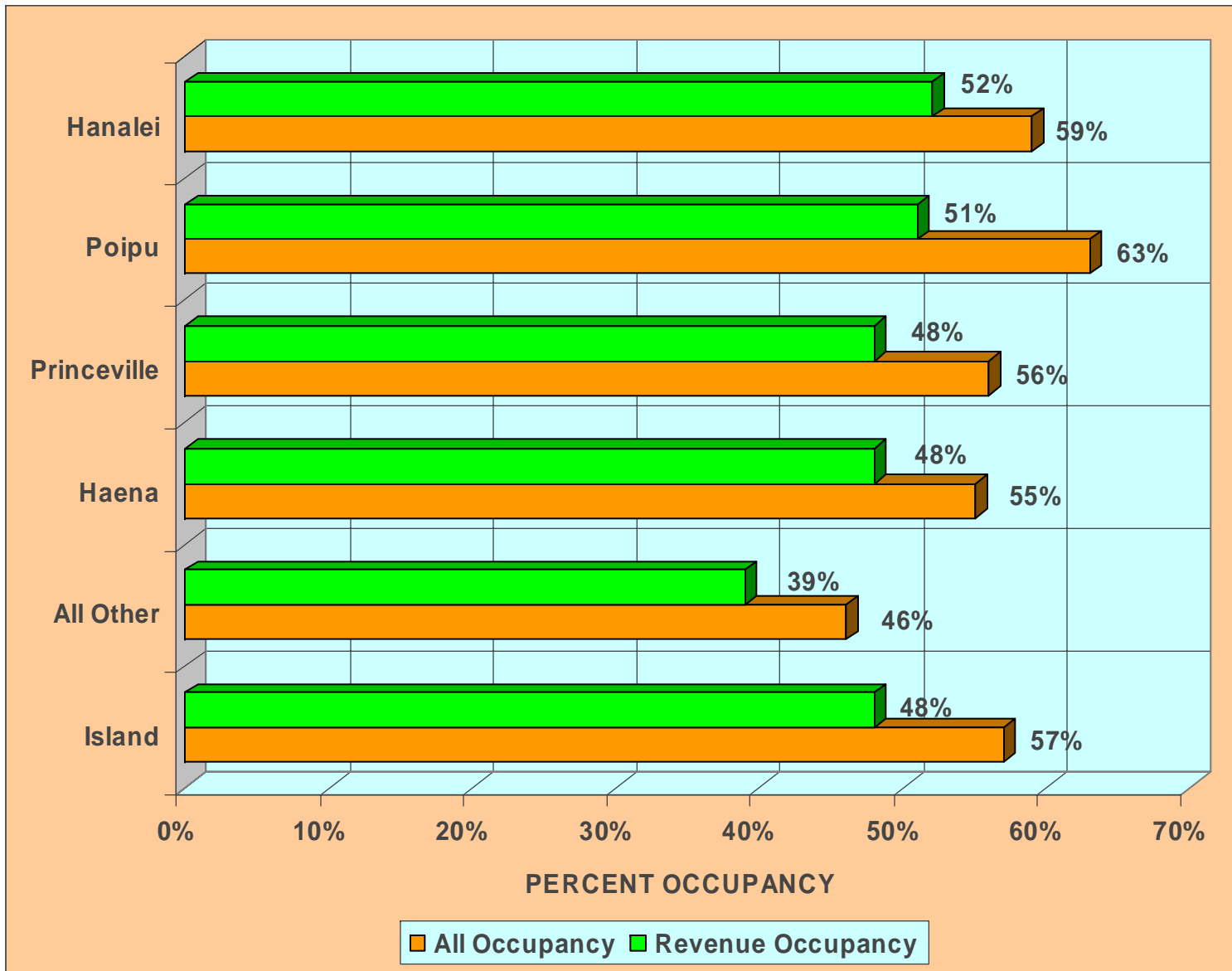
O`AHU: VACATION HOME RATES PER NIGHT PER BEDROOM



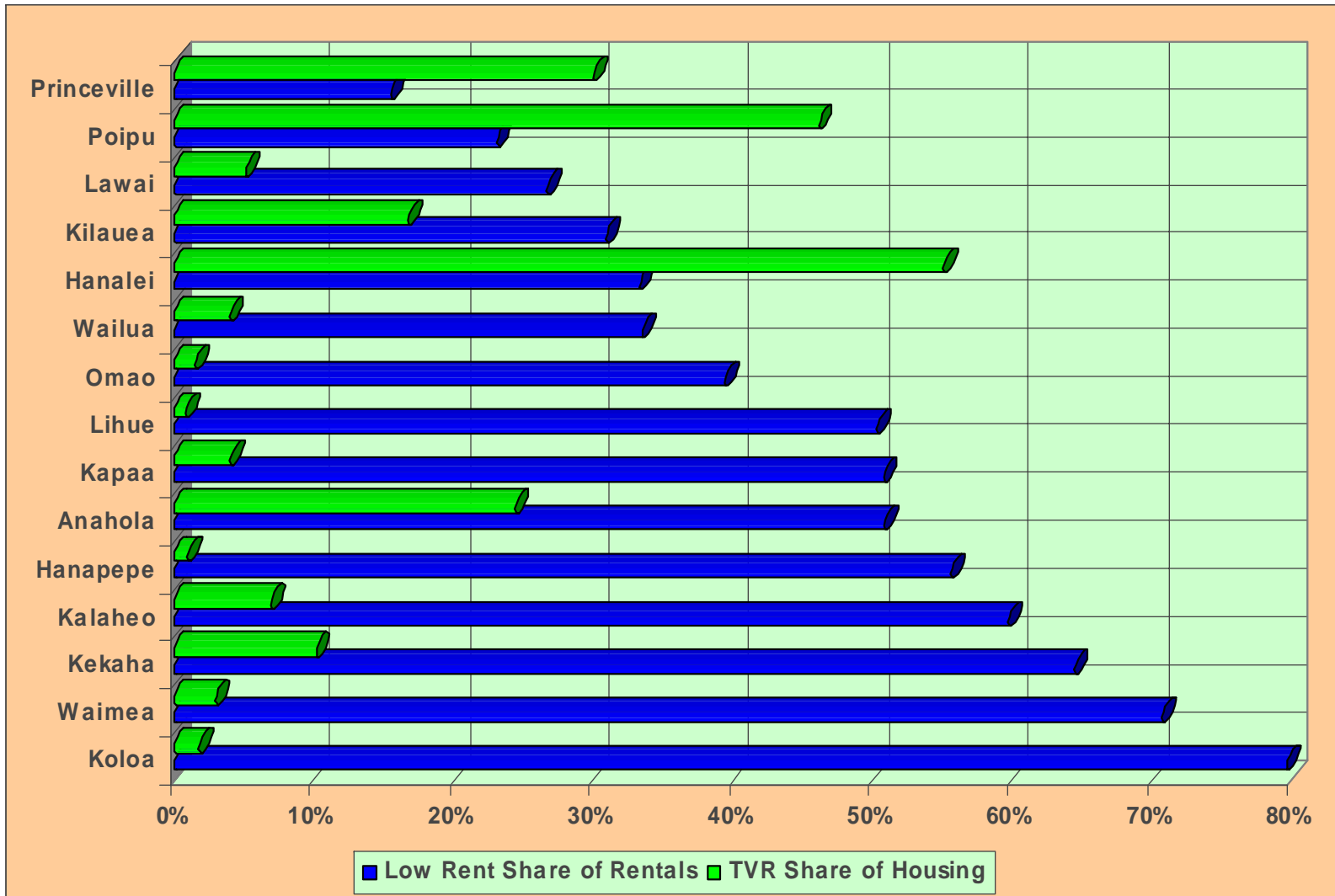
O`AHU: TVR SHARE OF HOUSING & BEACHFRONT



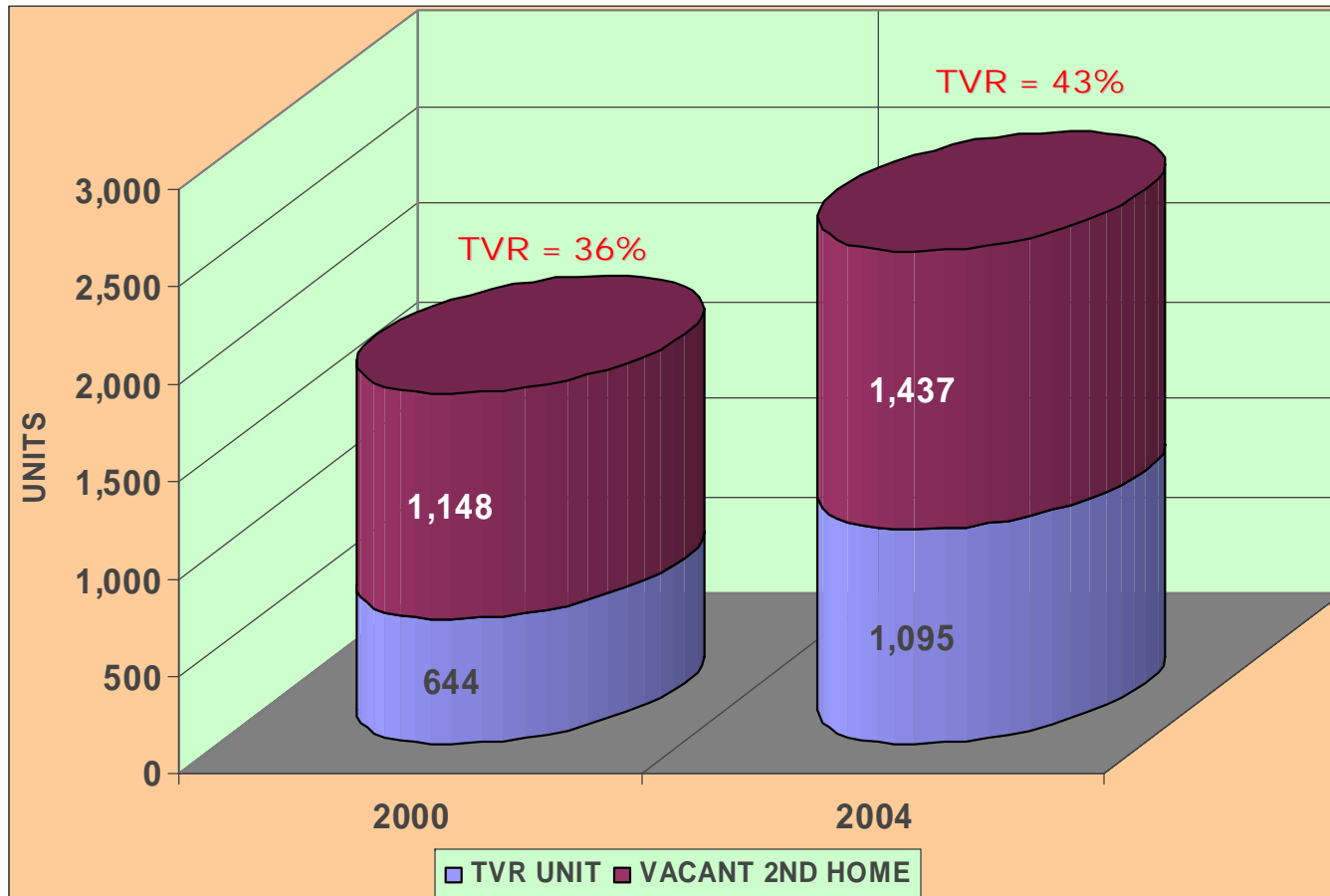
KAUA`I: TVR OCCUPANCY RATES, 2004



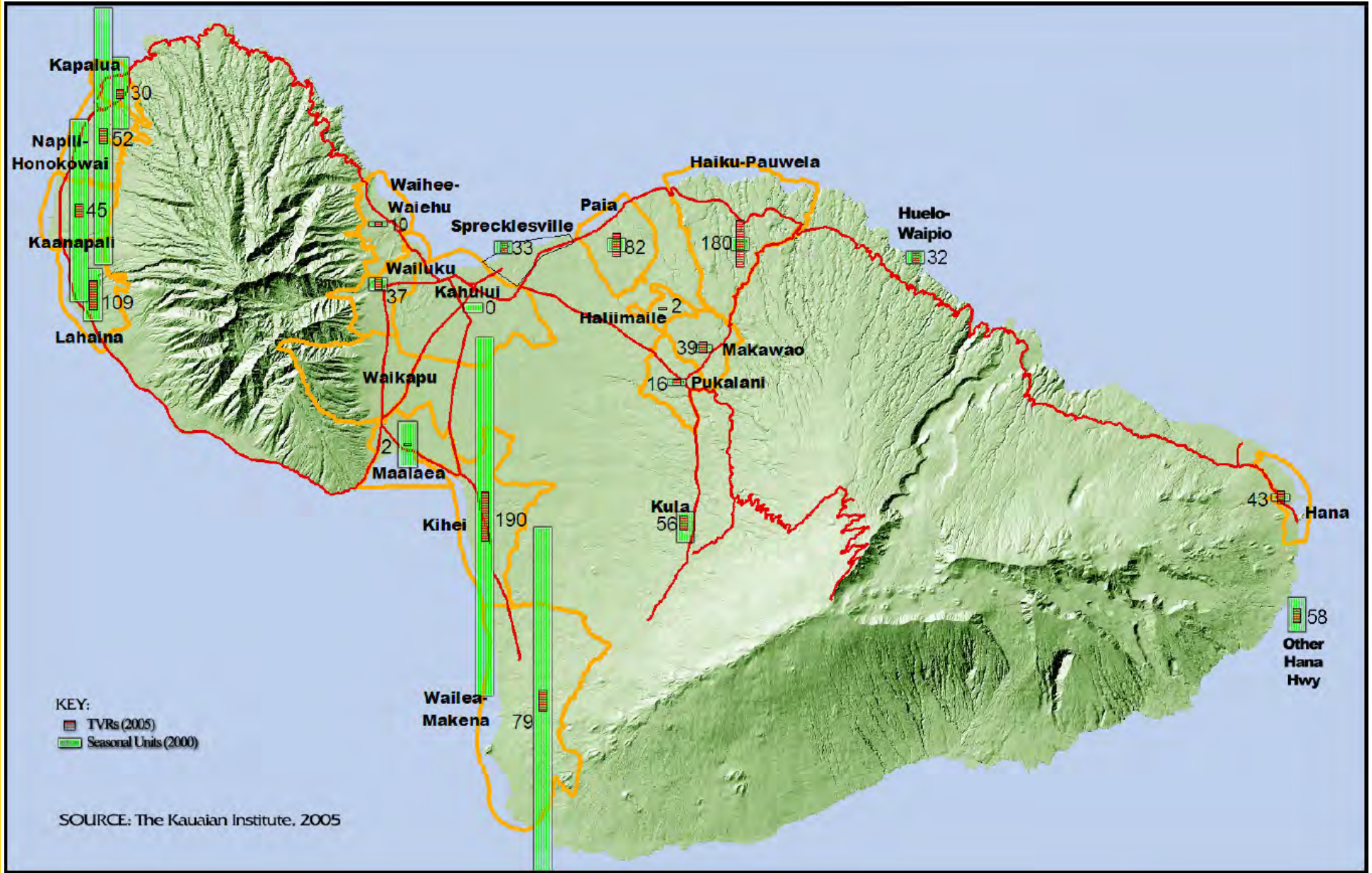
KAUA`I: TVR SHARE VS LOW RENT SHARE



MAUI: TVR SHARE OF 2ND HOME SEGMENT



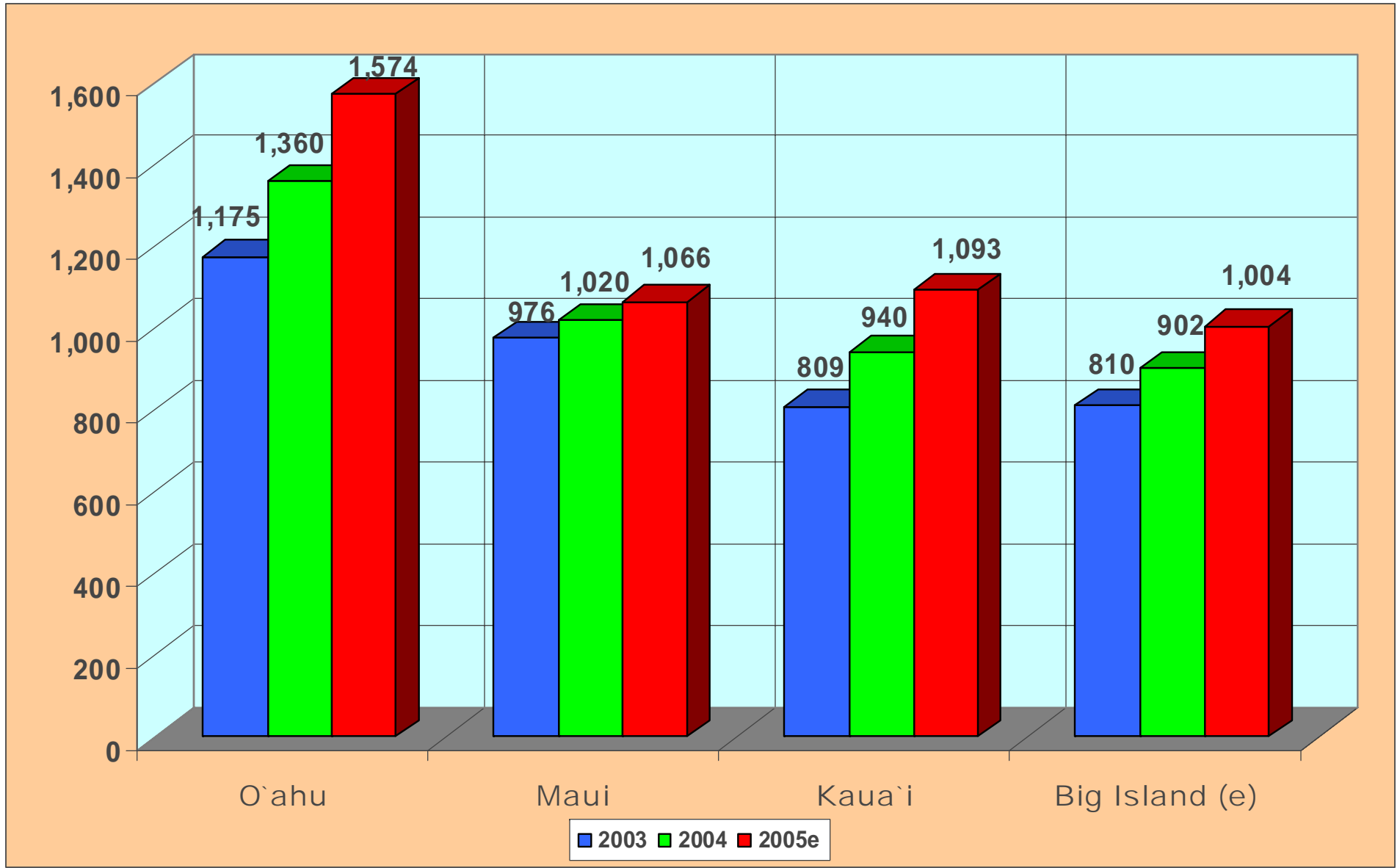
MAUI: TVR LOCATION CHALLENGES



HAWAI`I ISLAND DATA GAP

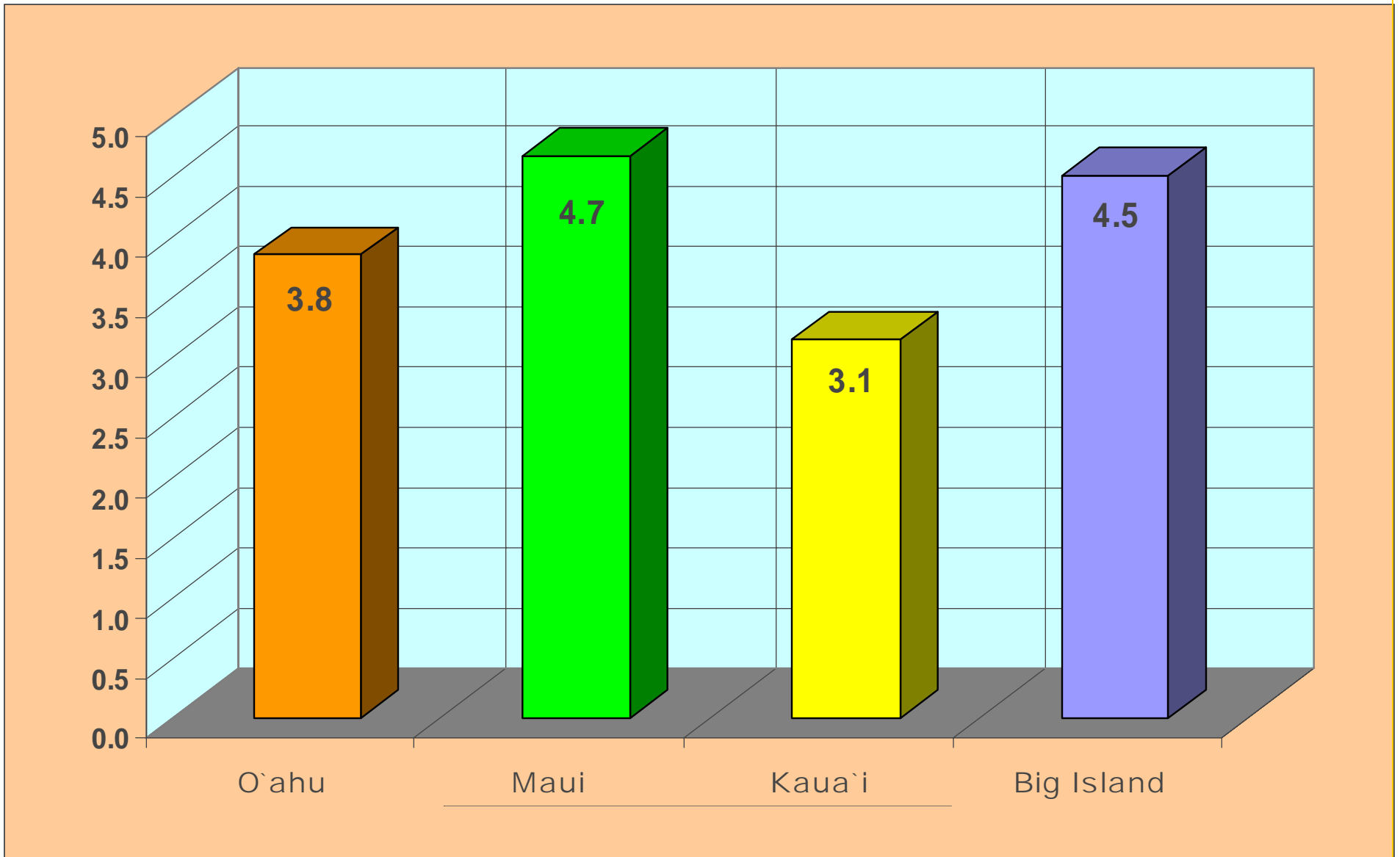
- 2005 TVR ESTIMATE OF 902 UNITS
- BASED ON PATRON RATIOS FROM 3 ISLANDS
- READILY ADDED TO STATEWIDE DATABASE

TVR GROWTH PROSPECTS, BY ISLAND



STATEWIDE: 2003: 3,770 | 2004: 4,222 | 2005: 4,737

2005 TVR COUNTS IN HOTEL EQUIVALENTS



RECAP ECONOMIC PROBLEM

- **ASSYMETRIC INFO DISTORTS MARKET & CONFOUNDS REGULATION**
- **IS THIS A 'BLACK', 'GREY', OR 'PLATINUM' MARKET**
- **CAN NICHE MARKET REBUFF BIG PLAYERS?**

OPTIMAL REGULATORY APPROACH

- **COLLABORATE WITH INDUSTRY**
- **TO PERFECT INFORMATION**
- **AND INDUCE VOLUNTARY COMPLIANCE**