



OFFERING MEMORANDUM

Paia Inn

93 Hana Hwy
Paia, HI 96779



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Sam Jalili
Executive Vice President
License: CA 02053100
408.316.2157
sam.jalili@compass.com

JALILI
COMMERCIAL GROUP



Chelsea Dimin
Realtor Broker
License: HI R(B)22400
808.250.7633
chelsea.dimin@compass.com



CHELSEA DIMIN



INVESTMENT SUMMARY



paia inn is a highly-rated, award winning boutique hotel with a distinguished 16-year history. Located in one of Maui's most vibrant, walkable beach towns, this is the only boutique hotel accommodations on Maui's North Shore and Upcountry areas. The highway frontage visibility along the iconic Road to Hana makes this the perfect location for its prominent restaurant, bar and retail spaces. Paia Inn combines chic accommodations with prime location and deeded access to Paia's white sandy beaches. This investment also include income from parking, dining, and retail.

Paia, a small town on Maui's north shore in Hawaii, is known for its laid-back, bohemian vibe and rich cultural history. Once a plantation town during the sugar cane era, it has since evolved into a hub for artists, surfers, and eco-conscious travelers. The town features eclectic shops, art galleries, and organic eateries, offering a unique blend of local and global influences. Paia is also famous for its proximity to Ho'okipa Beach, a world-class windsurfing spot, and serves as the gateway to the scenic Hana Highway, making it a popular stop for tourists exploring Maui.



| | | | |
|--------------------|---------------------|-----------------|------------------------------|
| Property Type: | Hospitality | | |
| Offering Price: | \$19,000,000 | Number of Keys: | (9) NINE |
| Building Size: Lot | 4,856 SF 8,853 | Price Per Unit: | \$2,111,111.00 |
| Size: Year | SF 1927/2018 | Price Per SF: | \$3,912 |
| Renovated | 2008 | Zoning Type: | B-CT (Business-Country Town) |

SITE PLAN



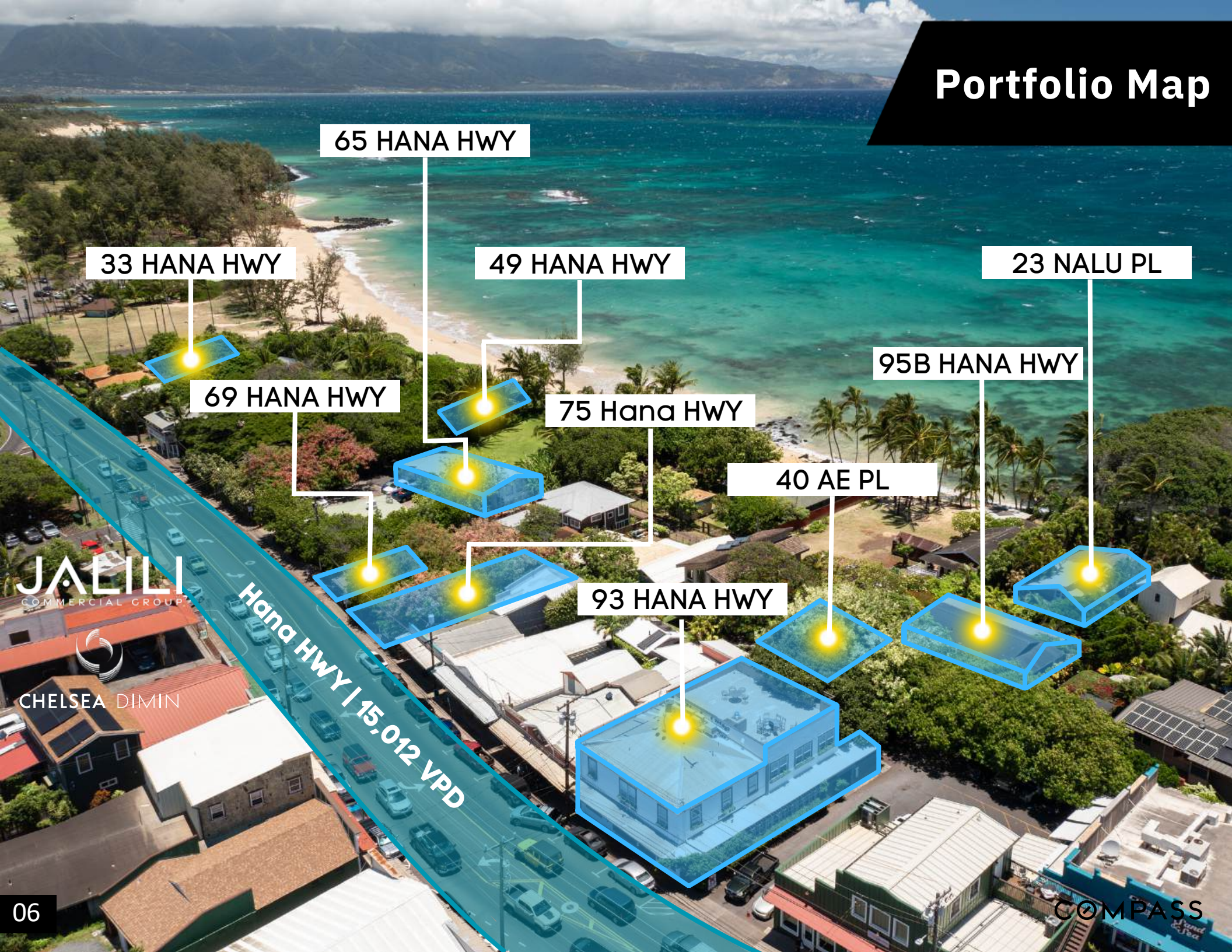
75 Hana HWY



93 Hana HWY



Portfolio Map



65 HANA HWY

33 HANA HWY

49 HANA HWY

23 NALU PL

69 HANA HWY

75 HANA HWY

95B HANA HWY

40 AE PL

93 HANA HWY

Hana Hwy | 15,012 VPD

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COMPASS

PROPERTY OVERVIEW



- **Parking:** Dedicated onsite parking for six vehicles, with the potential for valet service, complemented by an additional seven-car parking lot at 75 Hana Hwy, ensuring exceptional convenience for guests.
- **Dining:** Full-service restaurant, cafe, and bar with indoor and patio dining for 140 people. Includes private restrooms
- **Kitchen:** Fully equipped turnkey commercial kitchen with 500 gallon grease interceptor and walk-in freezer
- **Event Space:** 1,100 SF rooftop space for private events
- **Zoning:** B-CT (Business-Country Town), license is transferable
- **Renovations:** Completely renovated in 2008; added four new rooms in 2018, totaling nine guest rooms



paia inn

A F É

**FULL SERVICE
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PROPERTY PHOTOS



BEACH ACCESS



75 Hana HWY



93 Hana HWY



GUEST ROOM BREAKDOWN

| SUITE NO. | ROOM TYPE | SF AREA |
|------------------|----------------|---------|
| LOBBY | LOBBY / RETAIL | 404 |
| ROOM 1 | DELUXE ROOM | 120 |
| ROOM 2 | STANDARD ROOM | 120 |
| ROOM 3 | STANDARD ROOM | 120 |
| ROOM 4 | DELUXE ROOM | 285 |
| ROOM 5 | PETITE ROOM | 100 |
| ROOM 6 | DELUXE ROOM | 261 |
| ROOM 7 | DELUXE ROOM | 261 |
| ROOM 8 | DELUXE ROOM | 261 |
| ROOM 9 | DELUXE ROOM | 268 |
| ROOFTOP | EVENTS | 1,100 |
| RESTAURANT | INDOOR | 1500 |
| RESTAURANT & BAR | OUTDOOR | 900 |



PAIA INN + 75 HANA HWY FINANCIALS

2023

| | |
|----------------------|-------------|
| Gross Income | \$2,383,380 |
| Net Operating Income | \$1,588,000 |
| Cap Rate | 8.3% |

*Includes 93 Hana Hwy + 75 Hana Hwy income

*Cap Rate Includes New Buyers TAX and Insurance Projections for 2025

2022

| | |
|----------------------|-------------|
| Gross Income | \$2,018,977 |
| Net Operating Income | \$1,548,000 |
| Cap Rate | 8.14% |

*Includes 93 Hana Hwy (paia inn) + 75 Hana Hwy (parking) income



| Year | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------------|----------|-------|----------|-------|----------|
| 12 Mo Occupancy | 91.3% | 97.3% | 87% | 27% | 88.6% |
| 12 Mo ADR | \$417.33 | \$601 | \$358.33 | \$341 | \$290.33 |
| 12 Mo RevPAR | 225 | 247 | 193 | 56 | 149 |

MEDIA AND LINKS



[PAIA INN VIDEO TOUR](#)



[PAIA INN PHOTO GALLERY](#)



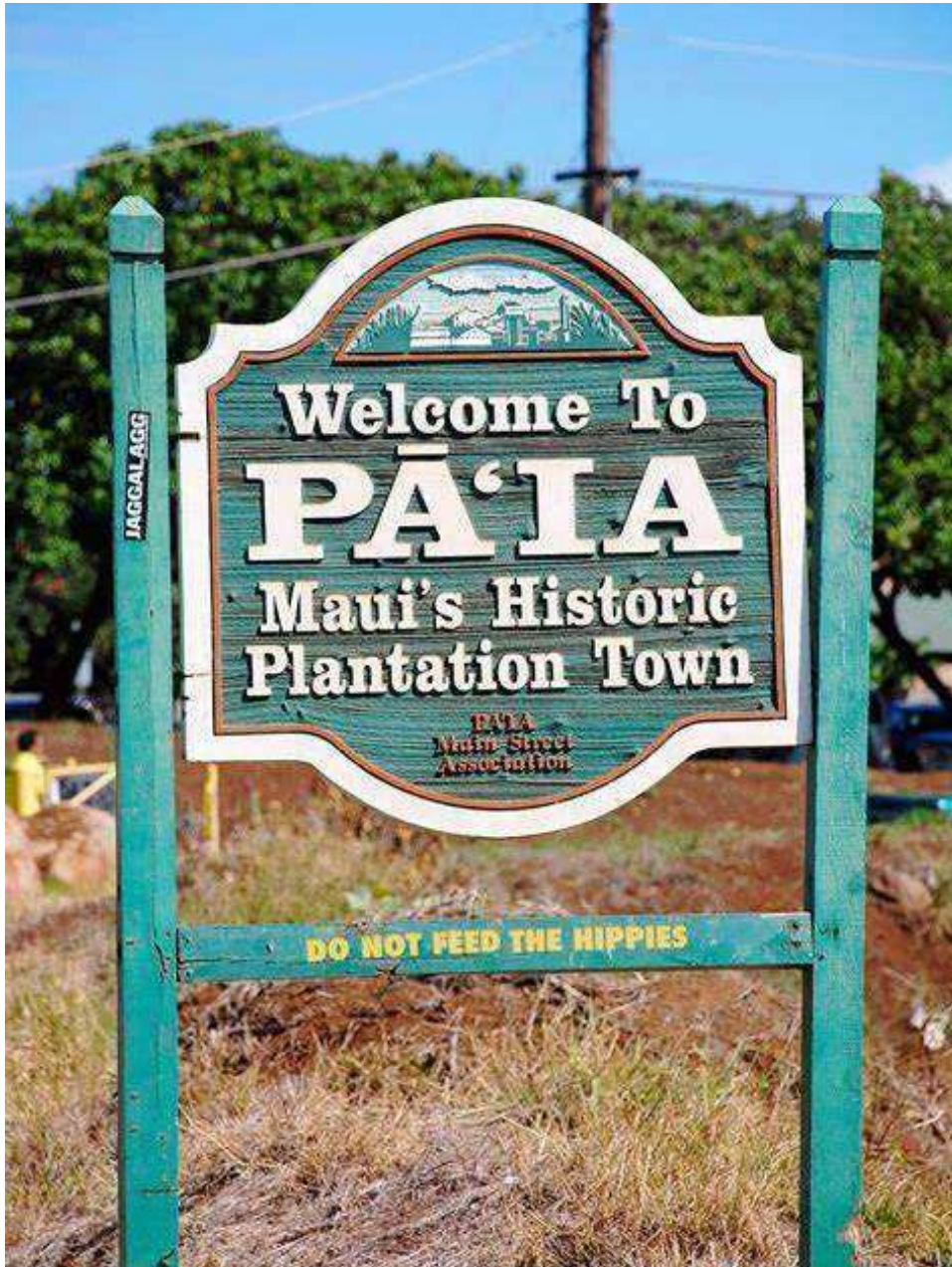
[PAIA INN WEBSITE](#)



[PROPERTY PRICING AND MORE INFO](#)

LOCATION INFORMATION





Paia's population is diverse, reflecting Hawaii's multi-ethnic heritage. Approximately 60% of Paia's residents identify as Asian or Pacific Islander, with a significant portion of Native Hawaiian ancestry, while the remaining population is a mix of Caucasian and Hispanic communities. This blend of cultures contributes to the town's unique atmosphere and welcoming environment. Paia's residents are known for their relaxed, eco-conscious lifestyle, often attracting individuals who are passionate about sustainability, surfing, and local arts.

Paia has become one of Maui's top tourist destinations, drawing in travelers interested in exploring Hawaii beyond the usual beach resorts. Its location along the Hana Highway, one of the world's most scenic coastal routes, positions Paia as a gateway for travelers heading to the lush rainforest, waterfalls, and coastline views along this famous road. Known as the "windsurfing capital of the world," Paia's proximity to Ho'okipa Beach Park attracts windsurfers, kitesurfers, and surfers from around the globe. Ho'okipa's strong, consistent winds and large waves create ideal conditions for experienced athletes, who often draw onlookers excited to see the thrilling action.

One of Paia's most notable landmarks is Baldwin Beach Park, a golden sand beach popular with families and swimmers. With gentle waves on one end and a quieter cove on the other, Baldwin Beach offers a relaxed atmosphere ideal for sunbathing, beachcombing, and picnicking. Paia Bay Beach is another favorite, known for its bohemian vibe and as a launching point for those exploring Maui's north shore. Beyond beaches, Paia's town center is a cultural landmark in itself. A stroll through its streets reveals colorful storefronts, with murals and art galleries featuring works by local artists. The town's boutique shops and farmers' markets showcase artisanal crafts, local produce, and eco-friendly goods, making it a shopper's paradise for unique, handmade Hawaiian items.

For those interested in commercial real estate, Paia's tourism-driven economy offers tremendous potential. The area's constant flow of visitors sustains a robust market for retail, hospitality, and dining establishments. Additionally, with Maui's efforts to promote sustainable tourism and cultural authenticity, Paia stands out as a model community that balances development with preserving its natural and cultural heritage. In Paia, investors find not only a welcoming community but a chance to participate in an economy grounded in eco-tourism, sustainability, and aloha spirit, making it an exceptional location for hospitality properties catering to discerning travelers.

PAIA, HAWAII METRO OVERVIEW



Paia, HI, is a charming small town located on the northern coast of Maui. Known for its laid-back atmosphere and historic plantation-era buildings, Paia serves as the gateway to the famous Road to Hana. The town has a population of about 2,700 residents, and its unique mix of surfers, artists, and tourists creates a vibrant, eclectic community. Paia's proximity to popular surf spots like Ho'okipa Beach draws water sports enthusiasts from around the world, while its local boutiques, art galleries, and organic cafés attract those looking for a more relaxed, bohemian vibe.

With strict zoning regulations and limited available real estate, owning property in Paia offers exclusivity and potential long-term appreciation. Properties that do become available often hold their value due to high demand and the town's unique location and character. Unlike some tourist destinations that rely on seasonal visitors, Paia enjoys a year-round warm climate and steady tourism traffic, providing stable occupancy rates for hospitality businesses throughout the year.

[Explore Paia Here](#)

MAUI

Maui, known as “The Valley Isle,” is the second largest Hawaiian island. The island beloved for its world-famous beaches, the sacred Īao Valley, views of migrating humpback whales, farm-to-table cuisine and the magnificent sunrise and sunset from Haleakalā. It’s not surprising Maui has been voted “Best Island in the U.S.” by Condé Nast Traveler readers for more than 20 years.

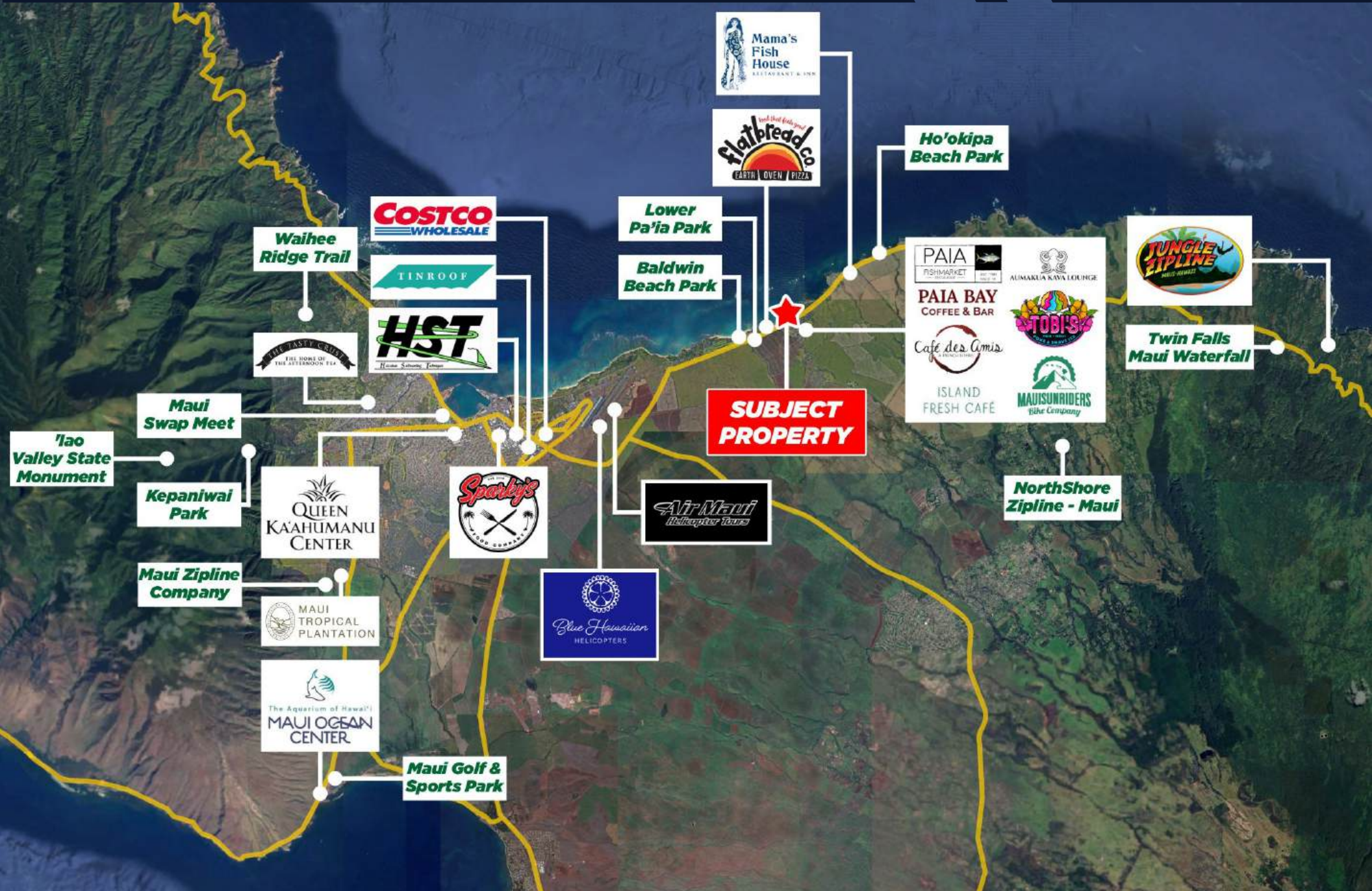
Maui is the second-most-visited island in Hawaii with around 2.7 to 2.9 million visitors each year. Tourism greatly affects the character of Maui and it boasts a very wide assortment of resorts, hotels, condos, and private rentals available across the island.



“The best beach town in the U.S. for 2024” - **TRAVEL+LEISURE**

Paia, Maui offers a unique blend of laid-back island charm and vibrant cultural experiences. Nestled on Maui's north shore, Paia is known for its eclectic atmosphere, artistic community, and stunning sandy beaches. Residents enjoy a relaxed beach lifestyle surrounded by lush tropical landscapes and views of the crystal-clear waters of the Pacific Ocean. The town boasts a variety of boutiques, specialty shops, local eateries, and a thriving arts scene. Paia's close proximity to the world-renowned Ho'okipa Beach Park, known as the windsurfing capital of the world, and its prime location along the scenic Road to Hana make it an ideal destination for outdoor enthusiasts and nature lovers. With its welcoming community and picturesque surroundings, Paia offers a desirable and fulfilling environment on the beautiful island of Maui.





SUBJECT PROPERTY



STRONG TOURISM RECOVERY IN HAWAII: VISITOR NUMBERS AND SPENDING SURGE IN SEPTEMBER 2024

On October 31, 2024, Hawaii’s Department of Business, Economic Development, and Tourism (DBEDT) reported a robust recovery in the state’s tourism sector. In September 2024, visitor arrivals reached 96.1% of the levels seen in September 2019, marking one of the strongest months since the Maui wildfires. A total of 707,486 visitors arrived, representing a 7.8% increase over September 2023, with visitor spending rising to \$1.45 billion—up 4.6% from the previous year.

The U.S. market led this growth, accounting for 519,987 visitors, an 18.4% increase compared to September 2019. Spending by U.S. West visitors was particularly high, with daily per-person spending up by 27.5% over 2019 levels. The cruise industry also experienced notable growth, welcoming 18,655 visitors on out-of-state cruise ships—a 129.1% increase from September 2023.

Though the average stay shortened slightly to 8.23 days, the rise in visitor numbers and spending signals a positive outlook. DBEDT Director James Kunane Tokioka highlighted the critical role of the U.S. market in Hawaii’s tourism rebound and expressed optimism for further growth in international markets, bolstered by favorable exchange rates.



MAUI HOSPITALITY SUBMARKET REPORT

The Maui Area submarket currently boasts 52 hotel properties, totaling approximately 6,200 rooms—just under half of the island’s overall hotel room inventory. While Maui as a whole is known for larger hotels, the Maui Area submarket has a slightly smaller average hotel size, with properties averaging 120 rooms each. In comparison, the overall MauiIsland market has an average of 146 rooms per hotel. For context, the national average is around 90 rooms per property.

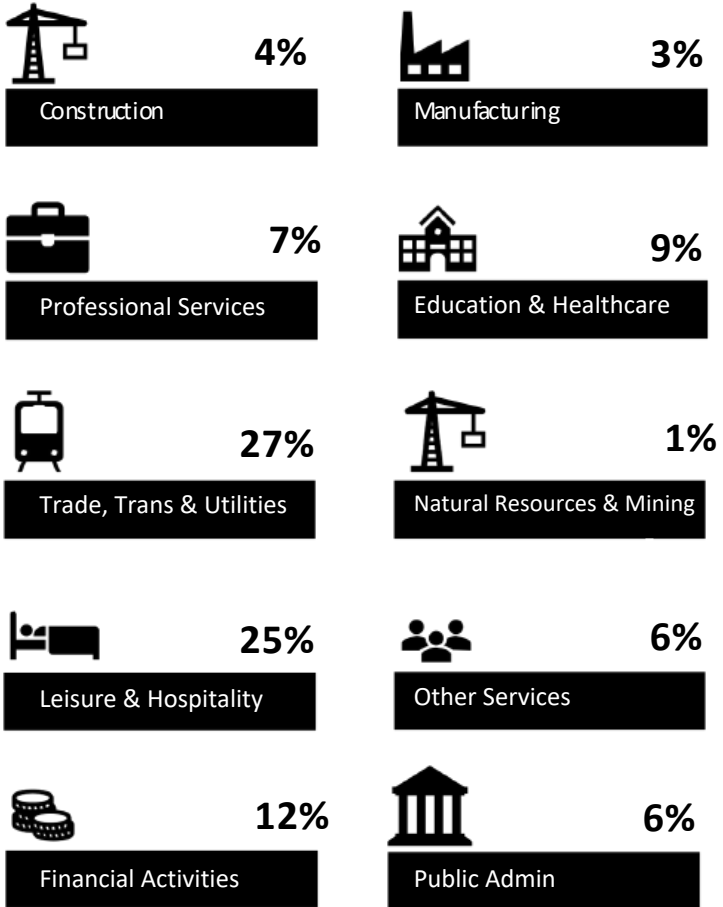
As of the latest data, the trailing 12-month occupancy rate in the Maui Area has recovered to 64.4%, slightly outperforming the island-wide average of 64.8% for the same period. However, revenue per available room (RevPAR) has experienced a year-over-year decline, dropping 3.6% as of August in the Maui Area submarket. This decrease is less pronounced than the 10.0% drop seen across the broader Maui Island market. Despite this, the submarket’s relatively stronger occupancy performance indicates a more resilient demand.

Looking ahead, the Maui Area submarket is seeing a modest increase in room supply, with two new projects currently under construction, adding 144 rooms—representing a 2.3% expansion of the existing inventory. This marks a shift in the submarket's trend, as new construction has been limited in recent years, with demolition activity having outpaced new development over the past decade.

HIGHLIGHTS

| | |
|-----------------|----------|
| 12 Mo Occupancy | 64.4% |
| 12 Mo ADR | \$648.21 |
| 12 Mo RevPAR | \$417.35 |
| 12 Mo Supply | 2.2M |
| 12 Mo Demand | 1.4M |

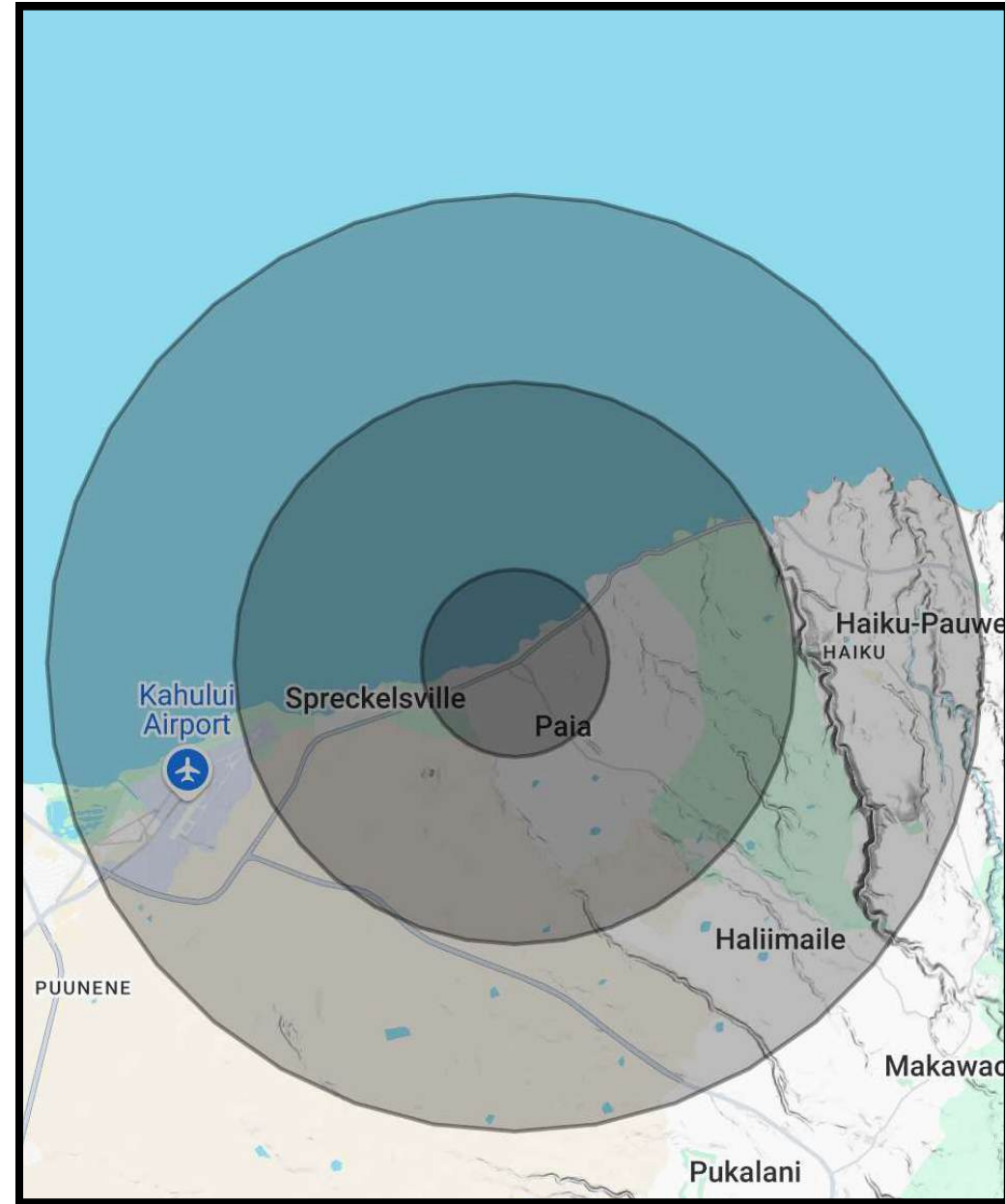
SHARE OF EMPLOYMENT



DEMOGRAPHICS

| Population | 1 Mile | 3 Miles | 5 Miles |
|-----------------------------|--------|---------|---------|
| Total Population | 942 | 2,472 | 7,032 |
| Median Age | 41.1 | 40.9 | 41.2 |
| Bachelor's Degree or Higher | 29% | 28% | 26% |

| Households & Income | 1 Mile | 3 Miles | 5 Miles |
|------------------------------|-----------|-----------|-----------|
| Total Households | 329 | 830 | 2,352 |
| Renter Occupied | 135 2.7 | 378 2.8 | 989 2.8 |
| HH # of Persons per | 2 | 2 | 2 |
| HH # of Vehicles per | | | |
| HH Average | \$117,741 | \$113,980 | \$105,460 |
| HH Income Median | \$96,249 | \$91,071 | \$83,626 |
| HH Income Median House Value | \$799,586 | \$809,160 | \$787,137 |



Consumer Spending

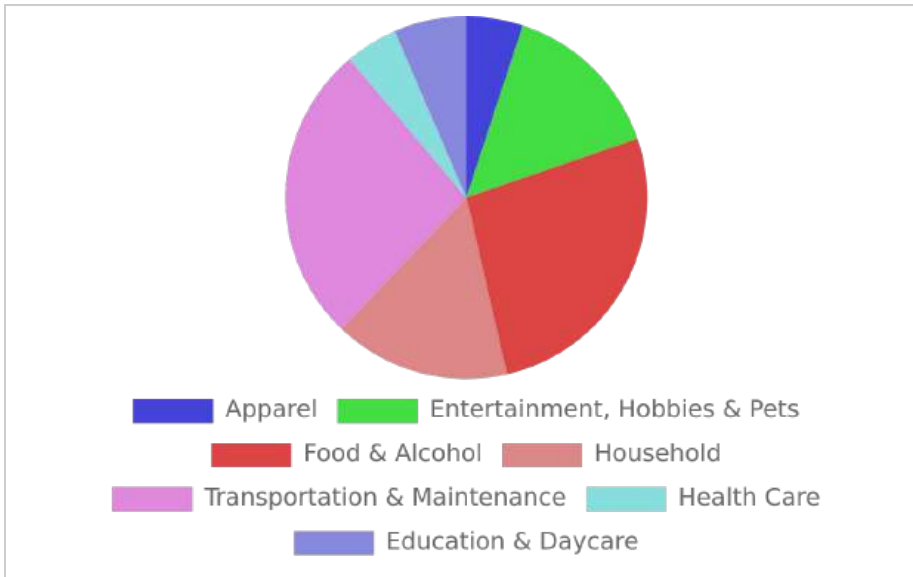
Count Year 2024

| Categories | Per 5 Mile Households | % Total |
|-------------------------------|-----------------------|----------------|
| Apparel | \$4,410,992 | 5.07% |
| Entertainment, Hobbies & Pets | \$12,770,028 | 14.67% |
| Food & Alcohol | \$23,210,927 | 26.66% |
| Household | \$13,695,576 | 15.73% |
| Transportation & Maintenance | \$23,247,231 | 26.70% |
| Health Care | \$4,084,523 | 4.69% |
| Education & Daycare | \$5,632,922 | 6.47% |
| | \$87,052,199 | 100.00% |

Traffic

Count Year 2022

| Collection Street | Cross Street | Traffic Volume | Miles from Property |
|-------------------|--------------|----------------|---------------------|
| Hana Highway Hana | Kulani Pl NE | 15,012 | 0.05 mi |
| Hwy Hana Highway | Luna Ln NE | 11,689 | 0.07 mi |
| Baldwin Ave Hana | Puna Rd SW | 11,689 | 0.11 mi |
| Hwy Hana Hwy | Akoni Pl NW | 3,765 | 0.12 mi |
| Hana Highway | Kulani Pl NE | 13,066 | 0.75 mi |
| | Ulupua St W | 16,089 | 1.22 mi |
| | Cane Pl NW | 19,733 | 1.85 mi |



Daytime Employment Demographics

| Radius | 1 Mile | | | 3 Mile | | | 5 Mile | | |
|-------------------------------------|--------------|------------|------------------------|--------------|------------|------------------------|--------------|------------|------------------------|
| | Employees | Businesses | Employees Per Business | Employees | Businesses | Employees Per Business | Employees | Businesses | Employees Per Business |
| Service-Producing Industries | 1,054 | 183 | 6 | 1,513 | 216 | 7 | 3,940 | 486 | 8 |
| Trade Transportation & Utilities | 351 | 56 | 6 | 360 | 59 | 6 | 1,131 | 115 | 10 |
| Information | 0 | 0 | - | 2 | 1 | 2 | 9 | 5 | 2 |
| Financial Activities | 98 | 19 | 5 | 102 | 20 | 5 | 523 | 62 | 8 |
| Professional & Business Services | 102 | 21 | 5 | 121 | 27 | 4 | 307 | 70 | 4 |
| Education & Health Services | 76 | 27 | 3 | 169 | 32 | 5 | 377 | 81 | 5 |
| Leisure & Hospitality | 252 | 24 | 11 | 488 | 31 | 16 | 1,096 | 79 | 14 |
| Other Services | 154 | 34 | 5 | 186 | 43 | 4 | 256 | 63 | 4 |
| Public Administration | 21 | 2 | 11 | 85 | 3 | 28 | 241 | 11 | 22 |
| Goods-Producing Industries | 49 | 13 | 4 | 61 | 17 | 4 | 339 | 55 | 6 |
| Natural Resources & Mining | 0 | 0 | - | 0 | 0 | - | 30 | 5 | 6 |
| Construction | 14 | 6 | 2 | 22 | 9 | 2 | 175 | 27 | 6 |
| Manufacturing | 35 | 7 | 5 | 39 | 8 | 5 | 134 | 23 | 6 |
| Total | 1,103 | 196 | 6 | 1,574 | 233 | 7 | 4,279 | 541 | 8 |



HOTEL & BOUTIQUE INN SALES COMPS

The Paia Inn is a distinctive property with few direct comparisons. Its valuation is supported by strong cash flow from both its boutique hospitality, restaurant and retail elements. The inn's higher profit margins and revenue per room, coupled with the lower expense ratio of its restaurant and retail spaces, contribute to a higher price per key, which is well-supported by its operational income.

| PROPERTY | MAUI PALMS HAMPTON INN & SUITES | MAUI SEASIDE HOTEL | ROYAL LAHAINA RESORT | HANA-MAUI RESORT, HYATT | AC HOTELS BY MARIOTT WAILEA | RESIDENCE INN WAILEA |
|----------------|---------------------------------------|--------------------------|----------------------------|-------------------------------|-----------------------------------|-------------------------|
| LOCATION | KAHULUI | KAHULUI | KAANAPALI | HANA | WAILEA | WAILEA |
| ROOM COUNT | 136 | 181 | 500 | 75 | 110 | 200 |
| TENURE | FEE SIMPLE | FEE SIMPLE | FEE SIMPLE | FEE SIMPLE | FEE SIMPLE | FEE SIMPLE |
| SALE DATE | 12/2022 | 01/2022 | 12/2021 | 09/2021 | 06/2021 | 03/2021 |
| SALE PRICE | DND | DND [EST ≥ \$58,000,000] | \$347,250,000 | \$35,000,000 | \$83,630,000 | \$99,300,000 |
| PRICE PER ROOM | DND | DND [EST ≥ \$320,442] | \$694,500 | \$466,667 | \$760,273 | \$496,500 |

| PROPERTY | HOTEL ASPEN | ALILA VENTANA BIG SUR | THE FASANO HOTEL MIAMI BEACH | BRANT POINT INN | HCLUB LOS ANGELES |
|----------------|--------------|--------------------------|---------------------------------|-----------------|----------------------|
| LOCATION | ASPEN, CO | BIG SUR, CA | MIAMI BEACH | NANTUCKET, MA | HOLLYWOOD, CA |
| ROOM COUNT | 45 | 50 | 74 | 8 | 35 |
| SALE DATE | 10/29/2021 | 9/10/2021 | 8/26/2021 | 8/26/2021 | 4/20/2021 |
| SALE PRICE | \$37,500,000 | \$150,000,000 | \$70,000,000 | \$10,000,000 | \$57,000,000 |
| PRICE PER ROOM | \$833,333 | \$3,000,000 | \$945,946 | \$1,250,000 | \$1,628,571 |

PAIA RETAIL BUILDING COMPARABLE SALES

| PROPERTY ADDRESS | 100 HANA HWY | 88 HANA HWY | 109 BALDWIN AVE | 26 BALDWIN AVE | 137 HANA HWY #A |
|-------------------|---------------|---------------|----------------------|----------------|-----------------|
| PROPERTY CITY | PAIA | PAIA | PAIA | PAIA | PAIA |
| LAND/INTERIOR SF | 3,729 / 1,788 | 9,078 / 3,562 | 7,265 / 1,054 | 1,200 / 1,800 | 37,192 / 5,060 |
| SALE DATE | 9/5/2024 | 6/18/2024 | (LISTED) 02/27/2023 | 7/30/2021 | 4/28/2021 |
| SALE PRICE | \$2,168,033 | \$4,300,000 | (LISTED) \$2,000,000 | \$1,055,000 | \$4,800,000 |
| PRICE PER SF LAND | \$581.39 | \$473.67 | \$275.29 | \$879.17 | \$129.06 |
| PRICE PER SF | \$1,213 | \$1,207.18 | \$1,897.53 | \$586.11 | \$948.62 |



HOSPITALITY INVESTMENTS

Sam Jalili
Executive Vice President
License: CA 02053100
408.316.2157
sam.jalili@compass.com

Chelsea Dimin
Maui Realtor Broker
License: HI R(B)22400
808.250.7633
chelsea.dimin@compass.com

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