

# COMMERCIAL REAL ESTATE REPORT Q4 2023

## Urban Honolulu, HI Metro Area

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Urban Honolulu, HI Metro Area

### Demographics and Economy

#### Demographics

-0.5%	40.3%	-0.7%	Net Migration in Hawaii
population growth (2022)	share of renters (2022)	renter household formation (2022)	-6,566 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	-9,747 (2022)

#### Economy

7.8%	5,300	1.2%	3.8%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$66,450	2.6%	9.2%	International Migration in Hawaii
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	4,627 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	5,917 (2022)

### Commercial Real Estate by Sector

#### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-5,802	152,446	0.1%	\$35	6.8%
2022 Q4	65,717	223,314	1.3%	\$35	7.1%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	30,732,462	0	74,666	\$0.00M	8.3%
2022 Q4	30,657,796	-49,000	-34,373	\$11.43M	7.5%

#### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	-105	-66	0.6%	\$2,117	\$2,105	4.5%
2022 Q4	-4	171	0.5%	\$2,104	\$2,086	4.2%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	30,307	0	0		4.7%	
2022 Q4	30,307	0	363		4.2%	

#### 3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-5,241	31,104	1.9%	\$50	4.0%
2022 Q4	60,860	-56,452	-0.1%	\$49	4.0%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	41,556,574	5.3%	\$41.58M	\$555	
2022 Q4	41,527,183	5.2%	\$86.00M	\$457	

#### 4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	196,150	43,484	2.9%	\$22	2.5%
2022 Q4	110,049	677,542	7.7%	\$21	2.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	44,173,373	0	159,795	5.7%	\$6.90M
2022 Q4	44,013,578	7,200	7,848	5.3%	\$55.32M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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