

# Honolulu Office: Availability decreases across most of Honolulu in Q1, while vacancy in increases

▲ 11%

Vacancy Rate

▼ 12.5%

Availability Rate

▲ \$3.54

Average Gross Asking Rent (\$/SF/Mo)

▲ (36,484)

SF Net Absorption

Note: Arrows indicate change from previous quarter.

## Overall negative net absorption in Q1 2025

- The office sector across Oahu experienced 36,484 SF of negative net absorption.

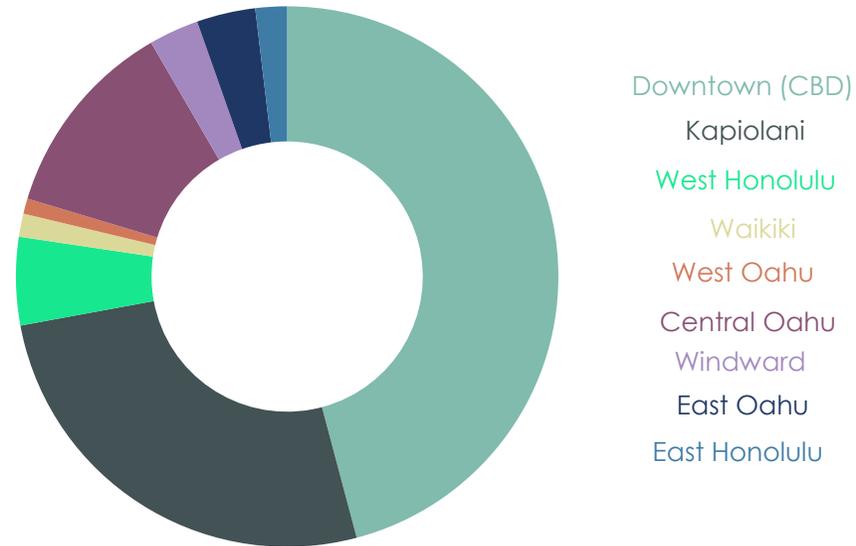
## Vacancy rates increase while availability rates decrease across Oahu

- The office vacancy rate increased to 11% in Q4 2024, and the availability rate decreased to 12.5%

## Overall Asking Rents and OpEx rates Increase

- Average gross asking rents increased from \$3.46 in Q4 2024, to \$3.54 in Q1 2025.
- Average OpEx rates increased from \$1.64 in Q4 2024, to \$1.69 in Q1 2025.

FIGURE 1: Hawaii Office Market Distribution



Source: CBRE Research, Q1 2025

### Lease Rates

Average gross asking rents increased from \$3.46 in Q4 2024, to \$3.54 in Q1 2025. Operating Expenses increased to \$1.69 in Q1. The most significant increase in asking rents occurred in Waikiki, which the gross asking rate increased from \$4.06 in Q4 to \$4.57 in Q1. In addition, East Honolulu also had an increase in gross asking rates from \$2.92 in Q4 to \$3.41 in Q1, along with Downtown which experienced a slight increase in the average gross asking rents.

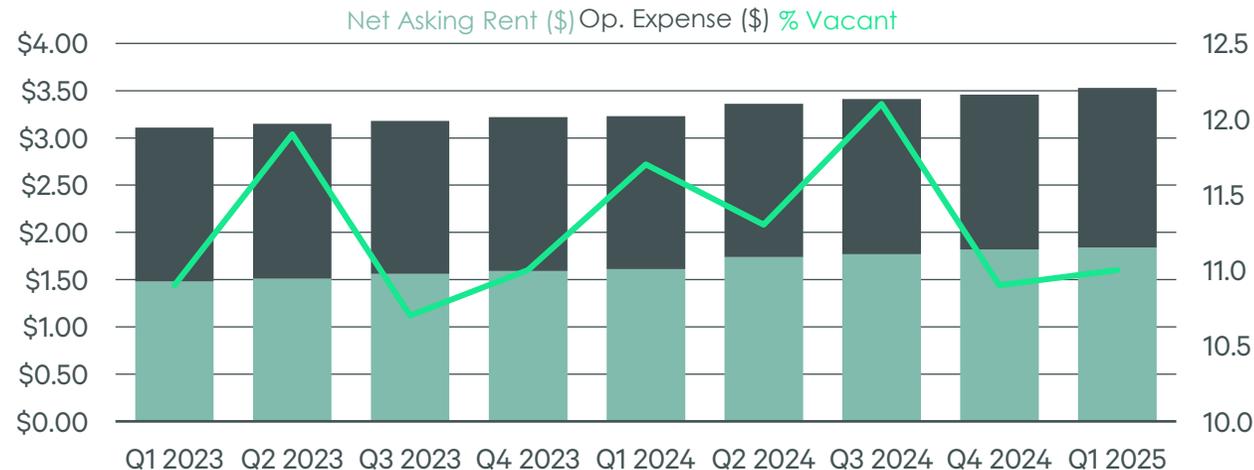
### Availability & Vacancy

The office vacancy rate increased from 10.9% in Q4 to 11% in Q1, The availability rate decreased from 12.6% in Q4 to 12.5% in Q1 across Oahu. The reduction in availability is largely due to Avalon removing lease availability from Topa Financial Center as they consider conversion for other use. Suburban vacancy rate decreased from 9.6% to 9.8% and the availability rate increased from 11.0%. To 11.5% Downtown vacancy rate decreased from 8.9% to 8.7% and availability rate declined from 10.9%, to 10.2%. Majority of the submarkets experienced decreases in vacancy but increase in availability rates. The most notable rise in vacancy and availability rate was in East Honolulu (which also experienced an increase in average asking rents as noted above).

### NET ABSORPTION

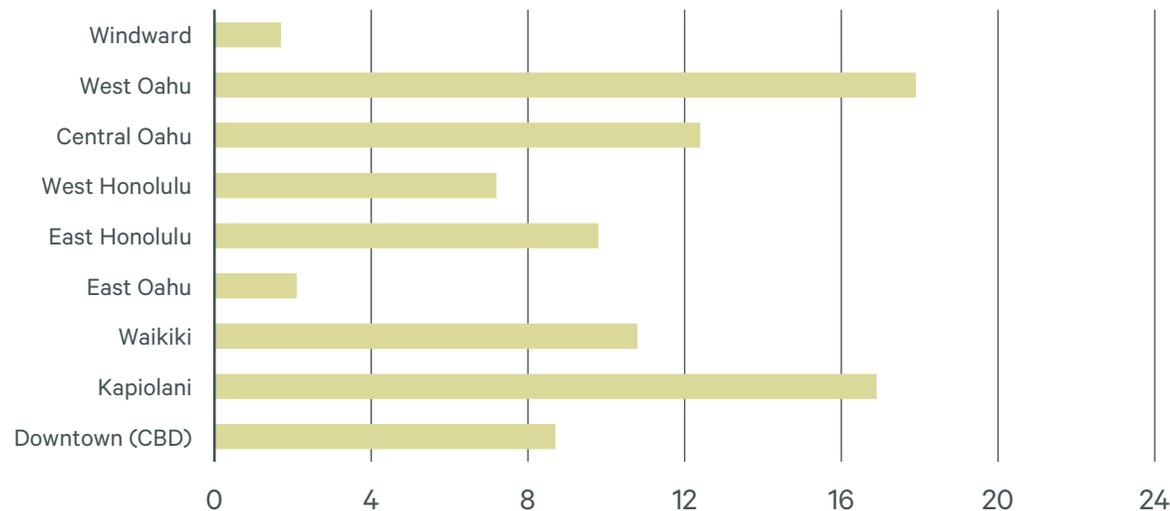
Q1 2025 experienced 36,484 SF of negative net absorption. Much of the negative net absorption occurred in Kapiolani, which experienced 30,328 SF of negative net absorption. Four other submarkets experienced positive net absorption which offset the negative net absorption. The highest net absorption was experienced in Waikiki with a positive net absorption of 7,850 SF this quarter. There was a 32,166 SF increase in negative net absorption from Q4 2024, to Q1 2025.

FIGURE 4: CAM & Asking Rates



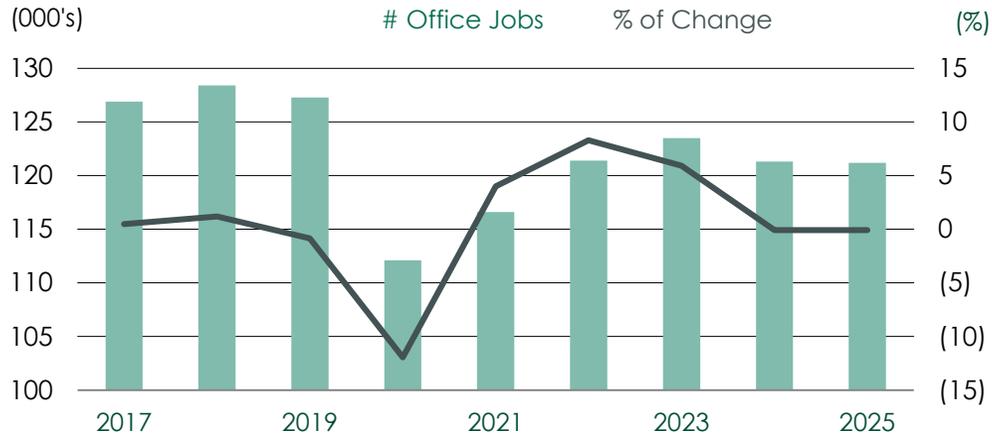
Source: CBRE Research, Q1 2025.

FIGURE 5: Submarket Vacancy %



Source: CBRE Research, Q1 2025.

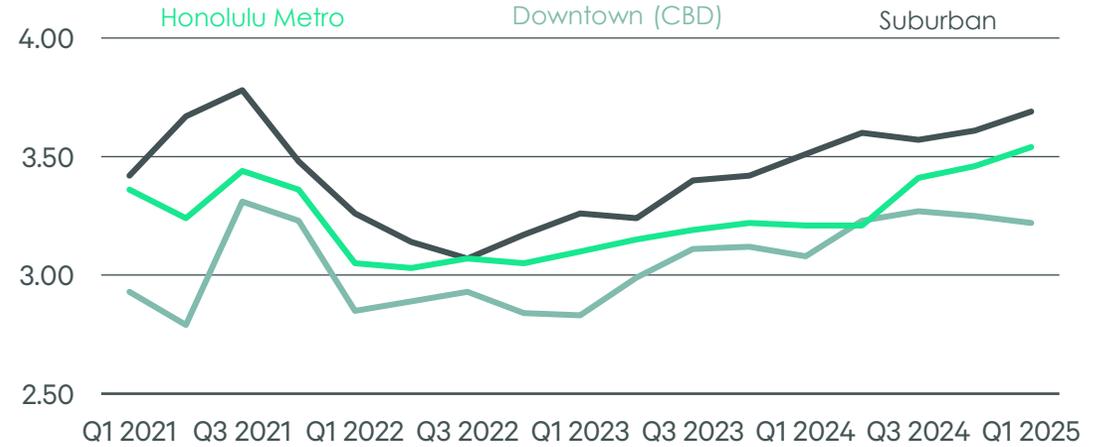
FIGURE 3: Office Job Growth



Source: DBEDT, 2025

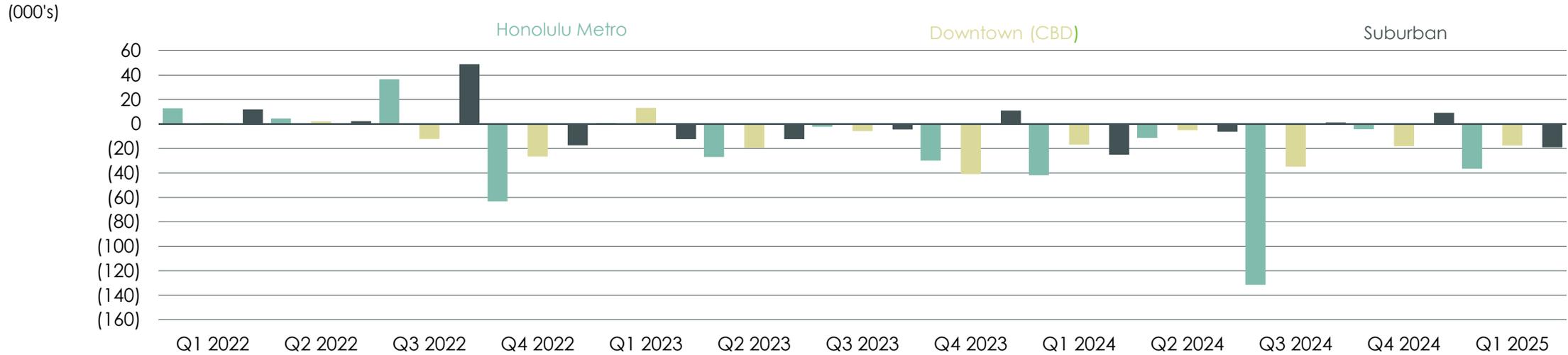
\*Through November

FIGURE 2: Gross Asking Rates



Source: CBRE Research, Q1 2025

FIGURE 6: Historic Net Absorption (Sq.ft)



Source: CBRE Research, Q1 2025

FIGURE 6: Market Statistics

Submarket	Net Rentable Area (Sq.Ft.)	Vacant (Sq.Ft.)	Vacancy Rate (%)	Availability Rate (%)	Operating Expenses (\$/SF/Mo)	Low Gross Rent (\$/SF/Mo)	High Gross Rent (\$/SF/Mo)	Average Gross Asking Rent (\$/SF/Mo)	Q1 2025 Net Absorption (Sq.Ft.)
Downtown (CBD)	5,322,142	461,804	8.7%	10.2%	\$1.66	\$3.15	\$3.29	\$3.22	(17,556)
Kapiolani	3,042,255	513,091	16.9%	18.6%	\$1.80	\$3.70	\$3.82	\$3.76	(30,328)
Waikiki	610,992	66,075	10.8%	10.8%	\$1.87	\$4.31	\$4.83	\$4.52	7,850
East Oahu	160,528	3,314	2.1%	5.2%	\$1.67	\$3.65	\$4.51	\$4.51	0
East Honolulu	106,224	8,823	9.8%	12.2%	\$1.56	\$3.26	\$3.56	\$2.35	(1,554)
West Honolulu	1,390,076	83,915	7.2%	8.7%	\$1.37	\$2.83	\$2.95	\$2.94	3,221
Central Oahu	345,575	42,692	12.4%	12.6%	\$1.54	\$3.17	\$3.37	\$2.98	0
West Oahu	406,302	74,434	17.9%	22.1%	\$1.74	\$3.76	\$3.92	\$3.87	1,808
Windward	218,121	3,753	1.7%	1.9%	\$2.00	\$3.66	\$3.73	\$3.45	75
<b>Oahu</b>	<b>11,602,215</b>	<b>1,266,187</b>	<b>11.0%</b>	<b>12.5%</b>	<b>\$1.69</b>	<b>\$3.43</b>	<b>\$3.65</b>	<b>\$3.54</b>	<b>(36,484)</b>

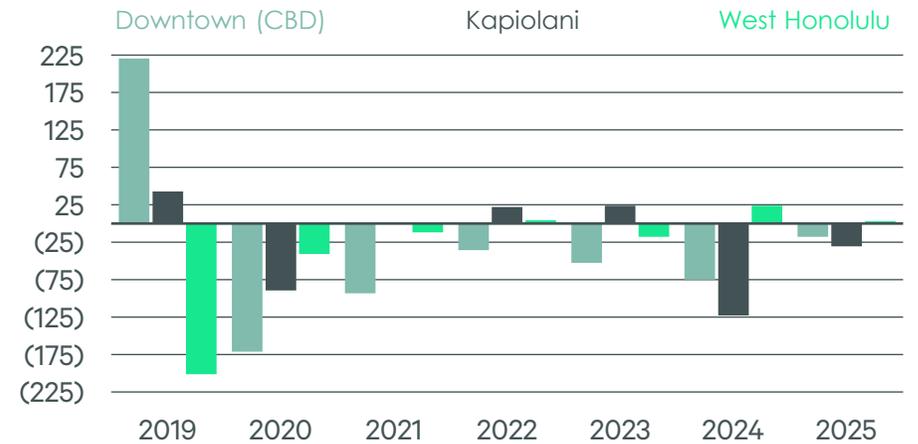
Source: CBRE Research, Q1 2025

\*CBRE recently updated the NRA for all properties in our inventory to reflect the most up to date BOMA measurements. This resulted in the change of total SF compared to previous reports

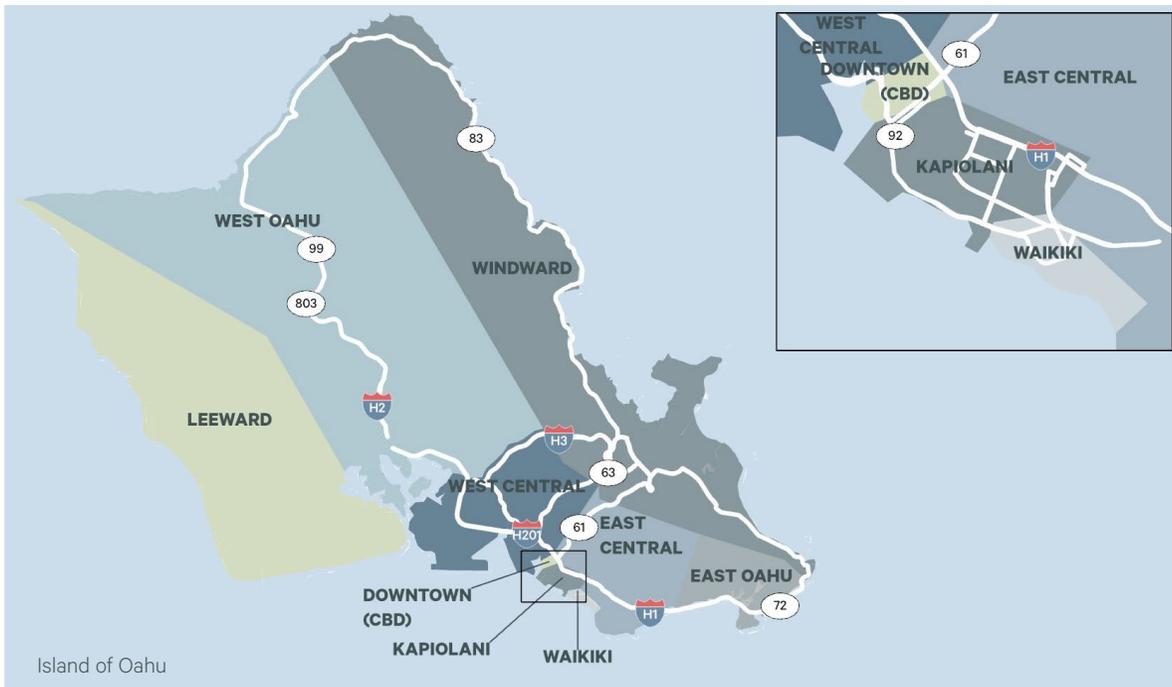
FIGURE 7: Historical Net Absorption Top 3 Submarkets by NRA (Sq. Ft.)

Year	Downtown (CBD)	Kapiolani	West Honolulu
2020	(171,416)	(89,547)	(40,829)
2021	(93,021)	128	(43,582)
2022	(26,465)	(13,622)	(3,651)
2023	(52,638)	23,663	(17,861)
2024	(74,800)	(122,788)	23,611
2025	(17,556)	(30,328)	3,221

FIGURE 8: Historical Net Absorption Top 3 Submarkets by NRA (Sq. Ft.)



### Market Area Overview



### Survey Criteria

Market coverage includes Oahu multi-tenant Class A and Class B office buildings 20,000 sq. ft. and larger located within defined submarkets, and 40,000 sq. ft. and larger in the CBD. It excludes condominium and medical office buildings and government-owned office buildings.

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