Hawaii Industrial Figures

▲ 2.4%	▼ (133,753)	▶ 0	▶ 263,110	▲ $1.93
Vacancy Rate	SF Net Absorption	SF Construction Delivered	SF Under Construction	FSG/MO Direct Lease Rate

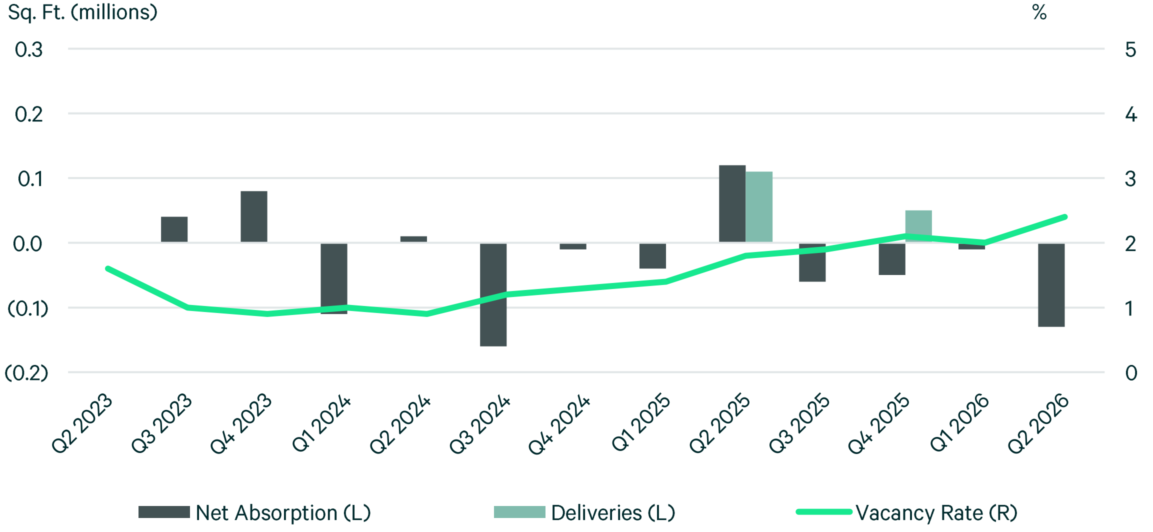
Note: Arrows indicate change from previous quarter.

Market Overview

The market ended the latest quarter with net absorption at negative 134,000 sq. ft. This represented a quarter-over-quarter decline of 128,000 sq. ft.. On a year-over-year basis, net absorption swung by 255,000 sq. ft. from positive to negative territory. The vacancy rate currently sits at 2.4%, representing a 40-bps quarter-over-quarter increase. It increased by 60 bps year-over-year. Availability reached 2.7%, consistent with this gradual loosening. Average asking rents in the latest quarter were $1.93 per sq. ft. per month, a 1.6% quarter-over-quarter increase.

Construction activity, which had previously been absent, reached 263,000 sq. ft. under way by the latest quarter. Total deliveries over the series amounted to 159,000 sq. ft., adding new inventory to the market. The current pipeline comprised three projects..

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



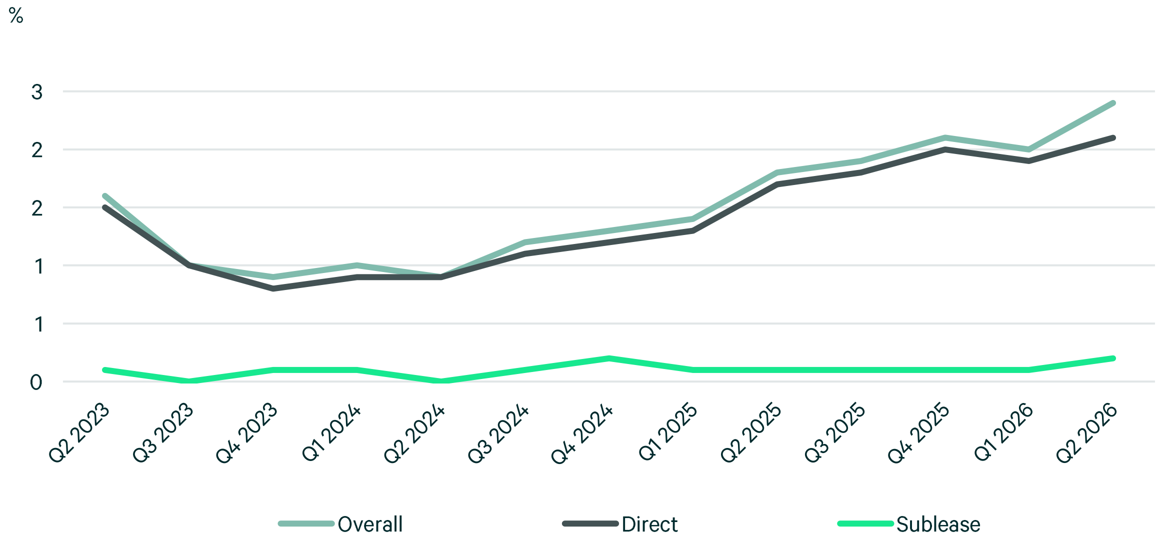
Source: CBRE Research, Q2 2026

Vacancy Rate

Overall vacancy was 2.4% in Q2 2026, up from 2.0% in Q1 2026, a quarter-over-quarter increase of 40 basis points. Compared with 1.8% in Q2 2025, overall vacancy is 60 basis points higher year-over-year. Over the past three years, overall vacancy has moved from 1.6% in Q2 2023 to 2.4% in Q2 2026, an 80 basis point increase. Direct vacancy shows a similar pattern, rising to 2.1% in Q2 2026 from 1.9% in Q1 2026 and 1.7% in Q2 2025.

Vacancy is lowest in Windward, where overall vacancy stands at 0.1% in Q2 2026, followed by East Honolulu at 0.2%. West Oahu records the highest overall vacancy rate at 4.0% in Q2 2026. Maui and West Honolulu report overall vacancy rates of 2.5% and 2.4%, respectively. Sublease vacancy increased slightly from 0.1% in Q1 2026 to 0.2% in Q2 2026, a quarter-over-quarter rise of 10 basis points.

Figure 2: Vacancy Rate



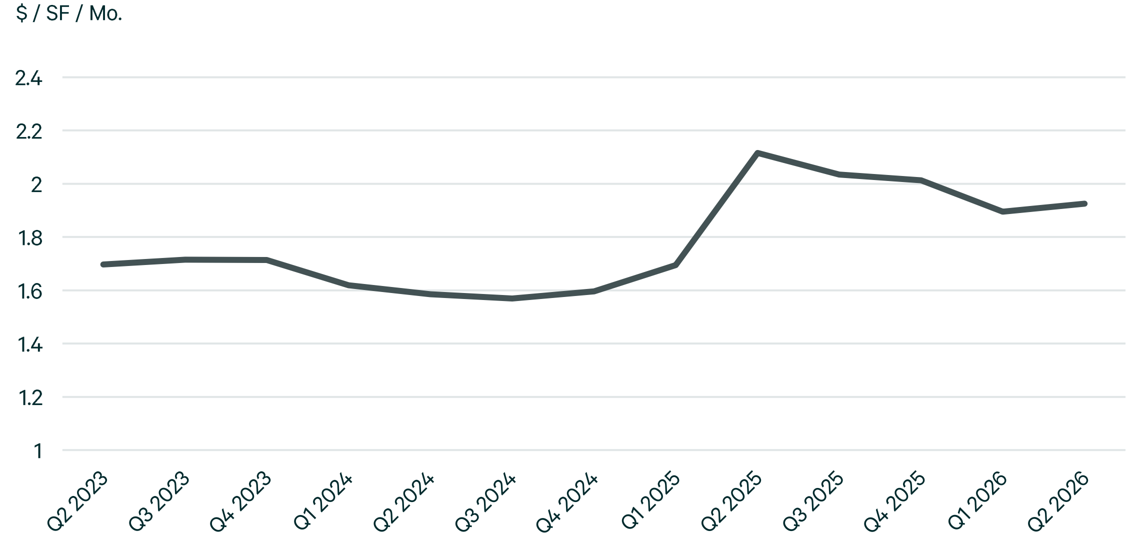
Source: CBRE Research, Q2 2026

Asking Rent

In Q2 2026, the average asking rate across the market was $1.93, up from $1.70 in Q2 2023. Compared with the prior quarter, average rents increased 1.6% quarter-over-quarter but were negative 9.0% year-over-year. Historically, rates moved lower through 2024, then rose to a peak of $2.12 in Q2 2025 before moderating, leaving current pricing above mid-2023 levels but below the 2025 high.

Submarket pricing in Q2 2026 spans a wide band, with Maui at $2.14 and West Honolulu at $2.00 posting the highest average asking lease rates. East Honolulu at $2.00 and Central Oahu at $1.99 follow closely, while Kauai at $1.86, West Oahu at $1.74, and Big Island at $1.60 offer comparatively lower-cost options for occupiers and investors.

Figure 3: Average Direct Asking Rate



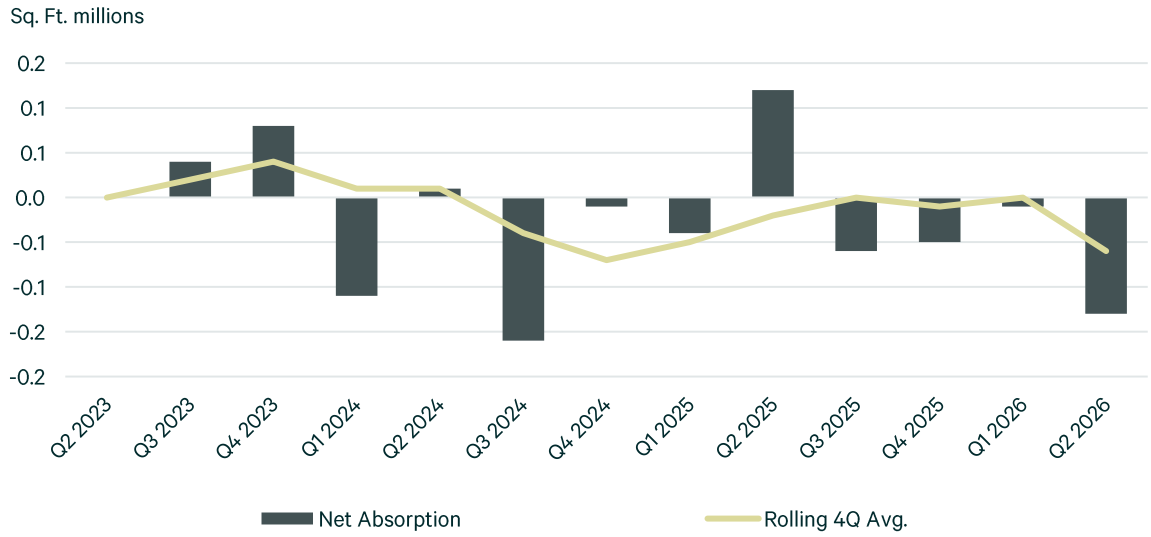
Source: CBRE Research, Q2 2026

Net Absorption

In Q2 2026, the market recorded negative 134,000 sq. ft. of net absorption. This level was below the negative 6,000 sq. ft. posted in Q1 2026, as net move-outs accelerated. Net absorption in Q2 2026 was also below the 121,000 sq. ft. of positive net absorption recorded in Q2 2025. The rolling four-quarter average net absorption moved to negative 60,750 sq. ft., with a negative 2,125.0% quarter-over-quarter change and a 153.1% year-over-year change, highlighting how recent volatility is now embedded in the trend.

At the submarket level in Q2 2026, East Honolulu posted 72,000 sq. ft. of positive net absorption and Big Island followed with 14,000 sq. ft., making them the two highest absorbing areas; East Honolulu's vacancy stood at 0.2% across 2.2 million sq. ft. of inventory, while Big Island recorded 2.1% vacancy over 6.1 million sq. ft. No other submarkets registered positive net absorption above 10,000 sq. ft., underscoring how demand was concentrated in these two locations. On the downside, West Oahu recorded negative 116,000 sq. ft. of net absorption with a 4.0% vacancy rate across 6.6 million sq. ft., while West Honolulu saw negative 53,000 sq. ft. of net absorption and a 2.4% vacancy rate over 18.8 million sq. ft., representing the two weakest performers this quarter.

Figure 4: Net Absorption Trend



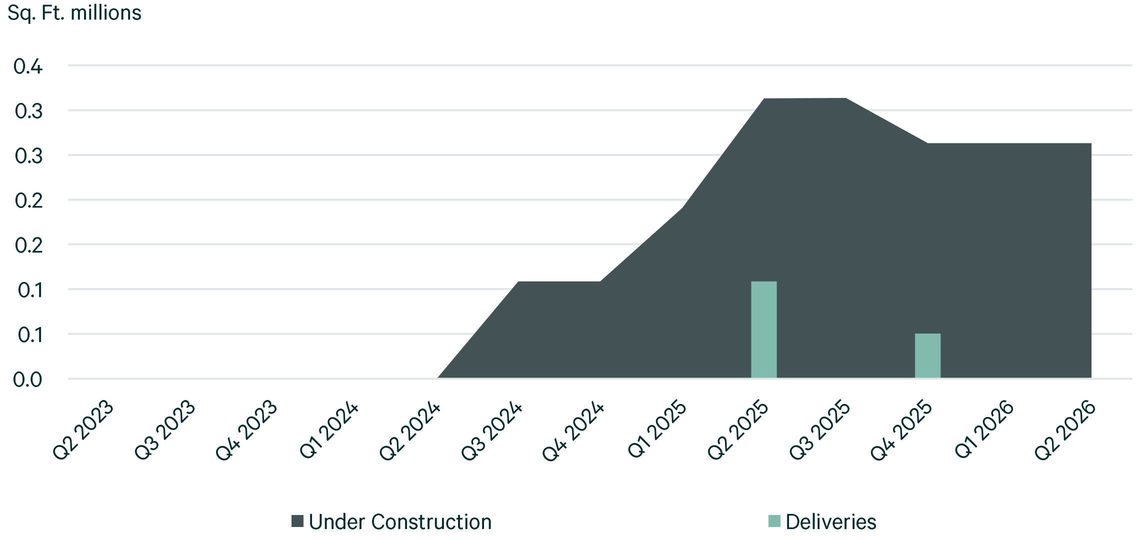
Source: CBRE Research, Q2 2026

Construction Activity

In Q2 2026, the West Oahu industrial market had 263,000 sq. ft. under construction and 0 sq. ft. of new space delivered. Under construction space was unchanged quarter-over-quarter, while declining negative 16.0% year-over-year. Construction deliveries were intermittent over the prior year, with 109,000 sq. ft. completing in Q2 2025 and 50,000 sq. ft. in Q4 2025, before dropping to 0 sq. ft. in Q2 2026 and a negative 100.0% year-over-year change.

Under construction activity is entirely concentrated in West Oahu, where three industrial projects—led by the 91,000 sq. ft. Kaimana Kapolei—total 263,000 sq. ft. No other submarkets are reported with under construction activity above zero.

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Big Island	6.09M	2.1	2.5	2.3	0.2	1.59	14,000	16,000	-	-
Central Oahu	10.13M	2.1	2.1	1.9	0.1	1.99	(39,000)	(54,000)	-	-
East Honolulu	2.20M	0.2	0.2	0.2	-	2.00	72,000	72,000	-	-
Kauai	1.77M	1.6	1.6	1.4	0.2	1.86	(8,000)	(20,000)	-	-
Maui	8.20M	2.5	2.7	2.6	0.1	2.14	(5,000)	(19,000)	-	-
West Honolulu	18.79M	2.4	2.6	1.9	0.7	2.01	(53,000)	(8,000)	-	-
West Oahu	6.59M	4.0	5.8	5.5	0.4	1.74	(116,000)	(128,000)	-	263,000
Windward	1.06M	0.1	0.1	0.1	-	-	-	-	-	-
Total	**54.84M**	**2.4**	**2.7**	**2.4**	**0.3**	**1.93**	**(134,000)**	**(140,000)**	**-**	**263,000**

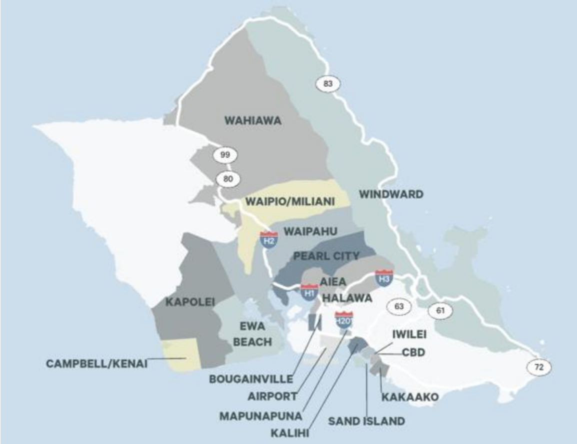
Source: CBRE Research, Q2 2026

Market Statistics by Size

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	30.73M	2.1	2.4	2.1	0.4	1.81	(27,000)	(31,000)	-	-
50K-99,999 SF	10.56M	2.9	3.8	3.7	0.1	1.88	(61,000)	(94,000)	-	263,000
100K-249,999 SF	9.36M	2.3	2.3	1.5	0.8	2.42	23,000	56,000	-	-
250K-499,999 SF	3.57M	3.6	3.6	3.6	-	2.06	(69,000)	(71,000)	-	-
500K-749,999 SF	620,000	-	-	-	-	-	-	-	-	-
Total	**54.84M**	**2.4**	**2.7**	**2.4**	**0.3**	**1.93**	**(134,000)**	**(140,000)**	**-**	**263,000**

Source: CBRE Research, Q2 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32' or greater clear height and ESFR sprinklers.

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