Honolulu Office Figures

▼11.2%
Vacancy Rate

▲41,901
SF Net Absorption

▶0
SF Construction Delivered

▶0
SF Under Construction

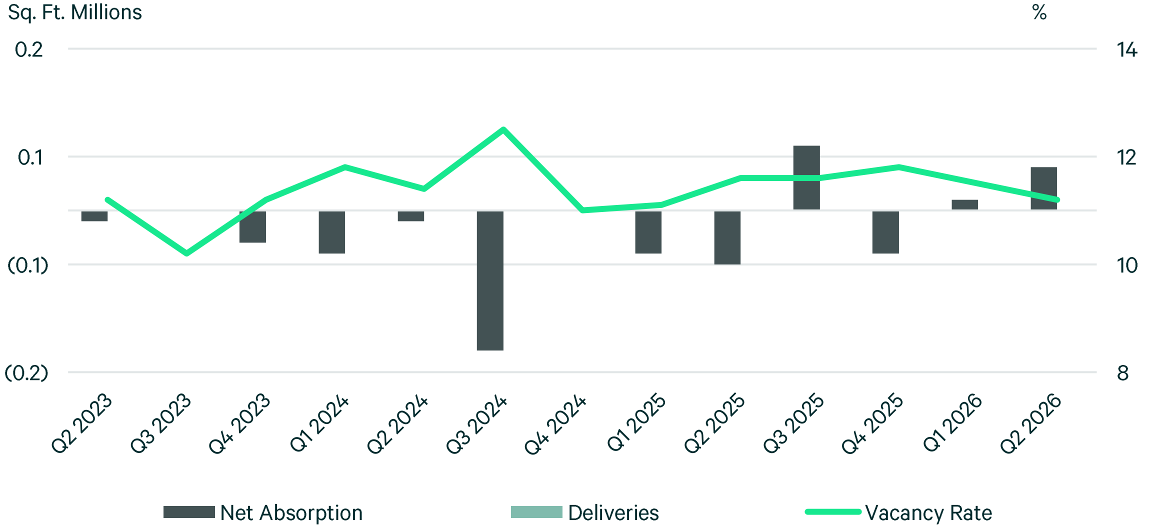
▼$3.48
FSG/MTH Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

The Honolulu office market saw its second consecutive quarter of improvement with nearly 42,000 sq. ft. of positive net absorption. On a quarter-over-quarter basis, net absorption increased by 32,000 sq. ft. On a year-over-year basis, year-to-date net absorption through the latest quarter improved by 137,000 sq. ft. Vacancy in Q2 was 11.2%, representing a 30 basis points decline from Q1. On a year-over-year basis, vacancy declined by 40 basis points. Availability in Q2 was 12.9%. The average asking rate declined 3.1% to $3.48 per sq. ft. On a year-over-year basis, the average asking rate increased by 8.8%. Throughout the period, no space was under construction and no new deliveries were recorded.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

In Q2 2026, vacancy remained differentiated by property class. Class A overall vacancy was 10.8%, down 60 basis points (bps) quarter-over-quarter and 120 bps year-over-year. Class B overall vacancy stood at 12.0%, up 30 bps quarter-over-quarter and 130 bps year-over-year. Compared with Q2 2023, Class A vacancy is lower by 30 bps and Class B by 10 bps, indicating only modest net tightening over the past three years.

By submarket, conditions range from very tight to clearly over-supplied. East Oahu records the lowest overall vacancy at 5.6%, followed by Windward at 5.8%. At the other extreme, West Oahu posts the highest vacancy at 20.4%, with Central Oahu and Kapiolani also elevated at 17.3% and 18.2%, respectively.

Sublease vacancy rates moved in opposite directions by class: Class A sublease vacancy eased to 0.6% in Q2 2026, down 20 bps quarter-over-quarter and 20 bps year-over-year, while Class B rose to 0.4%, up 20 bps over both comparison periods. Across the tracked submarkets, sublease vacancy totals 63,000 sq. ft. in Q2 2026, heavily concentrated in Kapiolani, Downtown (CBD), and Waikiki.

Figure 2: Vacancy Rates by Class

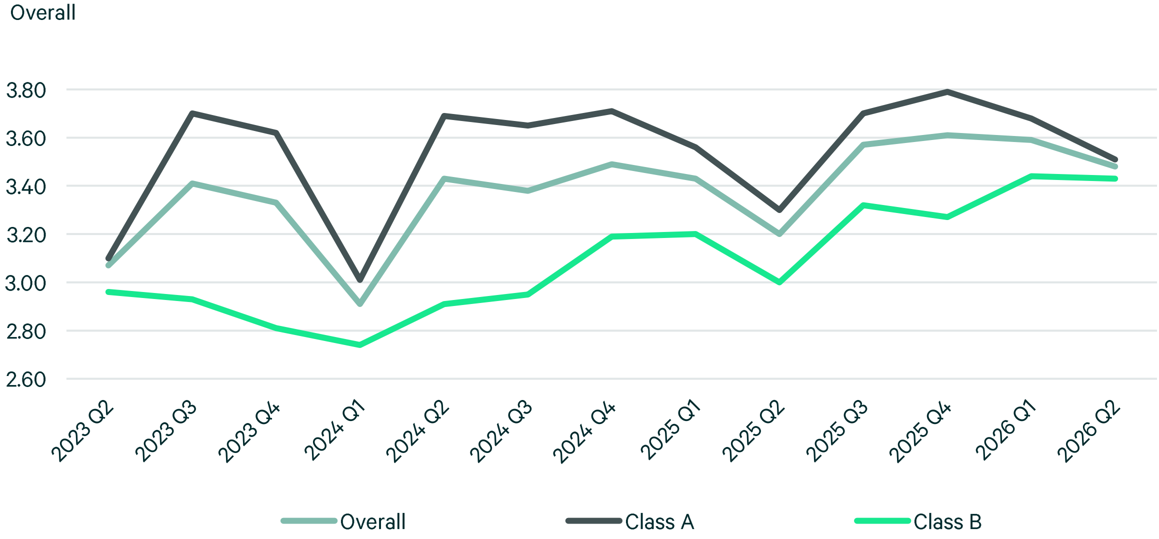
Source: CBRE Research, Q2 2026

Asking Rent

Overall average asking rent reached $3.48 in Q2 2026, compared with a full-year 2025 average of $3.45. This level was 3.1% lower quarter-over-quarter than $3.59 in Q1 2026 but 8.8% higher year-over-year than the $3.20 recorded in Q2 2025, and 13.4% above the $3.07 posted in Q2 2023 despite a temporary low of $2.91 in Q1 2024. Class A asking rent stood at $3.51 in Q2 2026, down 4.6% quarter-over-quarter from $3.68 yet 6.4% higher year-over-year than $3.30, with a full-year 2025 average of $3.59 and a 13.2% gain over its Q2 2023 level of $3.10, maintaining a clear premium to the overall market.

By submarket in Q2 2026, Waikiki recorded the highest rents, with Class A space averaging $4.54 and Class B space at $4.44, while Windward posted one of the next-highest Class B averages at $3.86. East Oahu and West Honolulu were also among the more expensive Class B locations at $3.69 and $3.61, respectively, whereas Central Oahu and West Oahu clustered around the mid-$3.00 range at $3.58 and $3.44, and East Honolulu and Kapiolani offered more affordable Class B options at $2.30 and $2.07.

Figure 3: Average Direct Asking Rate by Class



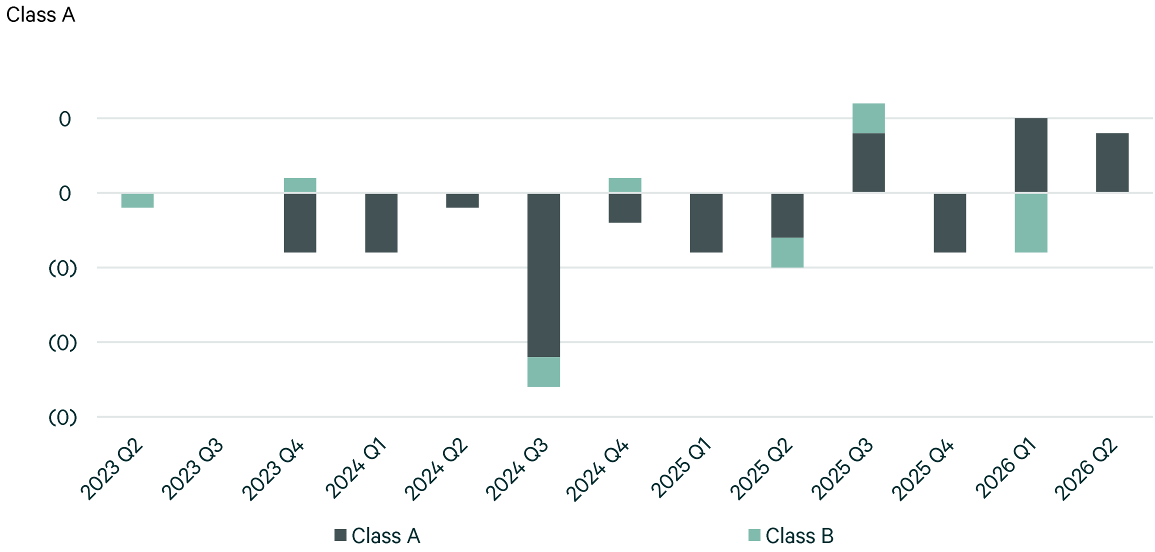
Source: CBRE Research, Q2 2026

Net Absorption

Total net absorption for the market reached 42,000 sq. ft. in Q2 2026, marking a second consecutive quarter of positive demand. This level exceeded the 11,000 sq. ft. recorded in Q1 2026 by 31,000 sq. ft., underscoring a meaningful quarter-over-quarter improvement. Year-over-year, Q2 2026 absorption of 42,000 sq. ft. exceeded the negative 48,000 sq. ft. logged in Q2 2025 by 90,000 sq. ft., reflecting a sharp swing from net givebacks to net occupancy gains.

Among submarkets, Downtown (CBD) posted the highest positive net absorption at 36,000 sq. ft., followed by West Honolulu with 8,000 sq. ft. in Q2 2026. On the downside, Central Oahu recorded negative net absorption of 21,000 sq. ft., while Windward reported negative 8,000 sq. ft., positioning these areas as the weakest demand pockets this quarter.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Market Statistics

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	7.35M	10.8	12.6	12.0	0.6	3.51	44,000	98,000	-	-
Class B	4.15M	12.0	13.5	13.1	0.4	3.43	(2,000)	(46,000)	-	-
Total	**11.49M**	**11.2**	**12.9**	**12.4**	**0.5**	**3.48**	**42,000**	**52,000**	**-**	**-**

Source: CBRE Research, Q2 2026

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	2.87M	18.2	20.5	19.2	1.3	3.56	9,000	3,000	-	-
Class B	3.26M	10.6	11.3	11.1	0.2	3.56	(4,000)	(43,000)	-	-
Total	**6.13M**	**14.2**	**15.6**	**14.9**	**0.7**	**3.56**	**4,000**	**(40,000)**	**-**	**-**

Source: CBRE Research, Q2 2026

Figure 11: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	4.48M	6.1	7.6	7.4	0.2	3.43	36,000	95,000	-	-
Class B	885,000	17.2	21.4	20.4	1.0	3.23	2,000	(2,000)	-	-
Total	**5.37M**	**7.9**	**9.8**	**9.5**	**0.3**	**3.36**	**38,000**	**93,000**	**-**	**-**

Source: CBRE Research, Q2 2026

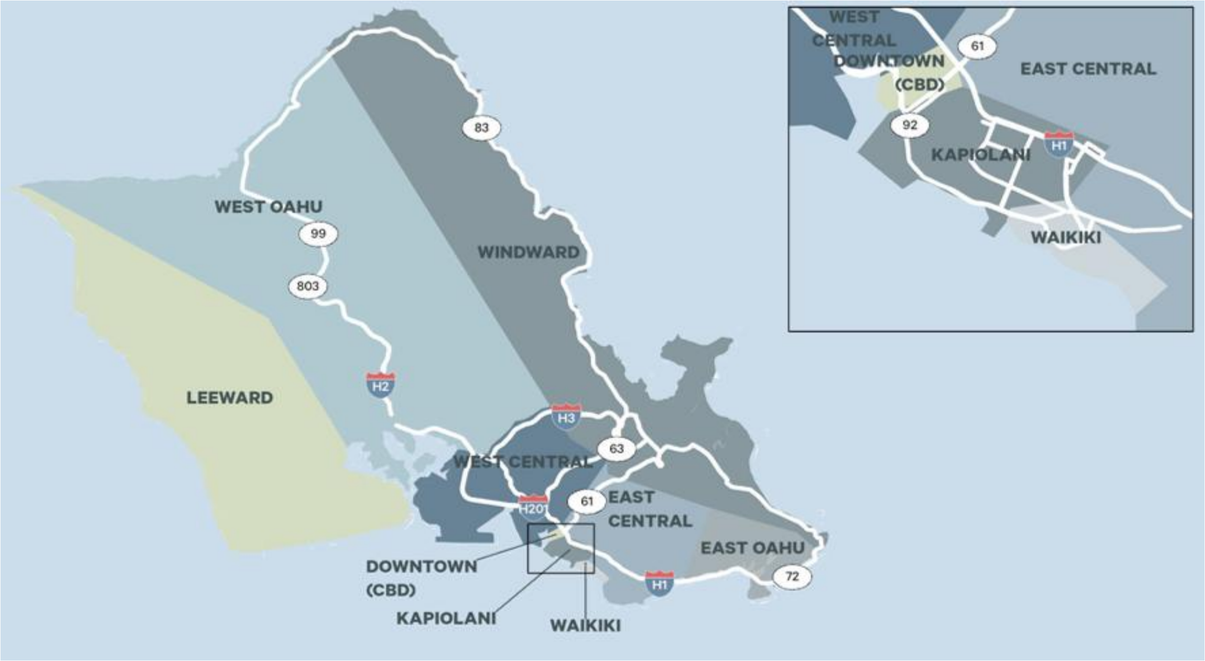
Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent ($/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central Oahu	339,000	17.3	17.3	16.8	0.5	3.58	-	(21,000)	(34,000)	-	-
Downtown (CBD)	5.37M	7.9	9.8	9.5	0.3	3.36	3.43	38,000	93,000	-	-
East Honolulu	106,000	8.1	10.7	10.7	-	2.30	-	1,000	1,000	-	-
East Oahu	161,000	5.6	6.1	6.1	-	3.69	-	2,000	1,000	-	-
Kapiolani	2.89M	18.2	19.6	18.7	1.0	3.53	3.57	9,000	(1,000)	-	-
Waikiki	611,000	13.6	13.6	12.2	1.4	4.49	4.54	3,000	(6,000)	-	-
West Honolulu	1.39M	6.2	9.0	8.8	0.2	3.24	2.55	11,000	4,000	-	-
West Oahu	416,000	20.4	21.0	20.4	0.6	3.44	-	7,000	3,000	-	-
Windward	218,000	5.8	6.8	6.8	-	3.86	-	(8,000)	(8,000)	-	-
Total	**11.49M**	**11.2**	**12.9**	**12.4**	**0.5**	**3.48**	**3.51**	**42,000**	**52,000**	**-**	**-**

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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