Hawaii Industrial Figures Q3 2026

2.4%	(42,000)	0	263,000	$1.67
Vacancy Rate	SF Net Absorption	SF Construction Delivered	SF Under Construction	Avg. Direct Asking Rate (NNN/MTH)

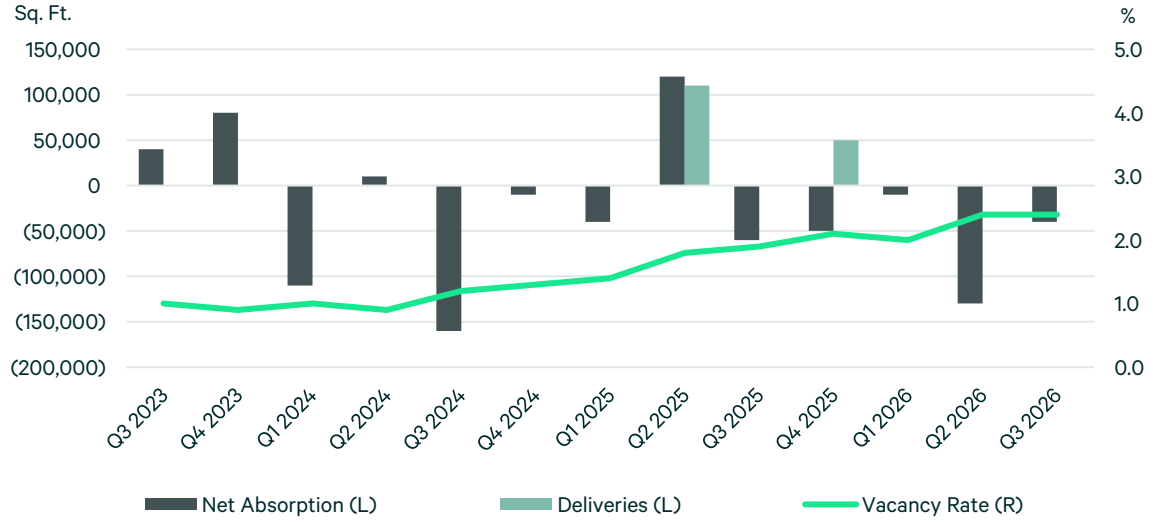
Note: Arrows indicate change from previous quarter.

Market Overview

Hawaii's industrial market softened for another quarter in Q3 2026, though the pace of occupancy losses slowed quarter-over-quarter. Net absorption totaled negative 42,000 sq. ft., an improvement from negative 134,000 sq. ft. in Q2 2026. Vacancy held at 2.4%, while availability rose 30 basis points (bps) quarter-over-quarter to 3.0%, suggesting additional space is being marketed ahead of move-outs. Leasing activity eased 10% to 121,464 sq. ft., and the average asking rent declined to $1.67 per sq. ft. No new space delivered during the quarter, and 263,000 sq. ft. remained under construction across three properties.

Market fundamentals have loosened gradually since Q3 2023, though vacancy remains modest. Vacancy rose 140 bps from 1.0% to 2.4% over the period, while availability doubled from 1.5% to 3.0%. After early occupancy growth, the market recorded sizeable contractions, including negative 161,000 sq. ft. in Q3 2024. Asking rents have fallen nearly 13% from their Q2 2025 peak. Looking ahead, the 263,000 sq. ft. under construction could add to vacancy as projects deliver, keeping pressure on rents in the near term.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

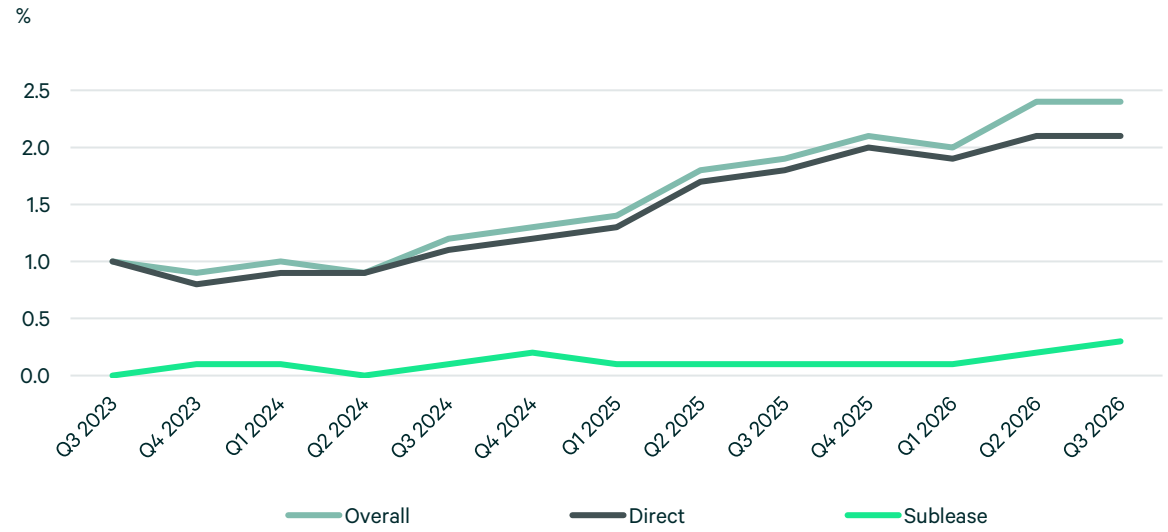
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Vacancy Rate

Industrial vacancy stabilized in Q3 2026, pausing the steady upward trend that has defined the market over the past three years. Overall vacancy held at 2.4% quarter-over-quarter, with direct vacancy unchanged at 2.1% and sublease vacancy rising 10 basis points (bps) to 0.3%. Year-over-year, overall vacancy increased 50 bps from 1.9%, while direct vacancy rose 30 bps from 1.8%. Since Q3 2023, overall vacancy has climbed 140 bps from 1.0%, with direct vacancy accounting for 110 bps of that increase. Sublease space has driven a growing share of recent vacancy gains, accounting for all of this quarter's change and 20 bps of the past year's increase.

Vacancy varied widely by submarket, ranging from near-zero levels in East Honolulu to nearly 5.0% in West Oahu. East Honolulu posted the lowest rate at 0.2%, followed by Kauai at 1.2% and Central Oahu at 2.0%. West Oahu registered the highest vacancy at 4.9%, roughly twice the market average. Sublease vacancy totaled 186,000 sq. ft., with West Honolulu (99,000 sq. ft.) and West Oahu (52,000 sq. ft.) accounting for approximately 81% of that space. With sublease space concentrated in these two submarkets, conditions there will largely determine whether the market's recent vacancy pause holds.

Figure 2: Vacancy Rate



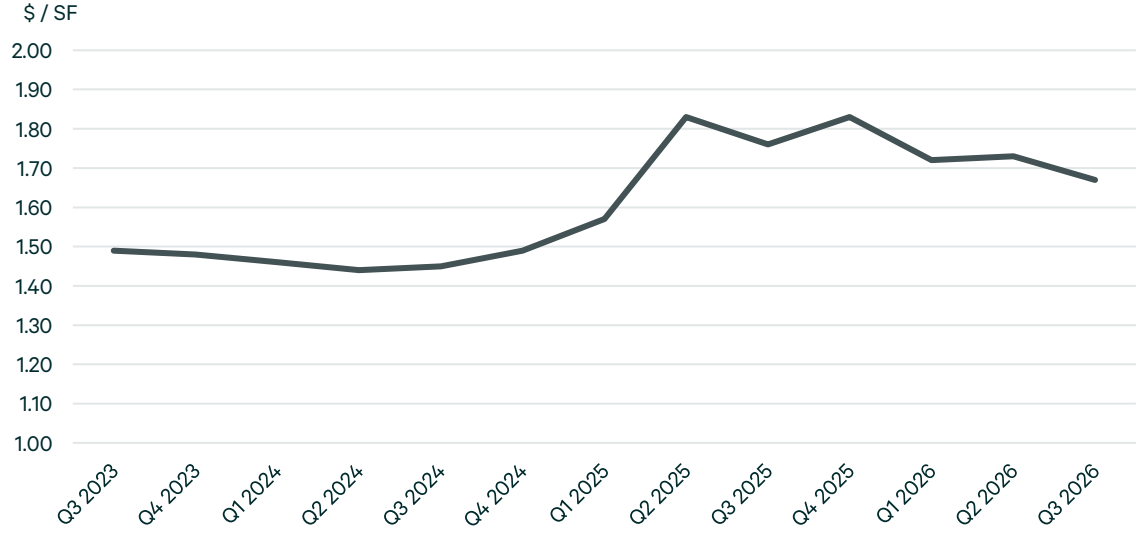
Source: CBRE Research, Q3 2026

Asking Rent

Average asking rents eased in Q3 2026 but remain well above where they started the series. The average asking rent fell 3.5% quarter-over-quarter and 5.1% year-over-year to $1.67 per sq. ft. NNN. Since Q3 2023, when the average stood at $1.49 per sq. ft., rents have risen 12.1%. The recent pullback follows a strong run-up in pricing through 2025, and rents have so far given back only part of those gains.

Submarket rents showed a clear hierarchy, with East Honolulu commanding a premium. East Honolulu posted the highest average asking rent at $2.12 per sq. ft., 27.0% above the market average, followed by Maui at $1.87 per sq. ft. and Kauai at $1.83 per sq. ft. Big Island recorded the lowest rate at $1.26 per sq. ft., roughly 25% below the market average. Central Oahu ($1.74), West Oahu ($1.62) and West Honolulu ($1.59) priced in a mid-range band near the market average. East Honolulu's premium aligns with its market-low 0.2% vacancy rate, while West Oahu's below-average rent coincides with its market-high 4.9% vacancy.

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

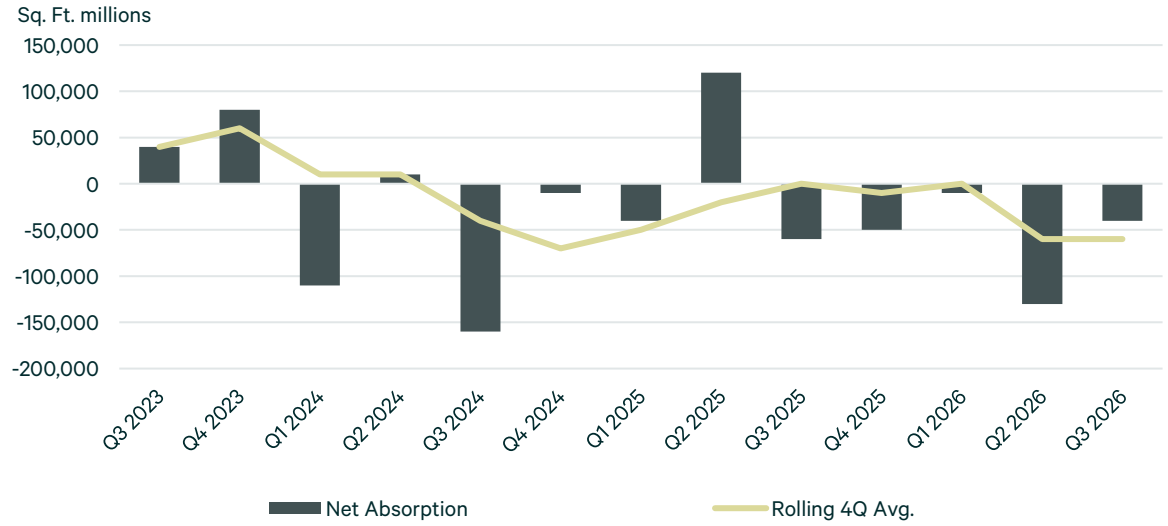
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Net Absorption

Occupancy losses moderated in Q3 2026, though the market recorded another quarter of negative net absorption. Net absorption totaled negative 42,000 sq. ft., a 69% smaller loss than the negative 134,000 sq. ft. recorded in Q2 2026 and an improvement from negative 56,000 sq. ft. in Q3 2025. Over the past four quarters, net absorption averaged negative 57,250 sq. ft. per quarter, a cumulative loss of 229,000 sq. ft. While quarterly givebacks have narrowed, occupiers continue to return more space than they lease.

Submarket performance diverged sharply, with losses concentrated in West Oahu. West Oahu recorded net absorption of negative 62,000 sq. ft., exceeding the market's total loss, followed by Windward at negative 24,000 sq. ft. By contrast, West Honolulu posted the strongest gain at 31,000 sq. ft., and Maui added 8,000 sq. ft. West Oahu's contraction aligns with its market-high 4.9% vacancy, while West Honolulu's gain came despite the submarket holding the market's largest share of sublease vacancy.

Figure 4: Net Absorption Trend



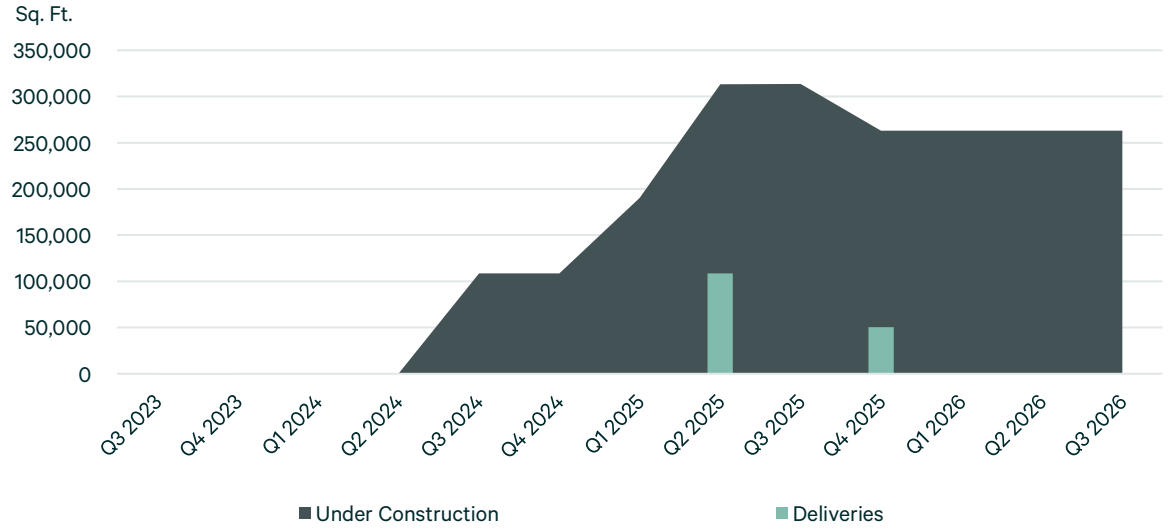
Source: CBRE Research, Q3 2026

Construction Activity

Development activity held steady in Q3 2026, with no new completions and no change to the pipeline. Space under construction totaled 263,000 sq. ft., unchanged quarter-over-quarter and down 16.2% from approximately 314,000 sq. ft. in Q3 2025. The pipeline has held at that level throughout 2026, and no space has delivered year-to-date. The absence of both new starts and completions has kept development exposure stable, with the full pipeline still to come.

All active construction is concentrated in West Oahu. Three projects are under way in Kapolei: Kaimana Kapolei, Kapolei Harborside Building 2 and The Crossing at Kapolei Business Park West. Kaimana Kapolei is the largest at 91,000 sq. ft., or approximately 35% of the pipeline. With West Oahu already posting the market's highest vacancy at 4.9% and the largest occupancy loss this quarter, the timing and leasing of these projects will be key to the submarket's direction.

Figure 5: Construction Activity



Source: CBRE Research, Q3 2026

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Market Statistics by Submarket

Figure 6

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF/Mo NNN	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Big Island	6.10M	2.1	2.5	2.3	0.2	1.26	1,000	17,000	-	-
Central Oahu	10.13M	2.0	2.1	2.0	0.1	1.74	1,000	(53,000)	-	-
East Honolulu	2.20M	0.2	0.3	0.3	-	2.12	-	72,000	-	-
Kauai	1.75M	1.2	2.4	2.1	0.2	1.83	5,000	(15,000)	-	-
Maui	8.17M	2.4	3.1	3.0	0.1	1.87	8,000	(11,000)	-	-
West Honolulu	18.80M	2.3	2.7	2.1	0.6	1.59	31,000	23,000	-	-
West Oahu	6.59M	4.9	6.9	5.8	1.1	1.62	(62,000)	(190,000)	-	263,000
Windward	1.06M	2.4	2.4	2.4	-	-	(24,000)	(24,000)	-	-
Total	**54.81M**	**2.4**	**3.0**	**2.6**	**0.4**	**1.67**	**(42,000)**	**(182,000)**	**-**	**263,000**

Source: CBRE Research, Q3 2026

*Numbers presented throughout this report have been rounded for readability. As a result, individual line items may not sum to the totals shown. All figures should be considered approximate.

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Market Statistics by Size

Figure 7

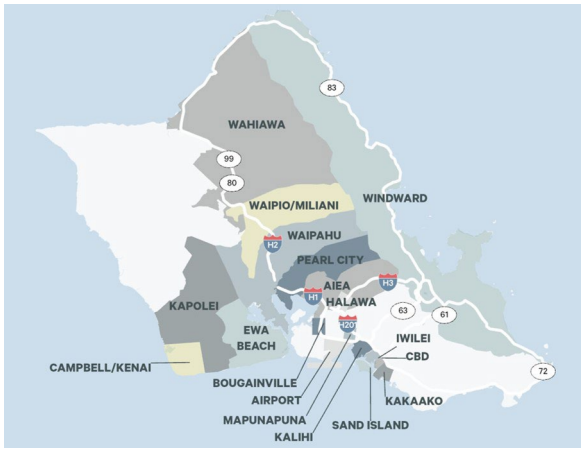
Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF/Mo NNN)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	30.70M	2.0	2.7	2.4	0.3	1.52	35,000	4,000	-	-
50K-99,999 SF	10.56M	2.9	3.8	3.8	0.0	1.70	2,000	(92,000)	-	263,000
100K-249,999 SF	9.36M	2.9	2.9	1.6	1.3	2.21	(54,000)	2,000	-	-
250K-499,999 SF	3.57M	4.3	4.3	4.3	-	1.53	(24,000)	(95,000)	-	-
500K-749,999 SF	620,000	-	-	-	-	-	-	-	-	-
Total	**54.81M**	**2.4**	**3.0**	**2.6**	**0.4**	**1.67**	**(42,000)**	**(182,000)**	**-**	**263,000**

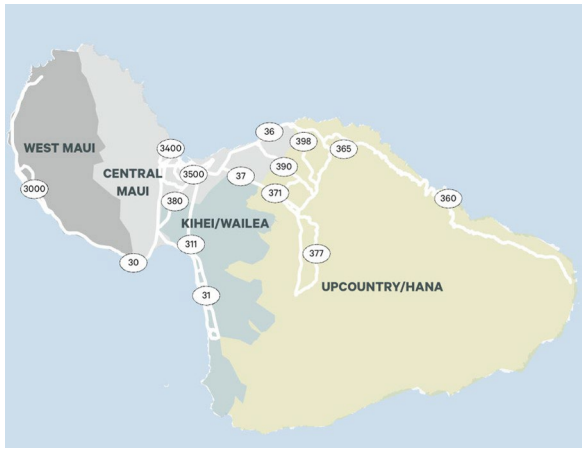
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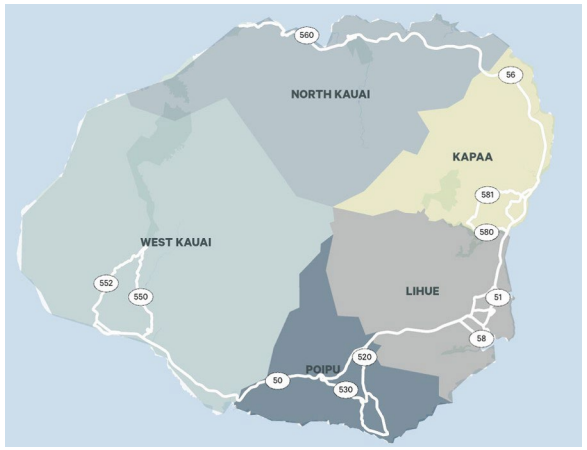
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Market Area Overview









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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