Honolulu Office Figures Q3 2026

▼10.9%
Vacancy Rate

▲ 102,000
SF YTD Net Absorption

▶ $3.46
Avg. Direct Asking Rate (FSG/MTH)

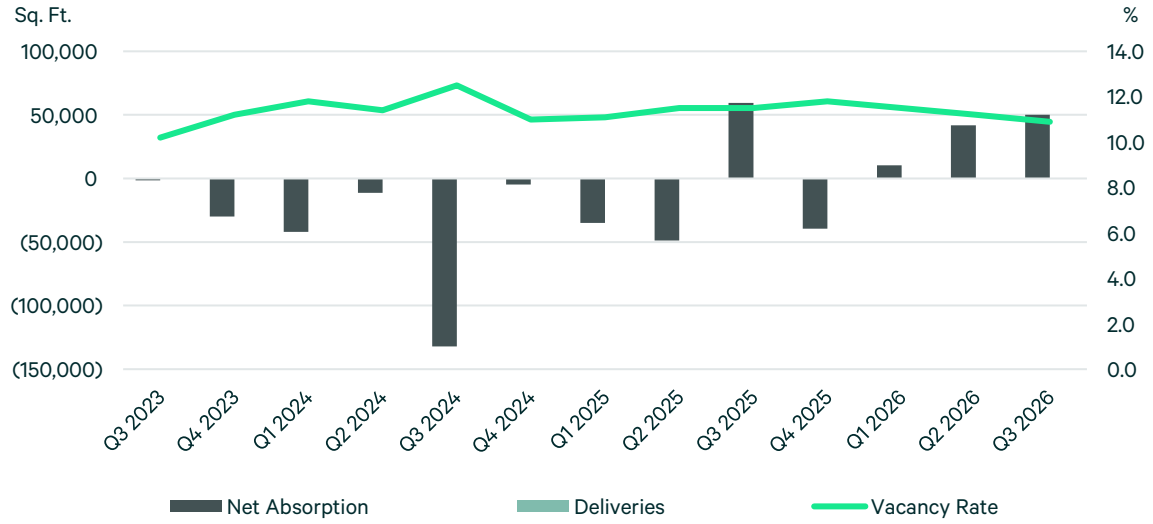
Note: Arrows indicate change from previous quarter.

Market Overview

Honolulu's office market extended its recovery in Q3 2026 with a third consecutive quarter of positive net absorption. Net absorption in Q3 2026 alone totaled approximately 50,000 sq. ft., up from 42,000 sq. ft. in Q2 2026, bringing year-to-date absorption to approximately 102,000 sq. ft. The result marked a sharp turnaround from the roughly 39,000-sq.-ft. occupancy loss recorded in Q4 2025. Overall vacancy declined 30 basis points (bps) quarter-over-quarter to 10.9%. Vacancy has fallen in every quarter of 2026, down 90 bps from 11.8% in Q4 2025 and 70 bps below the 11.6% recorded one year earlier. The trend marks a clear shift from the prolonged softness that defined the market over the last few quarters.

Tenant demand drove the improvement, but supply-side dynamics also played a critical role in overall market performance. No new product has delivered, and no space has been under construction during the recorded period. As such, availability has held between 10% and 13% over the past three years. With steady demand and no new supply in the pipeline, Honolulu is positioned for continued, gradual tightening into 2027.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

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Vacancy

Positive demand supported Honolulu's office market in Q3 2026, though gains were concentrated in a handful of submarkets. Overall vacancy measured 10.9%, with direct net absorption totaling 38,000 sq. ft. Downtown (CBD) and Central Oahu drove the results with gains of 27,000 sq. ft. and 16,000 sq. ft., respectively, offsetting occupancy losses in Kapiolani, East Honolulu, West Honolulu and East Oahu. Direct vacancy accounted for 10.4%, while sublease vacancy remained limited at 0.4%, or approximately 48,000 sq. ft. With minimal sublease space and no new construction delivered or underway, vacancy trends continue to hinge on direct tenant demand rather than new supply.

Vacancy conditions varied widely by submarket, with the market's two largest inventory centers performing at opposite ends of the spectrum. Downtown (CBD) maintained a vacancy rate of 7.4% while representing nearly half of the market's inventory, whereas Kapiolani (18.8%) holds approximately 506,000 sq. ft. of vacant space, roughly 40% of the market total. West Oahu posted the highest rate at 19.4%, though its small inventory base amplified the figure. Windward (5.7%), East Oahu (6.1%) and West Honolulu (6.1%) recorded the market's lowest vacancy rates. Together, Downtown and Kapiolani account for roughly 70% of the market's inventory, and their performance will continue to set the direction of overall vacancy.

Asking Rent

Asking rents continued to ease from their late-2025 peak in Q3 2026, but have seen some growth since 2023. The overall average direct asking rent measured $3.46 per sq. ft., down from $3.48 per sq. ft. in Q2 2026 and $3.57 per sq. ft. one year earlier. Class A rents eased to $3.49 per sq. ft. from $3.53 per sq. ft. in Q2 2026 and $3.70 per sq. ft. in Q3 2025. Since Q3 2023, overall rents have ranged between $2.91 and $3.61 per sq. ft., with Class A rents between $3.01 and $3.84 per sq. ft. The Class A premium narrowed to $0.03 per sq. ft. from $0.13 per sq. ft. a year earlier, suggesting landlords of premium space have adjusted pricing to compete for tenants.

Submarket pricing varied widely, and the Class A premium did not hold in every submarket. Waikiki commanded the highest rents at $4.51 per sq. ft. for Class A and $4.56 per sq. ft. for Class B, followed by Windward Class B at $4.32 per sq. ft. Downtown (CBD), the market's largest submarket, posted Class A rents of $3.34 per sq. ft., below the market's Class A average. East Honolulu showed the widest spread between classes, with Class A at $3.78 per sq. ft. and Class B at $2.42 per sq. ft., the lowest rate in the market. With premium pricing concentrated in Waikiki and Windward, sustained demand in Downtown will be key to renewed rent growth.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q3 2026

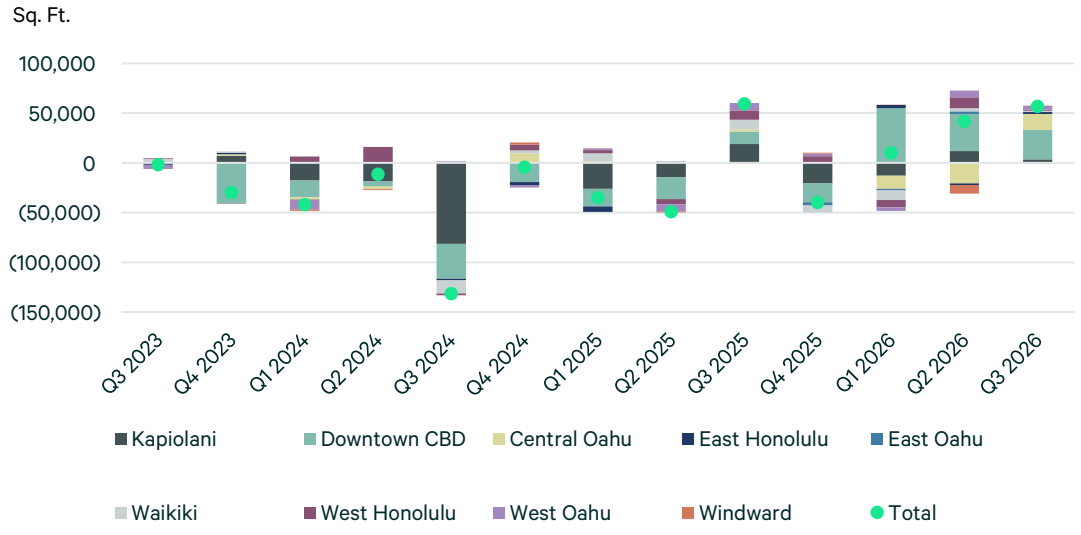
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Net Absorption

Occupiers expanded their footprint for a third consecutive quarter in Q3 2026, the longest run of positive net absorption since at least Q3 2023. Net absorption totaled approximately 50,000 sq. ft., up from 42,000 sq. ft. in Q2 2026 but below the 59,000 sq. ft. recorded in Q3 2025. Class A absorption eased to 26,000 sq. ft. from 44,000 sq. ft. in Q2 2026, while Class B climbed to 24,000 sq. ft. from negative 2,000 sq. ft., its strongest result since Q3 2023. Year-to-date absorption reached approximately 102,000 sq. ft., reversing a net loss of approximately 64,000 sq. ft. in 2025. Class A continues to anchor the recovery, but the Class B rebound shows demand broadening beyond premium space.

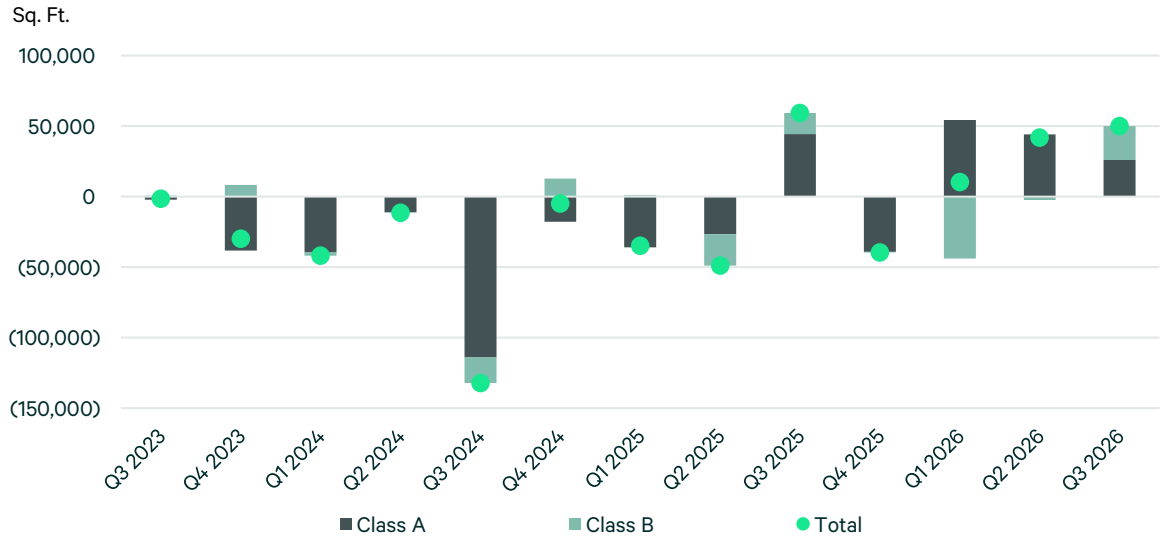
Gains remained concentrated in a small number of submarkets, while most of the market posted modest movement in either direction. Downtown (CBD) led with approximately 30,000 sq. ft. of positive net absorption, followed by Central Oahu at 16,000 sq. ft., together accounting for more than 90% of the market total. West Oahu and Waikiki posted smaller gains, while Kapiolani and East Oahu recorded net absorption of negative 3,000 sq. ft. and negative 1,000 sq. ft., respectively. The concentration of gains in Downtown makes CBD leasing the key driver of the market's near-term performance.

Figure 4: Net Absorption Trend



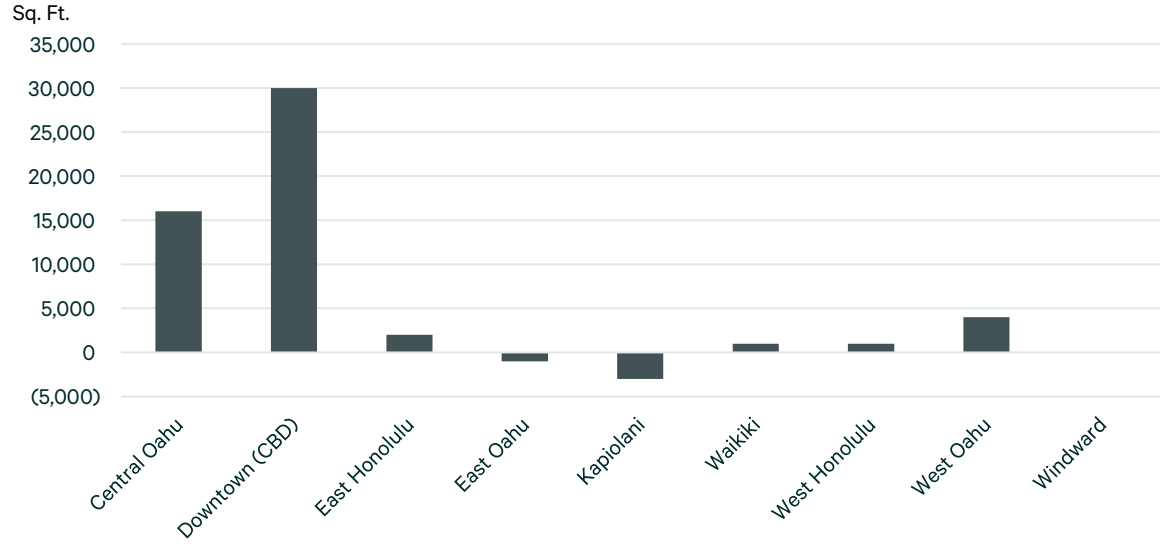
Source: CBRE Research, Q3 2026

Figure 5: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 6: Quarterly Net Absorption by Submarket



Source: CBRE Research, Q3 2026

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Market Statistics

Figure 7: Downtown 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)	Deliveries (SF)	Under Construction (SF)
Class A	4,480,000	5.4	6.8	6.5	0.2	3.34	29,000	-	-
Class B	885,000	17.2	21.3	20.6	0.7	3.23	-	-	-
Total	**5,370,000**	**7.4**	**9.2**	**8.9**	**0.3**	**3.29**	**30,000**	**-**	**-**

Source: CBRE Research, Q3 2026

Figure 8: 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)	Deliveries (SF)	Under Construction (SF)
Class A	2,730,000	17.7	19.4	18.3	1.2	3.59	(3,000)	-	-
Class B	3,400,000	10.8	11.6	11.6	-	3.53	24,000	-	-
Total	**6,140,000**	**13.9**	**15.1**	**14.5**	**0.5**	**3.56**	**20,000**	**-**	**-**

Source: CBRE Research, Q3 2026

Figure 9: Total 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)	Deliveries (SF)	Under Construction (SF)
Class A	7,210,000	10.1	11.6	11.0	0.6	3.50	26,000	-	-
Class B	4,285,000	12.1	13.6	13.5	0.1	3.44	24.000	-	-
Total	**11,510,000**	**10.9**	**12.3**	**11.9**	**0.4**	**3.46**	**50,000**	**-**	**-**

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 Submarket

Figure 10

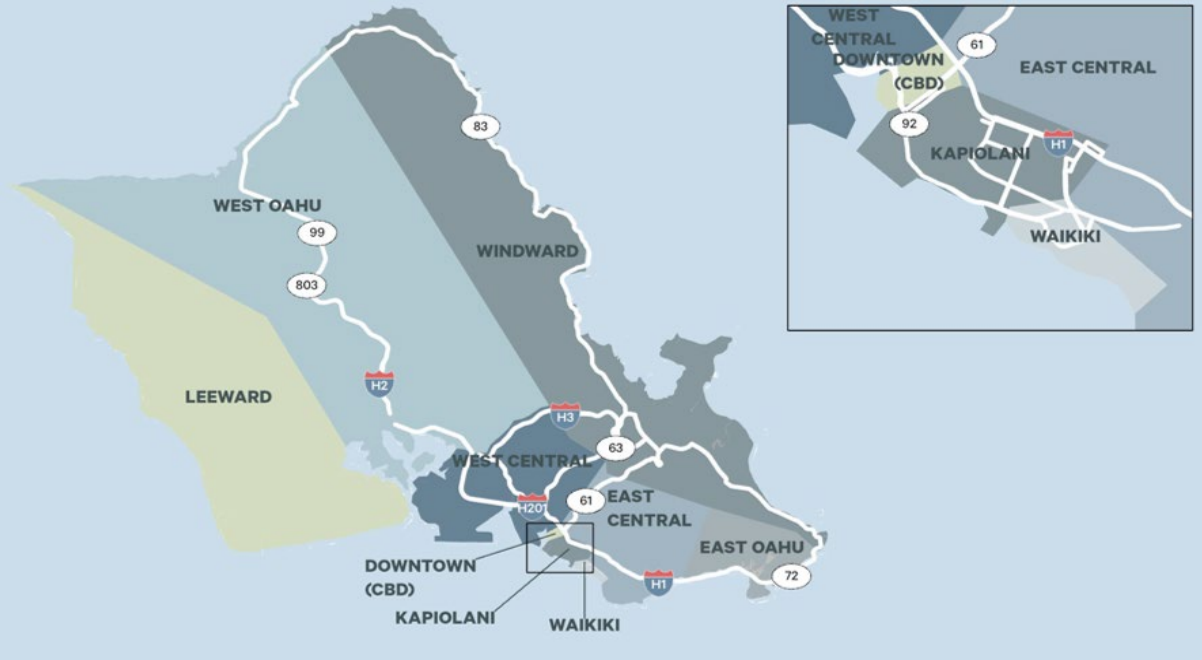
Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/mth)	Current Quarter Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Downtown (CBD)	5,370,000	7.4	9.2	8.9	0.3	3.29	30,000	-	-
Kapiolani	2,690,000	18.8	19.9	19.7	0.1	3.51	-3,000	-	-
West Honolulu	1,390,000	6.1	8.8	8.8	-	3.31	1,000	-	-
Waikiki	611,000	13.4	13.4	12	1.4	4.54	1,000	-	-
West Oahu	416,000	19.4	20.3	20.3	-	3.44	4,000	-	-
Central Oahu	339,000	12	12.1	12.1	-	3.54	16,000	-	-
East Honolulu	311,000	11.3	12	5.5	6.6	2.8	2,000	-	-
Windward	218,000	5.7	5.7	5.7	-	4.32	-	-	-
East Oahu	161,000	6.1	6.1	6.1	-	3.69	-1,000	-	-
Total	**11,500,000**	**10.9**	**12.3**	**11.9**	**0.4**	**3.46**	**50,000**	**-**	**-**

Source: CBRE Research, Q3 2026

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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.

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