

Retail Market Report

OAHU | MID YEAR 2009

“These challenging times require exceptional creativity to get landlord and tenant to agreement.”

*-Kim F. Scoggins (B),
Vice President*

MARKET INDICATORS

	YEAR END		
	2008	2009	2010
VACANCY	▲	▲	▲
NET ABSORPTION	▲	▼	▼
CONSTRUCTION	▲	▲	▲
RENTAL RATE	▲	▼	▼

RETAIL HIGHLIGHTS

NET ABSORPTION: (74,282) SF

VACANCY RATE: 3.98 %

AVERAGE ASKING RENT RANGE \$ 3.04 - \$ 4.00 PSF/MO

AVERAGE ASKING RENT \$ 3.52 PSF/MO

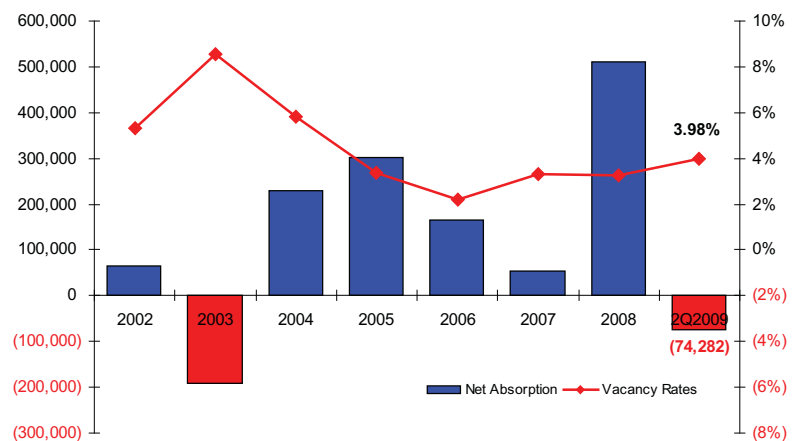
AVERAGE OPERATING EXPENSE \$ 1.10 PSF/MO

Hawaii Retail Market Lags Behind National Trends

Honolulu's retail market posted 74,282 square feet of lost occupancy over the past six months as vacancy rates rose to 3.98%. This is a 75 basis point increase over the year-end 2008 island-wide vacancy rate of 3.23% and is a five year high. Comparatively speaking, Honolulu has yet to encounter the double digit vacancy rates and dramatic declines in rental rates that many mainland markets faced.

Despite the apparent relative calm, increasing uneasiness is being felt throughout the retail marketplace. Economic indicators point to a negative change in the business environment as job losses, bankruptcies, and home foreclosures mount. As the longest post World War II recession continues, an erosion of current market conditions is anticipated.

OAHU RETAIL SHOPPING CENTER NET ABSORPTION VS. VACANCY RATE



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Mid Year 2009 Oahu Retail Market Statistics

	Total Inventory	Vacant Space	Vacancy Rate	Net Absorption	Avg. Low NNN Asking Rents	Avg. High NNN Asking Rents	Avg. CAM Expenses
Central Oahu	757,084	7,691	1.02%	691	\$3.20	\$3.69	\$0.73
East Oahu	1,144,690	6,753	0.59%	2,624	\$4.08	\$5.41	\$1.45
Honolulu	3,400,021	90,457	2.66%	(2,181)	\$2.73	\$3.99	\$1.48
Leeward Oahu	3,505,367	207,111	5.91%	(75,722)	\$3.25	\$4.05	\$0.98
North Shore	112,903	4,758	4.21%	(117)	\$1.67	\$3.30	\$1.20
Waianae	288,000	28,825	10.01%	3,818	\$1.95	\$2.88	\$0.73
Waikiki	1,146,140	76,064	6.64%	(11,975)	\$4.57	\$16.45	\$2.23
West Oahu	278,165	900	0.32%	2,000	\$4.08	\$4.08	\$0.97
Windward Oahu	1,115,765	44,976	4.03%	6,580	\$2.50	\$3.53	\$0.94
Totals	11,748,135	467,535	3.98%	(74,282)	\$3.04	\$4.00	\$1.10

*Islandwide total for average rents and CAM calculations exclude Waikiki and Ala Moana Shopping Center

Shopping Center Type	Total Inventory	Vacant Space	Vacancy Rate	Net Absorption	Avg. Low NNN Asking Rents	Avg. High NNN Asking Rents	Avg. CAM Expenses
Community/Power Center	2,398,255	152,963	6.38%	14,097	\$3.66	\$4.50	\$1.11
Neighborhood	3,426,066	84,285	2.46%	(12,305)	\$2.97	\$3.80	\$0.95
Regional	4,367,911	103,546	2.37%	(64,641)	\$2.67	\$10.03	\$2.03
Resort/Specialty	1,399,912	107,702	7.69%	(10,024)	\$5.38	\$14.19	\$2.18
Strip	155,991	19,039	12.21%	(1,409)	\$3.20	\$3.90	\$1.06
Totals	11,748,135	467,535	3.98%	(74,282)	\$3.04	\$4.00	\$1.10

*Islandwide total for average rents and CAM calculations exclude Waikiki and Ala Moana Shopping Center

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All information contained herein comes from sources deemed reliable; however, we make no guarantees as to the accuracy or completeness of the data contained herein.

If you would like additional information, please contact mike@colliershawaii.com

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