

# Investment Market Report

OAHU - HONOLULU | 2009 - 2010

*“The combination of the inability to secure refinancing and the weakened economy will boost defaults and foreclosure activity.”*

- Mark Bratton (R) CCIM  
Vice President

## MARKET INDICATORS

	YEAR END		
	2008	2009	2010
SALES VOLUME	▼	▼	▲
SALES COUNTS	▼	▼	▲
CAP RATE	▲	▲	▲

## HIGHLIGHTS

Total 2009 \$IM+  
Commercial Investment  
Transactions:

**113**

Total 2009 \$IM+  
Commercial Investment  
Sales Volume:

**\$627 Million**

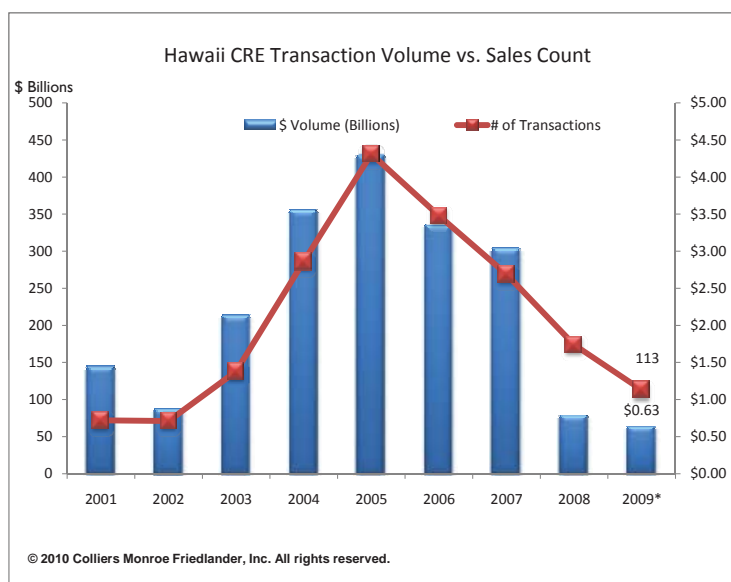
## Loan Defaults Loom Over Horizon

Hawaii's commercial real estate investment market encountered difficult market conditions as the combination of the lack of financing capacity, poor market conditions, and the faltering economy drove transaction activity to levels not seen since the aftermath of the Japanese bubble period in the early 1990s. Total transaction volume fell to \$627.5 million, 20.4% below 2008 totals and more than 85% below the record \$4.3 billion level established in 2005.

Hawaii has experienced a significant change in the investment market over the past 18 months. At mid-year 2007, nearly every property type was coveted as money flowed from off-shore capital sources to purchase or

develop properties. At one point, there was more than 7 million square feet of proposed commercial development being planned. At its zenith, vacancy rates had trended downward for nearly five years and rents have escalated. Each property sector fell into the expansion phase of the real estate cycle.

Today, each property type has entered the recession phase of the real estate cycle. Tenant demand has slowed, rents have reversed direction and many proposed developments were shelved. However, it appears that the downturn in the property cycle was shallower than that felt on the U.S. mainland. There are already signs that several property sectors will emerge from the recessionary phase of the cycle.



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## Featured Properties For Sale

### INDUSTRIAL WAREHOUSE



#### 2688 Waiwai Loop

Tenure: Fee Simple  
 Land size: 22,688 sf  
 Building size: 13,539 sf  
 Purchase price: \$3,695,000  
 Contact: Ronald C. Ward (S)  
 808-524-2666

### MACADAMIA NUT FARM



#### Iasco Macadamia Nut Orchard Pahala, Big Island

Tenure: Fee Simple  
 Size: ±4,843 Acres  
 8-Year Average NOI: \$1.3 Mil  
 Contact: Mark D. Bratton (R) CCIM  
 808-524-2666



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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](mailto:mike@colliershawaii.com).

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