

COMMERCIAL REAL ESTATE REPORT Q3 2022

Urban Honolulu, HI Metro Area

Demographics and Economy

Demographics

-1.2%	41.0%	8.5%	43.9%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-8.1%	16,100	3.8%	7.8%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$62,899	3.3%	10.9%	43.5%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	70,164	37,733	1.9%	\$35	7.2%
Q3 2021	80,487	-292,806	1.3%	\$34	7.3%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	31,244,299	1,720	14,627	\$15,434,000	6.6%
Q3 2021	31,229,672	0	10,380	\$279,365,504	6.6%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	-17	281	-1.4%	\$2,049	\$2,033	4.1%
Q3 2021	176	906	8.9%	\$2,078	\$2,069	3.8%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	29,931	0	390	4.0%		
Q3 2021	29,541	0	318	3.9%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-26,618	71,102	-0.4%	\$48	4.2%
Q3 2021	13,537	-136,286	2.0%	\$49	4.8%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	40,862,332	4.9%	\$26,317,240	\$441	
Q3 2021	41,015,486	4.8%	\$48,414,884	\$556	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	273,445	751,231	8.0%	\$21	2.6%
Q3 2021	323,337	428,619	6.3%	\$19	4.1%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	43,271,173	14,900	109,746	4.9%	\$47,370,000
Q3 2021	43,161,427	79,136	550,667	4.7%	\$33,883,332

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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