

FIGURES | HAWAII INDUSTRIAL | Q1 2025

# Hawaii Industrial: Net Absorption increases while availability remains the same



Note: Arrows indicate change from previous quarter.

### Availability rates remained the same

- Statewide availability remains at 1.7% in Q1 2025.

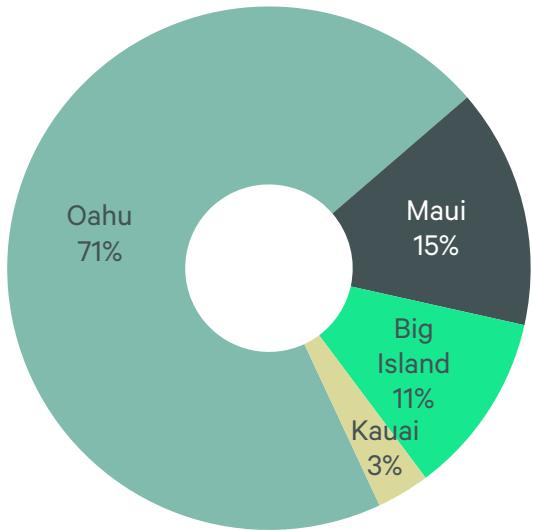
### Continued low availability and negative absorption in Q1 2025

- Hawaii’s industrial sector experienced negative net absorption of 43,059 SF for Q1 2025 compared to 12,961 SF of negative net absorption for Q4 2024.

### Average net asking lease rates increased

- Average net asking lease rates increased to \$1.55/SF in Q1 2025 and Operating Expenses also increased to \$0.52/SF.

FIGURE 1: Hawaii Industrial Market Distribution



Source: CBRE Research, Q1 2025.

Lease Rates

Average net asking rate statewide increased to \$1.55/SF. Oahu’s average net asking rate increased in Q1 and is the same as the state average of \$1.55/SF. Operating expenses also had an increase from last quarter and Statewide to \$0.52. East Honolulu had the largest drop in average net asking rate of \$0.68/SF and saw some negative net absorption this quarter. Meanwhile, Kauai and Maui had an increase in average net asking rate. Despite the perception of limited growth in asking rents over the last few quarters, we have observed rates climbing in some cases especially for brand new class A warehouse facilities. While many asking rents are withheld and not included in the overall average, most deals are being leased at gross rents above \$2.00 sf/mo., reflecting upward movement even when all rates are not publicly posted.

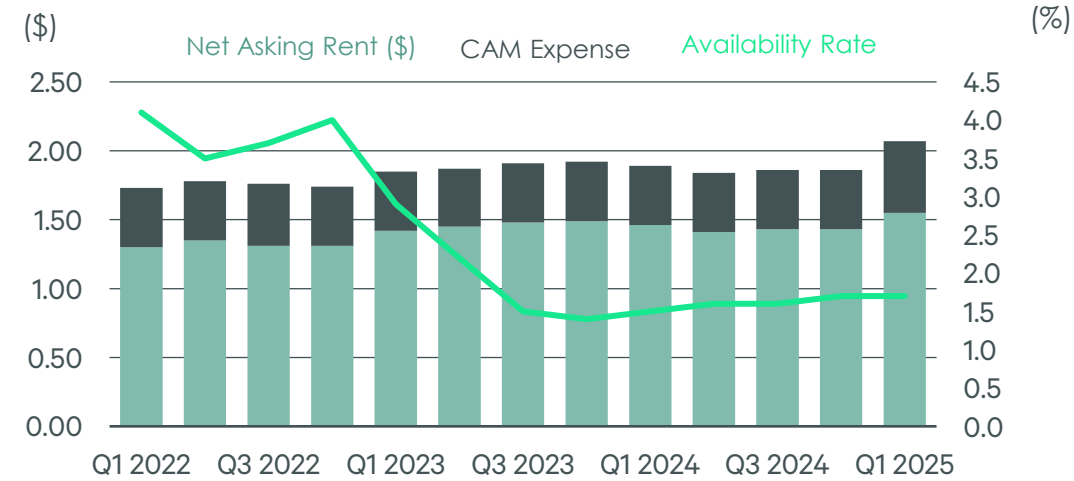
Availability & Vacancy

The statewide average remained the same from Q4 to Q1 at 1.7%. Maui and Kauai remain the tightest islands in the state, with 0.8% and 0.4% availability, respectively. Oahu’s availability rate sits at 2.0%, slightly above the statewide average. Actual availability is likely even lower than the statewide average of 1.7% given that many landlords are marketing properties well before they are vacant. In many instances, spaces marked available but not yet vacant are often pulled off the market because the tenant decides to stay in place.

Net Absorption

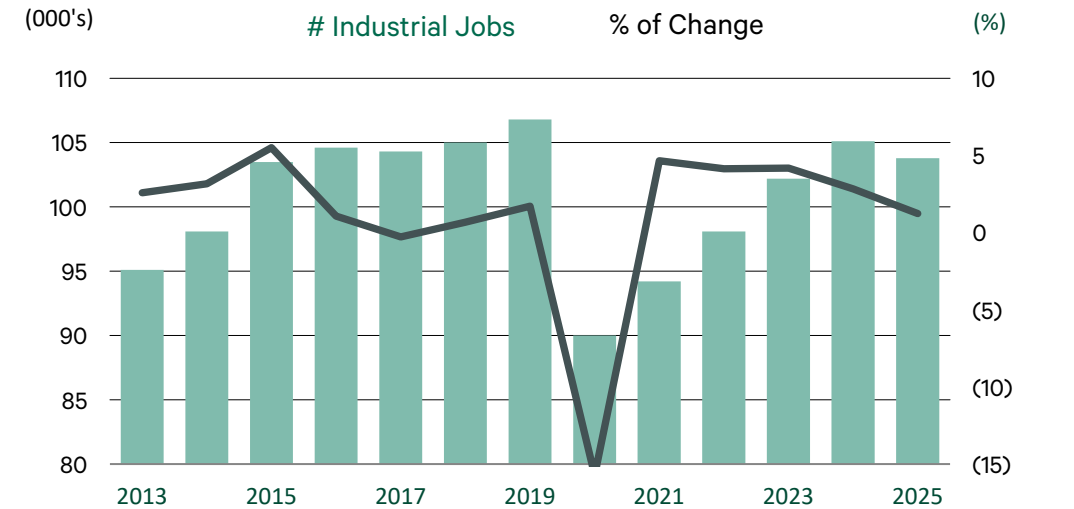
Net absorption statewide was negative 43,059 in Q1 compared to negative 12,961 SF in Q4, marking the fifth consecutive quarter with negative absorption. Oahu experienced the most negative absorption with negative 32,451 SF compared to negative 14,932 SF in Q4. This brings the YTD absorption in Oahu to negative 289,951 SF and negative 335,848 SF for the State at 1.7% availability rate.

FIGURE 2: Net Absorption and Availability Rate



Source: CBRE Research, Q1 2025

FIGURE 3: Industrial Job Growth



Source: DBEDT, January 2025

FIGURE 4: CAM & Asking Rates

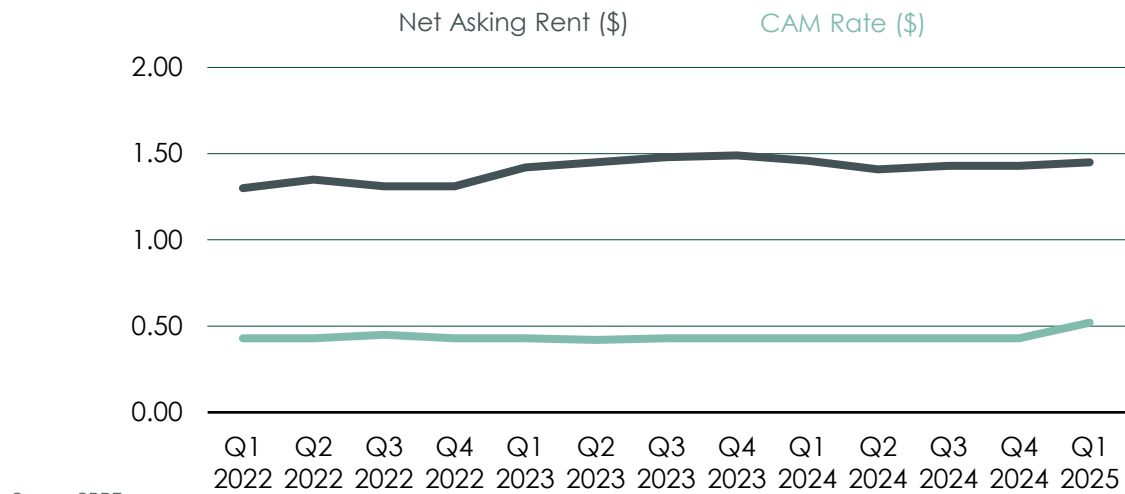


FIGURE 5: Availability Rate Year-Over-Year

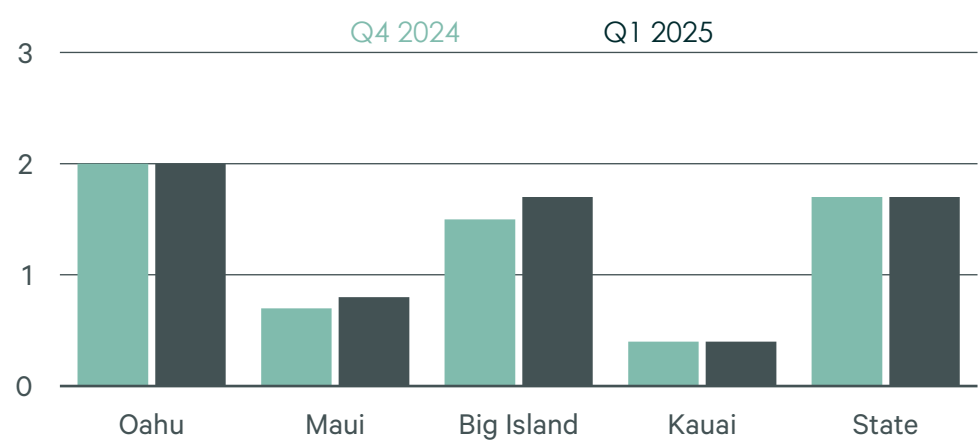


FIGURE 6: YTD Net Absorption by Island (Sq.ft)

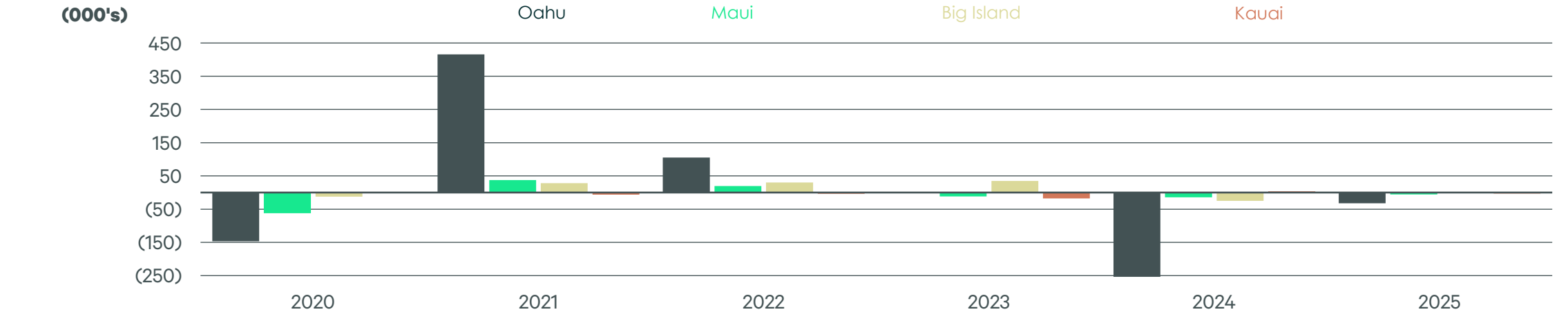
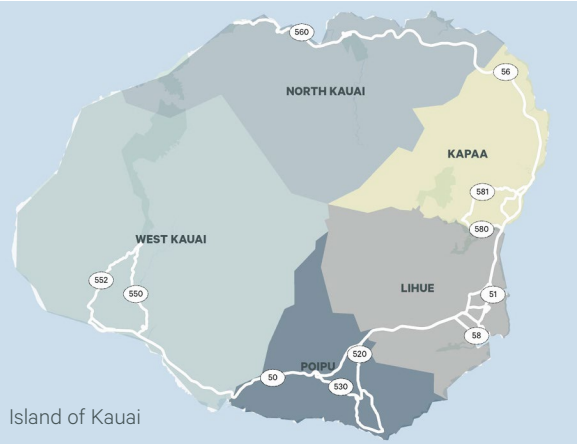
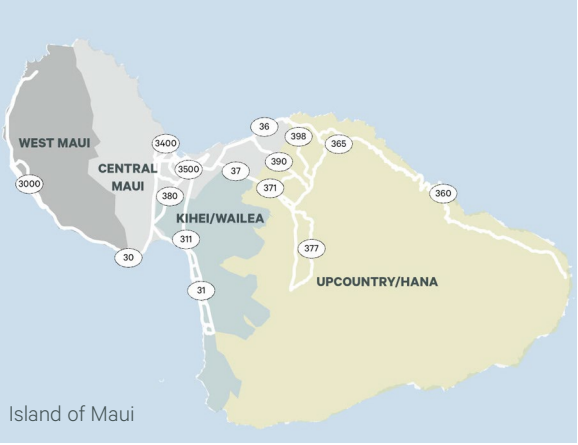
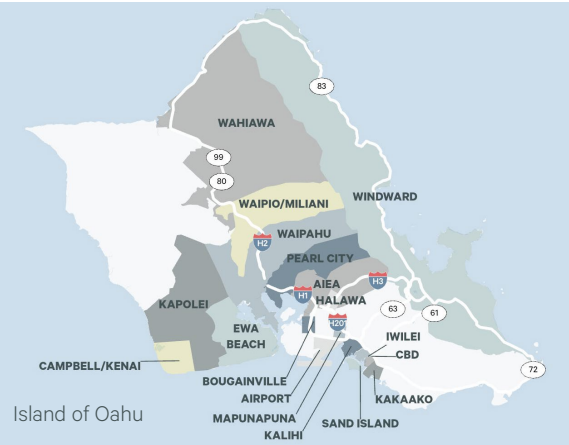


FIGURE 6: Market Statistics

Submarket	Net Rentable Area (SF)	Available Area (SF)	Availability Rate (%)	Operating Expenses (\$/SF/Month)	Net Average Asking Rent (\$/SF/Month)	Gross Average Asking Rent (\$/SF/Month)	Net Absorption Q1 (SF)	Net Absorption YTD (SF)
Kakaako	2,128,036	19,152	0.9%	-	\$1.57	\$1.57	(4,250)	(5,343)
Iwilei	2,541,284	129,605	5.1%	\$0.61	\$1.46	\$1.77	(28,179)	(26,883)
Kalihi	9,317,025	186,341	2.0%	\$0.54	\$1.34	\$1.61	(17,440)	(152,101)
Mapunapuna	2,880,862	37,451	1.3%	-	\$3.12	\$3.12	30,682	31,544
Airport	3,077,413	36,929	1.2%	-	\$1.82	\$1.82	(20,400)	(22,014)
Bougainville	387,028	13,933	3.6%	-	\$1.65	\$1.65	0	-
Halawa	1,454,423	56,723	3.9%	-	\$1.79	\$1.79	2,776	(30,094)
Pearl City	3,665,288	80,636	2.2%	\$0.52	\$1.72	\$1.86	(15,479)	(53,496)
Waipio	1,907,431	17,167	0.9%	\$0.63	\$2.03	\$2.10	3,317	(283)
Waipahu	3,257,705	9,773	0.3%	\$0.50	\$1.43	\$1.68	(47)	11,412
Kapolei	2,265,423	106,475	4.7%	\$0.42	\$1.46	\$1.50	36,000	(19,331)
Campbell	4,014,835	48,178	1.2%	\$0.30	\$1.63	\$1.84	(6,104)	(46,333)
Windward	1,064,896	2,130	0.2%	-	\$1.25	\$1.25	(1,430)	(3,794)
Oahu	38,416,535	576,248	2.0	0.52	1.55	1.72	(32,451)	(289,951)
Maui	8,056,070	64,449	0.8	0.54	1.72	1.73	(5,963)	(20,122)
Big Island	6,143,214	104,435	1.7	0.51	1.32	1.35	(1,645)	(26,655)
Kauai	1,778,669	7,115	0.4	-	2.25	2.25	(3,000)	880
State	54,394,488	924,706	1.7	\$0.52	\$1.55	\$1.70	(43,059)	(335,848)

Source: CBRE Research, Q1 2025

Market Area Overview



Survey Criteria

Market coverage includes all improvements on property that is taxed or zoned for industrial use in Hawaii, excluding yard space, detached second floor office space and buildings under construction.

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