

Investment Market Briefing

INVESTMENT | MID-YEAR 2009

Confidence (n.)
Full trust; belief in the
markets.

-Websters Dictionary

MARKET INDICATORS

	MID YEAR		
	2008	2009	2010
SALES VOLUME	▼	▼	◀▶
SALES COUNTS	▼	◀▶	◀▶
CAP RATE	▲	▲	▲

HIGHLIGHTS

Hawaii Total Mid-Year \$1M+
 Commercial Investment
 Transactions:

57

Total Mid-Year \$1M+
 Commercial Investment
 Sales Volume:

\$301,998,100

Trials and Tribulations

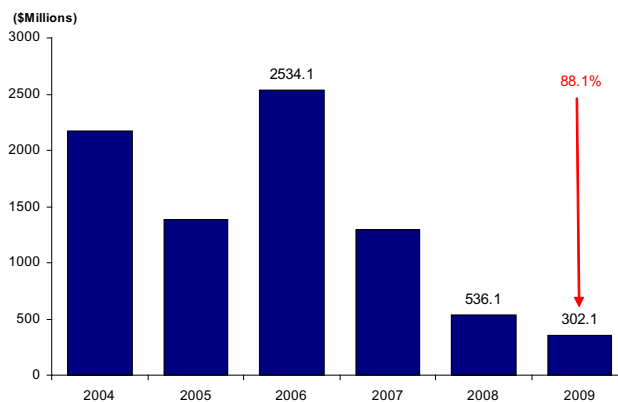
Dramatic declines in commercial real estate transaction volume continue to persist as a combination of the global financial crisis and the recession's impact on real estate dynamics further aggravate the current tenuous market. The inability to find an alternate source of funding for properties with loans expiring is proving to be problematic. The demise of the CMBS ("commercial mortgage backed securities") market and the consolidation of investment banks and institutional lending sources have resulted in a severe contraction in financing capacity.

Additionally, major property sectors are affected by the downturn in the economy. As job losses mount, foreclosures rise, and retail sales drop, demand for commercial space is being affected. Throughout the country, planned commercial developments

have been shelved and partially built projects are being heavily discounted for "fire" sales. Vacancy rates have risen precipitously and rents have begun to sag, ultimately affecting the value of the property. Until the "bottom" of the market is recognized, apprehension among the investment community will continue to reign. Purchase and development decisions are postponed and many projects remain in limbo.

Nationally, with markets in a tailspin, the lack of transaction activity coupled with a downward trend in values, compounds the difficulty of determining a property's worth. Banks and lending institutions, which have increasingly become more risk averse, appear to have tightened their purse strings, only to offer loans to the "cleanest, highest credit worthy" clients. Even if you qualify under

HAWAII INVESTMENT SALES VOLUME HISTORICAL MID-YEAR TOTALS



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Featured Properties For Sale

DEVELOPMENT LAND



Kapolei BMX Sites

Largest Commercial Parcel Available in West Oahu

Land Area: 16.429 acres (4 lots) Zoning: BMX-3
 (Individual lot sizes range from 3.688 to 5.020 acres)
 Tenure: Fee Simple Asking Sales Price: Submit Offer
 Contact: Mark Bratton (B) CCIM, VP

COMMERCIAL BUILDING



2879 Paa Street Honolulu, HI

Land Area: 31,316 sq. ft. Zoning: B-2
 Building area: 16,742 sq. ft. Tenure: Leasehold
 Asking Sales Price: \$699,000
 Contact: Ronald C. Ward (S), VP / Alika Cosner (S), Associate

INDUSTRIAL BUILDING



2676 Waiwai Loop Honolulu, HI

Land Area: 24,738 sq. ft. Zoning: I-2
 Building Area: 22,735 sq. ft. Asking Sales Price: \$5,500,000
 Tenure: Fee Simple
 Contact: William R. Froelich (S) JD, Associate

INDUSTRIAL LAND



Kapolei Business Park 2A Kapolei, HI

Land Area: 53.71 Acres Zoning: I-2
 Lots Available (size): 1 to 20 Acres Asking Sales Price: Undisclosed
 Contact: Scott L. Mitchell (B) SIOR, EVP / Guy V. Kidder (S) CCIM SIOR, VP



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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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