



Investment Market Report

OAHU | YEAR END 2010

“Improving market and financial conditions bolsters optimism for 2011.”

*-Scott L. Mitchell (B) SIOR
Executive Vice President*

MARKET INDICATORS

	YEAR END		
	2010	2011	2012
SALES VOLUME	▼	▲	▲
SALES COUNTS	▼	▲	▲
CAP RATE	▲	▲	▲

HAWAII HIGHLIGHTS

Fourth Quarter 2010
\$1M+ Commercial Investment
Number of Transactions:

52

YTD Year End 2010
\$1M+ Commercial Investment
Number of Transactions:

157

Fourth Quarter 2010
\$1M+ Commercial Investment
Sales Volume:

\$ 515.65 Million

YTD Year End 2010
\$1M+ Commercial Investment
Sales Volume:

\$ 1.48 Billion

Market Bounces Off the Bottom

Hawaii’s commercial real estate transaction volume more than doubled in 2010 to \$1.48 billion from \$630 million in 2009. Initially, we believed that sales activity would increase principally due to distressed property sales, but that was generally not the case. While Hawaii did experience a few distressed properties trading hands, the majority of the transactions were to investors seeking to build their Hawaii portfolios or diversify their real estate holdings into Hawaii’s relatively strong real estate market.

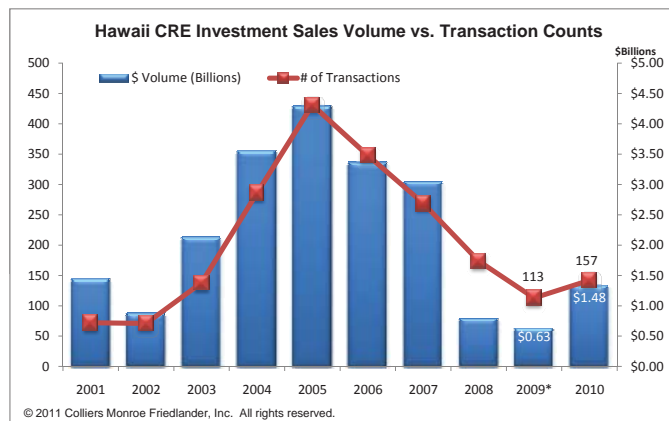
The year ended on a positive note as economists touted the rebound in the tourism sector and boosted the belief that the economy had turned the corner. The State of Hawaii is projected to have generated a positive 1.0% growth rate in GDP and a 0.2% rise in personal incomes

for 2010, indicating a rebound from 2009 negative performances. Although job growth remains spotty and neighbor island economic conditions remain lackluster, a wider recovery is anticipated to take hold in 2011.

The improvement in the investment market is witnessed by the steady growth in the quarterly transaction volume since the first quarter of 2010. The average quarterly transaction volume over the past ten years has been roughly \$500 million and the annual average has been \$2.0 billion.

The Commercial Mortgage Backed Securities (CMBS) markets appear to be re-emerging as a financing source. Having more than tripled in volume from 2009 levels, institutional quality portfolios are exploring options with securitized financing. Over the past

few years, Hawaii’s resort and hotel properties were hit hard by the lack of CMBS financing. In 2011, these prime properties will have a wider assortment



Notable 2010 Sales Transactions



Mililani Shopping Center

Sales Price: \$ 50,250,000
 Listing Agents: Mark Bratton (R) CCIM
 Kim Scoggins (S)
 Nathan Fong (B)



Komohana Industrial Park

Sales Price: \$ 32,670,407
 Listing Agents: Scott Mitchell (B) SIOR
 Guy Kidder (B) CCIM SIOR



Kaimuki Plaza

Sales Price: \$ 20,800,000
 Listing Agents: Mark Bratton (R) CCIM
 Sean Tadaki (S) CCIM

Featured Properties For Sale



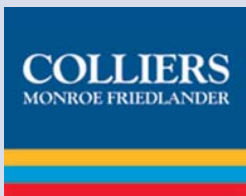
220 Lalo Street Kahului, Maui, Hawaii

Asking Price: \$ 4,090,000 Zoning: M-2 (Heavy Industrial Dist)
 Land Size: 2 Acres / 87,120 SF Building Size: 12,000 SF
 TMK NO: (2) 3-8-65: parcel 18 Tenure: Fee Simple
 Contact: Ronald Ward (S)



The Shops at 505 505 Front Street, Lahaina, Maui, Hawaii

Zoning: H-2 (National Historic Landmark District & Historic District)
 TMK NO: (2) 4-6-2: 7 CPR No. 200 Tenure: Fee Simple
 Gross Leasable Area: 63,523 SF
 Contact: Mark Bratton (R) CCIM



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Colliers Monroe Friedlander, Inc. is Hawaii's largest commercial and industrial real estate firm. Colliers Monroe Friedlander, Inc. is a diversified full service organization providing leasing, sales, management and consulting services throughout the Pacific.

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

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