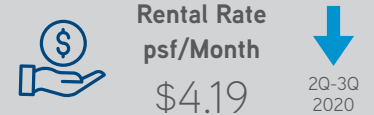
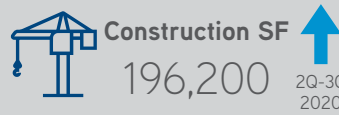


# RETAIL MARKET

## Third Quarter 2020

Accelerating success.



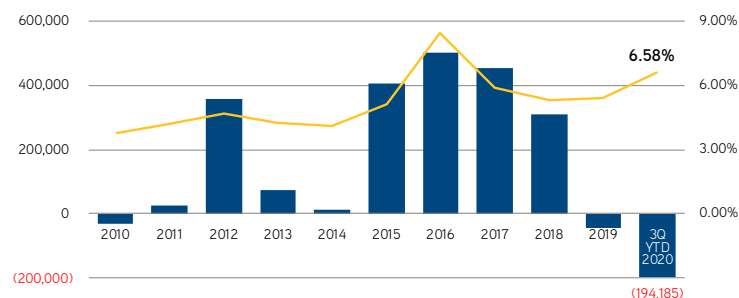
# COVID-19 Takes a Bite Out of the Retail Market

Mike Hamasu Director of Research | Hawaii

Oahu's retail market posted a 3Q2020 loss of 82,909 square feet of occupancy resulting in vacancy rates rising to 6.58%, its highest level in three years. Total year-to-date negative net absorption surged to 194,185 square feet, as an increasing number of retailers closed their doors.

From venerable mom and pop establishments like Boulevard Saimin and Buzz's Original Steakhouse to national brands such as Ann Taylor and Brooks Brothers, very few are immune to the pandemic's impact. For Oahu, the government's emergency proclamations, including the latest stay-at-home order and mandatory 14-day travel quarantine, made it challenging for retailers to continue operations successfully.

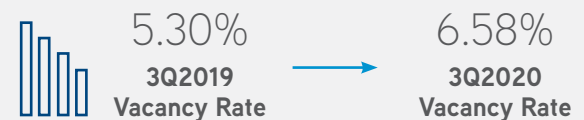
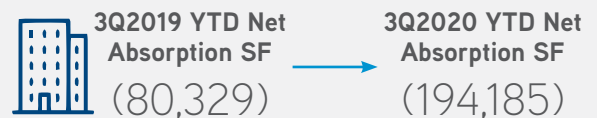
### Oahu Retail Net Absorption vs. Vacancy Rate



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*"In these trying times, both tenants and landlords are looking for creative solutions to persevere forward."*

Jodi S. Webb (S), Associate



### Retail Statistics

Source: Dept of Business, Economic Development and Tourism



**RETAIL JOB LOSSES**  
MARCH 2020 TO AUGUST 2020

**(12,800)**  
POSITIONS

**AIR PASSENGER ARRIVALS**

**(69.8%)**  
YTD AUGUST 2019 VS  
YTD AUGUST 2020

**RETAIL SALES**

**(11.95%)**  
YTD JUNE 2019 VS  
YTD JUNE 2020

## Third Quarter 2020 - Oahu Retail Market Statistics

### RETAIL MARKET INVENTORY - BY SUBMARKET AREA

	TOTAL INVENTORY (SF)	VACANT SPACE (SF)	VACANCY RATE	YTD NET ABSORPTION (SF)	AVG. LOW NNN ASKING RENTS (PSF/MO)	AVG. HIGH NNN ASKING RENTS (PSF/MO)	AVG. CAM EXPENSES (PSF/MO)
CENTRAL OAHU	889,235	27,844	3.13%	(3,381)	\$3.75	\$4.46	\$1.36
EAST OAHU	1,521,774	52,944	3.48%	2,002	\$5.21	\$6.21	\$1.79
HONOLULU*	4,514,761	219,482	4.86%	(58,363)	\$3.46	\$4.99	\$1.61
LEEWARD OAHU	4,287,506	296,462	6.91%	(55,156)	\$3.50	\$4.13	\$1.29
NORTH SHORE	225,125	5,567	2.47%	(5,567)	\$3.94	\$4.30	\$1.71
WAIANA E	342,060	33,369	9.76%	5,370	\$2.00	\$3.00	\$1.01
WAIKIKI	1,618,460	164,279	10.15%	(42,438)	\$6.83	\$19.69	\$3.08
WEST OAHU	1,840,133	98,129	5.33%	(14,677)	\$4.15	\$5.33	\$1.50
WINDWARD OAHU	1,670,150	213,746	12.80%	(21,975)	\$3.40	\$4.60	\$1.39
<b>TOTALS*</b>	<b>16,909,204</b>	<b>1,111,822</b>	<b>6.58%</b>	<b>(194,185)</b>	<b>\$3.72</b>	<b>\$4.76</b>	<b>\$1.46</b>

\*Islandwide total for average rents and CAM calculations exclude Waikiki and Ala Moana Center

### RETAIL MARKET INVENTORY - BY BUILDING CLASS

	TOTAL INVENTORY (SF)	VACANT SPACE (SF)	VACANCY RATE	YTD NET ABSORPTION (SF)	AVG. LOW NNN ASKING RENTS (PSF/MO)	AVG. HIGH NNN ASKING RENTS (PSF/MO)	AVG. CAM EXPENSES (PSF/MO)
COMMUNITY/POWER CENTER	3,295,502	154,443	4.69%	(60,365)	\$4.00	\$5.14	\$1.57
NEIGHBORHOOD	4,725,648	303,920	6.43%	(45,834)	\$3.72	\$4.43	\$1.35
REGIONAL*	5,315,145	341,962	6.43%	(44,480)	\$4.56	\$9.99	\$2.36
RESORT/SPECIALTY	1,789,657	172,304	9.63%	(40,958)	\$6.56	\$18.93	\$2.94
STRIP	1,783,252	139,193	7.81%	(2,548)	\$3.71	\$4.83	\$1.45
<b>TOTALS**</b>	<b>16,909,204</b>	<b>1,111,822</b>	<b>6.58%</b>	<b>(194,185)</b>	<b>\$3.72</b>	<b>\$4.76</b>	<b>\$1.46</b>

\* Includes Ala Moana Center in calculations

\*\*Islandwide total for average rents and CAM calculations exclude Waikiki and Ala Moana Center

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#### TERMS AND DEFINITIONS

- › TOTAL INVENTORY - Total rentable square footage in shopping centers greater than 20,000 square feet.
- › NET ABSORPTION - The net change in occupied space over a period of time. Year-to-date net absorption is the difference in occupied space between the end of the previous year and the current quarter.
- › AVERAGE ASKING RENT - The ratio of aggregate landlord asking rents divided by the total available space within a specific geography or building class.
- › VACANT SPACE - Space that is not occupied by a tenant. This includes sublease space that is unoccupied.
- › VACANCY RATE - The ratio of vacant space divided by the total inventory square footage.
- › AVERAGE OPERATING EXPENSE - The ratio of tenant expenses, such as building utilities, management fees, building maintenance, real property taxes and insurance, divided by the total available space within a specific geography or building class.
- › NNN "TRIPLE-NET" RENT - Rents paid to the landlord that do not include building operating expenses and additional taxes and fees.

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