



HIGH-QUALITY INDUSTRIAL BUILDING TOTALING $\pm 162,923$ SF
PLUS $\pm 78,000$ SF MEZZANINE STORAGE AND OFFICE
IMMEDIATE ACCESS TO H1 FREEWAY VIA KALAELOA BLVD
100% LEASED TO TWO TENANTS WITH 8 YEARS AVG. REMAINING LEASE TERM

91-262 OIHANA STREET

KAPOLEI, WEST OAHU, HI

EXECUTIVE SUMMARY

CBRE Inc. is exclusively offering for sale 91-262 Oihana Street, a high-quality cross-dock industrial warehouse/distribution building totaling $\pm 162,923$ SF plus $\pm 78,000$ SF mezzanine storage and office. This functional industrial facility offers desirable loading, office and bonus warehouse mezzanine.

This asset is ideally located less than 2 miles from the H1 freeway in the extremely tight West Oahu submarket, with an availability rate of just 2.6%.

This is a unique opportunity to acquire a 100% leased asset occupied by two high-quality, committed and recognizable tenants, Macy's and INspiration Hawaii, with staggered rollover and below-market rents. Macy's relies on this location to service all 9 of its retail stores in Hawaii, and Inspiration Hawaii has been a committed tenant since 2005.

PROPERTY OVERVIEW

Address	91-262 Oihana Street Kapolei, HI 96707
Total Building SF	162,923
Bonus Mezzanine SF	$\pm 60,000$
Bonus Mezzanine Office SF	$\pm 18,000$
Land Size	7.25 Acres
Occupancy	100%
Number of Buildings / Tenants	1 / 2
Year Built	1976
Clear Height	24'
Dock Doors	23
Drive-In Doors	2
Year 1 NOI	\$1,917,269



QUALITY BUILDING IN HIGHLY DESIRABLE KAPOLEI SUBMARKET

- ▶ Largest cross dock facility in Oahu:
 - » 24' Clear, Concrete Construction
 - » Fully Sprinklered
 - » Ample Parking
 - » 2 Freight Elevators
- ▶ Recent capital improvements including a new roof overlay, paint, and minor parking lot repairs
- ▶ Offered at a price below replacement cost, estimated to be in excess of \$350 PSF
- ▶ Bonus mezzanine area in Macy's space totaling ±78,000 SF providing opportunity for future rental upside
- ▶ Large parking and yard area is rare and valuable in this tight market



100% LEASED TO TWO COMMITTED TENANTS

- ▶ 100% leased to two tenants with 15% average below-market rents and an average remaining lease term of 8 years:
 - » New 10-year lease until January 2028 to Macy's Corporate Services, Inc. ("Macy's"; NYSE: M), an investment grade tenant with international brand recognition
 - » Macy's relies on this location to service all 9 of its retail stores in Hawaii
 - » The company's Hawaii stores consistently have top-tier performance, and Hawaii is the company's best performing state in the U.S.
 - » Macy's in-place net rent is approximately 40% below market and the tenant has below-market option terms, providing strong future upside to NOI
 - » Macy's is not charged any rent for its large mezzanine. In a worst-case vacate situation, there's significant potential upside replacing the tenancy
 - » Inspiration Hawaii, Inc. ("INspiration Hawaii") has been a highly committed tenant since 2005
 - » The furniture company has leased its space through 2026 at current market rents providing investors with steady cashflow
 - » This Kapolei location serves as their warehouse and distribution center to 3 showrooms in Honolulu, Kapolei and Aiea

STEADY MARKET FUNDAMENTALS

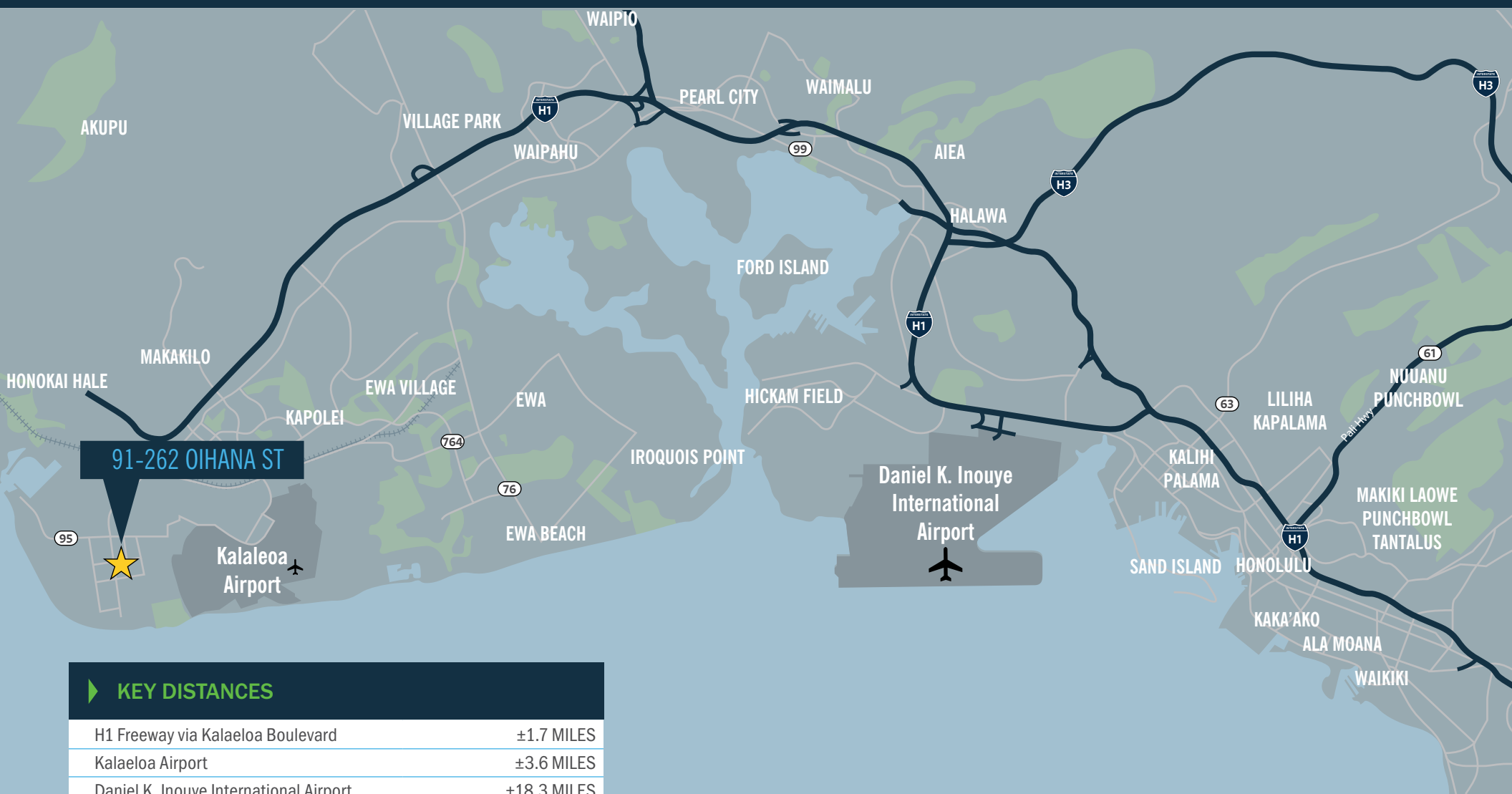
- ▶ The Hawaii Industrial Market recorded 145,722 SF of net absorption in 2018 and the Oahu submarket recorded 135,857 SF
- ▶ Extremely tight Oahu submarket availability of 2.6% reflects lack of available supply
- ▶ Oahu's average asking lease rate has increased 4% year-over-year to \$1.30 PSF NNN
- ▶ The West Oahu submarket is most resilient for rent growth across all product types
- ▶ Kapolei is Hawaii's fastest-growing region and its population is expected to grow by 64% over the next 20 years

WITH ONGOING CONSTRUCTION IN WEST OAHU, INDUSTRIAL LAND IS STEADILY BECOMING SCARCE, ESPECIALLY WAREHOUSE SPACE. INDUSTRIAL SALE PRICES WILL LIKELY CONTINUE TO RISE DUE TO LAND SCARCITY ON THE ISLAND.



STRATEGIC LOCATION WITH STRONG DEMOGRAPHICS

- ▶ Tenants have immediate access to H1 freeway, a major artery connecting the east and west ends of the island that passes through Honolulu
- ▶ Excellent proximity to Daniel K. Inouye International Airport
- ▶ Offers access to the population centers of Kapolei (19,700 people, 3.2% projected 5-year population growth rate) and Honolulu MSA (1.0 M people; 0.75% projected 5-year population growth rate)
- ▶ Well-educated employee base given 31.5% of Kapolei residents and 34.4% of Honolulu residents have a bachelor's degree or higher, and another 11.3% and 10.5% have an associate's degree
- ▶ The Kapolei 2018 average household income was \$111,436 which is approximately 33.1% higher than the average U.S. household income (\$83,694)



► KEY DISTANCES

H1 Freeway via Kalaeloa Boulevard	±1.7 MILES
Kalaeloa Airport	±3.6 MILES
Daniel K. Inouye International Airport	±18.3 MILES
Honolulu	±22.0 MILES
University of Hawai'i at Manoa	±24.5 MILES



AERIAL



Covan World-Wide Moving

Airgas Store

Longs Drugs Distribution Center

Hawaiian Dredging Construction

Rengo Packaging

Goodfellow Bros.

Honsador Lumber

KALAELOA BLVD

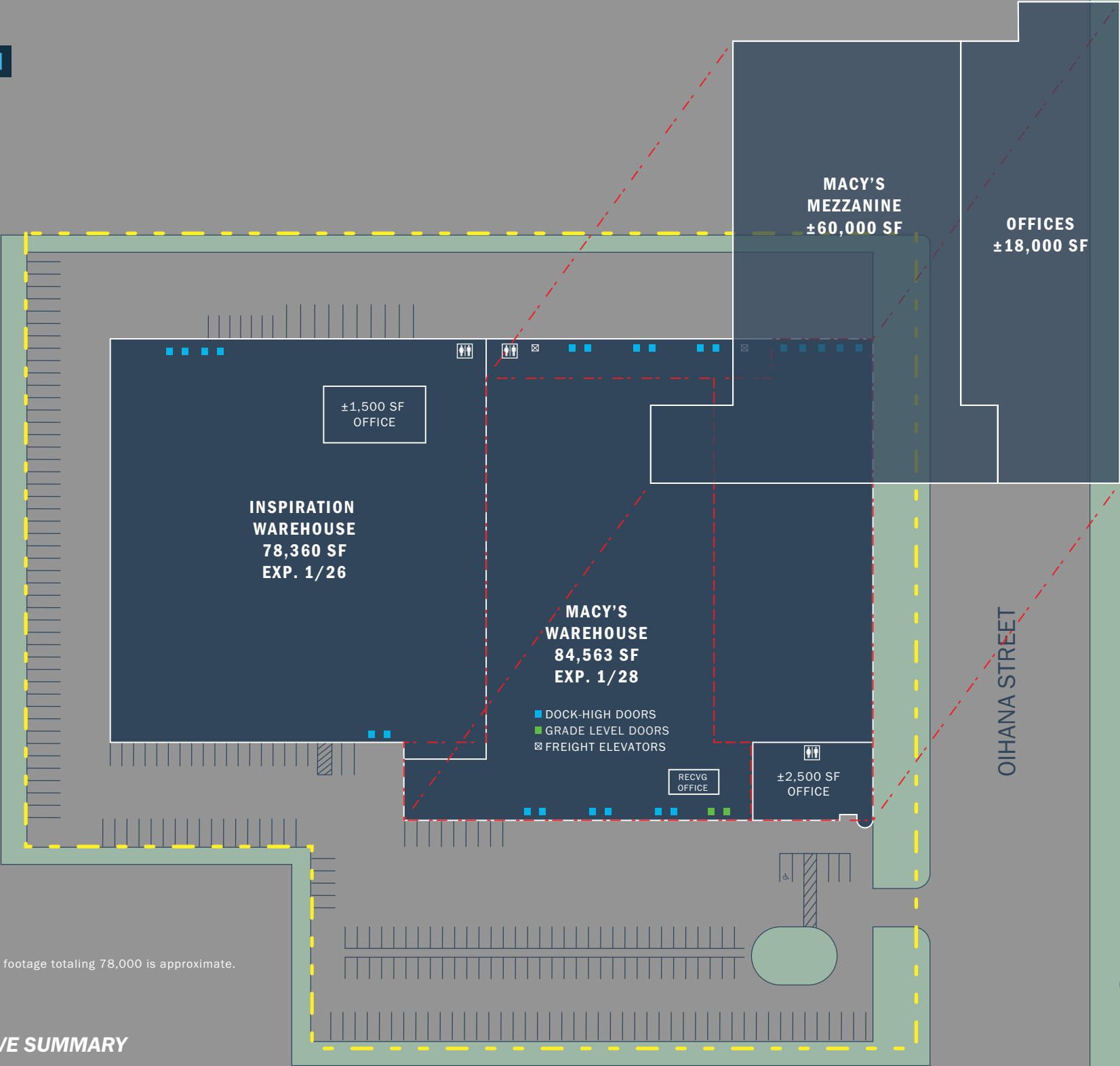
MALAKOLE ST

OIHANA ST

KAUHI ST

Pro-file Record Systems

SITE PLAN



*Bonus mezzanine square footage totaling 78,000 is approximate.
Buyer to verify.



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