



April Commercial Real Estate Sales By Category

13 Sales totaling \$350,789,000

	# of Transactions	Avg Price PSF Bldg	Avg Price Per Unit/Door	Total Sales Volume	Y-T-D # of Transactions	Y-T-D Total Sales Volume
Retail	4	\$431	-	\$7,050,000	20	\$181,792,178
Office	0	-	-	-	6	\$41,250,000
Industrial	2	\$105	-	\$5,309,000	16	\$56,172,467
Hospitality	1	-	\$417,655	\$317,000,000	1	\$319,416,667
Multifamily	1	-	\$156,863	\$8,000,000	5	\$32,790,000
Land	5	\$142	-	\$13,430,000	19	\$31,753,383
TOTAL	13			\$350,789,000	67	\$671,374,695

April in Review

While transaction count was down significantly at 13 transactions in April, about half of what we would deem to be average during this active growth period, Hawaii did log its first mega-deal of the year. Trinity Investments continued their hospitality buying spree along with Oaktree Capital Management by purchasing The Westin Maui Resort and Spa for \$317,000,000. Other notable deals are listed below but overall there seems to be a notable slowdown in transactions.

That said, asking cap rates do not appear to have moved despite the increase in interest rates, particularly in the multifamily sector. Following are the key trends we still see as having the greatest impact throughout the balance of the year:

1. Continued interest in multifamily. Due to limited supply and desirability of the asset class, these will continue to be hot.
2. Office conversions to alternative uses. Office vacancy hit market-highs this past month at over 13.2% island-wide, with the CBD particularly high at 16.6%. With no relief in sight through organic office growth and contraction aided by technology, converting office buildings to hospitality and/or residential uses will account for sizeable transactions moving forward.
3. Industrial buildings to increase rents. With less than a 2% vacancy factor and base rents below 2006 levels, savvy buyers should be looking to purchase industrial buildings with high occupancy, understanding they could probably achieve a 10-20% lift in rents upon rollover.

April Deals of the Month



2365 Kaanapali Parkway - The Westin Maui Resort & Spa - 759 Rooms - 158,474 SF Hotel - \$317,000,000 - \$417,655/Room

Trinity Investments and Oaktree Capital Management purchased the property from Marriott International. Trinity Investments remains bullish on the Hawaii hospitality market, having closed late last year on the Ritz Carlton Kapalua. Tourism visits to Hawaii continue to reach record highs and second generation properties with strong brands command interest.



**units/80 beds Student Housing plus 4,000 SF of retail -
\$8,000,000 - \$157,000 per unit/\$100,000 per bed**

The Bratton Team was pleased to represent the seller of this property to The University of Hawaii Foundation. With an excellent location adjacent to the university, it will continue to provide a needed housing option for the growing student population.

1031 Exchange / Make Me Sell Opportunities

As a general practice, we are reaching out to prospective sellers on a daily basis to help service our active buyers. While the properties below are not formally listed, the owners have expressed a willingness to sell and aggressive buyers could potentially capture a deal. Please let us know if you would like to learn more about these opportunities and submit an offer.

39 UNIT MULTIFAMILY PORTFOLIO – 3 building portfolio that is well located, in good condition with market rents estimated to be 10-15% below market.

GAS/SERVICE STATION – Relatively small parcel (8,500 SF) but well located, presents an opportunity to create value through re-tenanting and holding or selling as a net leased deal.

RETAIL PROPERTY IN CENTRAL OAHU – Two retail buildings totaling 8,000 SF in an excellent location with high traffic counts. This is a value-add opportunity that with some physical improvements could attract interest from national and regional tenants.

NEW INVESTMENT PROPERTIES ON THE MARKET

30 new commercial listings were brought to market in April. There were a number of multifamily and industrial properties we found interesting. Please call for more information.

Mark D. Bratton (R) CCIM*
808 523 9708
mark.bratton@colliers.com

Mike Perkins (S)
808 223 1344
mike.perkinshi@colliers.com

www.THEBRATTONTEAM.com

* Bratton Realty Advisers, Ltd. Exclusively contracted to Colliers International HI, LLC.
Copyright © 2017 Colliers International HI, LLC. All rights reserved.



Colliers International - Hawaii
220 S. King Street, Suite 1800 | Honolulu, HI 96813
www.colliers.com/hawaii

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#)