

TOP 5 STORIES OF 2016

1 INTERNATIONAL MARKET PLACE

Very few projects were met with as much anticipation as the reinvention of International Market Place. Spanning almost eight years, the project from its inception to completion has been a high stakes endeavor at nearly 350,000 sf with construction occurring at the most meteoric trajectory in Hawaii's history. The final product is beautiful and a hood ornament for the state's most important tourist hotbed. There are still a number of retailers working to open their doors, but the project can clearly move the needle in terms of the retail landscape of Waikiki as it is the first major connection between Kalakaua Avenue and Kuhio Avenue.

3 FOUR SEASONS & ATLANTIS

The conversion of the Ihilani to the Four Seasons was a major stake in the ground in terms of setting a new bar for the Ko'olina resort area. Aulani celebrated its 5th Anniversary in 2016, but the addition of the Four Seasons created a more well-rounded resort offering on the west side of Oahu. As if that was not significant enough, this year also saw the purchase of the last lagoon site by a Chinese buyer with its sights set on introducing the Atlantis flag to Hawaii. The local team for the project is still being assembled, but according to hospitality experts, the Atlantis project is the largest resort project in America currently. The economic backing of the Chinese with the Atlantis oversight based out of Dubai for a project located in Hawaii is sure to prove interesting as we walk through 2017.

2 KA MAKANA ALI'I

As the growth of the Kapolei and Ewa Beach trade areas continues, the biggest leap of faith was made by DeBartolo Development with the Ka Makana Ali'I retail center. It had the same struggles as International Market Place being constructed in a hyper inflated construction market, but was completed nonetheless and opened for business with the first set of retailers in October. A significant number of retailers will open for business in the early part of 2017 which will help attract more body heat to the project. It had a protracted rollout with preleasing dating back eight years, but with trade areas growing towards it from both sides, it will incrementally begin to come into its own.

4 HO'OPILI & KOA RIDGE APPROVALS

2016 saw two of Oahu's largest master planned developments in recent history make major strides forward, but neither without controversy. Koa Ridge in central Oahu was victorious at the Supreme Court level and secured the ability to move forward on their 750+ acre development. This part of Oahu has a lack of retail space and the project should provide some nice amenities for the nearby communities. Ho'opili on the Ewa Plain is nearly twice the size of Koa Ridge and broke ground on their master planned project in September. The scale of the project is such that it nearly creates an entire new community with over 11,000 homes, three million square feet of commercial space and five schools. These two project significantly change the dynamic of central Oahu and their simultaneous rollout will only add to the effect.

5 CONSTRUCTION PRICE PEAK

For the commercial markets, probably the biggest story of the year was the dramatic rise in construction pricing. The increase trend dates prior to 2016, but this year saw new highs to what looks to be the peak of this cycle. Numerous projects were dealt a fatal blow, while others managed to be completed but not without developers and owners being heavily damaged on a return basis. The combination of projects either being completed or outright dying now has pricing moving in a favorable direction. Construction companies who have steadily bulked themselves up to make the most of the last couple of years are now faced with how to fill their pipelines in late 2017 and early 2018.



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MERRY CHRISTMAS & HAPPY NEW YEAR

As we look back on this past year,
we are grateful for both your friendship &
business and wish you a blessed holiday season.



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