

FOR SALE | Nine (9) Unit Detached Residential Complex
Fee Simple Investment Opportunity

Diamond Head

Waikiki



Waialae Avenue

2963 KOALI ROAD
HONOLULU, HI 96826

Koali Road

Colliers
INTERNATIONAL



Kapiolani Boulevard

King Street



Waialae Avenue

2963 KOALI ROAD
HONOLULU, HI 96826

Koali Road

Hokulani Elementary School



FOR SALE | Nine (9) Unit Detached Residential Complex



PROPERTY DESCRIPTION

2963 Koali Road is a fee simple investment opportunity consisting of nine (9) detached residential units on approximately 37,830 square feet of land. The property is ideally situated in urban Honolulu on the island of Oahu, adjacent to the University of Hawaii at Manoa. Over the past five years the owner has made substantial renovations to each of the nine (9) homes, with completion of the last house occurring in early 2017. The property is located in a residential district with stable cash flow from in-place rental rates. Additional value could be derived by increasing rental rates, adding additional beds in the units for student housing, reconstructing new homes on the site or possibly selling the homes individually through a condominium property regime (CPR).

INVESTMENT SUMMARY

Asking Price:	\$5,250,000
Address:	2963 Koali Road Honolulu, HI 96826
2017 Budgeted NOI:	\$179,100
2016 Actual NOI:	\$171,000
Tenure:	Fee Simple
Land Area:	37,830 square feet
Total Building Area:	Approx. 6,076 square feet
# of Units:	9 detached
TMK No.:	(1) 2-8-27-2
Zoning:	R-5 (Residential)
Effective Year Built:	1938
Height:	25 feet
Flood Zones:	AE – 100 Year Flood, Base Flood Elevation Determined AEF – 100 Year Flood, Flood Way Area AE

INVESTMENT HIGHLIGHTS

- » Rare fee simple multifamily investment opportunity
- » Highly improved homes requiring nominal investment upgrades
- » Upside potential through increases in monthly rent
- » Stable cash flow from historically high occupancy
- » Well-located asset in a central neighborhood
- » Strong demand for rental units with limited supply in submarket
- » High barriers to entry due to lack of available land
- » Lack of new low-rise apartment development
- » Discount to replacement costs
- » Close proximity to public transportation
- » Four (4) major hospitals within a 5-mile radius

VALUE ENHANCEMENTS

- » Common area upgrades will increase the property's aesthetic appeal
 - » Paving of the parking area
- » Cosmetic interior upgrades to select units to attract tenants with higher income
- » Increase rental rates annually
- » Lower operating expenses by further enhancing energy efficiency
- » Increase incidental revenue by upgrading laundry service
- » Charge for parking
- » Create a condominium property regime and sell units
- » Add additional beds to units for student housing
- » Potential to completely redevelop the site with new two-story homes





UNIT OVERVIEW

Address	Rooms/Bath
2963-D	1bd/1ba
2967	2bd/1ba
2971	2bd/1ba
2965-C	2bd/1ba
2965-D	2bd/1ba
2963-B	2bd/1ba
2963-C	2bd/1ba
2971-D	2bd/2ba
2971-C	3bd/2ba



CBD



Kakaako

King Street



2971 KOALI ROAD
HONOLULU, HI 96826

University of Hawaii

McCully/Moiliili

Ala Moana Center

Kalaela Avenue

University Avenue

Kapiolani Boulevard

Waiālae Avenue

Waikiki

LOCATION HIGHLIGHTS

- » Centrally located in urban Honolulu
- » Close proximity to the University of Hawaii at Manoa, Waikiki, Ward Village Center, Ala Moana Center - Hawaii's largest and busiest shopping center, Kakaako - a developing entertainment area including restaurants, shopping and nightlife, and Honolulu's Central Business District
- » Immediate access to and from H-1 Freeway, a couple hundred yards from the on/off ramps
- » Near bus lines
- » Located in the University/Kaimuki area of Honolulu, with high density of renters

MARKET OVERVIEW

- » Due to nominal expansion in the Honolulu residential market of less than 1% annually since 1990, occupancy rates have historically been well above 90%. Year 2016 numbers reflect occupancy rates of 96.8%.
- » Oahu's rental market has historically been tight as homeownership rates have always been below national averages due to high home prices
- » The majority of the residential density is in the primary urban center of Honolulu where there are roughly 21,000 apartment units and 48,000 condo units
- » Average asking rents for apartment units on Oahu are typically the highest in the State
- » In 2016, urban Honolulu monthly rents averaged from \$1,700 for a 1-bedroom unit to \$2,900 for a 3-bedroom unit

2016 DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE	10-MILE	OAHU
POPULATION	44,585	209,678	298,911	534,141	1,006,650
AVERAGE HOUSEHOLD INCOME	\$80,142	\$86,519	\$88,941	\$97,122	\$97,518
MEDIAN AGE	37.9	42.0	42.3	40.8	37.6
BACHELOR DEGREE OR HIGHER	12,176	67,647	88,886	146,641	226,856



www.2963Koali.com

Contact Us

PRIMARY CONTACT

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Colliers
INTERNATIONAL

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CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made as of the ____ day of _____, 2017, by _____ ("**Recipient**"), in favor of Jeannie S. Nakada, as Trustee under that certain unrecorded trust agreement known as the Jeannie S. Nakada Trust dated December 15, 2000, whose principal place of business and post office address is 1189 Waimanu Street, #3602, Honolulu, HI 96814 the owner of the Asset (defined below) ("**Owner**"), with respect to the fee simple interest in the property commonly known as 2963 Koali Road containing approximately 37,830 square feet of land, located at 2963 Koali Road, Honolulu, Hawaii, TMK Number (1) 2-8-27: 2 and all improvements thereon ("**Asset**").

1. **Background.**

Owner and/or Owner's broker, Colliers International ("**Colliers**") may be providing and/or making available to Recipient information and/or documents relating to the Asset. The information may be presented to Recipient in various forms including, but not limited to, photocopies of documents, digital information on CD-ROM, digital information sent via electronic mail, and/or digital information accessible via the Internet (collectively "**Information**").

2. **Confidentiality.**

Recipient, including, but not limited to its directors, officers, employees, managers, members and/or shareholders, agrees that it will keep all Information, including any information derived from the Information, regardless of whether the Information is marked or specifically identified as "confidential" or "proprietary", confidential, except as to Recipient's professional consultants (disclosed to Owner in advance) who will be evaluating the feasibility of Recipient acquiring the Asset. Recipient further agrees, prior to disclosing the Information to any consultants, that it will inform such consultant that they are required to observe and maintain the confidentiality of the Information and the provisions of this Agreement.

3. **Limitation on Use of Information.**

All Information furnished to Recipient by Owner will be used solely by Recipient for the purpose of evaluating the feasibility of purchasing the Asset and Recipient agrees not to use the Information, including any information derived from the Information, for any other purpose.

4. **Limitation on Disclosure of Information.**

Recipient will not disclose to anyone, with exception to its disclosed consultants, the existence of or any other aspect of the Information or any information derived from the Information.

5. **Prohibition Against Copying and Return of Materials.**

No copies of the Information shall be made or disclosed to anyone whatsoever without the prior written consent of Owner. Upon the completion of the above-described evaluation, or upon request by Owner, Recipient shall return to Owner all Information in the form that was provided to Recipient and any and all duplications thereof.

6. **Damages.**

Recipient acknowledges and agrees that Owner has a substantial, material and proprietary interest in the Information and that if the Information or any other information protected under this Agreement is disclosed by Recipient in any respect whatsoever without Owner's prior written consent, Owner may suffer immediate and irreparable harm and may be substantially and materially damaged.

7. **Remedies.**

In the event Recipient breaches any of the conditions set forth in this Agreement, Owner shall have the right to exercise all of its rights and remedies at law and equity, including, without limiting the generality of the foregoing, the right to obtain injunctive relief. The non-prevailing party shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees incurred by the prevailing party in enforcing any of the covenants or conditions contained in this Agreement.

8. Agency.

Owner is represented by Colliers, a licensed real estate broker in the State of Hawaii. The brokerage agreement between Owner and Colliers provides for a two percent (2%) commission to any properly licensed broker representing the buyer of the Asset. If a properly licensed real estate broker represents Recipient, Recipient must provide the information below simultaneously with the execution of this Agreement. If Recipient's broker is not listed below at the time of Recipient's execution hereof, neither Owner nor Colliers shall be obligated to compensate any alleged brokerage representative of Recipient making claims to commissions at a subsequent date and Recipient shall indemnify, defend and hold Owner and Colliers harmless from any brokerage commission claims. If a properly licensed real estate agent represents itself as Recipient or if a real estate agent is a principal or owner of Recipient, neither Owner nor Colliers shall be obligated to compensate Recipient. No commission will be accrued or paid unless the sale is closed and proceeds distributed to Owner.

Recipient's Broker:	Company:	_____
	Agent:	_____
(if not represented	License No.:	_____
please write "NONE")	Address:	_____
	City:	_____
	State & Zip:	_____
	Telephone: ()	Fax: () _____
	Email:	_____

9. No Waiver.

No waiver by Owner of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

10. No Oral Modifications.

This Agreement may not be altered, amended, changed, waived, terminated or modified in any respect or particular unless the same shall be in writing and consented to by Owner and Recipient.

11. Successors and Assigns.

This Agreement shall inure to the benefit of Owner and to its successors and assigns and be binding upon Recipient and its legal representatives, successors and assigns.

12. No Third Party Beneficiaries.

This Agreement is not intended to confer any benefits upon any persons, firms, corporations or other entities except Owner and Recipient and their respective directors, officers, employees, managers, members and/or shareholders.

13. Choice of Law.

This Agreement shall be construed, governed and enforced in accordance with the laws of the State of Hawaii without giving effect to principles of conflict of laws.

14. No Other Agreement.

Recipient acknowledges that this Agreement is solely for the purpose of establishing the confidentiality of the Information and does not grant Recipient any exclusive or other rights in connection with the purchase of Owner's Asset.

IN WITNESS WHEREOF, Recipient has executed this Agreement as of the day and year first hereinabove set forth.

“Recipient”

Signature

Date

Print Name

Title

Company/Organization

E-Mail

Address

City/State/Zip

Telephone

Facsimile

Company/Organization Website

Additional Partner(s)/Broker(s) requesting to review due diligence documents:

Signature/Date

Company/Organization

Print Name

E-Mail

Signature/Date

Company/Organization

Print Name

E-Mail

Please return signed Confidentiality Agreement (preferably via email in PDF format) to:

COLLIERS INTERNATIONAL

Attn: Mark D. Bratton* (R) CCIM

Direct: 808-523-9708

Fax: 808-521-0977

Email: mark.bratton@colliers.com

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Honolulu, HI 96813

* Bratton Realty Advisers, Ltd., exclusively contracted to Colliers International HI, LLC