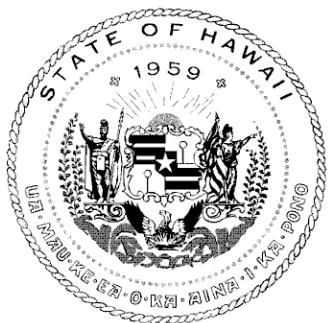


Report to the 2026 Hawaii State Legislature:

Pursuant to Act 166, Session Laws of Hawaii, Relating to
Housing.

Prepared by:

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Department of Business, Economic Development & Tourism



December 2025

Introduction

[Act 166, Session Laws of Hawaii 2025](#), requires the Hawaii Housing Finance and Development Corporation (HHFDC) to establish a Government Employee Housing Program within HHFDC, to be financed by the Dwelling Unit Revolving Fund (DURF).

For each of the fiscal years, 2025-2026 and 2026-2027, \$200,000 from DURF is appropriated for HHFDC to adopt rules, engage the community, and conduct site and pre-development planning for one government employee housing program project. An additional \$160,000 from DURF is appropriated for each of the same fiscal years for the establishment of one full-time equivalent position to carry out the purposes of this Act.

HHFDC is required to submit an annual report that includes:

1. A description of the projects funded.
2. A description of proposals submitted under this part and actions taken on those proposals.
3. Any barriers to developing housing units under this part.
4. The feasibility of expanding the program.
5. The demand for residential rental projects developed under this part.

To inform the program and provide data that can be useful to the development of State-owned affordable housing units, HHFDC contracted Ward Research to develop and administer a State of Hawaii employee housing survey. This survey aims to understand their current housing situations, interest in State rental housing, location and amenity preferences, and attitudes towards housing costs, and employee recruitment and retention.

Scope of the Survey

The survey was conducted online, with a unique URL provided for State employees to access it. Ward Research, HHFDC, and the Governor's office worked together to craft an email message for State employees, which informed them about the survey opportunity and included the URL for accessing it.

The Governor's office sent an email with the survey link to all State of Hawaii employees, including executive branch members and non-executive branches like the University of Hawaii, the Legislature, and the Judiciary. About 33,000 employees were invited to participate. (Note that the survey was not made available to Department of Education employees because they were surveyed in a similar project in 2024.)

The survey link was emailed on October 10, 2025, with reminders sent on October 27. The survey stayed open until November 2. A total of 5,662 responses were collected from employees at all State departments and State entities, representing a 17% response rate. The sampling error for this sample size is +/- 1.2 percentage points.

Findings

The following section summarizes the findings of the survey and is broken down into four sections:

1. The first section outlines State employees' current housing. It shows the distribution of employees who own a home or rent a unit, housing types, household generations, the presence of individuals with disabilities, and commute times. It also covers housing costs and amenities in rental expenses.
2. The second section provides data on State employees' future moving plans. It covers timelines, housing preferences, purchasing ability and challenges, and preferred locations.
3. The third section of this report addresses the primary objective of the current research. The findings detailed in this section illustrate the level of interest among employees in affordable rental housing designated for State employees (both generally and specifically along Oahu's Skyline Rail System). Additionally, it outlines preferences regarding housing type, preferred locations, desired amenities, and lease terms, and provides an estimate of affordability.
4. The fourth section looks at attitudes about housing costs and their impact on State employee recruitment and retention. It also highlights support for State-owned affordable housing on State land.

Key findings of the report are summarized below:

Current Housing Situation

1. Tenure: 46% of those surveyed rent, 40% are homeowners, and 12% occupied the unit, i.e., live there without paying rent or paying just a nominal amount. Homeownership rates among State employees are lower than the Statewide average (63%) and lower than that of DOE employees (50%).
2. Cost Burden:
74% of homeowners and 84% of renters are cost-burdened (i.e., spend 30% or more of income on housing). By comparison, the 2024 HHPS reveals that 49% of residents are cost-burdened, while the 2024 DOE study indicates that 35% of DOE employees are cost-burdened.
3. Housing Type: 53% live in single-family homes.
4. Renters are more likely to live in apartments or multiplexes.
5. Multigenerational Living: 57% live in households with two or more generations.
6. Almost one-quarter of households include a member who has a disability.
7. Commute time: 59% commute under 30 minutes (including 3% who work from home); 9% commute over an hour.

Future Moving Plans

1. 35% of those surveyed plan to move within 2 years (55% of renters).
2. Most employees who will likely move prefer a residence with 3+ bedrooms and 2+ baths; most employees who will likely move can live with 1-2 bedrooms and 1-1.5 bathrooms.

3. 48% plan to stay on the same island, while 23% may move out of state.
4. Barriers to homeownership among movers who are likely to rent in the future:
5. 95% cite high cost.
6. 68% cannot afford a down payment.
7. 52% cannot afford monthly payments.
8. 74% of movers who state they are likely to buy a home have less than \$200k for a down payment (20% down on \$1 million) and 45% have less than \$50k for a down payment; most movers who state they are likely to buy cannot afford monthly housing expenses greater than \$2,500.

Interest in State Employee Housing

1. 78% of potential movers are interested in State employee housing.
2. Skyline TOD Housing:
 - o 74% of those who live on Oahu and who expressed an interest in State employee housing are stated interest in housing near Skyline stations
 - o Preferred segment: Kakaako to Ala Moana (secondary preferences include East Kapolei to Pearlridge and Aloha Stadium to Lagoon Drive)
 - o Preferred housing type: Townhomes (51%)
 - o Ideal unit: 2 bedrooms, 1 to 1.5 bathrooms
 - o Top amenities: kitchen, private bathroom, on-site laundry, parking, safety, Wi-Fi
 - o Affordability: Most can afford \$1,400–\$1,699/month
 - o Tenure: 49% would stay 5 or more years

Attitudes on Housing and Employment

1. 84% feel financial pressure from housing costs; 71% are concerned about their ability to pay their mortgage/rent a year from now.
2. 90% say high housing costs hurt recruitment and retention.
3. 59% have considered leaving their job due to housing costs.
4. 85% say affordable, State-owned rental housing would increase the State's ability to recruit and retain employees.
5. 80% say employee housing would help them stay employed with the State.
6. 79% say it would help them stay in Hawaii

Design and locational preferences are summarized below:

Design Preferences

1. Survey findings suggest focusing on townhomes with 2 beds and 1 bath configurations.
2. Respondents prefer to have key amenities like a kitchen, on-site laundry facility, and parking.

3. The ideal housing expense is between \$1,400 and \$1,699 per month, though some may be able to handle higher costs.
4. Respondents prefer lease terms of 12 months or longer.

Locational Preferences

1. Higher-income, smaller households prefer the Kakaako to Ala Moana segment.
2. Larger, lower-income households prefer the East Kapolei to Pearlridge segment.

The complete report is available at: <https://dbedt.hawaii.gov/hhfdc/resources/reports/>

Next Steps

The findings show that a significant portion of both employee homeowners and renters are severely cost-burdened, especially those who are younger and have less work tenure (or other means of financial support). HHFDC may wish to consider a separate program that provides financial assistance for younger employees who are the most financially vulnerable and the most likely to seek other employment or leave Hawaii.

In 2026, HHFDC will begin working with stakeholders to draft administrative rules for the proposed program. The rules will include criteria for prioritization based on government employment status, with preference tiers reflecting tenure and job classification. As such, no projects have been funded at this time.