

Skyline Transit-Oriented Development Feasibility Study

July 2026

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Keone'ae Market Analysis

Photo: Waiawa Station

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01

Executive Summary

Market Takeaways and Assumptions

Relative Market Strength by Asset Type

- Demand for all housing types remains strong. Generally speaking, people rent out of necessity and cannot afford to buy.
- Industrial demand is strong across Honolulu, however there are not many developments near transit.
- Retail around TODs is smaller in scale – ground floor retail or smaller strip malls – and is moving away from the larger shopping centers.
- While tourism is limited in East Kapolei, the recently delivered hotels in the greater Kapolei region are performing well. This performance has sparked some developer interest, but growth has been moderate rather than significant, especially compared to Hawaii’s tourism-heavy core markets.

Supply–Demand Balance and Delivery Risk

- Recent development has been concentrated in residential assets, while the other property types have seen a less aggressive growth trend; however, future absorption should be considered alongside the rail build-out timeline, as meaningful acceleration is likely to occur after completion through downtown to its eastern terminus.
- In the residential market, historically speaking, when a project has been delivered, the market has absorbed inventory due to the demand on O’ahu.
- The East Kapolei TOD area currently lacks retail uses but is an opportunity for growth complimentary to any anticipated development opportunities around the station area.

Pricing, Valuation, and Capital Market Signals

- Multi-family, retail industrial cap rates remain low, while office and hotel cap rates remain elevated, meaning that the market perceives both to be riskier assets

Development Constraints

- Permitting and infrastructure timing can significantly affect project feasibility and overall project timelines. Longer review processes increase carrying and financing costs, which are often reflected in higher rents and sale prices, influencing delivery risk and affordability.

Market Takeaways Informing Value Capture (task 4)

- Market fundamentals (absorption, rents, vacancy) appear generally supportive of assumptions for new residential value added, which will translate into property tax revenue in the Value Capture Analysis
- Commercial market evidence informs commercial value change and feasible delivery, which will be converted into General Excise Tax (“GET”) (sales) and related revenue estimates under the baseline scenario
- Asset pricing metrics (cap rates and values) inform market value inputs, enabling task 4 to express fiscal benefits as order of magnitude net present values relative to infrastructure investment needs.

Takeaway on Regional Demand Projection

Demographics

- Population growth has remained modest at both the state and county levels. Household growth has outpaced population growth, particularly since 2019, reflecting continued household formation and declining household size.
- Out-migration concerns remain elevated. While long-term demographic data does not necessarily show an accelerating decline, there is strong government and community concern that affordability pressures are contributing to resident out-migration. Improving housing affordability is widely viewed as a key lever to stabilize population trends and strengthen Honolulu's economic outlook.
- Income growth has been the strongest demographic trend, supporting higher local spending and fiscal capacity despite modest population growth.

Housing Units

- O'ahu remains structurally undersupplied regarding housing units. Despite recent increases in permitted or planned units, the broader context is a well-documented, statewide housing shortage. The Governor's housing emergency proclamation reflects this structural imbalance, and expansion into areas like East Kapolei is driven by the availability of buildable land and rail connectivity — not excess supply.
- Changes in buyer composition have also shaped pricing. Out-migration of longtime residents and increased activity from higher-income and second-home buyers have influenced demand and affordability.

Visitation

- Total visitor spending has exceeded pre-pandemic levels, driven by higher spending per visitor rather than longer stays.
- O'ahu continues to capture a stable majority of statewide visitation and visitor spending, reinforcing its role as primary tourism engine.

Implications for Growth Projections

- Household growth outpacing population increases the number of spending units, which directly supports incremental growth in GET revenues even under modest population growth assumptions.
- Income growth raises per-household taxable consumption, resulting in real GET growth independent of population-driven volume increases.
- Higher spending per visitor, despite modest visitor growth, increases taxable sales and lodging revenues, translating into incremental GET (and Transient Accommodations Tax) growth without assuming higher visitation volumes.



02

Study Methodology and Areas

Study Framework and Purpose

This market analysis focuses on demand generation and demand allocation.

- Countywide and suburban demographics trends establish the overall demand envelope, while TOD capture rates allocate a share of that demand to the “East Kapolei TOD Area” (Study TOD Planning Area).
- Market indicators such as vacancy, rents, and absorption are used to inform phasing decisions (rather than direct demand estimates) and to support the fiscal impact analysis in later phases.

The insights from this Market Analysis from this analysis will inform:

- Key market assumptions such as revenues, expenses, values, and costs.
- Supportable development demand implications.
- Economic and fiscal impact assumptions, including projected changes in property values.



Source: Honolulu Department of Transportation Services (DTS)

Study Framework and Purpose

Step 1. Establish the Demand Envelope – “How much demand exists overall?”

- Countywide demographics growth and housing demand establish the total pool
- Demand is allocated to suburban markets based on observed suburban shares

Step 2: Derive TOD Capture Rates - “What share of suburban demand could reasonably locate in TOD?”

- TOD Capture Rate: the share of suburban housing/commercial demand allocated to TOD locations
- Capture rates are informed by:
 - Recent development pipeline shares within suburban TOD locations
 - Observed suburban TOD performance (local and peer)
 - Deliverable capacity within the Study TOD Planning Area
- Scenario framing:
 - Base: Revealed suburban TOD capture
 - High: Upper-bound outcome informed by urban TOD behavior (not blended)

Step 3: Allocate Demand to the Study TOD Planning Area – “Where within the TOD does demand go, and when?”

- TOD demand is allocated to the three-station cluster as a single market
- Demand is phased across stations based on:
 - Capacity
 - Access
 - Product type
 - Market timing

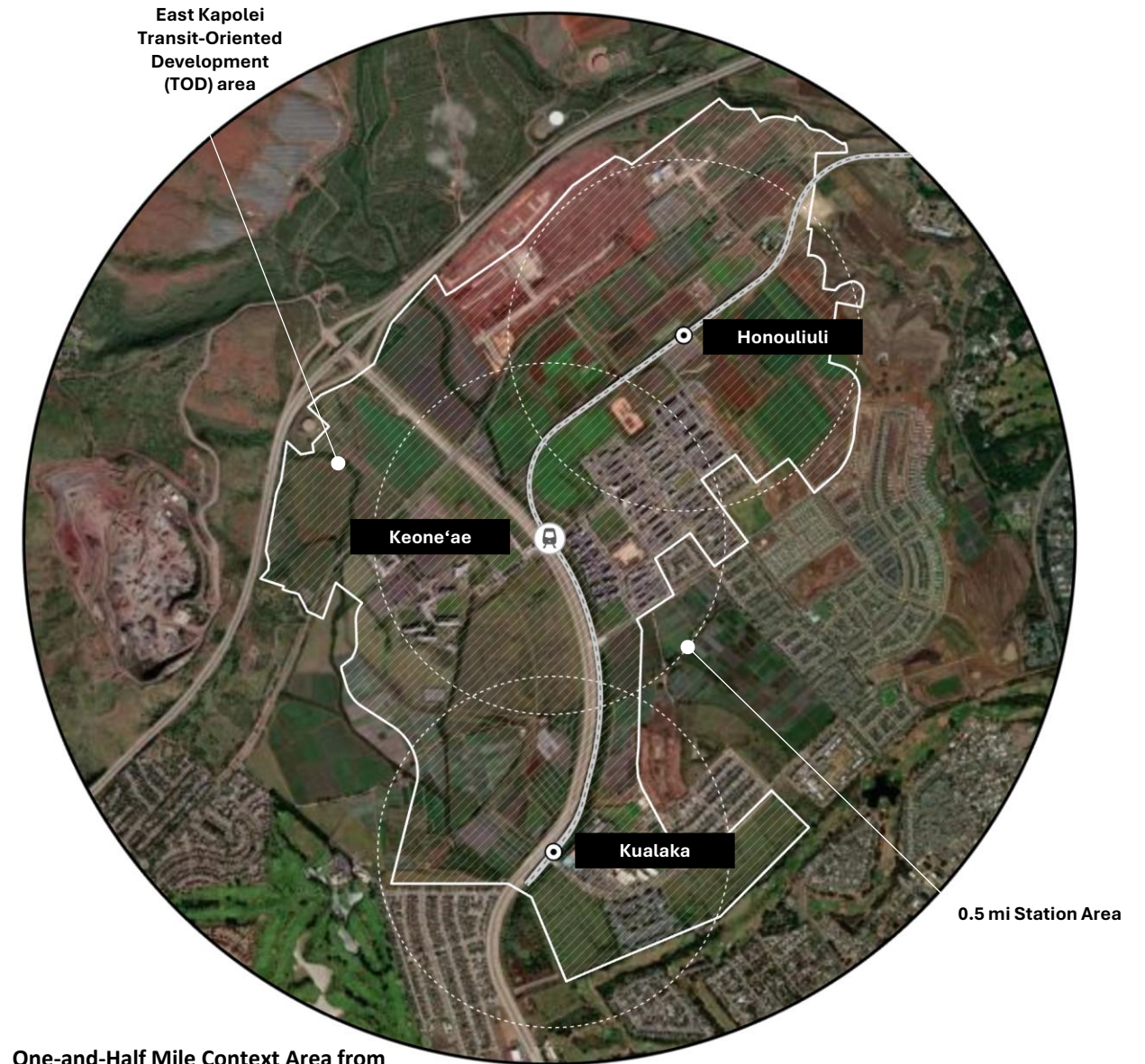
Step 4: Key Market Assumptions and Indicators

- Vacancy: Used to test absorption pace and market tightness; Informs phasing and near-term risk; Does not generate demand
- Rent Levels: Used to test financial feasibility and product mix; Informs affordability assumptions; Does not determine capture rates
- Rent Growth: Used to distinguish near-term vs long-term delivery; Informs scenario sensitivity; Does not imply TOD premium by itself
- Absorption/Delivery: Translates supportable demand into annual delivery; Constrains timing and scale
- Market Value/Cap Rate: Used to determine what the total value of developers are
- Market indicators are used to validate and constrain TOD demand assumptions rather than to size demand directly.

Study Area

Primary Study Area: East Kapolei TOD Area

- Combines three adjacent station areas with overlapping 0.5-mile walk sheds.
- Reflects how the market and planning framework define the area, rather than administrative boundaries.



One-and-Half Mile Context Area from Study Station

Source: Google Earth, Honolulu Open Geospatial Data, AECOM

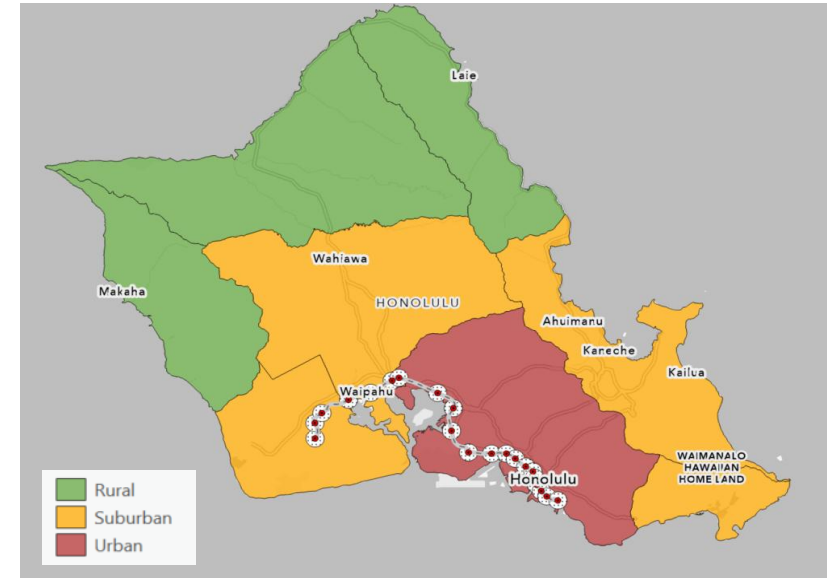
Regional Context

Context Areas are defined as the broader surroundings that influence the study area but are not the primary focus of the plan.

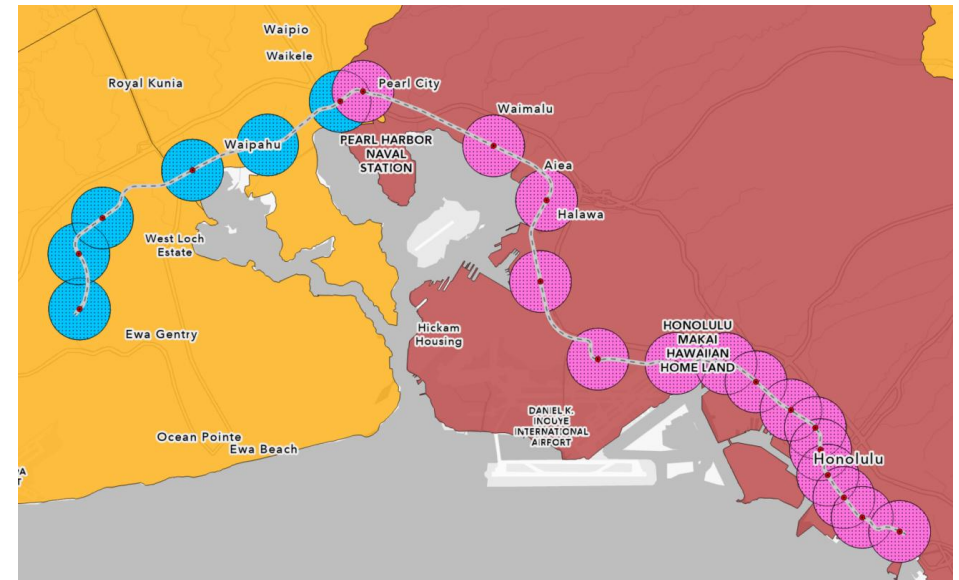
- The regional context provides regional or subregional benchmarks to help compare market, demographic, and development conditions.
- Urban, Suburban, Rural (Left Map) are derived from the general characteristics of the County's eight planning districts. The study area, as well as the few stops on the western end of the train line, is located within suburban areas.
- Suburban TODs and Urban TODs (Right Map)

As a result, AECOM's market analysis is primarily based on five context areas:

- AECOM recognizes that the island is comprised of both urban and suburban areas. The East Kapolei station area is currently in more of a suburban location but there is capacity and aspiration for more urban style TOD development at the station with the supportive zoning and station area plans. This is why the research is considering both urban and suburban context areas.
- For regional demand analysis, AECOM focused on state-, county-, and suburban-level demographic trends.
- For TOD capture and market analysis, AECOM focused on countywide, suburban, suburban TOD, and Study Area conditions.
- The completion of the Skyline to the easternmost terminus will play a major role in the densification and the demographic.



Urban, Suburban, and Rural Areas



Suburban and Urban Stations and Their TOD Areas

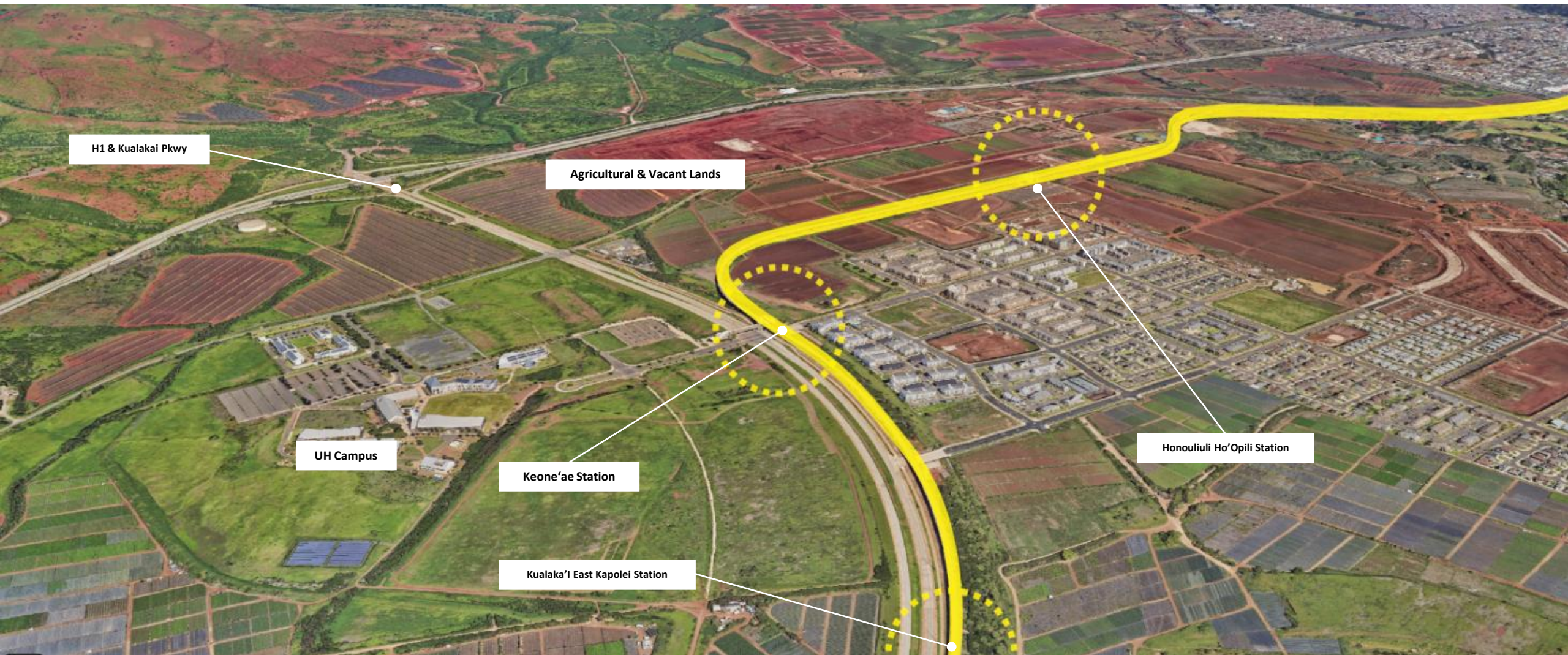
Source: Honolulu Open Geospatial Data, AECOM



03

Station Area Context

Station Area Context: Physical Infrastructure and Condition



Source: Google Earth, AECOM

Station Area Context: Ownership, Developability, and Zoning



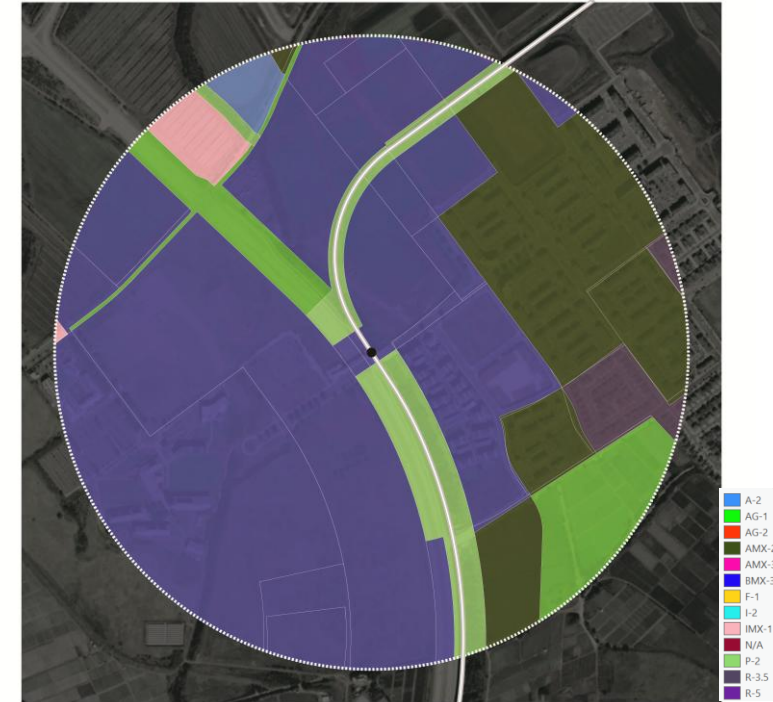
Ownership

- Primary owners are the **University of Hawai'i (UH)**, **State of Hawai'i**, and **D.R. Horton**.
- **Three major landowners** control 80% of all land and 90% of developable land.
- Holdings are **organized in large, contiguous groups of parcels**, shaping the area's development potential.



Developability

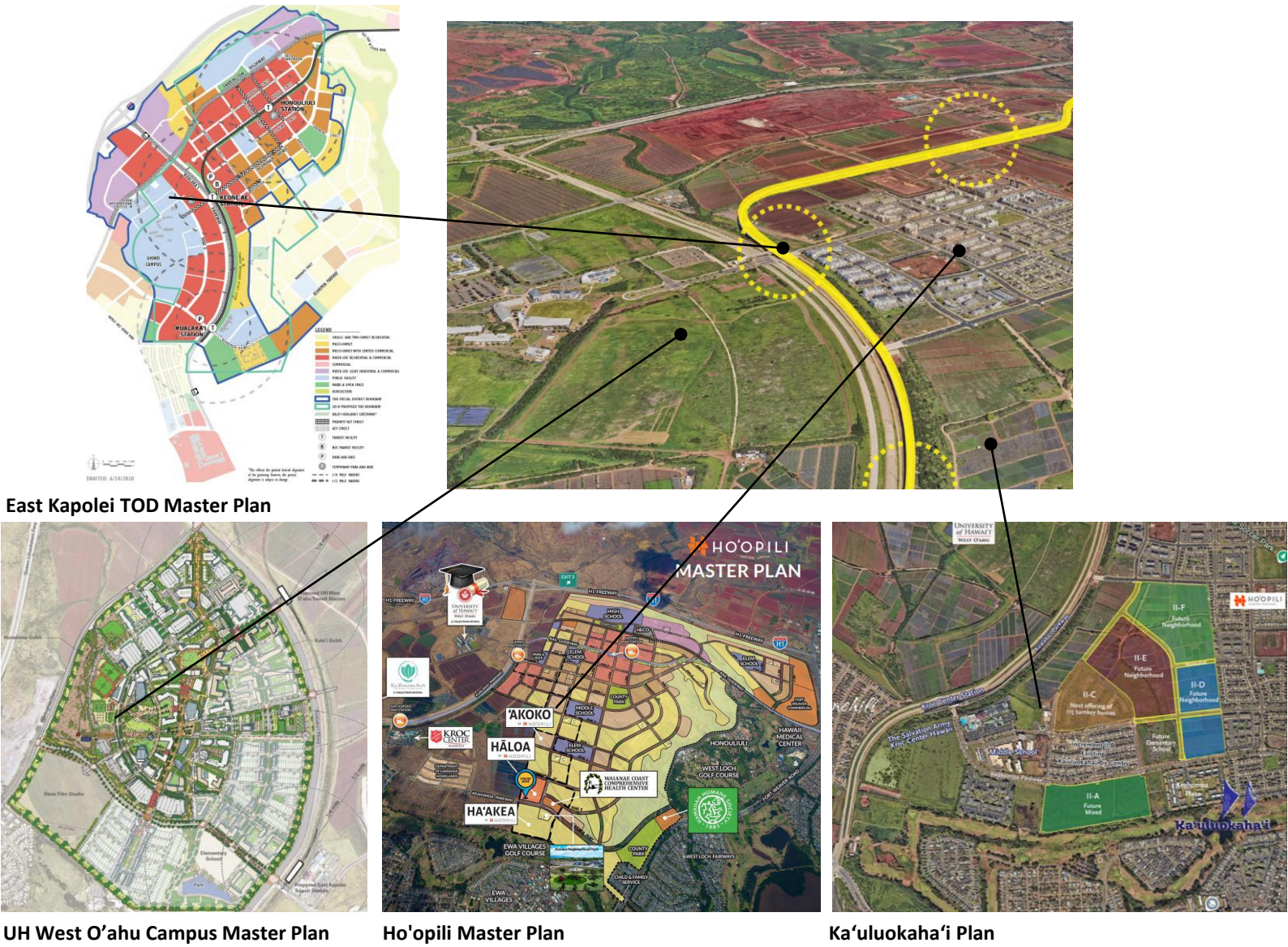
- Primarily of **vacant or agricultural land**.
- Strong development potential, with roughly **71% of all land considered developable** (excluding recently built areas).



Zoning

- Predominantly **TOD zoning**, encompassing most land and developable parcels.
- **BMX-3 (Community Business Mixed-Use)**, with **AMX-2** and **IMX-1** also present.
- Balanced mix of **residential, educational, and commercial uses**.

Station Area Context: Development Plans and Efforts



Development Efforts

- **East Kapolei TOD Master Plan:** East Kapolei TOD Neighborhood Plan was adopted in 2020, but TOD Special District zoning is pending adoption.
- **UH West O'ahu Draft Long-Range Plan:** Includes program and phasing details, but still in draft.
- **UH West Market Study:** Available in draft form
- **Infrastructure Study:** Jacobs is conducting broader infrastructure study for state-owned lands (UH, DLNR, etc.), not funded by UH West O'ahu, with details in LUC presentation in May.
- **In-Place Investment:** Only identified infrastructure project is a new segment of Campus Street (estimated at \$35 million), which is part of a larger, currently unfunded project.
- **Future infrastructure required for converting agricultural lands to developable areas:** Road extensions and broader infrastructure needs have not been studied or costed.



04

TOD Characteristics and Demand Capture

TOD Capture of Regional Development Demand

While most recent development is concentrated in urban areas, suburban TODs capture a meaningful and targeted share of regional growth, with activity highly concentrated in select, competitive station areas rather than broadly distributed across the suburbs. However, new zoning along the Skyline Corridor support the urbanization around the stations.

- **Capture rates:** Used as an empirical basis to translate projected regional growth into future Suburban TOD demand by estimating the share of that growth historically captured by TOD locations.
- **Meaningful suburban presence:** Suburban areas account for around 26% of countywide multifamily development.
- **Selective TOD capture:** around 19% of suburban multifamily is captured in Suburban TODs, indicating focused—but not universal—TOD demand.
- **Strong local competitiveness:** 100% of Suburban TOD multifamily development occurs within the study area, highlighting these stations as the primary suburban TOD multifamily destinations.

All Recent Development (Post 2010) and Pipeline (Under-Construction & Proposed)							
	Multifamily	Office	Retail	Hotel	Industrial	Others	All Development
Total Regional Supply							
County	43,652,174	1,263,558	3,996,801	7,647,640	4,911,356	2,126,777	63,598,306
Sub-Regional Capture							
Suburban	11,153,782	455,116	2,306,244	3,539,557	3,719,678	1,381,842	22,556,219
<i>As a % of County</i>	<i>26%</i>	<i>36%</i>	<i>58%</i>	<i>46%</i>	<i>76%</i>	<i>65%</i>	<i>35%</i>
Urban	31,869,875	781,768	1,541,948	4,013,316	1,072,841	656,378	39,936,126
<i>As a % of County</i>	<i>73%</i>	<i>62%</i>	<i>39%</i>	<i>52%</i>	<i>22%</i>	<i>31%</i>	<i>63%</i>
TOD Capture							
Suburban TODs	2,119,999	22,980	36,498	180,000	147,898	518,946	3,026,321
<i>As a % of Suburban</i>	<i>19%</i>	<i>5%</i>	<i>2%</i>	<i>5%</i>	<i>4%</i>	<i>38%</i>	<i>13%</i>
Urban TODs	25,625,841	527,423	725,503	2,035,322	259,278	216,657	29,390,024
<i>As a % of Urban</i>	<i>80%</i>	<i>67%</i>	<i>47%</i>	<i>51%</i>	<i>24%</i>	<i>33%</i>	<i>74%</i>
Local Capture							
Within Study Area	2,119,999			180,000		390,000	2,689,999
<i>As a % of Suburban TODs</i>	<i>100%</i>			<i>100%</i>		<i>75%</i>	<i>89%</i>

Source: CoStar, AECOM

Note:

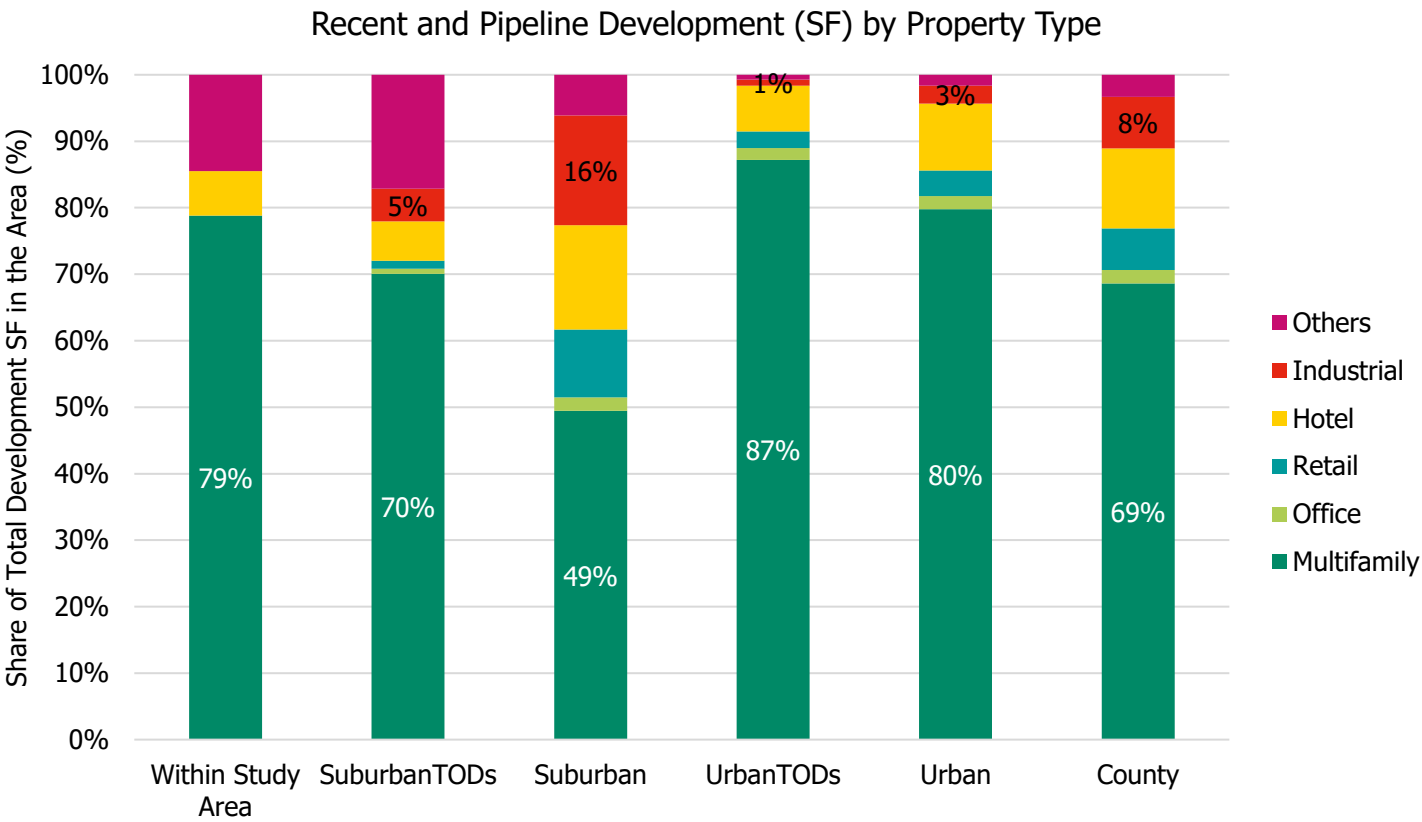
* Properties include all existing buildings

** Properties only include commercial programs, excluding small-scale development or for-sale units

Recent Development Patterns by Use and Geography

The post-2010 development breakdown suggests that future demand in Suburban TODs is most likely to be driven by multifamily, with more selective opportunities in hotel and limited non-residential uses, while office, retail, and industrial demand is expected to remain concentrated outside Suburban TOD locations.

- Multifamily is the primary Suburban TOD use: Post-2010 multifamily development in Suburban TODs totals roughly 2.1M SF, all of which is located within the study area.
- **Non-residential development is more dispersed:** Office, retail, hotel, and industrial development since 2010 is largely located in urban and non-TOD suburban areas, with relatively limited volumes in Suburban TODs.
- **Urban and Urban TOD areas dominate overall activity:** Across all property types, the majority of post-2010 development has occurred in urban and Urban TOD locations, reflecting their continued role as the region’s primary growth centers.



Source: CoStar, AECOM
Note:
* Properties include all existing buildings
** Properties only include commercial programs, excluding small-scale development or for-sale units

Representative Project Types: Residential

Residential projects are predominantly low- to mid-density due to zoning restrictions and take a variety of forms.

- From the western suburban area through the broader study area, residential development consists largely of 3–5-story multifamily condominium and rental buildings.
- Projects may include ground-floor retail or be purely residential, span market-rate, affordable, or mixed-income housing.
- They are often complemented by townhouse condominiums in the area.



Source: CoStar

Hale Moena

- 1020 Wakea St
- Kapolei, HI 96707
- Multifamily (Affordable Rental)
- With ground floor retail (9%)
- Built in 2020
- 13-story
- 296-unit (97DUAC)
- Podium/Attached parking



Source: CoStar

Kapolei Lofts

- 761 Wakea St
- Kapolei, HI 96707
- Multifamily (Mixed-Income Rental)
- Built in 2015
- 3-story
- 499-unit (28DUAC)
- Surface parking



Source: D.R.Horton

Alana at Ho'opili Pohaku Estates

- 91-4116 Hikulima St
- Ewa Beach, HI 96706
- Townhome (Condo)
- Built in 2024
- 3-story
- 188-unit (N/A DUAC)
- Surface parking



Source:
<https://www.hoopililiving.com/nahele>

Nahele at Ho'opili

- 91-3641 Iwikuamoo St
- Ewa Beach, HI 96706
- Multifamily (Condo)
- 5-story
- 309-unit (41DUAC)
- Surface parking



Source: CoStar

Luhaoula

- 888 Wakea St
- Kapolei, HI 96707
- Multifamily (Market-Rate Rental)
- With ground floor retail (20%)
- Under-Construction
- 5-story
- 29-unit (22DUAC)
- Surface parking

Representative Project Types: Commercial

The study area features a limited range of commercial prototypes.

- Development is generally low- to mid-density and characterized by surface parking.
- Retail typically appears either as ground-floor space within residential buildings or as separate, standalone storefronts.



Source: CoStar

Hyatt House at Ho'opili

- 91-3456 Nana Hope St
- Ewa Beach, HI 96706
- Hotel (Upscale, Franchise)
- Under Construction
- 5-story
- 132 rooms
- 90,000 Gross SF (0.62 FAR)



Source: Google Earth

Luhauola

- 94-481 Akoki St
- Waipahu, HI 96797
- Office
- Built in 2015
- 2-story
- 6,700 Gross SF (0.41 FAR)



Source: CoStar

Kohina At Ho'opili

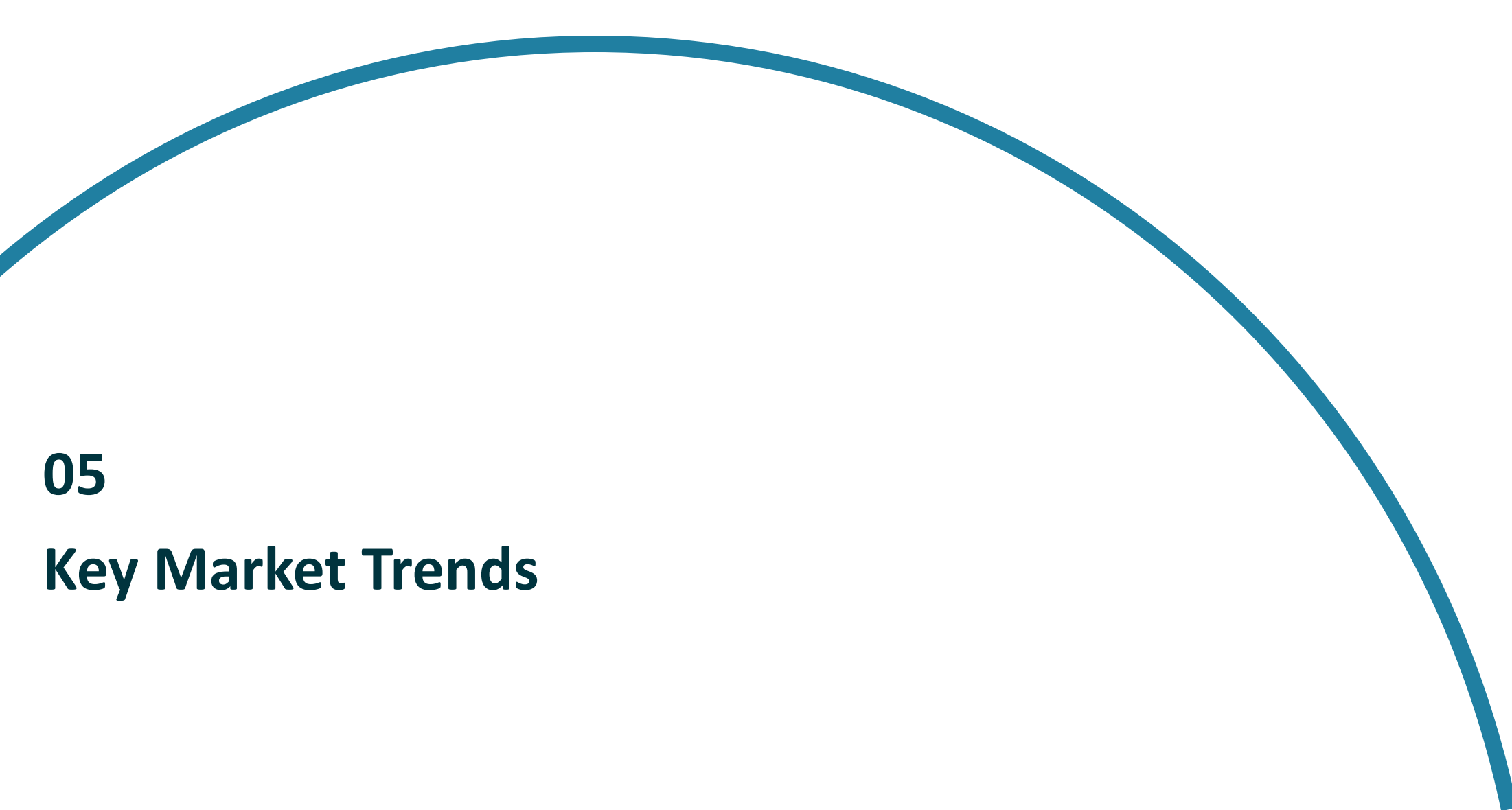
- 91-3633 Kauluakoko St
- Ewa Beach, HI 96706
- Retail (Ground-Floor Retail)
- Built in 2021
- Ground-floor of residential bldg
- 100,000 SF (14% of Bldg SF)



Source: Google Earth

Plaza at Mill Town

- 94-450 Mokuola St
- Waipahu, HI 96797
- Retail (Plaza, Mixed Commercial)
- Built in 2008
- 2-story
- 36,000 Gross SF (0.47 FAR)



05

Key Market Trends

Multifamily: Overview

The multifamily rental market in the Study Area exhibits strong performance despite limited scale, with steady absorption of delivered units, solid rent growth, and low vacancy supported by disciplined supply and a quality-driven, TOD-oriented submarket.

- Market performance has outpaced its relative size, as the Study Area has consistently absorbed new units and achieved rent growth comparable to or stronger than broader suburban and county markets despite slower overall inventory expansion.
- The volume and timing of units that are delivered are largely influenced by permitting timelines and the pace of building permit issuance. Multifamily units delivered to date have generally been absorbed quickly due to strong underlying demand on Oahu and have not relied on an operating rail system to support leasing or sales velocity. However, future projects specifically designed around transit, such as those with reduced parking ratios, may experience absorption patterns that more closely align with the completion of the full rail system.
- Limited new supply has supported pricing stability, with multifamily deliveries below suburban and county volumes, resulting in low stabilized vacancy and investor acceptance of tighter cap rates.
- The Study Area functions as a quality-driven TOD submarket, where asset quality, transit accessibility, and location play a larger role than scale in supporting premium rents and sustained demand relative to surrounding areas.



Source: CoStar

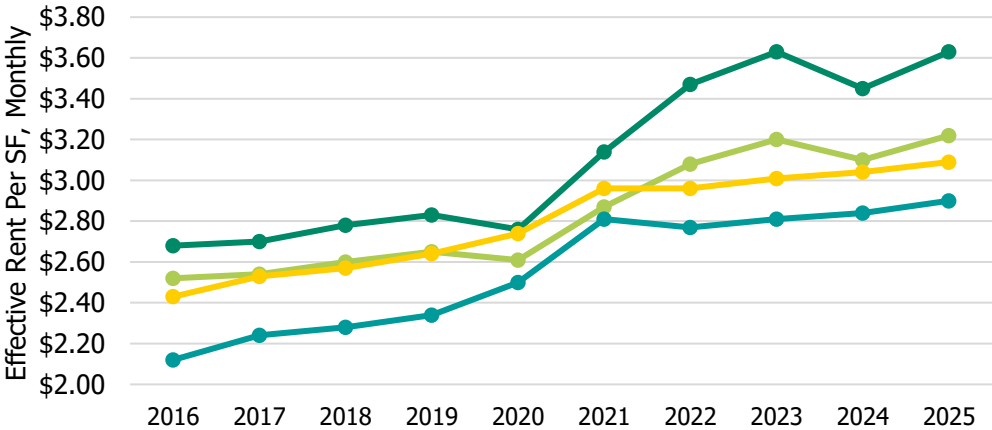
Multifamily: Inventory, Rent, and Vacancy

- **Inventory growth for rentals** has seen a significant increase in the **Study Area**, which expanded from 308 to 1,413 units since 2016 (16.5% average annual growth), far outpacing Suburban TODs (3.3%) and the broader Suburban and County markets (both roughly 0.9%).
- **Market-rate effective rents in the Study Area** have consistently outperformed peer geographies, rising from \$2.68 PSF in 2016 to \$3.63 PSF in 2025 and maintaining a premium over Suburban TODs, Suburban, and County averages—highlighting stronger pricing power and demand within the core study geography, particularly post-2020.
- **Vacancy in the Study Area** has remained structurally tighter than peer geographies, aside from a temporary COVID-era spike in 2020 (24.4%) and has since normalized to sub-3% levels—well below Suburban TODs, Suburban, and County averages—reinforcing sustained demand in the core study market.

Total Inventory (Units)				
Period	Study Area	Suburban TODs	Suburban	County
2016	308	2,905	35,630	131,437
2017	308	2,905	35,672	132,781
2018	308	2,905	35,672	133,994
2019	308	2,905	35,672	134,701
2020	784	3,381	36,889	136,684
2021	900	3,497	37,013	138,149
2022	916	3,513	37,032	138,795
2023	1,225	3,822	37,341	140,892
2024	1,413	4,010	37,721	142,339
2025	1,413	4,010	38,867	144,457
10-YR Avg Annual Growth	16.5%	3.3%	0.9%	0.9%

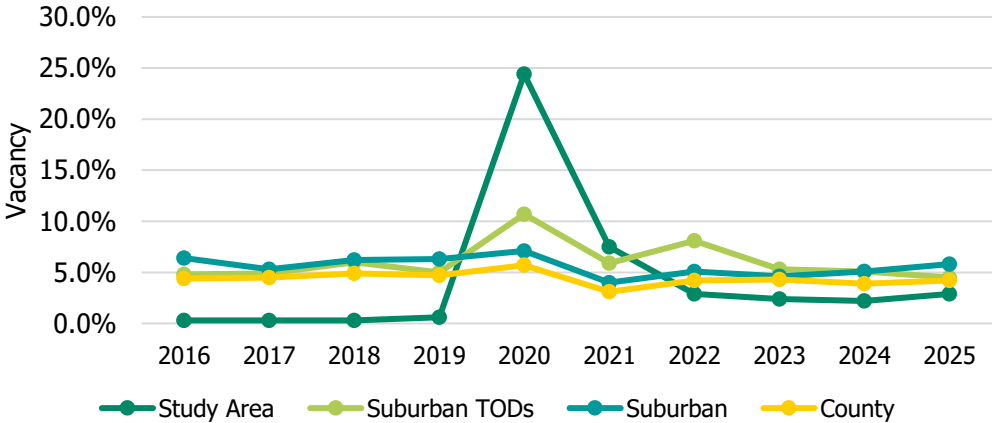
Source: CoStar, AECOM

Multifamily: Rent



Source: CoStar, AECOM

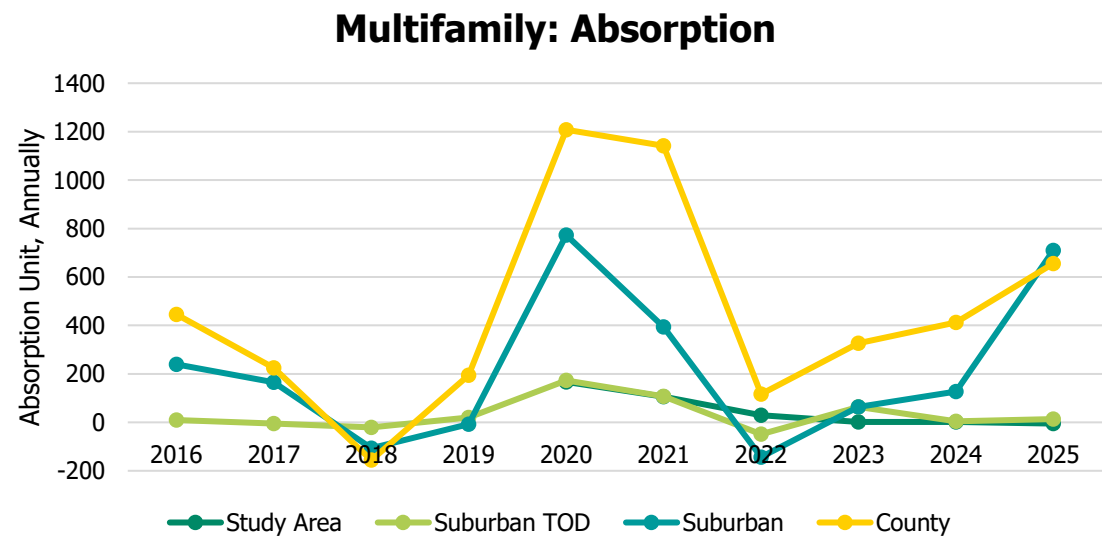
Multifamily: Vacancy



Source: CoStar, AECOM

Multifamily: Absorption and Delivery

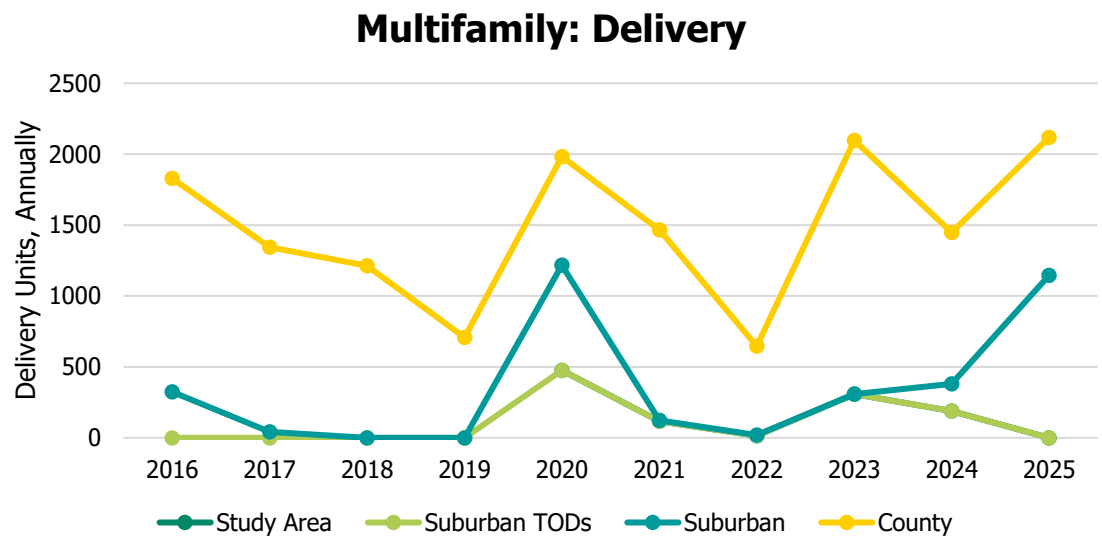
- Multifamily absorption in the Study Area and Suburban TODs have been modest on a long-term basis, averaging roughly 25–50 units annually over the past 5–10 years, compared to materially higher absorption in the broader Suburban and County markets—indicating that demand in the core study geographies is more episodic and closely tied to discrete delivery cycles rather than sustained, large-scale absorption trends.



Multifamily: Absorption Unit, Annually				
	Study Area	Suburban TOD	Suburban	County
2025	-5	13	710	655
Past 5 Years, Avg	27	28	230	530
Past 10 Years, Avg	50	32	222	457

Source: CoStar, AECOM

- Multifamily deliveries in the Study Area and Suburban TODs have been less in scale than broader markets, averaging roughly 160–220 units annually over the past 5–10 years with no deliveries in 2025, compared to substantially higher delivery volumes in the Suburban and County markets.

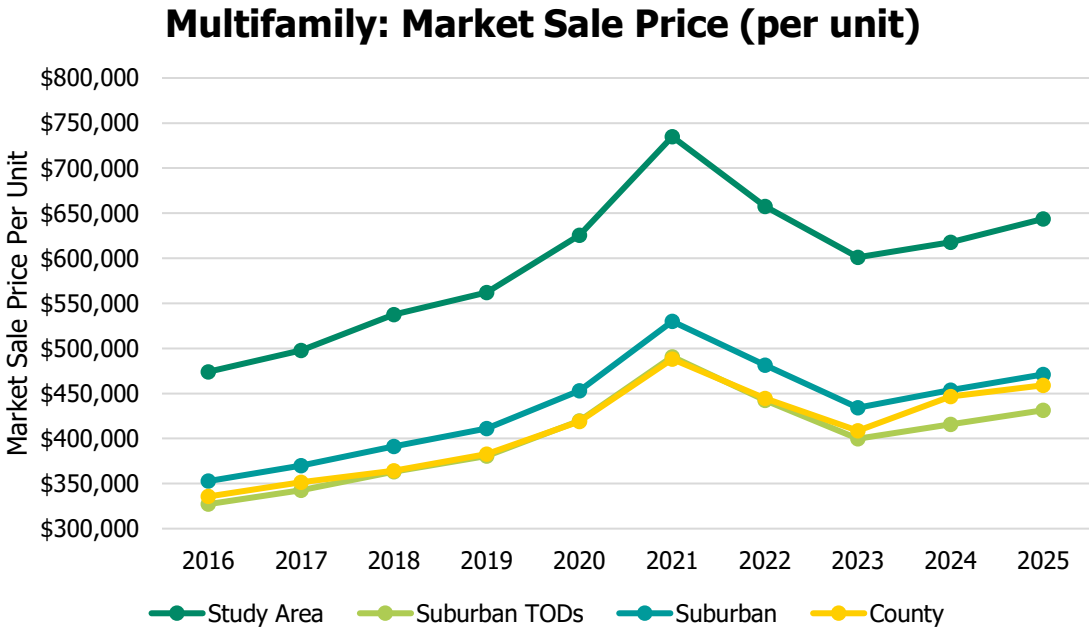


Multifamily: Delivery Units, Annually				
	Study Area	Suburban TOD	Suburban	County
2025	-	-	1,146	2,118
Past 5 Years, Avg	157	157	396	1,555
Past 10 Years, Avg	221	221	445	1,485

Source: CoStar, AECOM

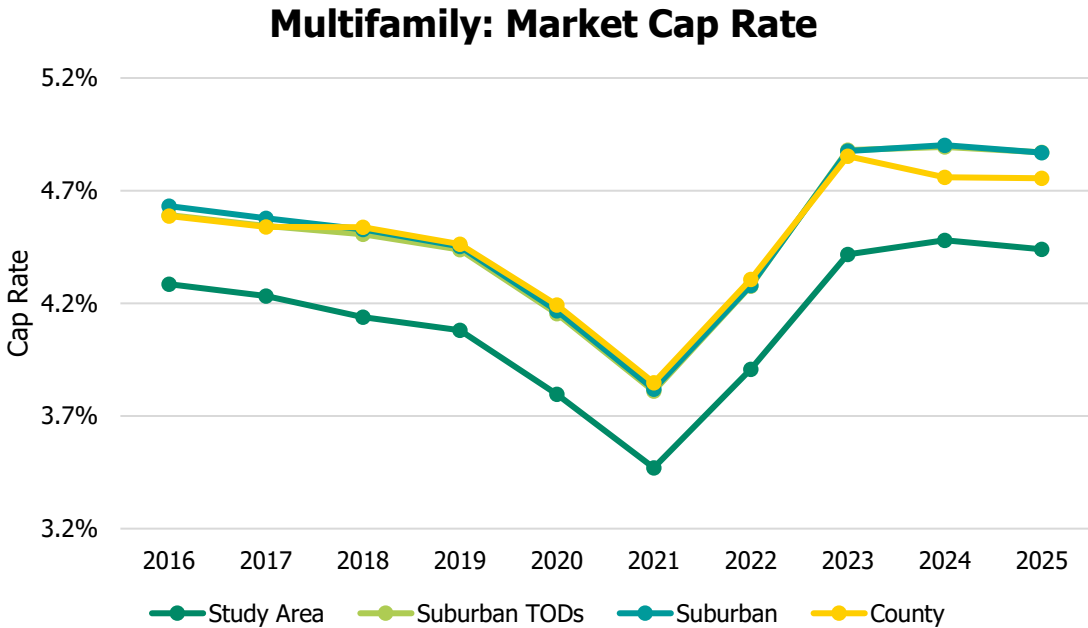
Multifamily: Market Value and Cap Rate

- Multifamily sale prices per unit in the Study Area have consistently commanded a premium over peer geographies, rising from roughly \$474K in 2016 to roughly \$644K in 2025 and exceeding Suburban TODs, Suburban, and County averages throughout the period—reflecting stronger asset quality, pricing power, and investor demand within the core study area.



Source: CoStar, AECOM

- Study Area market cap rates have consistently traded lower compared to Suburban TODs, Suburban, and County averages, compressing through 2021 and then expanding alongside broader market repricing, with 2025 cap rates remaining lower in the Study Area (4.4%)—reflecting stronger perceived asset quality and investor demand relative to surrounding markets.

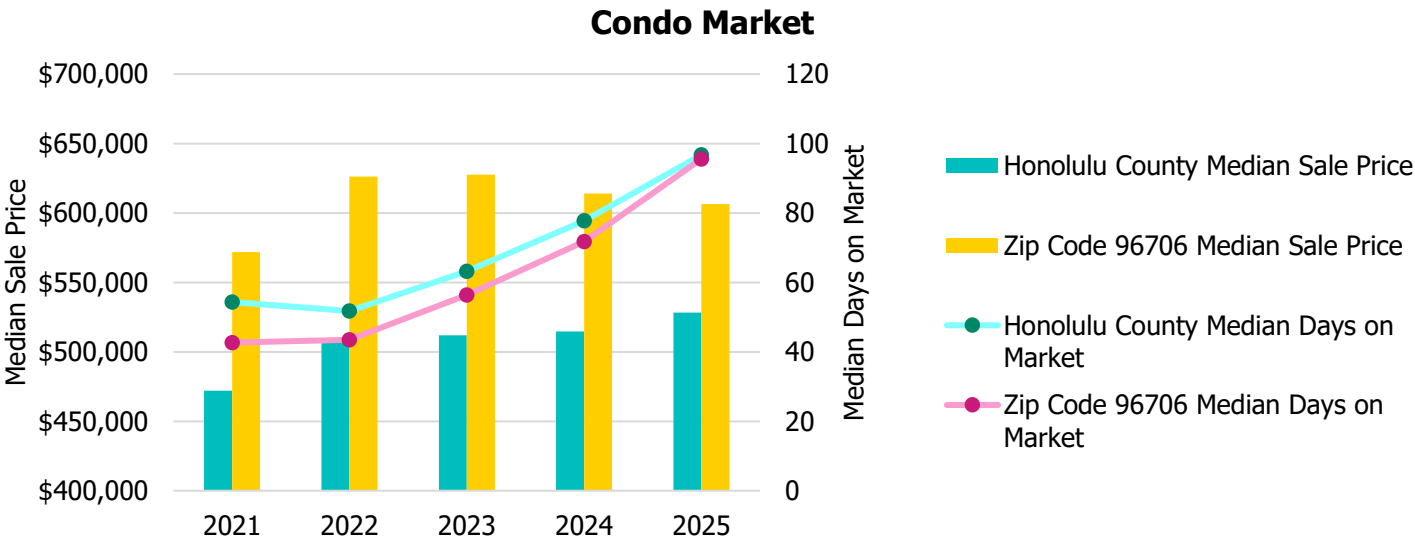
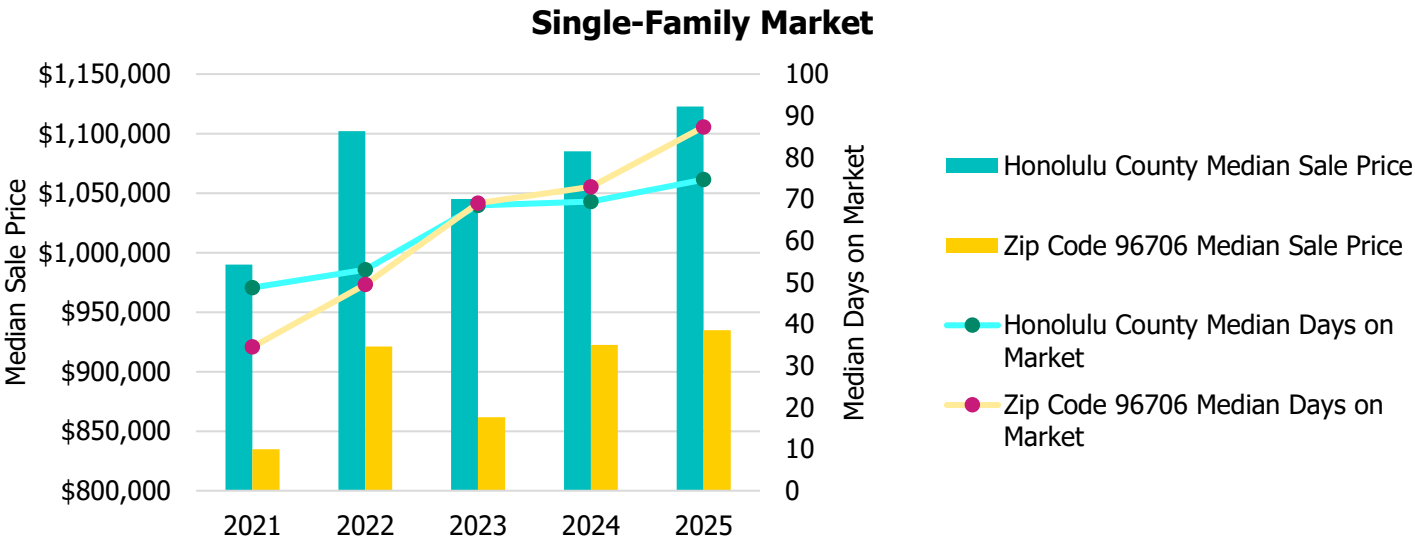


Source: CoStar, AECOM

For-Sale Market Overview

Honolulu’s housing market is cooling from its pandemic peak, with prices staying high but homes taking noticeably longer to sell. Countywide single-family home (SFH) median prices reached new highs in 2025 (\$1.12M) despite rising days on market (from 49 to 75 days), indicating price stability but slower turnover. Condos show flatter growth post-2022 and significantly longer marketing times (from 54 to 96 days), suggesting softer demand.

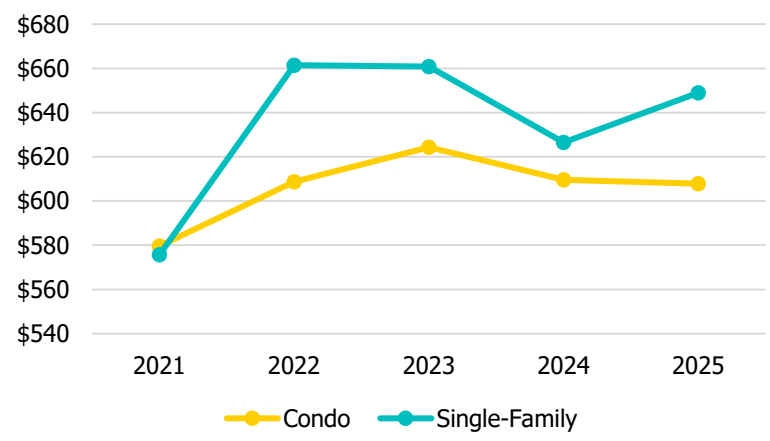
In ZIP Code 96706 – which includes East Kapolei – both SFH and condo segments exhibit greater volatility and sharper increases in days on market (SFH: from 35 to 87 days; Condo: from 43 to 96 days), reflecting higher sensitivity to interest rates and mid-market buyer conditions compared to the broader county.



Source: Redfin, AECOM
Note: The raw data is reported monthly, and the annual figures represent the average of all 12 months within each year.

For-Sale Market Overview cont'd

Average Sale Price per Square Foot –
96706 ZIP Code



- On a price-per-square-foot basis, both condos and single-family homes peaked around 2022–2023 and have since leveled off with mild fluctuations. Condo pricing increased from \$580/SF in 2021 to a high of \$624/SF in 2023, then softened slightly to \$608/SF by 2025, suggesting stabilization rather than continued growth. Single-family homes saw a sharper jump from \$576/SF in 2021 to \$661/SF in 2022–2023, dipped in 2024, and partially rebounded in 2025 (\$649/SF), indicating some volatility but overall sustained gains above pre-2022 levels. Overall, pricing per square foot remains elevated compared to 2021, though momentum has moderated in recent years.

Typical For-Sale Product Types by Category



Single Family Houses at Ipuolono

- Address: 91-1316 Ipuolono St
- Built Period: 2020
- Average Unit Size: 1,875 SF
- Average Sale Price per SF: \$625

Townhomes at Kauluakoko

- Address: 91-3525 Kauluakoko
- Built Period: 2019-22
- Average Unit Size: 1,225 SF
- Average Sale Price: \$600 PSF

Condos at Kaikea at Ho'opili

- Address: 91-3575 Iwikuamoo St
- Built Period: 2017-24
- Average Unit Size: 1,125 SF
- Average Sale Price: \$600 PSF

Office: Overview

The office market shows early signs of stabilization rather than broad-based growth, supported by tight new supply and improving occupancy, but demand and pricing power remain uneven—particularly within Suburban TODs—suggesting selective, tenant-driven opportunity rather than a near-term expansion cycle.

- Office supply remains structurally constrained, particularly in Suburban TODs, with no meaningful new deliveries over the past decade, limiting competitive pressure but also reflecting developer caution toward TOD office product.
- Demand has been concentrated outside of TODs, with Suburban and County markets capturing the majority of absorption, while Suburban TOD absorption remains smaller and volatile, despite a notable rebound in 2025.
- Leasing fundamentals have improved recently, as vacancy in Suburban TODs tightened sharply by 2025, but rents continue to trail Suburban and County averages, indicating recovering utilization without commensurate pricing power.
- Capital market signals remain cautious, with cap rates expanding across all geographies and TOD assets trading at a modest premium, alongside declining sale prices since the 2021 peak, underscoring ongoing investor risk aversion toward office—particularly in TOD locations.



Source: CoStar

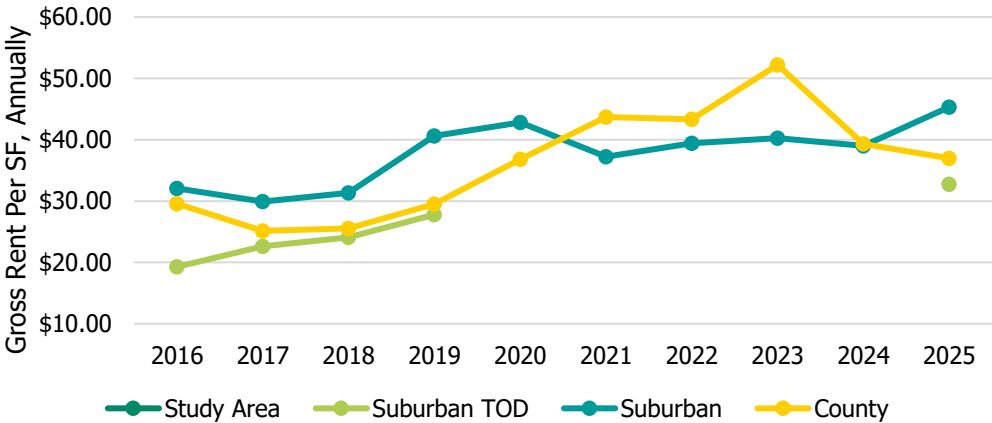
Office: Inventory, Rent, and Vacancy

- **Office inventory has been largely stable**, with no change in Suburban TODs (roughly 470K SF) and only modest growth in Suburban and County markets (0.2% annually), indicating limited new supply.
- **Office rents in Suburban TODs have trended upward from 2016 to 2019 and reached roughly \$33/SF by 2025**, but remain below Suburban and County averages, where rents are higher and more volatile, reflecting stronger pricing power in non-TOD office locations.
- **Office vacancy in Suburban TODs has been more volatile**, peaking in 2023–2024, but improved sharply to around 2.0% by 2025, outperforming Suburban and County markets, which continue to exhibit higher vacancy levels. Existing office inventory within the suburban TODs is evenly split between West Loch Station (Hō‘ae‘ae Station) and Waipahu Transit Center Station (Pouhala Station), each accounting for approximately 50% of the inventory.

Total Inventory (SF)				
	Study Area	Suburban TOD	Suburban	County
2016	-	470,345	4,075,100	30,537,390
2017	-	470,345	4,082,499	30,570,748
2018	-	470,345	4,082,499	30,570,748
2019	-	470,345	4,082,499	30,950,623
2020	-	470,345	4,138,530	31,006,654
2021	-	470,345	4,138,530	31,018,947
2022	-	470,345	4,138,530	31,029,140
2023	-	470,345	4,148,196	31,103,806
2024	-	470,345	4,148,196	31,103,806
2025	-	470,345	4,148,196	31,103,806
10-YR Avg Annual Growth	-	No Change	0.2%	0.2%

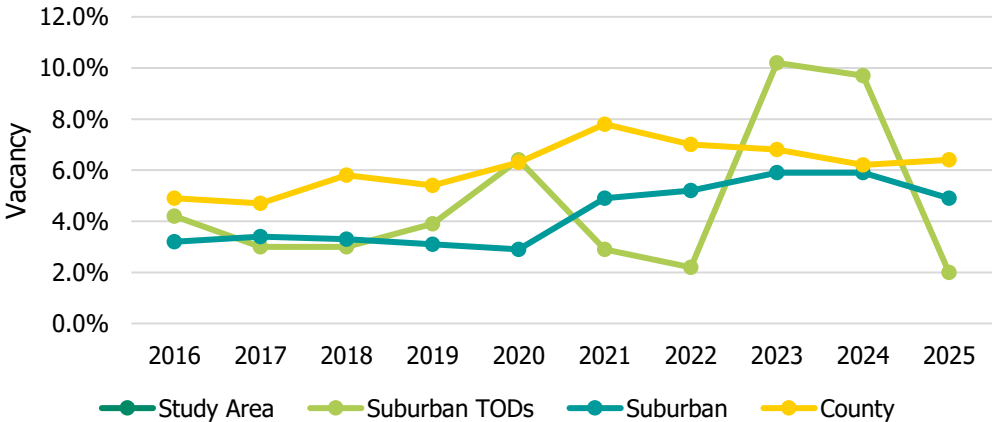
Source: CoStar, AECOM

Office: Rent



Source: CoStar, AECOM

Office: Vacancy

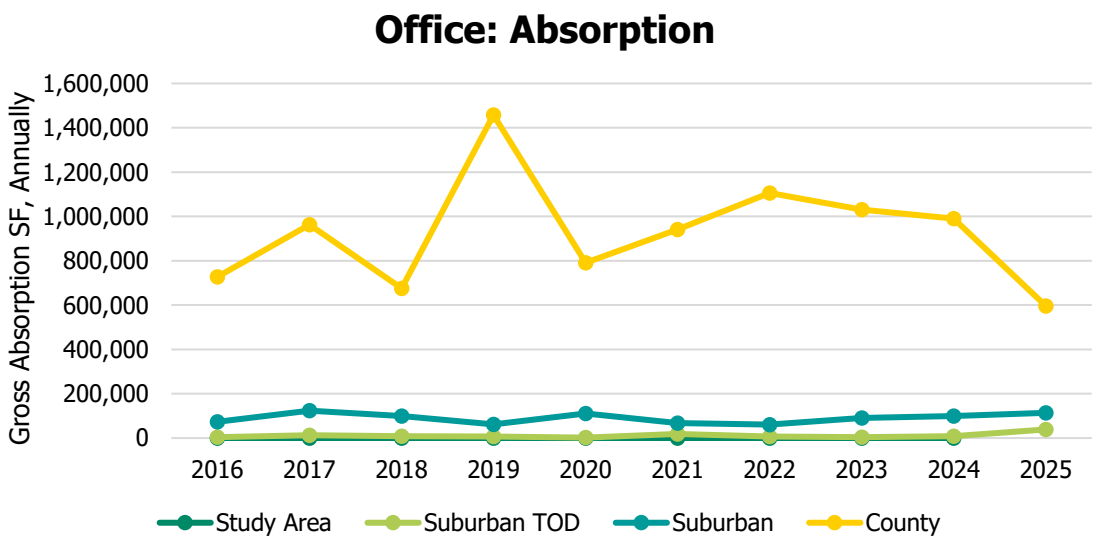


Source: CoStar, AECOM

Office: Absorption and Delivery

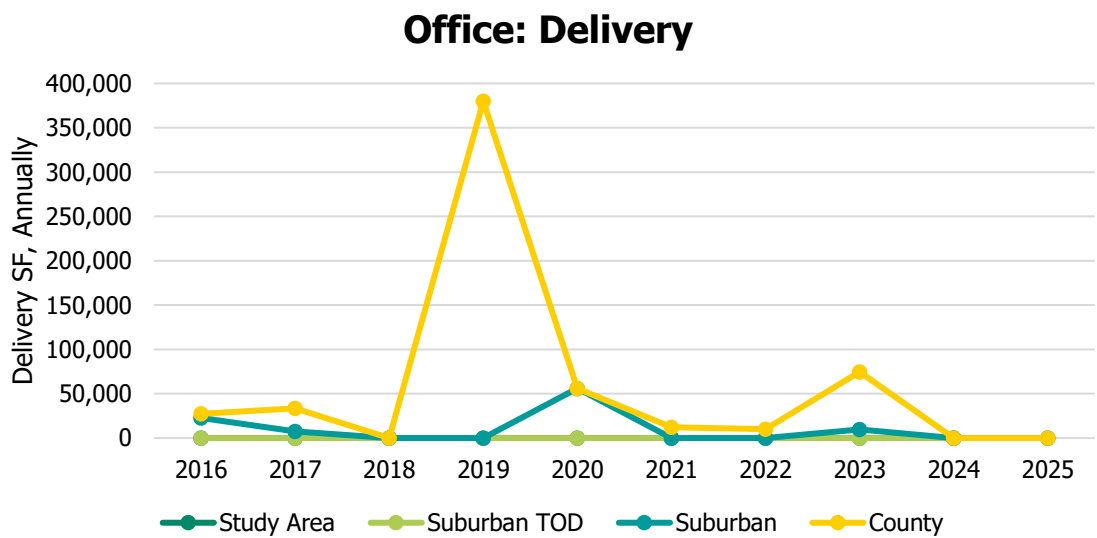
- Office absorption has historically been concentrated in the broader Suburban and County markets, with Suburban TOD absorption typically modest but spiking in 2025 well above its 5- and 10-year averages, pointing to a recent surge in leasing activity.

- Office development has been limited across the market, with no deliveries in Suburban TODs and limited, intermittent additions in Suburban and County areas, resulting in a tight new-supply environment that helps explain recent absorption and vacancy improvement despite uneven demand.



Office: Gross Absorption SF, Annually				
	Study Area	Suburban TOD	Suburban	County
2025	-	38,939	113,600	596,564
Past 5 Years, Avg	-	15,454	86,609	932,874
Past 10 Years, Avg	-	11,177	90,307	927,970

Source: CoStar, AECOM

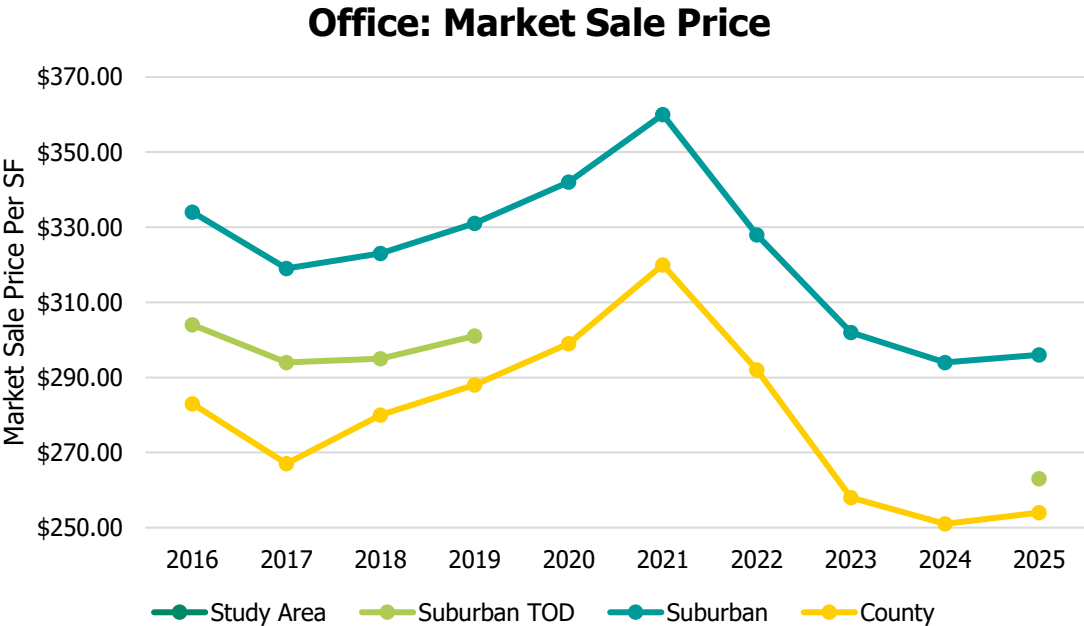


Office: Delivery SF, Annually				
	Study Area	Suburban TOD	Suburban	County
2025	-	-	-	-
Past 5 Years, Avg	-	-	9,666	32,384
Past 10 Years, Avg	-	-	23,978	84,804

Source: CoStar, AECOM

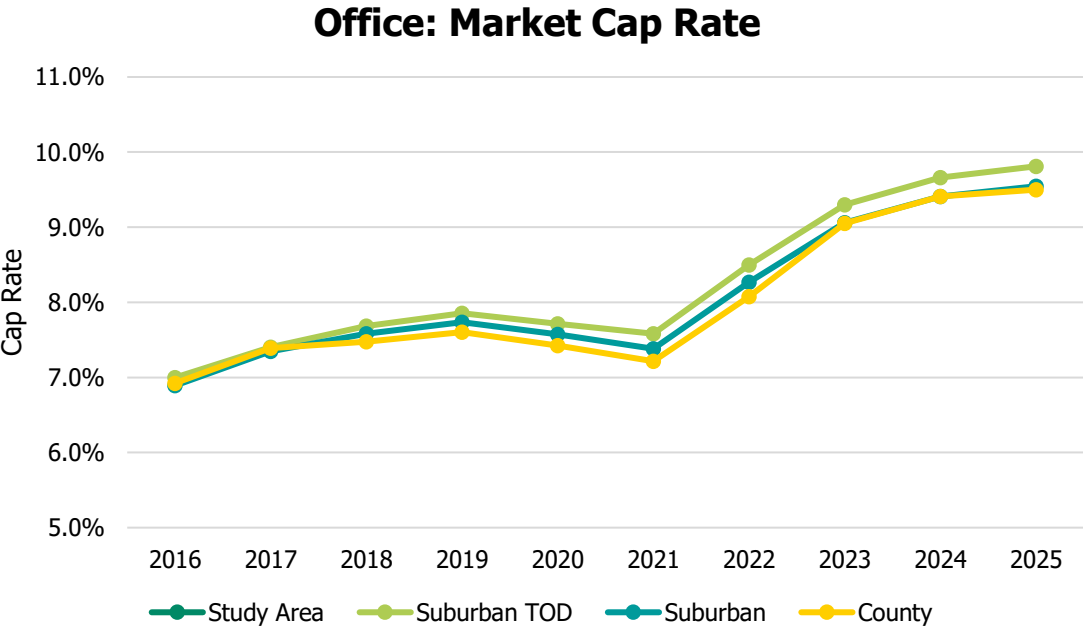
Office: Market Value and Cap Rate

- Office sale prices have softened materially since the 2021 peak, with Suburban TOD values declining to around \$263/SF by 2025, underperforming the County market, which has stabilized at higher levels—consistent with cap rate expansion and weaker investor pricing for TOD office assets.



Source: CoStar, AECOM

- Office cap rates have increased steadily across all geographies since 2021, with Suburban TODs consistently pricing at a higher cap rate in comparison to Suburban and County assets, reflecting elevated risk perception and softer investor sentiment toward TOD office relative to the broader market.



Source: CoStar, AECOM

Retail: Overview

The retail market demonstrates strong long-term resilience and investment appeal, supported by low and tightening vacancy, and stable pricing. This positions Suburban TOD retail as a durable, neighborhood-serving use rather than a high-growth but high-risk play.

- Supply growth remains structurally constrained, with minimal retail deliveries in Suburban TODs and sharply reduced development activity across Suburban and County markets.
- Demand has been steady, as retail absorption remains consistently positive across all geographies, with Suburban TODs capturing smaller but reliable absorption volumes, indicative of local-serving retail strength rather than discretionary expansion.
- Capital markets continue to favor retail, as evidenced by stable-to-rising sale prices and relatively tight cap rates, with limited pricing discount between TOD and non-TOD assets, signaling continued investor confidence in retail's cash-flow reliability.



Source: CoStar

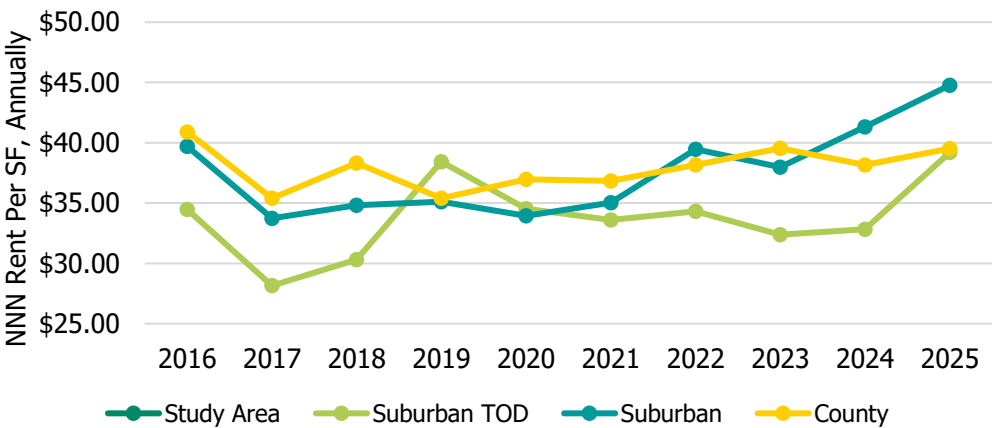
Retail: Inventory, Rent, and Vacancy

- **Retail inventory has remained flat in Suburban TODs (around 1.34M SF)**, while Suburban and County markets saw modest growth (0.4% and 0.2% annually), indicating limited new retail supply near suburban transit areas. The TOD study area currently has no retail.
- **Retail rents in Suburban TODs have been relatively stable in the low-to-mid \$30s/SF**, while Suburban and County markets command higher rents and show stronger upward momentum, suggesting stronger retail pricing outside transit-oriented suburban locations.
- **Retail vacancy in Suburban TODs has trended lower and remains tighter than Suburban and County markets**, reaching roughly 1.7% by 2025, which suggests stronger space absorption and more resilient retail performance near transit-oriented locations.

Total Inventory (SF)				
	Study Area	Suburban TOD	Suburban	County
2016	-	1,334,468	16,157,957	38,718,707
2017	-	1,334,468	16,223,919	38,818,449
2018	-	1,334,468	16,362,956	38,974,848
2019	-	1,336,125	16,462,033	39,093,411
2020	-	1,336,125	16,660,514	39,363,742
2021	-	1,336,125	16,669,488	39,391,716
2022	-	1,336,125	16,710,149	39,437,230
2023	-	1,336,125	16,722,571	39,449,652
2024	-	1,336,125	16,753,316	39,486,351
2025	-	1,336,125	16,758,316	39,491,351
10-YR Avg Annual Growth	-	No Change	0.4%	0.2%

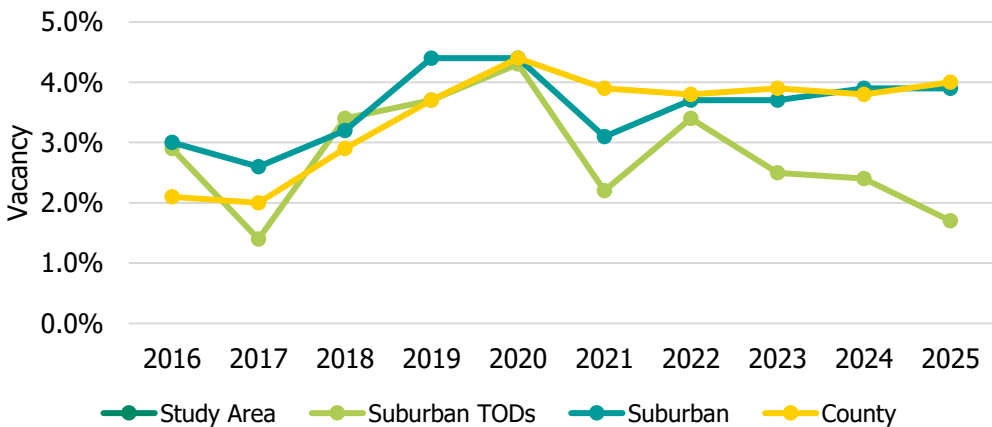
Source: CoStar, AECOM

Retail: Rent



Source: CoStar, AECOM

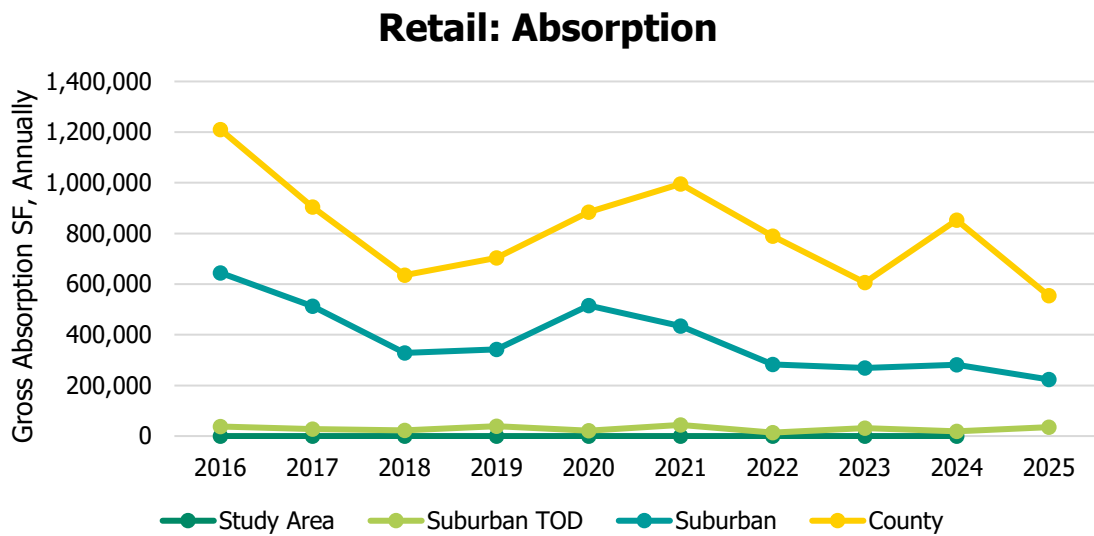
Retail: Vacancy



Source: CoStar, AECOM

Retail: Absorption and Delivery

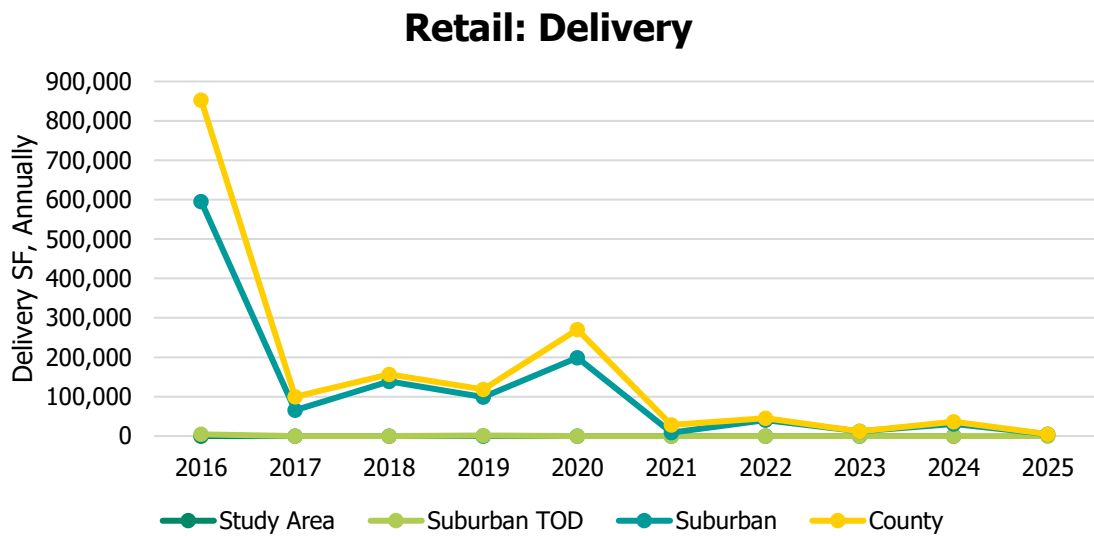
- Retail absorption remains strongest in the broader Suburban and County markets, while Suburban TOD absorption is smaller in absolute terms but steady, with 2025 absorption modestly above its 5- and 10-year averages, indicating consistent neighborhood-serving retail demand near TODs but limited scale relative to the wider market.



Retail: Annual Gross Absorption (SF)				
	Study Area	Suburban TOD	Suburban	County
2025	-	35,211	223,480	553,964
Past 5 Years, Avg	-	28,489	298,283	759,629
Past 10 Years, Avg	-	28,896	383,449	813,530

Source: CoStar, AECOM

- Retail deliveries have been minimal and increasingly constrained, with no new supply in Suburban TODs in recent years, very limited recent additions in Suburban areas (5K SF in 2025 vs. 20K SF 5-year avg), and sharply lower Countywide deliveries relative to long-term averages, indicating a structurally muted retail development pipeline.

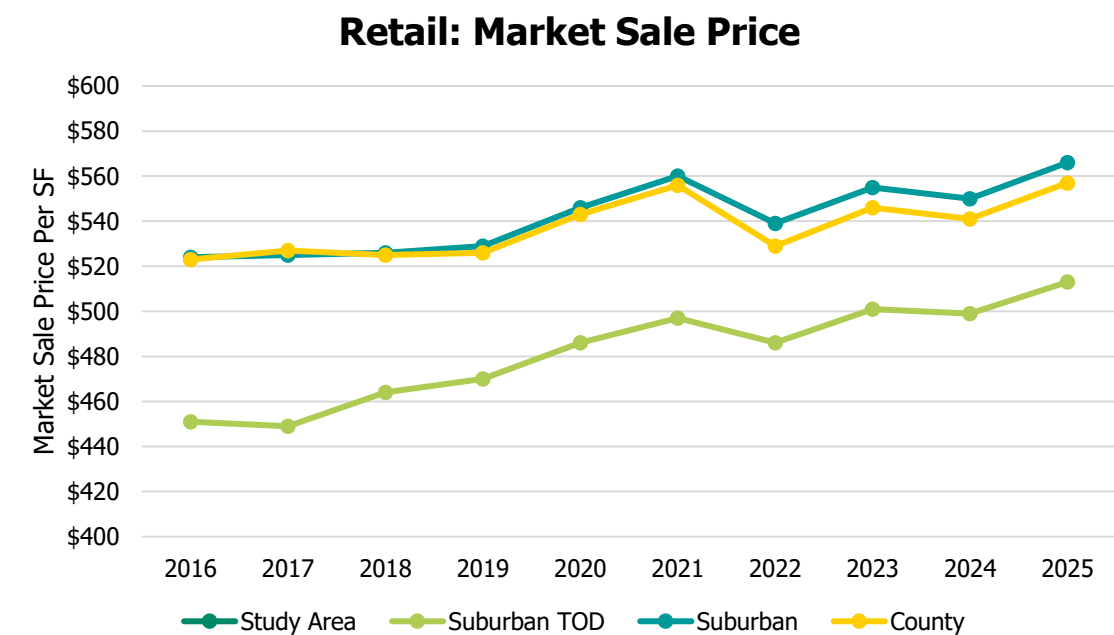


Retail: Annual Delivery (SF)				
	Study Area	Suburban TOD	Suburban	County
2025	-	-	5,000	5,000
Past 5 Years, Avg	-	-	19,560	25,522
Past 10 Years, Avg	-	3,013	119,575	162,546

Source: CoStar, AECOM

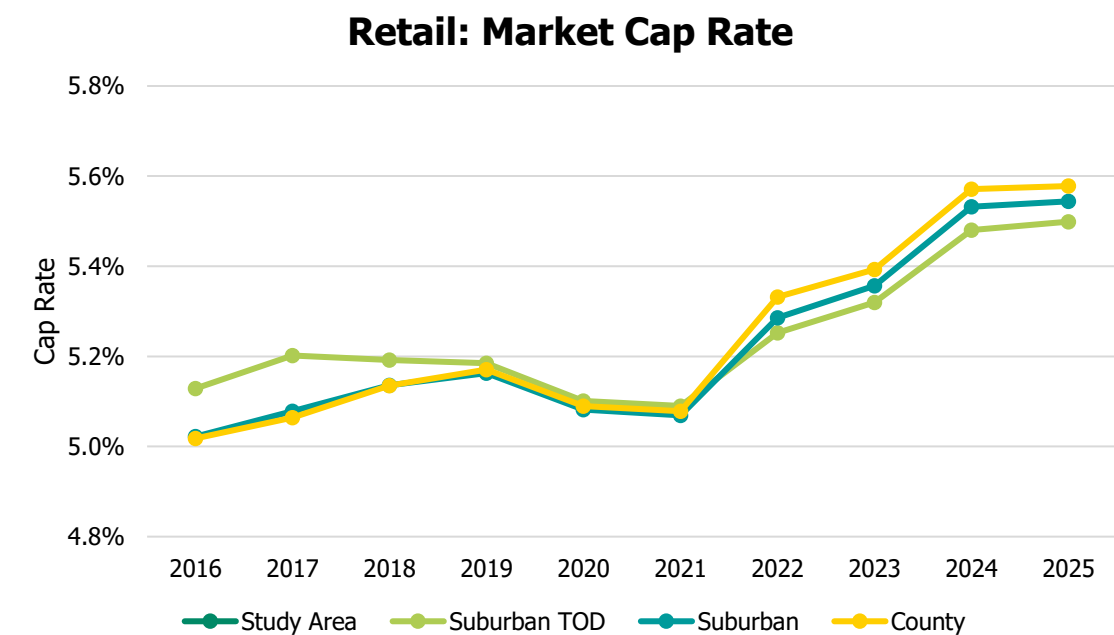
Retail: Market Value and Cap Rate

- **Retail sale prices have remained resilient and trended upward over time**, with Suburban TOD values rising to around \$513/SF by 2025, still below Suburban and County pricing, but trending in the same upward trajectory as the Suburban and County sales trends.



Source: CoStar, AECOM

- **Retail cap rates have remained relatively tight and stable**, hovering between 5.0% and 5.6% in the last ten years, and minimal differentiation between Suburban TOD, Suburban, and County assets, indicating continued investor confidence and perceived durability of retail cash flows across locations.



Source: CoStar, AECOM

Hotel: Overview

Limited new supply combined with a strong post-pandemic recovery in occupancy, rates, and pricing suggests a supportive environment for selective hotel development, particularly in locations that can capture stabilized demand without competing against a large near-term pipeline.

- Suburban TODs are not a hotel market compared to the tourism-centric parts, as no hotel inventory or deliveries have occurred in the Study Area or Suburban TODs.
- Demand has generally normalized, with occupancy rebounding to near or above pre-pandemic levels across suburban and county markets, indicating a sufficient underlying demand base to support additional rooms over time.
- Revenue fundamentals are improving, reflected in materially higher ADR levels since 2021, which strengthen pricing power and support more resilient underwriting assumptions for future hotel development.
- Capital market signals appear mixed but stabilizing, with rising sale prices per room alongside modest cap rate expansion suggesting improved asset values influenced more by broader capital market conditions than by weakening operating performance.



Source: CoStar

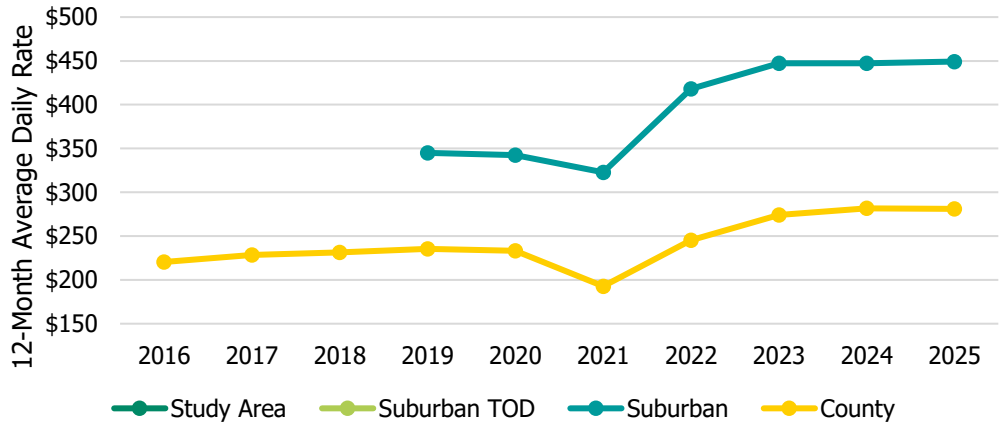
Hotel: Inventory, Rent, and Vacancy

- **Hotel inventory growth can be seen more actively throughout the county**, with county inventory growing slowly (0.8% annually) while suburban rooms have been slow to grow with the exception of 2017. No inventory has been recorded in the Study Area or Suburban TODs, indicating it is not currently a hotel market.
- Hotel ADR shows **Suburban Average Dailey Rates (“ADR”) increased sharply post-2021 (exceeding \$440 by 2025)** and **Countywide ADR rose more gradually (to roughly \$280)**, indicating stronger pricing performance in non-TOD suburban hotel markets.
- **Hotel occupancy rebounded strongly after the pandemic**, with Suburban hotels recovering to low-80% occupancy by 2024–2025 and slightly outperforming the County, indicating a relatively resilient suburban lodging market despite the pandemic disruption.

Total Inventory (Rooms)				
	Study Area	Suburban TOD	Suburban	County
2016	-	-	641	28,954
2017	-	-	1,366	30,208
2018	-	-	1,366	30,626
2019	-	-	1,366	30,626
2020	-	-	1,549	30,809
2021	-	-	1,549	30,809
2022	-	-	1,549	30,809
2023	-	-	1,549	30,809
2024	-	-	1,549	30,921
2025	-	-	1,549	31,441
10-YR Avg Annual Growth	-	-	9.2%	0.8%

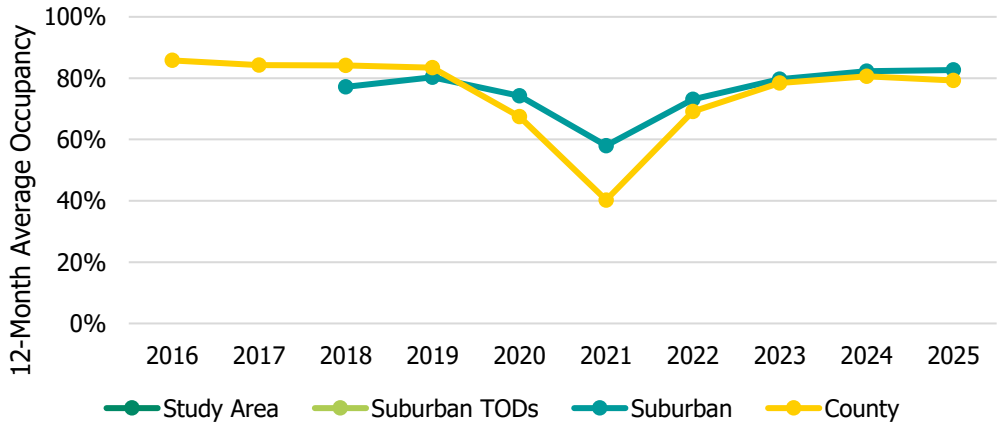
Source: CoStar, AECOM

Hotel: Rate



Source: CoStar, AECOM

Hotel: Occupancy

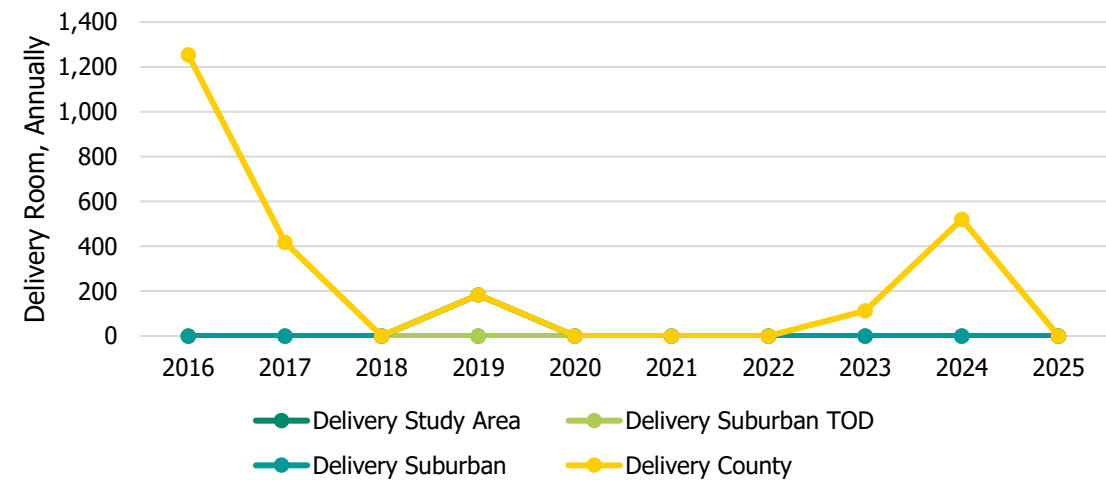


Source: CoStar, AECOM

Hotel: Absorption and Delivery

- Hotels do not use an absorption metric. Instead, occupancy serves the equivalent role, measuring how effectively available rooms (supply/inventory) are being utilized by demand over time.
- Hotel room deliveries have been infrequent and increasingly limited, with no additions in the Study Area or Suburban TODs, only one suburban delivery event over the past decade (2019), and countywide supply driven by a few one-off years, resulting in zero suburban deliveries over the past five years and a declining county average relative to the 10-year period.

Hotel: Delivery



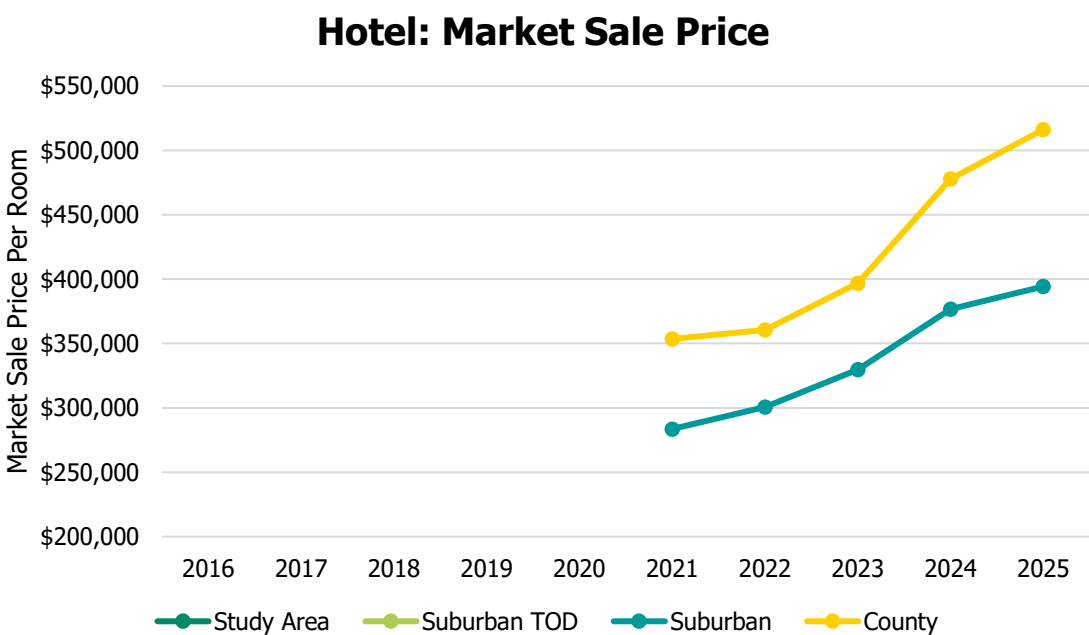
Hotel: Delivery Rooms, Annually				
	Study Area	Suburban TOD	Suburban	County
2025	-	-	0	0
Past 5 Years, Avg	-	-	0	126
Past 10 Years, Avg	-	-	18	249

Source: CoStar, AECOM

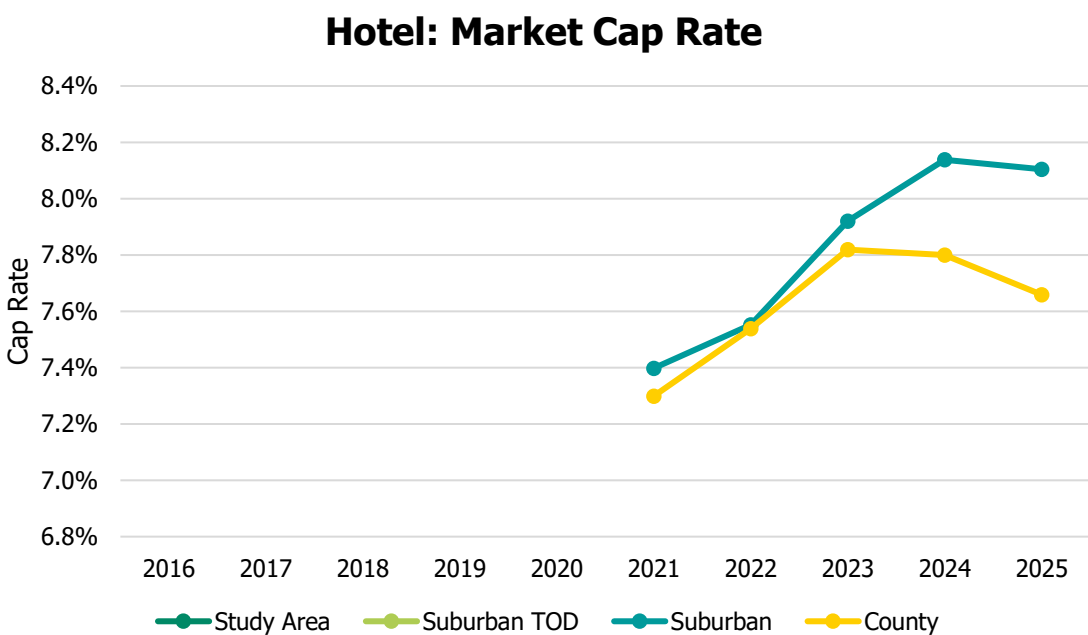
Hotel: Market Value and Cap Rate

- Hotel sale prices per room have risen steadily since 2021, with suburban values increasing from roughly \$284K to \$394K per room and countywide prices climbing from approximately \$354K to \$516K, reflecting strengthening investor pricing and a widening premium at the county level.

- Hotel cap rates have trended upward since 2021, with suburban cap rates expanding from 7.4% to 8.1% and countywide rates rising from 7.3% to 7.7%, indicating modest yield expansion alongside higher pricing and a slightly tighter risk premium at the county level.



Source: CoStar, AECOM



Source: CoStar, AECOM

Industrial: Overview

The industrial market is characterized by strong and stable fundamentals, with modest inventory growth. The asset demonstrates consistently low vacancy, solid absorption, rising rents, and capital market metrics that reflect normalization rather than weakening performance.

- Supply growth has remained controlled, with industrial inventory expanding gradually over the past decade and recent deliveries averaging below long-term levels, limiting sustained supply pressure.
- Demand has remained robust, as gross absorption has generally outpaced new deliveries, supporting low vacancy rates that have largely stayed within the 1–3% range despite periodic supply spikes.
- Rental rates have trended upward, with post-2021 rent growth reinforcing strong pricing power across Study Area, suburban, and county markets.
- Capital market pricing remains elevated, as sale prices per square foot are well above pre-pandemic levels, even as cap rates have expanded modestly in response to broader interest rate conditions.
- Submarket performance varies by geography, with limited TOD inventory growth and tighter vacancy contrasting with higher-volume suburban supply, underscoring the importance of location in industrial market performance.



Source: CoStar

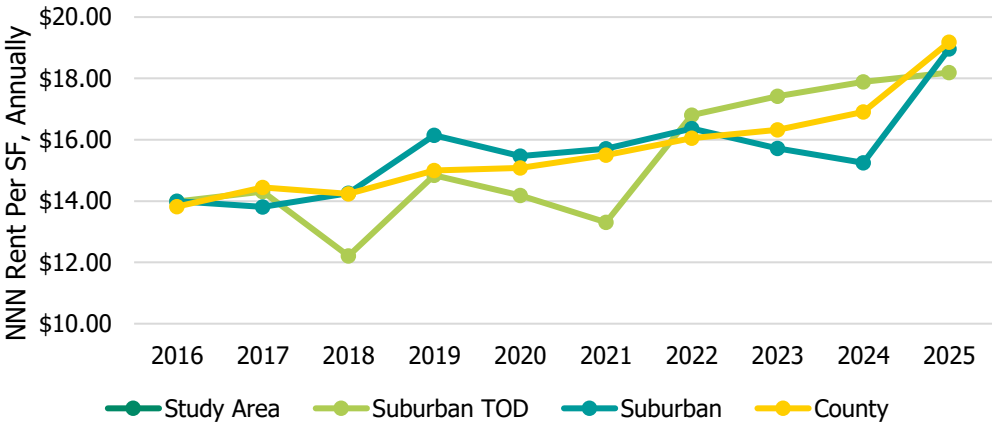
Industrial : Inventory, Rent, and Vacancy

- **Industrial inventory has grown steadily across all geographies**, with moderate growth in Suburban TODs (0.3% annually) and stronger expansion in Suburban (1.0%) and Countywide (0.7%) markets, indicating industrial growth has been more pronounced outside transit-oriented areas where there is more space to develop.
- **Industrial rents have risen steadily across all geographies**, with Suburban TOD rents converging toward Suburban and County levels by 2025, indicating strengthening industrial demand and tightening market conditions regionwide.
- **Industrial vacancy remains low across all geographies**, with Suburban TODs generally posting lower vacancy than Suburban and County markets in a more supply-constrained market. Overall, vacancy has been below 5% in the last ten years, indicating strong and consistent performance for the industrial market.

Total Inventory (SF)				
	Study Area	Suburban TOD	Suburban	County
2016	-	2,225,805	17,497,884	39,467,847
2017	-	2,252,375	17,613,989	39,590,155
2018	-	2,273,729	17,963,596	39,942,962
2019	-	2,273,729	18,104,292	40,133,844
2020	-	2,282,667	18,647,451	40,856,420
2021	-	2,282,667	18,795,169	41,029,153
2022	-	2,282,667	18,861,429	41,125,223
2023	-	2,282,667	18,981,715	41,290,214
2024	-	2,282,667	19,064,911	41,972,568
2025	-	2,282,667	19,397,345	42,305,002
10-YR Avg Annual Growth	-	0.3%	1.0%	0.7%

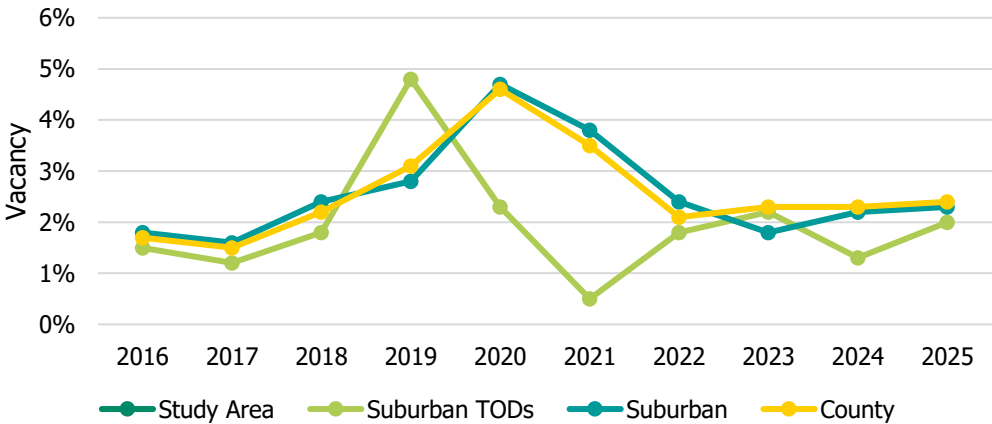
Source: CoStar, AECOM

Industrial: Rent



Source: CoStar, AECOM

Industrial: Vacancy

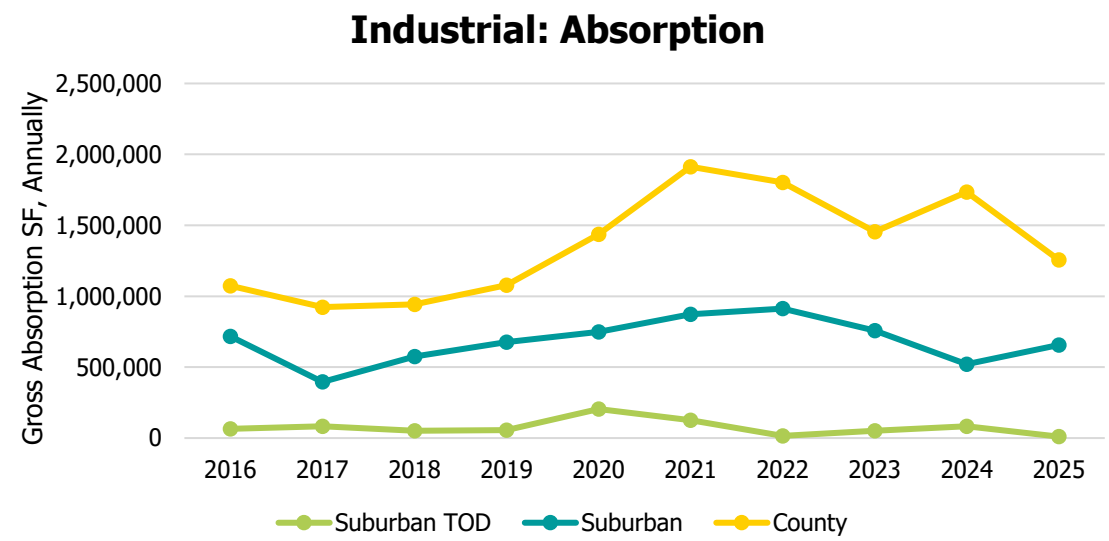


Source: CoStar, AECOM

Industrial : Absorption and Delivery

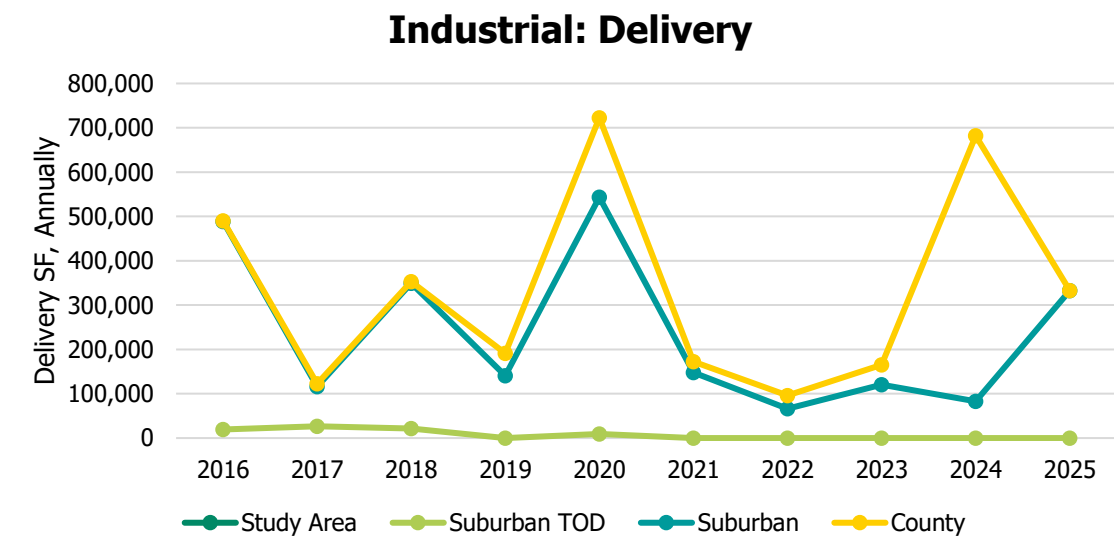
- Industrial absorption is dominated by the broader Suburban and County markets, where the majority of the supply is located (often 700K–1.9M SF annually), while Suburban TOD absorption is comparatively small and highly volatile, spiking in select years (e.g., 2020–2021) but trending below both 5- and 10-year averages in 2025, indicating TOD industrial demand is episodic rather than structurally sustained.

- Industrial supply growth has been highly concentrated outside TOD areas, with virtually no recent deliveries in Suburban TODs and only minimal long-term average supply, while Suburban and County markets account for nearly all new industrial space, including a notable delivery spike in 2025 well above recent averages, reinforcing the large-format nature of industrial development.



Industrial: Gross Absorption SF, Annually				
	Study Area	Suburban TOD	Suburban	County
2025	-	10,203	657,259	1,257,278
Past 5 Years, Avg	-	57,805	744,080	1,632,441
Past 10 Years, Avg	-	74,940	683,316	1,361,841

Source: CoStar, AECOM



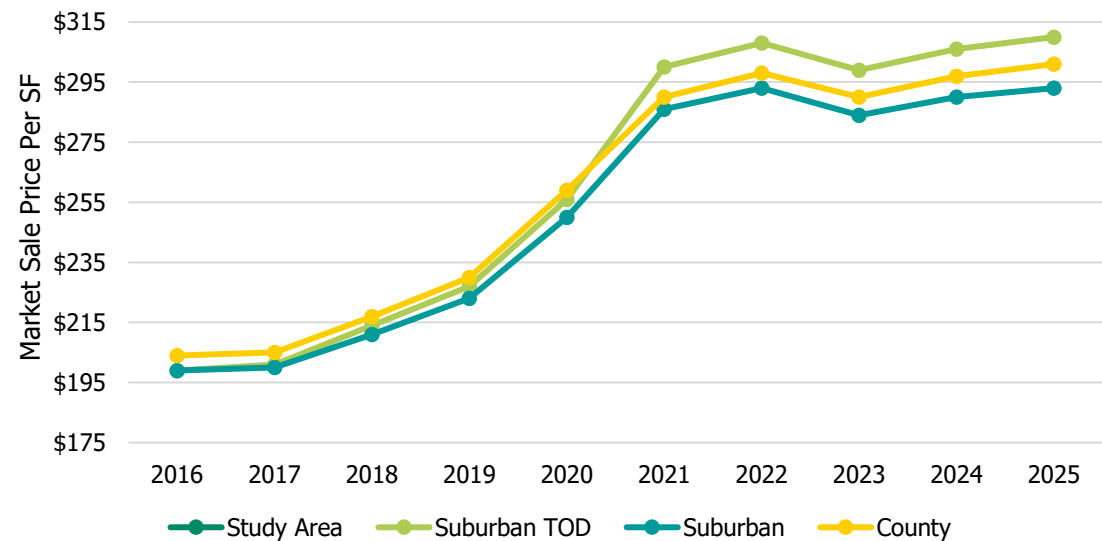
Industrial: Delivery SF, Annually				
	Study Area	Suburban TOD	Suburban	County
2025	-	-	332,434	332,434
Past 5 Years, Avg	-	-	149,979	289,716
Past 10 Years, Avg	-	19,136	238,783	332,687

Source: CoStar, AECOM

Industrial : Market Value and Cap Rate

- Industrial sale prices have increased steadily over the long term, rising from roughly \$200 per square foot in 2016 to about \$310 per square foot in the Study Area and \$293–\$301 per square foot in suburban and county markets by 2025. Industrial sales prices remained elevated even during the COVID-19 era, reinforcing the strength of the industrial market for Honolulu.

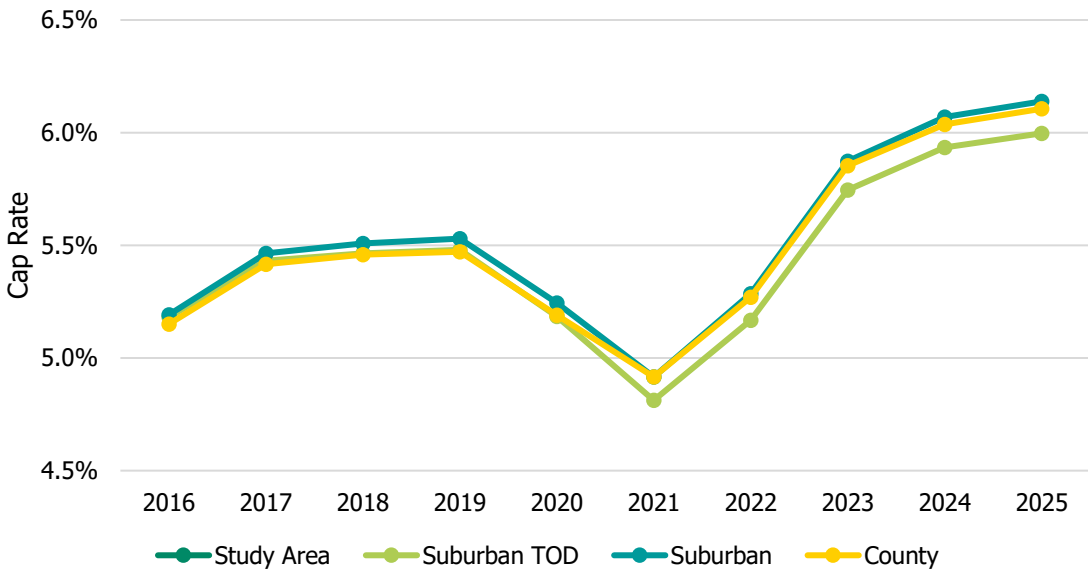
Industrial: Market Sale Price



Source: CoStar, AECOM

- Industrial cap rates have expanded since the 2021 low, rising from approximately 4.8–4.9% to about 6.0–6.1% by 2025 across all geographies, reflecting yield normalization amid higher interest rates while maintaining relatively tight spreads consistent with continued investor demand for industrial assets.

Industrial: Market Cap Rate



Source: CoStar, AECOM



06

Regional Demographics, Economic, and Housing Inventory Context

Regional Demographic Context: Population and Household

Growth has been modest in population and jobs, but much stronger in households and incomes—especially in suburban areas—signaling a gradual shift toward higher-income, household-driven growth rather than pure employment expansion.

- Population growth has been slow and steady statewide and countywide, while suburban areas have picked up slightly in the post-2019 period, leading to a small increase in their share of the county's population.
- The number of households have grown faster than population across all geographies, particularly since 2019, indicating continued household formation and rising housing demand even with limited population growth. This can also be attributed to more space available for building new housing.
- Employment has been largely flat over the period, suggesting limited job-driven growth, though suburban areas now represent a slightly larger share of county employment.
- Median household incomes have increased strongly since 2014, with suburban areas consistently outpacing the county and state, supporting stronger consumer spending and fiscal capacity despite slower demographic growth.

Table 1. Key Demographics Metrics

	2014	2019	2014-19 Average Annual Growth	2023	2014-23 Average Annual Growth
Population					
State	1,392,700	1,422,100	0.4%	1,445,600	0.4%
County	975,700	984,800	0.2%	1,003,700	0.3%
Suburban	459,800	461,100	0.1%	479,700	0.5%
<i>Suburban as % of County</i>	<i>47%</i>	<i>47%</i>		<i>48%</i>	
Household					
State	450,300	459,400	0.4%	489,000	0.9%
County	310,100	312,800	0.2%	337,100	0.9%
Suburban	134,500	135,500	0.1%	147,300	1.0%
<i>Suburban as % of County</i>	<i>43%</i>	<i>43%</i>		<i>44%</i>	
Share of Family Households					
State	69%	70%	0.1%	68%	-0.1%
County	70%	70%	0.0%	69%	-0.2%
Suburban	79%	78%	-0.2%	79%	-0.1%
Average Household Size					
State	3.1	3.1	0.0%	3.0	-0.5%
County	3.1	3.1	0.0%	3.0	-0.6%
Suburban	3.4	3.4	-0.1%	3.3	-0.5%
Employment					
State	645,600	680,300	0	668,100	0
County	452,300	470,700	0	462,600	0
Suburban	362,400	365,000	0	380,800	0
<i>Suburban as % of County</i>	<i>80%</i>	<i>78%</i>		<i>82%</i>	
Median Household Income					
State	\$68,200	\$81,300	3.6%	\$98,300	4.1%
County	\$73,600	\$85,900	3.1%	\$104,300	3.9%
Suburban	\$89,300	\$104,300	3.1%	\$124,600	3.8%

Source: U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates, AECOM

Regional Demographic Context: Housing Stock Characteristics

Housing supply has continued to expand steadily, with faster growth in the county and suburban areas since 2019, while the overall mix remains stable—suggesting incremental capacity additions rather than a structural shift in housing type.

- Total housing units increased across all geographies, with suburban growth accelerating the fastest and maintaining about 42% of county units by 2023.
- The housing mix has been stable, with only a slight decline in single-family shares.
- Owner-occupied units have increased in both the county and suburban areas.

Table 2. Key Housing Metrics

	2014	2019	2014-19 Average Annual Growth	2023	2014-23 Average Annual Growth
Total Units					
State	524,900	542,700	0.7%	564,900	0.8%
County	339,800	350,600	0.6%	372,300	1.0%
Suburban	142,200	144,900	0.4%	156,800	1.1%
<i>Suburban as % of County</i>	<i>42%</i>	<i>41%</i>		<i>42%</i>	
Single-Family Detached Units (%)					
State	83%	83%	-0.1%	81%	-0.2%
County	46%	45%	-0.4%	46%	0.0%
Suburban	60%	60%	0.0%	60%	0.0%
Multifamily Units (10+ Units) (%)					
State	24%	25%	0.5%	24%	0.1%
County	30%	31%	0.6%	30%	0.0%
Suburban	12%	12%	0.6%	11%	-0.3%
Owner-Occupied Units (%)					
State	63%	63%	0.0%	63%	0.0%
County	55%	56%	0.5%	60%	0.9%
Suburban	65%	67%	0.6%	70%	0.8%
Seasonal Units (%)					
State	6.3%	6.5%	0.6%	5.6%	-1.3%
County	3.2%	4.4%	6.9%	3.1%	-0.4%
Suburban	1.7%	2.2%	6.0%	1.8%	1.2%

Source: U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates, AECOM

Regional Demographic Context: Visitation Trends and Characteristics

Visitor volumes have largely recovered and stabilized, while spending has grown faster than visitation, indicating a strength in the local tourism industry.

- Visitor counts have rebounded but remain slightly below 2019 peaks, with O’ahu consistently accounting for the majority of statewide visitors.
- Average length of stay has stabilized, declining slightly at the state level but increasing on O’ahu since 2019, reinforcing its role as a primary destination.
- Visitor spending has outpaced visitation growth, with total spending and per-visitor spending rising meaningfully through 2023, particularly at the state level.
- O’ahu remains the economic anchor of tourism, capturing a disproportionate share of visitor days and spending relative to its share of arrivals.

Table 3. Key Visitation Metrics

	2014	2019	2014-19 Average Annual Growth	2023	2014-23 Average Annual Growth
Annual Visitors					
State	8,200,000	10,200,000	0.7%	9,500,000	1.5%
O'ahu	5,200,000	6,200,000	0.7%	5,800,000	1.1%
% of State	63%	60%		61%	
Annual Visitor Days					
State	75,300,000	89,700,000	0.7%	83,700,000	1.1%
O'ahu	35,200,000	41,800,000	0.7%	40,900,000	1.5%
Avg Visiting Length					
State	9.2	8.8	0.7%	8.8	-0.4%
O'ahu	6.8	6.7	0.7%	7.1	0.4%
Annual Spending, Millions					
State	\$14,800	\$17,700	0.7%	\$20,500	3.3%
O'ahu	\$7,400	\$8,100	0.7%	\$8,900	2.0%
Avg Spending Per Visitor					
State	\$1,800	\$1,700	0.7%	\$2,100	1.8%
O'ahu	\$1,400	\$1,300	0.7%	\$1,500	0.8%

Source: Hawaii Tourism Authority

An aerial photograph of the Waiawa Station area in Hawaii. The image shows a complex highway interchange with multiple lanes and overpasses. To the right of the highway, there are two tall, modern high-rise buildings. The surrounding area includes residential neighborhoods, green spaces, and a body of water in the distance. A large, thick blue arc is drawn across the top half of the image, starting from the left edge and curving towards the right.

Thank you!

Photo: Waiawa Station

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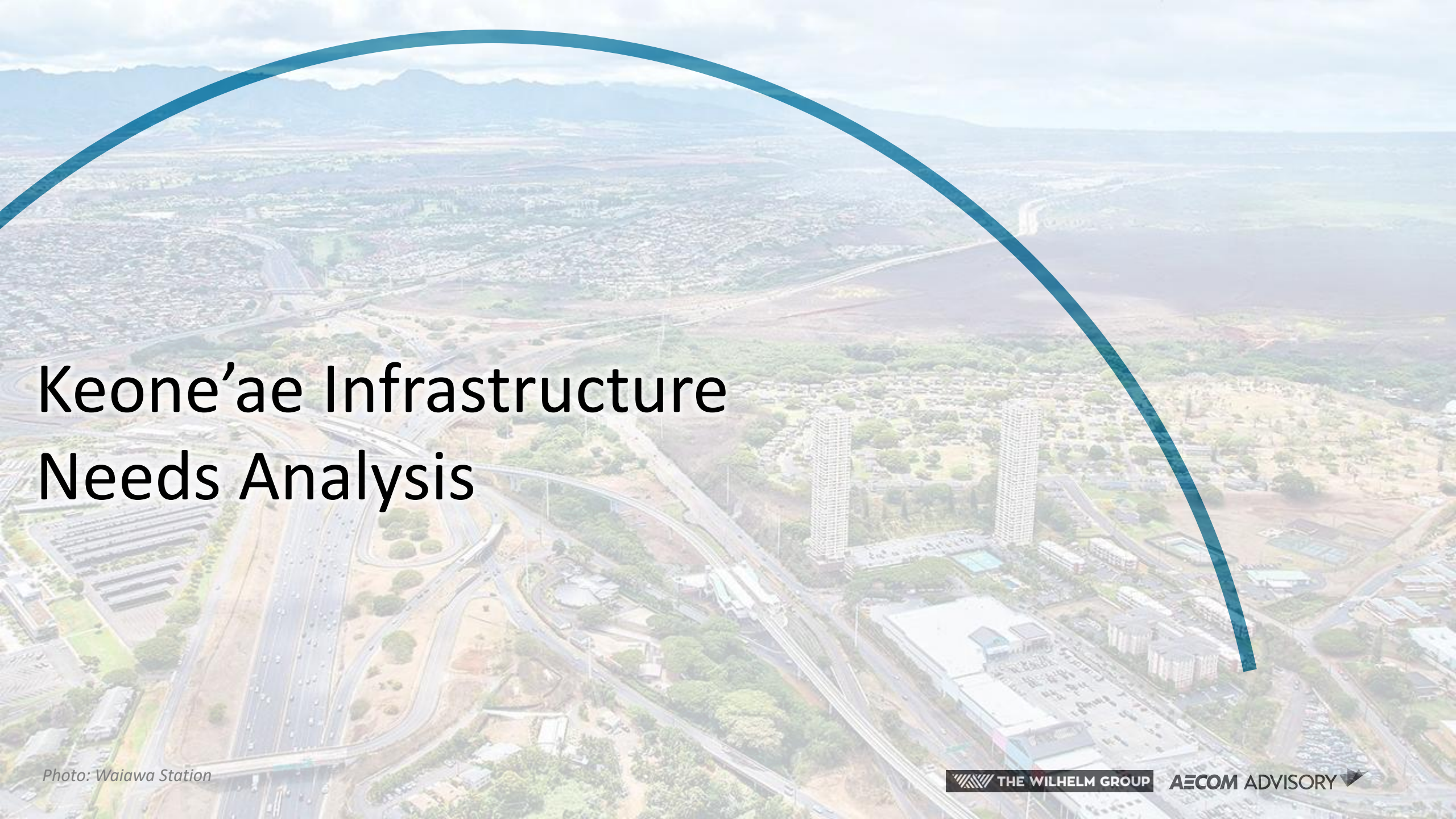
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An aerial photograph of the Waiawa Station area in Hawaii. The image shows a complex highway interchange with multiple lanes and overpasses. To the right of the highway, there are several tall, modern high-rise buildings, likely part of a new development. The surrounding area includes residential neighborhoods, green spaces, and a body of water in the distance. A large, thick blue arc is superimposed over the top half of the image, curving from the left edge towards the right.

Keone'ae Infrastructure Needs Analysis

Photo: Waiawa Station

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01	<u>Study Methodology</u>
02	<u>Summary of Required Infrastructure Improvements</u>
03	<u>Station Area Context</u>
04	<u>Buildout Summary</u>
05	<u>Individual Site Infrastructure Summaries</u>

Methodology

- AECOM conducted a desktop review of available infrastructure studies to frame potential future infrastructure investment needs, such as roads, water, sewer, and drainage, that could be needed to support proposed station area development.
- The focus of this task is to determine which infrastructure components are essential to advancing near-term housing and TOD goals, and to distinguish between improvements that reasonably fall under the responsibility of private developers (i.e., “on-site”) versus those that should be financed by the State due to their broader public benefit (i.e., “off-site”).
- AECOM reviewed Task 3: *Build-out and Infrastructure Needs* in the East Kapolei Infrastructure Implementation Master Plan (“EKMP”), prepared by Jacobs and commissioned for Hawai’i Community Development Authority (HCDA) and State of Hawai’i Office of Planning and Sustainable Development. Note that these reflect planning-level estimates.
- AECOM did not independently verify infrastructure capacity or engineering feasibility.
- The Jacobs report focuses on Task 3: *Build-out and Infrastructure Needs*. The existing, baseline demand established in Task 2 was compared against the planned 25-30-year build-out for each landowner. This comparison showed updated utility demand estimates that identified the infrastructure improvements needed to address future demand requirements.
- The State and CCH agencies identified infrastructure improvements for the following systems:
 - Sanitary sewer systems
 - Potable and recycled water systems
 - Electrical power facilities
 - Telecommunication systems
 - Traffic signals
 - Roadway street light systems
 - Roadways, pedestrian pathways, rail and bus infrastructure, and network from a multimodal and Complete Streets perspective, including street trees and parking

Note: This infrastructure study is based on State Transit-Oriented Development (TOD) Planning and Implementation Project for the Island of Oahu, July 2020, and Build-out and Infrastructure Needs, Hawaii Community Development Authority and State of Hawaii Office of Planning and Sustainable Development, East Kapolei Infrastructure Master Plan, February 2, 2026. The findings and conclusions presented are intended for planning and evaluation purposes only and should not be relied upon as final design, construction, or bidding-level documentation.

Information and Reports Reviewed for this Task

- While this analysis primarily reflects the EKMP (2026) as the baseline scenario for infrastructure needs and build-out assumptions, AECOM reviewed additional infrastructure design criteria and assessment documents.
- **Infrastructure Design Criteria:**
 - Sanitary Sewer – City and County of Honolulu (CCH) Wastewater System Design Standards, *July 2017*
 - Water System – Honolulu Board of Water Supply Water System Standards, *2002*
 - Drainage – CCH Department of Planning and Permitting (DPP) Storm Drainage Standards, *August 2017*
 - Stormwater Quality – CCH DPP Rules Relating to Stormwater Quality, *August 2017*
 - AASHTO, State of Hawaii and City and County of Honolulu Roadway Design Guide/Manual, including complete streets
- **Infrastructure Assessment Reference:**
 - State Transit-Oriented Development (TOD) Planning and Implementation Project for the Island of Oahu, *July 2020*
 - Build-out and Infrastructure Needs, Hawaii Community Development Authority and State of Hawaii Office of Planning and Sustainable Development, East Kapolei Infrastructure Master Plan, *February 2, 2026*

Summary of Required Infrastructure Improvements

- **Infrastructure represents the primary constraint to unlocking TOD at Keone'ae.** Throughout this process, several major infrastructure improvements were identified:
 - **Sanitary Sewer** – Five (5) Sanitary Sewer Regional Priority Projects shown in the study have adequate capacity to carry sewer flows from all four (4) major landowners planned built-outs.
 - **Water System** – Majority of portable and non-portable water system improvements are either constructed or planned and funded. No critical priority projects were identified : One (1) UHWO 1MG portable water tank for UHWO and three (3) DHHL R1 water service connections for DHHL.
 - **Drainage System** – The existing regional drainage master plan has adequate capacity to accommodate the increased storm flows from all four (4) major landowners. No added regional projects are needed for proposed built-out developments
 - **Stormwater Quality** – Each landowner development needs to incorporate green infrastructures into its complete street layouts and proposed land development following the latest City and County of Honolulu Rules Relating to Storm water Quality.
 - **Roadways and Circulations** – Proposed roadway networks within TOD and proposed improvements to H-1 Freeway and Kualaka'i Parkway are adequate to manage traffic flows from planned built-outs, though traffic impact assessment reports (TIARs) need updates; however, regional improvements such as the Farrington Highway widening are underway and critical to long-term connectivity
- *Note: These infrastructure improvements are critical to enabling early phases of development.*

Projected Infrastructure Cost Estimates

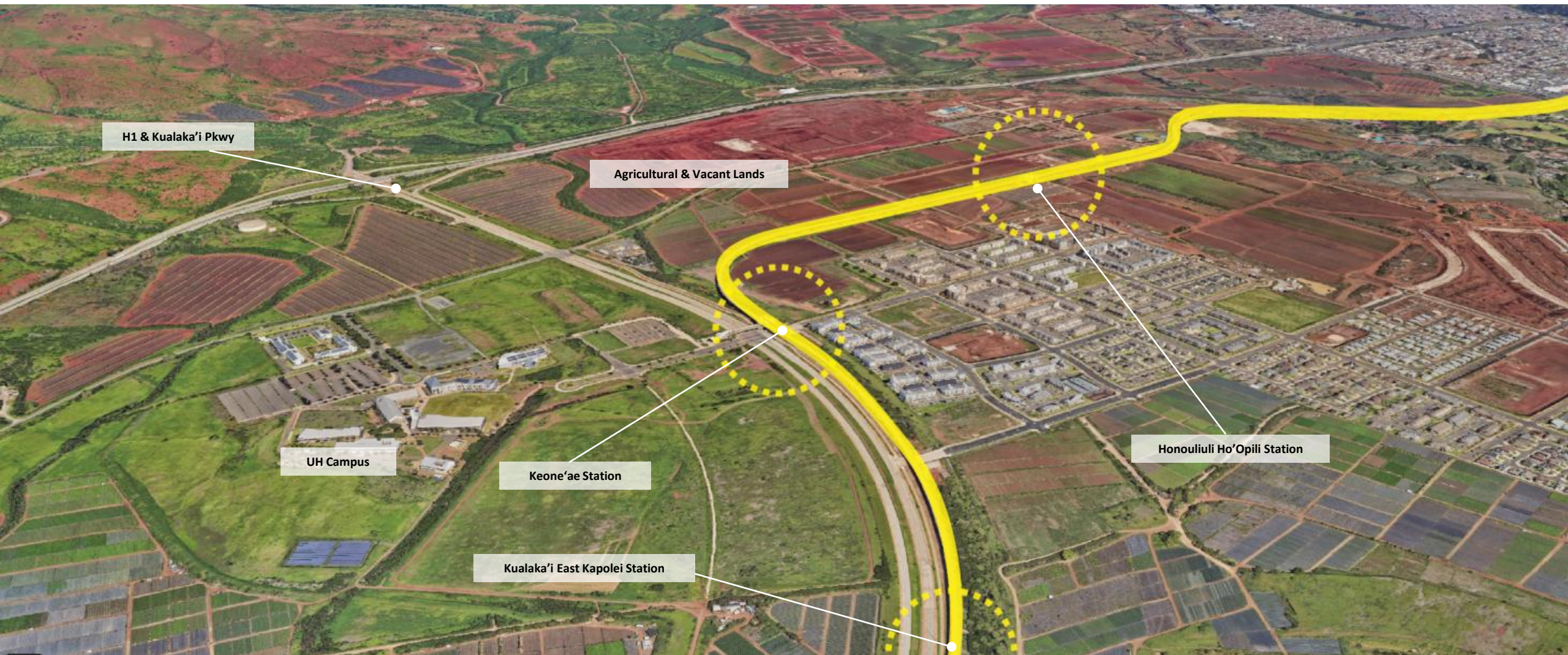
- The following table identifies the infrastructure costs specific to each of the four key landowners in the East Kapolei Master Plan.
- These costs are part of the grand total which includes other costs such as contingency, right-of-way acquisitions, as well as costs for other state agencies (HDOT, HART, City and County of Honolulu). For the purposes of our analysis, we have limited our cost estimate subtotal to those of the 4 major landowners.
- These investments reflect the scale of infrastructure required to enable full build-out under current planning assumptions.

	Infrastructure Costs					
Major Landowners	Sanitary Sewer	Water	Electrical	Transportation	Storm Water Quality ²	Subtotal Cost
DHHL	\$16,970,000	\$1,340,000	\$3,680,000	\$1,000,780,000	\$19,040,000	\$1,041,810,000
DLNR	\$19,020,000	\$0	\$0	\$222,560,000	\$3,430,000	\$245,010,000
UHWO	\$24,440,000	\$39,930,000	\$0	\$990,270,000	\$30,000	\$1,054,670,000
D.R. Horton	\$43,560,000	\$0	\$0	\$580,170,000	\$23,780,000	\$647,510,000
Subtotal Cost (FY26\$) ¹						\$2,989,000,000³

Notes:

1. Costs are order-of-magnitude estimates derived from HCDA and OPSD EKMP (2026). This is comparable with TOD 2020 master plan with a 3.5-4% inflation adjustment.
2. AECOM estimated the storm water quality costs, estimated based on the rain gardens to be used. This was not a part of the Jacobs report.
3. Represent only hard costs associated with these infrastructure items; contingency, ROW, soft costs, and other agency-led investments are excluded. These figures are rounded for presentation purposes.

Station Area Context



Latest Build-out Summary in Total

- The table at right identifies the total planned build-out from the EKMP for the four major landowners in aggregate.

Notes:

1. *Built-out reflects planned/conceptual development scenarios and is not committed pipeline.*
2. *Dwelling unit counts are determined by zoning capacity as well as input from each landowner.*

Planned Build-out Scenario Totals for Anticipated Development					
Land Use Type	Existing	Total New	Total Planned Build-out	Previously Approved Master Plan Total Build-out ^[a]	Total Build-out Different
Residential (DU)	4,211	22,860	27,071	18,964	8,107
Residential (SF)	8,128,900	37,288,800	45,417,700	n/a	n/a
Commercial Institutional (SF)	2,378,589	5,053,491	7,432,080	8,329,325	-897,245
Industrial/Business Park (SF)	n/a	2,290,252	2,290,252	2,825,000	-534,748
Hotel (Keys)	180	360	540	180	360
Hotel (SF)	106,200	212,400	318,600	n/a	n/a
Public Schools (SF)	155,000	847,000	1,002,000	n/a	n/a
GRAND TOTAL (SF)	10,768,689	45,691,943	56,460,632	n/a	n/a

^[a] PBR Hawaii & Associates 2020a

DU = dwelling units
n/a = not applicable
SF = square feet

Source: East Kapolei Infrastructure Master Plan: Build-out and Infrastructure Needs Report. February 3, 2026

Latest Build-out Summary – State Departments

Table 2-1. Planned Build-out Scenario Anticipated Development and Phasing

Developer	Land Use Type	Existing	Phase 1 (2025 to 2029)	Phase 2 (2030 to 2039)	Phase 3 (2040 to 2049)	Total New	Total Planned Build-out	Previously Approved Master Plan Total Build-out ^[a]	Total Build-out Difference
DLNR	Residential (DU)	—	1,000	—	—	1,000	1,000	1,000	—
	Residential (SF)	—	1,315,000	—	—	1,315,000	1,315,000	n/a	n/a
	Commercial Institutional (SF)	—	124,000	—	—	124,000	124,000	134,000	-10,000
	Industrial/Business Park (SF)	—	459,400	586,000	—	1,045,400	1,045,400	1,638,700	-593,300
	Hotel (Keys)	—	180	—	—	180	180	180	—
	Hotel (SF)	—	106,200	—	—	106,200	106,200	n/a	n/a
UHWO, Campus ^[b]	Residential (DU)	—	228	598	993	1,819	1,819	4,100 ^[c]	2,687
	Residential (SF)	—	521,100	1,181,700	1,962,200	3,665,000	3,665,000	n/a ^[c]	n/a ^[c]
	Commercial/Institutional (SF)	307,282	133,003	828,779	993,009	1,954,791	2,262,073	3,007,280 ^[c]	-189,007 ^[c]
	Industrial/Business Park (SF)	—	294,600	—	279,452	574,052	574,052	391,000 ^[c]	183,052 ^[c]
UHWO, University District Lands ^[b]	Residential (DU)	—	1,089	2,651	1,228	4,968	4,968	[d]	[d]
	Residential (SF)	—	1,866,900	4,544,500	2,069,700	8,481,100	8,481,100	[d]	[d]
	Commercial/Institutional (SF)	—	62,198	414,066	79,936	556,200	556,200	[d]	[d]
	Industrial/Business Park (SF)	—	—	—	—	—	—	[d]	[d]
	Schools (SF)	—	—	—	97,000	97,000	97,000	[d]	[d]
DHHL, Ka'uluokaha'i (Multi-Family)	Residential (DU)	—	—	2,746	3,002	5,748	5,748	2,041 ^[e]	5,022 ^[e]
	Residential (SF)	—	—	4,119,000	4,288,600	8,407,600	8,407,600	n/a ^[e]	n/a ^[e]
	Commercial/Institutional (SF)	114,699	—	26,400	13,100	39,500	154,199	235,684 ^[e]	-81,485 ^[e]
	Industrial/Business Park (SF)	—	—	—	—	—	—	— ^[e]	— ^[e]
	Public Schools (SF)	155,000	—	—	—	—	155,000	n/a ^[e]	n/a ^[e]
DHHL, Ka'uluokaha'i (Single-family)	Residential (DU)	150	140	575	—	715	865	[f]	[f]
	Residential (SF)	375,000	350,000	1,437,500	—	1,787,500	2,162,500	[f]	[f]
	Commercial/Institutional (SF)	—	—	—	—	—	—	[f]	[f]
	Industrial/Business Park (SF)	—	—	—	—	—	—	[f]	[f]
	Public Schools (SF)	—	—	97,000	—	97,000	97,000	[f]	[f]
DHHL, Ka Makana Ali'i	Residential (DU)	—	—	—	—	—	—	—	—
	Residential (SF)	—	—	—	—	—	—	n/a	n/a
	Commercial/Institutional (SF)	1,400,000	—	—	—	—	1,400,000	1,400,000	—
	Industrial/Business Park (SF)	—	—	—	—	—	—	—	—
	Hotel (Keys)	180	—	180	—	180	360	—	360
	Hotel (SF)	106,200	—	106,200	—	106,200	212,400	n/a	n/a
DHHL, Kānehili	Residential (DU)	403	—	—	—	—	403	403	—
	Residential (SF)	1,007,500	—	—	—	—	1,007,500	n/a	n/a
	Commercial/Institutional (SF)	150,000	75,000	—	—	75,000	225,000	223,833	1,167
	Industrial/Business Park (SF)	—	—	—	—	—	—	—	—

Latest Build-out Summary – Private Sector

Developer	Land Use Type	Existing	Phase 1 (2025 to 2029)	Phase 2 (2030 to 2039)	Phase 3 (2040 to 2049)	Total New	Total Planned Build-out	Previously Approved Master Plan Total Build-out ^[a]	Total Build-out Difference
HHFDC	Residential (DU)	450	—	—	—	—	450	[f]	[f]
	Residential (SF)	675,000	—	—	—	—	675,000	[f]	[f]
	Commercial/Institutional (SF)	—	—	—	—	—	—	[f]	[f]
	Industrial/Business Park (SF)	—	—	—	—	—	—	[f]	[f]
D.R. Horton, Ho'opili	Residential (DU)	2,716	2,369	5,599	—	7,968	10,684	11,420 ^[a]	398 ^[a]
	Residential (SF)	5,360,000	3,777,700	8,912,900	—	12,690,600	18,050,600	n/a ^[a]	n/a ^[a]
	Commercial/Institutional (SF)	256,900	357,200	1,876,100	—	2,233,300	2,490,200	3,236,720 ^[a]	-617,920 ^[a]
	Industrial/Business Park (SF)	—	—	—	—	—	—	795,300 ^[a]	-124,500 ^[a]
	Public Schools (SF)	—	97,000	556,000	—	653,000	653,000	n/a ^[a]	n/a ^[a]
D.R. Horton, Ho'opili (Sold Lots)	Residential (DU)	492	486	156	—	642	1,134	[h]	[h]
	Residential (SF)	711,400	708,000	234,000	—	942,000	1,653,400	[h]	[h]
	Commercial/Institutional (SF)	57,900	36,800	33,900	—	70,700	128,600	[h]	[h]
	Industrial/Business Park (SF)	—	—	670,800	—	670,800	670,800	[h]	[h]
Total	Residential (DU)	4,211	5,312	12,325	5,223	22,860	27,071	18,964	8,107
	Residential (SF)	8,128,900	8,538,700	20,429,600	8,320,500	37,288,800	45,417,700	n/a	n/a
	Commercial/Institutional (SF)	2,378,589	788,201	3,179,245	1,086,045	5,053,491	7,432,080	8,329,325	-897,245
	Industrial/Business Park (SF)	—	754,000	1,256,800	279,452	2,290,252	2,290,252	2,825,000	-534,748
	Hotel (Keys)	180	180	180	—	360	540	180	360
	Hotel (SF)	106,200	106,200	106,200	—	212,400	318,600	n/a	n/a
	Public Schools (SF)	155,000	97,000	653,000	97,000	847,000	1,002,000	n/a	n/a
	GRAND TOTAL (SF)	10,768,689	10,284,101	25,624,845	9,782,997	45,691,943	56,460,632	n/a	n/a

^[a] PBR Hawaii & Associates 2020a

^[b] The UHWO build-out and phasing data has not yet been approved by the Board of Regents and is subject to change.

^[c] Includes numbers for both UHWO, Campus and UHWO, University District Lands.

^[d] Numbers for UHWO, University District Lands are included in the totals for UHWO, Campus.

^[e] Includes numbers for DHHL Ka'uluokaha'i (Multi-Family); DHHL, Ka'uluokaha'i (Single-Family); and HHFDC.

^[f] Numbers for DHHL, Ka'uluokaha'i (Single-Family) and HHFDC are included in the totals for DHHL Ka'uluokaha'i (Multi-Family).

^[g] Includes numbers for both D.R. Horton, Ho'opili and D.R. Horton, Ho'opili (Sold Lots).

^[h] Numbers for sold lots are included in the totals for D.R. Horton, Ho'opili.

— = 0, or no development

DU = dwelling units

HHFDC = Hawai'i Housing Finance and Development Corporation

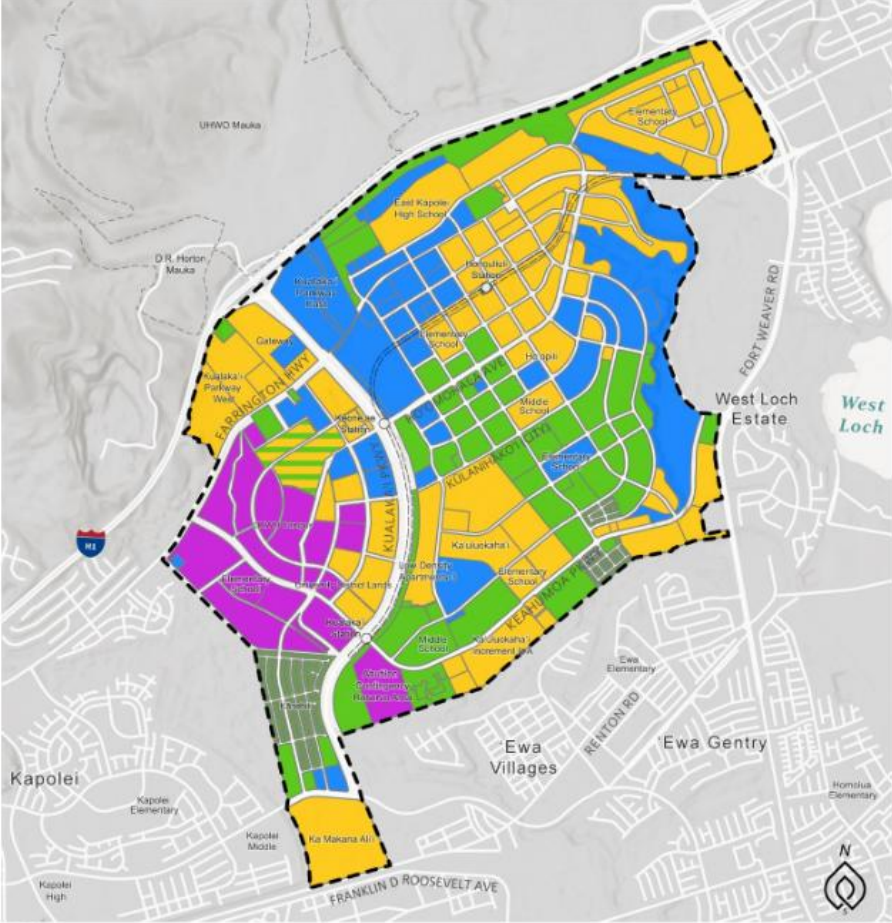
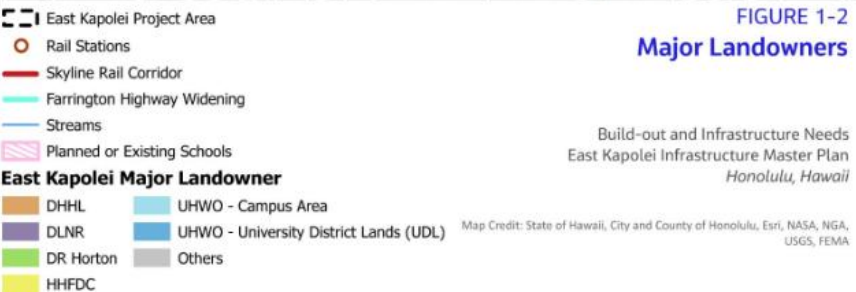
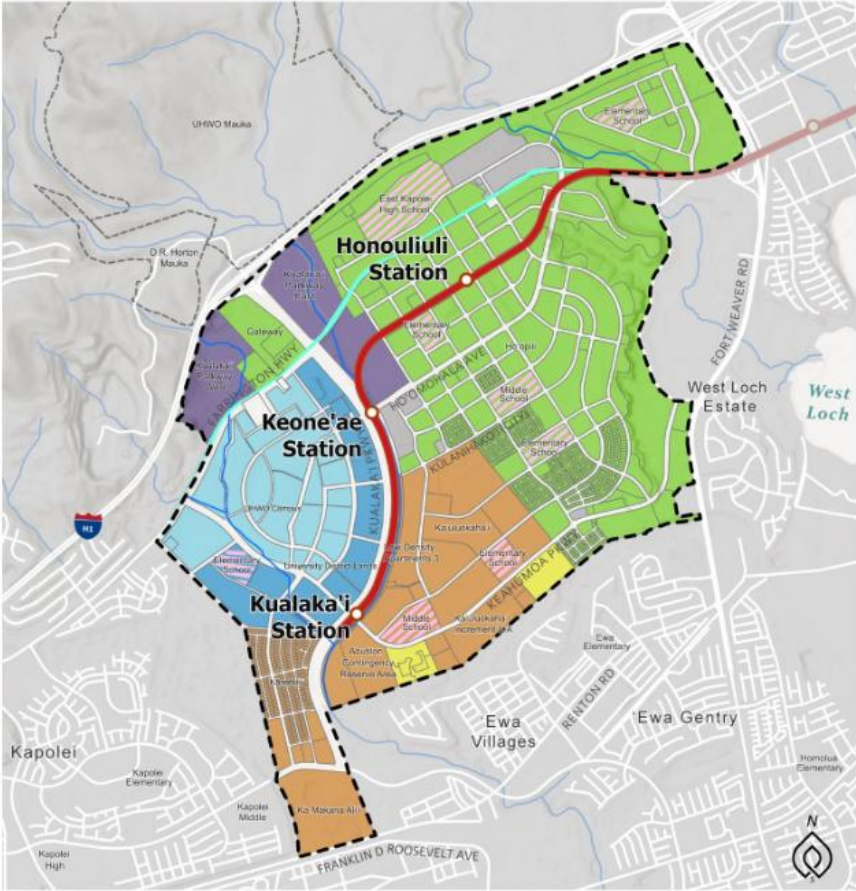
n/a = not applicable

SF = square feet

Source: East Kapolei Infrastructure Master Plan: Build-out and Infrastructure Needs Report. February 3, 2026

Latest Build-out Development Phases

- Note:
1. Phasing reflects planning assumptions and may not reflect actual delivery sequencing.



Source: East Kapolei Infrastructure Master Plan:
Build-out and Infrastructure Needs Report. February
3, 2026



Sanitary Sewer Upgrades

Sanitary Sewer System Upgrade

Table 3-2. Equivalent Populations by Developer and Site

Developer/Site	Planned EQ Population	Previously Approved Master Plan EQ Population ^[a]
DLNR	6,744	10,991
Kualaka'i Parkway East	1,755	3,200
Kualaka'i Parkway West	1,345	3,110
Keone'ae Station Area	3,645	4,681
UHWO (+ Hawai'i Tokai International College)	58,566	54,317
Makai (Campus + UDL)	34,594 ^[b]	30,495
Hawai'i Tokai International College	422	272
Mauka	23,550 ^[c]	23,550
DHHL (+ HHFDC)	27,412	17,781
Ka'uluokaha'i	21,097 ^[b]	8,271
Kānehili	1,819	4,010
Ka Makana Ali'i	3,236	5,500
HHFDC	1,260	n/a
D.R. Horton	49,059	61,673
Ho'opili	45,913	56,838
Gateway	1,285	2,000
Exchanged Land	636 ^[d]	1,610
Mauka	1,225 ^[c]	1,225
Total	141,781	144,762^[a]

^[a] DLNR Alternative 1 with land exchange from the PER (R.M. Towill Corporation 2024)

^[b] Population with proposed, but not approved by CCH, increased density for UHWO and DHHL

^[c] No additional information on UHWO or D.R. Horton Mauka sites; assumption is mauka sites will be built according to previously approved master plans

^[d] Assumed that D.R. Horton Exchanged Land will be built according to DLNR's PER (R.M. Towill Corporation 2024)

EQ = equivalent

Notes:

1. This is a conceptual-level assessment; detailed engineering analysis may be required later. Conceptual analysis showed proposed sewer improvements could handle the total sewer flows from the latest build-out development.
2. Capacity assumptions are based on EKMP modeling.

Table 3-1. Sanitary Sewer Priority Projects

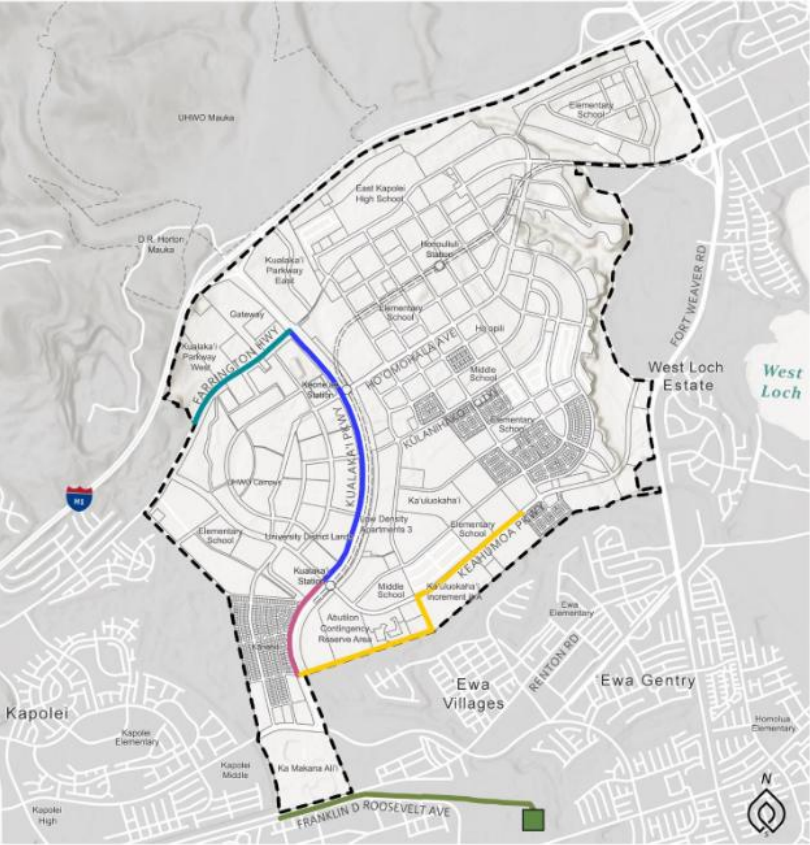
Project	Developer/Site	Phase
Keahumoa Trunk Sewer Upgrade (36-inch to 42-inch) ^[a]	- DLNR Keone'ae Station Area - DHHL Ka'uluokaha'i and HHFDC - D.R. Horton Ho'opili	Phase 1 (2025 to 2029)
Kualaka'i Trunk Sewer Extension to Farrington Highway (30-inch)	- DLNR Kualaka'i Parkway East and West - D.R. Horton Gateway and Exchanged Land	Phase 2 (2030 to 2039), before Kualaka'i East and West development
New 18-inch Farrington Highway Sewer	- DLNR Kualaka'i Parkway West - D.R. Horton Gateway and Exchanged Land	Phases 2 and 3 (2030 to 2049), following DLNR Kualaka'i West project schedule
Kualaka'i Trunk Sewer Upgrade (30-inch to 36-inch) ^[a]	- DLNR Kualaka'i Parkway East and West - UHWO makai and Hawai'i Tokai International College - D.R. Horton Gateway and Exchanged Land - UHWO and D.R. Horton Mauka^[b]	Phase 3 (2040 to 2049), if UHWO Mauka is not downsized
Kapolei Interceptor Upgrade (42-inch to 48-inch)	- DLNR Kualaka'i Parkway East and West - UHWO makai and Hawai'i Tokai International College - DHHL Ka'uluokaha'i, Kānehili, and HHFDC - D.R. Horton Ho'opili, Gateway, and Exchanged Land - UHWO and D.R. Horton Mauka^[b]	Phase 3 (2040 to 2049), if UHWO Mauka is not downsized

^[a] Preliminary development information has been provided by UHWO and DHHL for this study; however, submittal of new wastewater master plans is required for each development to obtain city approval and ensure properly sized sewer upgrades are in place.

^[b] UHWO and D.R. Horton Mauka sites are outside the study boundary but are included because they require tie-ins to the EKMP sewer lines.

Source: East Kapolei Infrastructure Master Plan: Build-out and Infrastructure Needs Report. February 3, 2026

Sanitary Sewer System Upgrade Map



- Targeted sewer infrastructure upgrades are beneficial to support planned density.
- Sewer capacity does not appear to be a primary constraint to development under current assumptions.

Source: East Kapolei Infrastructure Master Plan: Build-out and Infrastructure Needs Report. February 3, 2026



Water System Upgrades

Water System Upgrades

- Targeted water infrastructure upgrades are required to support planned density.
- 215-foot service zone needs 5 MGD and existing has 4 MGD. 1 MG is required for UHWO.

Notes:

1. *Phasing reflects planning assumptions and may not reflect actual delivery sequencing.*
2. *This is a conceptual-level assessment; detailed engineering analysis may be required later.*
3. *Capacity assumptions are based on EKMP modeling.*

Table 3-6. Storage Requirements and Existing and Pre-planned Storage per Service Zone

Service Zone	Storage Requirement (MG) ^[a]		Existing and Pre-planned Storage (MG)	
	Potable (1.5 x average day)	Non-potable (1 x average day)	Potable	Non-potable
215-foot	5	3	4	5
228-foot	1	n/a	11	n/a
440-foot	6	0.5	11	n/a
Total EKMP	12	3.5	26	5

^[a] Storage requirements are rounded up to 0.1 MG, 0.2 MG, 0.25 MG, 0.3 MG, 0.5 MG, and thereafter to the nearest 0.5 MG.

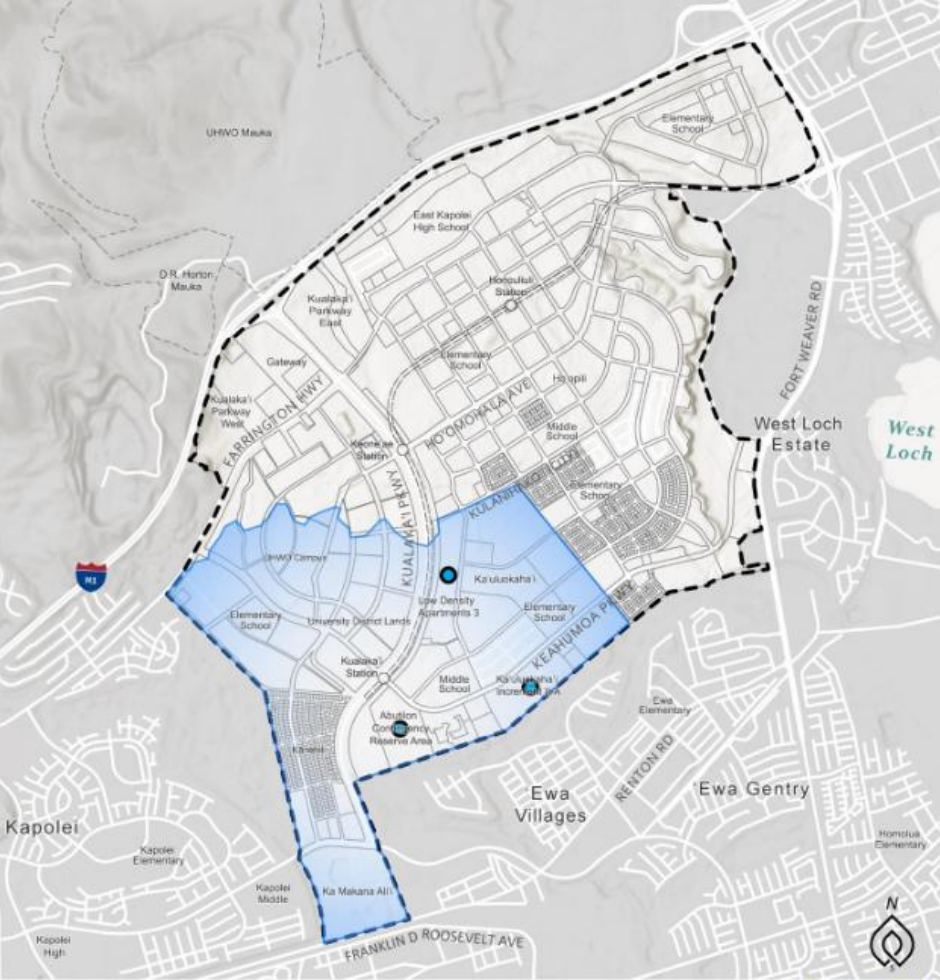
MG = million gallon(s)

Table 3-8. Water Priority Projects

Developer	System	Project
UHWO	Potable water	1 MG potable water tank in the 215-foot service zone
DHHL	Non-potable water	R1 water service connection at the Abutilon Contingency Reserve Area
DHHL	Non-potable water	R1 water service connection at the LDA-3 parcel
DHHL	Non-potable water	R1 water service connection at the Increment II-A parcel

Source: East Kapolei Infrastructure Master Plan: Build-out and Infrastructure Needs Report. February 3, 2026

Water System Upgrade Map



East Kapolei Project Area

Rail Stations

Skyline Rail Corridor

R1 Water Service Connections

1.0 MG Potable Water Tank in 215-ft Service Zone

FIGURE 3-2
Water Priority Projects

Build-out and Infrastructure Needs
East Kapolei Infrastructure Master Plan
Honolulu, Hawaii

Source: East Kapolei Infrastructure Master Plan: Build-out and Infrastructure Needs Report. February 3, 2026



Drainage & Stormwater Upgrades

Drainage System & Stormwater Quality

- **Drainage System:**

- The regional existing backbone drainage infrastructure is sized to convey the total peak watershed runoff, accounting for new increase in runoff from various developments within the EKMP.
- No priority projects are anticipated for drainage improvements in the Jacobs report; however, stormwater compliance represents a site-level cost burden that may affect feasibility.
- As such, AECOM has identified several upgrades that would be relevant for the site, identified on the following slide.

- **Stormwater Quality:**

- City and County of Honolulu Department of Planning and Permitting (DPP) Rules Relating to Water Quality requires all new development implement low impact development (LID) best management practices (BMPs). All DLNR development projects falling into priority A project category, thus requiring a combination of following BMPs:
 - Retention BMPs by infiltration, if feasible, otherwise use
 - Biofiltration BMPs with engineered soils, if feasible, otherwise use
 - Alternative compliance BMPs (Non-LID BMPs)

Drainage System – Stormwater Quality

Low Impact Development (LID) Best Management Practices (BMPs):

BMP	Retention	Biofiltration	Other
Infiltration Basin	✓		
Infiltration Trench	✓		
Subsurface Infiltration	✓		
Dry Well	✓		
Bioretention Basin	✓		
Permeable Pavement	✓		
Harvesting/Reuse	✓		
Green Roof		✓	
Vegetated Bio-Filter ¹		✓	
Dry (Enhanced) Swale		✓	
Vegetated Swale		✓	
Vegetated Buffer Strip		✓	
Detention Basin			✓
Manufactured Treatment Device			✓
Sand Filter			✓

¹ Includes both proprietary and non-proprietary systems.

Source: City and County of Honolulu Permanent Best Management Practice Manual

Stormwater Treatment Trains –

- Priority is to promote groundwater recharge through retention/infiltration, if feasible
- Next is to implement bio-treatment through biofiltration, if feasible
- Last is to implement non-LID BMPs under category Other.





Transportation Infrastructure Upgrades

Summary of Required Transportation Infrastructure Upgrades

- Transportation infrastructure represents the largest share of total infrastructure costs and is a key gating factor for development. Transportation infrastructure creates an integrated approach to efficiently connect multimodal transportation: vehicle, pedestrian and bike access. Proposed transportation improvements include:
 - Off-site regional Improvements – Memorandum of Agreements (MOA) between DR Horton and HDOT for H-1 and Kualakai Parkway improvements; City and County of Honolulu (CCH) Department of Transportation (DTS) Services HART Skyline improvements (bus system, park and ride)
 - On-site complete streets improvements for each landowner should be developed in compliance with HDOT and CCH DTS requirements
 - Large Gap – DR Horton 2014 Traffic Impact Assessment Report (TIAR) needs to be updated.
- All developments shall include multimodal connectivity to meet State and County Complete Street policies (HDOT 2013, 2022, CCH 2016)
- **Rail Infrastructure:**
 - UHWO Station multimodal access
 - Park & Ride
- **Roadway Infrastructure:**
 - Regional roadway improvements (e.g., Farrington Highway) are critical to unlocking full build-out.
 - HDOT w/ D.R. Horton – Roadway Interchange & Roadway Widening Improvements
 - New road facilities in D.R. Horton, DHHL, DLNR, & UHWO

Priority Projects identified include:

- **Pedestrian and Bike Infrastructure:**
 - Multimodal connectivity between residential, businesses, school, community facilities and rail stations

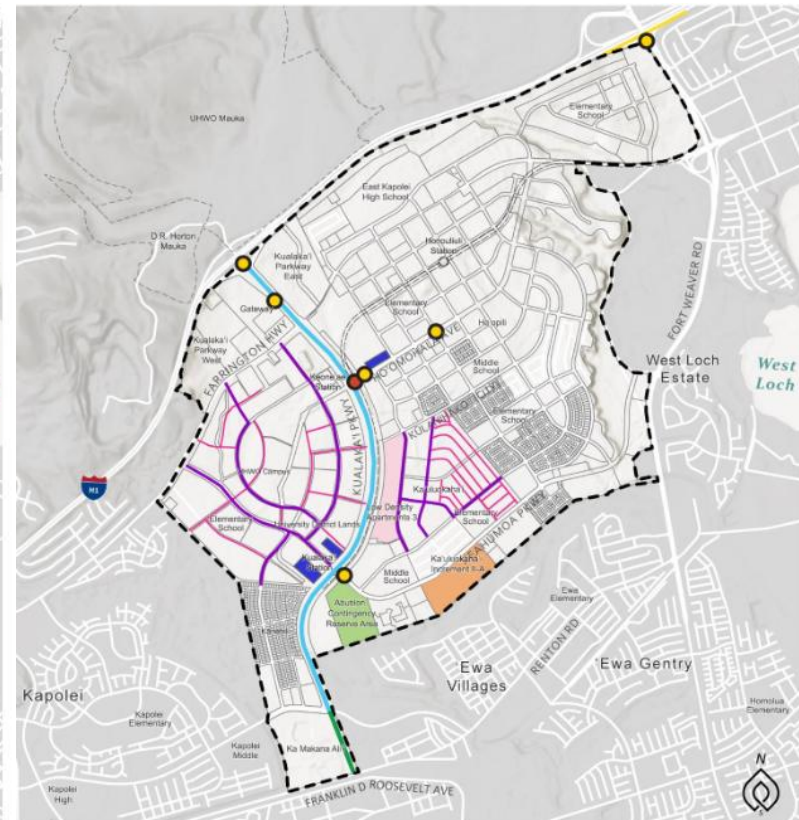
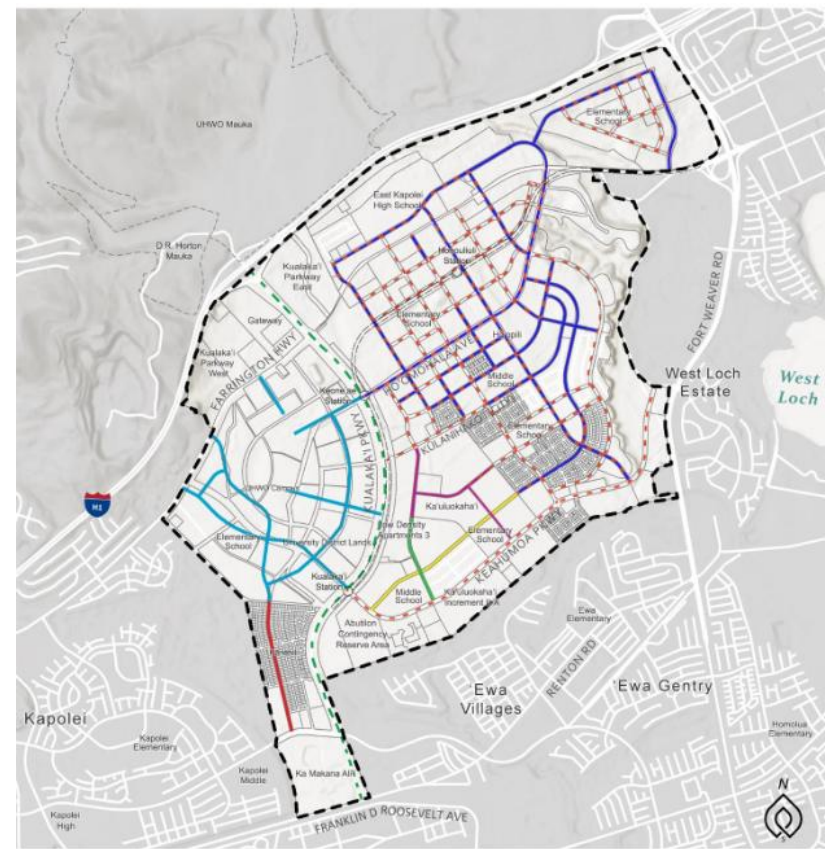
Transportation Infrastructure – DHHL, DLNR & UHWO Priority Projects

Table 3-11. Transportation Infrastructure Projects

Project	Agency/Developer	Source(s)	Location Detail	Description	Phase(s)
Bikeway and Pedestrian Improvements					
East Kapolei II Development Bikeways (DTS RD-9)	DHHL	CCH DTS 2019	East Kapolei II Development	Future roads should include bike lanes.	Phase 2 (2030 to 2039)
UHWO Bikeways (DTS RD-19)	UHWO	CCH DTS 2019	Keahumoa Parkway, Ho'omohala Avenue, Road D, Road C, and two paths not along roads	Future roads should include bike lanes.	Phases 1 through 3 (2025 to 2049)
Kinoiki Street Bike Lane (DTS 2-45)	DHHL	CCH DTS 2019	Kapolei Parkway to UHWO development	Add bike lane striping to existing streets.	Phase 2 (2030 to 2039)
Maunakapu Street Bike Lane (DTS 3-51)	DHHL	CCH DTS 2019	Keahumoa Parkway to end	Add bike lane striping to existing streets.	Phase 2 (2030 to 2039)
Māweke Street Bike Lane (DTS 3-52)	DHHL	CCH DTS 2019	Keahumoa Parkway to end	Add bike lane striping to existing streets.	Phase 2 (2030 to 2039)
New Development Roadways					
UHWO Secondary Roadways (P-1) ^[b]	UHWO	UHWO 2025 ^[b]	Road D from Farrington Highway to Road H	Assumed to be four lanes with a median and sidewalks.	Phase 1 (2025 to 2029)
UHWO Minor Roadways (P-1) ^[b]	UHWO	UHWO 2025 ^[b]	Road H from Road D to Kualaka'i Parkway	Assumed to be two lanes with sidewalks.	Phase 1 (2025 to 2029)
UHWO Secondary Roadways (P-2) ^[b]	UHWO	UHWO 2025 ^[b]	Keahumoa Parkway from Road D to Kualaka'i Parkway and Road D extension from Road H to Keahumoa Parkway	Assumed to be four lanes with a median and sidewalks.	Phase 2 (2030 to 2039)
UHWO Minor Roadways (P-2) ^[b]	UHWO	UHWO 2025 ^[b]	Road G from Road D to Road H, Road H extension from Road D to Road G, Road C from Road D to Kualaka'i Parkway, and Campus Loop Road between Road D and Kualaka'i Parkway	Assumed to be two lanes with sidewalks.	Phase 2 (2030 to 2039)
UHWO Secondary Roadways (P-3) ^[b]	UHWO	UHWO 2025 ^[b]	Keahumoa Parkway extension from Road D to Farrington Highway, Campus Loop Road extension between Road J and Road D, Road J from Campus Loop Road to Farrington Highway, and Road D extension from Keahumoa Parkway to end	Assumed to be four lanes with a median and sidewalks.	Phase 3 (2040 to 2049)
UHWO Minor Roadways (P-3) ^[b]	UHWO	UHWO 2025 ^[b]	Road G extension to Campus Loop Road; Road C extension to Road G; Road I extension to Road K; Roads K, L, and M; and Unnamed Road from Campus Loop Road to Road D	Assumed to be two lanes with sidewalks.	Phase 3 (2040- to 049)
Increment II Subdivisions D, E, and F Secondary Roadways ^[b]	DHHL	DHHL 2025 ^[b]	Māweke Street (Road A) extension from Lakona Street (Road D) to Kūlanihāko'i Street (Road S), Maunakapu Street (Road E) extension from Lakona Street (Road D) to D.R. Horton's Maunakapu Street, Roads L and G, and 'Elepu'u Street (Road B) extension from Lakona Street (Road D) to Kūlanihāko'i Street (Road S)	Assumed to be a 60-foot right-of-way.	Phase 2 (2030 to 2039)
Increment II Subdivisions D, E, and F Minor Roadways ^[b]	DHHL	DHHL 2025 ^[b]	Road F extension from Lakona Street (Road D) to Road L and Roads F4, F5, G1, H, J, K, K1, K2, K3, L1, L2, L3, L4, M, N, P, and Q	Assumed to be a 44-foot right-of-way.	Phase 2 (2030 to 2039)
Increment II-A Access Roadways ^[b]	DHHL	DHHL 2025 ^[b]	Increment II-A Development	Assumed to be a 44-foot right-of-way.	Phase 2 (2030 to 2039)
LDA-3 Access Roadways ^[b]	DHHL	DHHL 2025 ^[b]	LDA-3 Development	Assumed to be a 44-foot right-of-way.	Phase 2 (2030 to 2039)
Abutilon Contingency Reserve Area Access Roadways ^[b]	DHHL	DHHL 2025 ^[b]	Abutilon Contingency Reserve Area Development	Assumed to be a 44-foot right-of-way.	Phase 2 (2030 to 2039)
Kualaka'i Parkway and Ho'ona'auao Street Intersection Improvements	DLNR	D.R. Horton and HDOT 2020	Kualaka'i Parkway and Ho'ona'auao Street Intersection	- Southbound: Provide a new right-turn lane. - Eastbound: Provide a new right-turn lane.	Phase 2 (2030 to 2039)

Source: East Kapolei Infrastructure Master Plan: Build-out and Infrastructure Needs Report.
February 3, 2026

Transportation Infrastructure – DHHL, DLNR, & UHWO Priority Projects



Source: East Kapolei Infrastructure Master Plan: Build-out and Infrastructure Needs Report. February 3, 2026

An aerial photograph of the Waiawa Station area in Hawaii. The image shows a complex highway interchange with multiple lanes and overpasses. To the right of the highway, there are two tall, modern high-rise buildings. The surrounding area includes residential neighborhoods, green spaces, and a body of water in the distance. A large, thick blue arc is drawn across the top half of the image, starting from the left edge and curving towards the right.

Thank you!

Photo: Waiawa Station

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An aerial photograph of a city landscape, showing a mix of urban development, green spaces, and infrastructure. A large, semi-transparent teal geometric shape, composed of several overlapping triangles, is positioned over the center of the image. The text 'Skyline TOD Value Capture Study' is written in white, bold, sans-serif font across the middle of this teal shape.

Skyline TOD Value Capture Study

Photo: Keone'ae Station

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- 02 [Fiscal Impact Analysis](#)
- 03 [Value Capture Mechanisms](#)
- 04 [Appendix A: Glossary](#)
- 05 [Appendix B: Detailed Assumptions](#)



00 Executive Summary

00 Executive Summary

Project Context

- Strong developer interest in transit-oriented development (TOD) near Hawai'i's Skyline rail stations has yet to translate into delivery. However, infrastructure gaps **continue to constrain development on otherwise viable sites**.
- To address this, the Governor's Advisory Committee on TOD engaged AECOM to conduct a **value capture study** (the Study) focusing on **Keone'ae Station**, making the business case for targeted public investment to unlock development.
- The Study builds on AECOM's previous work to estimate the **direct fiscal benefits of full TOD buildout** to state and local governments over a **25-year horizon**.
- The Study concludes with a summary of options for **value capture mechanisms** through which the government may recover a portion of the land and property value increase generated by public infrastructure investment.

Study Approach

1. Market Analysis

Assessed feasibility of proposed development programs and set realistic expectations for housing and commercial delivery

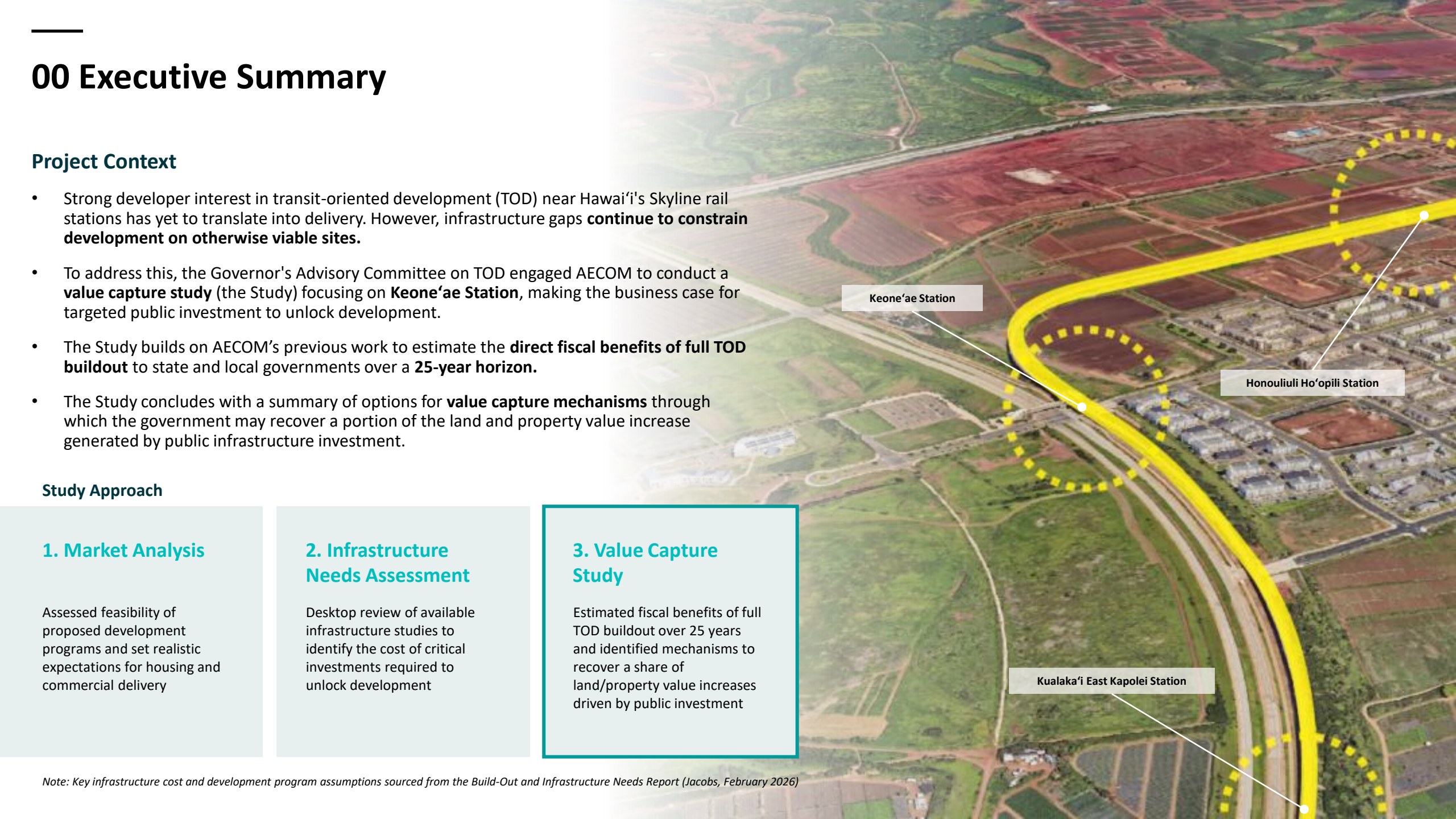
2. Infrastructure Needs Assessment

Desktop review of available infrastructure studies to identify the cost of critical investments required to unlock development

3. Value Capture Study

Estimated fiscal benefits of full TOD buildout over 25 years and identified mechanisms to recover a share of land/property value increases driven by public investment

Note: Key infrastructure cost and development program assumptions sourced from the Build-Out and Infrastructure Needs Report (Jacobs, February 2026)



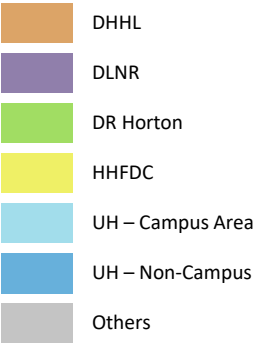
00 Executive Summary

Key Methodological Assumptions

- The Study focuses on the **East Kapolei TOD Area** (the Study Area), which combines the three adjacent station areas with overlapping ½-mile walksheds: Keone‘ae Station, Honouliuli Ho‘opili Station, and Kualaka‘i East Kapolei Station.*
- Analysis focused on parcels owned by the **four major landowners** in the Study Area: the Department of Land and Natural Resources (DLNR), the University of Hawai‘i (UH), the Department of Hawaiian Home Lands (DHHL), and DR Horton.
- The Study’s fiscal revenue estimates are driven by following demographic assumptions:
 - **Population and household growth:** derived using historical per-dwelling unit ratios
 - **New jobs:** derived using industry benchmarks for square footage per employee by land use
 - **Income and rent growth:** estimated from historical trends and U.S. Census 5-Year American Community Survey (ACS) data

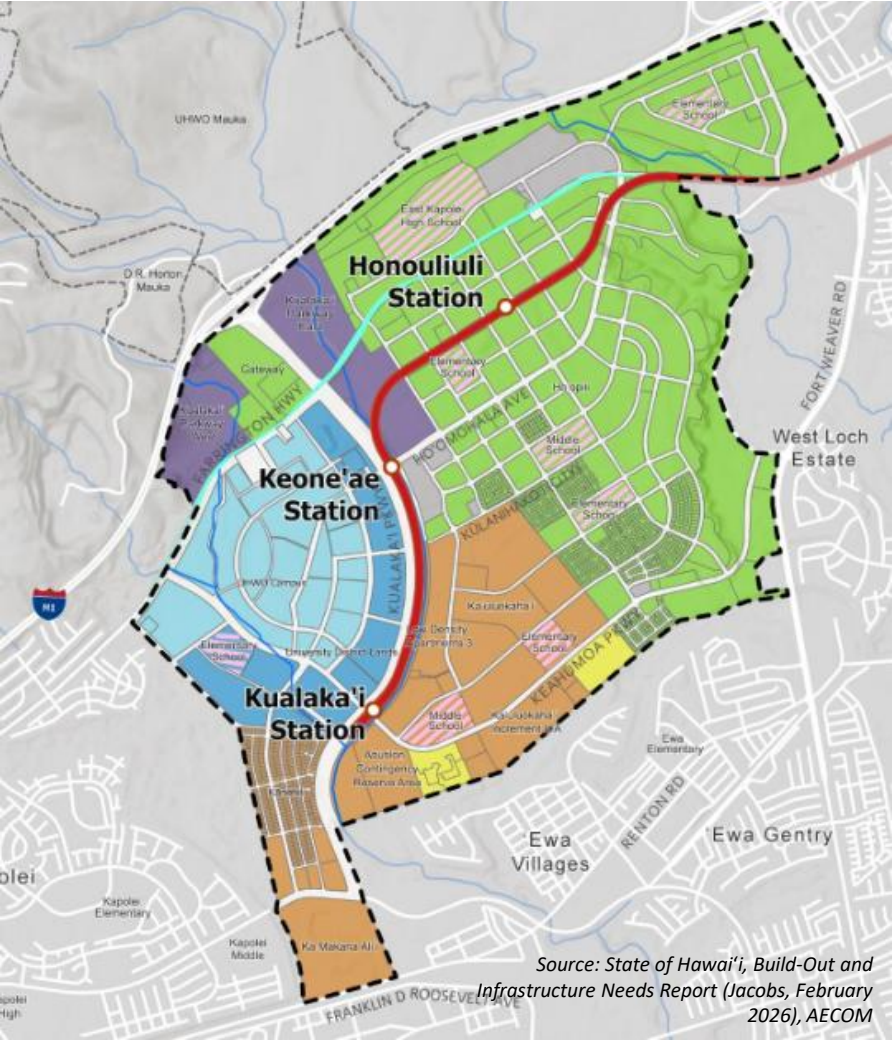
Share of Residential Units and Tax Exemption Status by Landowner

Owner	Share of Study Area Residential Units	Tax Exemption
DLNR	4%	Mostly Non-Exempt
UH	30%	Exempt + Non-Exempt
DHHL	28%	Exempt
DR Horton	38%	Mostly Non-Exempt



Note: Key infrastructure cost and development program assumptions sourced from the Build-Out and Infrastructure Needs Report (Jacobs, February 2026)
* This Study Area was selected to reflect how the market and existing planning frameworks define the area rather than defaulting to administrative boundaries

Major Landowners in the Study Area



Source: State of Hawai‘i, Build-Out and Infrastructure Needs Report (Jacobs, February 2026), AECOM

00 Executive Summary

Infrastructure Cost Requirements & Fiscal Revenue Sources

- The total infrastructure investment required to enable full buildout in the Study Area is estimated at **\$3.0B**, as per the *Build-Out and Infrastructure Needs Report*, part of the *East Kapolei Infrastructure Implementation Master Plan (EKMP)*, prepared by Jacobs in February 2026 for the Hawai‘i Community Development Authority (HCDA) and Office of Planning and Sustainable Development (OPSD).*
- To offset these infrastructure costs, the Study calculates the **gross future fiscal impacts** from proposed new development in the Study Area over a 25-year period, excluding internal migration effects and using inputs from the EKMP.
- AECOM estimated fiscal impacts across **nine revenue sources***:



Property Tax

\$3.50 per \$1k of Taxable Assessed Value

Derived from comparable projects’ historical effective tax rates and observed growth trends**



Income Tax

6.0%

Average effective income tax paid per household



General Excise Tax (GET)

4.5%

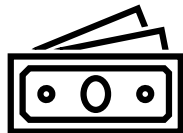
Applied to gross receipts at every level of the transaction chain; calculated here on a per capita basis***



Transient Accommodations Tax (TAT)

14%

Average effective TAT paid for short-term accommodations



Other Fiscal Revenue

Varies

Charged on a per capita basis; includes sewer service, motor vehicle weight tax, charges for services, licenses & permits, and public utility franchise taxes

Source: State of Hawai‘i, City & County of Honolulu, *Build-Out and Infrastructure Needs Report* (Jacobs, February 2026), AECOM

* Tax rates and public finance structures are held constant over the 25-year horizon

** Hawai‘i’s significant affordability requirements and exemptions constrain property tax as a revenue source

*** GET generates revenue across consumer spending, construction, and visitor activity, but this breadth increases sensitivity to economic fluctuations

00 Executive Summary

Baseline Scenario Results

- The Study shows that strategic infrastructure investment enables TOD that can fully offset initial costs through long-term tax revenue generation.
- This investment catalyzes development, generating an estimated **22,860 new households**, **155,800 new residents**, and **12,700 new jobs** over the 25-year horizon.
- Under baseline conditions, which adhere to Hawai'i's minimum affordability requirements and tax abatements, **every dollar invested** has potential to generate roughly **\$3.90 in output**.

Estimated Fiscal Impacts (25-Year Horizon, Baseline Scenario)

	Nominal	Net Present Value (NPV) (2025 \$)
Property Tax Revenue	\$2,427,327,000	\$1,194,264,000
Income Tax Revenue	\$4,888,259,000	\$2,299,830,000
TAT Revenue	\$286,667,000	\$138,074,000
GET Revenue	\$11,544,417,000	\$5,489,299,000
Total Other Fiscal Revenue	\$5,280,495,000	\$2,421,544,000
Total Fiscal Impact	\$24,427,165,000	\$11,543,011,000

Note: Key infrastructure cost and development program assumptions sourced from the Build-Out and Infrastructure Needs Report (Jacobs, February 2026)
* Fiscal impacts are rounded to the nearest 1,000
** NPV is calculated assuming a discount rate of 4.4%, derived from 30-yr nominal interest rates on treasury notes and bonds as reported by the Office of Management and Budget (OMB)

Every
\$1 invested
in Study Area infrastructure upgrades

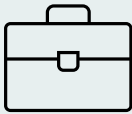
has potential to generate
~\$3.90
in fiscal revenue
with minimum affordability requirements & tax exemptions



22.8k
new
households



156k
new residents



13k
new
jobs

00 Executive Summary

Moderate Scenario Results

- Hawai'i's affordability requirements and abatements moderate fiscal returns on infrastructure investment.
- Under a moderate-case scenario, which adheres to Hawai'i's minimum affordability requirements but provides no property tax exemptions, **every dollar invested** has potential to generate roughly **\$5.00 in output**.
- Removing tax exemptions while keeping affordability requirements boosts property tax 3.9x (from \$2.4B to \$9.4B), highlighting the tradeoff between fiscal returns and housing affordability policy.

Estimated Fiscal Impacts (25-Year Horizon, Moderate Scenario)

	Nominal	Net Present Value (NPV) (2025 \$)
Property Tax Revenue	\$9,411,758,000	\$4,341,903,000
Income Tax Revenue	\$4,888,259,000	\$2,299,830,000
TAT Revenue	\$286,667,000	\$138,074,000
GET Revenue	\$11,544,417,000	\$5,489,299,000
Total Other Fiscal Revenue	\$5,280,495,000	\$2,421,544,000
Total Fiscal Impact	\$31,411,595,000	\$14,690,650,000

Note: Key infrastructure cost and development program assumptions sourced from the Build-Out and Infrastructure Needs Report (Jacobs, February 2026)
* Fiscal impacts are rounded to the nearest 1,000
** NPV is calculated assuming a discount rate of 4.4%, derived from 30-yr nominal interest rates on treasury notes and bonds as reported by the Office of Management and Budget (OMB)

Every
\$1 invested
in Study Area infrastructure upgrades

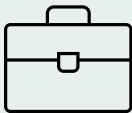
has potential to generate
~\$5.00
in fiscal revenue
with minimum affordability requirements & without tax exemptions



22.8k
new
households



156k
new residents



13k
new
jobs

01 Development Program & Phasing

01 Development Program & Phasing

Program & Phasing

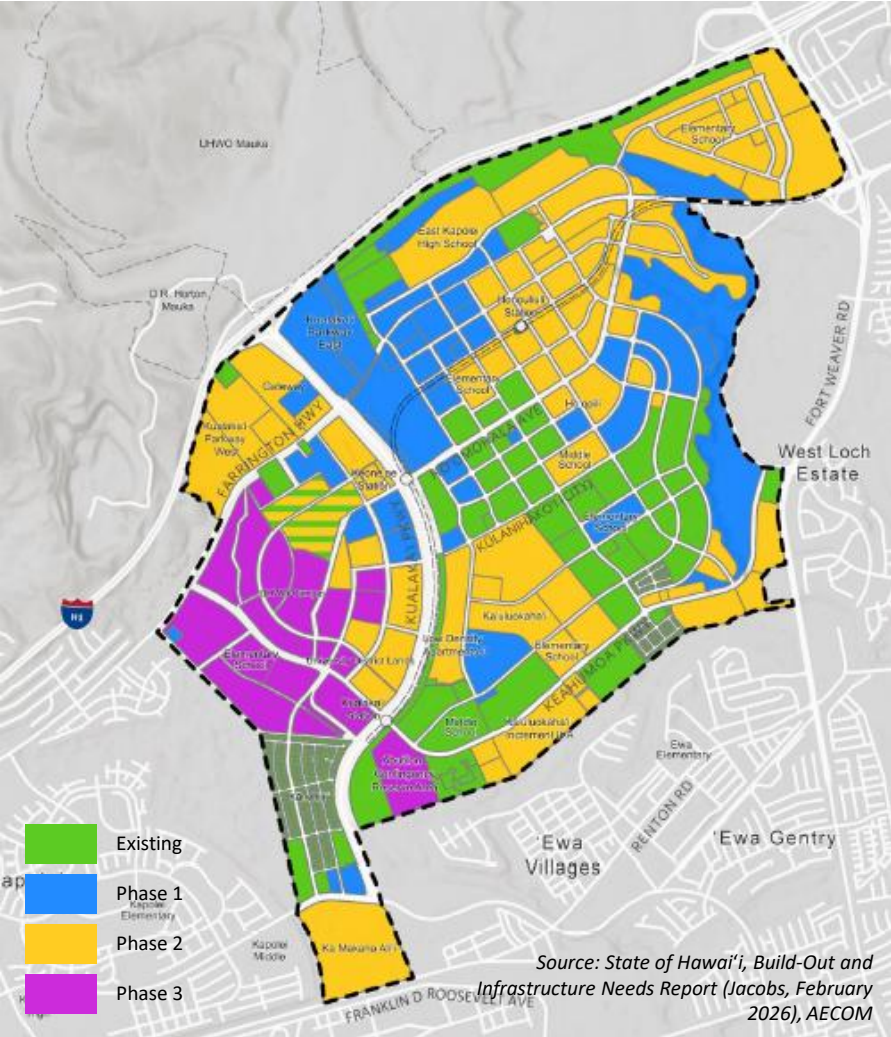
- The development program underpinning all fiscal impact estimates is drawn from regional planning documents and the EKMP. AECOM **allocated residential uses into distinct product types** and **disaggregated commercial uses into office and retail components**.
- Per the EKMP, Phase 1 spans 5 years, while Phases 2 and 3 each span 10 years.

Development Program

	Phase 1	Phase 2	Phase 3	Full Build-Out
Residential Units	5,310	12,330	5,220	22,860
Market Rate Rentals	3,910	6,680	1,890	12,470
Market Rate For Sale	510	1,040	0	1,550
Affordable Rentals	830	4,500	3,340	8,660
Affordable For Sale	60	120	0	170
Commercial GSF	788,200	3,179,250	1,086,050	5,053,490
Retail	630,560	2,543,400	868,840	4,042,790
Office	126,110	508,680	173,770	808,560
Educational GSF	97,000	653,000	97,000	847,000
Industrial GSF	754,000	1,256,800	279,450	2,290,250
Hotel Rooms	180	180	0	360

Note: Key infrastructure cost and development program assumptions sourced from the Build-Out and Infrastructure Needs Report (Jacobs, February 2026)

Planned Build-Out Phasing



02 Fiscal Impact Analysis

02 Fiscal Impact Analysis: Estimated Real Estate Market Values

Methodology

- The following analysis is calculated according to the **baseline scenario**, including minimum affordability requirements and tax exemptions.
- Market inputs (CoStar and Redfin) informed key assumptions by asset type: market rents, vacancy rates, operating expenses, and cap rates. Affordable units were valued at 35% of market rate.
- These inputs were used to **estimate stabilized income** and **derive market values by asset type**, forming the basis for calculating property tax revenue over the 25-year horizon.
- The total nominal real estate market value is estimated at **\$189.2B**.

Estimated Results

Metric	Nominal	NPV (2025 \$)
Total Value	\$189,243,581,000	\$94,664,065,000
Residential	\$155,671,086,000	\$78,173,963,000
Commercial	\$41,499,228,000	\$20,514,023,000

Real Estate Market Values (2025 \$)

Asset Type	Rent / Sale Price / Average Daily Rate (ADR)	Operating Expenses	Capitalization Rate	Unit Value
Residential				
Market Rate Rentals	\$3,200	40%	4.5%	\$574,080 per Unit
Market Rate For Sale	\$650,000	N/A	N/A	\$633,750 per Unit
Affordable Rentals	N/A	N/A	N/A	\$200,930 per Unit
Affordable For Sale	N/A	N/A	N/A	\$221,810 per Unit
Commercial				
Retail	\$35.00	30%	5.5%	\$500 per SF
Office	\$32.50	50%	9.5%	\$170 per SF
Industrial	\$18.00	35%	6.0%	\$220 per SF
Hotel	\$450.00	75%	8.0%	\$643,580 per Room
Institutional / Education				
Institutional	N/A	N/A	N/A	\$0 per SF
School	N/A	N/A	N/A	\$0 per SF

Source: CoStar, Build-Out and Infrastructure Needs Report (Jacobs, February 2026), AECOM

02 Fiscal Impact Analysis: Estimated Property Tax Revenue

Methodology

- Property tax revenues are estimated using rates that vary by product type, with exemption assumptions applied based on expected development typologies, local affordable housing regulations, and individual landowner policy goals.
- Market-rate residential units are taxed at \$3.50 per \$1,000 of assessed value; commercial properties are taxed at \$12.40 per \$1,000 of assessed value. With assessed value assumed at 100% market value, these values were converted into effective tax rates varying by product type.
- An additional property tax is levied on undeveloped land at rates varying by product type, with associated revenue diminishing as development phases are delivered.
- Total nominal property tax revenue over the 25-year horizon is estimated at **\$2.4B**.

Estimated Results (2025 \$)

Metric	Nominal	NPV
Total Value	\$2,427,327,000	\$1,194,264,000
Residential	\$784,587,000	\$380,303,000
Commercial	\$1,150,255,000	\$539,882,000

Property Tax Rate & Growth Assumptions (2025 \$)

Asset Class	Effective Tax Rate	Annual Tax Rate Growth
Residential		
Market Rate Rentals	\$2,009 per Unit	3.00%
Market Rate For Sale	\$2,218 per Unit	3.00%
Affordable Rentals	\$0	3.00%
Affordable For Sale	\$0	3.00%
Commercial / Institutional		
Retail	\$11.00 per GSF	3.00%
Office	\$7.00 per GSF	3.00%
Industrial	\$7.00 per GSF	3.00%
Hotel	\$3,500 per Room	3.00%
Institutional / Education		
Institutional	\$0	3.00%
School	\$0	3.00%
Vacant Land	Varies by Zoning Designation	3.00%

Source: City & County of Honolulu, CoStar, Build-Out and Infrastructure Needs Report (Jacobs, February 2026), AECOM

02 Fiscal Impact Analysis: Estimated Income Tax Revenue

Methodology

- State income tax revenue is estimated by applying an effective tax rate, reflecting the average of State and Honolulu rates, to median household income derived from 2024 data for the Kapolei and East Kapolei Census Designated Places (CDPs).
- Projected household income growth is informed by a holistic analysis of both short-term (2020–2024) and long-term (2015–2024) trends across the County, Downtown Honolulu, and the Kapolei and East Kapolei CDPs.
- Note that this approach does not account for residents working fully remote jobs, whose income would not be taxed within the Study Area.
- Total nominal income tax revenue over the 25-year horizon is estimated at **\$4.9B**.

Income Tax Rate & Growth Assumptions

Inventory	Unit Value
Median Household Income (2024 \$)	\$125,000
Annual Household Income Growth	4.0%
Effective Income Tax Rate	6.0%

Estimated Results

Metric	Nominal	NPV (2025 \$)
Total Income Tax Revenue	\$4,888,259,000	\$2,299,830,000

Source: City & County of Honolulu, US Census 5-Yr ACS, Build-Out and Infrastructure Needs Report (Jacobs, February 2026), AECOM

02 Fiscal Impact Analysis: Estimated TAT Revenue

Methodology

- The Transient Accommodations Tax (TAT) is levied on gross rental proceeds from short-term accommodations, defined as any room, apartment, or living space rented for fewer than 180 consecutive days, as well as on time share units and gross receipts from transient accommodations brokers, travel agents, and tour packagers.
- TAT revenues are estimated by applying the applicable tax rate to projected room revenues over the 25-year horizon.
- Total nominal TAT revenue over the 25-year horizon is estimated at **\$286.7M**.
- The image at right reflects Hyatt House at Ho’opili, a 132-room upscale hotel slated for delivery in ‘Ewa Beach, HI in 2026, as a representative hospitality product for the Study Area.

TAT Rate Assumptions

Inventory	Unit Value
Effective TAT Rate	14.0%
State	11.0%
County & City	3.0%

Estimated Results

Metric	Nominal	NPV (2025 \$)
Total TAT Revenue	\$286,667,000	\$138,074,000

Representative Study Area Hotel: Hyatt House at Ho’opili



Source: State of Hawai’i, City & County of Honolulu, CoStar, Build-Out and Infrastructure Needs Report (Jacobs, February 2026), AECOM

02 Fiscal Impact Analysis: Estimated GET Revenue

Methodology

- The General Excise Tax (GET) is a privilege tax imposed on businesses for the right to operate in the state, applied to gross receipts before any deductions. GET applies at every level of the transaction chain: producers, distributors, and retailers.
- To estimate GET revenue, AECOM applied Fiscal Year (FY) 2025 actual GET revenue per capita to the estimated Study Area population.
- Note that this approach does not account for GET revenue generated by visitors to the Study Area and may therefore modestly understate GET revenue.
- Total nominal GET revenue over the 25-year horizon is estimated at **\$11.5B**.

GET Rate Assumptions

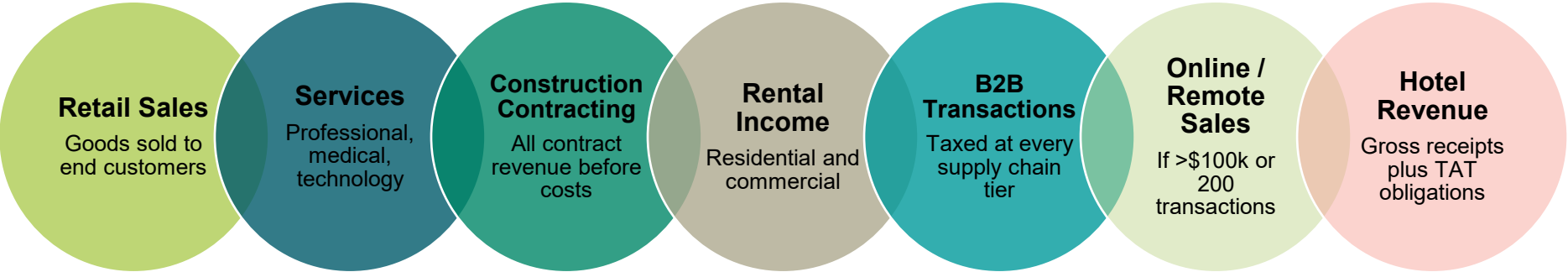
Metric	Unit Value
Cumulative GET Rate	4.5%
State	4.0%
County & City	0.5%

Estimated Results

Metric	Nominal	NPV (2025 \$)
Total GET Revenue	\$11,544,417,000	\$5,489,299,000

Source: State of Hawai'i, City & County of Honolulu, Build-Out and Infrastructure Needs Report (Jacobs, February 2026), AECOM

Activities Subject to GET



02 Fiscal Impact Analysis: Estimated Other Fiscal Revenues

Methodology

- In addition to the major revenue sources, the analysis includes other applicable fiscal revenues generated by the development program, such as motor vehicle weight taxes, public utility franchise taxes, utility-related revenues, and other locally relevant sources.
- To estimate other fiscal revenue, AECOM identified actual FY 2024 revenue and applied a growth
- Total nominal revenue from other fiscal sources is estimated at **\$5.3B**.

Other Fiscal Sources

Revenue Source	Charged	Unit Revenue	Growth Rate	Nominal Revenue	NPV (2025 \$)
Sewer Service Charges	<i>Per Occupied Unit</i>	\$1,400	3.0%	\$714,251,000	\$339,695,000
Motor Vehicle Weight Tax	<i>Per Resident</i>	\$190	4.5%	\$864,725,000	\$403,317,000
Charges for Services	<i>Per Resident</i>	\$90	3.0%	\$3,239,743,000	\$1,458,960,000
Licenses and Permits	<i>Per Resident</i>	\$65	3.0%	\$230,888,000	\$109,786,000
Public Utility Franchise Tax	<i>Per Resident</i>	\$65	3.0%	\$230,888,000	\$109,786,000
Total Other Fiscal Revenue				\$5,280,495,000	\$2,421,544,000

Source: City & County of Honolulu, US Census 5-Yr ACS, Build-Out and Infrastructure Needs Report (Jacobs, February 2026), AECOM

03 Value Capture Mechanisms

03 Value Capture Mechanisms

Available Mechanisms

- Value capture is a **public financing strategy through which a government recovers a portion of the increase in land or property value** generated by public infrastructure investment.
- Common value capture mechanisms include developer contributions, tax increment financing (TIF), public-private partnerships (P3), and special assessment districts (SAD), among others.
- One mechanism — earmarking tax revenue for a dedicated purpose — is already in use in the Study Area: all GET surcharge revenue collected in Honolulu is currently directed toward the Honolulu Authority for Rapid Transportation (HART) rail project
- The table at right presents a **“menu” of options** available to the State for implementation in the Study Area to amplify the return on infrastructure investment.
- Hawai‘i’s unique regulatory environment renders some mechanisms more feasible than others. Each mechanism at right requires additional analysis to determine suitability and feasibility for the Study Area.

Mechanism	Description	Regulatory Availability in Honolulu
Negotiated developer contributions	Cash, land, or in-kind contributions negotiated with developers in exchange for zoning approvals or project entitlements	Well-established practice in Honolulu; widely used for on-site and community benefit contributions during rezonings
Special assessment districts (SADs)	Property owners within a defined zone agree to pay an ongoing special assessment to fund improvements such as streetscape, maintenance, security, environmental restoration, or climate adaptation projects	Ready to implement; precedents exist in Honolulu (Waikiki Beach SID, Waikiki Business Improvement District (BID), Fort Street Mall BID, Chinatown Improvement District)
Ground leases	Long-term leases of government-owned land to private developers, generating ongoing lease revenue while retaining public ownership of the land	Ready to implement; State and County agencies have existing authority and precedents
Tax increment financing (TIF)	Captures incremental real property tax (RPT) revenues generated within a designated district after its creation	State TIF enabling law exists but has never been implemented; bond-backed TIF is constitutionally uncertain, making PAYGO TIF the viable near-term path — though still requires two City Council ordinances (general TIF framework + district-specific) that do not yet exist
Joint development	Private real estate development projects co-located on or adjacent to public infrastructure (e.g., transit stations), structured so that the public agency shares in development revenues or receives community benefits in exchange for land or development rights	Agencies have expressed a conservative approach toward direct monetization in some TOD contexts; however, opportunities exist particularly where State agencies control key parcels
Development impact fees	One-time fees levied on new development to offset infrastructure costs associated with growth	Authorized in the State but currently restricted in Honolulu to roadway improvements in the ‘Ewa area only
Utility user charges / utilities district	A utilities district dedicates revenues from electricity, water, and sewer charges paid by new development within a TOD area to fund new infrastructure serving the district	Authorized but no precedents of implementation as a dedicated infrastructure funding mechanism

Source: City & County of Honolulu, State of Hawai‘i, AECOM

04 Appendix A: Glossary

04 Appendix A: Glossary

Glossary

Acronym	Full Term
ACS	American Community Survey
ADR	Average Daily Rate
BID	Business Improvement District
BLS	Bureau of Labor Statistics
CAGR	Compound Annual Growth Rate
CDP	Census Designated Place
DHHL	Department of Hawaiian Home Lands
DLNR	Department of Land and Natural Resources
DTS	Department of Transportation Services
EKMP	East Kapolei Infrastructure Implementation Master Plan
FY	Fiscal Year
GET	General Excise Tax
GSF	Gross Square Feet
HART	Honolulu Authority for Rapid Transportation
HCDA	Hawai'i Community Development Authority
HHFDC	Hawai'i Housing Finance and Development Corporation
NNN	Triple Net Lease

Acronym	Full Term
NPV	Net Present Value
NSF	Net Square Feet
OMB	Office of Management and Budget
OPSD	Office of Planning and Sustainable Development
P3	Public-Private Partnerships
PAYGO	Pay-As-You-Go
ROH	Revised Ordinances of Honolulu
RPT	Real Property Tax
SAD	Special Assessment Districts
SF	Square Feet
TAT	Transient Accommodations Tax
The Study	Value Capture Study
The Study Area	East Kapolei TOD Area
TIF	Tax Increment Financing
TOD	Transit-Oriented Development
UH	University of Hawai'i

05 Appendix B: Detailed Assumptions

05 Appendix B: Detailed Assumptions

Demographics

Item	Assumption	Methodology	Source
Median Household Income	\$125,000	Based on the 2024 average in Kapolei CDP and East Kapolei CDP, rounded to 25,000	US Census 5-Yr ACS
<i>Annual Household Income Growth</i>	4.0%	Based on a holistic analysis of short-term (2020–2024) and long-term (2015–2024) growth trends across the county, Downtown, and the Kapolei and East Kapolei CDPs	US Census 5-Yr ACS
Households per Occupied Unit	1.0	-	US Census 5-Yr ACS
Persons per Occupied Unit	3.5	Based on the 2024 average population per occupied unit in East Kapolei and Kapolei, rounded to the nearest 0.5	US Census 5-Yr ACS

Commercial Space Required per Job

Asset Type	Assumption	Methodology	Source
Retail	500	Based on the post-2010 pipeline of retail and office development in suburban TODs	CoStar, AECOM
Office	200	Based on the post-2010 pipeline of retail and office development in suburban TODs	CoStar, AECOM
Industrial	2,000	Warehousing/Wholesale Trade	CoStar, AECOM
Hotel	1	-	CoStar, AECOM
Institutional/School	1,000	-	CoStar, AECOM

Global Assumptions

Item	Assumption	Methodology	Source
Discount Rate (Nominal)	4.4%	30-yr nominal interest rates on treasury notes and bonds	Office of Management and Budget
Global Assumption	No marginal changes	-	AECOM

05 Appendix B: Detailed Assumptions

Residential Property Tax Rate & Growth Assumptions

Item	Assumption	Methodology	Source
Property Tax Rate Growth	3.0%	-	AECOM
Market Rate Rentals			
Tax Rate per \$1k Assessed Value	\$3.50	-	City & County of Honolulu
Effective Tax Rate per Unit	\$2,009	Tax rate multiplied by each \$1,000 of assessed value	CoStar, AECOM
Market Rate For Sale			
Tax Rate per \$1k Assessed Value	\$3.50	-	City & County of Honolulu
Effective Tax Rate per Unit	\$2,218	Tax rate multiplied by each \$1,000 of assessed value	CoStar, AECOM
Affordable Rentals			
Tax Rate per \$1k Assessed Value	\$3.50	-	City & County of Honolulu
Effective Tax Rate per Unit	\$9.00	Tax rate multiplied by each \$1,000 of assessed value	CoStar, AECOM
Affordable For Sale			
Tax Rate per \$1k Assessed Value	\$3.50	-	City & County of Honolulu
Effective Tax Rate per Unit	\$0.00	Tax rate multiplied by each \$1,000 of assessed value	CoStar, AECOM

05 Appendix B: Detailed Assumptions

Commercial Property Tax Rate & Growth Assumptions

Item	Assumption	Methodology	Source
Property Tax Rate Growth	3.0%	-	AECOM
Retail Tax Rate	\$11.00	Per GSF	City & County of Honolulu, CoStar, AECOM
Office Tax Rate	\$7.00	Per GSF	City & County of Honolulu, CoStar, AECOM
Industrial Tax Rate	\$7.00	Per GSF	City & County of Honolulu, CoStar, AECOM
Hotel Tax Rate	\$3,500	Per Room	City & County of Honolulu, CoStar, AECOM
Institutional Tax Rate	\$0	Per GSF	City & County of Honolulu, AECOM
School Tax Rate	\$0	Per GSF	City & County of Honolulu, AECOM
Vacant Land Tax Rate	Varies by zoning designation	Per \$1,000 of assessed value	City & County of Honolulu, CoStar, AECOM

Rent Growth

Item	Assumption	Methodology	Source
Residential	3.0%	10-year compound annual growth rate (CAGR), market rate effective rent, rounded	CoStar, AECOM
Retail	2.0%	10-year CAGR, market rate effective rent, rounded	CoStar, AECOM
Office	6.0%	10-year CAGR, market rate effective rent, rounded	CoStar, AECOM
Industrial	3.0%	10-year CAGR, market rate effective rent, rounded	CoStar, AECOM
Hotel	5.5%	10-year CAGR, market rate effective rent, rounded	CoStar, AECOM

05 Appendix B: Detailed Assumptions

Property Rent / Sale Price / Average Daily Rate			
Item	Assumption	Methodology	Source
Residential			
Market Rate Rentals	\$3,200 monthly rent	3-year average effective rent, Study Area, rounded to \$100	CoStar
Market Rate For Sale	\$650,000 sales price	Average sales price, Study Area, rounded to \$10,000	Redfin
Affordable Rentals	35% of market rate rentals	-	AECOM
Affordable For Sale	35% of market rate for sale units	-	AECOM
Commercial			
Retail	\$35.00 Triple Net (NNN) per SF, annually	3-year average, Suburban TOD, rounded to \$0.50	CoStar
Office	\$32.50 gross per SF, annually	2025, Suburban TOD, rounded to \$0.50	CoStar
Industrial	\$18.00 NNN per SF, annually	3-year average, Suburban TOD, rounded to \$0.50	CoStar
Hotel	\$450 nightly	3-year average, Suburban TOD, rounded to \$5.00	CoStar
Institutional / School	\$0.00	Assuming no market values	CoStar
Vacant Land	\$3,400,000 per acre	Average sales price of suburban vacant land comparables in Honolulu since 2020	CoStar

05 Appendix B: Detailed Assumptions

Real Estate Market Valuation

Asset Type	Rent	Growth Rate	Other Revenues	Vacancy	Operating Expenses	Capitalization Rate	Unit Value
Residential							
Market Rate Rentals	\$3,200	3.0%	15%	2.5%	40.0%	4.5%	\$574,080 per Unit
Market Rate For Sale	\$650,000	3.0%	-	2.5%	-	-	\$633,750 per Unit
Affordable Rentals	-	-	-	-	-	-	\$200,928 per Unit
Affordable For Sale	-	-	-	-	-	-	\$221,813 per Unit
Commercial							
Retail	\$35.00	2.0%	15%	2.0%	30%	5.5%	\$502 per NSF
Office	\$32.50	6.0%	10%	7.5%	50%	9.5%	\$174 per NSF
Industrial	\$18.00	3.0%	15%	2.0%	35%	6.0%	\$220 per NSF
Hotel	\$450.00	5.5%	65%	81.5%	75%	8.0%	\$643,576 per Room
Institutional	\$0	0.0%	0%	0.0%	0%	0.0%	\$0 per NSF
School	\$0	0.0%	0%	0.0%	0%	0.0%	\$0 per NSF

05 Appendix B: Detailed Assumptions

Income Tax			
Item	Assumption	Methodology	Source
Effective Income Tax Rate	6.0%	Based on the 2024 average in Kapolei CDP and East Kapolei CDP, rounded to 25,000	State of Hawaiʻi, US Census 5-Yr ACS
Transient Accommodations Tax			
Asset Type	Assumption	Methodology	Source
Effective Tax Rate	14.0%	-	CoStar, AECOM
State	11.0%	-	State of Hawaiʻi
City & County	3.0%	-	City & County of Honolulu
General Excise Tax			
Item	Assumption	Methodology	Source
GET Rate	\$3,250 per Resident	FY2025 charges for services divided by 2025 population, rounded	State of Hawaiʻi
Annual GET Revenue Growth	3.0%	-	BLS
GET Rate	4.5%	-	State of Hawaiʻi, City & County of Honolulu
State	4.0%	-	State of Hawaiʻi
County & City	0.5%	-	City & County of Honolulu

05 Appendix B: Detailed Assumptions

Other Fiscal Revenues

Item	Assumption	Methodology	Source
Sewer Service Charges	\$1,400 per Occupied Unit	FY2024 sewer service charge revenue divided by 2024 number of occupied units, escalated to 2025 values, rounded	City & County of Honolulu, US Census 5-Yr ACS, AECOM
Motor Vehicle Weight Tax	\$190 per Resident	FY2024 motor vehicle weight tax revenue divided by 2024 population, escalated to 2025 values, rounded	City & County of Honolulu, US Census 5-Yr ACS, AECOM
Charges for Government Services	\$90 per Resident	FY2024 charges for services divided by 2024 population, escalated to 2025 values, rounded	City & County of Honolulu, US Census 5-Yr ACS, AECOM
Licenses & Permits	\$65 per Resident	FY2024 licenses & permits revenue divided by 2024 population, escalated to 2025 values, rounded	City & County of Honolulu, US Census 5-Yr ACS, AECOM
Public Utility Franchise Tax	\$65 per Resident	FY2024 public utility franchise revenue divided by 2024 population, escalated to 2025 values, rounded	City & County of Honolulu, US Census 5-Yr ACS, AECOM
Other Fiscal Revenue Annual Growth Rate	3.0% annually		AECOM

Thank you!

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