Building communities for a better tomorrow

Commercial Real Estate Strategies
Ke Ali‘i Bernice Pauahi Bishop

Great-Granddaughter of Kamehameha ʻEkahi

Last lineal descendent
During Her Lifetime
Her Life and Legacy

Establishes Kamehameha Schools  Change Agent  Steward of Native Hawaiian education  Restores her people through education
Within a generation of twenty-five years, we see a thriving lāhui where our learners achieve postsecondary educational success, enabling good life and career choices.

We also envision that our learners will be grounded in Christian and Hawaiian values and will be leaders who contribute to their communities, both locally and globally.
Supporting Haumāna

59,565
Total number of learners served in SY18-19

7,011
students supported on 3 campus & 29 preschools

13,594
extension education learners
Market Position

Endowment value FY18-19 $12.1 B
Hawaiʻi largest private landowner 363k acres
Focused Campus Based Programs (Including Preschools) 53%

Scholarships 9%

Community Focused Programs 21%

Other Educational Costs primarily capital and support

Hawaii Real Estate 31%

Financial Assets 69%

$12.9B Endowment Value

$483 Million FY18-19 Spending

$4 Billion Endowment Value
Commercial Portfolio

$3.7B commercial real estate
18 market areas
275 properties
Portfolio Value by Lease Classification

- Ground: 80%
- Space: 19%
- Vacant: 1%

Portfolio Value by Property Type

- Retail: 36%
- Hospitality: 20%
- Industrial: 13%
- Multi-Family: 9%
- Mixed Use: 7%
- Land: 7%
- Office: 5%
- Sports/...: 1%
- Special Purpose: 1%

Commercial Acreage: 15K acres
Productive Acreage: <1K acres
Why does KS manage real estate?
Urban Honolulu Consumer Price Index, Selected Categories

Energy  
Apparel  
Food & Beverage  
Housing  
Medical Care  
Transportation  
All items

Source: U.S. Bureau of Labor Statistics

* Note: Data for Medical Care is missing for 2001-03, 2005-07, and 2018.
Housing Market vs. Family Median Income vs. New Building Permits

[Graph showing trends in new building permits, median household income, and housing cost over the years from 1959 to 2018.]

- Median Sale Price: $772,000
- Median Income of Family of 4: $104,600
- AMI:
  - 1977: 11
  - 2005: 22,767 permits
  - 2018: 2,556 permits
- Yearly New Building Permits:
  - 1959: $20,900
  - 1977: $6,366
  - 2018: $104,600
Our Challenge – Our Strategy
Why a Regional Approach?

Improving the well-being and success of keiki, ‘ohana and communities requires KS to recognize and influence drivers of healthy and sustainable schools, ‘āina, and socio-economic systems.

1. Education
   - Access to quality education options
   - Rooted in Hawaiian culture and community
   - Empowered educators and school leaders

2. Housing
   - Affordable housing
   - Sustainable community development
   - Homelessness

3. Infrastructure
   - Transportation
   - Water
   - Energy

4. Business
   - Jobs
   - Economic growth & industries
   - Entrepreneurship & innovation

5. Health
   - Social services & support systems
   - ‘Ohana stability & engagement
   - Food sustainability

6. ‘Āina
   - Native Hawaiian identity inspiration
   - Provision of ecosystem services
   - Linking educational mission & ‘āina legacy
How the Rail helps to drive Our Mission
Kapālama Kai Plan

Size: 105 acres

Units: 4,500 – 5,000 du

Market: 80% - 140% AMI

Green Space: 7 acres

Retail: 700K – 1M sqft

Industrial: 1M -1.2M sqft
Kapālama Kai
Phase I

Size:
16 acres

Units:
1,800 - 2,500 du

Market:
80% - 140% AMI

Green Space:
3.8 acres

Retail:
100K - 160K sqft

Flex Industrial:
60K - 130K sqft
Our Kakaʻako

Kakaʻako Housing Projects

Housing units  Kamaʻaina/ Workforce Housing
1,350  456
Our Kakaako – Phase II Remaining Blocks
Our Kaka’ako – Phase II

Conceptual Retail Concept
Waiawa Master Plan

| 1,395 Acres | 789 Acres | 4,300 various types of NEW homes | 380k sqft. Commercial/retail |

Waiawa Solar Phase 1
Waiawa Solar Phase 2
Mix use
Pearl Highlands Transit Station
Kahāla

Kūʻono Marketplace at Kāhala
GLA: 40,000 square feet restaurant, retail, and offices
Parking: 150 stalls
Opening: Fall 2020 est.
Today’s Children. Tomorrow’s Community.
Mahalo