

FINANCIAL EXECUTIVE SUMMARY

1694 KALAKAUA AVENUE: The Waikiki Gateway Development

OFFERING PRICE: \$7,800,000

TOTAL LAND AREA: 12,932 SF (BMX-3) + 7,497 SF (A-2)

BUILDABLE DENSITY: 46,580 SF (Approved Joint Development Calculation)

PRICE PER BUILDABLE SF: \$167.45 (Highly Competitive)

1. INVESTMENT OVERVIEW

1694 Kalakaua Avenue represents a rare "Covered Land" opportunity in the high-barrier Honolulu market. The site features a shovel-ready architectural concept for a 135-foot mixed-use tower utilizing **46,580 SF** of allowable density. Unlike raw land, the asset provides immediate **Holding Income** from existing commercial tenants to mitigate carrying costs during entitlement and permitting.

2. FINANCIAL PERFORMANCE: CURRENT VS. FUTURE

A dual-track analysis demonstrating the immediate holding value and the stabilized development yield.

METRIC	CURRENT (HOLDING)	FUTURE (STABILIZED)
Status	Existing Commercial Retail (1948)	Proposed 10-Story Mixed-Use Tower
Gross Revenue	\$486,906 (Actual 2024 Adj)	\$2,065,380 (Pro Forma)
Vacancy Allowance	0.0% (Fully Leased)	5.0% (Market Standard)
Effective Gross Income	\$486,906	\$1,962,111
Operating Expenses	(\$198,249) (40% Exp. Ratio)	(\$686,739) (35% Exp. Ratio)
NET OPERATING INCOME	\$288,657	\$1,275,372
Cap Rate / Yield	3.70% (at \$7.8M Price)	16.35% (Yield on Land Basis)

Key Takeaway: At **\$7.8M**, the Current Cap Rate rises to **3.70%**, providing stronger coverage for debt service and property taxes while the developer finalizes permits.

3. DEVELOPMENT ECONOMICS (PRO FORMA)

Projected sellout values based on 2026 Kapiolani Corridor market comparables (\$1,100–\$1,300 PSF).

THE CONCEPT:

- **Structure:** 10-Story Tower over Podium
- **Units:** 40 Residential (10 Two-Bed / 30 One-Bed)
- **Commercial:** 4,870 SF Ground Floor Retail
- **Parking:** 31 Assigned Stalls (0.77 Ratio)

ESTIMATED SELLOUT VALUE:

ASSET CLASS	NET SELLABLE SF	EST. PRICE / SF	TOTAL VALUE
Residential Condos	17,500 SF	\$1,178 avg	\$20,625,000
Commercial Retail	4,870 SF	\$1,100 avg	\$5,357,000
Parking Stalls (31)	N/A	\$40,000 / stall	\$1,240,000
TOTAL GROSS SELLOUT		22,370 SF	~\$27,222,000

Note: Sellout estimate is based on the current 48% efficiency design. Optimizing the full 46,580 SF envelope could potentially double the gross sellout value.

4. LAND VALUATION BENCHMARKS

- **Listing Price Per Buildable SF: \$167.45**
- **Market Comps (Urban Core): \$175 – \$225**
- **Comparable Trades:** By listing at **\$167/SF**, this offering is priced below the typical \$175/SF floor for entitled land in the Ala Moana corridor, positioning it as an immediate "Value Buy" for developers.

CONTACT FOR FULL OFFERING MEMORANDUM:

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