Nalu Lani Plaza @ 401 Kamakee Street

Some notes & Q's from other conversations, past Buyer interest, etc:
(Last updated 9/10/26)

Why did the Owner(s) pull the sale of the building back in late 2023: This property is family owned. The Father, Dr. Wasnich, is getting up in age and planned to step down his duties of, "Landlord," and really go into a full retirement mindset. He was hands on and has been a part of the desired projects for the building and not much it left to do. The building has achieved everything Dr. Wasnich wished for and more. The revenue is strong and he wanted to move on and do other interest in his later years. The two siblings of Dr. Wasnich's decided after all that they would give being, "Landlords" a go and requested to stop listing and not take any more offers which were starting to come in.

Why did the Owner(s) list in middle of 2025 the pull the sale of the building in late 2025? There was instability with the new Restaurant, in fighting, in-house employee theft, not paying rent, stopping then starting up again, etc. That went into Middle of 2026. The issue was resolved; we worked with them, they sold out the restaurant to friends, and paid us back in full. The new Owners of the Restaurant, "Special Noddle," have been remodeling and should be opening in October 2026. Rent has been paid in full.

Why did the Owner(s) list in the middle of 2026 and then pull the sale of the building back in July 2026? We were confident in the restaurant issue, NOI was good and caught up, and so we re-listed as things were rolling along good. Then, unfortunately, Dr. Wasnich passed away in early July 2026. That put a halt on everything. It has been emotional plus they had to get legal paperwork issues in order.

Why are the Landlords selling now in late 2026? The two main operating Landlords have both decided being Landlords is not in their true desires. They have their own current financial interest and don't want to be involved so much in property management, oversight, handling decisions, approving leases, etc. Both are reaching an age where they would also like to retire soon, focus on family, and do other things. Even though the property is profiting greatly they have all decided to sale the property if the price is right and use the money in some other aspirations they have. **<u>This time they are all fully committed to sale the property</u>.**

Factors that create this unique cash flow. 1) Location 2) No real other office space in the area 3) We downsized most of the office spaces to 300sf or less to fit the future which is now. 4) Wholefoods 5) Wholefoods free public parking - 4th & 5th floor 6) Waimanu condo complex that is behind our building rents out stalls to our Tenants. They like the cash flow, we get Monthly stalls for our Tenants at only $125 a month. Along w/our own parking lot and #5 & #6 above parking is not an issue and actually plentiful. 7) Updated building 7) All the new condos in the area. People want an office close to work. We now have at least 12 Tenants and their employees who walk to work. This trend is growing.

What's the NOI story of the property? Projected NOI for 2026 is $1,164,000, **5.8% Cap** rate at $20,180,000. As of Septmeber 2026 we are doing great and in Budget. Recent past history the most impressive factor I find is that we excelled through the 2018 economical crash, 2020 Covid period having no real loss of income by working with Tenants at the time in a holistic mindset. The property has been stable and strong for years. Each year we have raised base rents and controlled expense very well. I see no reason or factors causing this property to stop being profitable. Things break and happen but we get them resolved and Tenants stay and keep wanting to be here.

In 2022 why was 1000sf of the past Restaurant space converted to the now RE/MAX HAWAII space? Main reason was to lower the scale of a future restaurant and create another stable Retailer. We saw the future of restaurants to be more profitable with less indoor space, and allow a lower price point for the Restaurant to operate, and force the use of the outside seating area which was not being fully utilities as we saw it could be. We basically planted the seed for a more vibrant, profitable, fun, higher end and attractive restaurant that would add to the synergy and value of the building. Quality attracts like kind.

Gaining RE/MAX HAWAII is a win! Great Tenant and National brand that doesn't compete with our other Retail Tenants, pays the same going retail rate, and mixes well with the synergy of the building.

Fast forward to now – The concept worked. We are getting great rents and we are excited for the opening of the new restaurant and what it will bring.

Do we have a loan quote? No we do not. The loan would probably need to be a partial loan with a large down as a larger loan would eat up the NOI. The Landlords current loan cost is $36K a month. If a Buyer user didn't care about NOI so much for tax reasons like a major Corporation then that Buyer might get a loan at a higher amount on purpose and then just write it off against their Real Estate portfolio, etc on purpose. A higher loan would fit that purpose, as an example. Because this is an office building I have been told banks are only giving 55% or less. Despite this building having a strong NOI, no vacancies for years, we are still being lumped into the current market where most buildings are not doing so well. A hard lender would be needed if desiring a larger loan. At this point, an all Cash Buyer appears to be the best fit.

What type of Buyer do we think this property fits best? We figure a strong net worth Buyer, All Cash, 1031 exchange type, and/or Some Corporation Buyer–User that can use a nice right off, etc would fit best.

What is the Cooperating Broker Commission? 2%, not too bad at this price.

The Wholefoods factor – I can't get exact numbers but at least 95,000 plus a month visit this location. Free parking on 4th and 5th floor for the "area" has helped us a lot. The walkability factor and flow of people has increased dramatically. Even the main Amazon return facility is at Wholefoods across our building. All this is just trickling over to NLP making our Retail

Tenants money, higher convenience factor for our upper Tenants and their customers. The Tenants customers like coming to this location. It is only getting busier. All this synergy equals more exposure and $$$ made by all.

Why hasn't the Building sold yet? We have had great interest but getting a loan is hard. Even though we can show strong NOI, stability, etc the banks are going by generalities in a market where a lot of office building have 15% - 35% vacancies. They are only offering 55% or less loans. That killed some of our deals and those interest.

In a market of high office vacancies it appears most investing trends are looking for a steal that they believe they can fix up and turnaround. This takes capital and risk. This property does not need any changing and is rolling around great for years. This property will cater to an investor(s) who wants something steady, proven stable, and less risk. Basically, a turn-key investment, steady eddie, easy as it goes, nothing to do operation. We literally are the only office building in the area. That will always have demand.

Mahalo,

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