



1104 Palama Street

Honolulu, Hawaii · Mixed-Use Investment Opportunity

Mixed-Use · 2 Buildings

TMK: 1-1-6-1-19

Zoned R-5

CUP — Commercial Unit · Built 1910



Building A — Corner of Palama Street — Commercial (ground floor) + 4-bed residential (upper)

KEY METRICS

Asking Price

\$1,500,000

Current Income

\$48,000 / yr

4 rooms @ \$1K/mo

Stabilized Income

\$150K–\$168K / yr

All rooms + commercial

Land / Building

3,849 / 3,296 SF

Conditional Use Permit (CUP) — Protected Commercial Use

The commercial unit carries a CUP, securing its legal commercial operating status within the R-5 residential zone. This rare entitlement protects lender and tenant confidence and is a meaningful differentiator at this price point.

PROPERTY OVERVIEW

Building A — Commercial + Residential

Status: Under Renovation

Building B — Dual Residential Units

Status: Occupied — 4 of 5 Rooms (80%)



Ground Floor Commercial

~2,500 SF · Roll-up door · Street frontage
Suitable for grocery, convenience retail, or light industrial use.

Upstairs — 4-Bedroom Residential

4 rooms · Currently vacant / under renovation

Current Income: \$0 / month

Downstairs Unit — 3 Bedroom

3 rooms

Upstairs Unit — 2 Bedroom

2 rooms

Leasing Model: Room-by-room (dorm-style)

Current Income: \$4,000 / month



Building A — Front elevation with roll-up door



Building B — Street view with 1104 address

PRO FORMA FINANCIALS — STABILIZED

GROSS INCOME — STABILIZED		Annual
9 Residential Rooms @ \$1,000/mo		\$108,000
Commercial Space — Low (\$3,500/mo)		\$42,000
Commercial Space — High (\$5,000/mo)		\$60,000
Gross Income — Low Scenario		\$150,000
Gross Income — High Scenario		\$168,000
OPERATING EXPENSES		Annual
Repairs & Maintenance		\$10,000
Electricity		\$4,800
Sewer / Water		\$2,400
Real Property Tax (RPT)		\$13,523
GET — Commercial lease only @ 4.712% (Oahu)		\$1,979 – \$2,827
Total Operating Expenses		\$32,702 – \$33,550

* GET applies to commercial lease income only. Residential long-term rentals are exempt under Hawaii law. Calculated at Oahu composite rate of 4.712%.

STABILIZED NOI & CAP RATE — \$1,500,000 ASKING PRICE

CONSERVATIVE SCENARIO	UPSIDE SCENARIO
Stabilized NOI \$117,298	Stabilized NOI \$134,450



Cap Rate: 7.8%

Commercial @ \$3,500/mo · GET \$1,979 · Exp \$32,702

Cap Rate: 9.0%

Commercial @ \$5,000/mo · GET \$2,827 · Exp \$33,550

NOI = Stabilized gross income minus total operating expenses. Does not account for vacancy, management fees, or debt service.

INVESTMENT HIGHLIGHTS & VALUE-ADD UPSIDE

- **CUP-Protected Commercial Use** — The Conditional Use Permit secures the commercial unit's legal status within the R-5 zone — a rare entitlement that protects lender and tenant confidence and differentiates this asset from comparable listings.
- **Kalihi Corridor Redevelopment** — The surrounding area is positioned for significant redevelopment over the next 5–10 years, providing long-term land value appreciation well beyond current income performance.
- **High-Demand Commercial Space** — Approximately 2,500 SF of ground-floor space with roll-up door and prime street frontage. Suitable for grocery, convenience, or light industrial use. Estimated market rents of \$3,500–\$5,000/mo represent the single largest near-term income driver.
- **Renovation in Progress — Building A** — Active renovation underway positions 4 additional residential rooms for lease and addresses a significant portion of deferred maintenance, accelerating the path to full stabilization.
- **Flexible Leasing Strategy** — Current room-by-room model maximizes per-SF revenue. A new owner may also reposition as whole-unit rentals depending on market conditions and tenant demand.
- **Clear Path to 7.8–9.0% Stabilized Cap Rate** — Priced for a value-add buyer with a clear, executable stabilization plan — with compelling returns across both ends of the commercial rent range on a \$1.5M basis.



Commercial space interior — open floor plan, currently under renovation



Residential unit interior — updated flooring and bathroom

PROPERTY DETAILS

Address	1104 Palama Street, Honolulu, HI
Tax Map Key (TMK)	1-1-6-1-19
Zoning	R-5 Residential
Conditional Use Permit	Yes — commercial unit
Year Built	1910



Land Area	3,849 SF
Building Area	3,296 SF
Commercial Space	~2,500 SF (roll-up door, street frontage)
Structure	2 detached buildings
Total Residential Rooms	9 (4 in Building A · 5 in Building B)
Asking Price	\$1,500,000
Price per SF (land)	~\$390 / SF
Price per SF (building)	~\$455 / SF

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