

ATAU SAKUMA DIRECT TESTIMONY

PRESENTATION HEARING

Land Block 1, Project 6 (Mahana Ward Village) (KAK 25-045)

Q Please state your name, place of employment, and position.

A Atau Sakuma, Real Estate Broker, Director of Sales Coaching, Locations LLC

Q How long have you been affiliated with Locations?

A I joined Locations in 2007.

Q Please describe your educational background and professional experience.

A Please see my resume, which is attached as an exhibit in this proceeding.

Q Please describe Location's experience.

A Founded in 1969, Locations is a full-service real estate company in Hawaii. In addition to real estate services, our organization also provides mortgage, escrow, and property management services through affiliated entities under our parent company. We are the largest locally-owned real estate company in the State of Hawaii. We are well known and respected for our extensive knowledge and research in the residential real estate market, which allows us to provide excellent customer service.

Q What has your firm been asked to do for this project, Mahana Ward Village (Land Block 1, Project 6)?

A Victoria Ward, Limited (VWL) requested that we provide an analysis and conclusions regarding the Oahu real estate market, with a focus on the demand for market priced housing and parking in urban Honolulu and Kaka'ako, in connection with this project, Mahana Ward Village.

Q Please describe aspects of the Project relevant to your market analysis and conditions.

A Mahana Ward Village's scale, location at the 'Ewa-mauka gateway of Ward Village, unit mix, and integration with transit and walkable open space directly support continued buyer demand in Honolulu's urban core.

Location and Connectivity

Mahana Ward Village will occupy a prominent mauka-end position within the master planned Ward Village community, bounded by Ward Avenue to the northwest, a HART station easement to the north, Queen Street to the northeast, 'A'ali'i to the southeast, and the Halekauwila private driveway to the southwest.

Its frontage along Halekauwila provides direct internal connectivity through Ward Village and outward access to the greater Kaka'ako neighborhood, reinforcing the Project's integration with transit, employment centers, retail, and open space.

Design and Orientation

Mahana Ward Village's location and orientation enhances mauka-makai views and seamlessly integrates the Project with the pattern of connected, walkable and active open and green spaces throughout Ward Village. Wide sidewalks, shade trees, landscaped open areas, and ground-floor commercial frontage contribute to a pedestrian-scaled environment that supports sustained residential desirability and long-term value stability.

Scale and Product Mix

Mahana Ward Village will deliver approximately 451 homes, including studios, one-bedroom units, two-bedroom units, and three-bedroom units allowing participation across a broad range of buyer segments, from first-time purchasers to move-up and downsizing households. The inclusion of approximately 13,600 square feet of commercial space, nearly 52,000 square feet of indoor and outdoor recreational space, and over 12,500 square feet of open space enhances on-site livability and supports absorption by offering a desirable and functional urban lifestyle product.

Of note, the Mahana platform design accommodates studio and one-bedroom homes, which serve an important segment of the housing market. In an environment where inventory remains constrained, the addition of these smaller-format units provides meaningful supply and expands options for first-time buyers, young professionals, elderly seeking to downsize, and local residents who prefer an urban lifestyle.

Studio and one-bedroom units enhance housing flexibility and promote socioeconomic diversity within the community. By broadening the range of attainable price points and household types, these units contribute to a more balanced and inclusive neighborhood fabric. In addition, placing residential units within the podium activates the building throughout the day and evening, reinforcing pedestrian activity and contributing to the vitality and safety of the surrounding streetscape.

Studio and one-bedroom units will be particularly appealing to new condominium purchasers seeking urban conveniences and community services. This market segment includes, among others, seniors who are seeking to downsize and consider the access to healthcare and service providers as a factor in their homebuying decisions, as well as the increasing population of young, single purchasers who are looking for the first time in Kaka’ako and are seeking smaller, more efficient spaces and flexible housing options. Providing options and opportunities for these and other market segments at Mahana Ward Village, through the current design of the podium, will result in a more diverse buyer demographic and community in Kaka’ako, and enhance neighborhood / street-level awareness within Ward Village.

Market Support and Activation

Situated at the ‘Ewa-mauka edge of Ward Village, Mahana Ward Village will generate foot traffic and demand for surrounding retail and service businesses within Ward Village and Kaka’ako. Its ground-level activation and pedestrian enhancements strengthen the neighborhood’s walkability, reinforcing the demand for well-located, integrated mixed-use residential projects.

Q Please describe your market analysis and conclusions.

The O’ahu real estate market exceeded 2025 projections, with momentum accelerating in the second half of the year. Sales activity accelerated in the second half of 2025, with single-family home sales increasing 16 percent and condominium sales rising 9 percent compared to the first half of the year, signaling renewed market activity. Annual prices increased approximately 4 percent for single-family homes and declined modestly by 1 percent for condominiums, although the condo segment showed strengthening conditions toward year-end as remaining inventory declined for both product types in December 2025.

There is continued strong demand from buyers, and limited for-sale inventory and developable land insulates Oahu’s market from some of the vulnerabilities seen in many Mainland markets. With mortgage rates trending lower and stabilizing, sales activity and competitive conditions reflect renewed buyer confidence. Under these conditions, the O’ahu real estate market is positioned for moderate, sustainable growth.

The major indicators of Oahu’s strong demand for housing are described further below.

Lack of inventory

Inventory constraints remain a primary driver of market strength. Although active listings increased compared to the prior year, overall supply remains limited. As of the end of December 2025, there were 691 active single-family home listings and 2,254 active condominium listings on O’ahu.

Months of Remaining Inventory (MRI), which measures how long existing inventory would last at the current absorption rate if no new supply were added, remains below balanced-market levels. In December 2025, MRI stood at 2.9 months for single-family homes and 6.1 months for condominiums. These levels reflect continued supply constraints, particularly in the single-family segment.

Competitive Bidding

Bid-ups are the percent of sales that are bid-up over asking price in competitive bidding and are another key indicator of strong market demand and of upward pressure on prices. In December 2025, approximately 26.7 percent of single-family homes and 12.1 percent of condominiums sold above asking price, indicating sustained buyer competition and upward price pressure in desirable segments.

Low number of days on the market

Days on Market remain relatively low. A low number of days on market is another indicator of strong market demand. In December 2025, the median days on market was 20 days for single-family homes and 43 days for condominiums. These absorption rates reflect active buyer engagement and ongoing demand across the market.

Q Do you anticipate a continued demand for market-priced housing by local purchasers? If so, why?

A Yes. Current demand for O’ahu housing remains strong across both single-family homes and condominiums, serving a broad range of income levels, age groups, and housing preferences. Although competitive pressures have moderated from the extraordinary surge of late 2020 through early 2022, key indicators such as low inventory, relatively short days on market, and continued bid-up activity support sustained demand, particularly for new condominium inventory in urban Honolulu and Kaka’ako.

Quality of life, walkability, and convenience are increasingly important to local buyers. Urban Honolulu and Kaka’ako, including Ward Village, offer proximity to employment centers, retail, dining, transit, and open space, all of which continue to attract local purchasers seeking a connected urban lifestyle.

Currently, The Park Ward Village, The Launiu, and Kalae are the only residential buildings along Ward Avenue being constructed in Honolulu. Many previously developed Ward Avenue-fronting residences have been completed and are now sold and occupied. From a market perspective, Mahana Ward Village will help address continuing demand within the Ward Village and broader urban Honolulu housing spectrum, particularly for new inventory in a constrained supply environment.

In summary, based on current sales trends, supply conditions, and buyer preferences, we anticipate continued demand for market-priced housing by local purchasers.

Q Does the provision of new condo units in Kaka’ako benefit the Oahu housing market?

A Yes. The addition of new condominium units in Kaka’ako provides meaningful supply in a market characterized by persistently low inventory. Expanding the range of available housing options helps moderate competitive pressures and supports a healthier balance between supply and demand.

New condominium development also generates a cascade effect within the broader housing market. We have observed homeowners listing their single-family residences for sale in order to transition to Kaka’ako, attracted by the convenience, walkability, and lifestyle amenities of an urban community. This movement increases single-family inventory, which remains one of the most supply-constrained segments of the O’ahu market, thereby benefiting move-up buyers and local families seeking detached homes.

In addition, Ward Village has already completed and delivered 1,222 reserved housing units in Kaka’ako, 375 at Ke Kilohana, 150 at ‘A’ali’i, and 697 at Ulana Ward Village, fulfilling the reserved housing requirements under the Ward Master Plan years in advance of the completion of market housing. Delivering this housing early and in a consolidated manner provides substantial public and economic benefits, particularly in an environment where housing demand continues to exceed supply. Collectively, the addition of both market-rate and reserved units strengthens housing availability, supports market mobility, and contributes positively to O’ahu’s overall housing ecosystem.

Q Does Locations have experience in the sale of residential units in the urban core with different options and configurations – for example, no parking stall vs. one parking stall vs. two parking stalls per unit and other configurations? In its experience, has Locations seen buyers decline parking if offered the option of decoupling parking from the sale of a unit?

A Yes. Locations agents have extensive experience selling residential units in Honolulu’s urban core, including studio, one-bedroom, two-bedroom, and three-bedroom units offered with a variety of parking configurations, including no parking, one stall, or two stalls per unit. These projects have included both market-rate and reserved housing product, allowing us to observe purchaser preferences across a broad range of buyer profiles.

With respect to decoupling parking, Locations represented The Howard Hughes Corporation as broker for ‘A’ali’i and offered the 150 reserved housing purchasers the option to decouple parking in exchange for a \$15,000 credit. All 150 purchasers declined the option and elected to retain their parking stall. Based on this experience,

even when provided a financial incentive, buyers in the urban core have demonstrated a strong preference for retaining parking as part of their purchase.

Q In your expert opinion, is the availability and number of parking spaces assigned to a unit a factor in a buyer's decision to purchase a unit within the urban core?

A Yes, parking remains a meaningful consideration for prospective buyers, even within urban-core neighborhoods such as Kaka'ako. While walkability and proximity to retail, dining, and recreation are strong drivers of demand, many buyers maintain full-time employment and require reliable transportation for commuting.

In addition, buyers in Kaka'ako often have professional, family, and recreational commitments that extend beyond the immediate neighborhood and urban core. As a result, the availability and number of assigned parking stalls directly influence purchasing decisions and can affect both marketability and value. Adequate parking is therefore an important component of a unit's overall appeal in the urban Honolulu market.

Q In your expert opinion, does proximity to future transit and the availability of ride share options reduce buyer demand for residential parking within the urban core?

A No. While future transit improvements may eventually expand service within the urban core, today's purchasers make decisions based on current transportation needs. Many households, particularly dual-income families, maintain two vehicles and rarely transition to a single-car household. Even in walkable neighborhoods such as Ward Village, buyers' daily responsibilities, including commuting, childcare, school, and extracurricular activities, frequently extend beyond the urban core.

Although ride share services may supplement transportation on occasion, they do not replace the flexibility and reliability of vehicle ownership for most households. Buyers also consider long-term resale value and understand that parking stalls remain in strong demand in urban Honolulu. Units with parking are generally more marketable and easier to resell.

While transit-oriented living is more common in large mainland metropolitan areas with mature public transportation systems, Hawaii remains largely automobile-oriented. Based on our experience, reducing parking supply based on assumptions of increased transit or ride share utilization presents market risk, as demand for one or even two parking stalls remains strong, including among purchasers of smaller units. Projects that have offered additional parking stalls for sale have often seen those stalls quickly absorbed, further underscoring sustained demand for residential parking in the urban core.

Q What is your understanding of the parking planned for Mahana Ward Village?

A Mahana Ward Village will provide approximately 674 off-street parking stalls for resident, guest, and commercial use (approximately 36 commercial parking spaces will also be provided off-site within the district parking at 987 Queen Street and 333 Ward Ave ('A'ali'i Ward Village and The Park Ward Village).

The minimum number of parking stalls required by HCDA is 580. Given that Mahana Ward Village is planned to include approximately 541 residential units and approximately 13,600 square feet of commercial space, the proposed parking supply exceeds the regulatory minimum and, in my opinion, is appropriate and necessary to meet demonstrated market demand in the urban Honolulu housing market.

Q In your expert opinion, what would be the impact of reducing the number of parking stalls planned parking spaces Mahana Ward Village?

A In my opinion, reducing the planned parking supply from approximately 674 stalls to the HCDA minimum of 580 stalls would significantly and adversely affect the marketing and sale of units at Mahana Ward Village, as well as VWL's ability to effectively execute the Ward Neighborhood Master Plan.

As discussed, demand for residential parking in the urban core remains strong. Buyers expect adequate parking assigned to their units, particularly for two- and three-bedroom homes. In our experience, units offering only one parking stall for larger floor plans are materially more difficult to sell and may require pricing adjustments or extended marketing periods. The currently planned parking ratio of approximately 674 stalls for 541 homes is aligned with observed buyer preferences and market realities.

Reducing on-site parking would also have broader neighborhood impacts. Insufficient residential parking typically shifts demand to surrounding streets, increasing competition for curbside spaces, traffic circulation, and congestion. In higher-density areas such as Makiki and portions of the area mauka of Ala Moana Center near Kaheka Street, lower parking ratios have contributed to sustained street parking demand, reduced convenience for residents, and increased neighborhood congestion.

Increased circulation in search of parking can also raise safety concerns for pedestrians and bicyclists and diminish the walkable character that projects such as Mahana Ward Village are intended to promote. Providing adequate on-site parking supports safer streets, reduces spillover demand, and preserves public parking resources for visitors accessing retail, dining, and open space amenities in Kaka'ako.

For these reasons, maintaining the planned parking supply is, in my opinion, essential to the project's market viability, neighborhood compatibility, and alignment with the long-term vision for Ward Village and Kaka'ako.