Real Property Assessment Division

Department of Budget and Fiscal Services
City and County of Honolulu

For

ENGEL&VÖLKERS

PRMI | Primary Residential Mortgage, Inc.

September 25, 2026

Real Property Assessment Updates and Reminders

- Home exemption deadline of September 30
- Tax rate changes
- Residential A classification threshold increase; addition of 3rd tax rate tier
- Addition of 3rd tax rate tier of the Transient Vacation classification
- Increases of the home exemption amounts
- City legislation that may impact real property taxes
- City Charter ballot questions relating to real property taxes
- State Constitutional question relating to real property taxes

TAX RATES FOR TAX YEAR
July 1, 2026 to June 30, 2027

City Council Adopted Resolution 26-62,
Setting the Tax Rates per $1,000 of net taxable value

Residential:	$3.50	Hotel and Resort:	$13.90
Residential A:		Vacant Agricultural:	$8.50
Tier 1 (first $1M):	$4.00	Agricultural:	$5.70
Tier 2 (in excess of $1M):	$11.40	Preservation:	$5.70
Commercial:	$12.40	Public Service:	$0.00
Industrial:	$12.40	Transient Vacation:	
Bed and Breakfast Home:	$6.50	Tier 1 (first $800K):	$9.00
		Tier 2 (in excess of $800K):	$11.50

Bill 34 (2024) / Ord 25-44 amends Residential A and Transient Vacation classes effective July 1, 2027

- *The threshold of Res A increases to $1.3M from $1M and the addition of a 3rd tier tax rate for net taxable values in excess of $3.5M.*
- *The Transient Vacation class tiers 1 and 2 are based on net taxable amounts of $900K vs. $800K and will have a 3rd tier tax rate for net taxable values in excess of $2M.*

RESIDENTIAL A CLASSIFICATION
ROH § 8-7.1(c)(4)

Residential A means a parcel, or portion thereof, that:

(1) Has an assessed value of $1,000,000 or more;
(2) Does not have a home exemption; and
(3) Either is:
- Improved with no more than two single-family dwelling units;
- Vacant land; or
- A condominium unit.

Residential A excludes any parcel, or portion thereof, improved with military housing located on or outside of a military base. Residential A applies to properties:

- Zoned R-3.5, R-5, R-7.5, R-10, or R-20, or
- Dedicated for residential use
  - Zoned apartment, apartment mixed use, resort, business, business mixed use, industrial, or industrial mixed use district; or
  - Waikiki special district:
    - Zoned apartment mixed use sub-precinct,
    - Resort mixed use precinct, or
    - Resort-commercial precinct.
  - Transit-oriented development special district

CHANGES TO THE RESIDENTIAL A AND TRANSIENT VACATION CLASSIFICATIONS

Bill 34 (2024) / Ord 25-44; Effective or tax years beginning from July 1, 2027 (the upcoming 2027 assessments sent Dec 15, 2026):

- The Residential A threshold changes from $1M to $1.3M
- Residential A Tier 1 tax rate applies to the net taxable value up to $1.3M
- Residential A Tier 2 tax rate applies to the net taxable value in excess of $1.3M and up to $3.5M
- Residential A Tier 3 tax rate applies to the net taxable value in excess of $3.5M

More than 51% of the current Res A population has an assessed value below $1.3 million. It will be interesting to see what the tax rates will be for Res A if the administration and/or city council desires next year's Res A revenue to be revenue-neutral, or to raise the same amount without the threshold increase. Less than half of the remaining Res A population will need to offset the loss of Res A parcels due to the threshold increase.

Bill 34 (2024) / Ord 25-44 also amends the Transient Vacation class tax rates.
The Transient Vacation class tiers 1 and 2 will be based on net taxable amounts of $900K instead of $800K and will have a 3rd tier tax rate for net taxable values in excess of $2M.

ACTIVE CITY COUNCIL BILLS

Bills 49 / Ord 25-42 & 50 / Ord 25-43 (2025)
Exemption amount increase from $120,000 to $140,000 and $140,000 to $180,000 for 65 years old and older effective July 1, 2027 (2027 Notice of Assessment)

Bills 45 and 46 (2026): passed 2nd reading, proposes to increase the home exemption amounts to $160,000 and $200,000, effective July 1, 2028.

Bill 40 (2026): passed 2nd reading, offers a tax remission (refund) for the difference between Residential and Residential A taxes for affordable condos with owner restrictions.

Bill 47 (2026): passed 2nd reading, proposes to reduce the City's vehicle weight tax rates. Dept of Transportation's opposition testimony and loss of $30M revenue

Closely related to HB2022, SD1 - (c) Notwithstanding any county ordinance to the contrary, a county's annual vehicle registration fee shall not exceed the annual vehicle registration fee imposed pursuant to subsection (a); provided that this subsection shall only apply to counties with a population of five hundred thousand or more. City's opposition testimony, approx. $135M loss City revenue.

County Charter Amendment Ballot Questions

20 Honolulu Charter Amendment Questions

CHARTER QUESTION No. 1 (P119): Should the Charter require annual funding for a Food Security Fund, without having to simultaneously increase real property tax rates to fund the appropriation, to support programs and grants that provide locally grown or produced food to Oahu residents, as well as non-local food only in an emergency?

City's Charter Commission of Question 1 (P119) Explanation: If passes, another fund would be created, receiving 0.5% (approx. $9M) of real property tax revenues to improve access to locally grown or produced food. Approx. $45 million already goes directly to different funds.

City's Budget and Fiscal Services' opposition testimony Less general funds for core city services and may require an increase of tax rates. Budget process to take place versus auto funding

CHARTER QUESTION No. 7 (P170): Shall the Revised Charter of the City and County of Honolulu be amended to encourage increasing housing availability and preserving available housing as policies for the City and County of Honolulu?

Originally an Empty Homes Tax (surcharge) for affordable housing question. Honolulu Board of Realtors, Suzanne Young, opposition. Last minute change to current No. 7 question.

State Constitutional Amendment Ballot Question

Constitutional Amendment Question No. 2:

Shall the Hawaii State Constitution be amended to direct the legislature to authorize the counties to issue resilient infrastructure for shelter and equity bonds to fund public improvements in designated districts, repaid solely by future growth in property tax revenues within those districts, not by increasing real property tax rates, where such bonds are excluded from the counties' debt limit and are subject to accountability and oversight requirements as may be provided by law?

Question origin: SB 3218, SD2, HD2, CD1 ...ACT 31

Tax Increment Financing (TIF): May not be a healthy option for the City and County of Honolulu since blighted/undeveloped areas already have relatively high assessment values when compared to other municipalities.

Hawaii News Now on ConAm2

"By having the infrastructure put in place by government through these types of creative financing you can lower the cost of housing by about 30 percent and that directly benefits our people,"

Civil Beat Sept 22, 2026 article

Candidate's Campaign Message Regarding Real Property Taxes

a) Political candidate says, "I will not increase real property taxes."

b) Political candidate says, "I will not increase real property tax rates."

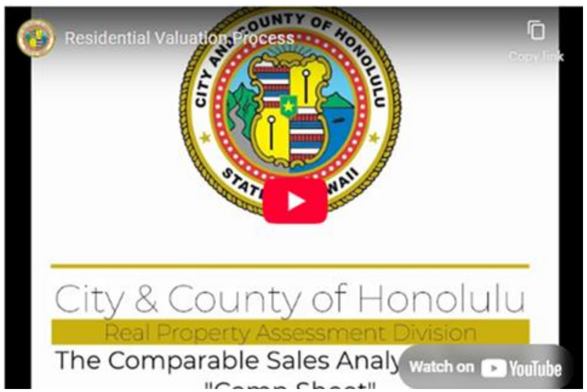
Is there a difference?

Is one better than the other?

REAL PROPERTY INFORMATIONAL VIDEOS

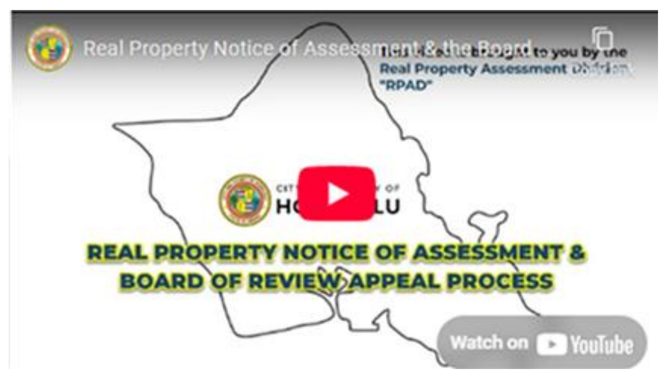
Website: https://realproperty.honolulu.gov/help-resources/informational-videos/

Residential Valuation Process



Home Exemption Program

Notice of Assessment and Board of Review Appeal Process



Residential Use Dedication
(in production phase)

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Mahalo!