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Residential Real Estate

27-unit workforce housing project breaks ground near Queen's Medical Center

Rendering of a workforce housing development at 1518 Miller St., which started construction on Aug. 7, 2026.
FERGUS BROTHERS LLC

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Story Highlights

- Fergus Brothers LLC began construction on a 27-unit workforce housing building in Honolulu.
- The project offers apartments for households earning up to 80% of area median income.
- The development includes nearly one parking stall per residential unit despite no requirement.

Construction began Aug. 7 on a 27-unit workforce housing apartment building at 1518 Miller St. on the slopes of Punchbowl near The Queen's Medical Center, with completion expected by the end of 2027.

The project, developed by Fergus Brothers LLC, will include 25 one-bedroom units and two studio units for rent. The apartments will be reserved for households earning up to 80% of the area median income. For a two-person household in Honolulu, that income limit is $98,560 annually.

The privately funded project is being developed under Bill 7, an affordable housing program through the City & County of Honolulu that offers developers incentives to build 100% affordable rental housing.

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These incentives include no minimum parking requirements, permit fee waivers, property tax exemptions and relaxed zoning requirements for density, height, loading zone and setbacks. Bill 7 projects are usually built on small lots that are 20,000 square feet or less.

Although Bill 7 does not require parking for workforce housing developments, Fergus Brothers LLC designed the three-story building with an elevated podium to maximize ground-floor parking. The project will provide nearly one parking stall for every residential unit. The development also will include a community laundry facility for residents.

“It's going to have concrete pan floors and ceilings, metal stud construction, a nice stucco exterior finish," Jake Fergus, an owner of Fergus Brothers LLC, told Pacific Business News. "We really wanted to build something that was quality and has very attractive architectural features and also something very functional for the renters in the community.”

Fergus Brothers purchased the 1518 Miller St. property in 2024 for $1.4 million to replace the 1936 single-family home on the property. Fergus Brothers is mainly a commercial real estate investment company, but a few years ago decided to enter the affordable housing development space to help address the affordable housing crisis.

With its proximity to The Queen’s Medical Center, “Our hope when we bought the property is that we mostly would have Queen’s employees renting there,” Fergus said. “There's no formal agreement with Queen’s; technically, it'll be open to everyone, but the plan is that healthcare workers and essential workers will be renting and using the housing that's right near that campus.”

The Miller Street development is the Fergus Brothers’ first ground-up construction project, with design by architect Ed Sheehan of Interlock LLC and construction by Honolulu Builders.

Fergus Brothers also completed its first restoration project at 1650 Stillman Lane near Kuakini Medical Center at the end of July. That project restored an 11-unit

apartment building that had been vacant for decades, providing six two-bedroom and five one-bedroom units for rent at market-rate prices.

11-unit apartment building at 1650 Stillman Lane, restored by Fergus Brothers LLC and completed at the end of July.

FERGUS BROTHERS LLC

The Stillman Lane project is not under Bill 7 and is not income-restricted.

“There's no particular affordable housing program, but the neighborhood that it's in, it will be rented to workforce tenants,” Fergus said. “We still view it as affordable housing, given the neighborhood that it's in and its proximity to Kuakini.”

The units at Stillman Lane are currently available for leasing through Estates Royal Ltd.