

GOOD WILL, GOOD MARKET

Tis the season to be grateful, so let me start with good will and real estate.

A joke, you ask? A gimmick, I respond. Have a Merry Christmas chuckle at my expense.

Seriously, the real estate market -- buying and selling property -- is built on good will, not just in the balance sheet sense, but also in the human sense. For one, good will is akin to pride of ownership. Does pride of ownership make dollars, as well as sense? I'd say so. The dollar side of pride of ownership can be seen all over the world, but particularly in places of extreme beauty. Gstaad, Puerto Ecole, St. Jean-Cap Ferrat, Vail, Carmel, Hawi, Boracay. Legendary for their beauty (and prices).

In the human sense, you can see the good will that one feels towards one's property. This is even more dramatic when the property has been in the family for a while. If you want to hear about pride of ownership, just ask the Windsors, who own a couple castles, or the Grovesners, who own a lot of London. In fact, if you listen to anyone talk about the land they own, you soon conclude they feel they are a part of it (you know, like owners who look like their pets).

But the core of an example of good will in the real estate business is the good will amongst those that develop it, especially those who adhere to honesty and fairness. Relative to real estate, is fairness and honest is yet another quaint thought?

Maybe, but not to those who have done it successfully for a while. Not to group of my father and his contemporaries. To paraphrase one of them, the smartest (maybe the only) real estate agent in Hana, Carl Lindquist: real estate is "where nothing lies under the surface for long, where good people are honored and bad people are quickly found out, where you know everybody's business, and everybody knows yours."

How 'bout some real-life examples of good will, good faith and good business in real estate this year. The most interesting concerns a newcomer to Honolulu, Ko'olani, which is building one, two and three bedroom condos in Ward Center.

I suspect a few of you are ready to quit, thinking that I'm going to start praising yet another real estate project. Fair enough, as it happens often enough, but if I may call on a bit of Christmas cheer: cut me some slack, or give me enough rope, I'm trying to make a bigger point.

In going through Ko'olani's sales center on Waimanu Street, I found their presentation thoughtful and well attuned to the tastes of Hawaiians and Hawaiians at heart. But what caught my attention was their being non-Hawaiian in one very specific, very important sense.

What was it? They completely shut down from Friday sunset to Saturday sunset: the whole organization -- from East Coast to the West, from Hawaii to New York, from laborers to sales agents, executives to janitors. In tune with their faith, they put it all on hold to rest the body and enrich the spirit. While not exactly Consolidated Amusement shuttering what the British quaintly call 'movie houses' Friday night through Saturday matinee, it's a big deal. Just ask any other sales agent sitting a project Saturday.

But think: if these guys are committed to doing the right thing in their spiritual lives, at the cost of potentially losing business, then I bet they'll do the right thing in their professional lives. And, since much of development and construction is based (and built) on trust, integrity in this one instance of theirs gives me faith in their integrity in all the other instances. And, yes, sales aren't bad either: 75% of their first 99 units are taken.

Another developer deserving good will had to battle the elements to get it, and battle they did, on behalf of those who bought their homes. The elements in this case were falling chunks of lava loosened from the wall of a valley (thanks to a 50 year rainfall the day before).

One rock was as big as a small SUV. More horrifically, it hit the road below so hard that it bounced back up, flying high enough to fall back down on top of a parked Honda CRV. If you're curious, it was heavy enough to destroy it. This was in Hawaii Kai two years ago Thanksgiving.

When Castle & Cooke, the developer, learned how serious things were, they, and the landowner Kamehameha Schools, offered the 20 families affected immediate accommodations at the Hilton Hawaiian Village. Then looked after them for the year that it took them to fix the problem. If that was a bid deal, the solution was even bigger: a cable net stabled to the hillside above the homes, at a cost \$3 million, but also with acclaim from the engineering community for pushing the envelope in fixing a hillside. Right before this Thanksgiving, the families moved back into their homes. And expressed their gratitude. The buyer's trust was repaid. That's honesty and, while honesty may be it's own reward, it earns good will.

To Crescent Heights and Castle & Cooke, thanks for the inspiration, and Merry Christmas.