

"BEWARE OF MARKET ANALYSTS WHO THINK THEY KNOW ABOUT SELLING REAL ESTATE"

As one of my two readers (Dad being the other) pointed out to me, I made a mistake last week in my last column: I warned everyone to beware of market analysts who think they know about selling real estate. But, judging by the firestorm of protest (50% audience share), I shouldn't have ventured off the spreadsheet. Indeed, my one reader took it a step further and paraphrased my title, saying Beware of Market Researchers who think they know how to Write.

Ouch, thaatt hurts (but, actually, I agree... writing's a, err, umm, beach).

However, I sorta went outa sorts (apoplectic, actually) when he questioned my sense of quality (i.e., 'good taste')... He asked, "Who are you to tell me what quality is?"

My retort? "Who do you have to be to tell quality?"

A better question: what is quality? Simply, it's taste, which, like pornography, is easier to recognize in the breach, than in the occurrence. A famous architect described taste thus: "A doctor can bury his mistakes, but an architect can only advise his clients to plant vines."

Thank you, Frank Lloyd Wright. But architecture didn't set me awriting about quality and the price of real estate last week; my beef last week wasn't with architects or interior designers: they were just handed a home site and a budget. They did what they could within limits and finished up. What blew me away were the stratospheric prices attached to mundane houses.

Am I surprised about the limitlessness of pocketbooks? No... there are good reasons for people spending goodly amounts on good houses, starting with global prosperity on a very large scale (thanks to the end of the nuclear arms race, the spread of free trade, and aging baby boomer demographic in the US). And, as an ultra-capitalistic, free-market anarchist, I'm happy to see people spend any amount, anytime, on anything.

On the other hand, am I surprised by the flip side, the limited selection of something very special and unique in a second home? Not at all: getting permission to build anything anywhere in Hawaii takes forever, especially if it's near a beach (like all good resorts are). Define "forever"? Anywhere from three to ten years. You want a comparison? Try 6 months, in terms of getting all the permits and permissions to start a home in Sacramento, Las Vegas, anywhere in Texas, etc.

Sooooo... if the power of the buy side doesn't surprise me, and the limited offerings on the sell side doesn't surprise me, what's my beef with the obscene prices being collected?

Cuz I think some home sales are a rip-off. And I don't have an objective leg to stand on, admittedly. The transaction occurred between a willing seller and a willing buyer, both

consenting adults. And who am I to say that it was rightly or wrongly priced? No one. So someone spend several millions for a place. Like a condo. Or a home site. Even if it's not well designed. With a view. Or beach to walk on, or to swim in.

Here's the rub: I have certain standards... subjective ones, no less. And, error number two, I'm using those to judge others. So, my readers who disagree with me, fire away: complain to the paper, comment to my editor, and snicker aloud. But, in the three hundred words left to me, here's my case.

My guts hurt whenever I see a buyer pay so much and get so little? And my heart soars whenever I see someone get a good home for a good price: it's a win-win situation.

And, win-wins is when buyers get value. Which is another word for quality. Which I'll define as (at these multimillion dollar prices), at a minimum, a nice house, in a safe community, with a nice view, on a nice beach.

Let's run down this checklist. What's a nice house? One that has space, light, detail and atmosphere (my favorite is comfort, but others go for dazzle bright, or sensuously beautiful). Next item? Safe community: homes that have boundaries, good fences, controlled access, good law-and-order, plus a benign local society. Okay -- but note that nice house and safe community can be gotten anywhere -- here, Hong Kong or the Hamptons. Less so the next item: good view. Here, the Hamptons have none, unless you have a pond and a windmill. Hong Kong has the peak, with spectacular views. And Hawaii.

Hawaii is blessed with great views: walk down the old Pali Road, or go up to the top of Haleakala. I won't start (Princeville, Wailea) because I can't stop (Hana, Waimea). Is a good view worth millions of dollars for in Hawaii? Definitely, yes... but probably no. Why not? Cuz there's just no end to great views here. The supply is almost limitless. Show me where one great view stops, and I'll keep traveling around the island until I come to another. Past Makapuu is Waimanalo, etc., etc.

The last item on this list is the heart of where am I going... remember, I implied that prices, or value, equates to quality. And quality, at the multi-million dollar level, equates to special, as in one of a kind. And, to my mind, nice home, safe neighborhood, good view isn't very unique, to my mind. You can get everything of that anywhere, including here. So, why not buy Tahoe? Shenandoah? The Cotswolds? You can get all of this there... save for a nice beach.