

Standing in Line, Standing Up, Standing the Pain

Today, my theme is standing. The first has to do with standing in line. The particular line that so interested me was in front of a hotel-to-condo conversion on Hobron Lane called The Windsor: I saw five people standing in line to buy one of these units almost 36 hours before the sales office opened (and heard that some of them later 'sold' their place in line for \$1,000).

The second, this time standing up, happened to me at a Building Industry Association event. Actually, and this might be embarrassing, I had to be told to stand up... if I wanted my question to be considered. By whom? By none other than our governor.

"Always in trouble," is often said of me by the ever-wise, never thinning head of sales and marketing for the one of state's largest developers, and I agree. So what happened? I'd come down to the governor's office for the kick-off of the Parade of Homes. Besides wanting to hear what was being said about this very strong residential housing market, I enjoy watching the press and our public officials interact.

Now, to explain, I am a member of the press, but not of the working press. That's to say that I work, but not as a journalist. I mean I have another job besides writing these columns (writing housing market reports for those in the building industry). Which is to say that (sadly) I don't get paid for what I write here in this column. But I like to do it anyway, so I do it. Confused? Good (why should this be any different than the rest of the newspaper?).

Anyway, as a non-working non-member of the working press, I took a seat way over to one the side of the governor's conference room, far away from the TV cameras and the print journalists, who were standing opposite her podium, well positioned to toss out questions and field her responses. After a couple of softballs, however, I let my hand stick up (always in trouble) and caught her attention.

What happened next floored me: in recognizing me, the Governor asked whether I wouldn't like to join the rest of the reporters in the center of the room.

In quick succession, I thought: "Huh?" "But I'm not a journalist..." "But if you're not a journalist, why's your hand up, Ricky?" "I'd better explain this."

Let me back up a second: I actually had prepared a question for the press conference, based on comments Governor Lingle made on housing policy as a candidate. And I thought they were worth exploring a year into her administration and a year into a pretty dramatic rise in housing prices.

What had she said? Let me quote: "*The best way a governor can assist with housing is to understand the proper role for state government. Government efforts to control the housing market in Hawaii have created the shortages and high prices that keep many working people from owning a home. Government's role should be to institute policies that allow and encourage the private sector to provide adequate mid-level housing at moderate prices.*"

"*Finally, building a strong and healthy economy is the best thing a governor can do to create quality jobs so people can afford homes....*"

I liked it because it helped explain why real estate prices have risen so dramatically, of late: it's thanks to the creation of quality jobs and higher incomes. Basically, jobs and incomes growth feed housing demand (even more than low interest rates). And, since I think this is going to continue for a good long while, I think high housing prices going to be a big issue in our future. Hence, my question: booming economy equals booming prices... Is this anything your administration wants to address?

And so, there I was, all rip and ready to fire off a question, and she chop blocks me with her question (Do you want to Stand and Deliver) to of my question.

What could I say? “Yes, *Ma’am*.”

What did I say? At first, nothing... I pointed... to the computer open next to me, then explained to her that I was sitting down in order to read back to her her comments from a year before (I bet she thought *‘this is weird’*).

In any event, I read the passage, asked the question, and she seemed to enjoy the whole thing, then went into a thoughtful discourse about the coming construction boom and the actions her administration was taking to secure the benefits and spread them to as many of her constituents as possible.

My third case, standing the pain, occurred when one of the biggest developers at the conference took me out back behind the legislature and ‘taught me some needed manners’ about standing up before a lady... In truth, I jest, although the thought did occur to me.

Seriously, the thought ‘standing the pain’ falls from the situation I think we are now headed into. The economy is booming, jobs and incomes are great and growing, people are moving (some back) to Hawaii... and housing prices, already high, are likely to move higher. Way higher. And that will cause a lot of us pain. It did so back in 1990, and will do so again.

What can we do? Some say not much, just stand the pain. I say we should stand up and take an action that will alleviate rising prices. Those who follow economics know it’s either to increase supply or decrease demand. As a free and open society, it’s very hard, if not impossible, to stop demand (keep people from entering our state? keep kids living at home with their parents?). Therefore, the answer is to increase supply, the supply of sites to build homes on. And the way to do it is by permitting land to be used for housing.

What can we do? Go to our public officials and explain to them that skyrocketing housing prices hurt: they hurt the kids that can’t move out of their parents house, they hurt our kids who can’t move home after college, they hurt those families that want to move to a bigger house, or a better location, and they hurt those who want to stop renting and build equity in their own home. So, stop the hurt by entitling home sites.

If they don’t understand, ask them to stand up, go see the people standing in line, then tell them to stand the pain. So says me, one who’s ‘always in trouble.’