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New homes quickly sold

New home sales

February sales continued to rise, fueled by low interest rates.

FEBRUARY SALES	2001	2002	2003
Sales	144	134	166
Closed	92	90	138
Average price	\$271,391	341,002	384,244
Available inventory	729	1,038	797
Sales revenues	\$39.2 million	43.8 million	59 million
Closed revenues	\$23.7 million	26.6 million	45.8 million

Source: Ricky Cassiday, compiled for Hawaii HomeLoans

The Honolulu Advertiser

By [Andrew Gomes](#)
Advertiser Staff Writer

Two months ago, with the threat of a U.S.-led war in Iraq rising, consumers didn't slow their shopping for new homes under construction on O'ahu, and developers don't expect March sales to back off much.

The number of contracts signed in February to buy new homes rose 24 percent, to 166 from 134 in February 2002, according to the latest new-home sales data compiled by market researcher Ricky Cassiday for Hawaii HomeLoans.

The average price also was higher, at \$384,244, a 13 percent increase over \$341,002 in February 2002.

Cassiday said favorably low interest rates combined with growth in personal income and a relatively stable job market kept driving sales that he said may pause in March and April, but only slightly in his forecast.

"Just like you catch your breath," he said. "If (consumers) got the money, if they have the (favorable) interest rates and they got the house they're going to go ahead and do it."

Nationally, sales at new housing projects in February slumped 11 percent, a drop partly attributed to uncertainties about the war, growing joblessness and bad winter weather.

But Hawai'i developers noted that the local housing market has benefited from pent-up demand that resulted in a 74 percent increase in new-home sales contracts a month after the Sept. 11 terrorist attacks rattled the local economy.

The October 2001 jump was the first October increase in three years, and the trend has not stopped.

Developer Stanford Carr, who is building hundreds of homes in Hawai'i Kai, said he had eight sales contracts signed in March, fewer than typical but a number he attributed in part to lower inventory available.

"We've kind of been sandbagging because we can't build them fast enough," he said. "(The war) hasn't affected sales. We're still humming. It seems like people are pretty resilient."

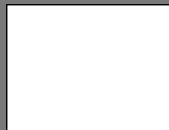
Cassiday reported there were 797 new homes available for purchase (many of them yet to be built) in February, down from 1,038 in February 2002.

The number of completed sales, which typically trails sales contracts by two or three months, was 138 in February, up 53 percent compared with 90 in the

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of three months, was 156 in February, up 55 percent compared with 79 in the same month a year ago.



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