

Saturday, June 28, 2003

Luxury home sales surge

Real estate analysts expect more growth after deals on Hawaii resort properties last year top \$1 billion, a nearly 50 percent increase over 2001

By Lyn Danninger
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Home sales in Hawaii's luxury resorts topped \$1 billion in 2002 for the first time, with further growth expected this year.

"We could see revenues from this market come close to \$1.5 billion in 2003," said real estate analyst Ricky Cassidy, who compiled the data.

Cassidy's survey covers residential property sales within resort master-planned communities on all islands, including Oahu's Ko Olina Resort, Maui's Wailea, Kauai's Princeville and the Big Island's Hualalai resort community.

The 2002 data showed sales volume jumped nearly 50 percent over 2001 numbers. However, average prices paid fell about 15 percent during the year.

The number of closings for condominiums and single-family homes grew to 1,572 in 2002 from 1,057 in 2001.

The average price per residence in 2002 was \$740,000. In 2001 that figure was \$868,500.

Uncertainty regarding world events and the domestic economy likely hurt prices, Cassidy said. But, he added, they are recovering in the face of strong demand.

"The market has come back from the effects of Sept. 11, 2001, which had continued to dampen this end of the market. We started to see the turnaround in the first quarter of 2002, and it continued to grow from there," Cassidy said.

In 2001 the lower-priced resort homes saw growth, while homes listed for \$1.5 million and above slowed. In 2002 the situation began to reverse, he said.

A record high of \$16.5 million was paid for a home in a Hawaii resort community in 2002. The Big Island mansion cost \$1.5 million more than the highest-priced home bought in 2001.

The biggest market for resort homes was on Maui, which had

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657 closings, up 21 percent from 2001. The most lucrative market could be found on the Big Island, which collected \$451 million in 2002, slightly ahead of Maui's total collection for the period of \$441 million.

Markets that showed the most improvement were Oahu and Kauai. Oahu's closings were up 200 percent from 2001, while Kauai saw a 73 percent rise in sales.

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