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## Facing a tightened rental market

By [Andrew Gomes](#)  
Advertiser Staff Writer

Sharmane Botelho, with son and husband in tow, looked worn down. After three weeks and more than 20 inquiries in search of a rental apartment, she was running out of time.

Last month Botelho's landlord decided to sell the Pawa'a area one-bedroom unit on Awana Street where the family has lived for three years.

Botelho quickly learned what scores of other renters are painfully aware of: Hawai'i's rental market, after tightening over the past two years, has produced one of the strongest landlord markets in a long time and is spreading frustration among renters facing fewer choices and higher prices.

"We're desperate," Botelho said, explaining that she received 45 days notice to move, though she figures she needs four to five months to find a suitable place.

"It's hard. We've been looking so much places. It is very hard."

Rental property managers agree this is one of the most difficult times for renters, with many properties leased before they're advertised and at prices landlords are easily raising by \$100 or more a month.

Among the tighter rental neighborhoods are Mililani Mauka, the University of Hawai'i area, Kailua, and Hawai'i Kai.

Largely reducing rental inventory are continued sales of homes that owners in the late 1990s rented out instead of selling because property values at the time sank below the value of many mortgages. Higher property values now allow many of these owners to sell without taking a loss.

Population growth and massive renovation projects for military housing also have put increased pressure on the rental market.

Investors buying real estate to rent instead of buying stocks are easing the market crunch somewhat, as are low interest rates that make it easier for renters to become homeowners. But overall, industry observers say the rental market continues to tighten.

Market researcher Ricky Cassidy, who tracks rental advertisements, said there were 143 available single-family rentals in December, the latest month available, compared with 228 in December 2000 and 527 in December 1998. Data for rental apartments was not available.

Single-family unit monthly rent averaged \$1,800 in December, compared with about \$1,500 in December 2000 and \$1,300 in December 1998.

Jeannie Byers, owner of West Beach Realty in Wai'anae, said her business is averaging six to 10 calls a day from rental seekers, compared with two or three a day a couple of years ago.

The call volume would be great for business if Byers had anything to rent. Her company manages about 50 rental units on the Leeward Coast but none



Sharmane Botelho, husband Weldon Ho'opai and son Bryson Botelho look over a 600-square-foot apartment unit in Waikiki undergoing repairs before renters can move in. "At this point, a place is a place," she decided. Their Pawa'a rental unit is being sold.

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was available last week. "There is a big demand and not much of a supply," she said.

Jo Walters, owner of Central Oahu Real Estate, said she hasn't had any inventory go unrented for six to nine months. Last week she had nothing available. A few rental units that became available earlier this month were gone by the time they were advertised, she said.

Rental property manager Phillip Kuchler did have a few rentals available last week — one in Wai'alaie, one in Waikiki and one in Wahiawa — and he's sure he can rent them with little effort.

"The market's been strong for the last two years, and I'd say it's stronger than ever today," Kuchler said.

Rents, Kuchler added, have inched up over the past two years, and are now more dramatically being raised.

For instance, three weeks ago Kuchler rented a one-bedroom apartment in the dense diamondhead end of Waikiki mauka of Kuhio Avenue for \$795 a month. Last week he was asking \$895 for a similar unit in the same building.

"If I wasn't able to get \$895, then I would drop the rent," he said. "But I think I'll get it."

Dusty Woodstock, owner of 'Aiea-based Woodstock Properties, said she recently rented a three-bedroom townhome in 'Aiea for \$1,850 a month, up from \$1,600.

Woodstock said that within the past year, she has been able to increase rents at any property where tenants moved out, including nine properties since January.

"All my owners are very happy right now if a new tenant goes in," she said. "There are enough people competing to justify (higher) rent."

The competition amazes Brett Schenk, an agent with Woodstock Properties who three years ago started a rental finder service primarily to help newcomers to Hawai'i. Today about half of Schenk's clients, who pay \$150 to \$350 for help, are kama'aina.

"For the last two years it's been nonstop," he said. "My phone has not stopped ringing. I thought it couldn't get any worse, but it has."

Schenk said he gets 10 to 15 calls a day for help, including some late at night from people desperate to find a place to rent.

Botelho hasn't resorted to paying someone to help her find another home to rent. But she needs to move by the end of the month, so the frustrating and tiring routine of looking through advertisements and calling property managers led Botelho and her family last week to an unnamed gray four-story walk-up on Tusitala Street in Waikiki.

Rental property manager Lillian Yamada warned the family that the apartment looked horrible but it was in the process of being spruced up with new paint, tile, and major appliances.

Walking through the 600-square-foot apartment, Botelho's son, Bryson, declared: "Ho, dis bathroom so small." The lanai was a little bigger. Botelho's husband, Weldon Ho'opai, reserved judgment and observed quietly.

Botelho had to consider making this their new home, and took an application. "I'm not picky," she said. "At this point in time, a place is a place. That's how I'm looking at it."

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