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Sales hit \$3B for resort property

By [Andrew Gomes](#)
Advertiser Staff Writer

Residential property from the luxury villa to the vacant lot was an extremely hot commodity last year at Hawai'i resorts, where estimated sales for homes and house lots totaled about \$3 billion, up \$1 billion from the year before.

Rising property values and construction of increasingly lavish vacation abodes mostly fueled the rise, according to an analysis by local market researcher Ricky Cassiday.

The sales cover residential property within resorts from Princeville on Kauai to Hualalai on the Big Island, and involve purchases dominated by condominium buyers from the Mainland.

Cassiday compiled sales for the first half of 2005 and other more preliminary transaction data to forecast full-year sales of \$3.1 billion, or 2,370 sales for an average \$1.33 million.

The 2005 estimate for sales volume is up 14 percent from 2,080 a year earlier, with the average price up about 38 percent from \$960,662. In 2004, sales totaled \$2 billion.

Cassiday said increases last year were boosted by developers expanding communities at both new and older resorts.

"The amount of new (development) coming in is changing the market," he said. "It's being priced above the resales, and it's bringing up the whole average."

Sales of previously owned homes and lots also helped contribute to rising sales and prices, which included a \$20.5 million sale for 35,000 square feet of land at Kuki'o, a gated oceanfront golf community on the Big Island.

The Kuki'o lot, which was the highest single resort home property sale since a \$16.5 million transaction in 2002, was initially purchased in 2002 for \$12 million, according to property records.

Buyers are predominantly wealthy West Coast residents either buying second homes or retiring in Hawai'i.

"The U.S. economy has generated a lot of people who are incredibly wealthy," Cassiday said. "Hawai'i is well known, and delivers on romance and visitor expectations."

Developers are responding with new inventory being sold or planned at resorts on all the major islands.

Some of the most active sales last year, Cassiday said, occurred at Kuki'o and at Ko Olina Resort & Marina on O'ahu.

On Maui, high-end sales are expected at Kapalua and Wailea Beach Villas, while other resorts such as Kauai Lagoons and Princeville have dramatic residential expansion plans.

Under Cassiday's forecast, it appeared that the Big Island would supplant Maui as having the most resort home property sales, with



Anthony Perry, right, and Travis Tjarks, both of Kona, work on a house in the resort subdivision of Wai'ula'ula at Mauna Kea Resort on the Big Island. Residences in this Kohala Coast resort range from about \$1 million to \$3.5 million. Resort home sales soared last year.

Thalia Naidu



The asking price for this luxury home in Pineapple Hill Estates at the Kapalua Resort on Maui is about \$5 million. Many resorts across the Islands are seeing rapid sales from investors or retirees.

784, or about 30 more than Maui, which has long held the top spot.

"Finally, we've been discovered," joked Kathrin "Chacha" Kohler, principal broker handling sales at Mauna Kea Resort, which about 40 years ago became the first and oldest luxury resort established on the Big Island's Kohala Coast.

At the new subdivision Wai'ula'ula at Mauna Kea Resort, which went on the market in October, buyers have signed contracts for 59 of 102 homes at prices roughly from \$1 million to \$3.5 million.

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RESORT HOMES

Sales of resort homes in Hawai'i soared last year both in terms of price and volume.

	2002	2003	2004	2005*
Closed	1,460	2,147	2,080	2,370
Average price	\$803,403	\$778,808	\$960,662	\$1,325,919
Maximum price	\$16,500,500	\$15,000,000	\$8,500,000	\$20,575,000
Total revenue	\$1,172,968,935	\$1,672,100,189	\$1,998,176,364	\$3,142,428,168

* Estimate

Ricky Cassidy for Hawaii HomeLoans

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