



Other editions: Mobile | Mobile text alerts | E-news alerts | RSS

Find it: Site Map | Apartments | Jobs | Cars | Real estate | Classifieds | Shopping | Subscribe

honoluluadvertiser.com

Tuesday, April 29, 2008

SEARCH ALL [input field]



Sponsored by:



HOME LOCAL NEWS SPORTS BUSINESS MY ADVERTISER ISLAND LIFE TGIF OPINION MULTIMEDIA BUY/SELL/SHOP CUSTOMER SERVICE



hi, NoBStupid!

Update profile | Post photos | Write blog | Change account info | Change password | Log out

powered by you and The Honolulu Advertiser

BUSINESS

Posted on: Wednesday, April 23, 2008

Hawaii resort home prices may drop

Read comments (6) Recommend (2)

By Andrew Gomes
Advertiser Staff Writer

The average sale price of residential real estate within Hawai'i vacation resorts fell during the second half of 2007, and is likely to drop again this year in the wake of declining sales, according to a new study.

ADVERTISEMENT

THE BOOK O'AHU KEEPS & USES THE MOST!
TO ADVERTISE CALL 593-8300!

Click here to search our directory

Hawaiian Telcom YELLOW PAGES
HTYellowPages.com

*BASED ON PROFESSIONAL NON-SPONSORED RESEARCH Marketing research software survey conducted in January 2007 by 542 Survey, Inc. in cooperation with Dr. Daniel L. Zelen, Professor of Marketing, University of Hawaii, Honolulu, HI.

Sales of new and previously owned condominiums, single-family homes and house lots at master-planned resorts statewide such as Wailea and Hualalai declined 20 percent last year to 1,535 properties. Although average prices rose 22 percent to \$1.6 million for the full year, prices tumbled during the final two quarters, suggesting a trend of lower prices has already been set up, according to an analysis by local real estate researcher Ricky Cassidy.

Cassiday said the drop in sales and the rise in average price was largely brought on by an exodus of speculators who had been dealing mostly in resort homes priced under \$1 million.

"That market is a heavy speculator market, and the speculators really left en masse," he said. "It dried up."

The exit by speculators resulted in fewer transactions in the lower price range, which in turn boosted the average price because more high-end property sales were left, representing a greater share of total sales.

Last year, 761 of the 1,535 resort property sales were for under \$1 million, down from a year earlier when 1,119 of 1,914 sales were under \$1 million.

At the high end, there were 160 sales for more than \$3 million last year, up from 133 in 2006.

But Cassidy predicts that an expected third year of fewer resort home sales due to waning investor demand will bring down average sale prices this year.

"Unlike earlier market cycles, prices have not fallen back in the face of slower sales," he said. "We think we are near this tipping point."

SHARE THIS ARTICLE:

Del.icio.us Facebook Digg
Reddit Newsvine What's this?

Print this page E-mail this article



Fewer sales in the lower end of the market in the first half of 2007 meant sales of high-end properties such as this \$29 million residential complex at Mauna Kea Resort pushed up the average price.

Advertiser library photo



Ka'iulani, a project at Princeville Resort on Kaua'i, reported selling 38 condos for an average \$1.7 million last year. Researcher Ricky Cassidy says demand for resort homes under \$1 million has "dried up."

KEN KUBIAK | Century 21 All Islands

Still, developers of million-dollar-plus resort homes are betting that there are plenty of wealthy individuals seeking Hawai'i vacation property to keep demand relatively strong.

According to Cassidy's report, some of the big development projects that contributed to resort home sales last year were Kai Malu at Wailea on Maui, where there were 86 condo sales at \$1.27 million on average, and Hali'i Kai at Waikoloa Beach Resort on the Big Island, where there were 74 condo sales at \$1.15 million.

At the high end, there were 17 condo sales at Hualalai Resort on the Big Island for an average \$2.67 million, and 25 condo sales at Ho'olei in Wailea for an average \$2.79 million.

The priciest sale was a 2.6-acre oceanfront estate at Mauna Kea Resort that sold for \$29 million. The six-building residence was built in 2000 with three guest houses, an 80,000-gallon saltwater river stocked with exotic reef fish, and a main house featuring a 2,000-bottle wine room.

The complex was developed and sold by John Hoffee, a retired medical-supply company founder. The buyer, according to property and business records, was a partnership affiliated with a family trust of Cirque du Soleil's founder and CEO, Guy Laliberté.

Cassiday's report showed that sales of previously owned property represented roughly 800 sales compared with the nearly 700 sales of new property sold by developers.

The report counted residential property sales at only master-planned communities with resort zoning, which would include sales at Ko Olina Resort & Marina but exclude sales in Waikiki.

Reach Andrew Gomes at agomes@honoluluadvertiser.com.

More Business headlines

- **Hawaii visitor arrivals dip 1% in March** (1)
- **Health insurance premiums up 15%, study says**
- **Honolulu foreclosures rise, but are second-lowest in U.S.** (1)
- **Feb. papaya production down 6%**
- **Pickets target Pacific Beach Hotel** (1)

RELATED NEWS FROM THE WEB

Housing

Powered by Topix.net

In your voice

READ REACTIONS TO THIS STORY

Newest first ↓



kanae wrote:

i think single family homes will fall 10%-20% by the end of 2009 depending on where. leeward and central oahu 20 - 25%. town and east oahu, 10-15%. either way, still expensive but may land in a spot where locals may be able to afford... 720+ fico credit, 20% downpaying, locals that is.

4/23/2008 11:43:40 PM

Recommend (1)

Report Abuse



kalakoa wrote:

Why is this even news???? Who cares about million dollar resort condo sales dropping ???

4/23/2008 9:08:43 PM

Recommend (2)

Report Abuse



MangoJohnnie wrote:

duff1...."sky is falling ".....You Bet IT IS !!!!!!!

4/23/2008 4:03:32 PM

Recommend (2)

Report Abuse



GoFly88 wrote:

Fact; most of the KoOlina golf course or planned resort community homes/planned developments are now selling for about \$100,000 less than they were 2-3 years ago, with the number of foreclosures increasing quarterly. These are on resales, not new developments.

4/23/2008 3:17:41 PM

Recommend (3)

Report Abuse



duff1 wrote:

More scare tactics to make people think the sky is falling.

4/23/2008 12:40:57 PM

Recommend (1)

Report Abuse



uninformed wrote:

"May drop"? Another soft sell job by the realtor's pimp.

4/23/2008 11:23:46 AM

Recommend (5)

Report Abuse

Add your comment (max 1000 characters)

Empty text input box for user comments.

Submit



Partners: Apartments: Apartments.com Cars: Cars.com Jobs: CareerBuilder.com Real estate: Homescape.com Shopping: ShopLocal.com

Local partners: 101 Things to Do 4info Around Hawaii GreatSchools.net Hawaii.com Real Cities Network

Home | Local news | Sports | Business | My Advertiser | Island Life | TGIF | Opinion | Multimedia | Buy/Sell/Shop | Customer Service | Site Map

Terms of service | Privacy policy | Contact us | About us | Work for us | Gannett Foundation | Subscribe

©COPYRIGHT 2008 The Honolulu Advertiser. All rights reserved.

Use of this site signifies your agreement to the Terms of Service and Privacy Policy , updated March 2007.