

## West Hawaii Real Estate Update

### Kona

Well there is a big collective sigh of relief being heard all over Kona... inventories dropped, closings held steady and escrows are up in April... yeah! This trend began to develop partially last month as closings and escrows increased but so did inventories...hmmm. You have to have all three going in the right direction to have the market correct itself and it looks like it might be... yahoo!!!

House closing were at their highest since June of last year and up 300+% from the dismal 7 in January, showing a monthly increase now for 3 consecutive months. Out of the 23 closed 30% were short sales or bank owned.

Condos sales are still slow with only 11 in April, including 1 bank owned closing. They are having issues with the strict new lending rules on owner occupancy rates and delinquent fees but we do have 32 in escrow.

Land sales... what can you say, at 5 a month that is 60 sales a year or 5 years worth of inventory... yikes!

In the next few months I think that the quality low priced properties will sell. Leaving the overpriced low quality properties on the market. So buyer's now is the time you have been waiting for!

### Kohala

Escrows are up... inventories dropped slightly and closing didn't quite make our expectations but overall Kohala is struggling to start a market correction trend. Closings were all in the single digits with house sales coming in under expectations... not sure why since there was sufficient volume in escrow it make it a double digit month. Look for high closings in May for this category.

Escrows are at their highest since March 2008 and inventories dropped for the 5th consecutive month. Now this doesn't mean that prices are going to stabilize or pop back up overnight... on the contrary we still have not found the bottom of the price reductions but they are slowing and getting less dramatic. Hopefully we will see this section plateau after the summer.

### Luxury Real Estate

Inventories in the luxury arena in Kona continued to grow for the 4th straight month now up 35% from April 2008... but this would be misleading without considering Kukio and Hualalai have recently added their 86 listings creating an artificially high number when compared to 2008. Truth be told we have the same quantity as last year if this adjustment is made.

But if we also do the same for sales we would find their sales so far have represented 44% of all of our luxury sales in Kona in 2009 with 4 out of the 9 recorded.

In Kona the luxury market represents 19% of the overall market but in Kohala it is 27% so whatever happens in this category has major implications for them.

Kohala has seen their inventories fall for the last 12-months down 22% from last April. And with only one sale this month things could look bleak except the Waiulaula project decided to "cut and run" in April reducing most of their inventory by \$1 million each and putting the majority of it in escrow the first day.

Unique buying opportunities like Waiulaula will happen again and when they do you need to be ready because they fly off the shelves, so make sure you are registered with me to be notified.

Also happening in the resorts are foreclosures... now this is not for everyone but some great buying opportunities could be just around the corner... call today!

### As Seen in the News...

- Alaska Airlines is adding more service with a new Oakland to Kona route... yeah!
- Champions again... Hawaii has the lowest gun death rate in the nation!
- Honolulu is still 150th out of 203 major metropolitan areas in foreclosure rates with only 1 out of every 479 households... as compared to Vegas which was the highest at 1 out of every 22!
- Air tour safety ratings are improving with only 6 accidents last year across the nation, that is the lowest number in at least 26 years.
- Hawaiian Airlines was 1st in an annual study of 17 carriers after all of them earned the worst marks in a

decade in customer service in 2008... hmm, attitude does matter!

## Notes from Gretchen

Pacific Business News' annual real estate firm rankings were recently published and (drum roll please!) we moved up 16 places to number 33 out the top 50 firms in the survey! For just a little office this is a big accomplishment and is a well deserved reward for our hardworking agents... way to go team!

We currently have 6 open escrows we are hopeful will close and I have multiple buyers actively looking for the right property... so things are picking up in West Hawaii.

I'm off island for my 50th birthday the week of May 23rd thru June 1st, but will be available via email and cell phone if you need me... when you are a Realtor, you are always working... a hui hou!

## Testimonial

*We are grateful to Gretchen for her guidance during this most difficult housing market in decades. Due mainly to her 'honest appraisal and super 'hustle' the impossible was accomplished with a sale in just ONE day. She demonstrated the very best professional and personal qualities I have seen in the real estate business and she was always available whenever we needed her. We couldn't recommend her more highly!*

*LaBar's*

### **Closed in April 2009**

Kailua-Kona	Kohala
23 Homes	9 Homes
11 Condos	9 Condos
5 Land	3 Land

### **For Sale in May 2009**

Kailua-Kona	Kohala
442 Homes	216 Homes
392 Condos	331 Condos
294 Land	117 Land