

Never underestimate the power of a Redhead!

West Hawaii Real Estate Update

Volume 6 * Issue 1
January 2009

Kona recorded 23 overall sales for December, which was a new 15-year low for a month, the quarter—two under 100 back-to-back, and the year with only 477 overall sales. Notable is that the second half of 2008 brought a 50% reduction in sales volume in properties priced over \$500,000 when compared to the first half of '08.

Pricing pressure is high because of this drastic reduction in sales, causing the Big Island to have the largest drop in median prices of houses (-13%) and condos (-6%) of any County in Hawaii. Kona specifically was at -11% for

houses, with a median of \$542,000, and condos at -7%, with a median of \$335,000.

Houses priced in the \$400,000 to \$600,000 range have about an 18th month supply at the current absorption rate, with the heavy favorite again being the under \$500,000 ones... and for condos anything over \$300,000 had a 30+ month absorption at the end of the year... with under \$300,000 faring slightly better with 18 months of inventory.

You can't call the bottom of a market until you see it go up but I'd say we have almost no where else to go! **More stats online!**



Kohala Update...

Well Kohala had a good month after recording only 12 sales in November... they had 20 in December, closing out the year with 332 total. This is a 10-year low but that is a little deceiving since they got hit way harder in pricing than Kona.

The houses were off -13% in price with a median of \$479,000 and condos took a whopping hit of -22% to end at a median of \$609,950. In 2003, the median price for a condo was \$242,500... big change in 5 years mostly attributable to all the new luxury product built in the last 5 years.

Condos in escrow at the end of the year under \$1 million, number 8... not enough to even begin to calculate how long it will take to sell the 239 that are available.

Houses are faring better with 15 in escrow, 9 are under \$500,000, but that still leaves 179 under \$1 million to sell... about a year's worth at that rate. **More stats online!**

Gretchen

Gretchen L. Lambeth R(B)
Principal Broker/Owner
Tel (808) 327.1155
Gretchen@HawaiianIsle.net

Certified Residential Specialist * Certified Luxury Home Marketing Specialist

HawaiianIsle
REAL ESTATE

Luxury Real Estate

What can I say... if you are trying to sell a property that falls into the luxury category you might want to make some long range plans for keeping it.

The statistics for the \$1 million to \$4 million range of properties available in the MLS have a 52 month absorption rate in Kona and 62 months in Kohala... wow! This category has really taken a beating with the financial sectors woes and it doesn't seem like it will be improving any time soon.

Currently there is only 1 open escrow over a million in Kona and that is for a short sale property. There are two pending sales in Kohala... both under \$3 million. The over \$5 million range has vanished from sales and escrows in both areas... but there are still 11 listings in Kona and 3 in Kohala.

The good news is if you are a buyer the real estate market is "your oyster". Now is a great time to try to get that upgrade home you have been dreaming about for years. Interest rates are hanging around in the 4%-5% range and the selection is good and very well priced... and seller's are averaging 10% off of their list prices when they close... great news for your checkbook!

Call me to make an appointment to see the "cream of the crop" the next time you're in town... I preview almost all new listings and can help you select the one that is right for you!

HawaiianIsle

REAL ESTATE



75-5742 Kukulani Highway, #101
Kailua-Kona, HI 96740
TEL (808) 327.1155
CELL (808) 987.1012

Gretchen@HawaiianIsle.net
HawaiiRealEstateDreams.com

Gretchen L. Lambeth, Realtor (B)
Principal Broker / Owner
#1 Residential Resale Transactions
from Keauhou to Hawi in 2007!



Gretchen, we loved your get-it-done attitude! The time and effort you put into our condominium purchase from start to finish was outstanding. We feel we have a new friend in Kona who just happens to be a great Realtor... thank you!

Chris & Rhonda Cusick

Search all available Big Island properties online at HawaiiRealEstateDreams.com

Notes From Gretchen

Looking back at 2008 is satisfying in that we were able to assist more clients with their properties than in 2007. We also sold more dollars worth of inventory in 2008 than 2007... something I think only one other office can say they did. Being successful is a reward in and of itself but to do it in one of the most challenging markets in recent memory is another. My hat is off to my terrific team of agents and staff!

2009 is shaping up to be another challenging year but I'm ready, willing and able! If you or someone you know needs to get their property sold or wants to take advantage of this great buyers' market, call me. I'm the expert you can trust to make it happen! Aloha!

Market Snapshot

Closed in Dec. 2008

Kailua-Kona:
12 Homes
10 Condos
1 Land



Waikoloa/Waimea
10 Homes
7 Condos
3 Land

For Sale in Jan. 2009

Kailua-Kona:
432 Homes
346 Condos
233 Land



Waikoloa/Waimea
244 Homes
348 Condos
119 Land

ECONOMIC NEWS

- Hawaii's statewide employment rate is 96.2%... Yeah!
- West Hawaii Today (WHT) reported on January 8th that the volcano vent, Halemaumau may be pausing or stopping with the decrease in emissions... i.e. less vog... great news!
- Pualani Estates and Lualai, both D.R. Horton projects, have stopped construction indefinitely.
- Kona saw 34 foreclosures in November and 15 in Kohala per WHT... not as bad as I would have thought.
- Hotel occupancy statewide is down to 53.2%, another 7% off of last years rate at the same time.
- Hotel room rates dropped a whopping 17.5%... guess they got the hint.