

Never underestimate the power of a Redhead!

# West Hawaii Real Estate Update

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In Kona, the end of June marked the 4th straight month with closings over 40 and the 3rd month with inventories lower and escrows over 100... yippie!

As for the quarter, we closed over 127 transactions, breaking a stretch of 3 consecutive quarters under 100... yeah! My statistics, going back to 1992, have no other reference for 3 consecutive quarters this low... and only 4 quarters under 100 for the last 17 years total before now... even in the slow years. But since 13 out of 17 years Q2 is the highest quarter of the year so don't get your hopes up yet for Q3.

Houses led the way in the first half of 2009 with 36 sold under \$400,000 and another 33 in the \$400,000's. Over \$500,000 and up to a million there were 37 more sales. In other words, two-thirds of our sales are under \$500,000. We are showing a 10-month supply under \$500,000, a 34-month supply over it... yikes!



In condos, out of the 68 sales so far in 2009, 95% were listed under \$500,000. Thirty-seven sales, representing 54%, were under \$300,000.

73% of the overall market sold for under \$500,000... that only leaves 27% for everything else.

## Kohala Update...

Inventories are still dropping in this area... down for the 7th month and into territory we haven't seen since April 2008... great news!

Sales were up again this month with 28 overall... topping June 2008 by 2... and the highest one month total since September 2008. Escrows are back over 60 but this could be more a factor of the slow closing time frames of short sales and foreclosures than a swelling of new escrows.

As for the quarter... up 30% from the first quarter to 75... but that is where the good news ends. It was the slowest mid-year start since 1996 tying it with 128 for the first two quarters... down almost 70 properties from this time last year... that's a lot of sales that didn't happen!

Here is the breakdown in types of property Q1 and Q2... 73 houses, 41 condos, and 14 parcels of land. Overall 69% of the sales were under \$500,000... 76% of the houses, 53% condos and 71% of the land. That leaves only 31% for everything over that amount.



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## Luxury Real Estate

Kona took the lead in luxury sales this month with 6... and considering they only started the month with 5 in escrow, that wasn't too shabby. Cash sales represented 5 out of the 6 and 4 out of the 6 were in Hualalai and Kukio resorts.

The 'whopper' for the month once again goes to Hualalai for selling a \$14.7 million house... that was at a 27% discount off of the \$19.9 million asking price and putting it in first place in West Hawaii for sales in the last 12-months.

Kukio resort led the month with closing transactions with 3... 2 lots and 1 house. Both lots closed close to a million but one was listed at \$3 million... that was a 62% list to sold reduction... wow! The house fared better with only a 15% reduction off of the asking price to close at \$5.5 million.

In Kona, we had a sale in Keauhou Estates of a large recently remodeled home for \$1.3 million and a Holualoa coffee farm that was listed at \$1.295 million and closed at \$975,000 a 25% reduction off of the list price.

Kohala started June with 2 in escrow and closed both of them, a condo at the Villages at Mauna Lani for \$1.5 million and a lot at the Mauna Kea at Kauna'oa for \$910,000—30% off of the \$1.3 million asking price.

There are deals in luxury with so few sales these last few months, if you have ever dreamed of moving up now is the time to do it!

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**#1 Residential Resale Transactions**  
from Keauhou to Hawi in 2007 & 2008!



When we decided to sell our home, I called the leading escrow company and asked... "Who do you feel is the most effective and successful broker in Kona, as well as the most organized with paper work?" Her comment was, "... Gretchen Lambeth would be on the top of the list." She worked tirelessly and professionally, and got it sold in this very challenging real estate environment. I've been in real estate for over 20 years and would highly recommend Gretchen. *Loratta*

Search all available Big Island properties online at [HawaiiRealEstateDreams.com](http://HawaiiRealEstateDreams.com)

## Notes From Gretchen

Last month a reader took exception to my 'Cash is King' analysis suggesting that I was bias against lending... quite the contrary, I love it! Here is a good example of a way to use it.

Assuming you buy today, when you go to resell your home, the buyer will most likely be offered interest rates well above our current ones of 5+%. Wouldn't it be a great advantage if you could offer the buyer the same great interest rate you got? You can! FHA loans are assumable, meaning as long as the buyer qualifies, they get the same great rate if you have an FHA loan... a huge advantage in a higher interest rate market... so using a lender can improve your resale ability in some cases. Call for details!

## Market Snapshot

### Closed in June 2009

#### Kailua-Kona:

26 Homes  
13 Condos  
3 Land



#### Kohala

15 Homes  
9 Condos  
4 Land

### For Sale in July 2009

#### Kailua-Kona:

420 Homes  
368 Condos  
300 Land



#### Kohala

204 Homes  
319 Condos  
119 Land

## Economic News

- The Big Island got a present from Pele... the rim of the Halemaumau vent collapsed! The website today says the emissions are down as compared to most of 2008/2009, resulting in clearer skies in Kona the last few weeks.
- Kona airport got a repaving grant for the air cargo apron... \$1.3million... nice stimulus!
- If your career is in medicine then Hawaii is the place to be! A recent report by PBN shows that from therapists to doctors they all average more per hour here than on the mainland.
- US Airways will begin daily non-stop service between Charlotte, NC and Honolulu on December 17th... one more way to get here!