



Maui Real Estate Advisory Issue November 2010

1. OCTOBER 2010 REAL ESTATE STATISTICS – Analysis for West Maui

As always, please interpret this data with a grain of salt. Given the reduced number of sales in certain area (like Kapalua and Kaanapali) the indicators may not really reveal what is going on. At the same time, year to date numbers seem to be more reliable than a simple comparison of October 2010 to October 2009.

HOME SALES

In a nutshell, there is an **increased activity on the market**, proven by the number of sales to date as well as the total volume of sales to date.

Although the number of transactions of **homes sold in Honokowai/ Kahana/ Napili area has increased 35%**, the total volume has decreased 6%, reflecting the fact that the both the median and the average price went down. The average price in this area is \$814,504, showing a decrease of 30% year to date, while the median price is \$650,000 showing a decrease of 7%. **Half of the recorded sales were in Kahana Ridge subdivision.** Also **half of the properties sold were short sales or foreclosures**, most of them located also in Kahana area, including Kahana Ridge subdivision.

As for Lahaina town, **single family home sales increased 54%**, while the total sales volume increased 43%. The average price for a home in Lahaina is currently at \$858,618 (showing a decrease of 7%) while the median price is \$628,100 (showing a decrease of 20%). Our MLS system includes Launiupoko into Lahaina district and it is the high end, brand new homes, sitting on larger acreage in this subdivision that influence the statistics upwards. **A little more than 30% of the homes sold in Lahaina area were short sales or foreclosures.**

Most of the sales in Kaanapali took place in the “older” or more established subdivisions of Kaanapali (Kaanapali Vista, Kaanapali Hillside) rather than in Kaanapali Golf Estates that registered only four sales this year. None of the houses listed at Lanikeha, the newest subdivision in the Kaanapali Golf Estates sold yet, despite some interesting offerings, like the Tuscan Villa, now listed for \$5.5 mil.

Kapalua statistics continue to prove that this is an exclusive community: not many sales are occurring, but when they do, they are high dollar volume. Year to date, we have seen an increase in number of homes sold, particularly in **Pineapple Hill** Subdivision. But again, two sales in this area can make the statistics change dramatically: like the



two sales in the \$7+ mil, one in the Plantation Estates and one oceanfront home in Honolulu area.

CONDO SALES

Almost **twice as many condos sold in Honokowai/Kahana/Napili area year to date** (142 units) which comes to prove again the increased activity. From **\$18,000 for a 1bd/1ba leasehold at Hale Ono Loa**, to **\$1,280,000 for a 2bd/2ba oceanfront leasehold at Alaaloa**, we have everything in between: residential condos in areas like Villas at Kahana Ridge or Napili Villas and resort type properties like Royal Kahana. Prices did go down though: **13% decrease for the average price**, down to \$340,912 and 18% decrease for the median price, down to \$307,500.

In Lahaina town, although most of the 50 units sold this year were at **Aina Nalu, Opukea and Hoonanea** (all fairly new developments with average prices around \$300,000), a few sales in Puamana (direct oceanfront property) made the average price for the area come up \$370,470, a 7% decrease compared to last year.

Although **Honua Kai** (the new development in Kaanapali) accounts for most condo sales in Kaanapali area, the other hot areas are **Kaanapali Shores, Maui Kaanapali Villas and The Whaler**. Overall, prices have dropped 3% to an average of \$1,241,158, and a median of \$815,000. **Only 12 units or 5% of the total number of sales were short sales or foreclosures.**

We have also seen an increased number of units sold in Kapalua, most sales being registered at **Kapalua Golf Villas**, with a **record low of \$425,000 for a 1bd/2ba condo**, 972 sf living area. The highest priced condos in Kapalua are at the Residences on Kapalua Bay, where four units sold this year, priced between \$3,300,000 and \$5,735,000.

LAND SALES

The fact that very few local banks offer land loans continue to determine lands sales volume. While see some increased activity, this is not enough to compare to the 2004-2007 levels. Lanikeha (the newest subdivision that is part of Kaanapali Golf Estates) has the largest inventory available, while it registered less than 10% of the total sales. Launiupoko continues to raise interest, both for large acreage parcels and condominiumized parcels. Although the coffee farms registered some significant price reductions (less than \$1,000,000 for a 5 acre parcel), we have not seen any significant activity yet.

2. WHERE ARE THE HOT SPOTS or WHAT IS SELLING

For single family homes, the hot spot seems to be **Kahana Ridge**, with some record lows and many options to choose from. Older homes, in need of remodeling in Kaanapali area seem to have raised some interest as well.

For condos, **Kapalua Golf Villas** and **Kapalua Bay Villas** have registered



some record lows. Like \$625,000 for a turnkey 1bd/2ba Kapalua Bay Villas with great ocean views (used to sell in the high \$900,000's).

In Lahaina town, the hottest spot continues to be **Aina Nalu**, which is a fairly new development (2006) claiming the name of a "boutique resort", where one can get a beautiful 2bd/2ba unit in the mid \$250,000 (sold by the developer for more or less than \$500,000).

Opukea and Hoonanea, the newest condos built by DR Horton seem to attract a lot of first time home buyers, due to pricing, square footage and amenities. Average price is \$400,000 for a 3bd/2ba unit of aprox. 1400sf.

Honua Kai, the newest towers in North Kaanapali continue to attract a lot of interest due to the location and the fact that they are brand new. Duke's Restaurant and their live music may have convinced a few buyers, too 😊

3. SELLERS' TIPS

If you are not distressed and if you are not in a hurry to sell, **this is definitely not the time to sell**. Just hang on to your property; we estimate lots of activity January 2011 through April 2011 and we may see prices going up moderately in certain areas.

4. BUYERS' TIPS

This is definitely the time to buy! Some of the inventory is starting to disappear, like direct oceanfront units at Hale Ono Loa or Maui Sands priced under \$100,000 (leasehold).

Don't assume that a short sale or a foreclosure will automatically be a good deal: banks are not in the business of giving properties away, but in the business of making money. If you have the choice, it is better to negotiate as much as possible with a seller that is not going through a short sale or a foreclosure. There are too many variables in such transaction that you cannot control. Assess all the risks of buying a short sale or a foreclosure ahead of time! I could probably right a book about this topic alone.

5. MORTGAGE UPDATE

The Villas at Kahana Ridge is now FHA approved, making it possible for first time home buyers to obtain a loan on these condos. The other FHA approved properties at this point in time are Hale Royale, Opukea and Hoonanea. Both Napili Villas and Napili Village do not comply with the criteria regarding HOA fees delinquency.

Last, but not least,

Happy Thanksgiving!