

CARON B REALTY INTERNATIONAL

High Tech, High Care, High Results

December Monthly Newsletter

*Your Update on the Oahu Real Estate Market
& Caron B Realty International*





Mele Kalikimaka and Happy Holidays! It's hard to believe that it's time to close the books on another year. It has undoubtedly been a challenging year and many in our communities are still struggling, but the news of the vaccine brings hope. As I reflect on 2020, I find myself thinking about the ways I have had to adapt in business and in my personal life, and what changes I want to continue practicing after life returns to "normal."

Since I wasn't able to see friends and family in person, I connected with them over the phone or via Zoom and made a point to check in. We virtually celebrated birthday and holidays; I was able to bring together friends and family in Hawaii, California, and Australia. That's something that doesn't happen often even when there is no pandemic! I think we can take our friendships and relationships with family for granted. We let our work and other activities get in the way, but as many of us have seen this year, strong relationships are what get us through difficult times. So even though I definitely look forward to traveling again and meeting with loved ones face to face, I hope to continue connecting virtually when we can't see each other in person.

At work, the restrictions on business practices prompted innovations in our use of technology, in new strategies for marketing, and in services for our clients. The challenges of the year led to strengthened relationships with my team as we navigated their obstacles together and created new ways for them to succeed.

One of our agents joined our Buying & Selling Team, another agent helped many families purchase their first homes and take advantage of record low interest rates. A third agent, who is also a yoga instructor, expanded her yoga community by introducing virtual yoga lessons. As a company, and with the help of our clients, we have hosted a food drive for Hawaii Foodbank for 8 months now and have donated over 3500 meals to support those in need in our community. These are just a few highlights from this year that was filled with big and small success and we celebrate them all. I encourage you to think about all your accomplishments this year and the positive changes you made this year that you want to continue when life resumes normalcy.

As we all remember, real estate took a big hit at the beginning of the pandemic but is recovering across the country. In October, home sales rose to a 14 year high. In Hawaii, year-to-date, single-family home sales are almost back on track with 2019 activity and new listings are up 10.8% over last November.

Continued on next page



The median price, which increased 9.8% over last November, is the second highest it's ever been. Homes are selling faster and above asking price. The number of single-family homes that sold over asking price increased 210% from last year.

Similarly, in the condo market, sales above asking price increased 79.2%. The Median price for condos increased 1.2% November 2019; it is encouraging to see prices on par with last year considering the significant decrease in the condo market in the earlier months of the pandemic. In addition, condos sold after an average 16 days, 10 days faster than last November.

In the luxury market we are seeing month-over-month gains. The median SFH price decreased from last year but increased from last month. The same change happened for days on market; luxury homes sold 24 days faster than last month. There were 12 more luxury home sales this November than November 2019. Properties sold for an average of 96% of their listing price at an average of \$740.91/sq ft.

The median price for luxury condos was \$2,540,000, up from \$2,250,000 in November 2019 up from \$2,067,052 last month but there were only 2 sales. The 2 condos sold significantly faster than last month, as well as last year, down 145 days and 36 days, respectively.

In this newsletter you will find an update on the Oahu real estate market. In the property management blog, Doug talks about the difference between leasehold and fee simple land tenure. There are a couple links to TED blogs that can inspire you to make New Year's Resolutions. We share an article about how to better understand recipes and suggestions of traditional holiday meals from around the world. If you're looking for last minute holiday gifts, we provide a link to a list of local shops. Finally, we want to thank everyone who has donated to our Virtual Food Drive and our 6th Annual Food and Fund Drive and are proud to say we have donated more than 3500 meals since May.

Please do not hesitate to reach out to us with any questions or concerns regarding your property, the market, or the real estate industry in Hawaii, or need anything. We are here for you. You can reach me directly by phone or text at **(808) 286-5256**.

Aloha,
Caron

November Oahu Real Estate Statistics

Luxury Real Estate Statistics

<i>November 2020</i>	<i>Single Family</i>	<i>Condo</i>
Highest Recorded Sale	\$12,500,000	\$3,180,000
Median Sales Price	\$1,950,000	\$2,540,000
Total Closed Sales	45	2
Average Days on Market	94	58

Real Estate Statistics

<i>November 2020</i>	<i>Single Family</i>	<i>Condo</i>
Median Sales Price	\$872,500	\$420,000
<i>Percentage Change</i>	+9.8%	+1.2%
Total Closed Sales	338	407
<i>Percentage Change</i>	+5.6%	-6.2%
Median Days on Market	10	16

Information and statistics provided by the Honolulu Board of REALTORS.

Press release on next page

November Oahu Real Estate Statistics

"According to resales figures released today by the Honolulu Board of REALTORS®, closed sales of single-family homes on O'ahu increased 5.6% and remained relatively steady from last month, while condo sales decreased 6.2% compared to this same period the previous year. Year-to-date, single-family home sales are almost back on track with 2019 activity and were down just 0.7%. Meanwhile, the condo market is struggling to recover to pre-pandemic levels and remained down by a double-digit percentage of 15.8%."

"The number of single-family homes and condos sold above the original asking price skyrocketed 210.2% and 79.2%, respectively, compared to this time last year. Practically every region across O'ahu saw over-bidding activity for single-family homes, though it was most prevalent in the Ewa Plain, Kailua, and Kaneohe areas and the \$700,000 to \$999,999 price range. The Ewa Plain, Central, and Waipahu regions accounted for the most condos sold above the asking price and were within the \$300,000 to \$599,999 range."

"'This seemingly new normal of buyers entering bids tens of thousands of dollars over asking price clearly reflects the urgent need for more housing,' said Tricia Nekota, president, Honolulu Board of REALTORS®. 'Despite limited inventory, the high demand for housing is keeping O'ahu's real estate market strong and steady throughout the public health crisis.'"

"The median sales price of single-family homes rose 9.8% to \$872,500 compared to November 2019. Properties priced at \$700,000 and above marked a 25.7% increase in closed sales and represented more than 80% of all single-family homes sold last month. Regions across the island recorded significant jumps in sales, including Diamond Head with a 40% increase and Kailua with a 60%. In comparison, the usually active Metro region recorded a steep 28.6% drop in closed sales."

"The median sales price of condos inched up 1.2% to \$420,000. Condos listed just above the median sales price in the \$500,000 to \$599,999 range saw the largest gains, up 19% over last year. Mid-priced condos in the \$400,000 to \$499,999 range represented the bulk of condo sales, accounting for 22.1% of all sales in November, and were on pace with November 2019 sales."

"New listings typically begin to wind down during the winter season, but new listings for single-family homes saw a year-over-year increase of 10.8%. Though new condo listings declined 4.1%, there was steady activity throughout the month. Sales in both markets continue to move quickly, with single-family homes and condos spending a median of 10 and 16 days on the market, respectively."

"'We are experiencing a fast-paced market with properties flying off the market in a mere matter of days, especially single-family homes and townhouses,' Nekota added. 'REALTORS® help buyers and sellers feel confident navigating the real estate process and serve as your trusted partner.'"

"While the active inventory of single-family homes dropped 34.0% compared to 2019, condo inventory is relatively mixed based on price points. There were modest increases on both ends of the price spectrum, including the \$299,999 and below range and condos listed for \$2 million and above, and 12.2% fewer listings for properties in the middle."

Information and statistics provided by the Honolulu Board of REALTORS.

Luxury Sale of the Month

Highest Sold Single Family Home



HI CentralMLS

Lanikai, Kailua

7 bedrooms | 7 baths | 4 half baths | 10,092 square feet living | 1.043 acres land

Why this property is spectacular: This compound sits on over an acre of land with 150 linear feet of ocean frontage. There are four buildings including the main house, guest house, fitness area, and office. There is an outdoor kitchen, covered lanai, water features, and putting green.

Sold at: \$12,500,000 to a local corporation after 244 days on market.

Source: State Tax Office & Bureau of Conveyances

Picture from Honolulu Board of Realtors

Luxury Sale of the Month

Highest Sold Condominium



Hokua at 1288 Ala Moana, Kaka'ako

3 bedrooms | 2.5 baths | 2,343 square feet living

Why this property is spectacular: Floor-to-ceiling windows in this luxury condo offer sweeping ocean, city, and mountain views. Premium amenities in the building include a concierge, fitness center, and resort-like pool.

Sold at: \$3,100,000 to a local LLC after 68days on market.

Source: State Tax Office & Bureau of Conveyances

Picture from Honolulu Board of Realtors

Property Management



Ask the Expert

**PROPERTY MANAGEMENT TIPS
WITH DOUG DAVIS
REALTOR/BROKER**

WWW.CARONBREALTHY.COM/PROPERTYMANAGEMENT

Doug Davis oversees our updated, full service property management program and has a wealth of knowledge on all things property management. We are proud to have a team with different specialties who can help our clients with their unique rental needs.

Understanding the Difference Between Fee Simple and Leasehold in Hawaii

A condo in Hawaii for \$50,000! What's the catch? If you've searched for property in Hawaii, you may have noticed that when it comes to land tenure, some properties are fee simple and others are leasehold. In a nutshell, leasehold means you don't own the land the structure is on. Fee simple means you own the land until you sell it, lease it to others, or transfer it after death.

Though not as common as it used to be, 15-20% of the total market in Hawaii is still leasehold property. Every year that percentage gets smaller as buildings are converted to fee simple. Leasehold is found in a few other states across the US on indigenous land; it also appears in New Zealand on Maori land. Additionally, leasehold is fairly prevalent for commercial buildings.

When you own property that is leasehold, you are leasing the land from the landowner and you rent it for a monthly lease rent fee for as many years is on the ground lease. The ground lease is the document that was recorded and agreed upon by the developer that sold to individual condo owners, who then agreed to it. Ownership rights include being able to deduct it, rent it, can do what you want with it, up until the end of the lease.

When the lease expires, you must move out of the building. The landowner gets the building free and clear and can do with it what they want. Sometimes they rent the property, sometimes they turn it into a fee simple property, and sometimes they resell to new owners as leasehold.

In some situations, the fee is available for purchase and the buyer will have opportunity to purchase the land. If a fee is offered, it may be recommended for you to purchase as you may not have another opportunity to do so; if you do, the price will likely increase.

There are some problems with leasehold as the lease length gets shorter. Once it gets to 30 years or less, you won't be able to get a 30-year mortgage. You will also not be able to defer capital gains taxes. If it's an investment property, you won't be able to do a 1031-exchange if there's less than 30 years left on the lease. In addition, the value of your property depends on the length of time left on the lease. The closer it gets to the lease expiration, the harder it will be to sell.

Leasehold can be the right opportunity depending on your circumstances. Understanding lease terms and purchase opportunities is best done with the help of real estate professional. Our Caron B Realty agents will help you understand the terms, what negotiation means for you, risks and benefits, and best course of action for your real estate goals. Call us to schedule a private consultation at (808) 593-9826 or email concierge@caronb.com

Family New Year's Resolutions



It's coming time for New Year's resolutions and TED's "How to Be a Better Human" series is a great resource on all things life and work for you and your family. With gift giving holiday charitable donations, many people are talking about money this time of year. Conversations about finance are important to have with children and [this article](#) provides tips on how to raise financially responsible kids and emphasizes the importance of gratitude. For anyone who resolves to stick to an exercise routine in the coming year, [this article](#) offers tips for getting started that can be applied to a variety of new habits.

Recipe Tips and Suggestions



There are so many delicious meals that can be made with seafood but sometimes it can be hard to know where to start. With the wealth of online recipes and cookbooks, it can be overwhelming and confusing. [This article](#) offers tips for navigating and following recipes. If you'd like to try a new recipe this year, check out [this list](#) of holiday meals from around the world.

Local Shopping Gift Guide



Let's wrap up this humbug year with Santa-supported stocking stuffers and bright under-the-tree surprises.

Last minute shopping and looking to give a special gift and support local business owners? [Check out](#) this gift guide from Honolulu Magazine!

Photo courtesy of Honolulu Magazine/Aaron K. Yoshiro

Virtual Food Drive



We wanted to say thank you for your support and donations to our 6th Annual Food Drive and Virtual Food Drive in support of Hawaii Foodbank! Your donation helped us more than double our original goal for fundraising when we started our Virtual Food Drive in May. We are proud to share that we have donated over 3,500 meals since May, as well as canned goods and non-perishable items for the food bank. Community involvement, service, and charitable giving have been a part of Caron B Realty International's company values since our founding in 2001. We are honored to have clients who value community and giving as much as we do, and we truly appreciate your donation. We will continue to raise money for the food bank through our Virtual Food Drive [here](#).

We'd love to hear from you...

And we appreciate your feedback! We are proud to share this recent testimonial from a client:

"Thank you Caron, Doug, Julie, and Lindsey. You all made buying our house much easier. Your positive feedback and efforts were just what we needed." - J. E.

Surpassing customer needs is a high priority for us.
Please contact us with your questions, feedback and insights.

We are here to assist you with all of your real estate needs!



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INTERNATIONAL
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CARON B DAVIS, REALTOR
OWNER/BROKER, CIPS, SRES, GRI, CRS

Call or Text: (808) 286-5256

Office: (808) 593-9826

eFax: (808) 356-1503



3555 Harding Ave Suite 202 Honolulu, Hawaii 96816

cbdavis@caronb.com | www.caronbrealty.com

Connect with us!

