



Ivy K Realty, LLC
 98-030 Hekaha St., Ste. 16
 Aiea, HI 96701-4900

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Hawaii Real Estate News

By Mikki Kumai

VOLUME 14, Issue 1

“Committed to Excellence”

Oahu Housing Trends

*4th Qtr 2008 information provided by
 Honolulu Board of REALTORS (HBR)*

“The residential housing market on Oahu continued its sales decline into the third quarter.” said HBR. There were sales of 721 single family homes and 1,015 condominium units through the Board’s Multiple Listing Service computer, well behind the figures of the market peak in the third quarter of 2005 which had unit sales of 1,324 and 2,286, respectively.

The HBR also said that the third quarter median sales prices paid for a single family property showed a decline from the same quarter a year ago, at \$615,000, a loss of 5.4%. The condominium median price came in at \$322,000, a decrease of 2.4% from both last year and the second quarter.

When the number of sales are multiplied by the average sales prices, the total dollar sales volume is computed. The total dollar volume generated by Oahu residential sales was \$987 million in the third quarter of 2008, slightly behind the second quarter, but this was a 24.7% decline from the same quarter a year ago. It was the third time the dollar volume fell below the \$1 billion mark since the market peak and record for quarterly dollar volume was achieved three years ago, in the third quarter of 2005, at \$1.810 billion and this \$1 billion milestone was first achieved in the third quarter of 2003.

HBR reports, “The list prices during the third quarter were \$713,100 and \$346,300, for single family homes and condominiums, respectively, declines of 4.8% and 2.3% from the same time last year. Compared to the second quarter, single-family home asking prices decreased by 1.7% and condominium list prices slipped a manini 0.7%, from \$725,500 and \$349,000 respectively.”

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Wealth Through Real Estate

As a former Champion Gold Medalist in speed ice skating, Mikki knows that if you approach life with “the heart of a champion,” you’ll always be a winner. She has been in real estate long enough to know how to handle the ups and downs of the market.

Mikki brings keen insights and business savvy to every transaction. Her many real estate credentials and extensive experience can make all the difference when choosing a professional to assist you with buying, selling or renting your real estate property. She can help you build wealth through real estate.

It will be a pleasure for Mikki to assist you!



Mikki EunJun Kumai
 (RA), CRB, CRS,
 e-PRO, GRI
 808-330-2298
 mkumai@ivykrealty.com
www.mikkihawaii.com

Property Management Department

Last year has been quite a challenge for the Property Management Department of Ivy K Realty. Our goal is to secure good tenants for all properties, and it has been a slower process these past few months. Our current economy is not helping, with the layoffs and pay cuts. Ivy K Realty’s rental agents are trying very hard to eliminate the owner’s stress in these trying times. Many owners have decided to drop their rent to retain current tenants to avoid a vacancy. This is a good decision for many owners.

We all must pull together to make the best of this market change. Ivy K Realty has been through this type of change and have learned from past experiences. We’ve been through this before and understand the cycle and want our owners to know, we are there for them. Our services do not change, in fact we believe we have to work harder during these times.

And as the year comes to a close, we promise a continued support and dedication to all our rental properties.

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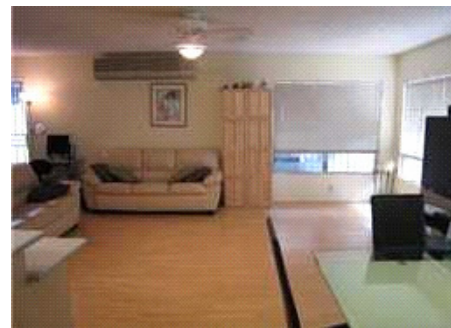
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Call Mikki EunJun Kumai at (808) 330-2298
Mikki will assist you with all your Real Estate and
Property Management needs!
Check out our website at
<http://www.mikkihawaii.com>

Capitol Place #2705 \$689,900 (FS)

Brand New Executive 2/2/2Pkg Kitchen Proudly features Viking’s Professional line of Appliances with island and Granite Counter Top Throughout.



98-834 Iliee Street Price Reduced! \$629,900 (FS)

In the heart of Aiea, this three bedroom, 1.5 bath single family home has a two-car carport on 8,400 sq ft fee simple land. No maintenance or association fees forever!



94-768 Hoomele St. \$455,000 (FS)

What an immaculate three bedroom, two bath home in Waipio Gentry with remodeled kitchen and bathroom. You’ll enjoy the low maintenance yard too.



Historic Properties

First American Title offers the following on Chapter 6E of the Hawaii Revised Statutes. It provides for a Historic Preservation Program in Hawaii and is intended to be a "comprehensive program of historic preservation at all levels of government to promote the use and conservation of such property for the education, inspiration, pleasure, and enrichment of its citizens."

A "building structure, object, district area, or site, including a heiau and underwater site" that is "over fifty years old" is a "historic property." The Hawaii Places Review Board of the Dept of Land & Natural Resources (DLNR) evaluates whether a property should be entered on the Hawaii Historic Property Register and certain guidelines must be followed when restoring or rehabilitating the structure.

Effective July 8, 2008, an owner of a historic building or structure—any building or structure over fifty years old—must submit "archival quality black and white photographs of the historic building" to the DLNR before the owner can receive a building permit. This requirement applies whether the building is on the Hawaii Register or National Register of Historic Properties.

For further details, contact Ivy K Realty or the state's website at <http://www.hawaii.gov/dlnr/hpd> and Hawaii Revised Statutes Chapter 6E.

Oahu Housing Trends

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The Honolulu Board of Realtors analyzes and prepares statistics for single family and condominium neighborhoods throughout Oahu. Here are a few areas which may be of interest:

Metro Oahu Area

This area has the highest concentration of condo units on Oahu and also had an increase in asking prices mainly in Waikiki from \$332,500 last year to \$349,600. The Makiki-Moilili area experienced a sizable decrease.

Windward Area

The Kaneohe area was one of the few single family areas to experience a sales increase, at 3.0%. As for Kailua, their sales continued to decline during the third quarter, by 16.3% single family and 42.1% condominium units.

Legislative Act 137

In June 2008, a new Hawaii Law, known as the "Mortgage Rescue Fraud Prevention Act" or simply "Act 137," was passed by the State Legislature and signed into law by Governor Linda Lingle. The effect of Act 137 in its current form essentially halts real estate sales professionals from servicing consumers of "distressed" properties.

An example is the common situation where a homeowner is more than sixty days delinquent on their mortgage, then calls their real estate agent for help. In accordance with Act 137, this property is considered a "distressed" property and must use a "distressed property consultant" who performs or makes solicitation, representation, or offer to perform any of the following relating to a distressed property: Stop or postpone the foreclosure sale or loss of any distressed property, assists the owner to exercise any cure of default arising under Hawaii law.

These are some of the duties Realtors perform when they represent sellers in short sales and "pre-foreclosure" sales. The hindrance is that Realtors and other real estate sales professionals, unlike lenders and attorneys are not excluded in Act 137. Ivy K Realty strongly recommends that Sellers be aware of this new law and feel free to contact them any time.

Central Oahu Area

The quarterly absorption rate in this area was high at 51.8% single family and 55.1% condo, which relates to the number of properties sold during the quarter to the average number of active listings.

Makakilo Area

Sales continue to decline in this area for both single family and condo units.

Pearl City Area

Listing counts in this area rose 31.3% and 14.5%, for single family and condo units, and both of the median asking prices were lower.

Waipahu Area

Waipahu had the best condo quarterly absorption rate on the island in the third quarter, even with a decrease since last year.

How can an FHA loan help you?

FHA (Federal Housing Agency) offers a wide variety of programs tailored to fit the many different loan requirements of potential borrowers such as the FHA Secure Program designed to help homeowners in jeopardy of defaulting on an existing loan, Rehabilitation mortgages for home repairs, Hawaiian Home Land loans and even Reverse Mortgages (will allow purchases beginning January 1, 2009).

One of the advantages of some FHA programs is that they currently allow for a potential borrower to put as little as 3% down (3.5% beginning January 1, 2009) towards the purchase of a home, whereas a conventional loan may require at least 5%. Unlike conventional loans that require the borrower to have at least 5% of their own money, FHA currently allows a down payment contributed by a family member. This makes the FHA loan ideal for first-time homebuyers with limited money for a down payment.

For those borrowers financing more than 80% of their home, mortgage insurance will have to be obtained. However, this leads us to another advantage as well as a common misconception of FHA financing. Many times the monthly mortgage insurance on an FHA loan is actually less expensive than the Private Mortgage Insurance on a conventional loan.

Another plus to FHA loans is that they are insured by the federal government. The required upfront insurance premium for this insurance is 1.75% of the loan amount regardless of the credit score and can be finance into the loan.

Finally, the most common misconception of FHA loans is that the interest rates are a lot higher. This is not necessarily true. In fact, in recent months the FHA 30 year fixed interest rate has actually been comparable or slightly lower than the conventional 30 year fixed interest rate.

For more FHA loan information, contact **Hawaii Mortgage Resources** at 526-2499 or stop by their Honolulu office in the Pioneer Plaza Building at 900 Fort Street Mall, Suite 1718.

HOT PROPERTIES FOR BUYERS TO LIVE IN OR AS AN INVESTMENT

Honolulu

1200 Queen Emma St. #2705 \$689,900 FS
Brand New Luxury 2/2/2Pkg Condo.
Amenities: Internet, Fitness Center, Yoga Room, Two Music rooms, Media Room Theatre, Luxurious Pool and In-Ground Jacuzzi, Cabans, Children's Playground, Dog Park, Club House with Capacity of 96 People, and 24 Hour Security.

Aiea

\$229,900 FS
Two bedroom, two bath unit in Kauhale.
Fully Renovated unit. Convenient Location!

Waipahu

94-515 Ulieo St. \$449,750 FS
Conv. Location to Mililani Town Ctr. YMCA, and Waikele Shopping Ctr.

Kalihi-Upper

1745 Akahi St. \$574,950 FS
Rewired, recess lighting. Full Kitchen Renovated in 05 w/ Granite Counter top, maple cabinet, & Hardwood Flrng & Ceramic tile in Kitchen..

Waianae-Price Reduced!

85-561 Waianae Valley Road \$399,000 FS
This four bedroom, 2.5 bath single family is brand new with an enclosed garage.

RENTALS AVAILABLE!!!

Salt Lake

\$1,100/month
Large studio, 1 full bath, 1 parking in Plaza Land Mark.

Waipio

\$1,800/month
Split-level three bedroom, 2.5 bath unit with lots of storage. Bedrooms on the top level with 2 full baths.

Downtown

\$4,000/month
You can live in this fully-furnished brand new executive three bedroom, three bath Capitol Place, which has 2 parking stalls. Amenities include internet, fitness center, two music rooms, theatre, pool, jacuzzi, cabanas, dog park and 24 hour security.

Call the IVYK REALTY Rental Department at (808) 488-0771 for information on other available rentals.