

# KAUA'I REAL ESTATE QUARTERLY

AN UPDATE FROM DEBRA A. JASON, REALTOR-  
ASSOCIATE®, VISION REALTY ALL ISLANDS KAUA'I

VOLUME V, No. 4, OCT.-DEC. 2008

## Optimistic News for Buyers & Sellers

One of the first posts on my blog at <http://activerain.com/blogs/kaui> realtor was about "Shedding Light on a Dim Real Estate Market." It was an attempt to provide some optimism in a market where the media continues to promote pessimism.

Continuing in this direction, I'm going to offer some more optimistic news - not based on my opinion, but on articles and other posts I've read.

If you watched *Morning Joe* on MSNBC on Sept. 17, 2008, you heard Jim Cramer, host of "Mad Money," offer his insight.

I paraphrase his comments here, but you can watch the video online at [mnsbc.msn.com/id/3036789](http://mnsbc.msn.com/id/3036789). When asked about the bottom of the housing crisis, Jim said "we're almost there." He continued "How 'bout some optimism? Rates [interest] are lower and we'll begin to see foreclosure rates go down in the next 3 months." He did qualify that by adding foreclosure rates will go down vs. the number of foreclosures.

And more good news. . . Mr. Cramer explained that in the last 2 quarters of this year cancellation rates (i.e. people walking away from their deposits because they can't sell their previous home) have declined. He said those rates had been around 40 to 50%. However, in the last 2 quarters more people have been able to sell their previous homes and therefore they're not walking away from their deposits.

In closing he stated, "Good loans will go to good institutions. And, good people will make out in the end."

In his article, "[July Existing-Home Sales Show Gain](#)," Walter Molony wrote "Existing-home sales rose in July to the highest level in five months." In this piece, he quotes National Association of REALTORS® (NAR) President Richard F. Gaylor as saying, "Buyers who've been on the sidelines should take a closer look at what's available to them now in terms of financing and incentives."

Lawrence Yun, NAR chief economist,

said home prices in some regions could soon increase. "Sales have picked up significantly in several Florida and California markets. . . We expect more balanced conditions in 2009 and will eventually return to normal long-term appreciation patterns."

On Sept. 2, 2008, the [uschamber.com](http://uschamber.com) magazine reported, "The housing market may be showing the first signs of stabilization, as existing home sales and new home sales increased."

It seems that one piece generating a lot of discussion, was Washington state Realtor Bill Sauneuf's blog post. Entitled, "[30 States had Positive Changes in House Prices over the last year!](#)" he provided some statistics from the Office of Federal Housing Oversight's [Housing Price Index](#) for the 2<sup>nd</sup> Quarter of 2008. The



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index indicated that 30 of the 50 states had positive changes in house prices

from June 2007 through June 2008. Only 4 states experienced overall price declines of more than 5 percent (I'm happy to say Hawaii wasn't on the list).

The index also provides a look at the percent changes in house prices over the last 5 years. Bill reported that the 5-year term STILL shows 287 of 292 local markets profitable. " . . . even with the challenges over the last year, the United States STILL has had a **34.8% increase in home prices over the last 5 years!**" he concluded.

I recently told one of my buyer clients that if his goal was to "buy and flip," this was not the market for him. This is the market to make a purchase you'll hold onto.

Buyers and sellers, here's a final comment I'd like to quote from Bill Sauneuf's post that echoes the sentiments I conveyed to my client. I think you'll find it does shed some positive light. He wrote, "**Homes are not stock . . . You're not supposed to buy and sell on a daily, weekly, monthly, or even yearly basis.**"

*"Homes are a long term investment. If you are only capable of doing short term investments for some reason (for example you plan to move in 2 years), buying a home is probably not the best investment for you. However, if you can make a long term investment then the purchase of a home is one of the best investments a person can make."*

Thank you to those who continually stay on top of the statistics and report good news. I'm going to keep searching for positive comments to report on my blog, the *Preferred Homebuyers Weekly Scoop*, and in future newsletters. Whether you're buying, selling or just curious, I hope you found this helpful.

Sources: [www.realtor.org/press\\_room/news\\_releases/2008/july\\_ehs\\_show\\_gain](http://www.realtor.org/press_room/news_releases/2008/july_ehs_show_gain); [activerain.com/blogsview/663415/3-States-had-Positive](http://activerain.com/blogsview/663415/3-States-had-Positive); <http://ofhco.gov/medial/pdf/2q08hpi.pdf>; <http://uschambermagazine.com/content/080902e.htm?n=>

(Continued . . .)

## 4 Reasons Why It's a Good Time to Buy On Kaua'i

If you're looking to buy a piece of paradise on Kauai, consider this:

**#1. It's a buyer's market.** Interest rates are still relatively low and inventory on the Garden Island is high. This means more options to choose from when you're buying - whether you want a single-family home, condominium or vacant land.

**#2. Prices have come down** because properties are sitting on the market longer than before - giving buyers more negotiating power.

**#3. Rainbows, waterfalls, incredible sunsets.** Just a small sun shower results in magnificent splashes of color across Kauai's sky. More than 1,000 waterfalls cascade down the mountains around the island. Take your seat on the sand and watch the sun's rays as they glow through the clouds and glisten on the ocean's surface.

**#4. It's a fabulous place to live.** The northernmost island in the Hawaiian chain, Kauai is 550 square miles with 50 miles of white sand beaches. The average temperature in winter is 76 to 80 degrees F and 84-87 degrees F in summer. What's not to like?

So, while you may still hear dim news when you turn on the TV, keep in mind there are bright spots - like living the Kauai lifestyle.

## Recent Sales on Kaua'i

Here are some recent sales as reported in the Multiple Listing Service on Sept. 24, 2008:

- CONDOS**
  - 2-bedroom townhouse at Poipu Crater Resort sold for \$465,000 on 9/16/08. Asking price was \$485,000. Days on Market (DOM)=110



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*"Truly the most informative newsletter I've received from any real estate agent or agency. Keep it up please ..."*

- W. R., Princeville, HI

- 3-bedroom Regency Huleia in Lihue sold for \$545,000 on 9/5/08. Asking price was \$598,000. DOM=396

- 2-bedroom Mauna Kai in Princeville sold for \$442,000 on 9/18/08. Asking price was \$490,000. DOM=76

### RESIDENTIAL

- 2-bedroom mountain & ocean view home on the Hanapepe River sold for \$490,000 on 8/29/2008. Asking price was \$540,000. DOM=71
- 3-bedroom Wailua rim home w/waterfall view on Haahoe St. sold for \$805,000 on 9/17/08. Asking price was \$825,000. DOM=54

- 5-bedroom riverfront home on Ananalu Rd. in Wainiha sold for \$650,000 on 9/16/08. Asking price was \$690,000. DOM=92

### VACANT LAND

- Approx. 9,105 SF in Kukuuiula Residential subdivision sold for \$1,125,000 on 9/17/08. Asking price was \$1,125,000. DOM=0
- Approx. 16,208 SF in the new Poipu Beach Estates subdivision sold for \$675,000 on 9/16/08. Asking price was \$675,000. DOM=0
- Approx. 14,859 SF in Puhi Industrial Park sold for \$372,500 on 9/8/08. Asking price was \$394,000. DOM=-8

Source: Hawaii Information Service, 9/24/08.

This information has been supplied by third parties & has not been independently verified by Hawaii Information Service and is, therefore, not guaranteed.

## Kauai's Latest Listings E-mailed to You Weekly

*Would you like to receive Kauai's latest listings each week?*

You can, simply by signing up at [www.kauaihawaii-realestate.com](http://www.kauaihawaii-realestate.com), click on "Latest Kaua'i Listings" (in the left-hand menu) and complete the form. Then, you'll receive the *Preferred Homebuyers' Weekly Scoop* — latest Kaua'i listings for the last week (from all the Kaua'i real estate agencies) e-mailed to you every Monday, *absolutely free!*

*Know someone else who is looking to buy or sell real estate?*

The **HIGHEST** compliment you can give me is the referral of your friends, family & business associates! Mahalo.



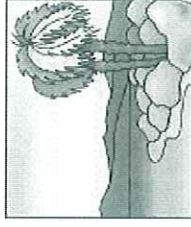
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