

# A WAVE OF OPPORTUNITY

**With new land and condominium developments in Hawaii, inventory is increasing and the market is looking promising for buyers.** By Christine Aebischer

**T**he Hawaiian Islands have long been sought after for their ideal location, temperate climate and white-sand beaches, and with a finite amount of developable land, real estate offerings are notoriously limited. However, with an influx of new developments on the islands of Maui and Oahu, specifically in Honolulu, inventories and opportunities are increasing for buyers.

"Honolulu has had a renaissance in the Ala Moana and Kakaako areas, with more than 20 new condominium developments coming up over the next 10 years," says Tracy Allen, vice president of Coldwell Banker Pacific Properties. Factoring in new development sales, both condo and single-family home sales

are up this year, and Allen describes the overall market as strong.

In Maui, several land listings are being offered for development, either for an individual homeowner or a developer. "We're seeing a lot more buyer confidence, an increase in tourism and economic status, a lot of new construction in the luxury market and new product on the market, from vacation rentals to custom estates," says Meghan Clair of Coldwell Banker Island Properties.

With the upsurge in new developments, though, Allen is seeing an adverse effect on the condominium resale market, especially in the price range of \$1 million and higher. "Buyers are opting for the brand-new projects in lieu of existing inventory," she explains.

In the last year, Clair saw an increase in list and close prices, and Allen expects property values to continue to increase over time, due to limited land. The luxury price range spans from about \$2 million upwards, with comfortable, single-family, turnkey homes falling in the \$5 million to \$10 million range, according to Clair. As prices increase, buyers gain larger home and lot sizes, prime beachfront location and top-of-the-line amenities, such as a pool, gym and guesthouse.

The most in-demand locations continue to be those offering pristine ocean frontage and sandy beaches, including Diamond Head, Kahala, Portlock, Kailua, Lanikai, the North Shore, Big Beach and Keawakapu Beach in Wailea. The local market is a key driving force in Honolulu's luxury market, according to Allen, with local buyers opting for custom, single-family homes.

Offshore buyers tend to prefer luxury condominiums, due to their easy maintenance and security. Asian and Canadian buyers play a large role in the international market, according to Clair, and are usually seeking a second home. "Hawaii is the epicenter of the Pacific Ocean, making it easily accessible from the east and west," shares Clair. "You're not just buying a home, you're buying a lifestyle, and this will continue to drive the market in a positive way." **UH**

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