

Isle home prices, sales move lower

□ But a stronger market is expected

By Rick Daysog
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Home prices on Oahu were soft in February, but an industry leader expects the market to firm up during the next few months.

"Activity seems to be picking up in all price ranges," said Karen Kimura, president-elect of the 8,600-member Honolulu Board of Realtors.

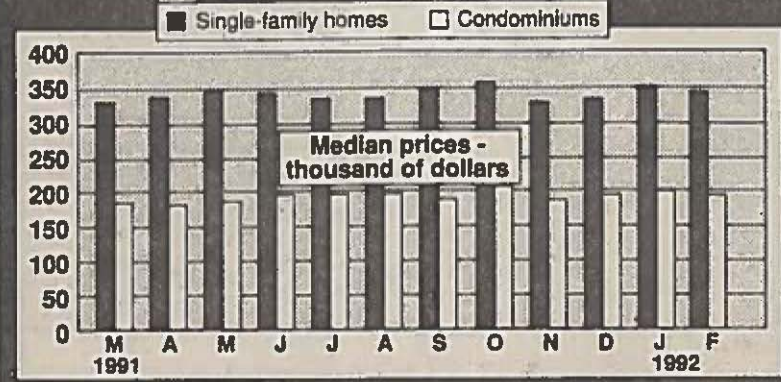
"(But) because of the time lag involved with closings and reported sales, from two to four months, our sales statistics don't yet show the increased buyer demand we've been experiencing since the beginning of the year."

According to the Honolulu Board of Realtors, the median price for single-family home slipped 2.9 percent to \$340,000 last month from January's \$350,000. Condo prices eased 2 percent to \$195,000 from \$199,000.

Median price means half the homes sold above and half below the given price.

Sales volume also slowed last month. The number of single-family homes sales decreased 4.3 percent to 132 from 138 in January while the condo closings slid 19 percent to 208 from 257.

Meanwhile, the gap between closing prices and asking prices is also beginning to narrow, Kimura said. The median list price for single-family homes was \$399,000 in February while the condo list price was \$185,000.



Source: Honolulu Board of Realtors

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"These prices are closer to the prices at which sales are occurring, which means that more inventory is becoming available in the moderate, more affordable price ranges."

At the same time, some upper-end homes are beginning to move. Last month, homes priced \$500,000 and up represented more than 18 percent of the total sales. That's the highest percentage since last

July, Kimura said. "Since the beginning of 1991, median sales prices have remained within a narrow range for all residential properties," she said.

"The monthly median sales prices for single-family homes have been between \$315,000 and \$350,000 and \$350,000 and condominium median sales prices have been between \$185,000 and \$205,000 for the last 14 months.

Dimensions of Hawaii's housing crisis

Hawaii's housing problem is measured, in part, by home prices far out of the reach of most families. This series will examine what state government is doing about housing.

1970: "Hawaii has had a serious housing problem for many years...The problem has now become a crisis." — Lt. Gov. Tom Gill

1990: "The cost of housing has gone beyond the reach of many families. We have a crisis situation." — State Senate Housing Chairman Mike Crozier

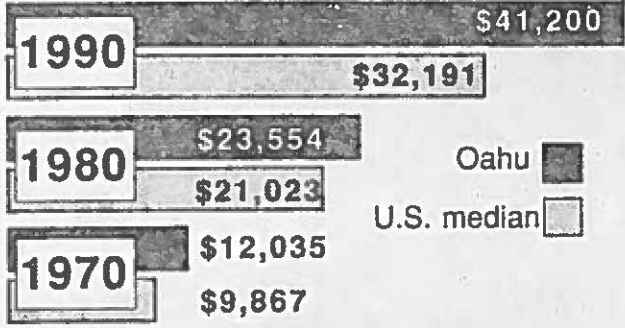
RENT

58% of Hawaii housing units are occupied by renter

- Average rent for a 3-bedroom house on Oahu is \$1,502 a month
- Average rent for a 2-bedroom condo on Oahu is \$1,131 a month

Median family income

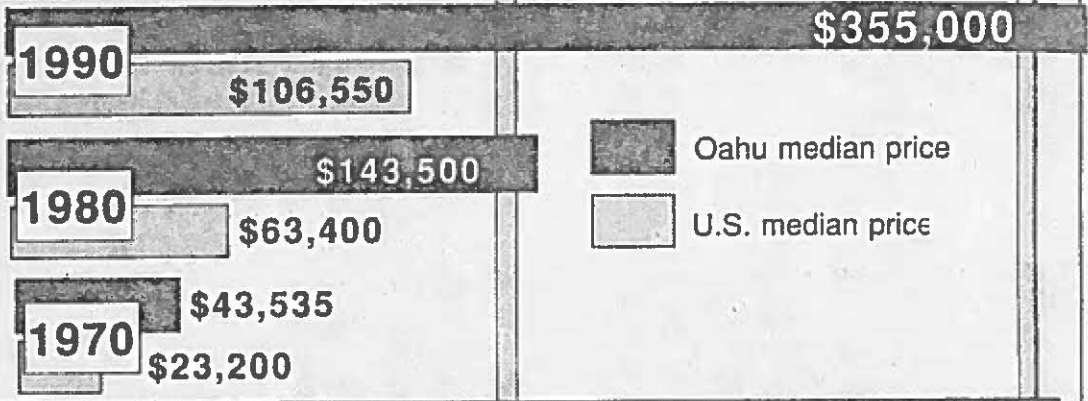
Oahu income for a family of four has increased three-fold since 1970.



To qualify today for a mortgage to buy the median-priced single-family Oahu home of \$355,000, a family with a \$71,000 down payment needs annual income of \$100,445 and ability to meet a monthly mortgage payment of \$2,536. Less than 10% of Oahu families have the qualifying income.

Median price for single family Oahu home

Oahu home prices have increased eight-fold since 1970.



Oahu housing affordability gap

