

MLS Statistics

In a nut shell, probably the same thing that is going on in most parts of the Mainland. The general market is soft here simply because our market follows the real estate market on the Mainland..... Particularly the California market. When that market takes off, it takes about a year for the Hawaii real estate market to follow suit. When the California real estate markets begins to slow down, it takes about six months for our market here to soften. And, there is no question that's what has happened here. But there is more to the story than the half empty glass.

There are several distinct differences in our market as compared to most Mainland markets. First, Kauai is a specialty market much like Vail or Aspen on the Mainland. Second, and generally speaking, our market is basically driven by Mainland Buyers. Certainly the Mainland Buyers have slowed down in their purchases here simply because many of them have to sell properties there in order to buy something here. However, while that stream of Buyers has slowed down, the major difference between our market and most of the Mainland markets is that we see only the winners and they are still coming. My observation is that they are the "Baby-Boomers" who know what is here, especially here on Kauai. They also know that it is a Buyer's market where they have a better opportunity of find something and not have to pay through the nose for it. Relative to most Mainland areas our real estate prices are high, but they are softening as time goes by, however, people here are still not giving things away as they know the value of what they have. For the prudent buyer, this is a window of opportunity as you will have the time to pick and choose and make a good deal without being outbid as once was the case. When the market turns around again.... which it will, people who have purchased properties here and now....will continue to be the winners as they are simply not making any more of Kauai.

While there are several sectors in our real estate market here in Hawaii and especially on Kauai, it is interesting to note that the very high end of our market is still strong as this is where the spectacular properties are to be found. Both Buyers and Seller's understand these types of properties because they are like rare jewels and why they are priced where they are priced. I can attest to the fact that here on Kauai, the higher end properties, while staying on the market longer than they have in the past are still selling and still holding their value..... simply because there are fewer and fewer of these spectacular properties available. If this is the market you are looking at, take a look at my Anini Vista pocket listing and you will see one of these unbelievable properties.

A recent development that you should be aware of if you are considering the purchase of property here on Kauai is the recent County of Kauai decision to deal with the vacation rental properties outside the County Visitor's Destination Area (VDA) areas. While it is too complicated to try to explain here, suffice it to say that before you purchase a property on Kauai to use as a vacation rental, be sure that if the property is outside the Visitor's Destination Area (VDA) such as Princeville, Kapaa/Waipouli, and Poipu that you check to see if the property has been "grandfathered in" under the new regulations allowing vacation rental activity in areas outside the VDA. Also, note that the vacation rental properties that have been grandfathered in will be much more valuable now and in the long run than those that have not.

No matter what you are looking for, especially if it is here on the beautiful North Shore of Kauai, please don't hesitate to give me a call. Aloha

Sterling C. Chisholm (R) GRI