



SUE ANN LEE

It's All About People



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HERE'S THE NEWS AT A GLANCE

Out of Reach – “Hawaii is the most expensive state for two-bedroom rents to live in, making it unaffordable for many workers”

– *Star Advertiser* 7/7/19

Permit sought for next tower at Ward Village – Howard Hughes planned for two luxury towers but now proposes just one 350-unit project dubbed Victoria Place – *Star Advertiser* 7/25/19

Caldwell warns of crackdown on illegal vacation rentals – “the city has sent out approximately 5,000 ‘courtesy letters’ to owners and operators of illegal vacation rentals” – *Star Advertiser* 7/26/19

BlackSand Capital, partners buy Honolulu apartment portfolio – 19 buildings in the Kapiolani Village Apartments on Kapiolani Blvd sold for an undisclosed amount – *Pacific Business News* 7/26/19

Howard Hughes to add more reserved housing at Ward Village – additional 110 units planned for the mauka of Ward Village

– *Pacific Business News* 7/26/19

Crackdown could hurt tourism – “Stricter vacation rental rules, which even impact Oahu’s resorts, begin today” – *Star Advertiser* 8/1/19

Vacation rental group files lawsuit against city – Hawaii Vacation Rental Owners Association aka Kokua Coalition represents 450-500 operators who rent units to one party every 30 days

– *Star Advertiser* 8/2/19

Oahu’s Housing Market – Home prices hit new highs – “Lower mortgage rates contribute to a record-setting July for condos and single-family homes” \$835,000 for single family homes, \$461,500 for condos

– *Star Advertiser* 8/7/19

Second vacation rental lawsuit filed by condotel – by owners of Waikiki Banyan condo where 89% of the units operate as short-term vacation rentals

– *Star Advertiser* 8/10/19

Wait and see if city enforcement matches its tough talk against illegal vacation rentals

– *Star Advertiser* 8/11/19

Foreign purchase of U.S. real estate plummet(s)

– “Increasing global political, economic and trade tensions are driving down the number”

– *Star Advertiser* 8/13/19

More inspectors hired to tackle problem of illegal rentals – *Star Advertiser* 8/15/19

City issues first 5 illegal vacation rental citations –

Three in Waikiki and two in Kailua with more coming

– *Star Advertiser* 8/20/19

Weaker spots seen in Hawaii’s economic growth forecast – DBEDT expects decrease in visitor spending, US trade war impact on prices, Hawaii building permits down – *Star Advertiser* 8/24/19

Kapolei’s second affordable housing tower to rise –

Kulana Hale will have 297 apartments

– *Star Advertiser* 8/29/19

City puts more owners on notice for rental violations – *Star Advertiser* 8/31/19

Kakaako Development: Seventh tower on horizon –

Howard Hughes seeks building permit for Victoria Place 350 units with an average price of \$1M

– *Star Advertiser* 9/5/19

Lawsuits pile up over short-term rentals – AOO of Waikiki Lanais is the latest to sue over Ordinance 18-89 – *Star Advertiser* 9/5/19

Oahu home sales leveled out in August amid uncertainty – flat year-over-year with properties remaining on the market longer

– *Star Advertiser* 9/7/19

Developer breaks ground on Waikiki rental tower – Brookfield Properties will build 28-story tower with 402 apartments – *Star Advertiser* 9/11/19

Officials step up citations for illegal rentals

– *Star Advertiser* 9/12/19

Short-term vacation rentals: Housing rates steady, study finds – “A new report concludes that illegal units did not increase monthly residential rates on Oahu” – *Star Advertiser* 9/17/19

Developer seeks record \$35M for planned Kapiolani penthouse – “planned Mandarin Oriental Hotel and Residences ... to offer a penthouse for \$35 M among 99 residential units that start at \$3.5 M”.

Previous high was \$23.5M for 6,273 sf Park Lane

– *Star Advertiser* 9/21/19

Ala Moana (Center) seeks 400-foot height limit – Brookfield Property Partners wants increased height and density limits for Ala Moana Center under the transit-oriented development (TOD) rules

– *Star Advertiser* 9/26/19

Kapiolani Boulevard is becoming a magnet for new hotel projects – KC Rainbow Development plans a 45-story hotel with 785 units next to the planned Mandarin Oriental Hotel, joining the Sky Ala Moana project with 300 hotel units and 350 condos

– *Star Advertiser* 9/29/19

New DHHL rules allow more housing options – Dept of Hawaiian Home Lands allow for development of multifamily, rental and Kupuna housing on trust property – *Star Advertiser* 10/1/19

Texas buyer sues seller of illegal vacation rental – Sues seller and Locations Hawaii for not disclosing it was illegal to rent out the property for less than 30 days – *Star Advertiser* 10/2/19

Next Ward Village tower wins approval – with condition that a central public plaza must be completed before owners move in – *Star Advertiser* 10/3/19

Kokua Coalition, city reach agreement on vacation rentals – rental agreement must be “for no less than 30 days”... and not to “more than one party during a 30-day period” – *Star Advertiser* 10/5/19

Senior housing planned at former sugar mill

– *Star Advertiser* 10/6/19

Council oks union building mandate – “city public works projects valued at \$2M or higher must be done by unionized workers” – *Star Advertiser* 10/10/19

Brookfield plans 550-unit rental tower at Ala Moana Center – *Pacific Business News* 10/11/19

New B&B property tax category proposed

– *Star Advertiser* 10/12/19

Affordable housing options expanding in Kakaako – as Ililani breaks ground with 165 of 328 units below market – *Star Advertiser* 10/17/19

Winner
ALOHA'AINA
REALTOR® AWARDS PROGRAM

Nationally - Existing-Home Sales Decrease 2.2% in September*

Existing-home sales receded in September following two consecutive months of increases, according to the National Association of Realtors®. Each of the four major regions witnessed sales drop off last month, with the Midwest absorbing the brunt of those declines.

Total existing-home sales, <https://www.nar.realtor/>

existing-home-sales, completed transactions that include single-family homes, townhomes, condominiums and co-ops, fell 2.2% from August to a seasonally adjusted annual rate of 5.38 million in September. Despite the decline, overall sales are up 3.9% from a year ago (5.18 million in September 2018).

*Source: National Association of Realtors

Freddie Mac Forecast - September 2019*

Mortgage rates to remain low for foreseeable future Concerns over the resolution of trade disputes have injected volatility into global bond markets. Investors have flocked to the safety and stability of U.S. Treasuries, pushing down interest rates. As trade talks ebb and flow, rates follow. Despite the volatility in rates, we expect long-term rates to remain flat on average. We forecast the 10-year yield to average 1.8% in 2020, down from an annual average of 2.1% in 2019. Low treasury yields will keep mortgage rates subdued

in the coming quarters. We project the 30-year fixed-rate mortgage to average 3.7% in the fourth quarter of 2019. We project the annual average to be 4.0% in 2019 before declining to 3.8% in 2020.

As anticipated, the Federal Reserve cut rates in September by a quarter percent. Our forecast is for another interest rate cut before the end of the year with one more to follow in 2020. The Federal Funds rate should stabilize at 1.6% in 2020.

*Source: Freddie Mac

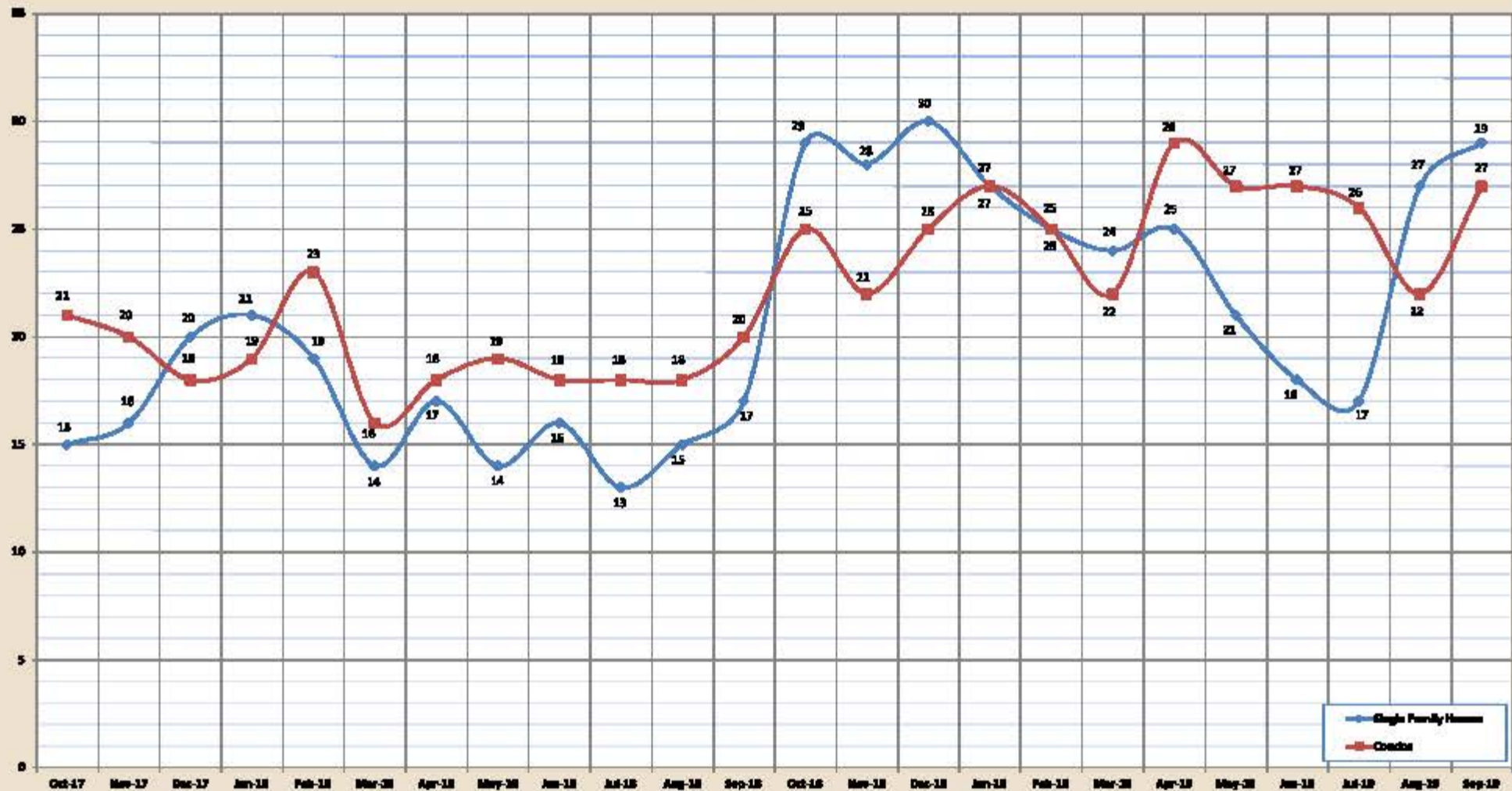
How's the Oahu Market?

Here are the September 2019 YTD (year-to-date) comparisons to September 2018 YTD numbers released by the Honolulu Board of Realtors. The number of closed sales and median sales price of Single Family Homes has not significantly change from 2018. The 2019 median sales price of Condos is similar to 2018 but the number of sales has declined by 6.7%. Months of inventory for Single Family Homes has increased by 25% and Condos increased by 34.5%.

	SINGLE FAMILY HOMES			CONDOMINIUMS		
	YTD 2019	YTD 2018	% CHANGE	YTD 2019	YTD 2018	% CHANGE
CLOSED SALES	2,774	2,753	0.8%	4,074	4,367	-6.7%
MEDIAN SALES PRICE	\$785,000	\$789,000	-0.5%	\$425,000	\$429,500	-1.0%
SEPT MONTHS OF INV	3.5	2.8	25.0%	3.9	2.9	34.5%

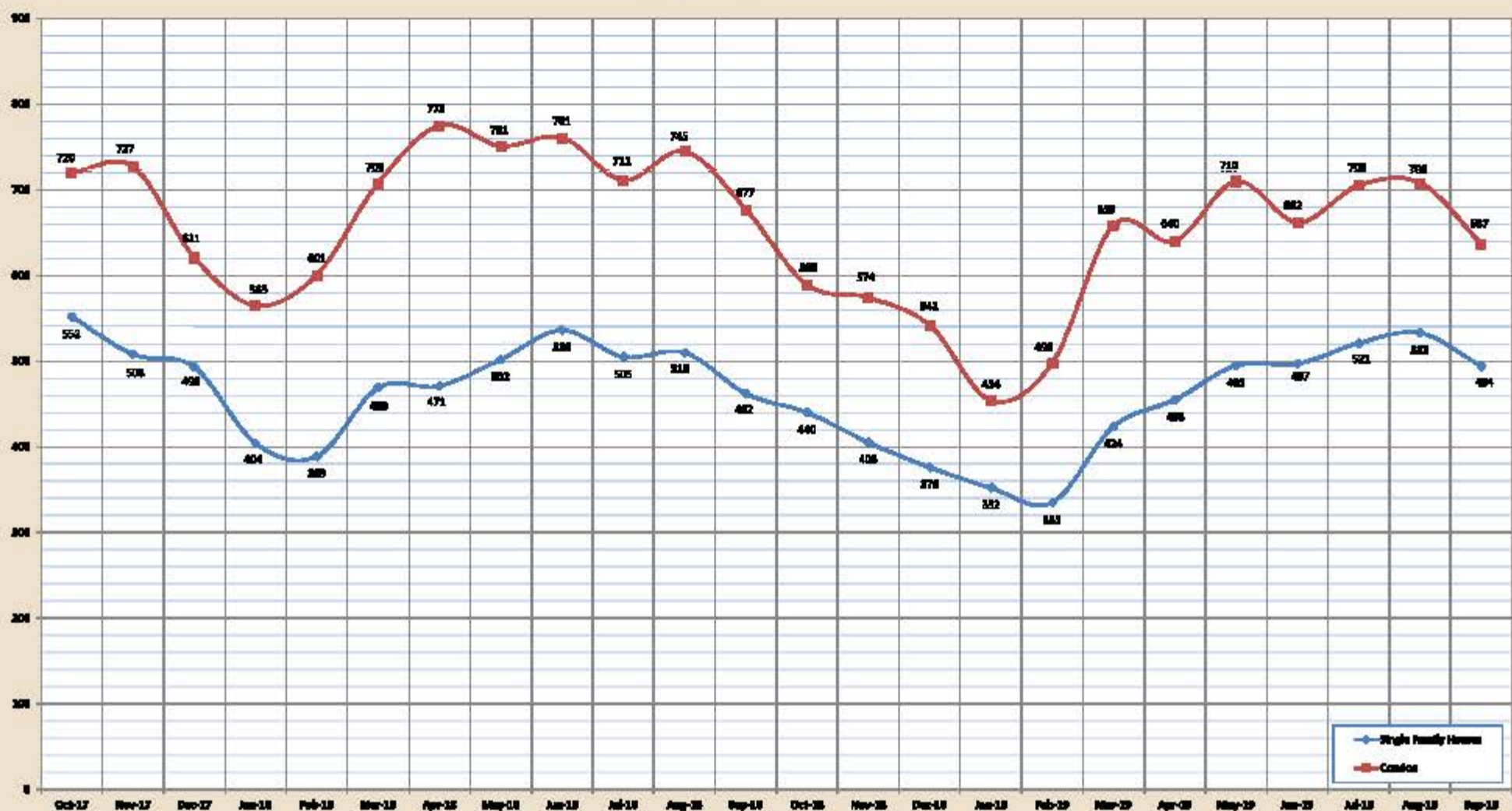
September saw an increase in the median days on market that had previously been declining from May. Additionally, we saw the number of pending sales increase steadily from January 2019 with September showing a decline in both Single Family and Condo Sales.

Oahu Median Days on Market September 2019



SOURCE: Honolulu Board of REALTORS®, compiled from MLS data.

Oahu Pending Sales September 2019



SOURCE: Honolulu Board of REALTORS®, compiled from MLS data.

What does this mean to you?

Buyers have an increasing amount of inventory to choose from and no longer feel the urgency to place an offer on properties that do not meet all or most of their needs. The forecast of continued low mortgage rates affords you greater buying power. Buyers are empowered to negotiate a purchase price rather than bid up prices. Speak to a lender to discuss your financial situation and find out what you might comfortably afford. If the property you want is properly priced be prepared to make that offer with a lender's pre-approval in hand.

Sellers must prepare their property for sale and price it accordingly. Most buyers want to move into their home without having to do a

lot of work to make their new home comfortable. This might mean you must take care of deferred maintenance items. At a minimum repair the tattered screens, paint, refresh your landscaping and repair any leaky faucets and flickering lights. Professional cleaning is a must. You might consider updating carpets, bathrooms, and kitchens. Your real estate professional can advise you what value these updates might bring. If you decide to sell your property "as is" be prepared for buyers looking for a bargain.

Whether buying or selling it is important that you have a real estate professional advising you each step of the way. Call me today to discuss how I can help you with your real estate goals.

Sue Ann S.H. Lee, Realtor

Sue Ann is a full time Realtor with Forward Realty, an independent real estate firm on Oahu. Sue Ann served as 2017 President of the Honolulu Board of Realtors, a 6500+ member trade association. She is a member of the Residential Real Estate Council, the Hawaii Economic Association, the Hawaii Society of Business Professionals, the Honolulu Board of REALTORS and the National Association of Realtors. She served as Director of the following organizations: National Association of Realtors (2017, 2018), Honolulu Board of Realtors (2013-2018), Hawaii Association of Realtors (2014-2018) and HiCentral MLS (2016-2018). Sue Ann served as Director-at-Large, Secretary and Education co-chair of the Hawaii Aloha Chapter of CRS and served as 2017 President of the Honolulu Board of Realtors.

Sue Ann holds the Certified Residential Specialist (CRS) designation, the Seniors Real Estate Specialist (SRES) designation and the ePRO certification from the National Association of Realtors. She was awarded the prestigious *Certified Luxury Home Marketing Specialist (CLHMS)* designation in addition to having earned membership within the *Million Dollar Guild (GUILD)* in recognition of her knowledge, experience and expertise in the luxury home arena. Sue Ann was awarded the Aloha 'Aina award by the Honolulu Board of Realtors and recognized with the "Realtor's Choice" award by her peers. She was named in Honolulu Magazine's *Best in Real Estate: Top Agents* based on independent surveys to Hawaii consumers annually, 2013 thru 2019. Sue Ann ranks among the top agents on Oahu.

Sue Ann grew up in Makiki Heights and graduated from Roosevelt High School. She holds a Bachelor's degree in Education and an MBA from the University of Hawaii. She is a member of the Rotary Club of Ala Moana and has volunteered for Hawaii Meals on Wheels since 2008. In her leisure Sue Ann enjoys cooking, entertaining and traveling with her husband, Tim Liu.

We traveled to Korea in September and were so blessed to have avoided the typhoon that hit Jeju Island. It's fun to experience new adventures and to visit foreign destinations with Tim. But it's always so nice to come home.



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