Volume 19, Number 2

SUE ANN LEE
It's All About People

Sue Ann SH Lee
Realtor
RB-20246

1585 Kapiolani Boulevard
Suite 1040
Honolulu, Hawaii 96814

(808) 722-9581 (Cellular)
E-mail: SueAnn@SueAnnLee.com
Website: SueAnnLee.com
ForwardRealty.com/SueAnn

Winner
ALOHA 'AINA
REALTOR® AWARDS PROGRAM

It's JULY 2020!

Can you believe that half of the year has already gone by? What have you been doing for the last six months? I've done a lot of baking, cooking, gardening and watching the news. I've been walking three times a week for about 3 miles around my Makiki Heights neighborhood. My husband and I have gotten to know some of the neighbors and their pets. We have breakfast together. The house is getting cleaner. My outings have been limited to the office on occasion, grocery shopping, walking, and short visits to a few aunts.

There was the mad rush to be sure we had the essential supply of toilet paper, hand sanitizers, face masks and other Personal Protective Equipment (PPE). Grocery shopping became a big event as rumors of shortages raised prices of meat, chicken and flour. It's times like this that you are willing to admit you are "Kupuna" so you get early shopping privileges. So do you qualify at 50 years old, 55, 60 or 65?

I've gone through phases but I'm settling down from the early days of news binging. I had to get out a physical calendar to mark down what I accomplished to be sure I was productive every day. So today is work-on-my-newsletter day.

Real Estate Protocols with COVID-19

With the advent of COVID-19, real estate was declared an Essential Business in Mayor Kirk Caldwell's Emergency Order. The Order has changed over time and Emergency Order 2020-19, dated July 14, is the latest iteration. The following briefly highlights how our industry can conduct business.

- Beginning June 5, 2020 open houses, brokers' opens, inspections, appraisals, and property viewings could be accomplished with no more than 10 people in attendance (to include the Realtor). Prior to June 5 open houses and brokers' opens were not allowed.
- Social distancing of at least 6 feet to the extent reasonably possible is to be exercised for people not of the same household or residence.
- Non-medical grade face masks must be worn by all parties (July 2, 2020)
- Hand sanitizers and sanitizing products must be available.

June 2020 Housing Market

June Year-to-Date Stats

	Single Family Homes			Condos		
	YTD 2020	YTD 2019	% Chg	YTD 2020	YTD 2019	% Chg
Closed Sales	1,613	1,695	-4.8%	2,014	2,583	-22.0%
Median Sales Price	$785,000	$775,000	1.3%	$427,750	$419,000	2.1%
Median Days on Mkt	21	23	-8.7%	31	27	14.8%
New Listings	2,244	2,911	-22.9%	3,492	4,450	-21.5%
Pending Sales	2,651	2,558	3.6%	2,987	3,623	-17.6%
June Months of Inv	2.5	3.6	-30.6%	4.1	3.9	5.1%

Source: Honolulu Board of Realtors, compiled from MLS data

Continued on page 2

June 2020 Housing Market *continued from page 1*

I prefer to present the sales activity numbers on a year-to-date basis so you can compare the trend to the same January through June period in the previous year. The single family home market has seen a slight 1.3% increase in the median sales price to $785,000 with shortened days on market by 8.7%. Lack of new listings entering the market is evident with only 2.5 months of inventory compared to 3.6 months last year. We are seeing multiple offers for single family homes and, if priced properly, they are being snapped up quickly.

Condominium/town house sales activity from January through June 2020 declined by 22% over the same period in 2019. The median sales price increased by 2.1% to $427,750 with a 14.8% increase in days on market. Months of inventory increased 5.1% from 3.9 months to 4.1 months.

June 2020 Housing Supply

	Pending Sales			Inventory for Sale		
Single Family Homes	**June 2020**	**June 2019**	**Difference**	**June 2020**	**June 2019**	**Difference**
$350,000 and Below	52	58	-10.3%	12	22	-45.5%
$350,001 - $475,000	125	120	4.2%	33	28	17.9%
$475,001 - $550,000	179	212	-15.6%	39	52	-25.0%
$550,001 - $650,000	533	495	7.7%	102	137	-25.5%
$650,001 - $800,000	1,140	1,081	5.5%	192	330	-41.8%
$800,001 - $1.1 Million	1,076	1,007	6.9%	272	418	-34.9%
$1.1 M - $1.9 Million	602	579	4.0%	283	343	-17.5%
$1.9 M and Above	181	182	-0.5%	246	258	-4.7%
All Single Family Homes	**3,888**	**3,734**	**4.1%**	**1,179**	**1,588**	**-25.8%**

	Pending Sales			Inventory for Sale		
Condos	**June 2020**	**June 2019**	**Difference**	**June 2020**	**June 2019**	**Difference**
$150,000 and Below	217	255	-14.9%	115	108	6.5%
$150,001 - $200,000	196	263	-25.5%	131	92	42.4%
$200,001 - $250,000	294	373	-21.2%	148	134	10.4%
$250,001 - $300,000	334	429	-22.1%	171	150	14.0%
$300,001 - $375,000	825	937	-12.0%	282	265	6.4%
$375,001 - $475,000	1,068	1,144	-6.6%	379	432	-12.3%
$475,001 - $700,000	1,413	1,479	-4.5%	543	609	-10.8%
$700,001 and Above	699	800	-12.6%	557	627	-11.2%
All Condos	**5,046**	**5,680**	-11.2%	**2,326**	**2,417**	**-3.8%**

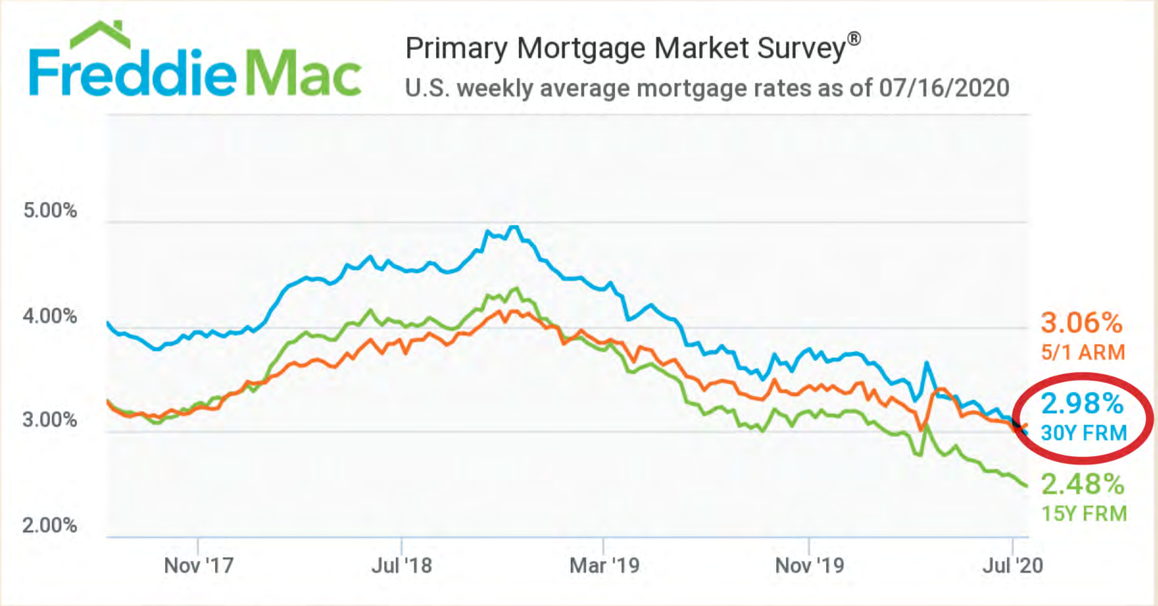
Source: Honolulu Board of Realtors, compiled from HiCentral MLS

This chart shows June's inventory and pending sales by price bands. It's a good exercise to check the price range you are considering as a potential buyer or a potential seller. Of particular note is the -25.8% decrease of single family inventory from June 2019. Pending sales for condos at all price points were down with 11.2% less condos going into escrow in June 2020 compared to June 2019.

Freddie Mac Average Mortgage Rates

It seems like we see ***"long-term mortgage rates hit all-time low"*** at almost a weekly basis lately. On the week ending July 17 it was an average of 2.98% for a 30-year fixed rate. This is the lowest Freddie Mac has ever recorded since 1971.

NEVER before have the rates been this low for 30-year mortgages. It's an excellent time to purchase real estate with absolutely record low interest rates.



Source: Freddie Mac Primary Mortgage Market Survey

Real Estate in this COVID-19 Economy

Here are some of the questions I'm now asking Buyer clients to understand the motivation for buying and their continued ability to make long-term financial commitments.

- "What is the reason for the purchase – first time buyer, move up buyer or an investment property?"
- "Is your purchase dependent on deposit funds that are currently invested in the stock market?"
- "Are you able to convert investments to cash now so the funds are readily available?"
- "Do you anticipate any disruption in your employment due to COVID-19?"
- "Is your employment secure in the near future?"
- "Has a disruption affected your ability to obtain a mortgage?"

Here are some considerations for Seller clients:

- "What is your reason for selling?"
  - o Moving up or down-sizing?
  - o Locating elsewhere?
  - o Divorce?
  - o Has COVID emphasized the need for a home office?
  - o Has distance learning for your children require a separate study room?
- "What is the timeframe in which you need (or expect) to sell?"

When my Sellers receive offers on their properties, we evaluate offers with some of the Buyer questions above to be sure the potential Buyer will be able to perform on the Purchase Contract.

What Does This Mean to You?

The COVID pandemic has brought a lot of uncertainty whereby buyers and sellers need to evaluate their positions carefully. Whether buying or selling it is extremely important to use a full-time, qualified Realtor who has your best interests in mind. Call me today to discuss your particular situation. I would love to work with you to help achieve your real estate goals.