

OAHU HOUSING TRENDS



THE HONOLULU BOARD OF REALTORS®

Volume 19, Number 2

Second Quarter 2009

OVERALL MARKET CONDITIONS

The residential housing market on O`ahu bounced back, somewhat, in the second quarter. There were sales of 668 single-family homes and 813 condominium units through the Board's Multiple Listing Service computer, well behind the figures of the market peak in the third quarter of 2005 which had unit sales of 1,324 and 2,286, respectively. This quarter's sales were lower for single-family homes by 9.7% and 27.5% for condominiums compared to the same quarter last year, but were higher than the first quarter by 52.2% and 43.4%.

The median sales price paid in the second quarter for a single-family property suffered a decline of 10.5% from the same quarter a year ago, to \$569,500. The condominium median price was 6.8% lower than last year, at \$307,500. Compared to the first quarter, however, the single-family home median price was just 0.1% lower and the condominium median price actually increased by 2.5%.

When the number of sales are multiplied by the average sales prices, the total dollar sales volume is computed. The total dollar volume generated by O`ahu residential sales was \$724.0 million in the second quarter of 2009, and this was a 27.4% decline from the same quarter a year ago. It was the sixth consecutive quarter that the dollar volume failed to pass the \$1 billion mark since the market peak and record for quarterly dollar volume was achieved four years ago, in the third quarter of 2005, at \$1.810 billion and this \$1 billion milestone was first achieved in the third quarter of 2003.

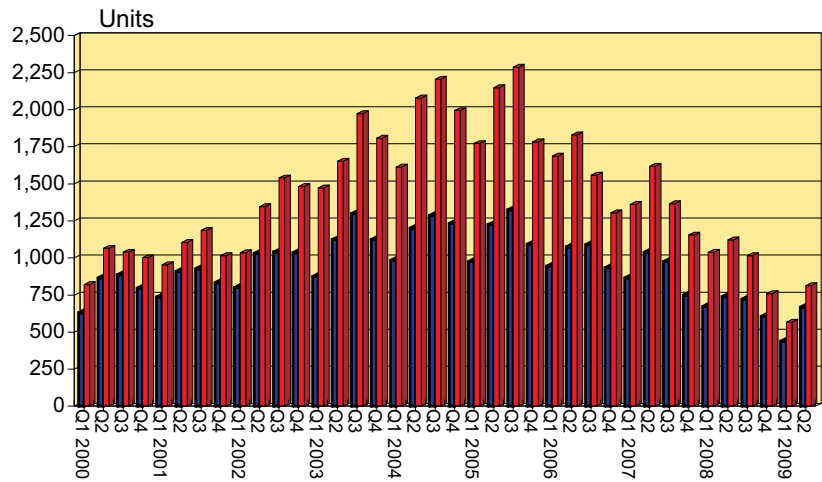
Another important statistic is the Days on Market indicator which measures the time a listing is on the market before a sales agreement is reached and excludes escrow time. In the second quarter, both

single-family homes and condominiums required a median market time of 49 and 51 days, respectively, with both indicators higher than at the same time a year ago. Comparing these statistics to last quarter shows that single-family home sales occurred almost two weeks faster

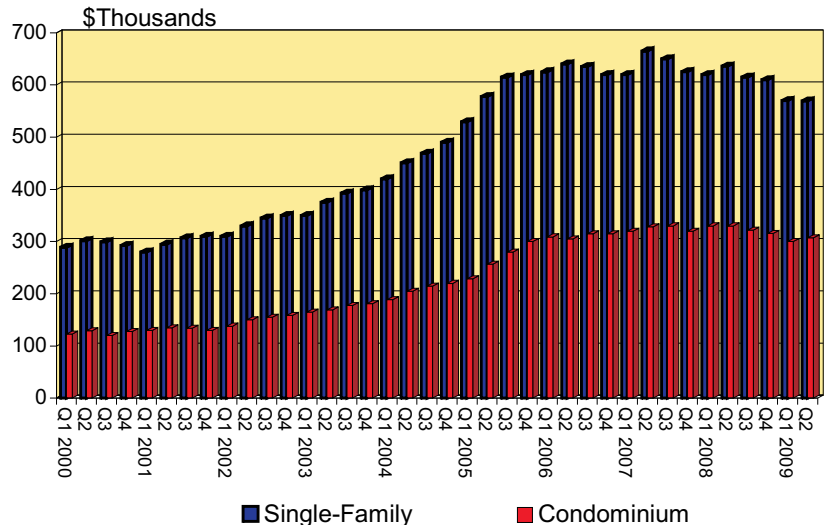
and condominium sales happened five days more quickly.

After declining to new lows for availability of less than 1,000 units in 2004 and 2005, the number of listings in-

QUARTERLY UNIT SALES VOLUME



QUARTERLY MEDIAN SALES PRICES

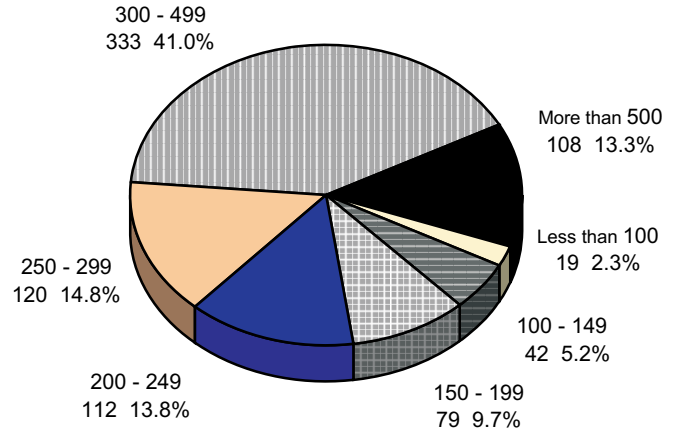
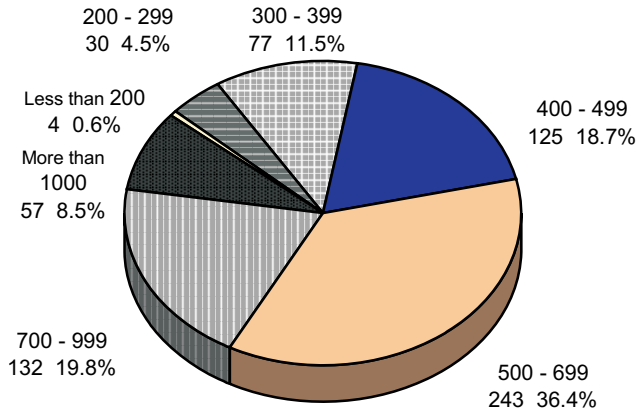


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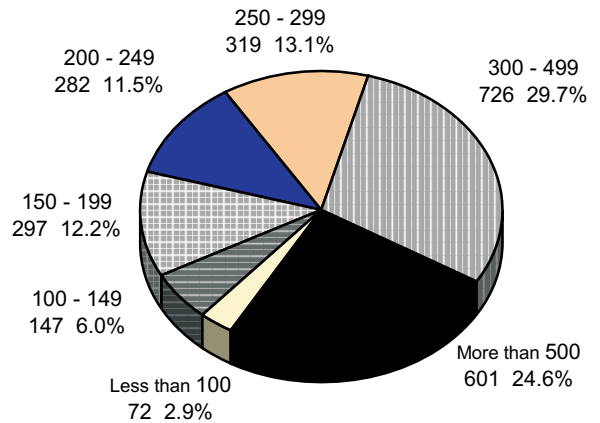
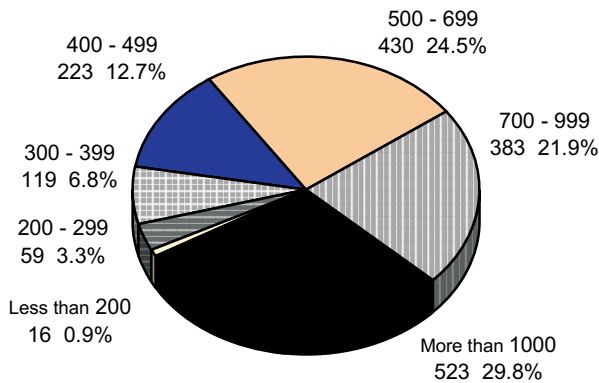
SINGLE-FAMILY HOMES

CONDOMINIUMS

Sales by Price Range



Inventory by Price Range



All price ranges shown above are thousands of dollars (\$000)

ABOUT THE HONOLULU BOARD OF REALTORS®

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REALTOR® membership in the Honolulu Board of REALTORS® offers a variety of benefits and services. These include the privilege of using the term REALTOR® and REALTOR-ASSOCIATE®, educational courses and seminars, access to the Multiple Listing Service (MLS) computerized on-line information system, real estate forms, books and products at special member rates and informative, award-winning publications from the state and national REALTOR® organizations.

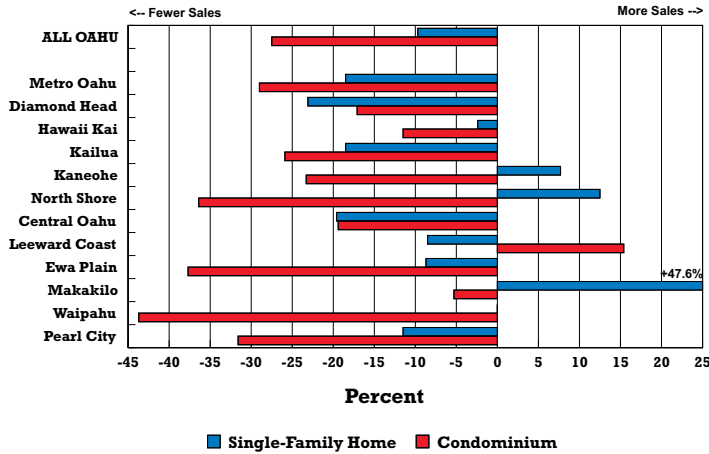
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CHANGE IN NUMBER OF SALES

2009:Q2 vs 2008:Q2



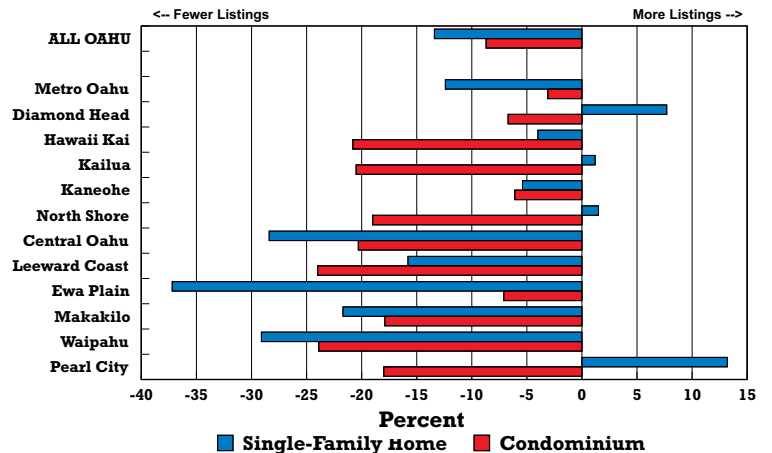
While most neighborhoods on O`ahu lost sales this quarter, there were a few positives. Overall O`ahu resales were 668 and 813, for single-family dwellings and condominiums, respectively, down 9.7% and 27.5% compared to the same quarter one year ago. When checked against the results of the first quarter, however, sales have jumped by 52.2% and 43.4%, respectively. While it's normal to have increased sales from the first to the second quarters, this amount was exceptional.

The sales losses for many areas were still in the double-digits compared to a year ago. The areas with increased sales for single-family homes in the second quarter were Makakilo, up a tremendous 47.6%, North Shore, up 12.5%, and Kaneohe, up 7.7%. The only condominium area with a positive gain was Leeward Coast with an increase in sales of 15.4% compared to last year's second quarter.

The inventory of available listings contracted during the second quarter, shrinking 13.4% for single-family homes and 8.7% for condominium units since last year. Just since first quarter, the inventory counts have decreased for single-family homes by 8.2% and 3.3% for condominiums. Median asking prices for single-family homes are actually a bit higher than last year, by 0.2%, to \$727,300, but the condominium asking price was off 6.8%, to \$325,400.

CHANGE IN ACTIVE INVENTORY

2009:Q2 vs 2008:Q2

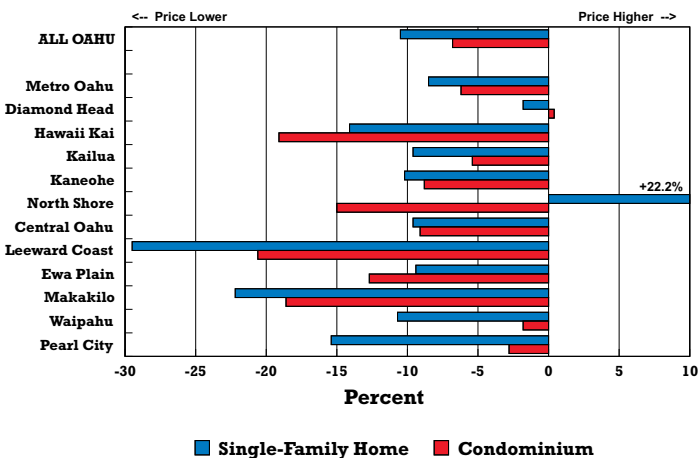


Except for just a few single-family home areas, most of the research areas experienced inventory shrinkage for both property types. The largest decline in single-family home availability came again in the Ewa Plain area, with inventory off by 37.2% since last year. For condominiums, the number of for-sale units declined the most in Leeward Coast and Waipahu, with both about 24.0% fewer.

The median sales prices paid for residential properties on O`ahu was lower than in the same quarter a year ago. In the second quarter, the median price for a single-family home was \$569,500, off 10.1% from the same quarter last year. The median price paid for a condominium was \$307,500, which represents a decrease of 6.8% since one year ago. In the first quarter, prices stood at \$570,000 and \$300,000, respectively, so there's been a *manini* 0.1% decline for single-family homes and an increase of 2.5% for condos.

CHANGE IN MEDIAN SALES PRICE

2009:Q2 vs 2008:Q2



Bucking the negative trends, there were only two neighborhoods on O`ahu showing price inflation. The median price paid for a single-family homes on the North Shore rose by 22.2% and condominium prices in Diamond Head rose a scant 0.4%. Areas with the least loss were single-family homes in Diamond Head, off 1.8%, and condominiums in Waipahu, off just 1.8%, and Pearl City, off 2.8%.

The Honolulu Board of REALTORS® analyzes and prepares statistics for 17 single family home and 19 condominium neighborhoods on Oahu. For this report, these neighborhoods are grouped together into twelve geographic areas so that single family homes and condominiums can be evaluated together. The twelve areas are defined by Tax Map Key (TMK) numbers as shown in the Area and Neighborhood Data Table printed in this report.

METRO O`AHU AREA

The Metro O`ahu area contains the highest concentration of CO units on Oahu and is the island's most populous area. In the second quarter, CO sales declined 29.0% and the CO MSP slipped 6.2%. Sales were

down to 132 units, from 218, in Waikiki, one of the six neighborhoods in this area, and the MSP was off \$20,000 since last year, to \$270,000, and lower than last quarter's \$287,500. Availability contracted, but asking prices in Waikiki were down, from \$344,200 last year, to \$310,900. The other dense CO neighborhood in the Metro area, Makiki-Moili`ili, actually added in MSP, from \$300,000 to \$320,000. SF sales in Metro O`ahu declined 18.5%, and the MSP lost 8.5%. SF counts shrank by 12.4% and the MLP lost 10.2%. The SF Honolulu neighborhood MSP decreased 15.5%, to \$710,000, while the other SF neighborhood, Moanalua-Kalihi, increased to \$565,000. The SF and CO QAR's stood at 37.3% and 28.9%.

DIAMOND HEAD AREA

SF dwellings in the Diamond Head area lost sales in the second quarter, down 23.1%, and the MSP for SF properties was off by 1.8%. CO sales lagged by 17.1%, but the CO MSP increased 0.4%, the only CO gain on O`ahu. DOM's were mixed at 59 and 46 days, for SF and CO properties, respectively. SF listing counts were up 7.7%, but the SF MLP lost 8.5%. Opposite for CO, there were 6.7% fewer lists and a 12.2% MLP gain. The SF Waialae-Kahala neighborhood again had the highest MSP on O`ahu, at \$1,411,300.

HAWAII KAI AREA

Both SF and CO sales dropped in the Hawaii Kai area, by 2.4% and 11.5%, respectively. Also, both MSP's decreased, with SF off 14.1%, to \$747,500, and the CO MSP down 19.1%, to \$451,000. Both DOM's were slower, with the CO DOM almost tripling, going from 27 to 65 days. Both MLP's were lower, SF down 1.3%, to \$1,165,000, and the CO MLP down by 10.4%, to \$571,500. The CO QAR was below the O`ahu average, at 33.1%, while the CO QAR was well above, at 54.8%.

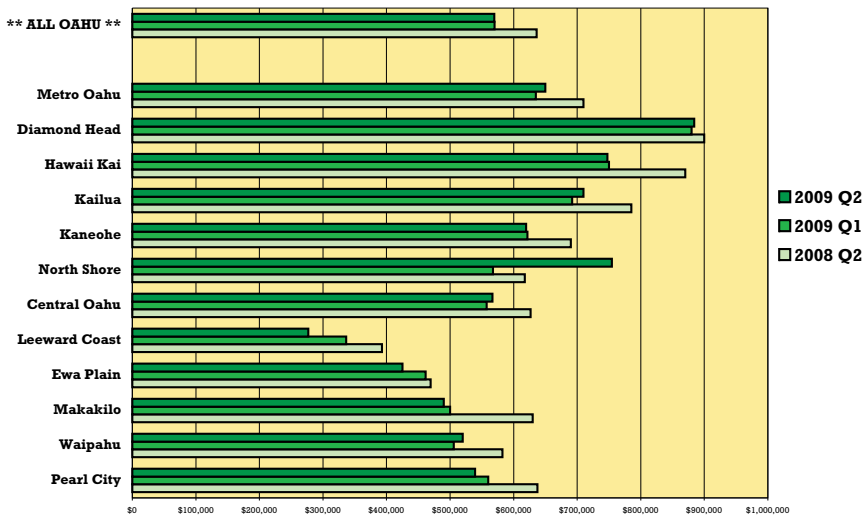
KAILUA AREA

Sales continued to drop in Kailua this quarter, by 18.5% and 25.9%, respectively. The SF MSP declined by 9.6%, to \$710,000, and on the other side of the market, the CO MSP lost 5.4%, to \$392,500. Both DOM's lost ground as sales speed slowed, with the SF going up 4 days, to 45, and the CO up 8 days, to 43. Availability rose for SF by 1.2%, but CO counts shrank 20.5%. The MLP's were mixed, with the SF up 17.9%, the largest gain in the second quarter, to \$1,145,800, and the CO MLP slid 9.5%, to \$469,100. Finally, the CO QAR was the highest on O`ahu, at 64.5%.

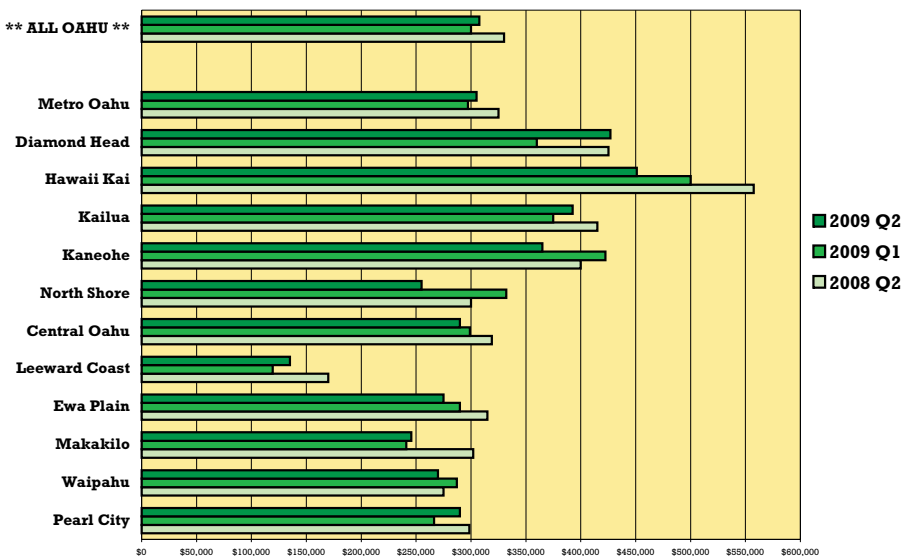
KANEOHE AREA

SF sales were higher in the Kaneohe area in the second quarter by 7.7%, but CO sales were down 23.3%. Both MSP's were lower this quarter, by 10.2% and 8.8%, respectively. Listings contracted by 5.4% and 6.1%, but the CO MLP was unchanged and the SF MLP lost 4.1%. QAR's were similar to last year and about the islandwide averages, with the SF QAR at 31.8% and the CO QAR at 35.9%.

SINGLE-FAMILY HOME MEDIAN SALES PRICES



CONDOMINIUM MEDIAN SALES PRICES



NORTH SHORE AREA

The CO sales speed in the North Shore area was the fastest on O`ahu this quarter, dropping a whopping 132 days, to just 32. Both SF and CO sales lost ground, but this was the only area with an SF MSP gain this quarter. The SF MSP rose 22.2%, to \$754,500, while the CO MSP was 15.0% lower, down to \$255,000. Active SF listings in this area grew by 1.5% and the SF MLP slipped 21.6%, to \$1,041,100. The CO listing availability shrank 19.0%, however, but the CO MLP decreased 8.8%, to \$364,800. Both QAR's were very soft in the second quarter, with the SF QAR at 13.5% and the CO QAR sliding down to 14.9%.

CENTRAL O`AHU AREA

The Central O`ahu area had the highest QAR's on the island this quarter, at 73.3% and 65.8%, but sales for both housing types declined and both MSP's slipped. SF sales were off 19.6% and the MSP was off 9.6%, and CO sales diminished by 19.4% and the CO MSP was 9.1% lower. Inventory levels shrank in the second quarter, losing 28.4% homes and 20.3% fewer CO units available. The SF MLP was off 4.6% and the CO MLP slipped 4.8%. The DOM's indicated slower SF sales, at 45 days, while the CO DOM increased 2 days, to a relatively speedy 35.

LEEWARD COAST AREA

CO sales rose in the Leeward Coast area by 15.4% in the second quarter, the only O`ahu area to show a CO increase. SF sales were off, however, by 8.5%. The SF MSP lost 29.5%, to \$277,000, and the CO MSP decreased 20.6%, to just \$135,000, and this area continues to be the most affordable for both housing categories on O`ahu. DOM's were mixed, with the SF DOM adding 3 days, to 60, and the CO DOM quicker by about the same amount, to 106 days. Listing counts contracted for SF in this area and the SF MLP declined. SF availability tightened by 15.8% and the MLP dropped 17.8%, to \$342,100. In the same time, CO counts shrank 24.0%, the most on O`ahu this quarter, but the CO MLP fell 13.0%, to \$153,400, both compared to one year ago. The SF QAR increased to 28.9%, but the CO QAR slid

to just 13.2%, the lowest CO QAR on the island in the second quarter.

EWA PLAIN AREA

The Ewa Plain area lost sales for both housing types, with SF dropping 8.7% and CO sales slipping by 37.7%. The SF MSP declined 9.4% from last year, to \$425,000, and the CO MSP lost 12.7%, to \$275,000. The SF DOM added 13.0%, to 52 days, but the CO DOM sped up 26 days, to 42. Availability shrank for both housing types, with SF counts off 37.2%, the most SF shrinkage on the island, and CO units 7.1% lower. Both MLP's were lower, at \$497,600 and \$280,500, respectively, and the QAR's were 48.3% and 24.1%.

MAKAKILO AREA

SF sales in the Makakilo area experienced an enormous jump, up 47.6%, compared to one year ago. Although the SF MSP lost 22.2%, to \$490,000, the SF DOM shrank 42.1% to just 33 days, and tied for the island's fastest. CO sales decreased 5.3% and the MSP contracted by 18.6%, to \$245,700. The number of SF lists tightened 21.7% and the MLP was off 13.4%, to \$547,400, while CO counts were off 17.9%. The QAR's were higher than last year, with the SF DOM having the best gain, almost double, since a year ago.

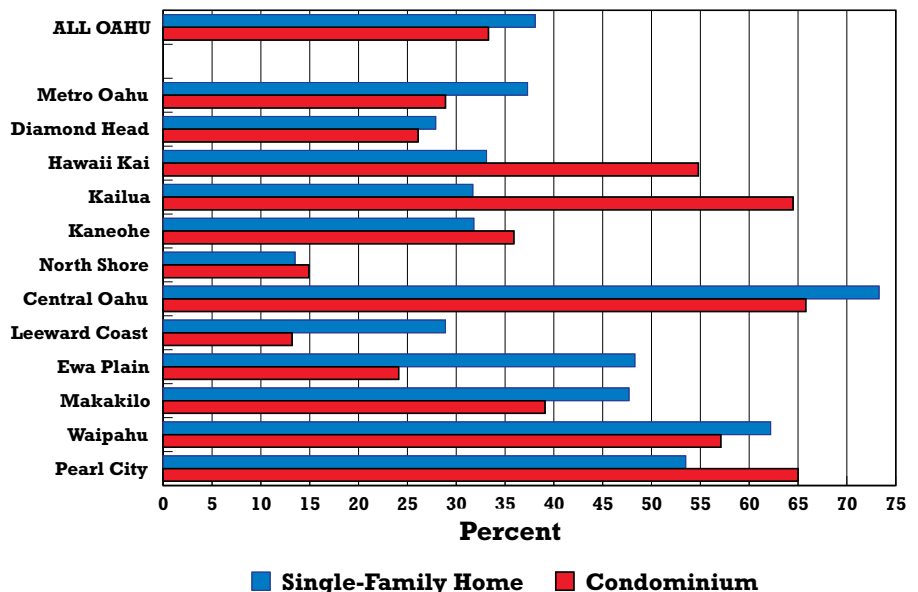
WAIPAHU AREA

Waipahu SF sales were unchanged from a year ago, but the SF MSP slipped 10.7%, to \$539,400. CO sales dropped by 43.7% in the second quarter and the CO MSP lost 1.8%, to \$270,000. The number of active SF listings decreased by 29.1% and the SF MLP declined 8.1%, to \$560,300. The CO actives has the largest contraction on the island, down 23.9%, but the CO MLP was off 13.0%, to \$253,200. Both QAR's were strong, at 62.2% and 57.1%, for SF and CO properties, respectively.

PEARL CITY AREA

Sales in the Pearl City area were pretty much in line with the rest of O`ahu in the second quarter, with losses of 11.5% and 31.6%, for SF and CO properties, respectively. Both MSP's also declined, but this came after increases in a few prior quarters. The SF MSP decreased by 15.4%, to \$539,400, and the CO MSP slipped 2.8% since last year, to \$290,000. Listing counts in this area contracted by 18.0% for CO, but increased by 13.2% for SF properties, and both of the MLP's were lower. The SF MLP declined 11.6%, to \$611,000, and the CO MLP lost 16.9%, to \$257,900. Both QAR's were well above islandwide numbers and the CO QAR was one of the highest in the second quarter, at 65.0%.

**QUARTERLY ABSORPTION RATES (QAR)
Second Quarter 2009**



| Type and Neighborhood | Zone and Sections | SECOND QUARTER 2009 | | | | | FIRST QUARTER 2009 | | | | |
|----------------------------|----------------------|---------------------|-----------------------|-----------|--------------|----------------------|--------------------|-----------------------|-----------|--------------|----------------------|
| | | # Sales | Median Sales Price | DOM | # Lists | Median List Price | # Sales | Median Sales Price | DOM | # Lists | Median List Price |
| METRO OAHU AREA: | | | | | | | | | | | |
| SF Moanalua-Kalihi | 1-1 to 1-7 | 31 | \$565,000 | 50 | 85 | \$600,100 | 25 | \$525,000 | 30 | 91 | \$636,600 |
| SF Honolulu | 1-8,9, All 2 | 35 | \$710,000 | 30 | 92 | \$939,700 | 23 | \$695,000 | 40 | 96 | \$898,200 |
| CO Moanalua-Salt Lake | 1-1 | 36 | \$299,500 | 62 | 54 | \$286,800 | 33 | \$320,000 | 22 | 63 | \$309,500 |
| CO Kalihi-Palama | 1-2 to 1-9 | 24 | \$300,000 | 53 | 50 | \$306,900 | 12 | \$337,500 | 33 | 52 | \$323,700 |
| CO Downtown-Nuuanu | 2-1, 2-2 | 62 | \$324,000 | 45 | 215 | \$506,000 | 30 | \$328,500 | 93 | 200 | \$525,500 |
| CO Ala Moana-Kakaako | 2-3 | 73 | \$375,000 | 68 | 273 | \$457,000 | 50 | \$372,500 | 71 | 311 | \$447,600 |
| CO Waikiki | 2-6 | 132 | \$270,000 | 71 | 656 | \$310,900 | 100 | \$287,500 | 65 | 648 | \$324,300 |
| CO Makiki-Moiliili | 2-4, 2-5, 2-7 to 2-9 | 100 | \$320,000 | 46 | 229 | \$324,900 | 61 | \$288,000 | 48 | 207 | \$337,000 |
| DIAMOND HEAD AREA: | | | | | | | | | | | |
| SF Kapahulu-Diamond Hd | 3-1 to 3-4 | 38 | \$712,500 | 65 | 118 | \$1,094,900 | 30 | \$737,500 | 65 | 122 | \$995,800 |
| SF Waialae-Kahala | 3-5 | 18 | \$1,411,300 | 35 | 78 | \$2,069,500 | 24 | \$1,217,500 | 96 | 84 | \$2,112,200 |
| SF Aina Haina-Kuliouou | 3-6 to 3-8 | 14 | \$775,000 | 60 | 55 | \$1,922,500 | 13 | \$863,000 | 103 | 55 | \$2,146,100 |
| CO Kapahulu-Kuliouou | 3-1 to 3-8 | 29 | \$427,000 | 46 | 111 | \$574,500 | 17 | \$360,000 | 91 | 115 | \$472,700 |
| HAWAII KAI AREA: | | | | | | | | | | | |
| SF Hawaii Kai | 3-9 | 40 | \$747,500 | 53 | 121 | \$1,165,000 | 30 | \$750,000 | 63 | 127 | \$1,200,900 |
| CO Hawaii Kai | 3-9 | 46 | \$451,000 | 65 | 84 | \$571,500 | 35 | \$500,000 | 73 | 108 | \$595,000 |
| KAILUA AREA: | | | | | | | | | | | |
| SF Kailua-Waimanalo | 4-1 to 4-3, 4-4* | 53 | \$710,000 | 45 | 167 | \$1,145,800 | 35 | \$692,000 | 84 | 168 | \$1,017,100 |
| CO Kailua-Waimanalo | 4-1 to 4-3, 4-4* | 20 | \$392,500 | 43 | 31 | \$469,100 | 13 | \$375,000 | 90 | 30 | \$432,300 |
| KANEOHE AREA: | | | | | | | | | | | |
| SF Kaneohe | 4-4*, 4-5, 4-6, 4-7* | 40 | \$622,500 | 30 | 91 | \$757,500 | 31 | \$629,000 | 77 | 92 | \$745,500 |
| SF Windward Coast | 4-7*, 4-8 to 5-4 | 16 | \$557,500 | 100 | 85 | \$746,800 | 7 | \$435,000 | 92 | 80 | \$726,600 |
| CO Kaneohe | 4-4*, 4-5, 4-6, 4-7* | 31 | \$364,000 | 51 | 75 | \$399,000 | 18 | \$422,500 | 58 | 81 | \$394,700 |
| CO Windward Coast | 4-7*, 4-8 to 5-4 | 2 | \$624,800 | 90 | 17 | \$314,300 | 0 | N/A | N/A | 18 | \$293,900 |
| NORTH SHORE AREA: | | | | | | | | | | | |
| SF North Shore | 5-5 to 5-9, All 6 | 18 | \$754,500 | 97 | 133 | \$1,041,100 | 12 | \$567,600 | 54 | 133 | \$1,172,800 |
| CO North Shore | 5-5 to 5-9, All 6 | 7 | \$255,000 | 32 | 47 | \$364,800 | 4 | \$332,000 | 25 | 51 | \$356,000 |
| CENTRAL OAHU AREA: | | | | | | | | | | | |
| SF Wahiawa | All 7 | 12 | \$380,500 | 51 | 39 | \$550,300 | 5 | \$436,000 | 62 | 38 | \$552,900 |
| SF Mililani | 9-4*, 9-5 | 62 | \$583,500 | 44 | 62 | \$599,700 | 39 | \$585,000 | 72 | 86 | \$629,500 |
| CO Wahiawa | All 7 | 4 | \$135,300 | 39 | 16 | \$165,000 | 3 | \$150,000 | 27 | 22 | \$179,900 |
| CO Mililani | 9-4*, 9-5 | 71 | \$295,000 | 35 | 98 | \$290,000 | 49 | \$314,500 | 42 | 109 | \$299,500 |
| LEEWARD COAST AREA: | | | | | | | | | | | |
| SF Makaha-Nanakuli | All 8 | 43 | \$277,000 | 60 | 149 | \$342,100 | 24 | \$336,300 | 58 | 179 | \$349,700 |
| CO Makaha-Nanakuli | All 8 | 15 | \$135,000 | 106 | 114 | \$153,400 | 15 | \$119,500 | 41 | 129 | \$165,100 |
| EWA PLAIN AREA: | | | | | | | | | | | |
| SF Ewa Plain | 9-1 | 115 | \$425,000 | 52 | 238 | \$497,600 | 70 | \$461,500 | 58 | 290 | \$502,200 |
| CO Ewa Plain | 9-1 | 38 | \$275,000 | 42 | 158 | \$280,500 | 33 | \$290,000 | 88 | 160 | \$312,800 |
| MAKAKILO AREA: | | | | | | | | | | | |
| SF Makakilo | 9-2, 9-3 | 31 | \$490,000 | 33 | 65 | \$547,400 | 13 | \$500,000 | 22 | 73 | \$570,400 |
| CO Makakilo | 9-2, 9-3 | 18 | \$245,700 | 49 | 46 | \$297,700 | 16 | \$241,000 | 51 | 51 | \$297,200 |
| WAIPAHU AREA: | | | | | | | | | | | |
| SF Waipahu | 9-4* | 56 | \$520,000 | 40 | 90 | \$560,300 | 39 | \$506,000 | 70 | 106 | \$569,600 |
| CO Waipahu | 9-4* | 40 | \$270,000 | 40 | 70 | \$253,200 | 36 | \$287,000 | 55 | 67 | \$283,300 |
| PEARL CITY AREA: | | | | | | | | | | | |
| SF Pearl City-Aiea | 9-6 to 9-9 | 46 | \$539,400 | 33 | 86 | \$611,000 | 19 | \$560,000 | 34 | 90 | \$641,100 |
| CO Pearl City-Aiea | 9-6 to 9-9 | 65 | \$290,000 | 49 | 100 | \$257,900 | 42 | \$266,300 | 51 | 107 | \$291,400 |
| ALL OAHU: | | | | | | | | | | | |
| SINGLE FAMILY | | 668 | \$569,500 | 49 | 1,754 | \$727,300 | 439 | \$570,000 | 62 | 1,911 | \$704,300 |
| CONDOMINIUM | | 813 | \$307,500 | 51 | 2,444 | \$325,400 | 567 | \$300,000 | 56 | 2,528 | \$336,300 |

An asterisk (*) indicates that the section is split between two neighborhoods.

AREA - A grouping of neighborhoods within a geographic boundary defined by the specific TMK zones, sections and plats shown on the Data Table page. This report contains data for twelve (12) such areas which, in total, comprise the island of Oahu.

AVERAGE - Synonymous with mean.

CO - Condominium, Apartment, Co-op or Townhouse.

DOM - Days on Market. This number of days between the time a property is listed and a sales contract is accepted. In MLS terms, it is the number of days from the List Date to the Contract Date. In this report, it is expressed as a median number of the Days on Market for a group of properties. This statistic is calculated using the List Date for the most current MLS number and does not reflect re-lists.

HBR - Honolulu Board of REALTORS®.

MEAN - Mean is the mathematical average of a series of numbers.

MEDIAN - Median is a mathematical term that describes the midpoint of a sorted series of num-

bers. It is the number in the middle of the series so that half the numbers are below the median and half are above. The median is always used when reporting sales prices, days on market, etc., to eliminate the skewing effect that very high or very low numbers will have on the average.

MLP - Median List (asking) Price.

MLS - Multiple Listing Service. The computerized information system that contains all of the data on real estate listings, sales, etc. Entered by, or on behalf of, HBR members. All MLS information is owned by HBR and is copyright protected.

MSP - Median Sales Price.

NEIGHBORHOOD - A neighborhood is the smallest geographic grouping of TMK zones, sections and plats for which statistical information is tracked. The Research Department divides Oahu into seventeen (17) single family home and nineteen (19) condominium neighborhoods which are shown in the Area and Neighborhood Data Table.

PERCENT CHANGE - The percent change is calculated by dividing 100 times the amount of change by the older information. For example, if computing the percent change between sales of 2,300 in this time period and 2,000 in the last period, the divisor would be 2,000 and the numerator would be 100 times the difference in sales (2,300 - 2,000 = 300) which equals +15.0%.

QAR - Quarterly Absorption Rate - An absorption rate, expressed in percentage terms, relates the number of properties sold during the quarter to the average number of active listings during the quarter. For example, if there were 940 listings and 94 sales, the quarterly absorption rate would be 10.0%.

SF - Single Family Home.

SOLD - A property is categorized as SOLD only after closing and recordation. The time delay between the signing of a sales contract and the clearing of escrow is nominally between two and four months.

TMK - Tax Map Key.

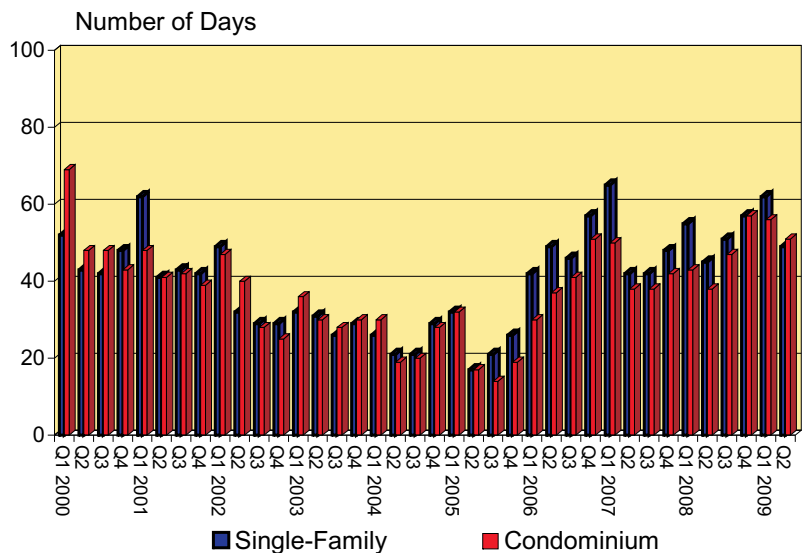
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creased rapidly during 2006, but this trend stalled in 2007, resumed in 2008, and has been contracting in 2009. The number of listings being actively marketed for sale were 1,754 single-family homes and 2,444 condominiums, decreases of 8.2% and 3.3%, respectively, since last quarter, and declines of 13.4% and 8.7% since the same quarter last year.

Asking prices for single-family homes actually increased since last quarter and last year. The median list price during the second quarter for a single-family home was \$727,300 which was 3.3% higher than last quarter, but only 0.2% ahead of last year. Condominium prices continue to ease, at \$325,400, a decline of 3.2% from first quarter and 6.8% for the year.

Quarterly absorption rates are used as a measure that factors in both supply and demand figures, computed by dividing the number of sales for the quarter by the average inventory. The second quarter absorption rate, or QAR, for single-family homes was 38.1% and, for condominiums, the rate was 33.3%, both significantly higher than last quarter. Since last year, the single-family QAR is marginally higher now, but it is still lagging for condominiums.

MEDIAN TIME ON THE MARKET



MARKET OUTLOOK

Honolulu regained the top spot among American cities in the first quarter, according to the National Association of REALTORS®. This happened not because our prices rose, but because of the tremendous price drops of 30% to 50% that occurred in Mainland cities. The difference between our market and the others is that we have not had the explosive

expansion of available inventory but continue to maintain a better balance between supply and demand. Is now the time to get into the market? Prospective buyers continue to wait on the sidelines wondering what the future holds for real estate. With the current weak demand for housing, prices could go lower, but we know that in the long-run, O'ahu properties will always be precious and command the highest prices in the U.S.