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## PACIFIC BUSINESS NEWS

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### New Honolulu condos are hot properties

Pacific Business News (Honolulu) - February 7, 2003 by [Steve Jefferson](#) Pacific Business News

Would-be condominium buyers are adopting the same strategy they might use to get tickets to a big rock concert — they're camping out overnight on the sidewalk outside the sales office.

It was a promising sign of the times at the Colony at the Peninsula in Hawaii Kai, which sold out within weeks of its introduction to the market, with 86 of the 96 units spoken for on the first day. Colony is the second new development in recent months in which buyers spent the night in line to make sure they had a chance to buy.

In December, Hokua at 1288 Ala Moana Blvd. also had a line of prospective buyers lined up for a chance to buy. The first day, the sales office accepted more than 350 reservations for the 249-unit project, said Karl Heyer, managing partner of Heyer & Associates LLC, broker for the development.

"It's such a great indication of economic optimism of homeowners in Hawaii; it's a great sign for the state overall," said Patrick O'Neill, vice president of sales and marketing for Colony developer Stanford Carr Development LLC. "We thought this would take about six months [to sell out], but it took only a few weeks."

The Colony project will bring in about \$40 million in revenue with prices ranging from \$300,000 to \$550,000 per unit, O'Neill said. Construction began this week and should be completed by next January.

At Hokua, prices range from about \$535,000 to more than \$5 million. So far, 209 of the 249 units have been sold. Construction is expected to be completed in November 2005.

While the two projects differ from each other, they represent the first new developments in Honolulu in many years, Heyer said. Almost all residential development on Oahu has been on the Leeward side.

"The fundamental economic trend in Honolulu is there's a lack of prospects for something to buy," Heyer said. "So when something does come out, the buyer is willing to stand in line to make that commitment."

Oahu's current condominium inventory is fewer than 1,600 units, Heyer said, lower than the 1,800 in 1989, the height of the Japanese investment bubble.

"The reason supply is low now is from purchases from bona fide owner-occupants, not speculators," Heyer said. "When we see an increase in interest rates, you won't see thousands of units on the market because people are living there."

When the bubble burst in the 1990s, condo inventory jumped from 1,800 units to about 4,600 units in one year, Heyer said, and it took until 1998 for the market to absorb all that inventory. *All contents of this site © American City Business Journals Inc. All rights reserved.*

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