

Building Industry Magazine

The **Big Island**: Preserving a Lifestyle in the Midst of a Boom

By Lee Schaller



Last year at this time, our story was titled, "Big Island Construction: Hot and Heavy."

What is the situation today?

From most accounts, the construction industry still is doing very well on the Big Island — from Kona to Hilo and all points in-between.

Many industry members here say 2003 is "even better" than 2002. And that was a banner year. Things do, indeed, look busy. Construction equipment is almost part of the landscape in many areas. Towering aerial lifts dot the horizon. Traffic guards signaling cars to proceed or wait along construction-heavy highways are a common sight.

And yet, this vast land with its incredible diversity of scenery, remains, for the most part, unscarred.

Despite the activity in central areas, there are places here that time and traffic seem not to have touched.

Building Industry magazine offers an in-depth look at construction and the Big Island. What is happening here today? What about tomorrow?

In the following report, we first examine the current construction situation on the Big Island, from the projects to the people behind them. Then, we present the pros, cons, priorities, and concerns of the many industry representatives and public officials we spoke with for this special cover story.

[back to top](#)

Measuring the Big Picture

"Everybody's busy," says Roy Kimura, executive assistant for HICA (Hawaii Island Contractors' Association). "There are a lot of things going on in East Hawaii -- the Hilo side. And of course, Kona still has all those big residential projects."

He mentions developments by Hawaiian Home Lands; bridge widenings; roadwork, including major extensions; and upcoming private commercial developments.

The impressive list includes the many ongoing projects at the University of Hawaii at Hilo (despite budget cutbacks) and Hilo Community College; the huge Kamehameha Schools, Hawaii campus project that continues to supply employment for a large number of industry members; airport and wharf renovations; and of course, the upscale developments at Hualalai, Kukio, and Waikoloa, with their accompanying growth in shops, golf courses and other support amenities.

Home Base



Roy Kimura, executive
assistant for HICA
(Hawaii Island
Contractors' Association)

As is the story throughout the islands at the present time, residential construction is big news on the Big Island. "The demand on the Big Island has been terrific," says Mary Flood, vice president of sales and marketing for Schuler Homes, a D.R. Horton Company. "We have had so many buyers standing in line when we release new increments, that we have gone to a lottery system. Prices are increasing a bit for each increment. So far," she explains, "most of our buyers have been local families, but at Pualani especially, we are seeing about 40 percent mainland buyers. We are excited that we are able to provide a desirable product in the right price range and in such great locations. We anticipate being part of the market on the Big Island for several more years to come."

Patrick O'Neill, director of sales and marketing for Stanford Carr Development (SCD) relates a similar Big Island success story. "Our Kahakai Estates single-family home development in Kona is completely sold out," he says. "All we have left are the two model homes." SCD's Waikoloa Colony Villas, a luxury townhome project, also is nearly sold out. "The last release is being offered next month," says O'Neill. "So far, of the total 168 townhomes, 125 have been sold." And SCD's homes are not just being snapped up by out-of-towners. "The buyers at Kahakai are local residents," explains O'Neill. At the upscale Colony Villas, O'Neill says, "We had projected that approximately 90 percent of the townhomes would be purchased by investors, with most of them being rented out. But what actually happened is that only about 5 percent are being bought by investors. The rest are owner-occupants. And most of the owner-occupants are not newcomers or off-island owners; they were already living on the Big Island."

How is the current year measuring up for long-time Big Island builder Chris Clever of Clever Construction, Inc.? Clever, one of the "Noteworthy Contenders" recently listed in B.I.'s Top 25 issue, says, "Business this year is double the volume of 2002 — maybe even more. We have over \$27 million in contracts." And Clever's current and recent work is not solely in the upscale residential projects for which he is so well known. The 24-year-old Big Island-based company received a Grand Award in the Commercial Remodeling Division of the Building Industry Association's recent Renaissance Awards for its Kolea Discovery Center project and is working on the Kohala Salon at the Hilton Waikoloa and the Beach Club at Kolea, for Centex Destination Properties. "Approximately 15 to 20 percent of our current work is commercial," reports Clever.

Diversity Pays Off

"Business is fantastic!" says Allen Sullivan, CFO of E.M. Rivera & Sons, Inc. "Currently, we have eight major projects in the works." The general engineering contractor based in Kailua-Kona specializes in sitework — and its present projects run the gamut from residential to commercial and beyond. Sullivan gives an impressive example of the residential demand: "We're just doing the sitework at Bayview Estates Phase 2, a single-family subdivision in Keauhou — 44 lots, from one-third to a half-acre — and already, half of them are sold!" The company also is doing sitework at Kona Hawaiian Village Phase 2-A, (a timeshare development) with Metcalf Construction Co. Inc. "Hiram (Rivera, company president) has done a great job of fitting the project into the landscape." Other major jobs include a 10.3 acre condominium project at Kona Sea Village with general contractor Bodell Construction Company; and a 17-acre condominium development at Alii Park Place in Kona.

"We just started Phase One of Kona Sea Ranch, consisting of eight five-acre lots for Sunset Partners Realtors V, LLC; we're doing a commercial lot at Koloko Light Industrial Park; and we recently finished the sitework for Jack's Diving Locker at Coconut Grove Marketplace in Kona.

Willocks Construction Corporation has been busy on the new Lowe's Home Improvement Store in Kona, doing everything from utilities and sewer water lines to grading and paving. "It will be completed and open in a few months," says Hugh Willocks, president of the 30-year-old Big Island-based company. Other current projects include "Scattered Lots" for the Department of Hawaiian Home Lands in Hilo and a two million gallon water tank at Puu Puaa for the Department of Water Supply.

"It's the largest water tank on the island," says Willocks. "And we recently finished the sitework at the Villages at Mauna Lani, Phase One, Increment Two."

How is business for Willocks this year? "It's pretty decent," he says, "but it may be slowing down just a bit."

