

YAMANAKA ENTERPRISES, INC.

THE HILO IRON WORKS BUILDING 1266 Kamehameha Avenue, Hilo, Hawaii 96720 Telephone: (808) 935-9766 FAX (808) 969-1783

3rd Quarter Residential Market Report for 2009:

*** The data from the following report was first posted on my blog on October 2, 2009. Follow up information can be found at my blog www.rankingrealestate.com or visit our website www.yamanakaent.com.

source of data is from Hawaii Information Systems. 3rd Quarter 2009 Stats as of 10/2/2009

YOY - Residential Sales for the Entire Island rose 25.27% from 273 (2008) to 342 (2009)

Increase in Residential Sales by District:

Puna sales rose 23.23% from 99 sales (2008) to 122 Sales (2009)
Kau sales rose 108.33% from 12 sales (2008) to 25 sales (2009)
South Kona sales rose 25% from 8 sales (2008) to 10 sales (2009)
North Kona sales rose 67.44% from 43 sales (2008) to 72 sales (2009)
South Kohala sales rose 13.33% from 45 sales (2008) to 51 sales (2009)
North Kohala sales rose 150% from 4 sales (2008) to 10 sales (2009)

Decrease in Residential Sales by District:

South Hilo sales decreased 11.11% from 54 sales (2008) to 48 sales (2009)
North Hilo sales decreased 66.67% from 3 sales (2008) to 1 sales (2009)
Hamakua sales decreased 40% from 5 sales (2008) to 3 sales (2009)

YOY - Residential Median Price for the Entire Island was down 18.75% from \$320,000 (2008) to \$260,000 (2009)

Increase in Median Sales Price by District:

North Hilo median price rose by 204.49% from \$156,000 (2008) to \$475,000 (2009)
South Kona median price rose by 20.58% from \$311,000 (2008) to \$375,000 (2009)

Decrease in Median Sales Price by District:

Puna median price decreased by 19.35% from \$215,000 (2008) to \$173,400 (2009)
South Hilo median price decreased by 13.78% from \$333,450 (2008) to \$287,500 (2009)
Hamakua median price decreased by 60.00% from \$400,000 (2008) to \$160,000 (2009)
North Kohala median price decreased by 30.77% from \$827,000 (2008) to \$572,550 (2009)
South Kohala median price decreased by 19.33% from \$445,000 (2008) to \$359,000 (2009)
North Kona median price decreased by 24.41% from \$549,000 (2008) to \$415,000 (2009)
Kau median price decreased by 34.50% from \$229,000 (2008) to \$150,000 (2009)

* all increases and decreases need to take into account overall activity. less actual sales will allow for dramatic shifts in percentage of increase/decrease in data.

Market Summary

Puna median home price has seemed to hit a plateau and the short sales and REO's sales have been fairly consistent. New homes in Hawaiian Paradise Park (REO) have been consistent over the past few months in the high \$100's. I tend to believe that specific neighborhoods such as Hawaiian Paradise Park have performed fairly stable.

As with all residential markets, outside of the Resort areas, the main concerns are the continued loss of jobs and the furloughs (loss of income) for our many government employees. These factors along with a prolonged slump in tourism could have an ever increasing negative effect on the overall residential market.

South Hilo has showed stability in activity over the past 3 quarters, but overall median prices have continued to fall. The same concerns of job loss and loss of income to the general workforce are overriding concerns for market performance. There is some value in the market as some Seller's have priced homes effectively (to sell). Lower end homes in Hilo town have shown price stability over the past few months in the \$175k to \$225k range. If the Federal Government chooses to extend or create a new home buying tax credit then activity and sales could be affected in a positive way.

South Kohala resort markets in general have shown some softness. While much of the market is driven by the visitor count and a second home demand from out of State, there are a few signs that a recovery will occur over the short term (in certain resort markets). The exclusive developments of the Kukio and Hualalai node, which services the higher end of the resort market, has experienced record sales volume over the past few months, but at a substantial discount off listed prices. In some cases resales have reflected discounts of 20 to 40 percent off the listed and acquisition prices. We believe some of these sales to be a real value in this market.

While the other districts are distinct in their own nature and the type of Buyer's who will purchase in these areas, the activity is too low to comment on directly. From an overall perspective no district lives in a vacuum and direct or indirect forces on our local and national economy will continue to way heavy on the activity and values in these market.

That being said, there has been a significant drop in prices over the last couple years and there is value in the market.

For specific market information please do not hesitate to contact me in the office at (808) 935-9766 or by email at caleb@yamanakaent.com. More day to day musings on real estate can be found at www.rankingrealestate.com and property information and mls search can be found at www.yamanakaent.com.

Caleb M. Yamanaka (R), Broker-In-Charge

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