



Kauai Real Estate News and Views ~

McCartney Properties



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"Congress is so strange. A man gets up to speak and says nothing. Nobody listens and then everybody disagrees." ~ Boris Marshalov



Condo Statistics for 2011....

In the beginning of 2011, condo sales have taken a big hit in the Lihue and Hanalei Districts. The Lihue sales are being affected by the Kauai Beach Resort., which converted its' hotel rooms to "condos" back in 2006. At that time, the majority of units sold for \$300 - \$450K. In 2011, fifteen of these same units are selling for prices ranging from \$23,500 to \$83,000! Yes, you read that correctly. This has fueled the 23% decrease in median sales price for condos in this district and provided some great deals for those new buyers.

In the Hanalei District, mainly Princeville, the numbers are all down. Number of units sold down 26%, sales volume (dollar amount of all sales) down 39% and median price down 25%. This is understandable is you remember that a majority of the condos in this area are being used for second homes and/or vacation rentals (which is legal in Princeville).

Prices of condos are currently headed to 2003, 2004 levels and with a lot of great deals out there, the sales numbers are starting to pick up in this category. (One example: a Hanalei Bay Villa recently went into escrow at \$383K. This same unit sold for \$700K in 2005!) There are currently 88 condo units in escrow.

Some Facts About Credit Scores.....

Everyone's heard of them and we all know the power our score holds with lenders. But what formula is used to determine our score? How can we affect our score?

The first thing to know is that FICO stands for Fair Isaac and Comany, the group that came up with the software system that assigns a numerical value to establish a persons "future credit risk". There are currently three credit reporting agencies that assign scores to anyone who has established and keeps a current credit history, Equifax, TransUnion and Experian.

Some quirky facts about FICO scores:

* 30% of your credit score is determined by amount of debt vs available credit limits. If you cancel a credit card it will *negatively* affect your credit score (less credit available raises your debt vs. available credit percentage).

* It is better to have five \$1000 balances than one \$5000 balance. The best formula is to carry a balance of no more than 50% of the available credit limit on your credit cards.

* The formula used to calculate your FICO score is a well guarded secret - almost as tough to acquire as the formula for Coca-Cola.

Be proactive and get a copy of your credit report at least once

A New Look for McCartneyproperties.net

It's been a few years since I've updated my web site but it's finally done! Take a moment to check out the new look at

www.mccartneyproperties.net. I've tried to give the site a clean and modern look with updated resource info, search capabilities and some new testimonials.

As always, my business depends on referrals so if you know of anyone in the market for property on Kauai, I hope you'll pass along the new web site or better yet, my phone number.

Short Sales....What Are They and How Do I Qualify?

A short sale means that the proceeds from the sale of your home will not be enough to pay off the loan amount owed to the bank. Some banks are agreeing to short sales because it makes more sense to them to sell at a moderate loss than go through the entire foreclosure process. Some will forgive any remaining amount owed and some will not (depending largely on your financial situation).

Hawaii is a deficiency state meaning that the bank is legally able to go after your assets to satisfy the debt incurred. In a large percentage of cases, however, they forgive the remaining debt.

If you find yourself struggling to keep your home, the first step is to start communicating with your lender. Don't think that if you ignore it, it will go away. Get a human being on the phone, tell them your situation and start the process.

You may qualify for a loan modification or a short sale. And please contact me to get a current valuation on your property. These are tough times for us all - I will do whatever I can to help.

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HAPPY EASTER EVERYONE !

per year. (Check out this website to make sure and get yours for free:

<http://www.ftc.gov/bcp/edu/microsites/freereports/index.shtml>)

I have rarely seen a credit report that did NOT have a mistake on it...frightening. If you find a mistake, take the time to fix it immediately. And remember to report the mistake to each agency where it appears - they do not share information.

One of these days, the banks are going to loosen their lending practices and some of us may be shopping for loans again. Clean up your credit report now so you'll be ready. The process can take months.

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