

Kauai Real Estate News & Views ~

McCartney Properties

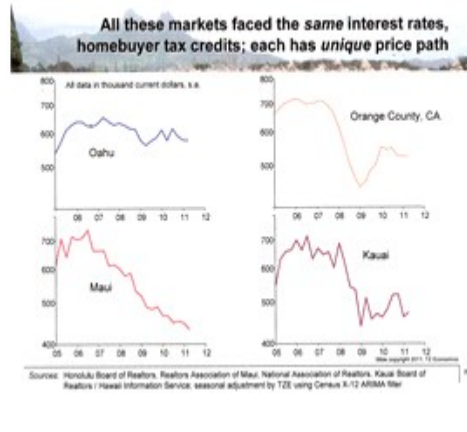
Aug/Sept 2011

Market Comparisons.....

We're Not Oahu But....

I recently attended a presentation by Paul Brewbaker, noted Hawaii economist, and he had an interesting perspective on our real estate market.

This chart starts out by showing a comparison of 4 different real estate markets...Oahu, Orange County, CA, Maui and Kauai. As you can see, even though each of these areas was part of the "global recession", each responded in a different way. Take notice of Oahu....amazingly resilient, you wouldn't even know they went through a recession....whereas Maui has not even hit the bottom yet.

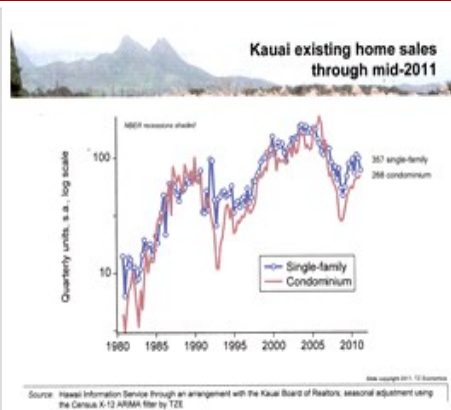


Existing Home Sales.....

The Bounceback....

On this chart, you can see existing home and condo sales on Kauai charted from 1980 to the present.

Paul Brewbaker talked about the 'bounceback' effect that happens after a recession. The market dives, bounces back and then oscillates out for a period of time. From the stats so far, it looks like that is where we are...we've had the bounce and are in the oscillating section. He stated that if you plot this out further, it looks like somewhere in the "20 teens", we should start to see a real recovery.



It's All In How You Look At It.....

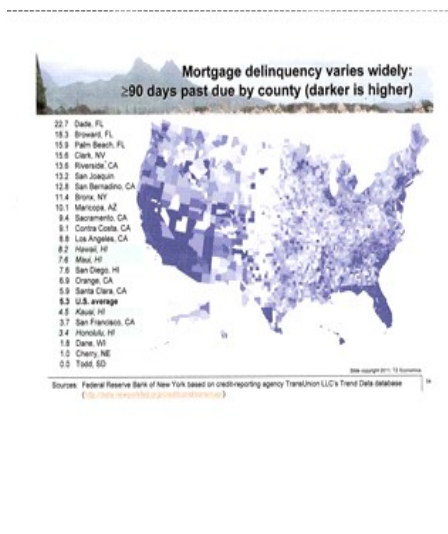
Things Could Be Worse

Paul Brewbaker ended his talk with this slide. I loved his message. This chart shows mortgage delinquencies by county...darker is higher. While two small counties on the border of Nebraska and South Dakota battle it out for the lowest percentage (1.0 and 0.0), Dade County, Florida, is making their mark with 22.7 percent.

How does Kauai fare? We come in at 4.5%, under the national average by almost a full percentage point. Honolulu is even better at 3.4%.

So the message this month is try to keep things in perspective. We watch the news and hear such tales of doom and gloom but in our little corner of the world, we're doing a little better. We've all gone through some pretty scary times and they may not be over yet but we're not Dade County, Florida.

Lucky we live Kauai, right?!!



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