



THE Q4 2019 | MAUI, HAWAII GARDNER REPORT

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The following analysis of select Maui real estate markets is provided by Windermere Real Estate Chief Economist Matthew Gardner. We hope that this information may assist you with making better-informed real estate decisions. For further information about the housing market in your area, please don't hesitate to contact me.

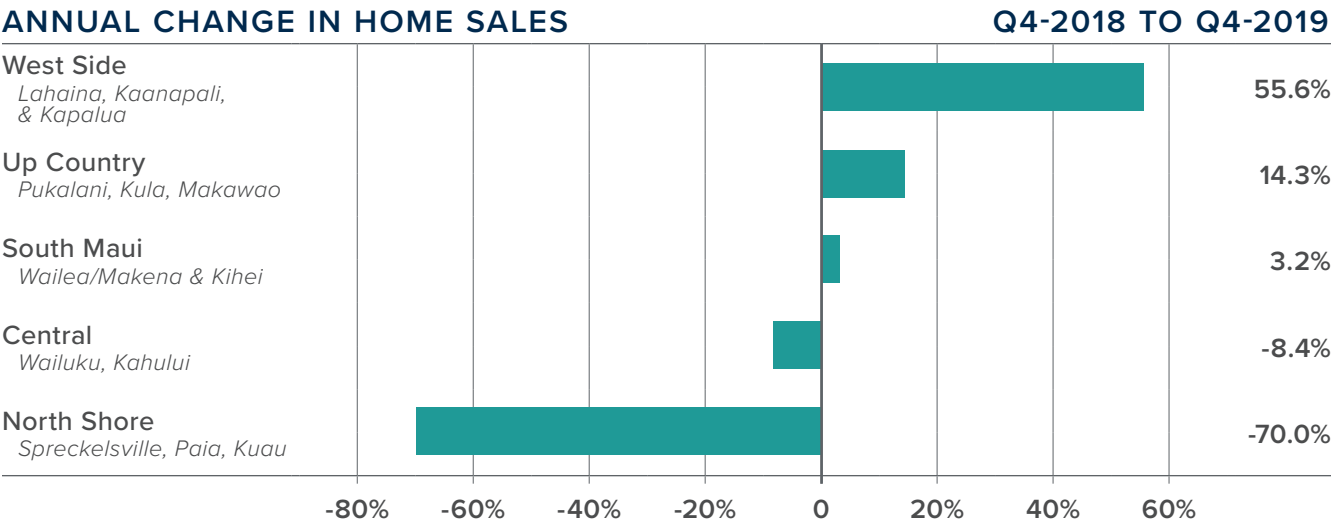
ECONOMIC OVERVIEW

Hawaii saw employment grow at an annual rate of 0.5%, adding 3,100 jobs over the past 12 months. In November, the state's unemployment rate was 2.6%, matching last year's rate.

On the island of Maui, employment continues to contract, with a drop of 0.9% from last year. I would note that year-over-year employment growth has been negative for the past 23 months. Even given the lack of new jobs, the island's unemployment rate was 2.5%, down from 2.6% a year ago.

HOME SALES

- › In the fourth quarter of 2019, 551 homes sold, an increase of 7.6% compared to the final quarter of 2018. Sales were down 4.7% compared to the third quarter of 2019.
- › Not all markets saw a drop in sales. The Westside market saw a notable increase in sales compared to the fourth quarter of 2018.
- › The rise in sales came as inventory levels dropped 10.3% from the same period a year ago.
- › Pending home sales in the quarter were down 4.7% from the third quarter of 2019, suggesting that 2020 first quarter closings may disappoint.

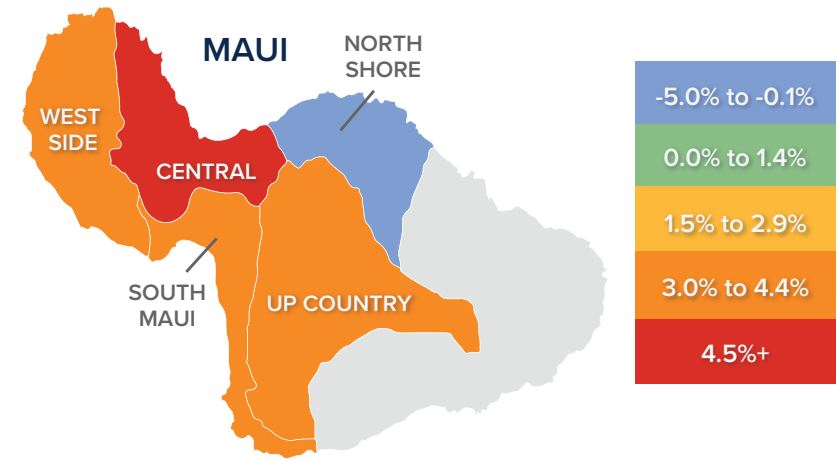
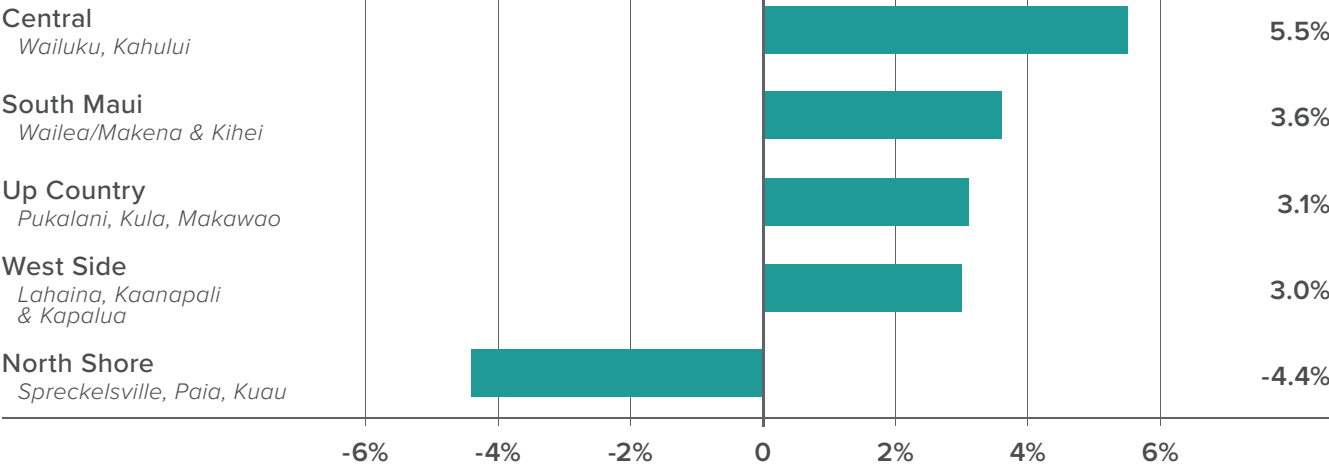


HOME PRICES

- › The average home price in the region rose 8.1% year-over-year to \$934,302 and was up 5% compared to the third quarter of 2019.
- › Affordability continues to be a significant issue. That said, very favorable mortgage rates appear to be allowing home prices to continue to rise.
- › Price changes by market were interesting: all but one market saw respectable home price appreciation. There was a drop in the expensive Northshore sub-market, but this is a very small area and price growth can be frenetic.
- › I expect to see ongoing price growth in 2020, but gains will be somewhat modest.

ANNUAL CHANGE IN HOME SALE PRICES

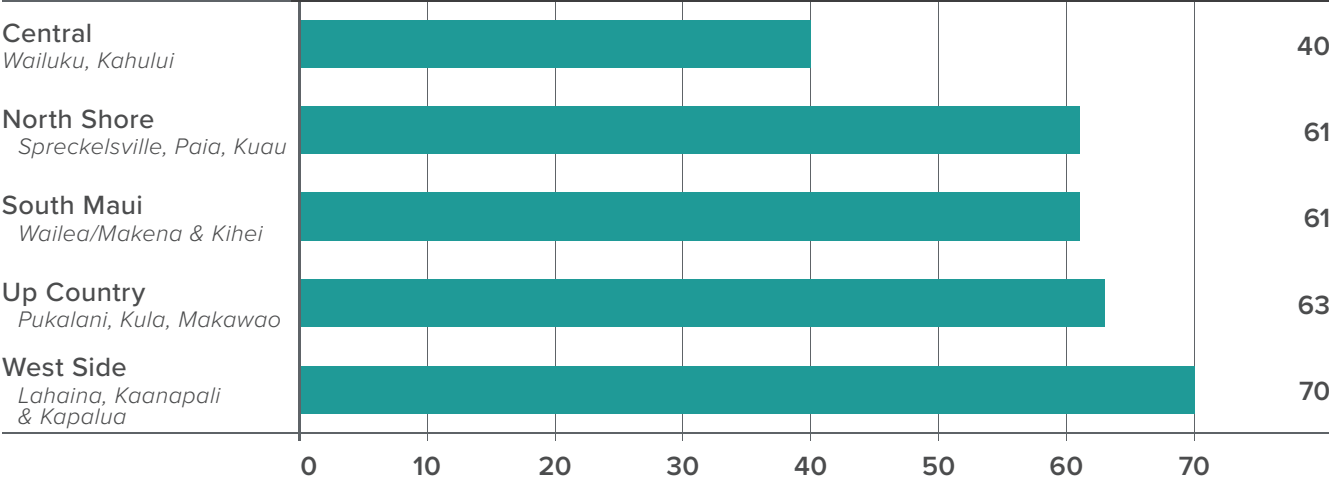
Q4-2018 TO Q4-2019



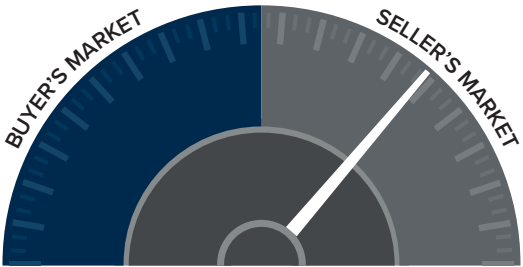
DAYS ON MARKET

- ▶ The average number of days it took to sell a home on Maui dropped eight days compared to the final quarter of 2018.
- ▶ The amount of time it took to sell a home dropped in all markets other than the North Shore market area.
- ▶ In the fourth quarter, it took an average of 59 days to sell a home. Central market homes sold at the fastest pace, while homes sold the slowest in the Westside market.
- ▶ I believe the length of time it takes to sell homes on Maui will continue to trend slightly lower as we move through the spring of 2020.

AVERAGE DAYS ON MARKET



CONCLUSIONS



This speedometer reflects the state of the region's real estate market using housing inventory, price gains, home sales, interest rates, and larger economic factors.

For the final quarter of 2019, I have moved the needle a little more in favor of home sellers. Inventory remains tight, home prices have picked up, and mortgage rates are expected to remain very favorable in 2020.

ABOUT MATTHEW GARDNER

As Chief Economist for Windermere Real Estate, Matthew Gardner is responsible for analyzing and interpreting economic data and its impact on the real estate market on both a local and national level. Matthew has over 30 years of professional experience both in the U.S. and U.K.

In addition to his day-to-day responsibilities, Matthew sits on the Washington State Governors Council of Economic Advisors; chairs the Board of Trustees at the Washington Center for Real Estate Research at the University of Washington; and is an Advisory Board Member at the Runstad Center for Real Estate Studies at the University of Washington where he also lectures in real estate economics.