

# DREW'S NEWS

Volume 3, Number 2

A Real Estate Newsletter

March/April, 1990

## Tax Breaks Coming?

A lot of press has been given in recent months to new legislative proposals to cut real estate capital gains taxes. And with good reason.

Since 1981, nearly all tax incentives for the real estate investor have been eroded or eliminated. 17 different provisions have been passed, everything from limits on the deductions allowed on real estate losses, to restrictions on the credits available for rehabilitation of historic sites.

A cut in the capital gains tax -- the amount of tax you have to pay on the sale -- would benefit all income groups, since each group holds investment real estate roughly in proportion to its income.

For example, households making less than \$30,000 a year earn 31 percent of the income of the nation, and hold 32 percent of the investment real estate.

Those earning \$30,000 to \$150,000 account for 57 percent of total income and hold 52 percent of investment real estate. And those making more than \$150,000 earn 12 percent of total income and hold 16 percent of the investment real estate pie.

A cut in capital gains tax, especially when coupled with a 1031 exchange, could significantly reduce a property owner's taxes when selling real estate.

A cut in capital gains taxes could also result in a surge in the amount of property available on the market. This in turn could soften Kauai real estate prices.

So stay tuned to reports on the progress of this important legislation. If you have any plans to sell your property, the fate of the capital gains laws may be your opportunity to maximize your investment.

-Drew



**Andrew "Drew" Vento**  
Realtor, G.R.I.  
Makai Properties

## Hawaii Tourism Hits all-time High

1989 was a banner year for the state's tourism industry.

The Hawaii Visitors Bureau reports that 6,591,620 visitors arrived during the 12 months of 1989.

This figure represents an all-time high for the state, and a 7.3 percent increase over 1988.

For December, 1989, 572,530 people visited the islands, a 5.9 percent increase over December, 1988.

For Kauai, more visitors meant higher occupancy rates. Kauai recorded 71.32 percent occupancy in '89, up from 66.88 percent in '88.

Poipu's 79.17 percent, up from 71.81 percent in '88, led the neighbor islands.

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## Foreign Seller? Here Comes the IRS!

A significant amount of property in Hawaii is owned by foreigners. A little-known law can cause an unsuspecting buyer, real estate agent, accountant or lawyer a lot of money.

Since 1985, this law requires that when a buyer purchases U.S. real property from a foreign seller, the buyer or the buyer's designated agent must withhold 10 percent of the amount realized, unless the property is for use as a residence and the purchase price is \$300,000 or less.

If the buyer or agent does not withhold and pay taxes by the 20th day following the transfer of property, the tax plus interest will be assessed against him or her. Penalties may also be assessed.

These requirements apply to all buyers -- U.S. citizens as well as foreigners.

Naturally, the IRS has a special form for this declaration of withholding: IRS 8288, 8288A and 8288B. Most escrow companies now use this form as a precaution when any foreign sellers are involved.

If you need to know more about this law, contact your accountant, attorney, escrow company or the nearest office of the Internal Revenue Service.

### WANT TO BUY? WANT TO SELL?

Let a professional do the job for you.

**CALL DREW!**

**332-7414**

## Oops! Correction on Property Tax Deductions

In the last issue of *Drew's News*, we wrote about new county property tax deductions for property owners on Kauai.

Unfortunately, we omitted one very important word: "principal."

The new county law is designed to give Kauai property owners an additional deduction on their "Principal Residence" only.

We regret the error and apologize for any inconvenience this omission may have caused.

## DOH Revises Cesspool Ban

The Hawaii Department of Health recently pushed back the effective date of proposed rules which would completely ban construction and use of new cesspools on the Neighbor Islands.

As originally proposed, the ban on new cesspools was to have gone into effect January 1, 1990.

The Department of Health will now hold public hearings on the use of cesspools to obtain public input on the ban from island residents. Hearings on each of the Neighbor Islands are slated for April.

Until the new law is formally approved, which should occur this summer, the use of cesspools is still permitted.

If you plan to dig a new cesspool in the near future, contact the Department of Health for specific regulations that may apply to your property. Their number on Kauai is 245-4323.

## Hawaii Population Growth Outpaces Nation

Hawaii's population increase in the 1980s outpaced the national average by 60 percent.

According to the U.S. Census Bureau, Hawaii's population grew by 15.3 percent between April 1, 1980 and mid-1989.

This compares with a national average of U.S. population growth of 9.6 percent during the same period.

## Kauai, Hawaii Elections this Fall

The 1990 election process is now underway.

Any would-be mayors, governors, senators, representatives or county council members should be gathering names for their nomination petitions. Deadline for submission is July 24, 1990, 4:30 p.m.

The Primary will be held September 22. General Election Day is November 6.

# Island Residential Update

Total Residential Properties Available: 209

Price Range	West Shore	South Shore	Lihue Area	Wailua/Kapaa	North Shore
Under \$150,000	1	0	0	0	3
\$151,000 - \$250,000	4	2	2	14	8
\$251,000 - \$350,000	1	4	1	23	17
\$351,000 - \$500,000	3	15	6	24	24
Over \$501,000	3	21	0	4	22
<b>TOTALS</b>	<b>12</b>	<b>42</b>	<b>9</b>	<b>65</b>	<b>81</b>

Source: Multiple Listings Service (MLS) as of 3/6/90

## Home Inventory Rises Islandwide

In the last issue of *Drew's News*, we listed 195 homes for sale. This issue we're up to 209. That's an islandwide residential properties inventory increase of 7 percent.

area	issue this/last	% change
West side	12 11	+9
South Shore	42 40	+5
Lihue area	9 7	+28
Wailua/Kapaa	65 69	-6
North Shore	81 68	+19

## Available Houses on the South Shore

All properties listed are fee simple

PROPERTY LOCATION	LOT SIZE SQ. FT.	INTERIOR SQ. FT.	BED	BATH	ASKING PRICE
Kalaheo	8,100	1,232	3	1.5	\$244,900
Kalaheo	7,678	1,312	3	2.0	304,000
Kalaheo	22,178	1,560	4	2.0	325,000
Kalaheo	8,100	1,975	4	2.5	349,900
Kalaheo	9,000	2,108	4	3.0	369,000
Kalaheo	22,855	2,400	6	2.5	375,000
Kalaheo	12,028	2,300	4	2.5	388,500
Kalaheo	8,811	1,886	3	3.0	399,900
Kalaheo	9,014	2,400	5	3.0	450,000
Kalaheo	8,195	3,014	4	3.0	495,000
Kalaheo	1.32 acres	2,600	4	3.0	545,000
Kalaheo	4.40 acres	2,800	4	3.0	699,000
Kalaheo	1.66 acres	2,496	4	2.5	700,000
Kalaheo	2.14 acres	2,278	3	2.0	725,000
<b>Lawai</b>	7,926	1,258	3	2.0	240,000
Lawai	1.23 acres	1,164	2	2.0	375,000
Lawai	18,033	3,175	6	4.0	425,000
Lawai	2. acres	3,750	4	3.0	850,000
<b>Omao</b>	.65 acre	1,395	2	2.0	340,000
Omao	35,501	936	3	1.5	390,000
Omao	.75 acre	2,800	3	2.5	399,000
Omao	21,788	2,000	3	2.0	439,000
Omao	21,854	2,416	4	3.5	495,000
Omao	21,780	2,660	3	3.5	525,000
<b>Poipu</b>	6,000	1,764	2	2.5	485,000
Poipu	6,057	2,445	4	2.5	489,000
Poipu	6,000	1,680	3	3.0	495,000

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## New U.S. Homes Appreciate More

The price of a newly-built single-family home appreciated faster than that of a previously-owned home nationally in the 1980s.

For the period 1980 to 1989, the median price of a new single-family home increased 9.62 percent a year.

This compares with an average annual increase of 6.73 percent in the median price of a previously-owned home during that period.

In 1980, the median price for a new single-family home was \$64,600, \$2400 more than that of a previously-owned home.

By the end of 1988, new homes had a median price of \$112,500, \$23,200 more than that of a previously owned home.

Source: U.S. Census Bureau; National Association of Realtors; Demographics in the U.S., "The Segmenting of Housing," November, 1989.

**TO BUY OR SELL  
HOMES ON KAUAI**

**> CALL DREW <  
332-7414**

# Island Condo Update

Total Condominiums for Sale: **255**  
 Fee Simple (FS) - 140 Leasehold (LH) - 115

Price Range	South Shore		Lihue Area		Wailua/Kapaa		North Shore	
	FS	LH	FS	LH	FS	LH	FS	LH
Under \$100,000	0	0	1	3	0	5	0	0
\$101,000 - \$150,000	0	31	9	3	1	12	24	20
\$151,000 - \$250,000	17	6	3	0	0	4	30	20
\$251,000 - \$400,000	12	6	2	0	0	0	20	1
Over \$401,000	14	4	0	0	3	0	4	0
<b>TOTALS</b>	<b>43</b>	<b>47</b>	<b>15</b>	<b>6</b>	<b>4</b>	<b>21</b>	<b>78</b>	<b>41</b>

Source: Multiple Listings Service (MLS) as of 3/6/90

## Southshore Condo Inventory on the Rise

In the last issue of *Drew's News*, we listed 204 condos available. This issue we're up to 255, an islandwide condo inventory increase of 25%.

area	issue		% change
	this	last	
South Shore	90	68	+3
Lihue area	21	24	-12
Wailua/Kapaa	25	28	-11
North Shore	119	84	+42

## Available Condominiums on the South Shore

PROJECT	BED	BATH	UNITS		LAND TENURE	ASKING PRICE	
			AVAIL			LOW	HIGH
Hale Kahamalu			No condos available				
Kahala I at Poipu Kai	1	1.0	6		FS	175,000	-----
Kalaheo Pali Kai			No condos available				
Kiahuna Plantation	1	1.0	23		LH	120,000	550,000
	2	2.0	1		LH	900,000	-----
Koloa Gardens			No condos available				
Kuhio Shores	1	1.0	1		FS	215,000	-----
Makahuena	2	2.0	9		LH	169,000	550,000
	2	2.5	4		LH	145,000	295,000
Makanui Poipu Kai	2	2.0	1		FS	240,000	-----
Manualoha Poipu Kai	1	1.0	1		FS	189,000	-----
	1	2.0	1		FS	199,000	-----
	2	2.0	4		FS	235,000	435,000
Nihi Kai Villas	2	2.0	2		FS	325,000	375,000
Poipu Crater	2	2.0	2		FS	225,000	269,500
Poipu Estates	3	2.5	1		FS	525,000	-----
Poipu Kapili	1	2.0	1		FS	285,000	-----
	2	3.0	3		FS	435,000	-----
Poipu Makai	3	3.0	1		FS	385,000	-----
Poipu Palms	2	2.0	1		FS	225,000	-----
Poipu Sands	1	1.0	1		FS	245,000	-----
	1	1.5	1		FS	245,000	-----
	2	2.0	4		FS	345,000	350,000
Poipu Shores	2	2.0	1		FS	325,000	-----
	3	2.0	1		FS	375,000	-----
Prince Kuhio			No condos available				
Sunset Kahili	2	2.0	1		FS	270,000	-----

continued on page 7

## More Hot Properties

### Poipu Kai Townhouse Living POIPU SANDS

Asking Price \$350,000 FS  
 Unit #428 at Poipu Sands has a perfect location and a townhouse floor plan. Large enough for full-time living. Master suite on upper floor with its own private lanai -- ocean view! Call Drew today for a private showing!

### Excellent Rental Income KIAHUNA PLANTATION

Asking Price \$134,500 LH  
 Kiahuna Plantation is one of Hawaii's premier condominium resort destinations. Unit #328 is now available for purchase fully furnished -- and recently upgraded. Excellent rental income makes this condo a "can't miss". Call Drew for a private showing.

**TO BUY OR SELL  
 A CONDO ON KAUAI  
 Call Drew Vento  
 332-7414**

# Hot Properties

## Ocean Front Condo -- New Listing POIPU SHORES

Asking Price \$325,000 Fee Simple

One of the best on the market today. Unit 401-A is on the 4th floor, an end unit with 2 bedrooms, 2 baths, completely furnished. Excellent views and rental history. Let the soothing sounds of the ocean put you to sleep tonight! Call Drew immediately.

## Entertainer's Delight -- New Listing LANAI VILLAS RESIDENCE

Asking Price \$435,000 Fee Simple

There's not enough room to describe all the details of this magnificent **INESCROW** koa cabinets and china hutches, oak and tile floors, cedar vaulted ceiling, 1000 square feet of redwood decking. You gotta see this one! You know who to call . . . Drew!

## Protected Ocean View -- New Listing BAYVIEW RESIDENCE

Asking Price \$565,000 Fee Simple

The perfect place to hang your vacation sun visor, as a bed & breakfast, or as your permanent residence. Newly constructed 2 story home with master bedroom suite, kitchen, dining and living room on upper floor to maximize views. Call Drew today!

## Resort within a Resort -- New Listing POIPU CRATER RESORT

Asking Price \$225,000 Fee Simple

You'll find special touches in this condo: new tile in the kitchen, entry area and living room, upgraded furnishings throughout. Secluded location. This is a definite must on your viewing list. Call Drew today for an appointment to see!

## Best Value, Great Views -- New Listing KIAHUNA GOLF VILLAGE PARCEL

Asking Price \$295,000 Fee Simple

Strategically located with a green belt on one side and rear of the property, only one neighboring property. Catch the mountain and ocean views on this 11,302 square foot vacant parcel. This is the best value at Kiahuna Golf Village! Call Drew today!

## Recently Upgraded -- New Listing POIPU KAI RESORT

Asking Price \$185,000 Fee Simple

This delightful Kahala I condo is priced just right in an ever-rising market. Unit #823 is a recently upgraded one bedroom, one bath and is completely finished. You'll get all the advantages of Poipu, at a reasonable price. Call Drew for a viewing today.

## Under Construction GRACIOUS LIVING

Asking Price \$850,000 Fee Simple

A home with the finest in privacy and luxury: Nestled on the ridge of a valley in Lawai, over 3,700 square feet of living area, a three-car garage, courtyards and lanais. More than 6,200 square feet of home and extras. Call for details.

## Ocean & Mountain Views KALAHEO OCEANVIEW ESTATES

Asking Price \$185,000 Fee Simple

Your neighbors have already built. Which means you can build your Hawaiian Hideaway with assured views forever! Good neighborhood. Call Drew for details today!

## Best views on South Shore AG PARCEL NEAR POIPU

Price Reduction-- \$345,000 Fee Simple

Owner Financing Available

2.25 acres of agricultural land with ocean, mountain and valley views! Just 7 minutes from Poipu beaches, restaurants, activities. A special property with privacy and great views. Call Drew today!

Andrew Vento, Realtor, G.R.I.

(808) 332-7414 fax 742-7685



Real Estate Sales & Development

## Land Prices, Inventory Climb

In the last issue of *Drew's News*, we listed 190 land parcels available. This issue we're up to 212, an island-wide land inventory increase of 11.5%.

area	issue this/last	% change
West side	6 4	+50
South Shore	49 42	+17
Lihue area	7 7	----
Wailua/Kapaa	50 52	-4
North Shore	100 85	+18

## Tokyo's Ginza Highest Priced

Retail space on Tokyo's famed Ginza is the most expensive commercial space in the world: \$655 per square foot annually.

Among the other highest-priced retail areas, according to Healey & Baker, a New York real estate brokerage and consultant company, are:

- Trump Tower, at 57th & Fifth Avenue in New York City, at \$500 per square foot;

- East 57th Street in New York City, at \$430 per square foot;

- Oxford Street in London, at \$240 per square foot.

Meanwhile, here on Kauai, you can still get retail space at only \$18 per square foot annually.

**TO BUY OR SELL  
LAND ON KAUAI**

Call Drew Vento  
332-7414

## Island Land Update

Total Parcels Available: 212

Price Range	West Shore	South Shore	Lihue Area	Wailua /Kapaa	North Shore
Under \$150,000	2	0	0	6	7
\$151,000 - \$250,000	2	13	1	8	31
\$251,000 - \$350,000	1	15	0	11	25
\$351,000 - \$500,000	0	17	1	17	16
Over \$501,000	1	4	5	8	21

**TOTALS** 6 49 7 50 100

Source: Multiple Listings Service (MLS) as of 3/6/90

## Available Land on the South Shore (FS)

AREA	SQUARE FEET	ASKING PRICE
Kalaheo	2.75 acres	\$175,000
Kalaheo	8,000	185,000
Kalaheo	8,805	185,000
Kalaheo	1.51 acres	189,900
Kalaheo	10,130	190,000
Kalaheo	10,250	190,000
Kalaheo	1.04 acres	209,900
Kalaheo	1.35 acres	229,900
Kalaheo	1.22 acres	275,000
Kalaheo	1.02 acres	339,000
Kalaheo	17,425	360,000
Kalaheo	3.34 acres	399,000
Kalaheo	3 acres	400,000
Kalaheo	3 acres	435,000
Kalaheo	5.29 acres	500,000
Kalaheo	12.66 acres	1,000,000
Lawai	1.6 acres	175,000
Lawai	2.6 acres	200,000
Lawai	2.65 acres	225,000
Lawai	2.25 acres	345,000
Lawai	65,253	350,000
Poipu	6,000	250,000
Poipu	10,013	270,000
Poipu	9,991	270,000
Poipu	7,208	275,000
Poipu	10,586	285,000
Poipu	11,302	295,000
Poipu	9,593	299,000
Poipu	11,761	305,000
Poipu	9,755	319,000
Poipu	10,128	325,000
Poipu	14,356	345,000
Poipu	8,353	350,000
Poipu	10,316	367,000
Poipu	8,700	395,000
Poipu	11,432	400,000
Poipu	11,484	400,000
Poipu	9,811	400,000
Poipu	11,397	425,000
Poipu	10,000	425,000
Poipu	17,660	430,000
Poipu	11,965	435,000
Poipu	20,392	435,000

(Continued on page 7)

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Phone \_\_\_\_\_

I am interested in the following:

Price information on my property

I want to sell my property

Location of property: \_\_\_\_\_

I want to buy property

Condos

Land

Residential property

Other

West Side

Poipu/South Shore

Lihue area

Wailua/Kapaa

North Shore

## Property

### Information Request

I will be happy to answer any real estate questions you have, and to provide information on real estate activity.

Simply fill out and return this information request form.

For immediate assistance, send via fax (808) 742-7685, or call me at (808) 332-7414.

Mail to:

**Drew's News**

PO Box 1379

Koloa, Kauai, HI 96756

### Available South Shore Houses (FS) (from page 3)

LOCATION	INTERIOR		BED	BATH	ASKING PRICE
	SO. FT.	SO. FT.			
Poipu	7,548	2,400	4	3.5	\$495,000
Poipu	11,484	1,988	4	2.0	550,000
Poipu	9,583	2,247	3	3.5	550,000
Poipu	18,880	1,104	3	2.0	595,000
Poipu	11,129	1,600	3	2.0	660,000
Poipu	10,339	2,677	4	3.0	675,000
Poipu	10,700		3	3.0	695,000
Poipu	9,760	4,020	5	3.0	715,000
Poipu	11,917	2,160	5	4.0	725,000
Poipu	12,064	2,482	3	2.5	725,000
Poipu	13,894	2,200	3	2.0	749,000
Poipu	12,010	3,100	3	3.5	775,000
Poipu	11,007	2,768	3	2.5	875,000
Poipu	10,203	2,460	3	3.5	950,000
Poipu	11,175	2,848	4	3.5	975,000
Poipu	20,335	3,419	4	4.0	1,700,000

Source: Kauai Board of Realtors, 3/5/90

### Available South Shore Condos (from page 4)

PROJECT	BED	BATH	UNITS AVAIL	LAND TENURE	ASKING PRICE	
					LOW	HIGH
Waikomo Streams	1	1.0	2	FS	165,000	-----
Whaler's Cove	2	2.0	4	FS	635,000	850,000
	2	2.5	2	FS	750,000	775,000
	3	2.0	1	FS	765,000	-----

Source: Multiple Listings Service (MLS) as of 3/5/90

### Available South Shore Land (FS) (from page 6)

AREA	SQUARE FEET	ASKING PRICE
Poipu	18,014	\$495,000
Poipu	10,000	565,000
Poipu	13,726	875,000
Poipu	24,829	2,500,000

Source: Kauai Board of Realtors, 3/5/90

## About Drew's News

*Drew's News* is an independent real estate newsletter produced here on Kauai by Andrew Vento, Realtor. Drew is a real estate broker for Makai Properties in Poipu, Kauai.

Approximately 5,000 copies of *Drew's News* are printed, six times a year. *Drew's News* is mailed to property owners from Poipu to Elele, at no cost to the owners.

The purpose of *Drew's News* is to advertise my real estate listings, introduce new buyers and sellers to my real estate services and give south shore property owners important information that may affect their investments.

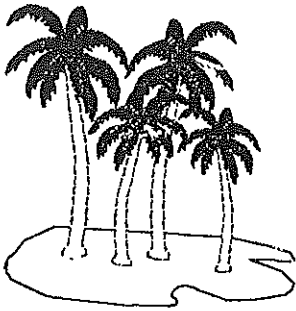
If this is your first copy of *Drew's News*, feel free to write me about the contents of this newsletter--good or bad!

--Drew Vento

Property owner: If you have your property listed for sale with another Realtor, please consult him/her for your real estate needs. It is not my intention to solicit clients from other Realtors with this newsletter.

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## The Real Estate Newsletter of Kauai's South Shore!

### AFFORDABLE HOMES NATIONWIDE

#### A Home in Pittsburgh Costs Less

Pittsburgh, Pennsylvania was the most affordable housing market in the United States in 1989.

U.S. Housing Markets, a publication of Lomas Mortgage USA, ranks major markets on the basis of the percentage of household income required to meet monthly mortgage payments.

For conventional mortgages closed last year, the average household in Pittsburgh used 20 percent of their income to meet mortgage payments.

The remaining top ten cities following Pittsburgh in housing affordability were:

St. Louis, MO	20.3%
Cleveland, OH	21.9%
Kansas City, MO	23.2%
Greensboro, NC	23.2%
Tampa, Fla	23.4%
Miami, Fla	23.8%
Indianapolis, IN	24.2%
Detroit, MI	25.3%
Columbus, OH	25.7%

Although Kauai was not listed in the report, most people here on the Garden Island would be very happy to give just 25 percent of their income for a rental -- let alone 25 percent to meet a mortgage on their own home.