

# DREW'S NEWS

Volume 1 Number 1

November - December, 1988

## Welcome to *Drew's News*

Welcome to the first issue of *Drew's News*! This is a newsletter designed specifically for the owners of real estate in the south shore area of Kauai. Its purpose is to keep property owners abreast of important information and services available to them in the south shore area.

In every issue we will do a focus story on a real estate project in the area, either land, residential or condominium.

For this issue, our focus is on the popular Kai Ikena Land Project in the hills of Kalaheo. We also have an update on the mortgage rates available on Kauai from local lenders and a summary of what is for sale in the condo, land and residential

markets.

You'll notice advertisers in *Drew's News*. These businesses offer us some very useful and valuable services, and help to defray the costs of this newsletter. We hope that you will enjoy the real estate information and helpful articles in *Drew's News*, and if you need the services of one of our advertisers, I hope you will give them a try first.

Special Feature! *The Owners Corner*. This is your chance to let all your fellow owners know how you feel about what is going on, or what's *not* going on. Information on how to contact us with your views is on the page 7 of this newsletter.



**Andrew "Drew" Vento, Realtor, G.R.I.  
Broker-in-charge  
Century 21 Aloha Kauai - Koloa Office**

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### Who Gets *Drew's News*?

*Drew's News* will be mailed to the owners of real estate on the south side of Kauai. This includes the communities of Poipu, Koloa, Omao, Lawai and Kalaheo.

An estimated 3,500 copies of *Drew's News* will be mailed out every other month to these property owners.

An additional 500 issues will be handed out to visitors and local people of Kauai.

# Hot Properties

**RESIDENTIAL**  
**KIAHUNA GOLF VILLAGE**      **ASKING \$485,000**

This is a brand new custom home in the prestigious Kiahuna Golf Village. This home is built the old fashioned way, "Quality Workmanship" with extras that are not found in most homes. Four bedrooms, 3-1/2 baths, 2 lanais, large garage with storage, and with a fantastic floor plan for easy living in Paradise. Fee simple.

**CONDOMINIUM**  
**POIPU PALMS**      **ASKING \$195,000**

A gem in Paradise! This two bedroom, two bath condo is one of Kauai's best values in this escalating market. You can sit on your lanai and look through a shaded garden out to the ocean. Small project, only 12 units, with an observation deck, solar water, upgraded kitchen, plush carpet, and swimming pool. Fee simple.

**CONDOMINIUM**  
**KIAHUNA PLANTATION**      **ASKING \$91,776**

This is the lowest priced condo in the entire Kiahuna Plantation. This ground floor end unit is completely furnished, and is getting good rental income. Kiahuna Plantation is the only condo project located on a sandy swimming beach on the south shore of Kauai. Leasehold.

**RESIDENTIAL LOT**  
**KIAHUNA GOLF VILLAGE**      **ASKING \$190,000**

Prestigious Kiahuna Golf Course, lot #10, is located on a quiet cul-de-sac and has frontage on the 10th fairway. The property has 14,356 square feet of land. This is plenty of land on which to build your Hawaiian style home to your specifications. Fee simple.

**RESIDENTIAL**  
**ANAHOLA**      **ASKING \$375,000**

Privacy, seclusion, with easy access. Located just 5 miles north of Kapaa is this two story redwood home. The house is 3 years old, with one bedroom/bath upstairs, and one bedroom/bath downstairs. The house is across the street from a beautiful sandy beach that seems to go on forever. Fee simple.

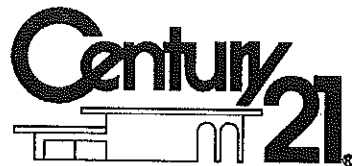
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**Andrew Vento, Realtor  
Century 21 Aloha Kauai  
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# Mortgage Update

BY TOM LEGACY  
PACIFIC RIM MORTGAGE

Adjustable Rate Mortgages are currently the hot item for most home and condominium purchases, or refinances.

Adjustable Rate Mortgages, or "ARMs" as they are commonly known, still have reasonable and competitive life of loan interest rate caps. These caps currently range from 13 to 13.25%. Initial interest rates for ARMs currently range from 8% to 8.375% for owner occupant loans and from 8.5% to 8.625% for investor loans.

The 6-month Treasury Bill, the one year Treasury Bill and the 11th district Cost of Funds are the most popular indexes for Adjustable Rate Mortgages. The 11th district Cost of Funds has historically been the most stable of all the indexes for ARMs.

The margins on the ARM loans

are usually between 2.5% and 3%, with a semi-annual increase of 1%, or 2% annually, until the interest rate reaches the true rate.

The "Loan-to-Value" on ARMs for investors is 70%, and for owner occupants is 80%. The owner occupant usually needs only 20% of the sale/LTV to make a purchase with ARMs.

Some ARM loans may be converted to a fixed rate loan if properly applied for, and some ARMs may also be assumable by a qualified buyer when you sell your property.

Many different ARM loans are available in today's market. You should review all the details with your lender before obtaining any financing.

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## Drew's Viewpoint

BY ANDREW "DREW" VENTO  
BROKER-IN-CHARGE, CENTURY 21 ALOHA KAUAI - KOLOA OFFICE

The Kauai Real Estate Market is very strong, with property sales and prices up throughout most areas of the Island. It is not uncommon now to have properties sell for the listed price and, in some cases, higher than the listed price.

The real estate market will continue to grow until we have a national situation causing unrest in the economy. A major portion of Hawaiian Real Estate is owned by mainland or foreign interests who see Hawaii as an opportunity to profit.

If this situation of unrest occurs, the property values could stagnate or even go down faster than it has gone up.

No one can pick the exact time to purchase, or even the exact time to capture the greatest return on a real estate investment. Each of you must look at your personal financial portfolio to make the decisions to buy and sell property. If you can't come to a decision by yourself, ask the help of professionals in the area for their opinions.

## Tax Rate Data

Basic Kauai property taxes are calculated as follows (per thousand dollars of assessed value):

### **Residential**

Building: \$5.81 per thousand  
Land: \$6.45 per thousand

### **Commercial/Condominium**

Building: \$8.25 per thousand  
Land: \$8.70 per thousand

# Let Congress Know

A number of real estate issues may receive Congressional consideration during the final days of this session. However, it is almost certain that Congress will consider proposals to limit the mortgage interest deduction as part of the deficit reduction legislation in 1989.

The laws governing the deductibility of home mortgage interest have been inviolate from the time of the adoption of the first Internal Revenue Code at the beginning of this century. The ability to deduct interest on home loans has provided an incentive for young people to purchase their first homes, and for current homeowners to borrow to invest in upgrading and

improving their residences. Nevertheless, the home mortgage interest deduction may be under Congressional attack in 1989 and the 1990's.

Congress already placed restrictions on interest deductions when it reformed the tax code and searched for revenue to reduce the deficit.

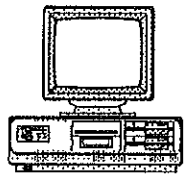
In the 1986 Tax Reform Act, Congress limited the deductibility of mortgage interest to a taxpayer's first and second home only. The deductibility of interest and other expenses incurred from rental real estate were virtually eliminated by the passive loss rules.

The home mortgage interest

deduction will be raised as a possible revenue source if Congress raises taxes to finance the huge federal deficit in 1989 or in future years.

Homeowners, home buyers, Realtors and anyone who hopes to own a home, and who understands the need for home ownership incentives, must make their views known to Congress and the new administration.

If the President and the Congress want to provide affordable housing to all Americans, they must preserve the deductibility of home mortgage interest.



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## Real Estate Q & A

**Question:** Please explain the provision in the tax code which gives home sellers a tax exemption of up to \$125,000 when they sell their home.

**Answer:** This is one of the best tax breaks for homeowners to come out of Washington in a long time. The law permits a once-in-a-lifetime exclusion of up to \$125,000 of profit on a home sale.

To qualify, an individual must be 55 years of age or older and have owned and occupied the house for three out of the previous five years prior to the sale. Also, the new tax change does not eliminate the previous rule which permits you to postpone profit if you buy a home

that costs more than the one you sell.

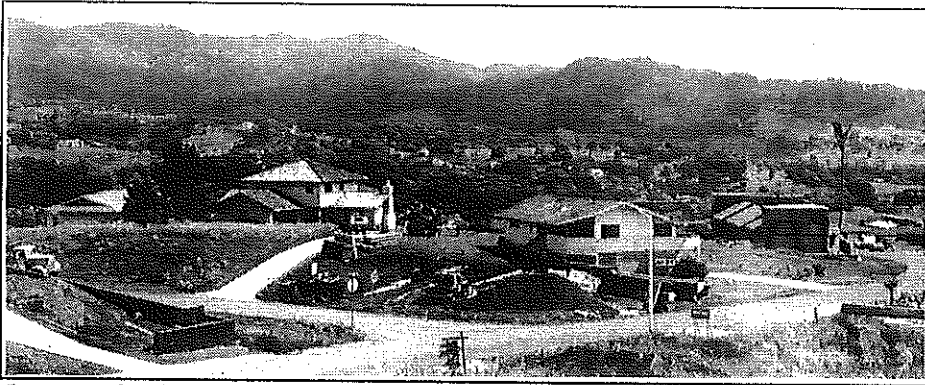
**Caution:** In every provision of the tax code there are exceptions, and everyone's tax situation is different. It is highly recommended that you consult a professional in tax planning prior to selling or buying real estate.

Do you have a Real Estate question that you'd like to have answered in *Drew's News* ?

We'd be happy to help. Just write it down and send it to us at:

*Drew's News*  
P. O. Box 1379  
Koloa, Hawaii 96756

*Mahalo!*



Construction is moving along well on Kai Ikena Drive.

## Sales Strong at Kai Ikena

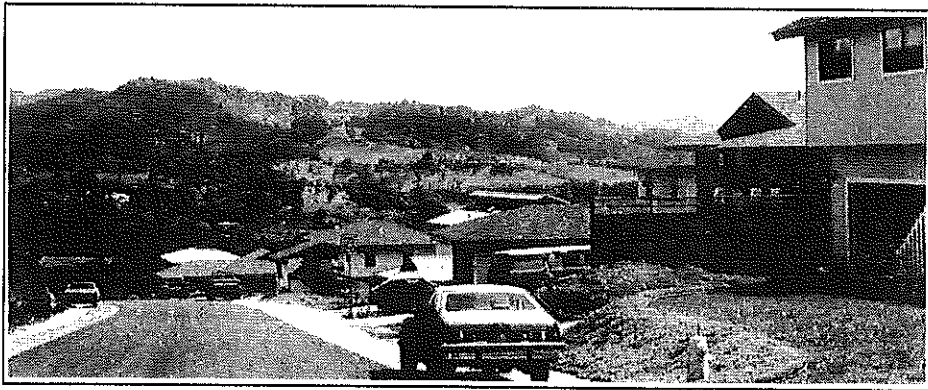
In the hills of Kalaheo lies two of Kauai's best and most well received subdivisions, Kai Ikena I and Kai Ikena II. These subdivisions offer wide roads, large parcels, underground utilities including cable TV, along with spectacular ocean and mountain views.

Kai Ikena I already has many new homes built, with about six more homes under construction.

Kai Ikena II should receive its final approvals very soon, and many new homes are expected to be built shortly thereafter.

There are still a few lots available in both Kai Ikena I and II, and prices start in the high \$70's to the mid-\$90's.

Two beautiful new homes in Kai Ikena I are available for purchase now at \$239,000 and \$269,000.



Homesites at Kai Ikena feature beautiful ocean and mountain views.

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## Land Update

South Shore Area  
 62 Parcels for Sale

Price Range	For Sale
Under \$100,000 .....	21
\$100 - \$150,000 .....	6
\$151 - \$200,000 .....	14
\$201 - \$250,000 .....	6
Over \$250,000 .....	15

Information used was from the  
 Multiple Listing Service.

# Don't miss out on your homeowner's exemption!

If you qualify for the Homeowner's Property Tax Exemption, you must apply before December 1st to beat the filing deadline.

The County of Kauai offers a property tax deduction to residents and the elderly on their personal residence. The exemption is not automatic -- if you do not apply for it, you will not receive the exemption.

For information on the exemption, write to:

County of Kauai  
Real Property Tax Division  
4280-A Rice Street  
Lihue, HI 96766

You may also contact their office at (808) 245-7366.

# Visitor Survey Data In

Results of the summer survey of visitors to the Poipu Beach Area, compiled by the Poipu Beach Resort Association are now complete. The survey results were compiled from 424 completed questionnaires, distributed as follows: 48% Hotel, 48% Condominium, and 4% Bed and Breakfast guests.

The information is of particular interest to vacation property owners and to businesses engaged in the visitor industry. Highlights of the survey are as follows:

### Visit Information

	Yes	No
First visit to Hawaii .....	64%	36%
First visit to Kauai .....	37%	63%
Been to Poipu Area Before .....	31%	69%

### Length of Visit

Time spent on Hawaii .....	10 Days Median
Time spent on Kauai .....	6 Days Median
Time in Poipu Area .....	5 Days Median

### Travelling Party

Single adult .....	3%
Couple with children .....	16%
Couple without children .....	52%
Group of adults .....	12%
Group of adults with children .....	9%

(Survey continued, page 7)

## Residential Update

South Shore Area  
Total Homes for Sale - 33

Price Range	For Sale
Under \$100,000 .....	0 Homes
\$100,000 - \$150,000 .....	5 Homes
\$151,000 - \$200,000 .....	4 Homes
\$201,000 - \$250,000 .....	6 Homes
\$251,000 - \$300,000 .....	4 Homes
\$301,000 - \$400,000 .....	8 Homes
Over \$401,000 .....	6 Homes

Information used was from the Multiple Listing Service.

## Condominium Update

South Shore Area  
Total Condos for Sale - 150

Leasehold - 67 Units

Fee Simple - 83 Units

Under \$100,000

Leasehold	4 Units
Fee Simple	1 Unit

\$101,000 - \$150,000

Leasehold	43 Units
Fee Simple	15 Units

\$151,000 - \$200,000

Leasehold	5 Units
Fee Simple	34 Units

\$201,000 - \$250,000

Leasehold	8 Units
Fee Simple	19 Units

Over \$250,000

Leasehold	7 Units
Fee Simple	14 Units

Information used was from the Multiple Listing Service.

## Special Mahalo

In everything we do there are special people who help us with our projects in life. John Coy and John Jacobberger are two of those special people.

I send out my warmest *mahalo* "thanks" to John and John for their kokua with the setup of this newsletter.

Drew Vento

# Information Request

As a real estate professional, I would be happy to answer any real estate questions you might have, and to provide you with more information on real estate activity in our area or other areas on Kauai.

Simply fill out and return this request form to me, or call (808) 332-7414 for immediate assistance.

To: Drew's News  
P. O. Box 1379  
Koloa, Kauai, Hawaii 96756

I am interested in the following information (please check appropriate box(es):

Price information on my property      Location of property \_\_\_\_\_ Hawaii

I want to sell my property

Please send information on:       condos       land       residential property

Other information (please specify): \_\_\_\_\_

Name \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_ City, State, ZIP \_\_\_\_\_

## Survey Results

(Continued from page 6)

Total Family Income Before Taxes

Less than \$25,000 .....	3%
\$25,000 - \$39,000 .....	13%
\$40,000 - \$59,000 .....	23%
\$60,000 - \$70,000 .....	18%
\$71,000 - \$100,000 .....	20%
Over \$100,000 .....	24%

Highest Education Level Attained

High school .....	7%
Some college .....	15%

College graduate .....	41%
Graduate school .....	37%

How Did You Hear of Polpu Area?

Visitor Bureau .....	5%
Travel agent .....	31%
Travel brochure .....	9%
Friends at home .....	31%
Friends in Hawaii .....	6%
Airlines .....	1%
Newspapers/Magazines .....	3%
Others .....	16%

## Owners' Corner

If you have some information to share with your fellow owners of Kauai real estate, please mail your comments to Drew's News, P. O. Box 1379, Koloa, HI 96756.

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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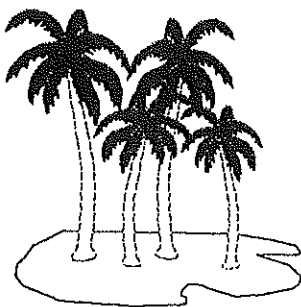


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