

## 1 Summary

Oahu’s competitive real estate market conditions continue in November 2016, with strong sales, reduced inventory for sale, and competitive bidding pushing prices higher. Points:

- The Oahu condo market is bucking the trend of the typical end-of-year slowdown. Days on Market are not increasing, and bid-ups are at peak levels in all price ranges under \$1 million, signaling a **potential for more aggressive conditions and price increases in the condo market.**
- **Competition drives prices.** As strong competition continues, more homes and condos are bid-up over their asking price, and median prices are pushed upward. The November median sale price of \$750,000 for single-family homes and \$395,000 for condos are up 5% and 14% from a year ago.
- The market is also moving faster, with homes and condos selling more quickly than November last year. **The median home for sale goes into contract in just 18 days, condos in just 19.**
- **Inventory for sale remains low.** Low inventory is one of the main factors driving the competitive market. Inventory for sale has remained near historically low levels since 2012.
- Mortgage rates have bounced above 4% following presidential election results. With the Fed poised to raise bank rates in December and again in 2017, the expectation for mortgage rates is to rise to mid-4% through the year 2017. This is not expected to have any significant effect on Oahu real estate market activity.

## 2 Monthly Market Info – November 2016

### MLS Monthly Summary as of 12/01/2016

From HBR MLS data through 11/30/2016\*

#### Oahu Single Family

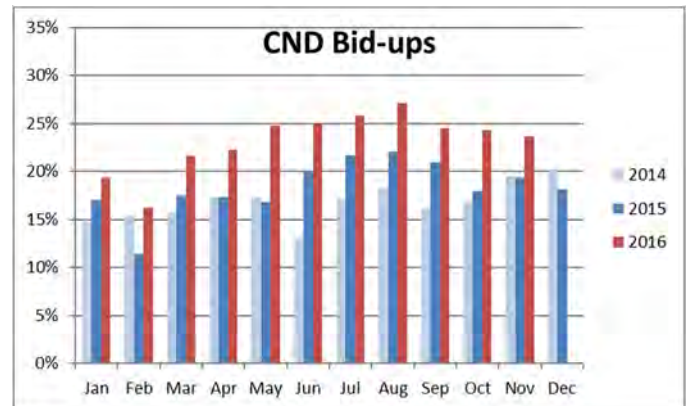
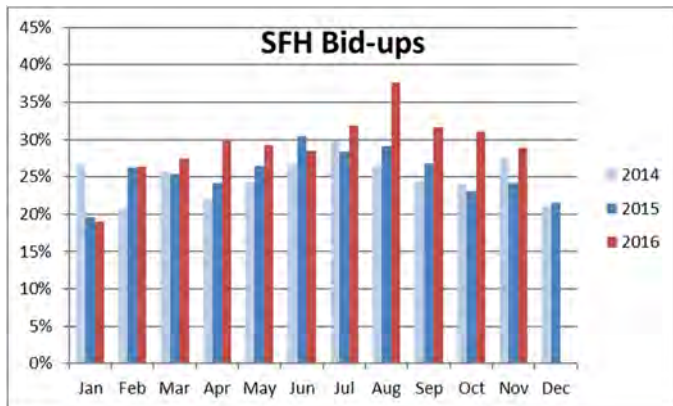
#### Oahu Condos

Market Stat	Nov-16	Nov-15	%ch	Nov-16	Nov-15	%ch
Sales	294	256	▲ +15%	416	371	▲ +12%
Median Price	\$750,000	\$715,500	▲ +5%	\$395,000	\$345,000	▲ +14%
DOM	18	23	▼ -22%	19	22	▼ -14%
Active Listings	932	919	▲ +1%	1,292	1,392	▼ -7%
Mos Remaining Inv	3.0	3.1	▼ -4%	2.8	3.3	▼ -13%
Bid-ups	28.8%	24.2%	▲ +19%	23.6%	19.4%	▲ +22%
New Listings	371	347	▲ +7%	579	552	▲ +5%

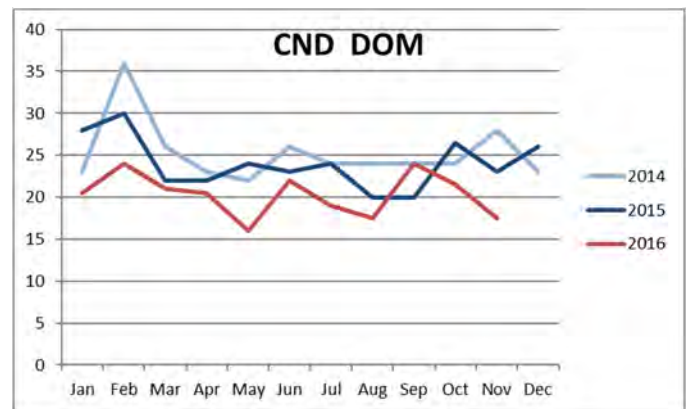
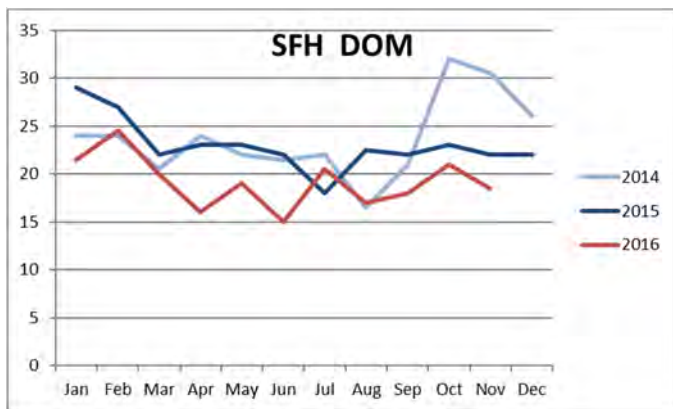
	Nov-16	Nov-15	%ch
Interest rate	4.08%	3.93%	▲ +3.8%

\*Final monthly stats for November 2016 are subject to changes in the MLS data.

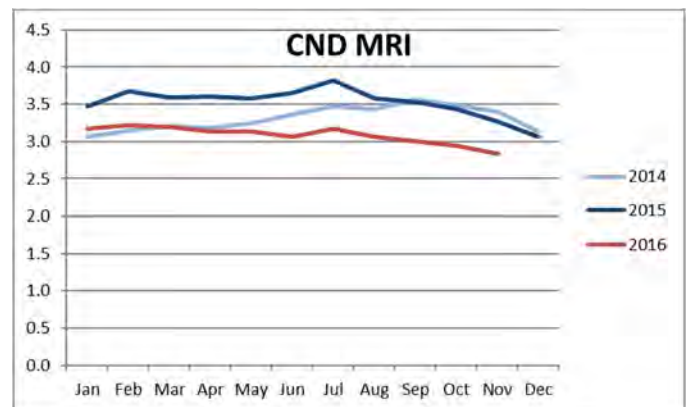
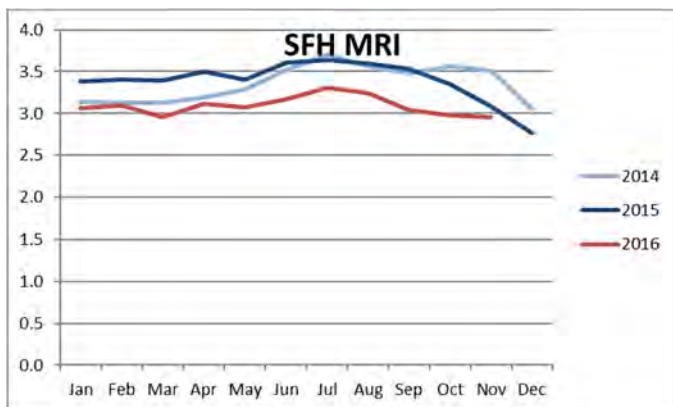
### 3 Charts of trends and comparison



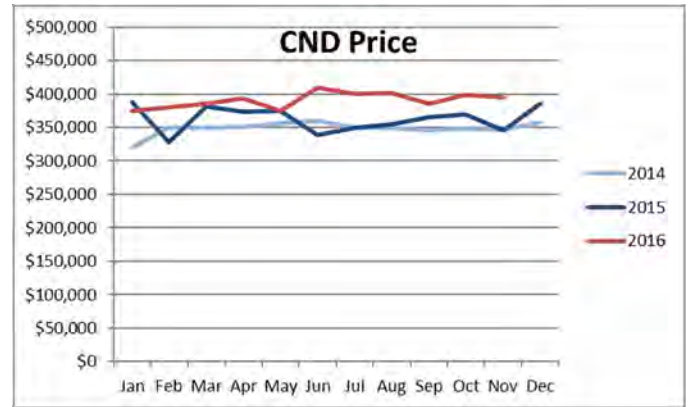
More homes and more condos are being bid-up over asking price compared to the past couple years, which will continue to push prices higher. In November, 1 in every 3 homes sold and 1 in every 4 condos sold were bid-up over asking price.



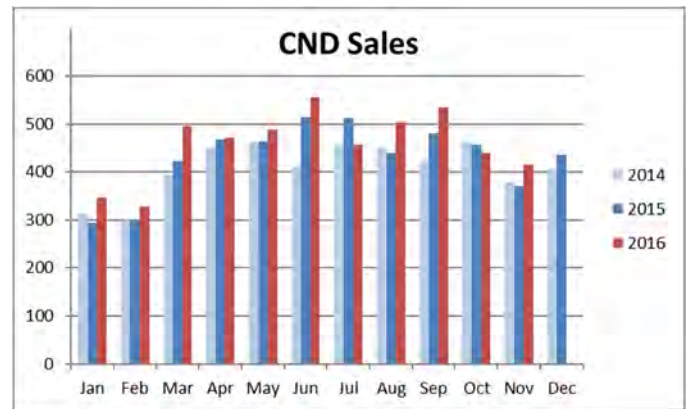
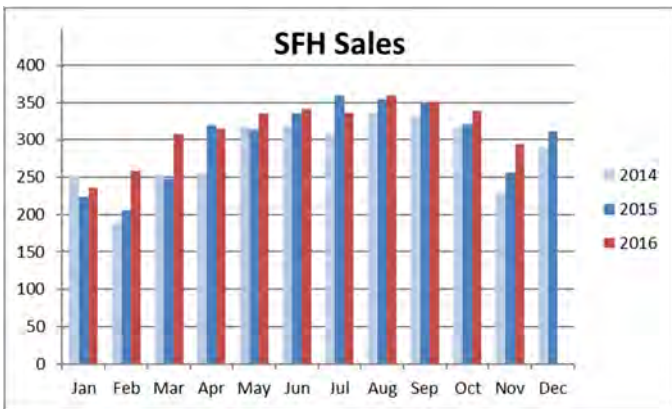
Homes and condos are selling faster. Median Days on Market is trending lower in 2016. The typical end-of-year slowdown has not occurred, signaling that the market – especially for condos -- is heating up even more.



Months of Remaining Inventory, an indicator of the supply/demand balance, is very low. Low MRI is another indicator of competitive real estate market conditions. MRI for Condos is at 2.8 months, the tightest supply conditions in 10 years.



Prices continue to rise in 2016 over previous-year levels. The November median sale price is \$750,000 for homes and \$395,000 for condos is up 5% and 14% from a year ago.

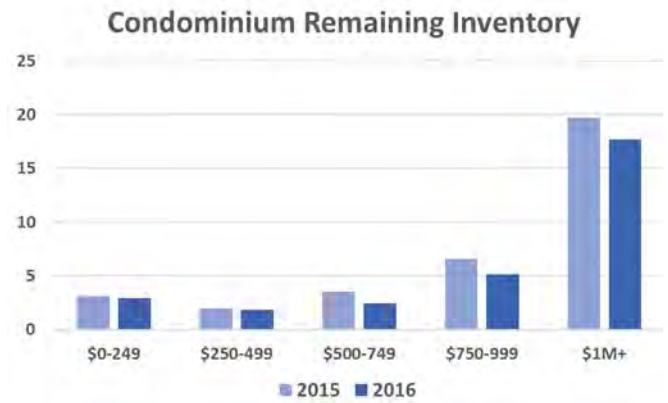


Number of sales is one of several indicators of demand for homes and condos. Year-to-date through November 2016, sales are up 6% for homes and 7% for condos over last year.

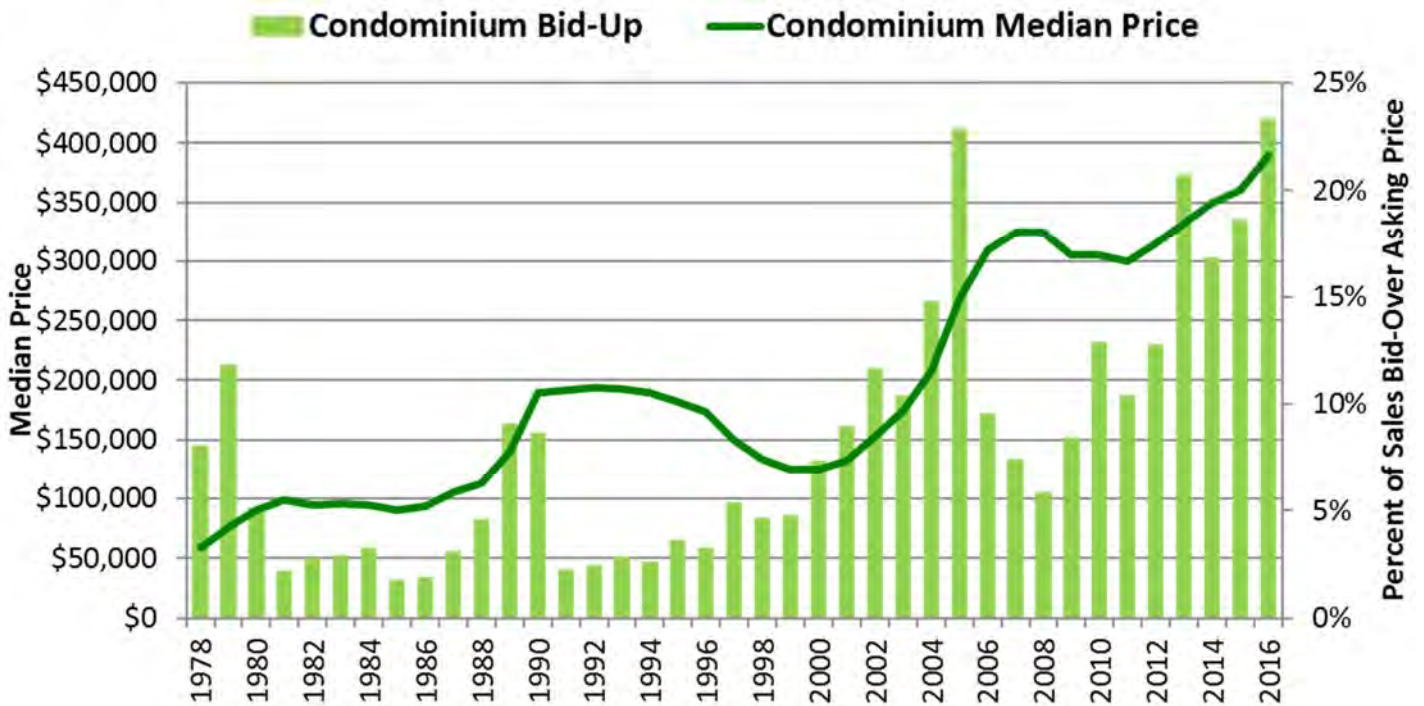


Inventory for sale is shrinking. As of the end of November, Oahu has 932 home listings and 1,292 condo listings available for sale. Low inventory is one of the key factors driving the Oahu competitive market.

## 4 Focus: Condominium Competition Increasing



The Oahu condo market is showing many signs of increased competition. Bid-ups have increased in every price range below \$1 million, and Months of Remaining Inventory has dropped in all price ranges.



Competition drives prices. As more condos are bid-up over asking price, prices are pushed upward. In 2016, competition for Oahu condos is at record levels, signaling further increases in price.

**James S. More (R) CRS**  
 (808) 222-3949  
 Jim@MoreHawaii.com  
 www.MoreHawaii.com