

1 Summary

Oahu’s competitive real estate market conditions continue in January 2017, with reduced inventory for sale and strong sales fueling the market. Points:

- **Inventory for sale is at record lows.** Low inventory is one of the main factors driving the competitive market. Inventory for sale has remained near historically low levels since 2012.
- **Demand is high.** Months of Remaining Inventory, or absorption, is at its lowest point in over 10 years. **If no new properties came on the market, the current supply of listings would sell out in under 3 months.**
- **Competition drives prices.** As strong competition continues, more homes and condos are bid-up over their asking price, and median prices are pushed upward. January median sale prices are \$730,000 for single-family homes and \$398,000 for condos.
- Mortgage rates have bounced above 4% following the presidential election and the Fed raising bank rates in December. This is about the same level as 2 years ago, and is not expected to have any significant effect on Oahu real estate market activity.

2 Monthly Market Info – January 2017

MLS Monthly Summary as of 02/01/2017

From HBR MLS data through 01/31/2017*

Oahu Single Family

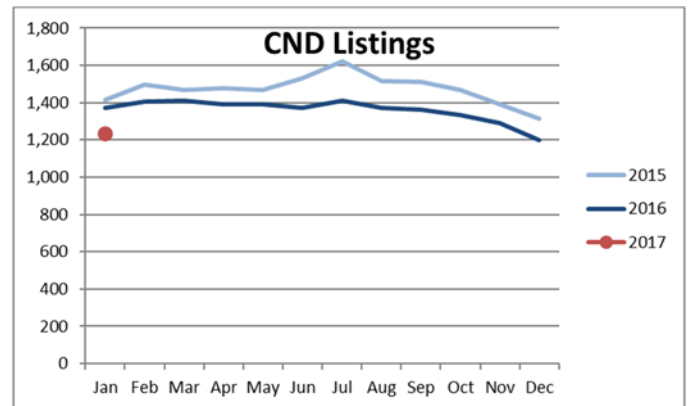
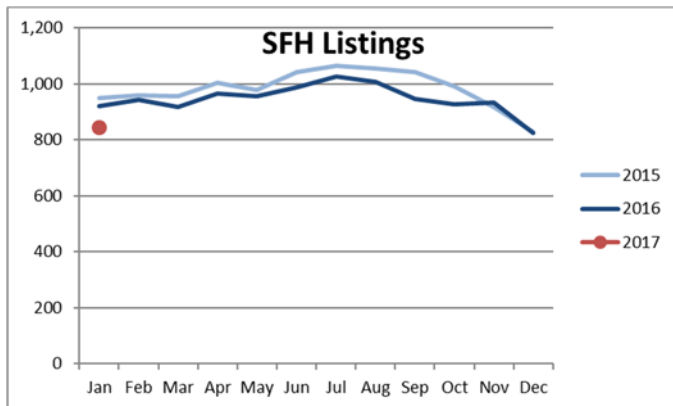
Oahu Condos

Market Stat	Jan-17	Jan-16	%ch	Jan-17	Jan-16	%ch
Sales	257	236	▲ +9%	393	346	▲ +14%
Median Price	\$730,000	\$742,500	▼ -2%	\$398,000	\$374,500	▲ +6%
DOM	22	22	▬ 0%	26	21	▲ +24%
Active Listings	843	920	▼ -8%	1,230	1,373	▼ -10%
Mos Remaining Inv	2.6	3.1	▼ -14%	2.6	3.2	▼ -17%
Bid-ups	27.7%	19.1%	▲ +45%	20.6%	19.4%	▲ +6%
New Listings	465	456	▲ +2%	641	605	▲ +6%

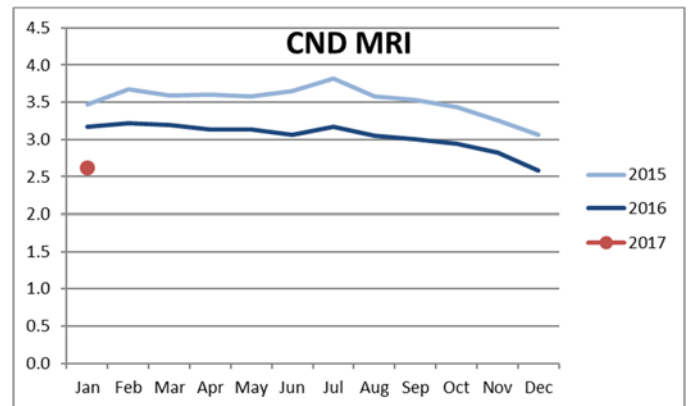
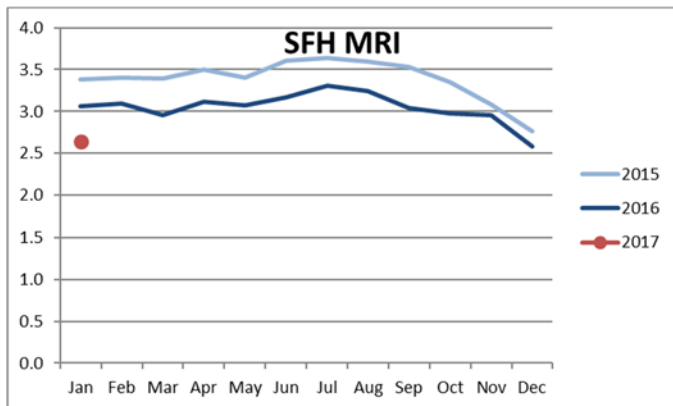
	Jan-17	Jan-16	%ch
Interest rate	4.19%	3.79%	▲ +10.6%

*Final monthly stats for January 2017 are subject to changes in the MLS data.

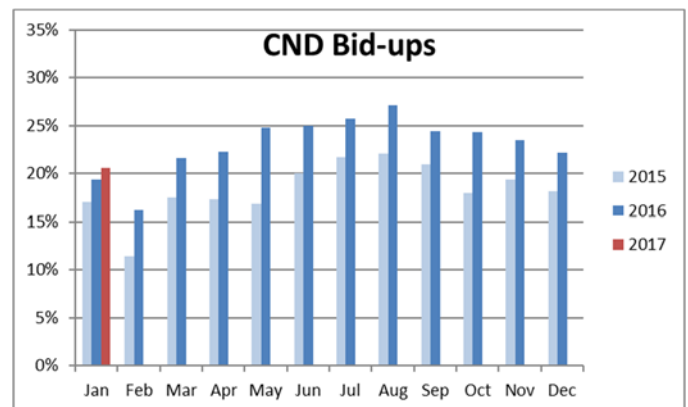
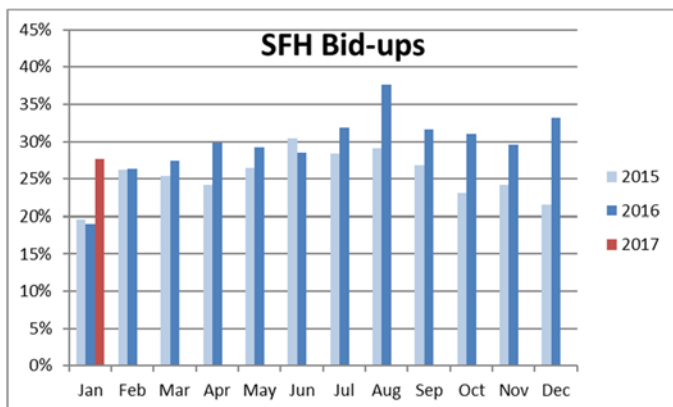
3 Charts of trends and comparison



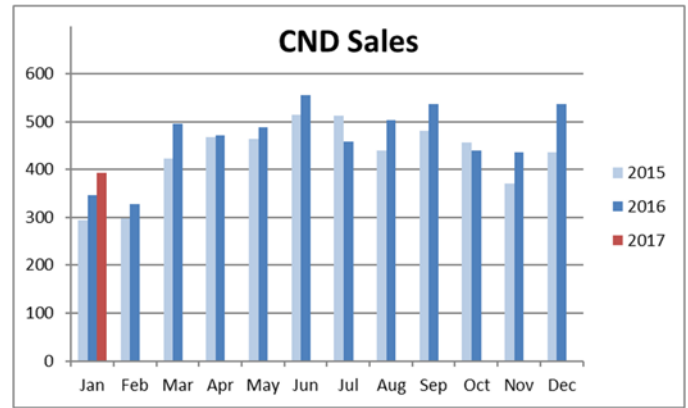
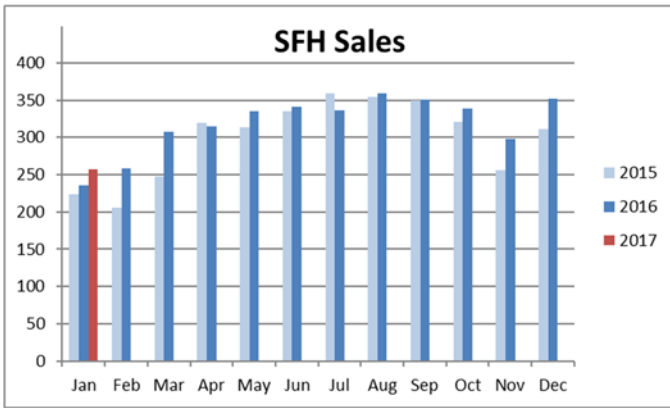
Inventory for sale is at record lows. As of the end of January, Oahu has 843 home listings and 1,230 condo listings available for sale. Low inventory is one of the key factors driving the Oahu competitive market.



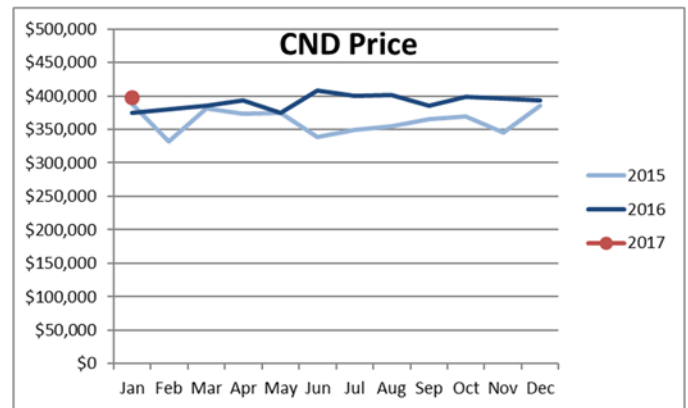
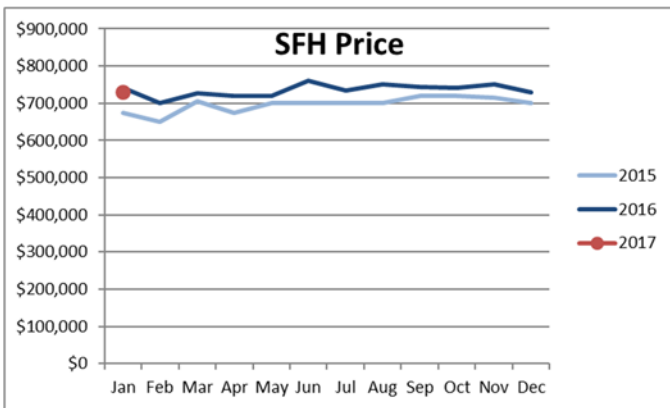
Months of Remaining Inventory, an indicator of the supply/demand balance, is very low. Also called absorption, low MRI is another indicator of competitive real estate market conditions. MRI for both homes and condos is at 2.6 months, the tightest supply conditions in over 10 years.



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 January, 1 in every 4 homes sold and 1 in every 5 condos sold were bid-up over asking price.

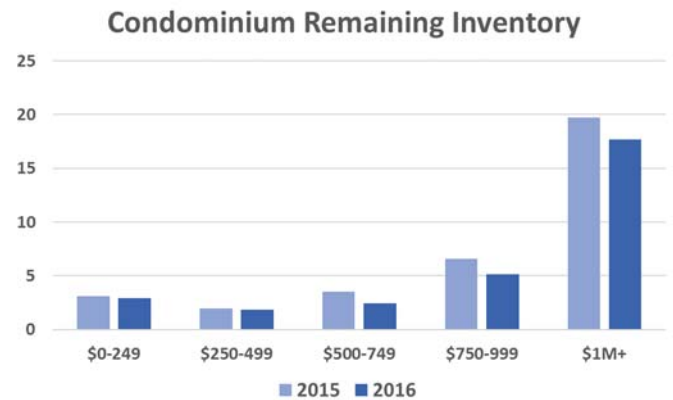
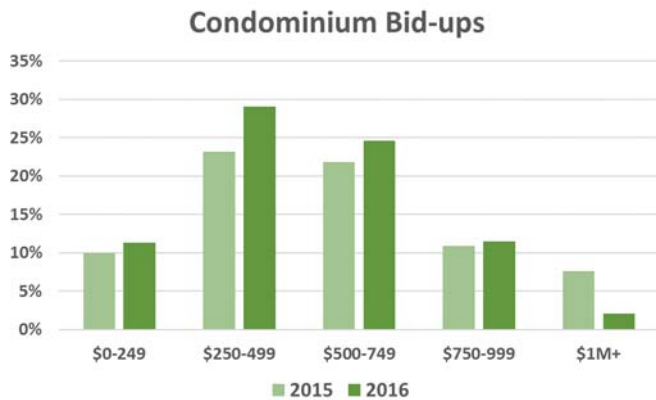


Number of sales is one of several indicators of demand for homes and condos. 2017 sales are starting off strong, with January sales up 9% for homes and 14% for condos over last year.

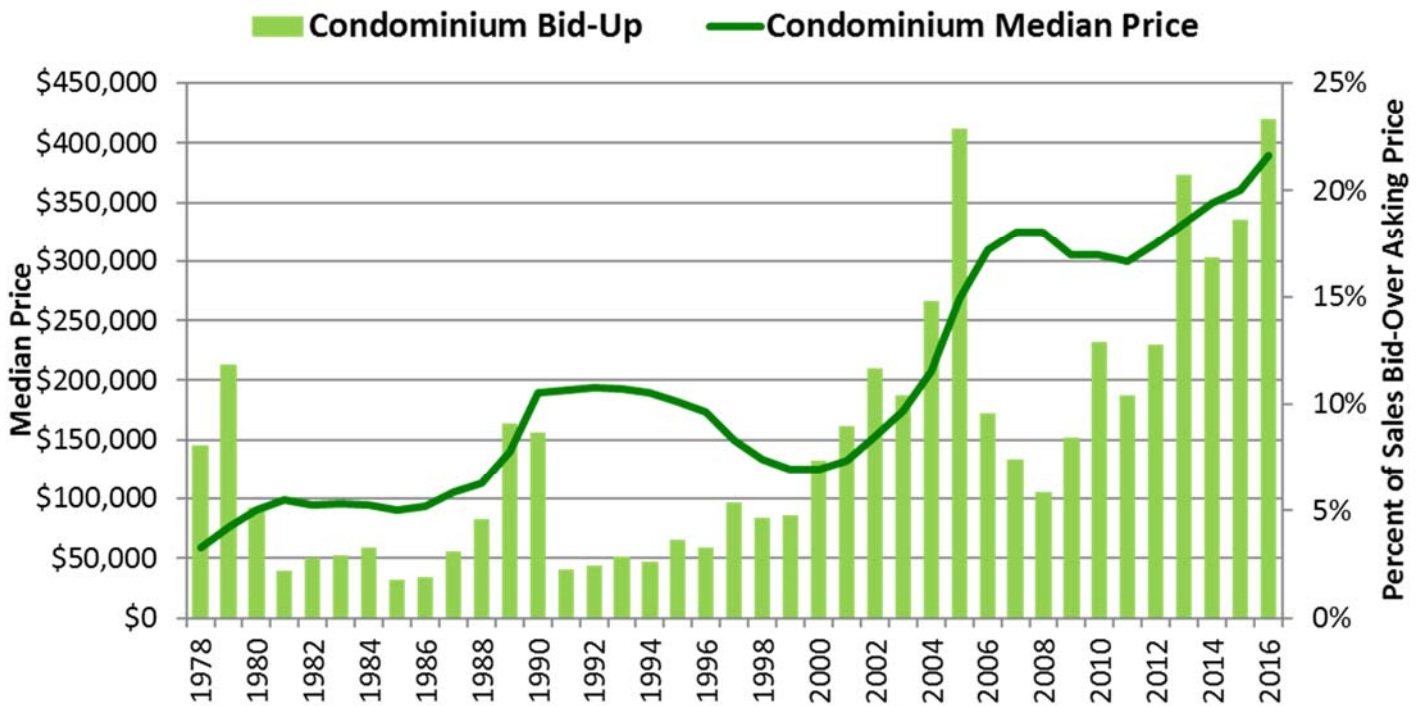


Prices continue to rise year over year. January results are mixed, with median sale prices of \$730,000 for homes and \$398,000 for condos, down 2% and up 6% from January last year.

4 Focus: Condo Market competition



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 was at record levels, signaling further increases in price in 2017.

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