

# POSITION STATEMENT

The Honolulu Board of REALTORS® (HBR) represents the collective position of more than 6,000 licensed real estate agents and brokers. As the largest trade organization on O‘ahu, HBR advocates policy initiatives that advance homeownership, housing availability and real property rights with the end goal of fostering a thriving community and economy. HBR has outlined the following legislative priorities for 2020-2022:

## Housing

**REALTORS® are committed to advancing solutions to solve Honolulu’s housing crisis.**

Housing supply on O‘ahu is simply not keeping up with demand. The Hawai‘i State Department of Business, Economic Development and Tourism (DBEDT) forecast O‘ahu’s anticipated population growth will create a need for up to 21,392 additional housing over the next 10 years.

- REALTORS® support increasing our housing supply to address demand and alleviate pressures that result in rising housing prices. Redevelopment in existing neighborhoods that are transit-friendly or near the urban core can provide desirable and affordable housing options for individuals and families.
- With land being scarce, we support working with the Department of Hawaiian Homelands to increase the number of homes being built for Native Hawaiians. We encourage city and county government to work collaboratively with our state government by assisting within its purview to address housing supply, e.g., through infrastructure costs.
- O‘ahu must embrace a more compact, mix-use development model to handle the growth, which includes building a wide range of urban, suburban, and rural homes at all price points to accommodate all levels of income.



**REALTORS® support housing availability for all, whether it be rental or homeownership.**

The widening gap between annual population growth and housing-supply growth continues to increase housing prices. Honolulu’s housing supply is affected by a variety of factors, including the supply of developable land, population growth, global demand, income inequality, and the permitting process. Our policymakers play an important role in reducing barriers and ensuring a range of affordable housing options.

- Our goal for our residents is homeownership, which brings our community the benefits of security and financial wealth. REALTORS® believe shelter and access to housing are necessary for all.
- HBR adopted a position in 2019 during our work with the City Council on vacation rentals that first and foremost, we need to ensure local residents have access to housing as our first priority, and that business interests, such as whole-home vacation rentals owned by investors, is secondary.

**Affordable housing is a vital part of a healthy housing market and community.**



As determined by the U.S. Department of Housing and Urban Development, affordable housing is defined as housing that is affordable to households having incomes at or below 140% of the area median income (AMI). Affordable housing allows eligible and qualified applicants to purchase at below-market prices based upon income limits as determined by the AMI.

In order to increase supply and to balance the market, we need housing development at all price points. Growth management plans need to provide for the development of affordable housing — both owner-occupied and rental — to meet current and future housing demands.

Affordable housing programs must also remain flexible to future life changes. They must be creative in development, including government and private partnerships to build rentals and for-sale housing within the AMI range.

- REALTORS® understand that high median home prices are the major obstacle for O‘ahu families when it comes to fulfilling the American dream of homeownership. Furthermore, there is a lack of homes available in the affordable price range for the majority of our local workforce. Market-driven approaches are necessary to foster a wide range of urban, suburban, and rural housing choices at all price levels to suit the diverse population and needs of our island.
- REALTORS® should be educated about the various affordable housing programs and rental opportunities in Hawai‘i to better help consumers. HBR’s initiative Housing Opportunities are Possible for Everyone (HOPE) helps increase member and consumer awareness of affordable housing opportunities.

# Honolulu Board of REALTORS® Legislative Priorities 2020-2022

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## PRIVATE PROPERTY RIGHTS

**REALTORS® are advocates for private property rights and the ability to freely purchase, own, use, and transfer real property.**

A strong economy depends upon the preservation of private property rights. Erosion of this protection, real or perceived, is cause for alarm. The government should follow clear policy, procedures, and communications with residents affected by condemnation actions and attempt “good faith” agreements.



- REALTORS® support policy urging the government to justify condemnation actions and ensure, as much as possible, that under the circumstances, they are both necessary and likely to achieve real and substantial community benefits.
- We believe consideration of fairness and reasonableness requires that payment or “just” compensation must cover the additional costs incurred by property owners affected by condemnation actions above and beyond the loss of the subject property.
- To the extent that the use of a property for business interests has a negative impact on the community, HBR would favor the residents’ needs first.

## PROPERTY TAXES

**Real property tax should be assessed and used appropriately.**

We all benefit from the variety of services provided by the city — individuals, businesses, and organizations — and real property owners should pay for the cost of city services based on their ability to pay. Having said that, the burden for paying for these services as well as for balancing the city budget should not rest wholly on real property owners through increases in property taxes.



There is also concern with classes of real property tax and the fair assessment of rates based on the property’s use.

Finally, there is concern with the city’s fiscal management of city services, in particular, rail operation and its impact on property tax. Uncertainty about where money to maintain rail operations will come from creates concern that there will be an increase in property tax.

While the city is responsible for long-term property tax strategy based on clear priorities of basic services, a more inclusive process for stakeholder involvement would enable property owners and advocates to better understand the challenges of owning property, as well as the high cost of living on O’ahu.

- HBR supports fairness in the application of the Real Property Tax rate structure based on how the property is being used.
- REALTORS® believe that the government should not place undue tax burdens on property owners.
- HBR believes the city should annually justify its proposed budget and budget management process to residents, along with any proposed property tax increases, exemptions, or tax credits. Informing the public early of any upcoming increases helps to build public trust.
- The city should continue the use of the Real Property Tax Advisory Commission, which conducted a systematic review of the city’s real property tax system’s classes, exemptions, credits, and minimum property tax, using standards such as equity and efficiency, and starting with an initial review of exemptions.