



Honolulu Board
of REALTORS®

Housing Advocates. Community Builders. Good Neighbors.

ECONOMIC FORUM

October 31, 2025

Hilton Hawaiian Village



O'ahu Market Update

Trevor Benn

2025 HBR President

Forward Realty - President

RB-18240 (R, GRI, ABR, ePRO, SFR, AHWD)

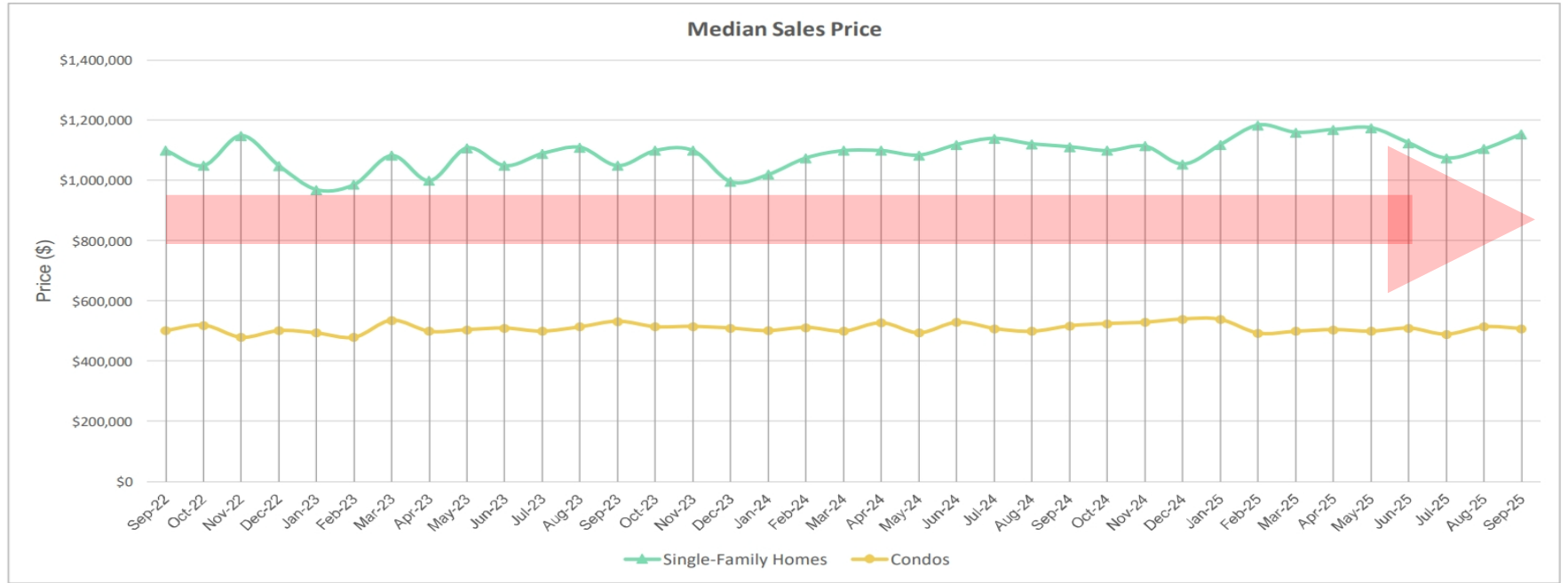
Median Sales Price

September 2025

OAHU, HAWAII

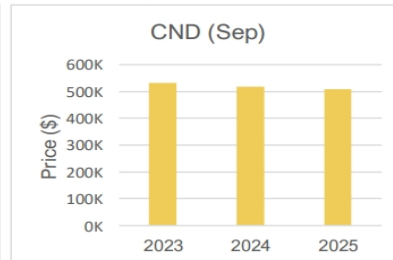
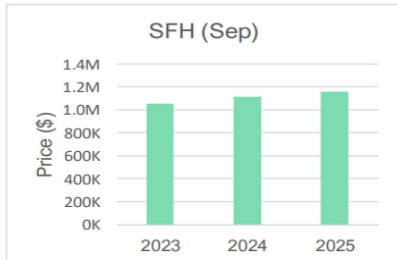
(The median sales price of all closed properties in a given month)

Mo/Yr	Single-Family Homes	Condos
Sep-22	\$1,100,000	\$502,500
Oct-22	\$1,050,000	\$520,000
Nov-22	\$1,149,500	\$480,000
Dec-22	\$1,049,500	\$502,500
Jan-23	\$970,000	\$495,000
Feb-23	\$987,000	\$480,000
Mar-23	\$1,083,750	\$536,000
Apr-23	\$999,995	\$500,000
May-23	\$1,109,000	\$505,000
Jun-23	\$1,050,000	\$510,000
Jul-23	\$1,090,000	\$500,000
Aug-23	\$1,110,000	\$515,000
Sep-23	\$1,050,000	\$532,500
Oct-23	\$1,100,000	\$515,000
Nov-23	\$1,100,055	\$516,179
Dec-23	\$996,500	\$510,000
Jan-24	\$1,021,016	\$502,500
Feb-24	\$1,075,000	\$512,500
Mar-24	\$1,100,000	\$500,000
Apr-24	\$1,100,000	\$528,000
May-24	\$1,085,000	\$495,000
Jun-24	\$1,120,000	\$530,000
Jul-24	\$1,140,000	\$509,000
Aug-24	\$1,122,000	\$500,000
Sep-24	\$1,112,722	\$517,500
Oct-24	\$1,100,000	\$525,000
Nov-24	\$1,115,000	\$530,000
Dec-24	\$1,054,500	\$540,000
Jan-25	\$1,120,000	\$539,500
Feb-25	\$1,185,000	\$494,000
Mar-25	\$1,160,000	\$500,000
Apr-25	\$1,170,000	\$505,000
May-25	\$1,175,000	\$500,000
Jun-25	\$1,125,000	\$510,000
Jul-25	\$1,075,000	\$490,000
Aug-25	\$1,105,500	\$515,000
Sep-25	\$1,155,000	\$508,750



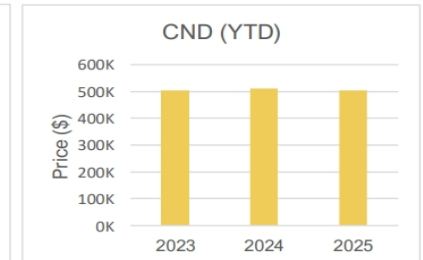
Monthly Median Sales Price

September	SFH	YoY %chg	CND	YoY %chg
2023	\$1,050,000	-4.5%	\$532,500	6.0%
2024	\$1,112,722	6.0%	\$517,500	-2.8%
2025	\$1,155,000	3.8%	\$508,750	-1.7%



Year-to-Date Median Sales Price

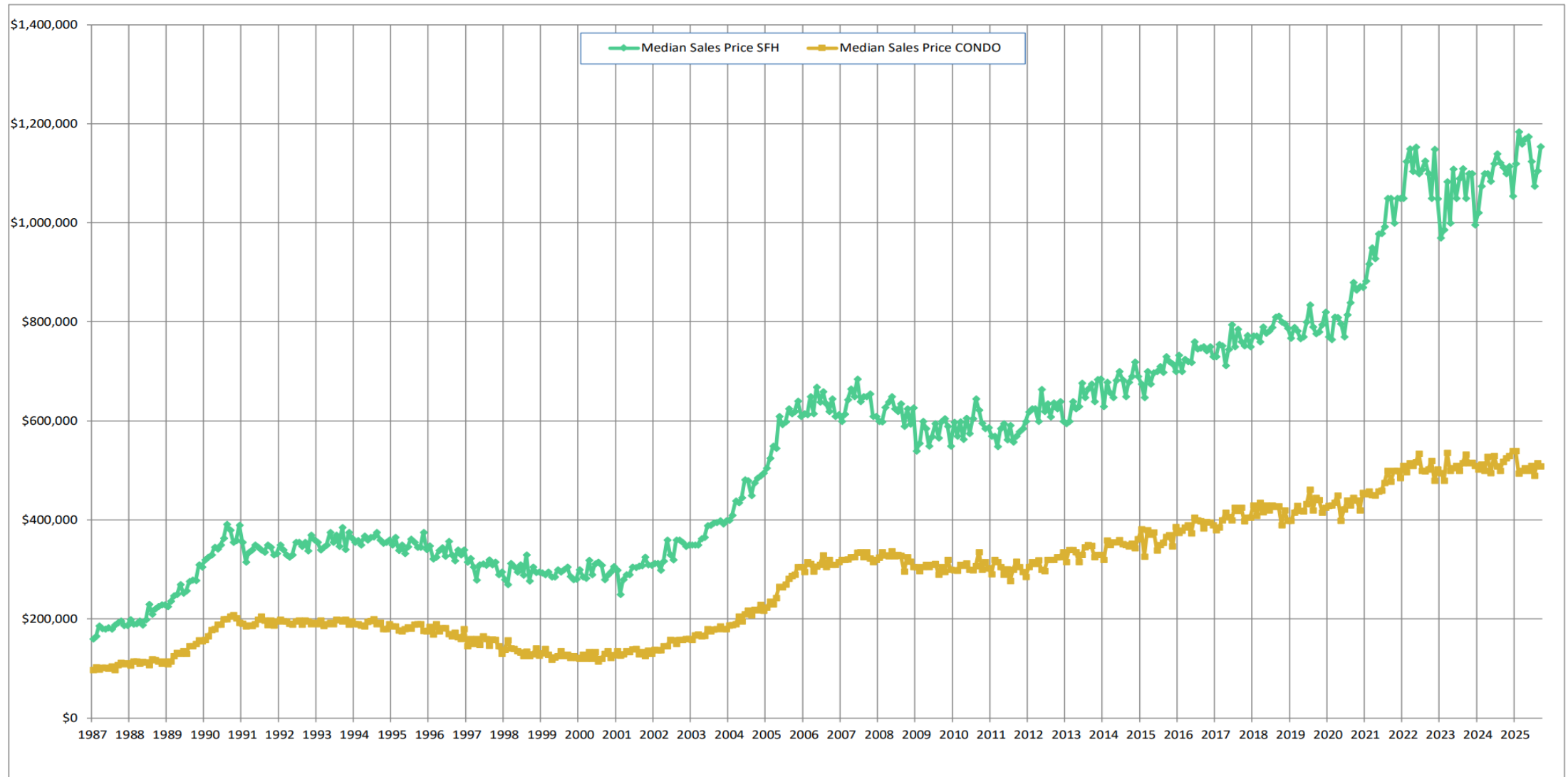
September	YTD SFH	YoY %chg	YTD CND	YoY %chg
2023	\$1,050,000	-5.4%	\$505,000	-1.0%
2024	\$1,100,000	4.8%	\$510,000	1.0%
2025	\$1,145,000	4.1%	\$505,000	-1.0%



Median Sales Price

Single-Family Homes and Condos

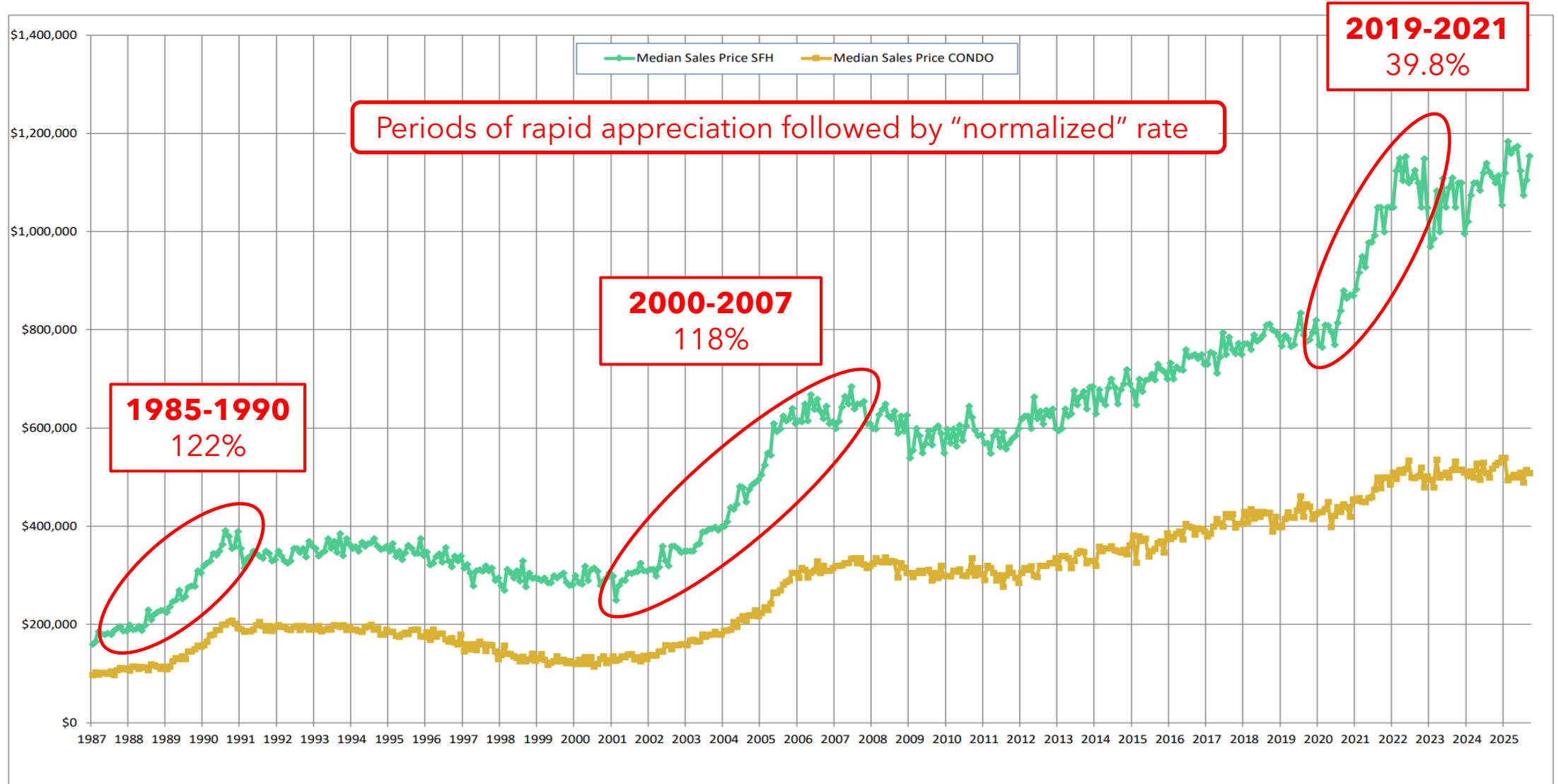
OAHU, HAWAII: Jan 1987 to the Present



Median Sales Price

Single-Family Homes and Condos

OAHU, HAWAII: Jan 1987 to the Present



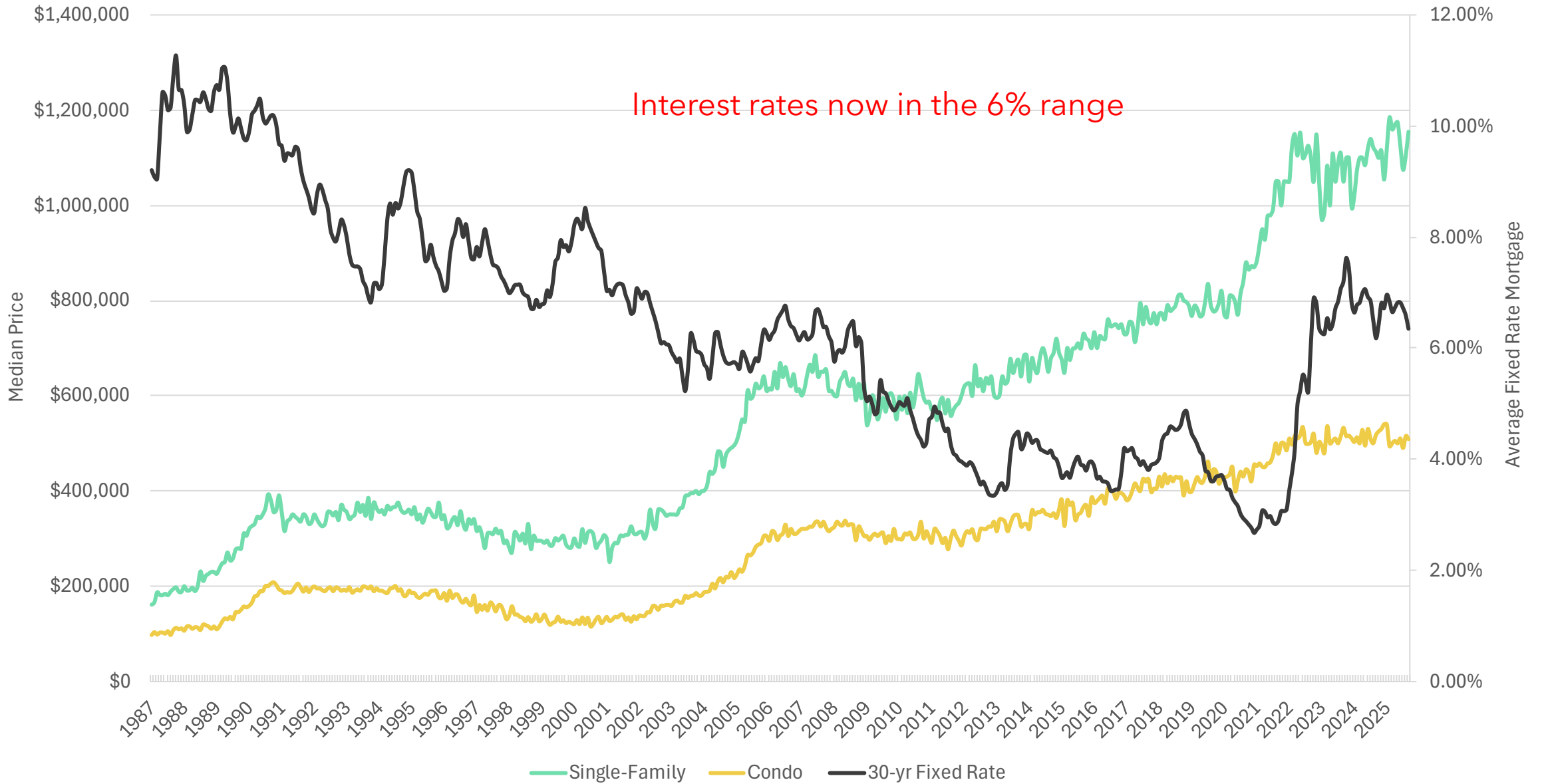
1985-1990
122%

2000-2007
118%

2019-2021
39.8%

Periods of rapid appreciation followed by "normalized" rate

Monthly Median Sales Price vs. 30-year Average Fixed Rate Mortgage



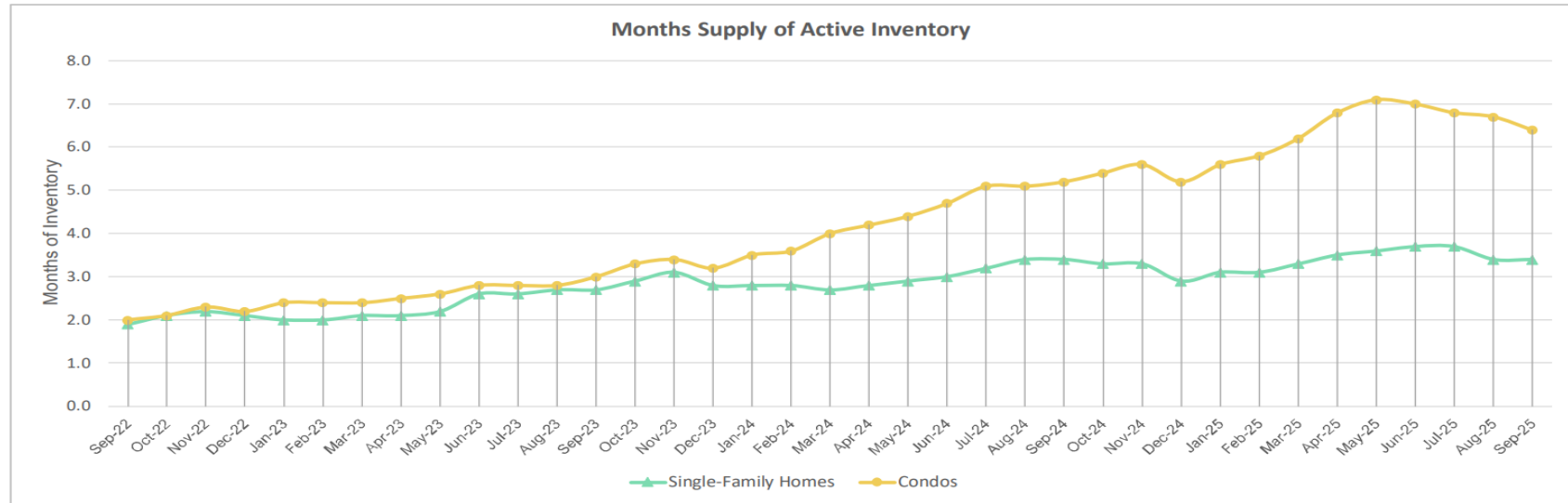
Months Supply of Active Inventory*

September 2025

OAHU, HAWAII

(Compares active inventory to a rolling 12-month average closed sales)

Mo/Yr	Single-Family Homes	Condos
Sep-22	1.9	2.0
Oct-22	2.1	2.1
Nov-22	2.2	2.3
Dec-22	2.1	2.2
Jan-23	2.0	2.4
Feb-23	2.0	2.4
Mar-23	2.1	2.4
Apr-23	2.1	2.5
May-23	2.2	2.6
Jun-23	2.6	2.8
Jul-23	2.6	2.8
Aug-23	2.7	2.8
Sep-23	2.7	3.0
Oct-23	2.9	3.3
Nov-23	3.1	3.4
Dec-23	2.8	3.2
Jan-24	2.8	3.5
Feb-24	2.8	3.6
Mar-24	2.7	4.0
Apr-24	2.8	4.2
May-24	2.9	4.4
Jun-24	3.0	4.7
Jul-24	3.2	5.1
Aug-24	3.4	5.1
Sep-24	3.4	5.2
Oct-24	3.3	5.4
Nov-24	3.3	5.6
Dec-24	2.9	5.2
Jan-25	3.1	5.6
Feb-25	3.1	5.8
Mar-25	3.3	6.2
Apr-25	3.5	6.8
May-25	3.6	7.1
Jun-25	3.7	7.0
Jul-25	3.7	6.8
Aug-25	3.4	6.7
Sep-25	3.4	6.4



Months of condo inventory has more than tripled from 3 years ago (still relatively low for SFH)

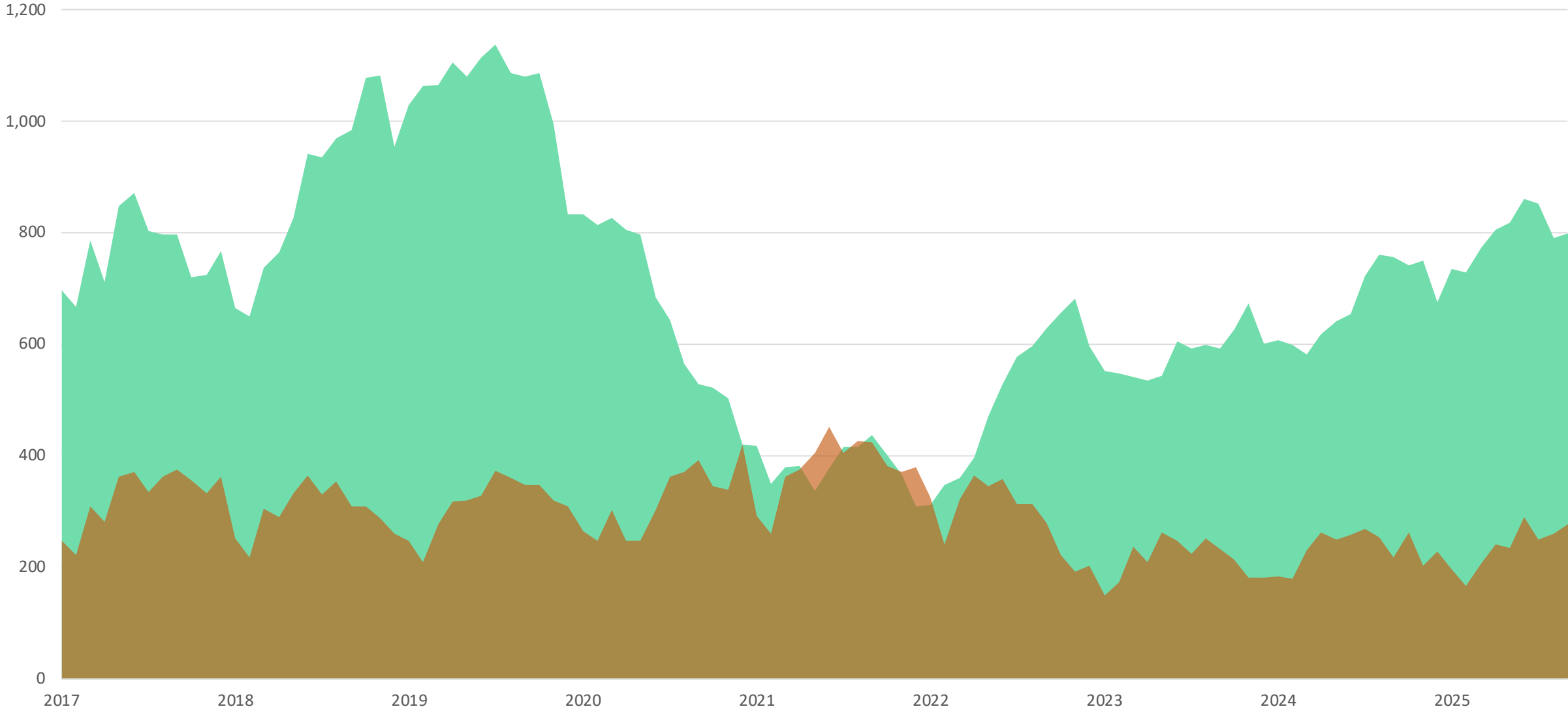
Lockup effect is wearing off - 31% of mortgages are sub 4% but life happens

*Methodology updated as of 2021 (also applied to historical data shown on this chart).

Active Inventory vs. Closed Sales Single-Family Homes

(through Sep 2025)

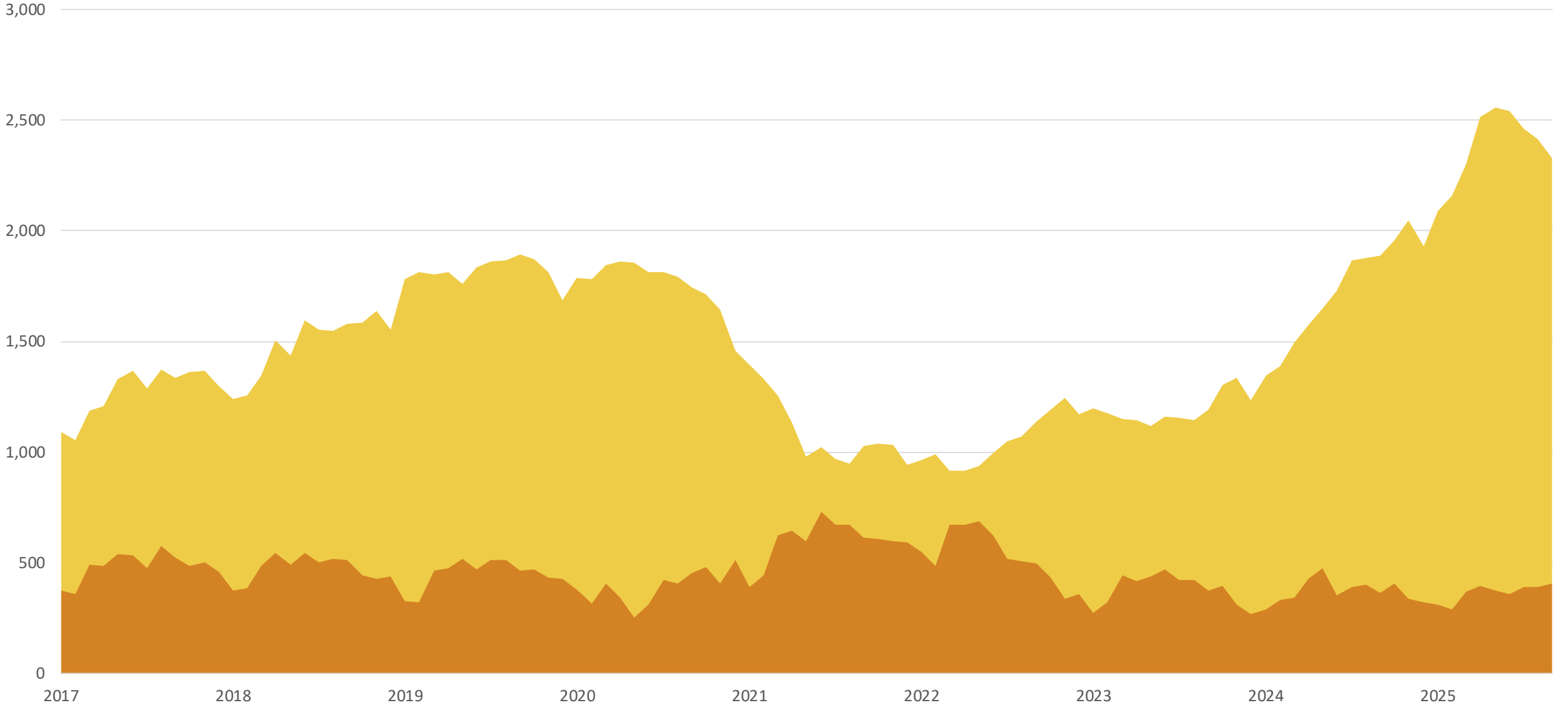
Active Closed



Active Inventory vs. Closed Sales Condos

(through Sep 2025)

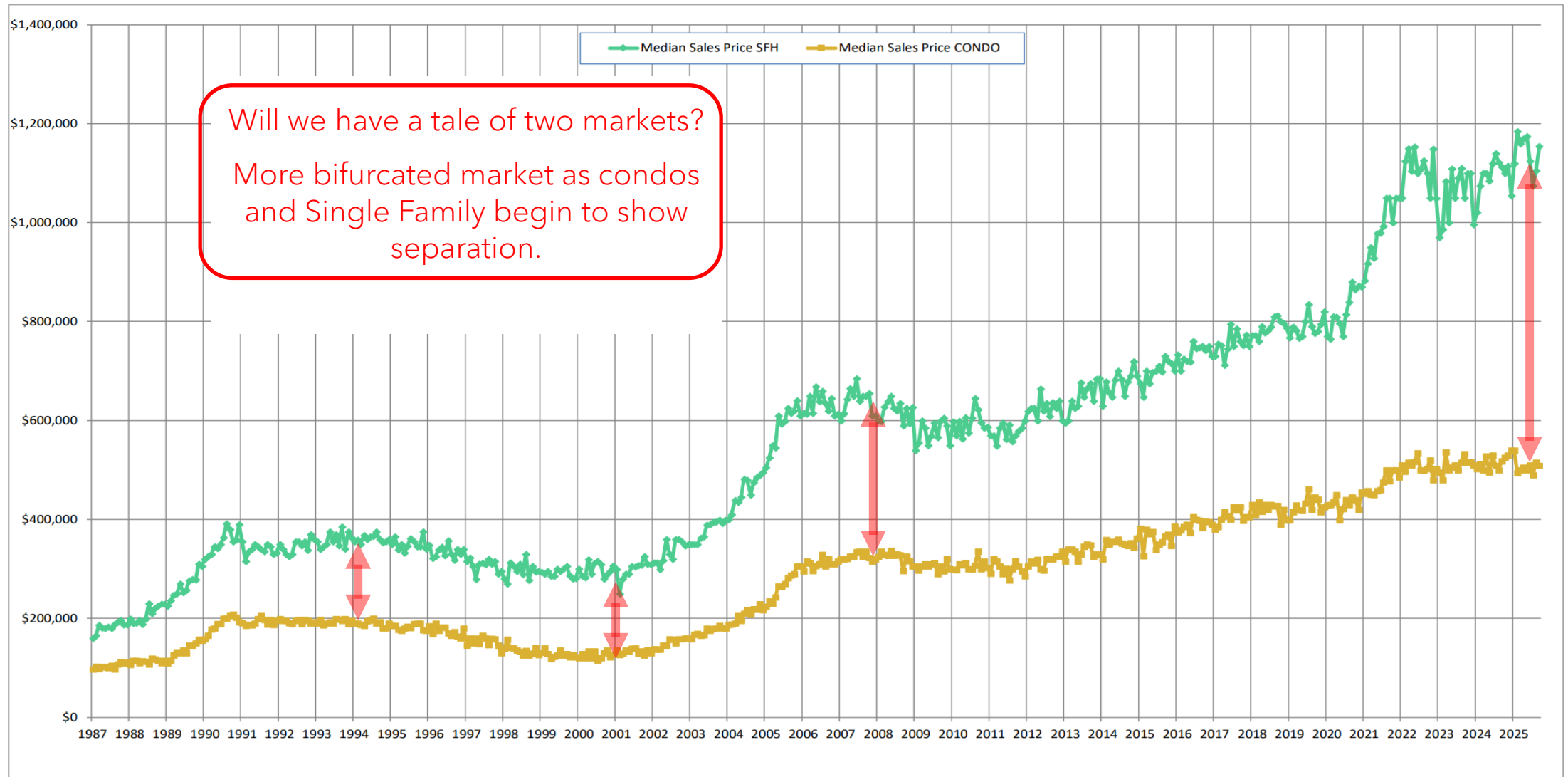
Active Closed



Median Sales Price

Single-Family Homes and Condos

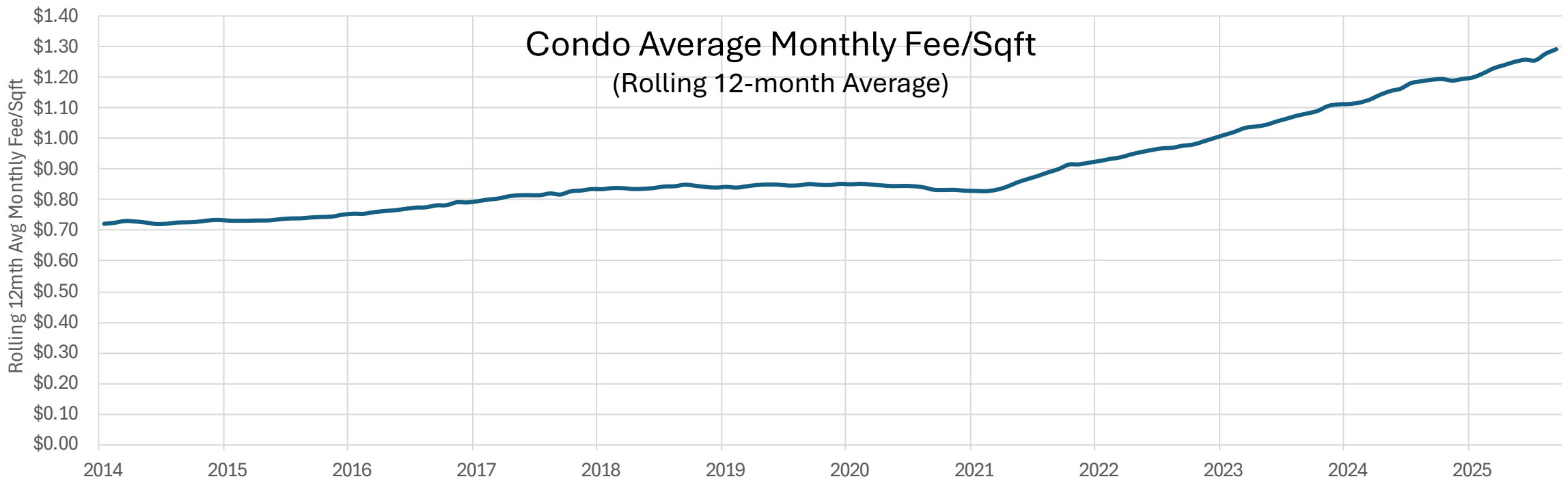
OAHU, HAWAII: Jan 1987 to the Present



Global Disasters
and Aging Buildings

Insurance Rate
Increases / Pipe
Repairs, etc

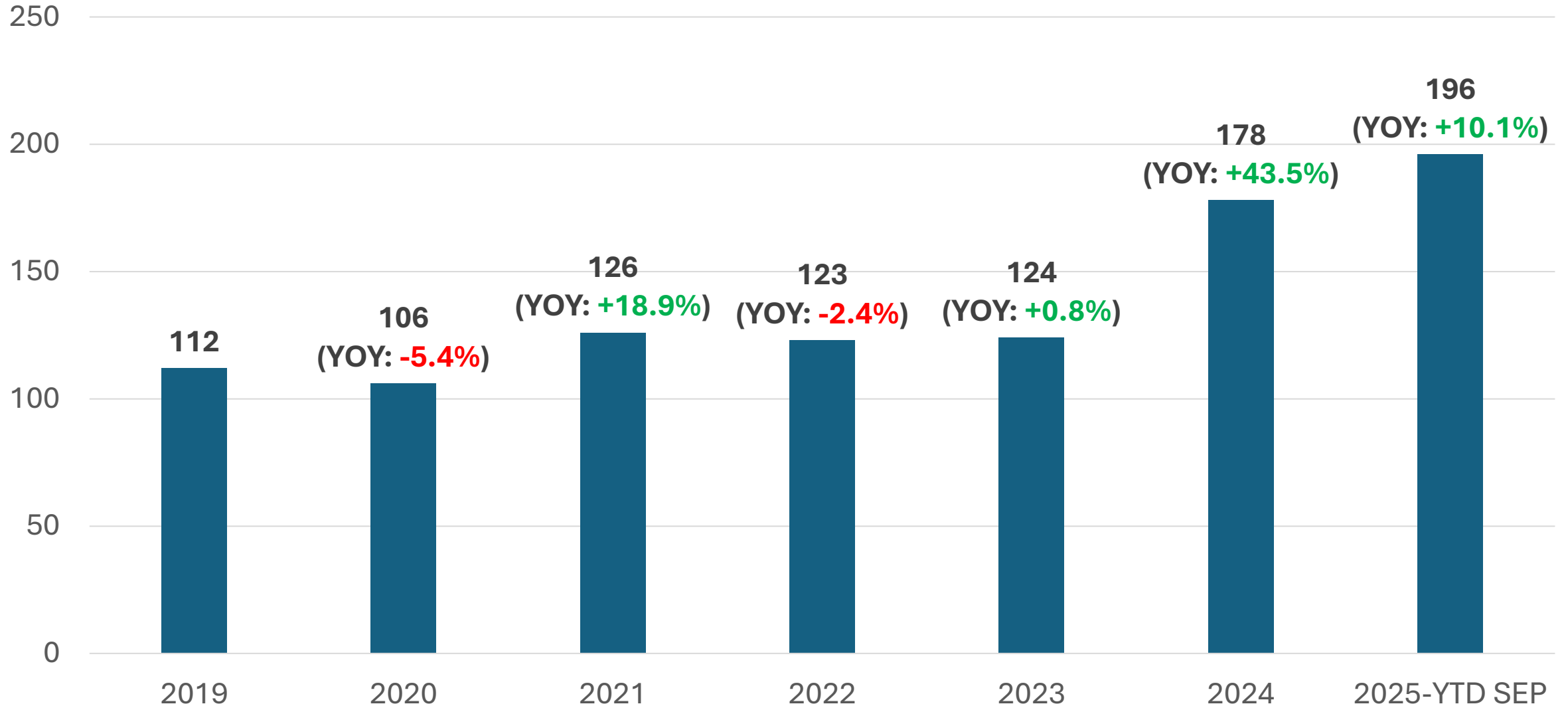
Increases in Condo
Maintenance Fees



Condo maintenance fees have risen more than 70% in the past decade

Count of Buildings w/Special Assessments

(Active or Sold in given year)



Insurance!

SB1044 (Act 296)

- Reactivates the Hawaii Hurricane Relief Fund (HHRF) to help stabilize the property insurance market.
- Allows the Hawaii Property Insurance Association and the HHRF to provide more coverage options.
- Establishes the Condominium Loan Program to help buildings remain insurable.
- Requires the state's Insurance Commissioner to conduct a study to develop sustainable strategies for market stabilization.
- Requires reports to the Legislature.
- Appropriates funds.



The affordability challenge.

The words “housing” and “crisis” appeared in Hawaii newspapers 2,917 times between 1936 and 2023” – Civil Beat



Middle Incomers Pinched

Now that Hawaii is the 50th state, Oahu may find itself more than ever "the gathering place." But this bit of news does not cheer up the Honolulu Redevelopment Agency.

• • •

THE AGENCY reports that there is still a serious housing shortage for middle-income families, although the overall shortage of housing became less acute during 1958.

"Low income families," says the agency, "are usually eligible for public

housing, and high-income families can afford adequate housing. Families in the intermediate ranges — perhaps \$3,000 to \$6,000 a year — have neither of these advantages."

• • •

MUCH OF THE new housing entering the market is too expensive for middle-income families, the agency says. And the older units have not had time to "filter down" to the middle-income group. All of which means a shortage of housing to fit their needs and budgets.

A serious overall shortage of housing occurred in 1956 and 1957, when military personnel and their dependents arrived in Hawaii faster than houses could be built. But the situation eased in 1958.

• • •

THE INCREASE in available housing, however, was not reflected in lowered housing costs, the agency says.

The jump in prices is indicated by the fact that three-bedroom rental units

that went for \$121 in 1954 today bring \$168. Three-bedroom units advertised for sale cost an average of \$16,100 in 1954 and \$21,100 in 1958.

• • •

ANY KIND of advertised rental unit for less than \$75 a month is a rare animal, the agency says. Median rent for all advertised units was \$92 in 1958 — an increase of \$15 in two and a half years. During the same time, sales housing went from a median of less than \$16,000 to more than \$19,500.

A Call for Action Now on Housing

If proper planning of our future environment is Hawaii's No. 1 problem today (and this newspaper believes it is), then there can be little debate that the No. 2 problem is housing.

Housing costs are too high.
Rents are too high.

Too many people are spending too much of their income on shelter and still not getting a worthy living environment.

Lack of housing in the right places is inhibiting plans to decentralize the State's economy and shift more business activity and resort development to rural Oahu and the Neighbor Islands.

The housing problem has always been difficult but it is at a particularly acute stage now. The difficulty is nationwide but it may be at its most acute in Hawaii where high costs and tremendous growth pressures have driven vacancy rates down to nearly zero and pushed prices upward. It

An Editorial

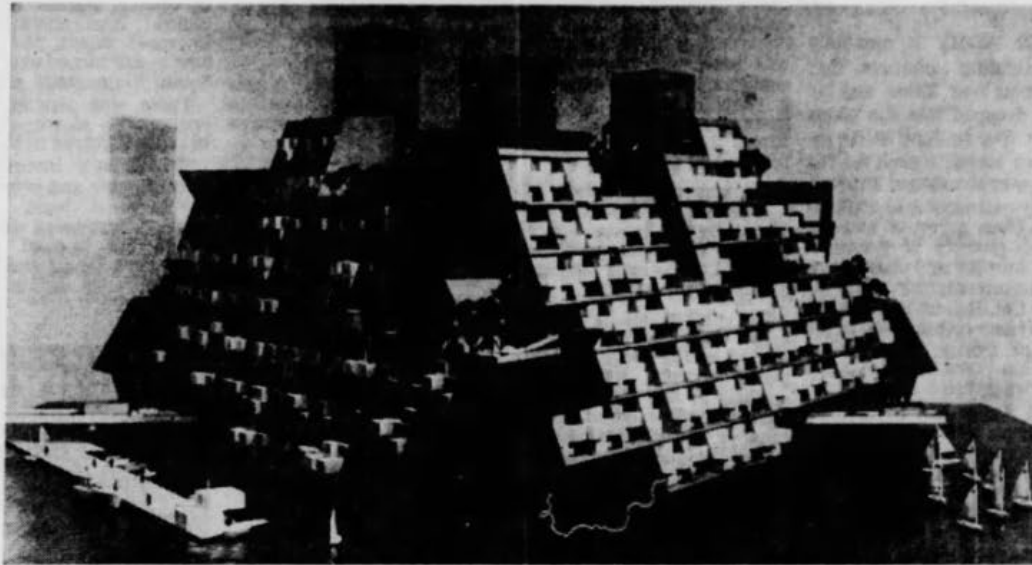
means that buyers and renters are paying more and more for less and less.

As far as buying is concerned, over two-thirds of the population is priced out of the market.

What can we do?

We can wring our hands. We can order more studies. We can engage in fancy oratory.

Of the three, oratory is potentially the most



ALL AT SEA—It looks like a floating beehive, but when plunked down on top of a steel raft and anchored in the mud in Baltimore Harbor it could become a self-contained community for 5,000 people, at a cost estimated at \$8,000 for each resident. Backed by Baltimore's Mayor Thomas D'Alesandro as a way to relieve the squeeze on dry land, the scheme needs federal approval and funding before it is launched.

is good — witness the ugly three-story walkups. But intense use CAN be good and it also can be much cheaper than the same amenities would cost in a vast area of single family homes. The ugliness and drabness of vast housing tracts around many of our big Mainland cities shows

standards that will permit national mass production of homes.

A more immediate one has been a call for a national design competition for new types of housing. Proposals will be opened Sept. 19. From the best designs there will be prototypes built and

and the Home Owners Loan Corp. and the Federal Housing Administration in the Roosevelt administration had helped both home owners and lenders through the 1930s and 1940s.

It observed: "It is difficult to see how any institution could have served the emerging middle class more effectively than has the FHA and its counterpart, the Federal Home Loan Bank system. The main weakness of the FHA from the social point of view has not been what it has done but what it has failed to do — its relative neglect of the inner cities and of the poor, especially the Negro poor."

There were strong reasons for the economic conservatism that kept FHA out of some of these areas — including sharp congressional scrutiny of its default record.

By the Housing Act of 1968, Congress tried to override some of these reasons and direct more housing aid to the poor.

Housing Act of 1968

A Federal law enacted last year sets a national goal of "a decent home . . . for every American family" to be achieved over 10 years by the construction or rehabilitation of 26 million home units, with six million of these for low or moderate income families.

This rate of 2.6 million units a year is nearly twice the current rate of construction.

The President is to report to Congress annually on the progress made toward achieving the goal.

Programs set up under the act include:
Helping the poor buy homes — by subsidizing

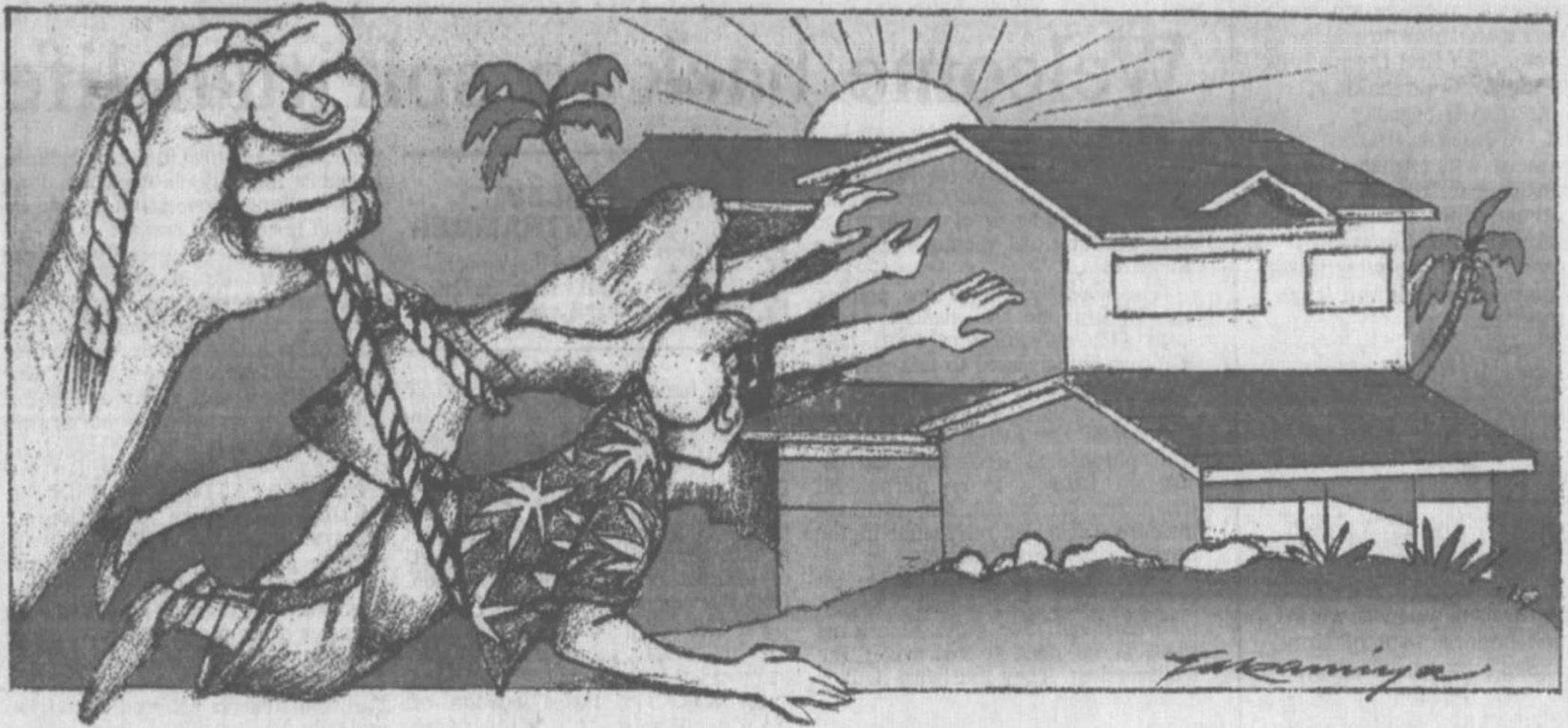
A 1969 editorial in The Honolulu Advertiser deemed housing one of the state's top challenges, behind only the future of Hawaii's environments. (Screenshot/newspapers.com)

C-10 Honolulu Star-Bulletin Tuesday, April 21, 1970 ●



IN DISPUTE—Tent City, on the Bachman lawn at the University of Ha-

In 1970, students pitched a "tent city" on the UH Manoa campus to protest a lack of affordable rentals for students amid a state housing shortage. (Screenshot/newspapers.com)



Is the housing crunch permanent?

A cartoon from The Honolulu Advertiser in 1993 illustrates the despair many people in Hawaii have felt about homeownership for generations. (Screenshot/newspapers.com)



A 2005 cartoon from The Honolulu Advertiser. (Screenshot/Newspapers.com)

What are the factors that influence Hawaii's affordability?

Extreme Scarcity.

Great Mahele 1840's – created private property ownership

Concentrated land holdings

State and Federal ownership

Large landowners (KSBE, Castle & Cooke, REITs, etc)

Topography

What are the factors that influence Hawaii's affordability?

Extreme Scarcity.

Restrictive Zoning and Land Use Regulations

The most restrictive land use regulations in the country

Only 4% of the land is zoned for residential

Only .3% is zoned for multifamily

Time to obtain permits or rezoning are prohibitively long (Koa R)

1959 – 8,932 resi permits, 2023 – 3,117 resi permits

What are the factors that influence Hawaii's affordability?

Extreme Scarcity.

Restrictive Zoning and Land Use Regulations

High Construction Costs.

High Demand – Local and offshore. Changes in household size.

Low wages.

Financial Literacy/Media.

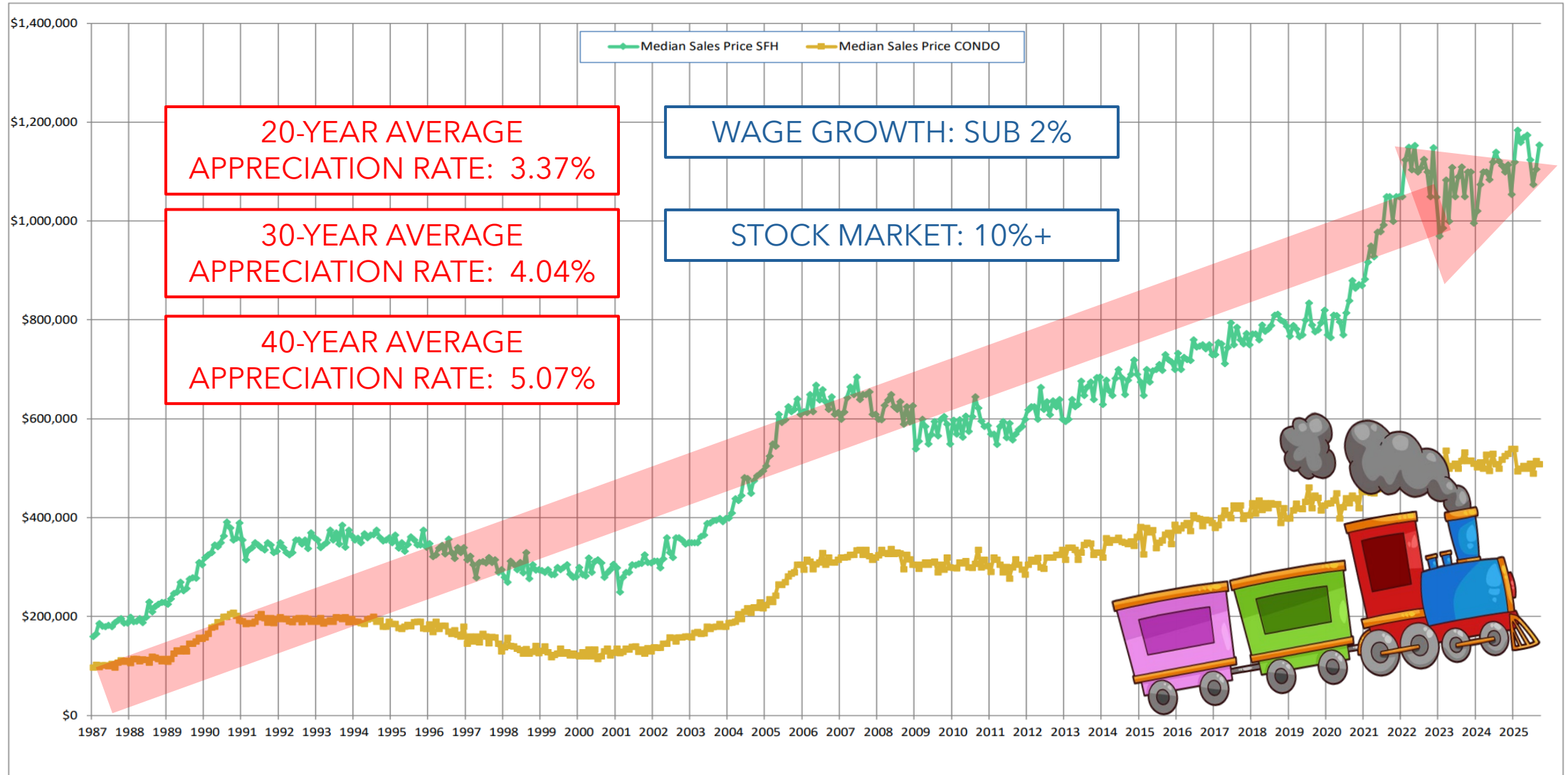
Results in out-migration of Kama'aina.

High cost or low income?

Median Sales Price

Single-Family Homes and Condos

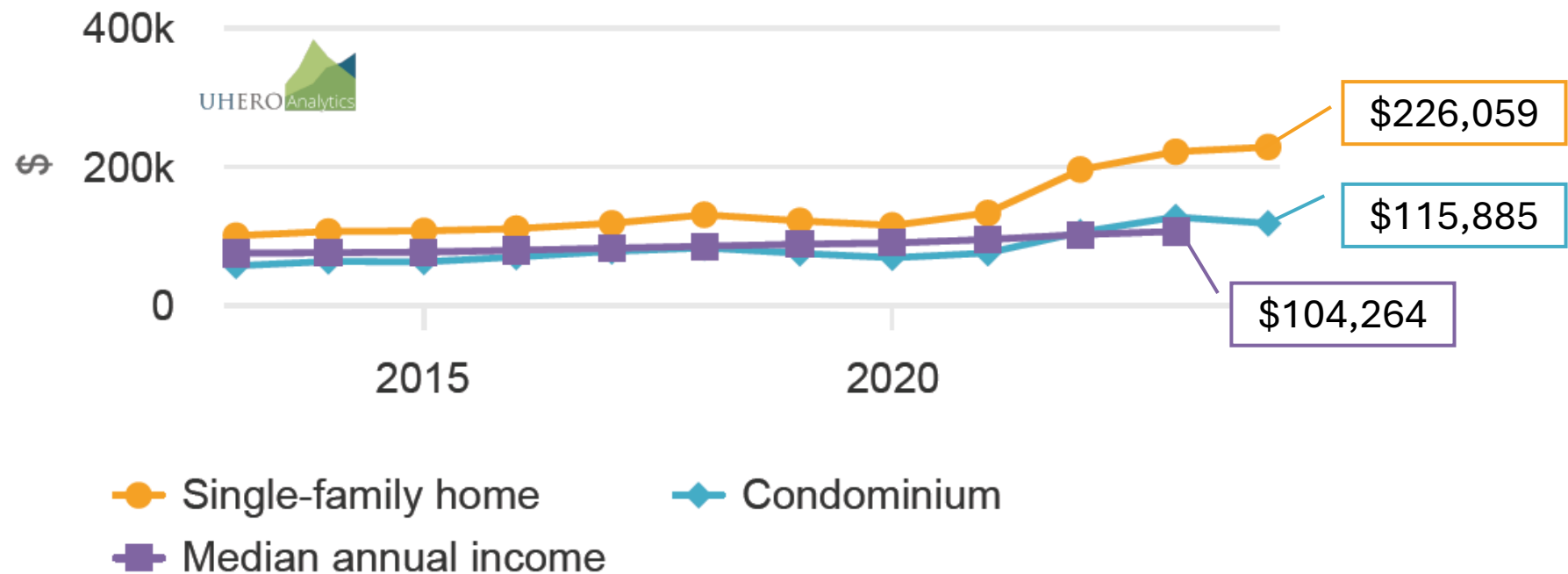
OAHU, HAWAII: Jan 1987 to the Present





Home price growth outpaces median income

Annual income needed to afford a mortgage on the median-priced single-family home and condo in 2024 in Honolulu County





More supply needed to meet demand

The 2024 Hawai'i Housing Planning Study (HHPS):

- *The study estimates that Hawai'i will need 64,490 additional housing units to meet demand by 2027*
- *An analysis of units needed based on income levels found that 65% of the units (42,100) are needed for households earning 80% of the area median income (AMI) or below.*

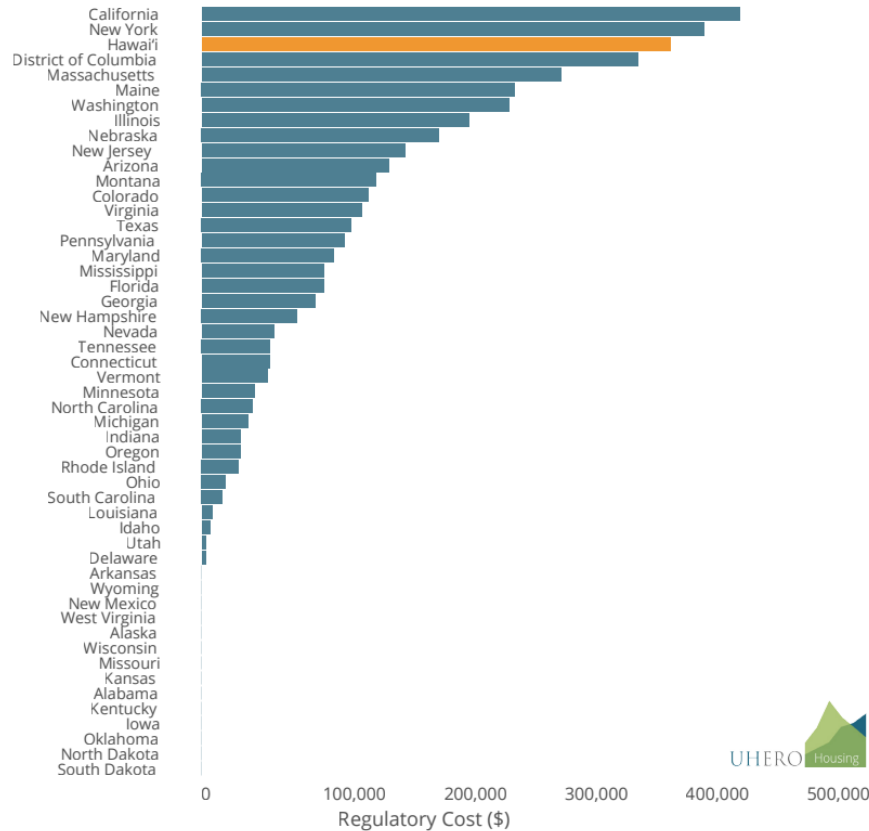
	Estimate
Adjusted Housing Supply for Residents	516,082
Adjusted Housing Demand for Residents	(-) 578,832
Housing shortage	-62,750
Demand due to Population Change	(+) 14,408
Demand for Vacant & Available Units	(+) 803
Units in the Pipeline	(-) 13,471
Total Needed Units	64,490



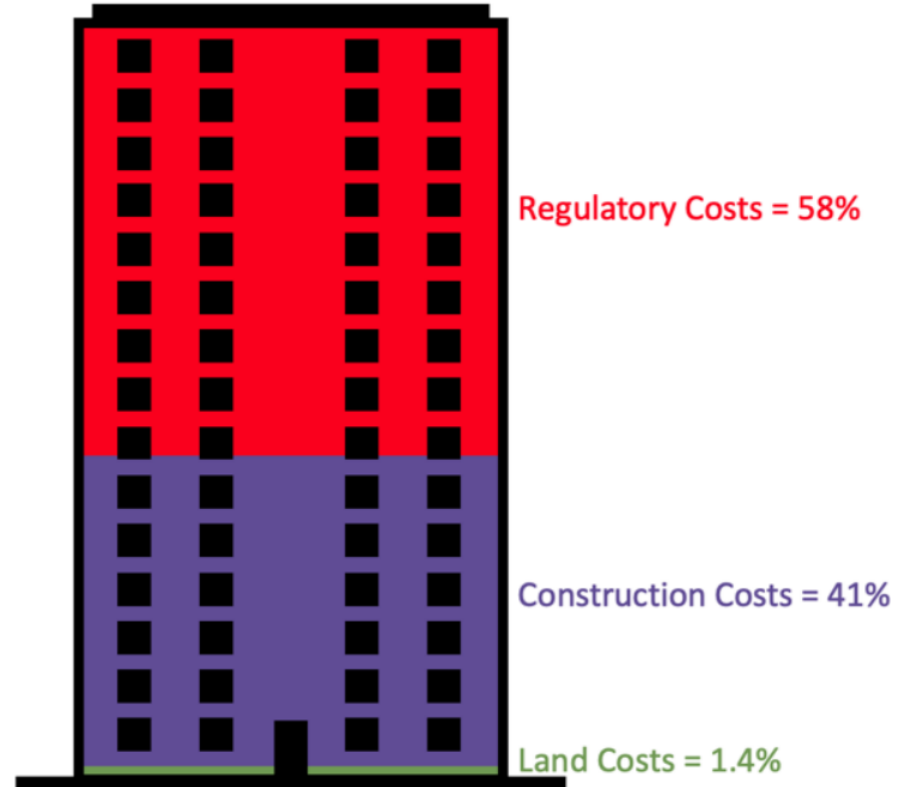
Steep regulatory costs contribute to high housing costs

(UHERO Report)

How much does regulation add to the cost of a condominium unit?



Caption: We estimate regulatory costs add \$387,000 to the price of a new condominium unit in Hawai'i. Only California and New York State have a higher regulatory cost per unit. Several states have no regulatory cost burden because the market price of a new condo is below the cost of production, meaning developers would not provide condos even in an environment with zero regulatory costs.



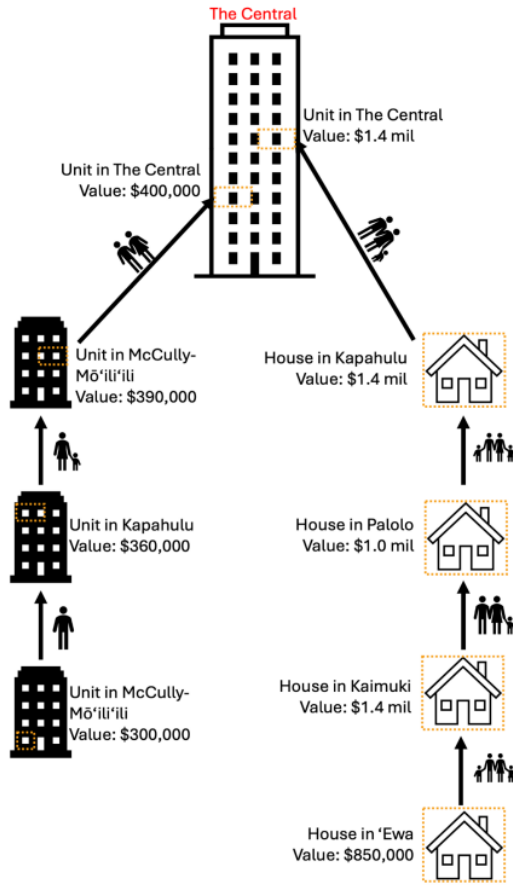
Caption: The market price of residential land plus condominium construction costs account for less than half of the market price of a new condominium.

Source: Tyndall, J. (2024). *Why are Condominiums so Expensive in Hawai'i?* UHERO.



Housing Market Filtering (UHERO Study)

Movement Chains Triggered by Two New Condominium Units



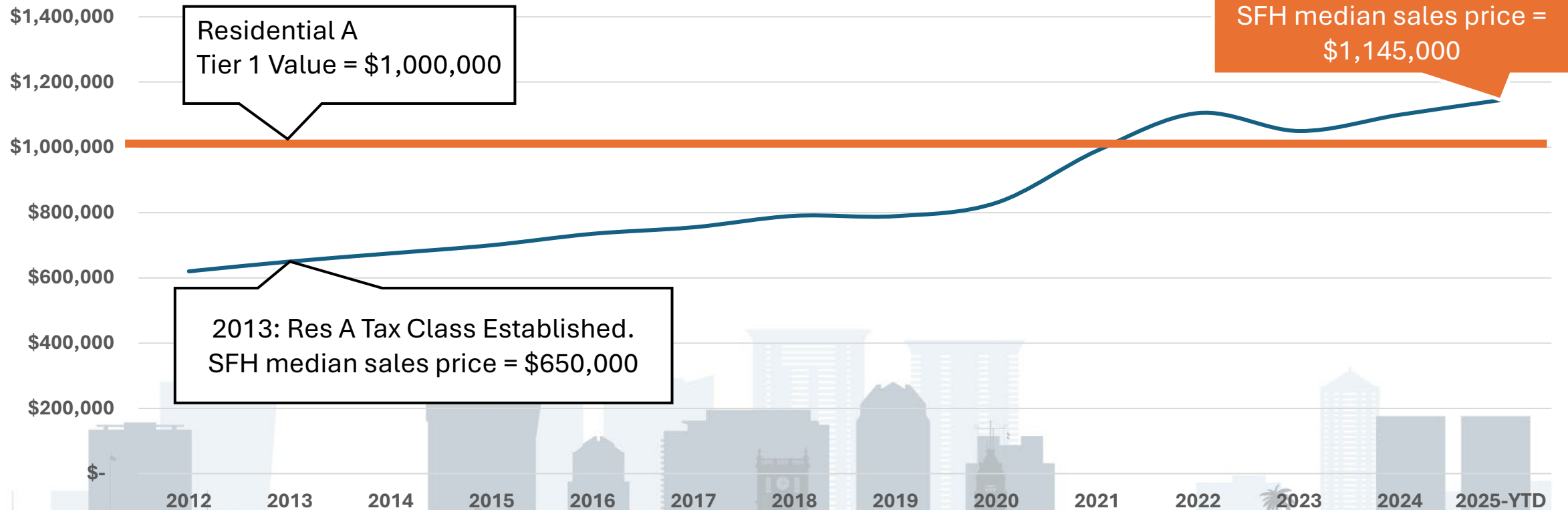
“...The Central provided **512 units of new housing**...[UHERO] also identified **130 local housing units that became vacant** because of households moving to The Central.”

“These represent **130 local families** who were able to upgrade their housing situation because a new condominium building was constructed...”



Advocacy Efforts – Residential A

Annual Median Sales Price
(Single-Family Homes)



Residential A
Tier 1 Value = \$1,000,000

2013: Res A Tax Class Established.
SFH median sales price = \$650,000

2025-YTD
SFH median sales price =
\$1,145,000

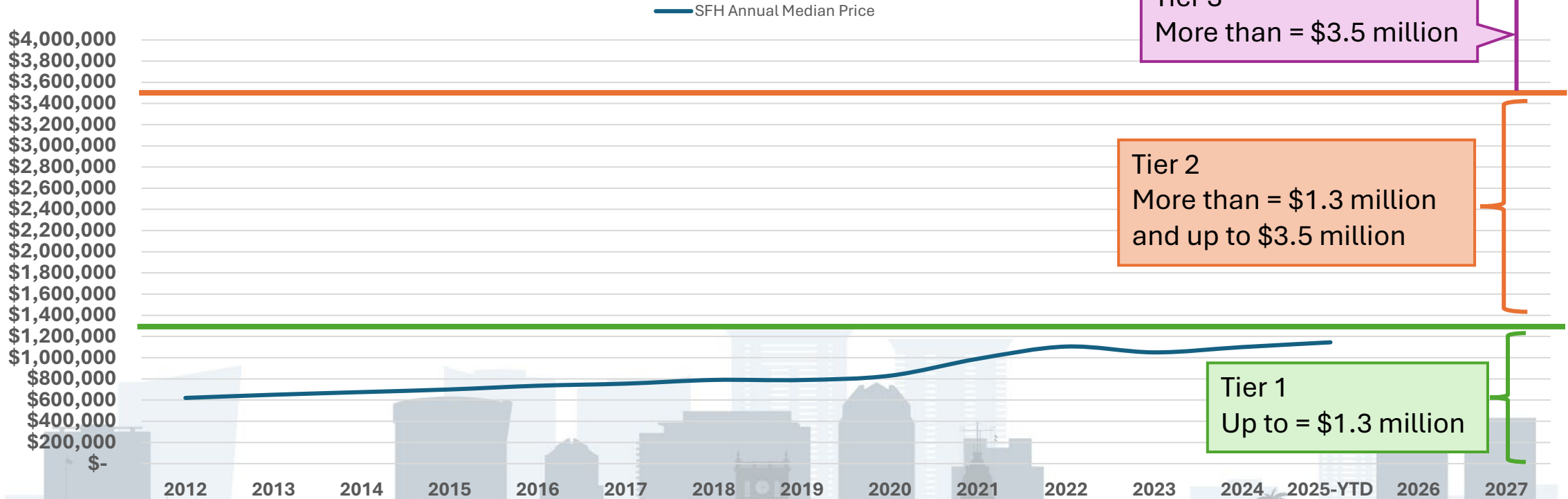
*Based on MLS residential resales data through Sep 2025.



Ordinance 25-44

(passed on October 20, 2025; takes effect July 1, 2027)

Residential A Tax Tiers: Effective July 1, 2027

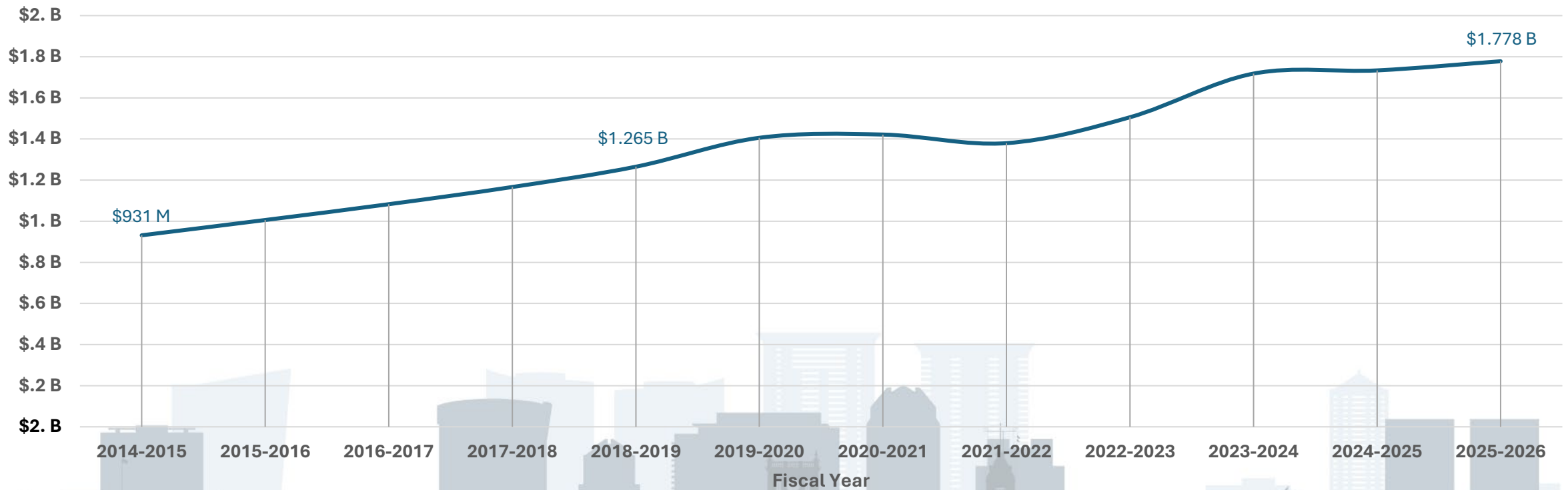


*Based on MLS residential resales data through Sep 2025.



Real Property Tax Revenue

Honolulu County RPT - Amounts Raised by Taxation
(Total)



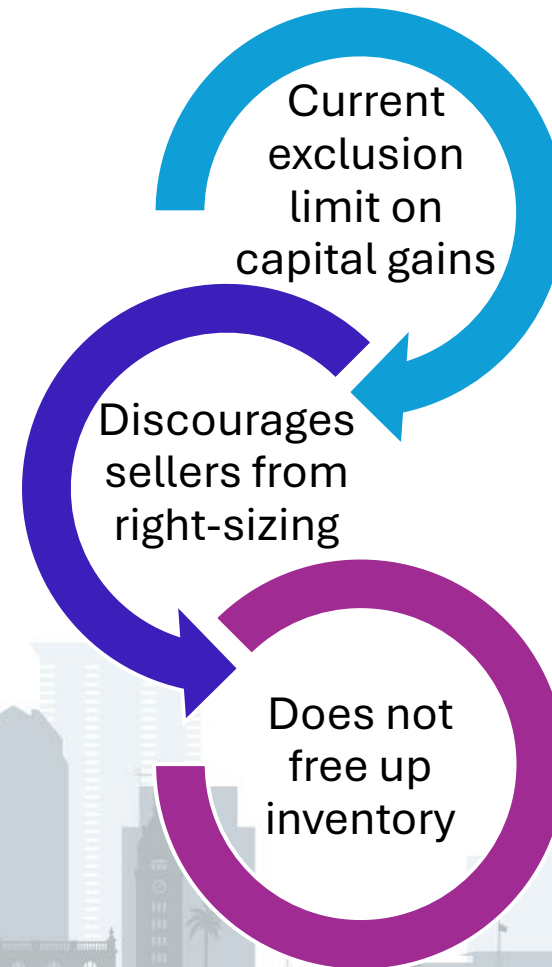
*Source: City and County of Honolulu - Department of Budget and Fiscal Services - Real Property Assessment Division (<https://realproperty.honolulu.gov/state-reports/2025/>)



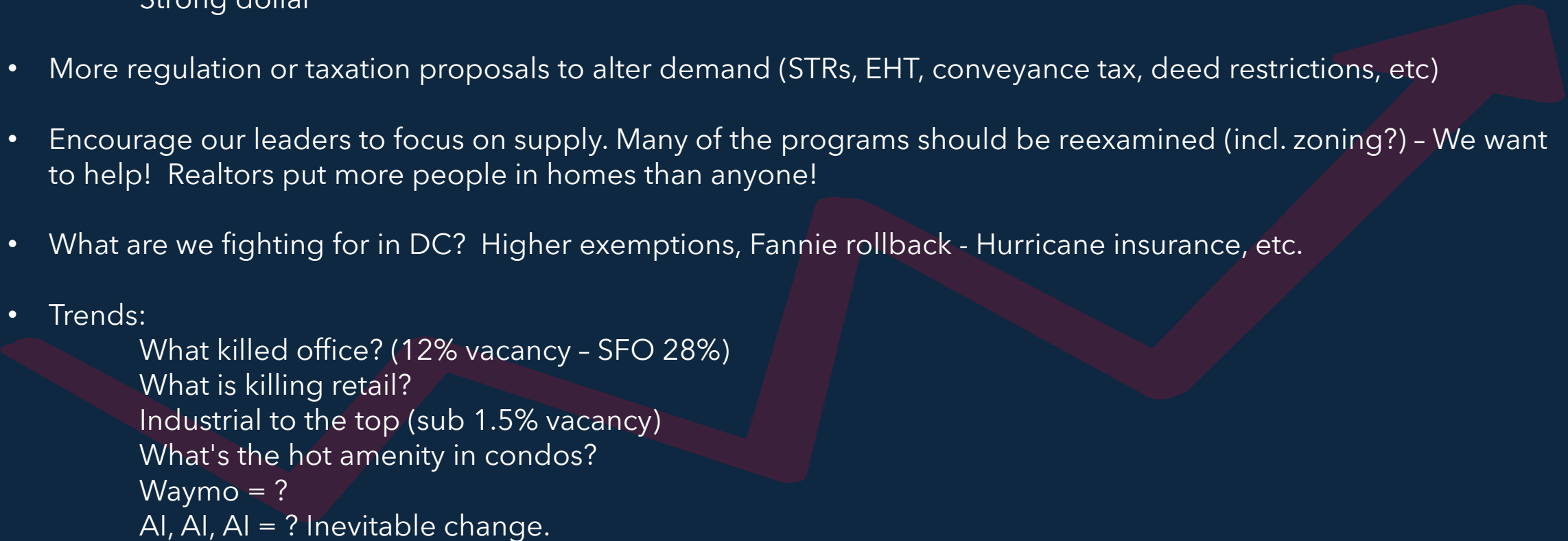
Tax Thoughts – Capital Gain Exclusion Limits

Are Boomers never sellers? 61% say they will never sell.

- Maximum capital gains exclusion for selling primary residence, if eligible:
 - = \$250,000 for single filers
 - = \$500,000 for married couples filing jointly



Forecast

- Condos have substantial headwinds:
 - Inventory /Absorption Rate
 - Maintenance fees have jumped (insurance, pipe replacement, spalling, fire sprinklers)
 - Strong dollar
 - More regulation or taxation proposals to alter demand (STRs, EHT, conveyance tax, deed restrictions, etc)
 - Encourage our leaders to focus on supply. Many of the programs should be reexamined (incl. zoning?) - We want to help! Realtors put more people in homes than anyone!
 - What are we fighting for in DC? Higher exemptions, Fannie rollback - Hurricane insurance, etc.
 - Trends:
 - What killed office? (12% vacancy - SFO 28%)
 - What is killing retail?
 - Industrial to the top (sub 1.5% vacancy)
 - What's the hot amenity in condos?
 - Waymo = ?
 - AI, AI, AI = ? Inevitable change.
- 



Mahalo!



www.hicentral.com

Trevor Benn

RB-18240 (R, GRI, ABR, ePRO, SFR, AHWD)

Forward Realty - President

Direct: 808-383-2366

Email: Trevor@ForwardRealty.com

Web: ForwardRealty.com

