



Responses and insights
provided by Honolulu Board
of REALTORS® members

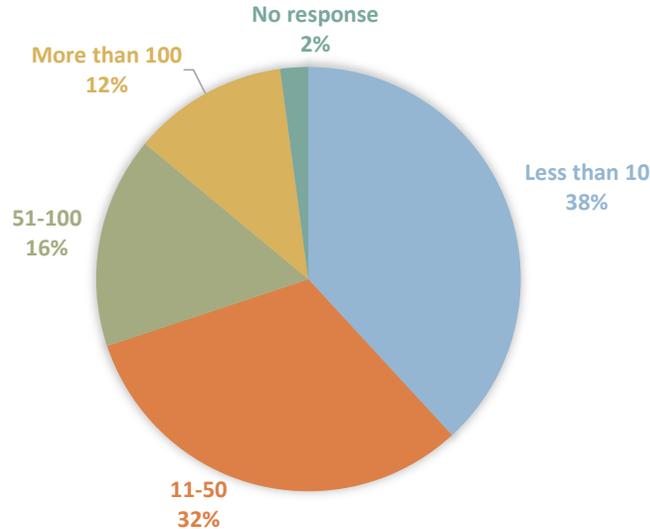
FLASH SURVEY: RENTALS AND PROPERTY MANAGEMENT

June 17 - 22, 2020

1. How many rental properties do you manage? If more than 100, please select "Other" and specify how many.

Of the REALTOR® respondents, 12 percent manage more than one hundred rental properties, 16 percent manage fifty-one to one hundred rental properties, 32 percent manage eleven to fifty rental properties, and 38 percent manage ten or fewer rental properties.

NUMBER OF RENTAL PROPERTIES MANAGED

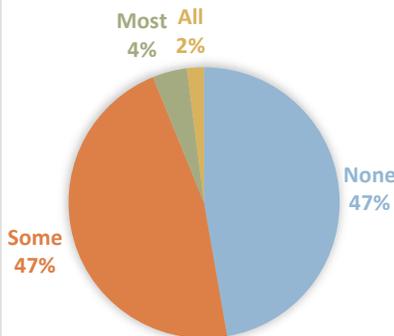


2. Indicate owner's willingness to lower, waive or delay rent:

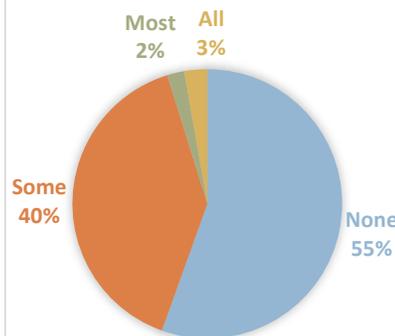
(Respondent's choices were None, Some, Most, or All)

Based on REALTOR® responses, the majority of respondents were split at 47 percent each with some owners agreeing to lower rent and no owners agreeing. In response to owners agreeing to waive or discount rent, the majority of respondents, 55 percent, cited that none of their owners agreed. Finally, in regards to owners agreeing to defer rent or give a payment plan, the majority of 61 percent of respondents had some to all of their owners agree, while 38 percent of respondents cited that none of their owners would agree.

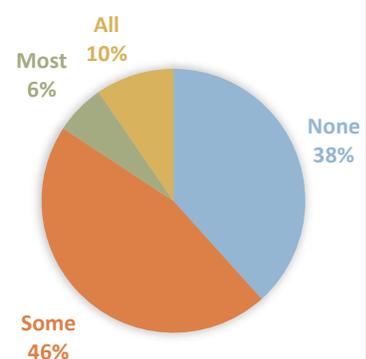
OWNER AGREED TO LOWER RENT



OWNER AGREED TO WAIVE OR DISCOUNT RENT



OWNER AGREED TO DEFER RENT OR GIVE PAYMENT PLAN

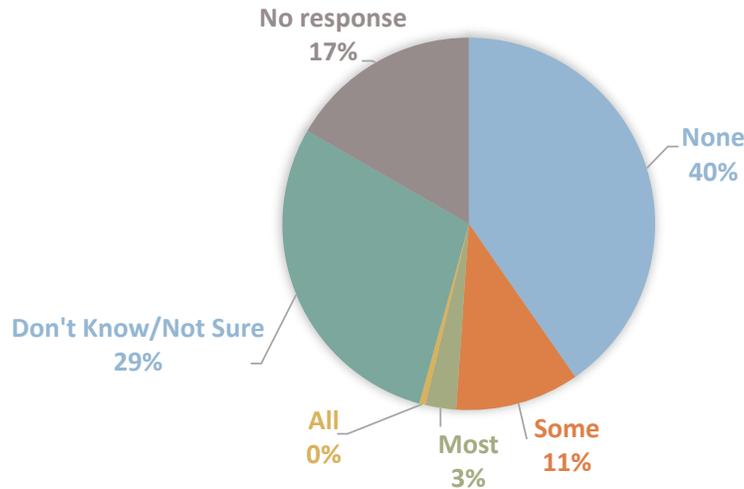


3. How many of your owners have asked their lenders for forbearance or deferral?

(Respondent's choices were None, Some, Most, All, or Don't Know/Not Sure)

Just 14 percent of REALTOR® respondents cited having rental property owners who asked lenders for forbearance or deferral. Forty percent of respondents cited having no owners who asked lenders for forbearance or deferral, while 29 percent were not sure if owners had asked.

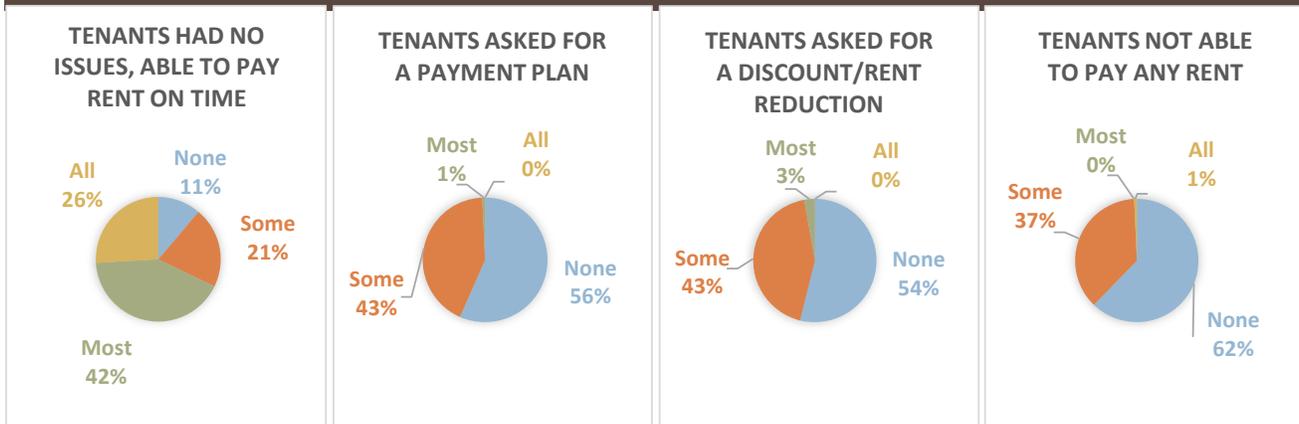
AMOUNT OF OWNERS ASKING LENDERS FOR FORBEARANCE OR DEFERRAL



4. Indicate tenant's ability to pay rent for the month of June:

(Respondent's choices were None, Some, Most, or All)

REALTOR® respondents provided insight regarding tenant's ability to pay rent through the month of June (2020). The majority of respondents indicated that all, most or at least some of their tenants had no issues and were able to pay rent on time, however 11 percent of respondents cited that none of their tenants could be categorized as having no issues. With regard to tenants asking for a payment plan, 56 percent of respondents said that none of their tenants asked, while the remaining 44 percent had tenants who asked for a payment plan. With regard to tenants asking for a discount or rent reduction, 54 percent of REALTOR® respondents said that none of their tenants asked, and 46 percent had tenants who asked. Although the majority of respondents said they had no tenants who were unable to pay any rent, 38 percent of respondents cited having tenants who were unable to pay any rent.



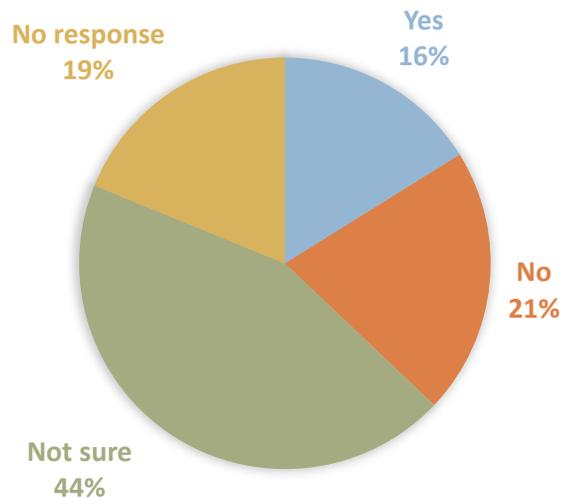
ADDITIONAL COMMENTS:

- Most had no issues
- Late or partial payment
- Some using eviction moratorium as excuse for non-payment
- Concern for owners with legal short term rentals
- Rent being deferred
- Stimulus check and reopening businesses was helpful
- Renters must be accountable, owners also have financial obligations
- More issues than previous month
- Troubled tenants falling further behind
- Tenants requesting help
- Some tenants requesting to use security deposit
- Rent reduction has helped

5. Have tenants expressed difficulty in seeking rental assistance programs?

REALTORS® were asked about tenants expressing difficulty in seeking out rental assistance programs. Sixteen percent of respondents said "Yes" their tenants have expressed difficulty, 21 percent responded "No," while 44 percent were unsure.

TENANTS HAVING DIFFICULTY IN SEEKING RENTAL ASSISTANCE PROGRAMS



6 / 7. What programs have tenants mentioned as successful/unsuccessful in terms of receiving rental assistance?

REALTORS® were asked to list programs that tenants have mentioned as being successful or unsuccessful to them in terms of receiving rental assistance. Below is a list of programs in order by most frequently mentioned to least frequently mentioned.

SUCCESSFUL

- Catholic Charities
- IHS
- Salvation Army
- Aloha United Way
- Federal Stimulus Check
- Section 8
- Unemployment Insurance
- Gregory House
- Native Hawaiian Council - Kahi'au Program
- Payment plans with landlord
- PPP
- SBA

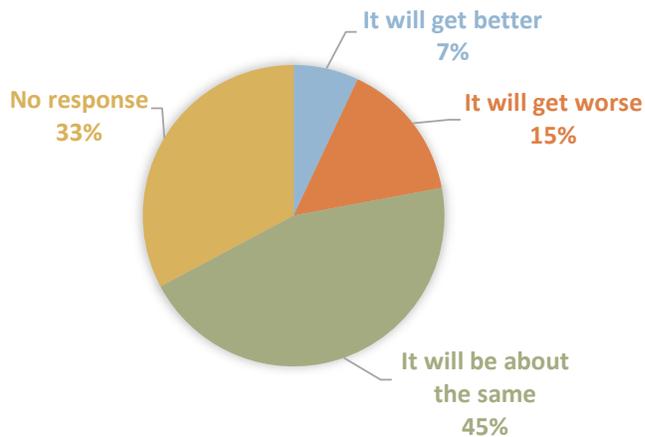
UNSUCCESSFUL

- Unemployment Insurance
- Aloha United Way
- Catholic Charities
- IHS
- PPP
- Waianae Coast Comprehensive

8. What do you anticipate for July in terms of the ability to pay rent?

REALTORS® were asked to provide their input on what they anticipate for the month of July in terms of their tenants ability to pay rent. The majority of respondents, or 45 percent, believe that "it will be about the same," 15 percent believe "it will get worse," while seven percent of respondents believe that "it will get better." Respondents also offered additional comments on the situation.

ANTICIPATION FOR JULY IN TERMS OF ABILITY TO PAY RENT



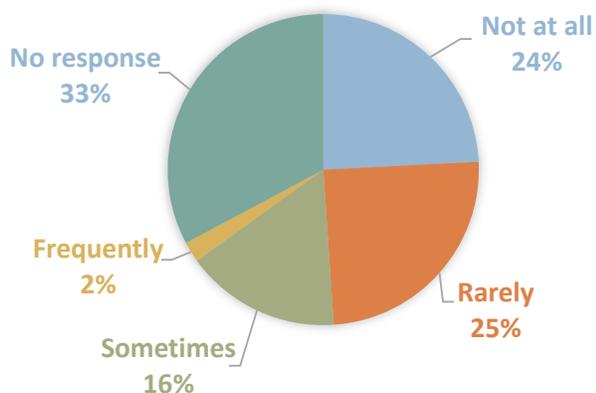
COMMENTS:

- Will improve
- Will be the same
- Not sure
- Will be challenging
- Fewer tenants/harder to fill vacancies
- Depends on economy
- Fewer tenants
- Not many issues but some asking for rent reduction
- Will get worse
- More lost income for owners
- Better with unemployment benefits being received
- More tenants short on savings

9. How often have you experienced tenants being unwilling to grant access for inspections or showings, vendors or repairs?

Given the current social distancing protocols and Stay at Home order, REALTORS® were asked to provide input about their experience with tenants when requesting access to the rental property to perform standard business such as inspections, repairs or property showings. While the majority of REALTOR® respondents declined to respond, 24 percent indicated that none of their tenants are unwilling to grant access to the property, and 25 percent indicated that the situation rarely occurs. Sixteen percent of respondents said tenants are sometimes unwilling to grant access to the property, while a minority two percent indicated that their tenants are frequently unwilling to grant access to the property.

TENANTS BEING UNWILLING TO GRANT ACCESS FOR SHOWINGS, VENDORS, OR REPAIRS



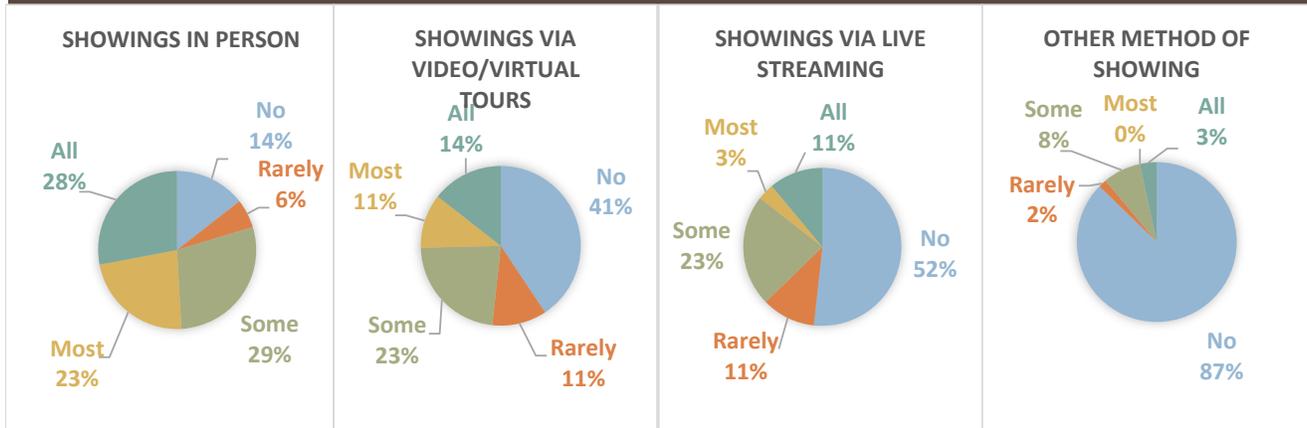
COMMENTS:

- No issues
- Tenants owing back rent being uncooperative
- Most being cooperative
- Not showing occupied units during this time
- Allowed with health precautions in place

10. Are you allowing rental showings via the following:

(Respondent's choices were No, Rarely, Some, Most or All)

REALTOR® respondents provided input on methods they are using to conduct rental showings. The method cited as being used by most respondents is showings in person, with 80 percent of respondents using it for some to all of their showings. Only 14 percent of respondents cited that they are not doing in person showings at this time. Video and Virtual tours are being used by 48 percent of respondents, while 52 percent cited that this method is either rarely or not used at all. Live streaming is another method of showings that about 37 percent of respondents are utilizing for some to all of their showings. REALTOR® respondents commented that in person showings are being performed with proper health precautions in place. Some continue to show vacant units only, while others utilize photos or online tools.

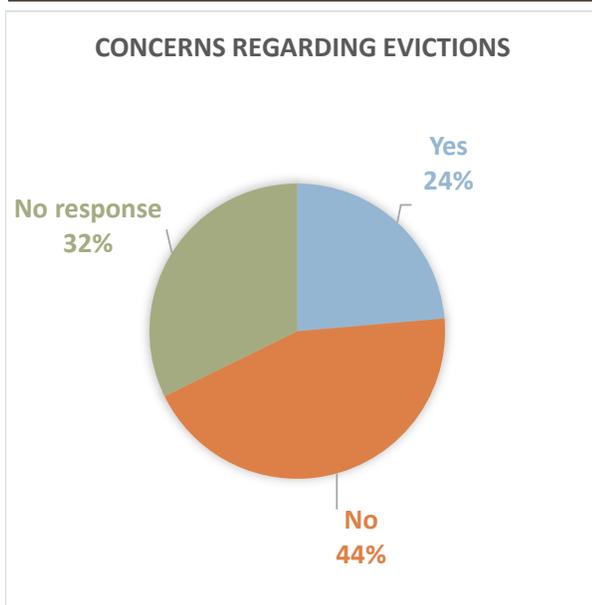


COMMENTS:

- utilizing photos or other online platform
- showings in person with proper precautions
- showing only vacant units
- few or no vacancies to show

11. Do you have any concerns regarding evictions?

Twenty-four percent of REALTOR® respondents have concerns regarding evictions, while 44 percent do not. The remaining 32 percent offered no response. Respondents also commented on these concerns, with the top cited concern being that tenants are taking advantage of the eviction moratorium and some tenants are using it as an excuse for not having to pay rent. Respondents continue to express concern for tenants who are falling further behind on rent as well as for owners who still have financial obligations.



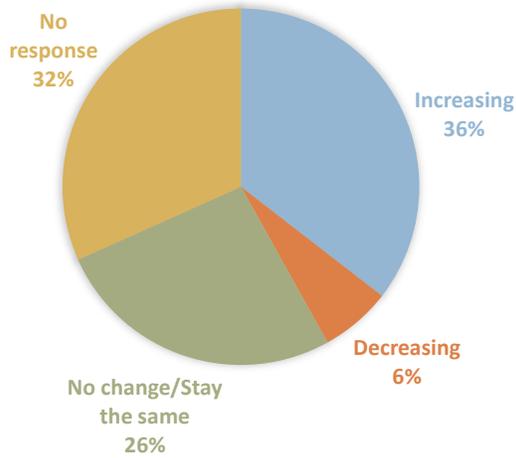
CONCERNS:

- Tenants taking advantage of eviction moratorium/ some using it as an excuse for not having to pay rent
- Tenants falling further behind on rent
- Concerned about court backlog
- Concerned about inability to evict/wondering when moratorium will end
- Concerned about owners' financial obligations and loss of income
- Some tenants moving out on their own
- Those not paying any rent should have to prove their inability to pay
- Concerned that delinquent tenants will leave island, owners will not be able to recover lost rent

12. Do you feel vacancies are increasing or decreasing? Please comment below on your thoughts on vacancy rates.

Of REALTORS® responding to their perception of rental property vacancies, 36 percent feel that vacancies are increasing, while six percent feel they are decreasing. Twenty-six percent of respondents believe the amount of vacancies have not changed or will stay the same. Respondents provided additional comments with many citing that they are seeing more vacancies as tenants move out due to job/income losses or military orders. Some noted an increase in the time it is taking to fill vacancies while others believe the current supply is normal for this time of year. It is important to note that some respondents may have commented based on their personal business situation while others may have based their comment on the market as a whole.

VACANCIES INCREASING OR DECREASING



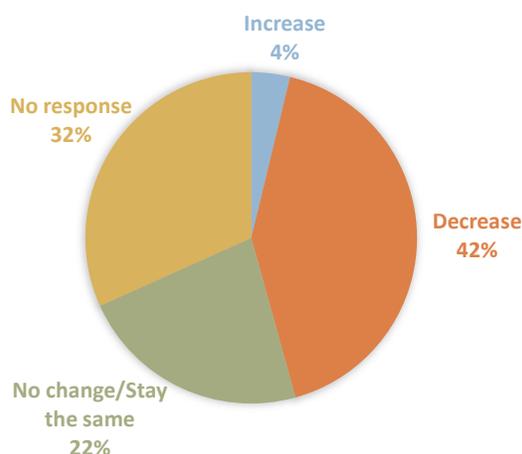
COMMENTS:

- More vacancies as tenants move out due to job/income loss or military orders
- Normal for this time of year
- Taking longer to fill vacancies
- Most tenants staying in place
- Depends on military relocation
- More vacation rentals converting to long term rentals
- Anticipating more due to economic downturn
- Same for residential, increase in commercial vacancies
- Unable to evict so no change
- Slight increase
- More rental inquiries in recent weeks
- Increase in short term rentals/ more vacancies in resort areas
- Increase in higher price ranges as tenants seek more affordable options

13. Do you anticipate rents will increase or decrease? Please comment below on your thoughts on rents.

The majority of REALTOR® respondents, or 42 percent, are anticipating that rents will decrease, while just four percent anticipate rents will increase. Twenty-two percent of respondents believe rents will stay the same. Additional insights cited that decreases in rents were due to increased vacancies and properties taking longer to rent. Some foresee downward pressure on rents as tenants as well as owners face financial challenges. Some respondents have already implemented or are noticing some decreases in rent.

ANTICIPATING RENTS TO INCREASE OR DECREASE



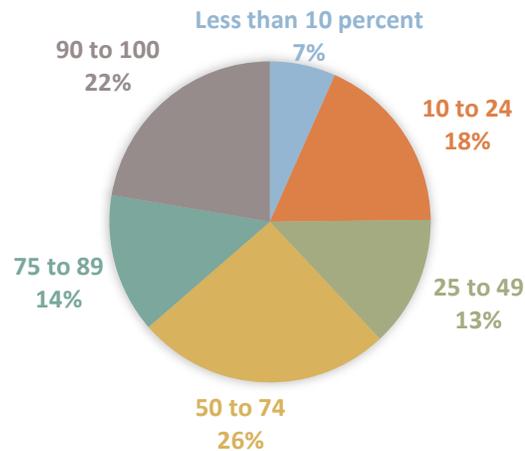
COMMENTS:

- Decrease as vacancies increase/properties take longer to rent out
- Downward pressure/small decrease
- Decrease with challenged tenants and owners collecting some rent as opposed to none
- No change
- Already decreasing
- Decrease with economic challenges
- Depends on sales market
- Depends on location

14. What percentage of your business is property management?

Over 60 percent of REALTOR® respondents attribute at least fifty percent or more of their business to property management. The following is the numeric breakdown of respondents: 22 percent cited that property management makes up 90 to 100 percent of their business, 14 percent of respondents indicated that it makes up 75 to 89 percent of their business, 26 percent of respondents said it makes up 50 to 74 percent of their business, 13 percent of respondents said it makes up 25 to 49 percent of their business, 18 percent of respondents said it makes up 10 to 24 percent of their business, and 7 percent of respondents said that property management makes up less than 10 percent of their business.

PERCENTAGE OF BUSINESS IN PROPERTY MANAGEMENT



15. Any other issues regarding tenants, owners, or rental assistance due to COVID-19?

REALTOR® respondents were given the opportunity to highlight any other issues they've experienced with tenants, owners, or rental assistance due to COVID-19.

RESPONSES:

- Some tenants continuing to take advantage of eviction moratorium
- Would like to see more rental assistance programs
- Tenants seeking more affordable options
- Increase in prospects/agents not using a mask or following safety guidelines
- Slower movement of rentals
- Short term rental owners are significantly impacted
- Concern about unpaid/lost rent
- Will be difficult for owners to recoup lost rent
- Visitor prospects still impacted with quarantine restrictions
- Concerned about situation when unemployment benefits run out
- Owners will suffer financial losses, some will have to decide whether to continue renting or sell
- Increase in vacancies
- More tenants requesting cleaning/sanitization prior to move-in



Established in 1922, the Honolulu Board of REALTORS® is one of the largest of 1,200 boards of REALTORS® in the nation, and, with more than 6,500 members, is one of the largest trade organizations on Oahu. Membership is available to licensed real estate brokers, agents, property managers, appraisers, counselors and others engaged in all aspects of the real estate industry who pledge to adhere to a strict Code of Ethics and Standards of Practice.

For more information, call (808) 732-3000 or visit www.hicentral.com.

Honolulu Board of REALTORS®
1136 12th Avenue, Suite 200
Honolulu, HI 96816
808-732-3000

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