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O‘ahu Home Sales Cool in 2022 Amid Rising Mortgage Rates
Single-family home and condo sales volume saw double-digit declines despite a strong start to the year

HONOLULU – According to resales figures released today by the Honolulu Board of REALTORS®, 2022 data shows single-family home sales fell 23.2% and condos declined 11.8% compared to 2021. As inflation and interest rates continued to skyrocket, the year-end median price was \$1,105,000 and \$510,000 for single-family homes and condos, respectively. Both increased from a year ago.

2022 Annual Residential Resale Statistics for O‘ahu				
<u>Single-Family Home Resales</u>				
	<u>Number of Sales</u>	<u>This Year Compared To</u>	<u>Median* Sales Price</u>	<u>This Year Compared To</u>
2022	3,474		\$1,105,000	
2021	4,526	-23.2%	\$990,000	11.6%
<u>Condominium** Resales</u>				
	<u>Number of Sales</u>	<u>This Year Compared To</u>	<u>Median* Sales Price</u>	<u>This Year Compared To</u>
2022	6,353		\$510,000	
2021	7,203	-11.8%	\$475,000	7.4%

***Median price means half the prices were above and half below the given price.**
****Condominiums also include townhomes.**

Overview of 2022 year-end stats

In 2022, O‘ahu’s real estate market was marked by transition. The year began similarly to 2021 with intense competition among buyers, with mortgage rates still hovering near historic lows and ended with headwinds when these rates rapidly and sharply rose. Key highlights included:

- In the second quarter of 2022, 63% of single-family homes and 44% of condos closed above the original asking price.
- In May, the single-family home market set a record median price of \$1,153,500; in June, the condo market hit a record median of \$534,000.
- Mortgage rates continued to rise through the year, with average rates reaching the 7% range in late October and ending 2022 in the mid-6% range.
- In the fourth quarter, the percentage of properties sold above the original asking price had dropped to 29% of single-family home sales and 25% of condo sales.

“While O‘ahu’s real estate market started the year strong, the steep rise in interest rates and fluctuation in inventory are shifting the market dynamic,” says **Fran Villarmia-Kahawai, president of the Honolulu Board of REALTORS®**. “Although buyers face higher financing costs, they now have more options to choose from, and competition isn’t as fierce.”

With the single-family home median sales price holding above \$1 million throughout the year, sales volume saw a significant decline in 2022 as mortgage rates more than doubled from the previous year. The year ended with 3,474 single-family home sales, a 23.2% year-over-year decline. The year-end median price climbed to \$1,105,000, an 11.6% increase compared to the 2021 annual median price of \$990,000.

In 2022, condo sales also fell, ending the year with 6,353 closed sales and down by 11.8%. Year-end sales were still well above pre-pandemic sales volume dating back to 2007. The condo market ended the year with an annual median sales price of \$510,000, up 7.4% from a year ago.

Closed sales by price range were mixed. Single-family home sales in the \$1,300,000 to \$1,599,999 price range increased by 11%, while the most significant decline occurred in the \$600,000 to \$899,999 range, where sales were down by 47% compared to 2021. At year-end, the condo market showed a 19% dip in sales at the \$699,999 and below range. However, condos sold in the \$700,000 and up range jumped by 15% compared to the prior year.

All regions experienced a decline in sales for both markets. The ‘Ewa Plain saw 207 fewer single-family home sales year-over-year, marking a 23% decline for the area. Similar decreases impacted the Kāne‘ohe and Diamond Head regions by 34.4% and 31.1%, respectively. Similarly, all areas saw a drop in condo sales except for the North Shore, where condo sales were up by 17.2% compared to 2021.

Seller and buyer activity waned over the year, with the year-end new listings down 13.5% for single-family homes and 8.7% for condos. Still, properties moved quickly, with a year-end median days on the market of 12 days for both markets.

“We’re experiencing a real estate market in transition,” added **Villarmia-Kahawai**. “The best thing home buyers and sellers can do is work with a REALTOR® to understand and navigate the changes.”

Overview of December 2022 stats

Using data collected from its computerized Multiple Listing Service (MLS) system, the Board reported the following statistics:

December 2022 Residential Resale Statistics for O'ahu				
<u>Single-Family Home Resales</u>				
	<u>Number of Sales</u>	<u>This Month Compared To</u>	<u>Median* Sales Price</u>	<u>This Month Compared To</u>
December 2022	202		\$1,049,500	
December 2021	378	-46.6%	\$1,050,000	-0.05%
<u>Condominium** Resales</u>				
	<u>Number of Sales</u>	<u>This Month Compared To</u>	<u>Median* Sales Price</u>	<u>This Month Compared To</u>
December 2022	360		\$502,500	
December 2021	593	-39.3%	\$485,000	3.6%
*Median price means half the prices were above and half below the given price.				
**Condominiums also include townhomes.				

Year-over-year sales for single-family homes plummeted 46.6%, while condo sales were down 39.3%. However, sales picked up since November 2022, with single-family home and condo sales rising 5.2% and 5.9%, respectively. The median sales price for a single-family home dipped slightly to \$1,049,500, while the median condo sales price rose to \$502,500. With fewer closings and contracts signed, active inventory remained higher than a year ago but continued to fall behind pre-pandemic levels. Year-over-year active inventory for single-family homes was up by 93.2%, while condos gained 23.7%.

While active inventory remained well below pre-pandemic levels, more single-family homes and condos were available across the island in varying price ranges. In the single-family home market, the \$800,000 to \$999,999 range saw a whopping 225% increase, with 143 listings available at the end of the year compared to just 44 listings in December 2021. In the condo market, active inventory most significantly increased primarily in the mid to upper price ranges. Year-over-year, active inventory in the \$400,000 to \$1,999,999 price range rose by 50%.

New listing activity slowed, with a 33.1% drop for single-family homes and a 29.6% slump for condos. Buyer activity also waned, with pending sales down more than 40% in both markets. Single-family home contract signings fell 41.5%, and condos declined 43.4%, marking the ninth consecutive month of decreases.

The percent of original list price received continued to dwindle, with single-family home sellers receiving a median of 96.7% of their asking price in December 2022, falling from 102.1% last year. In the condo market, the median percentage of the original list price received was 98.5% compared to 100.0% in December 2021.

Single-family homes sold in December were on the market for a median of 25 days, more than double the time spent on the market compared to last year. Condos saw a median of 21 days on the market, about a week longer than in December 2021.

Click [here](#) to view a PDF of the report.

The information contained in this report is provided to the National Association of REALTORS® and the Hawai'i State Department of Economic Development, Business and Tourism for its official reports. This report reflects information about resales of existing properties only and does not include new home sales. All of the MLS information is compiled from sales reported during the cited months; this data is known only after closing of escrow.

The public is encouraged to visit www.hicentral.com to see what's happening in the housing market. Consumers have the ability to browse O'ahu single-family home and condominium listings, available for sale and for rent, and to see a comprehensive guide of homes that will be open to view on Sunday. All searches can be done by geographic location and/or price range, and hicentral.com provides useful information about buying and selling real estate in Hawaii.

About the Honolulu Board of REALTORS®

Established in 1922, the Honolulu Board of REALTORS® is one of the largest of 1,100 boards of REALTORS® in the nation, and, with more than 7,000 members, is one of the largest trade organizations on O'ahu. 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.