

## Luxury homes attract investors

*A high-end real estate market is thriving in Hawaii*



COURTESY OF PATRICIA CASE  
The Castle Estate, at 59 Kailuana Place, consists of 314 linear feet of sandy beach frontage, 2 acres of land and three dwellings. The property sold on Monday for \$11 million, the largest price islandwide in the past six months.

The sale of a Windward Oahu estate on Monday fetched the second-largest single-family home price ever for that region and the highest islandwide since January was the latest evidence that the luxury home market is robust.

Kamaaina developer Donald T. Eovino purchased the Castle Estate, located at 59 Kailuana Place, for \$11 million, roughly 86 percent of its \$12.8 million asking price. Eovino and an undisclosed partner plan to subdivide the property into three parcels and replace some of the existing structures with new luxury single-family homes.

In recent years, Eovino has built business at his boutique real estate company Eovino and Associates Inc. around the belief that Hawaii's luxury single-family home market will continue to be strong.

Although Hawaii has long been popular as a luxury second home, investment and resort market, improvements in transportation and technology have now made it a more viable year-round alternative for high-end buyers, who view it as good value relative to other destinations, Eovino said.

Other luxury real estate industry professionals in Hawaii have said that they are equally as bullish on the market -- which is still booming despite reports of declining inventory and higher interest rates on jumbo loans. Hawaii's luxury real estate professionals report that showing activity and sales are running ahead of last year. Continued renovation and reinvestment in the market by developers like Eovino and private owners should only push the market higher, experts said.

## High-priced isle spots still hot

*A record closing in Kailua highlights Hawaii's profile in the luxury realty market*

By Allison Schaefers / aschaefers@starbulletin.com



COURTESY OF PATRICIA CASE  
The Castle Estate, located at 59 Kailuana Place in Kailua, sold for \$11 million on Monday to kamaaina developer Donald T. Eovino, president and principal broker of Eovino and Associates Inc., a boutique real estate company specializing in high-end development and sales.

### TOP OAHU SALES OF THE YEAR

Price	Location	Sales date
\$11.1 million	Blackpoint	Jan. 2, 2007
\$11 million	Kailua	Aug. 6, 2007
\$7.55 million	Diamond Head	May 23, 2007
\$6.9 million	Diamond Head	May 31, 2007
\$5.03 million	Diamond Head	May 25, 2007

Source: Harvey Shapiro, research economist for the Honolulu Board of Realtors

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### TOP ACTIVE SINGLE-FAMILY LISTINGS ON OAHU

Price	Location	Description
\$29 million	Papukea	6 bedrooms/ 9 bathrooms
\$17.8 million	Portlock	4 bedrooms/ 5/4 bathrooms
\$15 million	Portlock	5 bedrooms/ 5/1 bathrooms
\$12,998 million	Hawaii Loa Ridge	3 bedrooms/ 6/1 bathrooms
\$12,995 million	Lanikai	6 bedrooms/5/2 bathrooms

Source: Honolulu Board of Realtors MLS

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**Patricia Case:** Says the upscale market has been very active this summer

"We're constantly looking for oceanfront properties and there just aren't that many that are available. This property had a large amount of ocean frontage and a white sand beach," said Eovino, who in recent years has built his business around the belief that Hawaii's luxury single-family home market is robust and that it is poised to expand.

Although Hawaii has long been popular as a luxury second home, investment and resort market, improvements in transportation and technology have now made it a more viable year-round alternative for high-end buyers, Eovino said.

"In the last five years, we've seen this market grow less speculative and expand beyond a place where buyers just go to retire or vacation," he said. "Technology has made it possible for them to live here and work anywhere."

Many high-end buyers also view Hawaii's luxury residential single-family market as a good value relative to other destinations, Eovino said.

"I travel a lot around the world and relative to the world, we are still the best value," Eovino said. "We offer the best quality of life. We have access to culture, high-end resorts and restaurants, entertainment and medical facilities."

Eovino, who coincidentally also handled the largest residential real estate transaction on Oahu this year -- the \$11.1 million sale of a Black Point graded parcel that he bought in 2004 for \$3.5 million and developed into a Balinese-style single-family residence and caretaker's cottage -- said that he has ambitious plans for his newest acquisition.

"We're still reviewing plans for the Castle Estate," Eovino said, but added that he and his undisclosed partner will likely subdivide the property into three parcels and build luxury residences on them.

Eovino anticipates that the Castle Estate, like the Black Point property, will draw broad interest from buyers in the luxury market.

"The Black Point property was the first new luxury single-family home to be developed in Kahala in 25 years," he said. "There aren't that many new luxury homes being built in Kailua either."

Other luxury real estate industry professionals in Hawaii have said they are equally as bullish on the market -- which is still booming despite reports of declining inventory and higher interest rates on jumbo loans.

"From everything that I hear the high-end market is holding up," said Harvey Shapiro, research economist for the Honolulu Board of Realtors. "Everything above \$2 million has been pretty stable. Generally these people aren't in the mortgage market. They don't need to borrow funds. They pretty much just write checks for their properties."

The upscale market has been very active this summer and in general, said Patricia Case of Case Properties International, who sold the Castle Estate to Eovino for about 86 percent of its \$12.8 million list price.

"People love the fact that we are exotic, but stable," Case said, adding that luxury buyers are still willing to pay premiums for waterfront and ocean-view properties in sought-after neighborhoods like Kahala, Diamond Head, Lanikai, Kailua and the North Shore.

Buyers will also move faster on unique properties like the Castle Estate, she said.

"It sold in about 12 months," she said. "Normally, it takes a luxury property anywhere from 18 to 24 months to sell."

Momentum for Oahu's high-end market is running strong, said Anne Hogan Perry, vice president of Coldwell Banker Pacific Properties, the company that represented both sides of a July 2006 \$24 million single-family home transaction -- the largest ever transaction for Windward Oahu.

Activity is stronger for Oahu's high-end single-family home market this year than last, Perry said.

During the first quarter of 2007, 117 homes sold for more than \$1 million as compared with 135 during the same period of 2006, Perry said. However, sales exploded in the second quarter, she said.

"We saw 180 single-family homes that were \$1 million and above change hands in the second quarter of 2007 as compared to 133 during the second quarter of 2006," Perry said. "And, from July 1 to Aug. 1 (2007), we've had 50 homes above \$1 million close -- putting us eight homes ahead of that period last year."

Barring a major catastrophe in Hawaii or the world, Perry said she expects high-end sales to finish out 2007 with a flourish and remain stable. Continued renovation and reinvestment in the market by developers like Eovino and private owners should continue to push market value higher, she said.