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## Oahu's January home prices rise 10.8%

Median sales price in Jan. was \$597,500; Kapahulu-Diamond Head area saw biggest increase

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O'ahu's housing market started the year on a positive note, as the median price of previously owned single-family homes sold in January jumped 10.8 percent to \$597,500 from \$539,500 a year earlier.

Last month's gain was only the third time in three years in which the median price for any month rose over the same month a year before, according to Honolulu Board of Realtors data.

The two previous gains were 1.7 percent in September 2009 and 2.7 percent in December 2008.

It would be hard to say that prices have hit bottom and are on their way back up based on only one month's performance.

A University of Hawai'i Economic Research Organization forecast published in September predicts the median price for O'ahu single-family home sales this year will decline 2.4 percent. Last year, the median price was down 7.9 percent to \$575,000. The median price in 2008 was down 3 percent to end eight consecutive years of annual increases.

The market, however, since mid-2009 has been attracting more buyers fairly consistently. January marked the fifth consecutive increase for the number of single-family home sales, with a 32.8 percent rise to 162 from 122 a year earlier.

Brian Benton, president of the Honolulu Board of Realtors and an agent with Prudential Locations, called last month's results encouraging.

"Competitive pricing, current inventory levels and the extension of the federal tax credit seem to be turning house hunters into first-time homebuyers," he said.

The median sale price increase was spread over much of the island. Of 17 submarkets defined by the Honolulu Board of Realtors, the median price was up in 12 and down in five.

The biggest increase was a 73 percent gain in Kapahulu-Diamond Head where the median was \$940,000 on 13 sales last month compared with \$542,500 on four sales a year earlier.

Observers note that the type of homes sold is often the reason for such dramatic swings, especially in areas that include large concentrations of luxury mansions and older smaller homes. In one month, there could be a number of high-end or modest homes sold that can push up or pull down the median, which is a point at which half the sales are above the price and half are below.

In O'ahu's largest submarket, the 'Ewa Plain, the median price was down 9.8 percent to \$435,000 on 32 sales last month compared with \$482,000 on 19 sales a year earlier.

Real estate brokers say foreclosures are a bigger problem in the 'Ewa Plain and has contributed to downward pressure on prices there.

In the condominium market on O'ahu, the number of sales was up but the median price was down.

There were 227 condo sales last month, up 42.8 percent from 159 a year earlier. The median price was \$299,000, down 2 percent from \$305,000.

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