

# saturday

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THE MAUI NEWS

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## Barron's article says this 'is' the time to buy a second home on Maui

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**S**pring has arrived on Maui. The mild winter has seen outstanding surf with waves coming in three to four day cycles — a series that has not been seen in many years, according to local experts.

The whales that came to Maui with Christmas are leaving for Alaska as Easter approaches.

Soon, the Jacaranda trees that grow Upcountry will begin to unfold their flowers creating a colorful tapestry of green grass, lavender blossoms and gold as the morning sun rises over the crest of Haleakala.

Blessed with a wealth of environmental beauty, a diverse and energetic population and a vibrant Hawaiian culture it is no wonder that the March 8



Morris

edition of Barron's in an article by Steven M. Sears and Mark Veverka, named Maui as the best place in the U.S. to buy a second home. Reprinted in the Wall Street Journal, the article was also quick to point out that this IS the time to buy a second home on Maui.

The article went on to say, "...this Hawaiian beauty underwent a growth spurt during the past decade that some critics bemoaned as excessive. But the southern coast, anchored by the hamlet of Wailea, has weathered it all well. One of the first master planned resort communities in the nation, it's

a balanced blend of understated gated communities, luxury resort hotels, three excellent golf courses, a tennis center and, of course, several crescent sandy beaches."

While the article focuses on Wailea, it easily could have been speaking of Lahaina, Ka'anapali, Kapalua and Upcountry Maui. Each of which offers outstanding homes and condominiums in beautiful settings.

The real estate market on Maui may just be listening to Barron's and other publications. According to the Realtors® Association of Maui (RAM), in February (the last month for which statistics were available) Residential Sales rose slightly to 53, while Condo Sales posted a 12-month high at 94 units sold. The median sale price for Homes rose to \$507,200 while Condos rose to \$429,000.

The RAM reports goes on to counsel that to be successful, "Sellers need to beat competing properties with better property condition, realistic pricing, and good marketing."

Another suggestion is to be flexible with creative financing terms such as Agreement of Sale, Seller Carry Back Financing (especially 2nd mortgages), Lease-with-Option-to-Buy, and Sale-with-Lease-Back to Seller. To learn more about alternative financing options drop by your local professional mortgage broker/banker. Benefits include no bank qualifying and low down payments — between 5-10 percent in some cases. This is also an excellent time to be Pre-Approved for a loan so you can shop with confidence. It is important to be aware that short sale and bank owned properties don't qualify for unconventional financing.

Buyers are also urged to take advantage of continued low interest rates and the Newly Extended first time/move-up

homebuyer tax credit, which has incentives that provide options for Buyers who qualify. The Tax Credit program expires on April 30. With Federal Reserve watchers predicting an increase in interest rates next year, loans at current rates may not be available much longer. The FHA may also be winding down its home loan efforts.

Hawaii has performed above the national average in the world of distressed loans. For example, sub prime payoffs on loans made in the seven years between 200-2007 had a payoff rate of 66 percent, with the national average at 57 percent. When it comes to Alt A loans (high risk/good credit loans) issued from 2000-2007, 49 percent have been paid off. Of the 11,099 remaining only 2,986 are in default or foreclosure.

All of this activity takes place on a tropical island that has been chosen by the readers of Conte Nast Traveler as the "Best Island in the World," for an unprecedented 15th time. With a score of 90.1, Maui was also voted the "Best Pacific Island" for the 19th consecutive year. More than 25,000 readers participated in the poll.

Maui is truly beautiful in the spring. It is a time of year that cultures throughout the world have traditionally celebrated as a time of new opportunities and new beginnings. With good inventory, moderating prices, motivated sellers and historically low interest rates, this is an excellent time to explore new opportunities and purchase your dream home on Maui.

*Premiere Mortgage, with offices on Maui and Kaua'i, offers extensive loan options, through both broker and banking services. Tricia Morris may be reached on Maui, in Kihei, at 874-8800, Wailea, at 891-8900, West Maui at 665-8800, on Kaua'i at 808-822-2300, or toll free at (800)-813-7711.*