



Making Families Dreams Come True!

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Homeownership > Wealth Building

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Background of Hawaii Real Estate.

What makes Hawaii real estate unique?

Hawaii is Paradise

- Beautiful weather, diverse cultures, and sandy beaches attracts tourist and people from all over world.
- Tourism is Hawaii's #1 industry.

Hawaii's Military

- Hawaii is headquarters for the U.S. Pacific Command comprising of the Army, Navy, Air force, Marines, and Coast Guard.
- The Military is Hawaii's second largest industry next to tourism.
- Defense related jobs total over 97,000 in Hawaii accounting for 16.5% in Hawaii's total work force.

Geographic Location

- Hawaii is made up of islands with limited land to build residential homes.

The uniqueness of Hawaii positions Hawaii as a desirable location for real estate investment

How can owning real estate in Hawaii build wealth?

Keeps housing costs fixed.

- The monthly mortgage payment does not change except for homeowners insurance premiums and property taxes.
- Rent can change at anytime and will always increase. In 2015, average rent on Oahu increased by \$800 for a four bedroom SFD to \$3700 from \$2900 in 2014.

Pay less taxes.

- For owner occupied residence, the mortgage interest is tax deduction as per IRS code. Unlike rent which is paid to the landlord for their benefit.
- For owner occupied residence you may be able to exclude the gain of the sale of your property. \$250,000 for individual, and \$500,000 for joint filers. Please see a CPA for details.

Home Appreciation

- Your home in Hawaii can be an investment vehicle used to help you plan for your retirement.
- As your home equity * grows it provides you with options to invest in real estate, plan for retirement, or reach the goal paying off your mortgage balance.

*Difference between market value and mortgage loan balance.

Additional benefits.

Homeownership gives you an opportunity to build and grow your family.

You can decorate or expand a house the way you want and create your dream home.

Homeownership provides for a safe community with superior schools and friendly neighbors.

Renting should be temporary.

How Much does Renting Cost You?

If a renter pays \$2,400 per month for 36 month that equals \$86,400 in rent which may have been invested or used to purchase a home.

RENT ACCUMULATION TABLE

TOTAL RENT PAID IN:

Monthly Rent:	1 Year	2 Years	3 Years	5 Years	7 years	10 years	20 years
1000	12000	24000	36000	60000	84000	120000	240000
1200	14400	28800	43200	72000	100800	144000	288000
1400	16800	33600	50400	84000	117600	168000	336000
1600	19200	38400	57600	96000	134400	192000	384000
1800	21600	43200	64800	108000	151200	216000	432000
2000	24000	48000	72000	120000	168000	240000	480000
2200	26400	52800	79200	132000	184800	264000	528000
2400	28800	57600	86400	144000	201600	288000	576000
2600	31200	62400	93600	156000	218400	312000	624000
2800	33600	67200	100800	168000	235200	336000	672000
3000	36000	72000	108000	180000	252000	360000	720000

Homeownership builds wealth in Hawaii.

The chart below shows the annual residential resale on Oahu for single family and condominiums from 2000 to 2014.

For single family there is a cumulative median sales price increase of 228% averaging 15% per year from 2000-2014.

For condominiums Median sales price increase was 280% averaging 18% per year from 2000-2014.

Single Family

Year	Median Sale Price	Percent Change	Average Sale Price	Percent Change
2000	\$295,000	1.70%	\$406,331	7.60%
2001	\$299,900	1.70%	\$375,857	-7.50%
2002	\$335,000	11.70%	\$418,231	11.30%
2003	\$380,000	13.40%	\$479,377	14.60%
2004	\$460,000	21.10%	\$591,354	23.40%
2005	\$590,000	28.30%	\$744,174	25.80%
2006	\$630,000	6.80%	\$778,393	4.60%
2007	\$643,500	2.10%	\$794,183	2.00%
2008	\$624,000	-3.00%	\$792,520	-0.20%
2009	\$575,000	-7.90%	\$684,341	-13.70%
2010	\$592,750	3.10%	\$712,251	4.10%
2011	\$575,000	-3.00%	\$707,402	-0.7%
2012	\$620,000	7.8%	\$754,142	6.6%
2013	\$650,000	4.8%	\$804,933	6.7%
2014	\$675,000	3.8%	\$856,826	6.4%

Condo

Year	Median Sale Price	Percent Change	Average Sale Price	Percent Change
2000	\$125,000	0.00%	\$165,674	5.20%
2001	\$133,000	6.40%	\$168,013	1.40%
2002	\$152,000	14.30%	\$181,933	8.30%
2003	\$175,000	15.10%	\$205,165	12.80%
2004	\$208,500	19.10%	\$251,328	22.50%
2005	\$269,000	29.00%	\$320,003	27.30%
2006	\$310,000	15.20%	\$363,639	13.60%
2007	\$325,000	4.80%	\$381,263	4.80%
2008	\$325,000	0.00%	\$383,418	0.60%
2009	\$302,000	-7.10%	\$346,103	-9.70%
2010	\$305,000	1.00%	\$359,151	3.80%
2011	\$300,000	-1.6%	\$357,881	-0.4%
2012	\$317,500	5.8%	\$374,343	4.6%
2013	\$332,000	4.6%	\$393,396	5.1%
2014	\$350,000	5.4%	\$418,186	6.3%