

HAWAII'S Homes

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Low inventory biggest obstacle

One agent finds a property pool outside of MLS

BY LISA SCOTRAS
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It may appear to the casual observer that not much has changed in the past year on the local real estate front. Home prices are still down. Interest rates are still low.

But for would-be buyers who are watching the hot sheet for new listings on a daily basis, inventory levels are so low that when choice homes in certain Oahu neighborhoods come on the market they are quickly snatched up before a for sale sign is ever planted in the front yard.

"Usually there is more than one buyer who feels like this house is 'the one' when it comes on the market," says Carlin Yamashita, Realtor Associate at Prudential Locations. "Last week, I made two full-price offers with clients, because we have been waiting too long to find the right home and the first day on the market, we were already in competition with other buyers."

Inventory is very low in the \$600,000 to \$800,000 single family market, according to Yamashita. And if you're shopping for an entry level home in town, priced between \$500,000 and \$575,000, there isn't much at all.

"There are a large group of buyers out there right now who would rather buy a house than a condo because they don't want to pay a maintenance fee — that reduces their buying power significantly" he says. "The second most desirable area of real estate on Oahu is Manoa under \$1 million."

So a couple of years ago, Yamashita began thinking outside of the constraints of MLS and tapping into a property pool that isn't available on any broker's Web site.

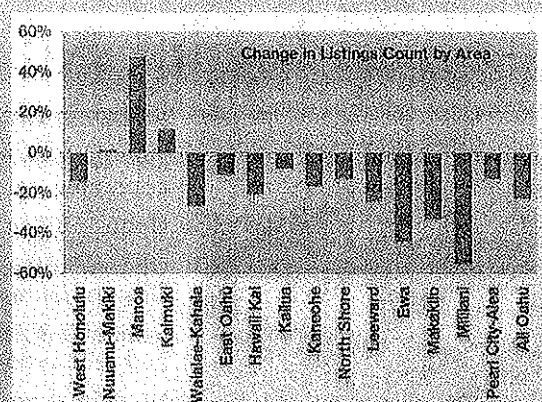
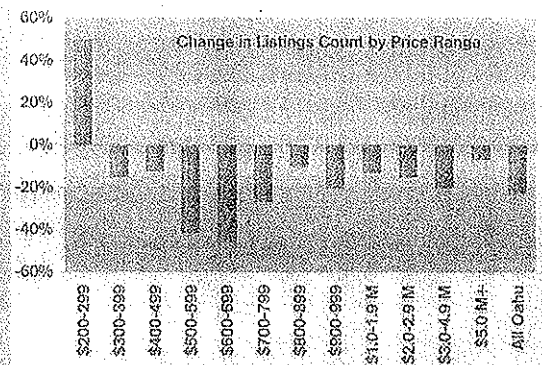
"The biggest challenge I am finding with clients today is finding the right home," he says. "So instead of waiting for something to come on the market, I spend my time searching for a home that meets my client's criteria and then just politely ask the owner if they would consider selling."

Understandably, the approach isn't intended to convince people to sell who are planning to stay put in their home for many years to come. But for those who are thinking about selling their home sometime soon, or maybe haven't put it on the market yet because they're waiting for the market to improve, Yamashita says the strategy does work more often than you might think.

"Right now I have a client in escrow with a suite in a Honolulu condo-

CHANGE IN LISTINGS COUNT ON OAHU

Available single-family inventory on Oahu has dropped since August 2008 in most price ranges and areas — significantly in the \$500,000 to \$699,000 price range.



Source: Prudential Locations LLC

minium," says Yamashita. "Half way through the escrow, he decided that he also wanted the unit next to the suite he was buying. In my database, I remembered having a conversation about selling with the neighbor about two years

ago. So I re-approached the neighbor and we should be in escrow on that unit by the end of the week. It is definitely a win-win all the way around."

Yamashita, credits his sleuth-like abilities to the mentors he has been for-

tunate enough to work under as well as one of the people he admires most, Harv Eker, the author of "The Secrets of the Millionaire Mind."

"The first year I became a Realtor, I read about 60 books," says Yamashita. "This book was by far the best book I read. Eker systematically broke down the psychological blueprints of how wealthy people think in a concise and very entertaining way."

Market conditions have challenged agents to get creative in their approach. Low inventory, which is a positive leading indicator that a rise in prices will follow, may be the biggest obstacle home buyers are facing right now. And Yamashita seems to have broken the code, by doing things backwards — first identifying the dream home and then asking the owner if they'd like to sell.

"If my buyer knows a building they'd be happy living in, I'll send out postcards to all the owners in that building saying that I have a qualified buyer who is interested," says Yamashita. "If a client is looking for vacant land, we pull out the tax map and they can circle land they want and then I call that owner. My clients are ecstatic when I am able to find them a property before it comes on the market and sometimes below fair market value."