



Hawai'i Island \$3m+

LUXURY REAL ESTATE MARKET OVERVIEW, Q2 2023

In Q2 2023, the luxury real estate market on Hawai'i Island demonstrated an increase in both price per square foot and overall luxury inventory.



Hawai'i Island Market Statistics Overview

Residential Sales Above \$3M

There are currently **53** active residential listings above \$3M on Hawai'i Island, an increase of **32.5%** compared to 40 in Q2 2022. As the number of homes available for sale climbs, inventory gets a boost.

There were **11** luxury home sales on Hawai'i Island in Q2 2023, a decrease of **-63.3%** from 30 sales in Q2 2022.

New pending single-family homes put under contract above \$3M were **10**, a decrease of **-37.5%** from the same period in Q2 2022, in which 16 homes were under contract.

For the second quarter of 2023, Hawai'i Island saw a drop in the price of luxury residential properties. The median sold price of single-family homes was \$5M, a decrease of **-11.1%** from the median sold price of \$5.625M during Q2 2022.

For Hawai'i Island's luxury market, the average price per square foot rose from \$1,620 in Q2 2022 to **\$1,697/foot**, an increase of **4.8%** comparing Q2 2022 to Q2 2023.

BEHIND THE NUMBERS

The Big Island of Hawai'i's active inventory for homes and condos reached the lowest point in Q2 of 2022, but has since maintained a steady growth rate. Since August 2022, the Big Island's days on market (DOM) has been trending upwards for all property types. In terms of sales, activity bottomed out at the beginning of 2023, followed by an upward shift in numbers for both homes and condos across the Big Island. Despite the slowest sales period at the start of 2023, we predict a rising sales trend if the upward curve of inventory and DOM holds, assuming mortgage rates drop from their July 2023 peak.

Active Residential Listings

Over the past 12 months, the number of active listings has grown. Luxury inventory has increased by **32.5%** in the last 12 months, while the number of sales has decreased **-63.3%** over the same period.

11 Sold Listings

Q2 residential property sales above \$3M were **11**, **-63.3%** lower than the 30 sales in Q2 the previous year.

\$1,697 Avg Sold Price/SF

Average Sold Price per Square Foot of luxury homes was up **4.8%** from \$1,620 in Q2 2022 to **\$1,697** in Q2 2023.

\$5M

The **Median Sold Price** of luxury homes is down **-11.1%** from \$5.625M in Q2 2022.

+32.5%

Current Inventory of luxury homes is **53**, up **32.5%** from 40 in Q2 2022.

MONTHS OF INVENTORY

Months of inventory for homes above \$3M is **14.5** months, up **262.5%** from 4 months in Q2 2022.

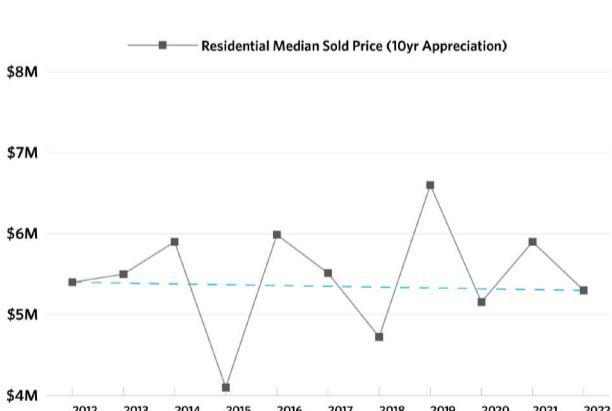
PENDED PROPERTIES

There was a **-37.5%** decrease in pending luxury residential properties in Q2 2023, with **10** properties versus 16 in Q2 2022.

159 Days On Market

Luxury homes stayed on the market for an average of **159** days in Q2 2023, up **148.4%** from 64 days in Q2 2022.

Hawai'i Island's 10-Year Residential Real Estate Appreciation



Over the past decade, Hawai'i Island saw fluctuations in sold listings, inching up and dipping subtly. In 2021, the pandemic's impact on the luxury real estate market was apparent in the dramatic spike in sold listings, with a 103.3% increase from 2020 to 2021, as compared to a 31.8% from 2012 to 2013.

The sale-to-list ratio Measuring the difference between the final purchase price and the original asking price of a luxury property, the sale-to-list difference was 96% in 2021 and landed at 94% in 2022, alerting sellers to a 4% negotiation rate. In 2020, days on market to bumped up 38% before dipping -38.8% in 2021. This underscores the importance of looking beyond the anomaly of the pandemic surge, and reaffirms the island's strong and resilient market performance.

LOOKING FORWARD

When looking at the direction Hawai'i Island's market is heading, it's important to consider that the real estate market became more volatile once the pandemic ended and interest rates started rising. With too few properties available for sale, there was an inconsistency in the types of properties being traded month over month, which resulted in fluctuations in the valuation of Hawai'i Island's real estate. Looking ahead, we anticipate a new and higher floor. Additionally, we wouldn't be surprised to see the bid to ask may come down a few points, resulting in a sale-to-list ratio of 90% for the Big Island.

Do you have questions about this report? I'm here to help. Contact me and let's discuss it together.



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