



Kaua'i \$3m+

LUXURY REAL ESTATE MARKET OVERVIEW, Q2 2023

During Q2 2023, the luxury real estate market on Kaua'i experienced a boost, despite a slowdown in sales. This takes place within a larger, 10-year trend of a 10.2% increase in sale prices.



Kaua'i Market Statistics Overview

Residential Sales Above \$3M

There are currently **48** active residential listings above \$3M on Kaua'i, an increase of **23.1%** compared to 39 in Q2 2022. Inventory continues its ascent as number of single-family homes for sale continues to increase.

There were **11** luxury home sales on Kaua'i in Q2 2023, a decrease of **-52.2%** over 23 sales in Q2 2022.

New pending single-family homes above \$3M were **8**, a decrease of **-55.6%** over the same period in Q2 2022, in which 18 homes were under contract.

For the second quarter of 2023, Kaua'i saw a decrease in the median price of luxury residential properties. The median sold price of single-family homes above \$3M was **\$3.3M**, a decrease of **-33%** over the median sold price of \$4.925M during Q2 2022.

For Kaua'i's luxury market, the average price per square foot fell from \$2,177 in Q2 2022 to **\$1,582/foot**, a decrease of **-27.3%** comparing Q2 2022 to Q2 2023.

When analyzing data for properties sold on Kaua'i in Q2, it's important to consider that the size of the data sets may make the numbers look either larger or smaller than they actually are.

BEHIND THE NUMBERS

Kauai's active inventory for luxury homes and condos reached the lowest point in April 2022, but has been steadily, albeit slowing, rising since then. Since August 2022, the island's days on market (DOM) has witnessed a consistent upward trend for all property types. In terms of sales, the peak of inactivity for most markets occurred at the dawn of 2023, followed by an upward trend in sales figures for homes and condos since January. Given the current trends, we anticipate a boost in sales activity on Kauai if the growth in inventory and DOM continue, especially if mortgage rates descend from their July 2023 peak.

Active Residential Listings

Luxury inventory has grown by **23.1%** in the last 12 months, while the number of sales has decreased **-52.2%** over the same period.

11 Sold Listings

Q2 residential property sales above \$3M were **11**, **-52.2%** lower than the 23 sales in Q2 the previous year.

\$1,582 Avg Sold Price/SF

The Average Sold Price per Square Foot of luxury homes was down **-27.3%**, from \$2,177 in Q2 2022 to **\$1,582** in Q2 2023.

\$3.3M

The **Median Sold Price** of luxury homes is down **-33%** from \$4.925M in Q2 2022.

+23.1%

Current Inventory of luxury homes is **48**, up **23.1%** from 39 in Q2 2022.

MONTHS OF INVENTORY

Months of inventory for homes above \$3M is **13.1 months**, up **156.9%** from 5.1 months in Q2 2022.

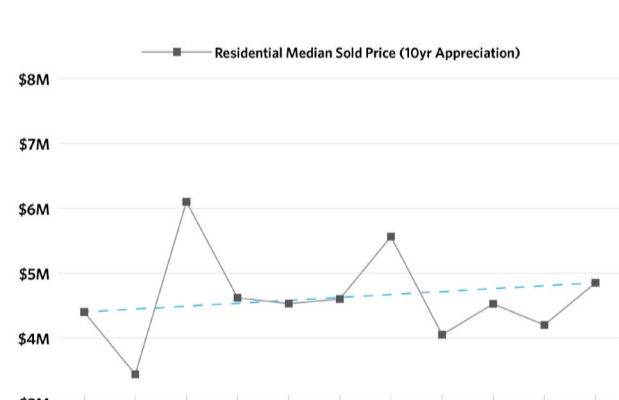
PENDED PROPERTIES

There was a **-55.6%** decrease in pending luxury properties in Q2 2023, with **8** properties versus 18 in Q2 2022.

220 Days On Market

Luxury homes stayed on the market for an average of **220 days** in Q2 2023, up **136.6%** from 93 days in Q2 2022.

Kaua'i's 10-Year Residential Real Estate Appreciation



10 YEAR MEDIAN HOME VALUE

Kauai experienced fluctuations in sold listings, as evident in a gentle rise and fall over the past decade. The pandemic's impact on the island's luxury real estate market, however, was apparent in the significant peak in sold listings in 2021, with 196.7% more sold listings by year end as compared to the same period in 2020 (Interestingly, 2015 saw 200% more sold listings than previous year). Kauai's negotiation rate held the same implications for buyers in 2019 as it did in 2022: At a 95% sold-to-list ratio, buyers could offer 90% and expect to pay about 95% of the listing price. Looking at the past decade, the real estate market on Kaua'i has exhibited appreciation in value, surpassing the surge in value witnessed during the pandemic and signifying the resilience of the market.

LOOKING FORWARD

When looking at how property values have changed over the last 10 years, 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 houses and 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 Kaua'i's luxury real estate. What's more, sold listings spiked a dramatic 196.7% by year-end 2021 and is coming down slowly, with a drop of only -18% by year-end 2022. It's unclear whether the market will settle... and in actuality, it already may have settled. As such, looking solely at this period for statistical analysis may not provide the most accurate picture of Kaua'i's real estate market trajectory.

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



Denise Drake

REALTOR(S), RS-63728

808.780.4259

DeniseDrake@HawaiiLife.com

HawaiiLife.com



HAWAII LIFE

