



# Ricky Cassidy

Real Estate Market Consultant

# Introduction to Ricky Cassiday

- ▶ Real Estate Market Consultant
- ▶ Analyzes real estate market trends
- ▶ Producing feasibility and long-range planning studies for private and public entities in Hawaii, Asia, and the Pacific

# Kauai Housing Market Trends

- ▶ 2019-20 new single family units average price over \$1.2 million, resale \$800,000
- ▶ 2019-20 new condo units average price over \$1 million, resale \$550,000
- ▶ Average Kauai 2 BR unit sales price and rental rate

Year	Sales Price	Rental Rate
2019	\$579,097	\$1,598
2020	\$560,899	\$1,608

- ▶ 2019 Less than 200 single family building permits issued, no condo building permits issued

# Kauai Housing Demand

- ▶ Kauai de facto population to grow to 78,045 by 2925 and 81,218 by 2030
- ▶ DBEDT reports show pent up demand of over 1,432 households

Year	Population	Households created	Housing Production	Need vs production	Cumulative need
2018	72,741	198	190	-8	-1,443
2019	73,330	200	199	-1	-1,444
2020 est	73,920	201	180	-21	-1,465

- ▶ East Kauai Overcrowding

Households doubling up	975
More than 2 per bedroom	848
Total	1,723

# Affordable Housing

- ▶ 769 total units
- ▶ 20% (154 Homes) Will Comply with County Affordable Requirements
  - ▶ 6% (46) of Units = up to 80% of HUD Annual Median Income
  - ▶ 8% (62) of Units = 81% - 100% of HUD AMI
  - ▶ 6% (46) of Units = 101% - 120% of HUD AMI
  - ▶ Additional 10% (72 Homes) will also be sold at affordable prices
  - ▶ 3% (21) of Units = 101% - 120% of HUD AMI
  - ▶ 7% (56) of Units = 121% - 140% of HUD AMI
- ▶ GAP Priced Homes will also be provided

# Affordable Housing

## PROJECT AFFORDABLE SUPPLY VS. POTENTIAL DEMAND, BY AMI

AMI	Requirement	1 person	2 person	3 person
80%	46	546	486	358
100%	62	325	351	471
120%	67	389	359	363
140%	56	417	442	317

## HOKUA PRODUCT SALES PRICE PROJECTION

Housing Produced	Total Units	Retail Price Per Unit	Home Site Only Prices
A House Lot Package, Large Lots (10,000 sf)	36	\$750,000-\$1,250,000	\$225,000-\$250,000
A House Lot Package, Medium Lots (7,500 sf)	50	\$650,000-\$850,000	\$200,000-\$235,000
Multi-Family Dwellings (4 Plex, 8 DU/Ac)	452	\$350,000-\$425,000	
Affordable Housing Dwellings (12 DU/Ac)	231	\$225,000-\$325,000	

## HOKUA PRODUCT CLOSING PROJECTION

Product	2025	2026	2027	2028	2029	2030	2031	2032	Totals
Large Lot Homes	7	6	7	8	8				36
Medium Lot Homes	8	8	9	9	9	7			50
Multi-Family Market Units	30	40	50	60	65	70	70	67	452
Multi-Family Affordables	40	45	50	50	46				231
<b>Totals</b>	<b>85</b>	<b>99</b>	<b>116</b>	<b>127</b>	<b>128</b>	<b>77</b>	<b>70</b>	<b>67</b>	<b>769</b>

# Economic Benefits to Kauai

- ▶ Expenditures for development and construction of the Project infrastructure and homes would exceed \$300 million. Multiplier effect would produce economic and employment benefits on Kauai.

Costs	Construction Period	Occupancy (annual)
Construction Costs	\$301,336,400	\$317,343
Increased economic output multiplier x 2.12	\$638,833,168	\$672,767
Direct jobs created	4,651	40
Construction jobs created	1,736	14.9
Construction wages	\$137,201,999	\$762,751
State tax multiplier x 0.12	\$36,160,368	\$38,081
Private sector earnings multiplier x 2.02	\$277,148,039	\$1,540,757
Earnings multiplier x 0.61	\$183,815,204	\$193,579



# Economic Benefits to Kauai

## ► Conveyance Tax Revenue

	Multi-family	Single family	Total
Gross Sales	\$82,000,000	\$296,066,300	
Est tax (0.1%)	\$82,600	\$29,6066	\$378,666

## ► State income and general excise tax revenue for the construction and post -construction periods

Revenues	Construction Period	Occupancy (annual)
Income and GE Tax	\$36,160,368	\$38,081
Conveyance tax	\$378,666	
Net tax benefit to State	\$36,539,034	\$38,081

## ► Annual property tax revenue following completion of build-out

	Owner-occupant	Investor	Total
Multi-family units	\$999,591	\$379,735	\$1,379,325
Single family units	\$293,189	\$200,421	\$493,610
Total	\$1,292,780	\$580,155	\$1,872,935