

I send out an e-mail update near the beginning of each month. I add to the e-mail net those people that have recently provided us their e-mail address. If you want to be removed from my e-mail net, merely hit reply and send me an e-mail stating that.

Oahu has just about returned to normal following our 43 days of rain with the exception of the Ala Wai Canal area where 48 million gallons of raw sewage were dumped. Local experts state that similar heavy rains last occurred 55 years ago. For six weeks, the weather systems that normally spin and flow around the globe became locked in a global traffic jam that kept them in place across the Northern Hemisphere. Called "blocking" such gridlock is not uncommon, usually occurring once or twice a year causing weather systems to overstay their welcome for a week to ten days before they start moving again. However, this blocking persisted for an almost unheard of six weeks. We were not the only area affected by the blocking; e.g., California also had heavy rains, flooding occurred in Central Europe, and Texas sweltered under a hot spell. In Hawaii, the two islands hardest hit were the northwest islands in the chain: Kauai and Oahu.

Following are rainfall in inches on Oahu in March compared to the average March in parentheses: Honolulu Airport 16.98 (1.90); Waianae 15.22 (2.50); Mililani 20.88 (4.90); Waimanalo 24.35 (3.60); Kaneohe 16.59 (3.70); and Punaluu 40.31 (9.10). . Punaluu and Waimanalo had their wettest March ever with Punaluu at 40.31 inches compared to 35.21 inches in 1920 and Waimanalo at 24.35 inches compared to 19.43 inches in 1963. During the 43-day period, 111 flash-flood warnings were issued indicating that flooding had already occurred or would begin within the hour; in addition, there were 88 special marine warnings. Only six percent of the damaged homes on Oahu had flood insurance under the National Flood Insurance Program. A special 12-page report was included in the Sunday, April 16th issue of the Star Bulletin titled; "Listen to the Rain, 43 Days: Downpours, Death, Destruction." It is available in a PDF format (5 MB) for downloading at: <http://starbulletin.com/2006/04/16/special/story01.html>

The record-setting median (mid-way) sales price for houses in March of \$650,000 appears to be an aberrant. In my last e-mail, I stated that other sales data for Oahu did not support such a high price. Listed below are the median sales prices for both houses and condos (high-rises & townhouses) over the past year. Houses are stabilizing at around \$615,000. If the unusually high \$650,000 figure in March is not included, the average (mean) over the other 11 months is \$614,209. Condos may have just started stabilizing over the past few months. This is normal as historically, houses lead condos in both up and down markets.

Month	Houses	Condos
May	\$610,000	\$265,000
Jun	\$593,300	\$264,000
Jul	\$599,000	\$270,000
Aug	\$625,000	\$282,000
Sep	\$615,000	\$287,000
Oct	\$620,000	\$290,000

Nov \$640,500 \$305,000
Dec \$610,000 \$305,000
Jan \$615,000 \$295,000
Feb \$613,500 \$315,000
Mar \$650,000 \$312,000
Apr \$615,000 \$296,500

On to other matters . . . Charles Memminger wrote in his "Honolulu Lite" column in the April 20th issues of the "Honolulu Star Bulletin: "Ed Case must live a charmed life. He's running for the U.S. Senate against all-around nice guy Dan Akaka but had to feel like his hands were tied because he couldn't really come down hard on one of Hawaii's favorite sons. We all know Akaka isn't the most exciting guy in the world, but anyone running against him would have to show him respect or face the wrath of voters, So how do you rough up such a revered opponent in a political campaign? Well, if you're Ed Case you sit back and let a major national news magazine do it."

The April 24th Issue of "Time" called Daniel Akaka, one of America's five worst Senators. Calling Akaka one of five "who don't make a difference in the U.S. Senate, " Time said his work product was "innocuous" and "unambitious." It went on to say: "By all accounts, Daniel Akaka is an affectionate and earnest man. As a legislator, though, Akaka is living proof that experience does not necessarily yield expertise. After 16 years on the job, the junior Senator from Hawaii is a master of the minor resolution and the bill that dies in committee" . . . Akaka's seniority has placed him in positions of potential influence. At 81 he is the ranking Democrat on the Veterans' Affairs Committee and sits on four other committees that control such valuable political real estate as the armed services and homeland security . . . " in 2003-04 (according to the magazine) he sponsored 29 unambitious bills, few of which emerged from committee, The three that did become law accomplished relatively unimportant things like the naming of a post office.

Hawaii's largest residential hurricane insurer (70,000 Hawaii policies) has said that it will quit selling policies for many older homes in Hawaii. According to Zephyr Insurance Inc, new guidelines the following properties are no longer acceptable: (1) All single-wall construction homes. (2) Homes built before 1981 unless they have been retrofitted with hurricane clips to meet 1993 or 1994 building codes. (3) All homes in flood zones without proof of flood insurance, And (4), all homes within 2,500 feet from the ocean without proof of flood insurance. The change in underwriting criteria will not affect existing policies, however, it could impact upon buyers who need hurricane insurance in order to get a mortgage. Fortunately, other hurricane insurance companies such as State Farm are not currently following suit. One proposal now being studied by local politico's is to re-implement the Hurricane Relief Fund.

A Florida development firm has bought beachfront property at Ko Olina Resort & Marina to develop a luxury condominium that it hopes to brand with the Donald Trump name. Miami-based Crescent Heights said it plans to develop a

16-story condotel later this year with 400-500 units fronting Lagoon #3 next to the Marriott Ko Olina Beach Club time-share. A condotel operates as a hotel with units sold to individual investors who have an option to include their units in the on-site hotel management operation. It is anticipated that studio, one-bedroom and two-bedroom units will be sold. No pricing information is available at this time. Construction is projected to be completed in 2008. We have yet to receive any promotional information concerning either this project or the Trump luxury hotel scheduled for Saratoga Road in Waikiki next to the Waikiki Beach Walk redevelopment by Outrigger Enterprises. If you are interested in either of these projects, we recommend that you contact us so we can get applicable promotional information to you as soon as it is released. The information for this paragraph was from an article in the Business Section of the April 6 2006 Honolulu Advertiser. The entire article is available at:
<http://the.honoluluadvertiser.com/article/2006/Apr/06/bz/FP604060320.html>

More jobs could be coming to Kapolei as Campbell Estate plans to build a new industrial park on a 332-acre parcel near Kalaeloa (Barbers Point) Harbor that was formerly used for agriculture. Development of the new park to be called the Kapolei Harborside Center should begin in 2008 or 2009. It will be about one-fourth the size of nearby Campbell Industrial Park where 4,600 people now work. The Kapolei Harborside Center should increase the usefulness of Kalaeloa Harbor that may eventually be upgraded to handle container ships thereby providing relief to overcrowded Honolulu Harbor. This will be one of the final steps in solidifying Kapolei as Oahu's second city as originally planned in the 1970's.

Warmest Aloha,

George Stott

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