

## CHAD TAKESUE DIRECT TESTIMONY

**Q Please state your name, place of employment, and position.**

A Chad Takesue, Senior Vice President of Sales at Locations.

**Q How long have you been in this position?**

A I have been affiliated with the firm for 13 years, first as a Realtor, and then as a Partner.

**Q Please describe your educational background and experience.**

A Please see my resume, attached as **Exhibit N-1**.

**Q Please describe your firm's experience.**

A Locations was founded nearly 50 years ago in Hawaii and is a full-service real estate firm, providing clients with real estate brokerage, property management, and research. We are the largest locally-owned real estate company in Hawaii, representing and closing more transactions than any other firm in the State. We have extensive knowledge of the supply and demand of residential units in the Honolulu urban core.

**Q What has your firm been retained to do for this Project?**

A Howard Hughes Corporation (HHC) requested that we provide our opinion on the housing market as it relates to Kakaako and the Honolulu urban core.

**Q Please describe your market analysis and conclusions.**

A In the resale market, condominium sales in the Honolulu urban core are steady across the entire price spectrum. This is even stronger for condos in the Ala Moana-Kakaako area. The market for units under \$1,000,000 continues to be strong even with the increased number of listings. One of the industry's measures of market strength – months of remaining inventory (MRI) – remains steady at under 6 months, meaning we are in a seller's market.

In addition, days on market in the Ala Moana-Kakaako area has continuously been decreasing and sold to list price is increasing as are bid-ups. All of these signs point to a strong condo market, supporting the need for additional inventory.

With new developments planned in the urban core, we estimate that approximately over 3,000 units have come to market. The sales of new construction units has not impaired sales in the resale market. Indeed, the resale market conditions suggest that even with the new construction sales, absorption and demand trends (including MRI)

# EXHIBIT N

indicate that consumer demand is currently greater than the supply of inventory available, most specifically in more moderately priced units.

Our experience in the Kakaako area, in Ward Village, and in the Ala Moana area in general indicates that demand for new units (including affordable or reserved housing units) remains strong, running at a ratio of approximately 3 to 1, meaning there are approximately 3 buyers for each unit coming to market. These numbers confirm that current market conditions (including historically low inventory and historically low interest rates) have brought a significant number of eligible buyers to the market, with insufficient inventory to meet the demand.

**Q Do you believe that the commencement of construction and completion of additional residential units, retail options and other amenities in Kakaako and Ward Village has had an effect on the demand for new units in this area?**

A Yes. Our opinion is that Howard Hughes is successfully executing the Ward Master Plan to create a vibrant community within the Ward/Kakaako area. This is evidenced by the fact that besides new residential development, vibrant and important commercial and retail tenancy is taking shape, and the development of the Central Plaza is furthering the vision of a highly livable and desired community to live in. Potential buyers are now seeing significant and tangible aspects of Ward Village taking shape and can now better envision how Ward Village will fulfill the live, work and play concept. We believe that reaching this “critical mass” at Ward Village has helped to drive the increased demand that we’ve seen for residential units in Kakaako and the Honolulu urban core.

There have been concerns expressed regarding the over saturation of condominium inventory on Oahu, and specifically in this area. We do not feel that this is the case. Based on market analysis, all signs point to a strong continued demand for condominium units in the Kakaako area, including units that are moderately priced. With sales moving in an upward trend, coupled with the aforementioned market factors and indicators, we anticipate continued strong demand for sales in Ward Village.

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