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## Another Honolulu apartment building going condo

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Another Honolulu rental apartment building is headed for conversion to moderate-priced condominiums as part of a trend that continues amid O'ahu's cooling but stable housing market.

The owner of the Piikoi Terrace, a 36-unit complex at 1314 Pi'ikoi St., has begun selling the property's two-bedroom units for \$303,900 to \$349,900.

The seven-story building is the latest of several such conversions, typically initiated by developers seeking to capitalize on the rise in housing prices over the last several years by buying rental buildings and selling them by the unit as condos either in existing condition or following renovation.

In the case of Piikoi Terrace, the family of the building's developer is converting the property for sale without renovation.

Piikoi Terrace was built in 1969 by Sum Chong, a Chinese immigrant and local businessman who tore down his house on the site to put up the apartment building. Chong lived on the property until he died in 1987.

Earlier this year, Chong family members listed the property for sale at \$11.35 million, or \$315,278 per unit on average, through CB Richard Ellis. But a sale did not result.

David Chong, great-grandson of Sum Chong, said family members decided to pursue conversion after a developer expressed interest in buying the building last year.

"It was clear someone was going to convert it," he said.

In the previous three years, some 5,000 rental apartments in Hawai'i have been converted for sale as condos, according to Hawai'i Real Estate Commission data.

That compares with 5,600 converted during the preceding nine years.

Among more recent condo sales of former apartment buildings are the Iolani Regent, Pacificana Apartments, Makini and 901 Prospect.

Such conversions have added to the inventory of low- to mid-priced condos in urban Honolulu, but also have reduced inventory of affordable rentals.

At Piikoi Terrace, renters were provided incentives and the first option to purchase their units, resulting in six tenants committing to purchases.

Most of the other units have been vacated.

The units, averaging about 720 square feet excluding lanai space, are being sold as is, according to the project's condo report



The Piikoi Terrace, a 36-unit apartment complex at 1314 Pi'ikoi St., will be converted to a condominium. The seven-story building will not be renovated — the 36 units will be offered "as is."

Photo courtesy Abe Lee Realty

filed with the state.

The estimated monthly maintenance fee is \$237 per unit. The developer is establishing a maintenance reserve fund of about \$200,000.

Handling sales is Abe Lee Realty, a firm that has been involved in several condo conversion projects.

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