

Article URL: <http://starbulletin.com/2006/08/18/business/story02.html>  
© 1996-2007 The Honolulu Star-Bulletin | [www.starbulletin.com](http://www.starbulletin.com)



# \$1 million auction of Colony Surf condo a risky move

**Several recent attempts to sell Hawaii homes by auction did not match expectations**

By **Nina Wu**  
[nwu@starbulletin.com](mailto:nwu@starbulletin.com)

In a daring but creative real estate maneuver, **Abe Lee Realty** is auctioning off a unit in the Colony Surf condominium in Waikiki.

The starting threshold for the 900-square-foot, fee simple condominium with an ocean view is \$1 million. The auction will take place next Saturday.

Proceeds from the sale will go to charity, according to the wishes of late Star-Bulletin food editor Harriett Jean "Rusty" Thomas. Thomas died in 2004, and had lived in the condominium with late husband, Ernest Thomas, since 1961. He died in February 2003.

Kelly McArthur, trustee for the property, said that since she had been approached by several interested buyers, she decided an auction would be the fairest way to sell it.

She chose Abe Lee among various real estate agents to carry out the task.

"We're making it as simple as possible," said Lee, who will serve as auctioneer. "Obviously, we don't know what kind of response we're going to get. But there's no negatives. We'll try it this way and if it doesn't sell, then we just go back to the normal way of selling it."

More than 20 potential buyers have previewed the Colony Surf condo, according to Lee. Buyers must be prequalified for the \$1 million purchase price to register, and the auction is by invitation only. Closing on the sale must occur within 30 to 45 days.

He said a mainland buyer already has made an offer for the property, and bought a plane ticket to Hawaii for the auction.

But auctions have not been a popular format for home buyers in Hawaii, and several recent attempts did not meet expectations.

The most recent example is the November auction of four homes in Kailua by builder Steve Funke of **Kailua Construction**.

Developers spent a sizeable sum on marketing, used a reputable mainland auction firm, and even held a pre-auction fundraiser featuring singer Roberta Flack.

But in the end, bidders did not offer the minimum prices for the estates. Funke himself stepped forward with a bid of \$14.6 million for his Balinese Estate.

Since then, the other three estates have gone back to traditional marketing. They are still on the market.

Noble Turner of **Noble Turner Realty International** said he probably won't try selling a home by auction in Hawaii any time soon.

Last July, Turner put a Portlock home up for auction, starting at \$1.7 million.

"It didn't work," he said. "We had incredible advertising. On the day of the auction, 60 people showed up, but nobody brought a check. We didn't have one serious buyer. I just don't think Hawaii is quite ready for auctions."

Anne Oliver, a Realtor at Coldwell Banker Pacific Properties, says while home auctions may have caught on in the mainland, they haven't worked well in Hawaii.

"In the few that I've gone to, people that really want to buy tend to sit back and wait, and you don't generate the fuel for that bidding war you're attempting with the auction," Oliver said.

But T.J. Malievsky, an agent at **Gold Coast Real Estate Inc.** who helped jumpstart Gold Coast Auction Co. in February, said he believes there's potential for the selling method in Hawaii. "It's well-known on the mainland, and just coming to Hawaii," he said. "It's a way to move properties quickly, and you can get everyone at the same selling point and price point in one day."

Article URL: <http://starbulletin.com/2006/08/18/business/story02.html>  
© 1996-2007 The Honolulu Star-Bulletin | [www.starbulletin.com](http://www.starbulletin.com)