

# Explore all sales options before you sign

You don't know what you have until it's gone.

That may be true for thousands of Oahu property sellers who didn't explore all options before signing the dotted line. With today's demand for housing, some landowners aren't utilizing the available options given to them under state law.



**Abraham  
W.H.  
"Abe" Lee**

◆  
In My  
Opinion

Take the issue of land zoned for two or more homes. These properties are almost always sold as a single unit to a single buyer or investor. How does this hurt the seller? The average single-family home costs \$450,000, according to the Honolulu Board of Realtors. Wouldn't you expect that two homes on the same lot would be worth twice that? And three homes triple that?

Think again. Multi-home lots bring in far below their fair market value when sold as a single unit. Homeowners who do not legally split the property via subdivision or condominium conversion cannot expect to receive those higher prices.

I am continually amazed at the number of sellers who miss out on the flexibility and higher income potential afforded them through today's condominium laws. Say the word condominium and people immediately think of a cement high-rise building. Not so. Condo projects do not pertain to the buildings or structures themselves. They are simply a form of real property ownership.



FILE PHOTO ◆ PBN

Some owners of single-family homes could benefit from condominium laws.

Condo projects allow for separate, individualized ownership of two or more units, and have nothing to do with increased density or zoning issues.

Separating ownership of each unit allows owners several options:

- 1) sell each home separately;
- 2) live in one home and sell the other; or
- 3) live in one home and gift the other to children.

It also allows owners another benefit — to issue individual mortgages on each unit so each owner/occupant is responsible for his or her share. This protects the whole property from a foreclosure or lawsuit, and limits liability to the responsible party.

"Condominiumizing" works the same way with apartment buildings and is a more common practice, giving owners several options:

- 1) continue renting the units;
- 2) gift individual units to children; or
- 3) sell the units individually.

Having condominiumized nearly 80 properties here in Hawaii, I've watched this process free up property owners to make maximum use of their land, get higher

returns on their properties, and pave the way for easy distribution to children.

But not every multidwelling property is right for condominiumizing. Current ohana rules do not meet zoning regulations, and you must be careful that all zoning requirements are met. There must be adequate infrastructure, and if one of the units is currently occupied by a tenant, the tenant must be given first right of refusal to purchase the property.

Most importantly, it is essential to work with highly trained professionals who fully understand this process or you might waste precious time chasing permits and approvals. My advice is to invest a reasonable amount of time exploring this option prior to selling your property. I assure you, it will be well worth your time.

**Abraham W.H. "Abe" Lee**, principal broker of Abe Lee Realty, has been a licensed real estate agent since 1974 and a licensed broker since 1980. He can be reached at [abelee@hawaii.rr.com](mailto:abelee@hawaii.rr.com) or at (808) 942-4472 ext. 206.



# Under-Utilized Law Means Missed Opportunities

Abraham W.H. "Abe" Lee

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Condominiumizing works the same way with apartment buildings, and is a more common practice, giving owners several options:

1. Continue renting the units;
2. Gift individual units to children;
3. Sell the units individually.

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Abraham W.H. "Abe" Lee, Principal Broker of Abe Lee Realty, has been a licensed real estate agent since 1974 and a licensed broker since 1980. He has served on the City Affairs Committee for the Honolulu Board of Realtors as Co-Chair and Treasurer. For free tips, or to see current condo projects, click on [www.abeleerealty.com](http://www.abeleerealty.com) , e-mail [abele@hawaii.rr.com](mailto:abele@hawaii.rr.com), or call 942-4472 ext. 206.