

Pacific Business News (Honolulu) - October 17, 2005

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State tightens real estate licensing requirements

Pacific Business News (Honolulu) - October 14, 2005 by [Nina Wu](#) Pacific Business News

The state is tightening its licensing requirements for real estate salespeople at a time when the business is becoming increasingly crowded.

In an effort to tighten industry standards, the **Hawaii Real Estate Commission** is increasing the hours it takes to get a license.

To become a real estate salesperson, the commission plans to require 60 hours rather than 45 hours of course work starting in January.

Already in effect since last January is the requirement that candidates applying for a broker's license take 80 hours of course work rather than 46 hours, in addition to having three years of full-time sales experience.

"Hawaii's still behind in the national effort," said Calvin Kimura, supervising executive officer of the state's real estate branch. "The commission and industry have been trying to increase education for real estate licensees and applicants for many years."

Nationally, he said, Hawaii's requirements are still on the low end, given that some states require up to 100 hours of course work.

In addition, the commission is trying to add more depth to the curriculum so it will offer more on ethics, fair housing practices and disclosure laws.

Tougher requirements and higher costs might deter newcomers from getting a license just to be part-time dabblers.

Firms like Prudential Locations and Coldwell Banker Pacific Properties are strict about taking only people who want to be full-time professionals.

Competition fierce

Competition already is fierce as more real estate agents chase after buyers vying for few choice listings.

The climate for anyone entering the market these days is rougher than ever, according to Jim Wright, president and principal broker of Century 21 All Islands.

The firm recruited more than 300 new agents this year, but he estimates only 10 percent to 15 percent of new agents will still be in the business five years from now.

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"We have a high fallout ratio," he said. "A lot of people think it'll be easy and fun, but the reality is you work 60 hours or more a week. It puts a lot of pressure even on a talented person."

Abe Lee, principal broker of Abe Lee Realty, is seeing the popularity of his training seminars -- which he teaches six times a year -- take off.

"We fill up about two to three weeks in advance of the class date," said Lee, a teacher for more than 20 years. "When the market gets good, everyone wants to be a real estate agent."

Lee's students range from doctors and dentists who want to dabble in real estate to those seeking a career change. Many new students are coming from bankrupt airlines.

John Connelley, vice president and instructor for the pre-licensing courses at Coldwell Banker Pacific Properties, said he's seeing younger people -- some who are still in college -- enter the market.

"We're seeing more young people come in with a high energy level," he said, "and they bring great computer skills."

The new requirements mean more hours of teaching for Abe Lee, who says his four-week course will likely become a six-week course.

He expects to raise seminar fees from about \$300 to somewhere between \$400 and \$425.

"I think it's going to help the agent become better prepared," Lee said. "Even with the passing of the school and state exams, they're still rookies, and the training period will last for a couple of years."

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