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Kailuan residents on borrowed time

As the ground lease expires, remaining residents are weighing their options

By Allison Schaefers

<mailto:aschaefers@starbulletin.com?subject=http://starbulletin.com/2008/01/01/>

The ground lease at the Kailuan expired last night, but at least some shareholders at the leasehold cooperative said they intend to remain in their homes despite being given notice to leave.

Talks broke down Dec. 19 between unit owners at the Kailuan and landowner **Kaneohe Ranch**, who declined to accept a multi-million offer from residents who wanted to buy the fee. Now, shareholders legally must surrender their leasehold properties or face eviction.

While it's unclear how many Kailuan residents are left, several of them have said that they are staying, in the hope that Michael Pang, president and principal broker of **Monarch Properties Inc.**, will be able to get Kaneohe Ranch to reopen negotiations. Others have remained because they don't know where to go or are evaluating legal options.

"We plan to stay for the moment," said Dragoslav Saban, whose family owns five of the building's 18 units. "We still hope that our representative will be able to arrange something."

Landowner Kaneohe Ranch said yesterday that it has begun taking legal steps to finalize the recovery of the property. The take-back of the property by Kaneohe Ranch will be the first of its kind in modern times.

"It is unfortunate that the remaining occupants have chosen instead to breach their contractual agreement despite the fact that they had years to prepare for their transition," said Mitch D'Olier, chief executive officer of Kaneohe Ranch.

In the meantime, Kaneohe Ranch has hired area realtors and charities to assist their former lessees.

"It is our sincere hope that all remaining occupants of the Kailuan will reconsider their position and act swiftly to also seek our assistance to relocate," D'Olier said.

Sara Way, a disabled leasehold owner who has lived at the Kailuan since 1995, is among the residents that Kaneohe Ranch has offered to help.

"I sure hope they can help me, because otherwise I just don't know what I'm going to do," Way said, adding that she needs an affordable place big enough for a caretaker and three cats.

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