

Kamehameha condo lease price cuts possible

**Kamehameha Schools' new investment plan could drop
the asking price on 5,000 leases**

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After unsuccessfully trying to sell off its remaining 5,000 leasehold condominiums for several years, Kamehameha Schools is looking at lowering the prices.

"I think we're in the process of trying to ... resolve the residential leasehold situation by selling the residential leasehold," interim trustee and lawyer Ronald Libkuman told the Star-Bulletin yesterday.

Kamehameha Schools, formerly known as Kamehameha Schools/Bishop Estate, began offering its 13,000 leases on condominium properties to buyers in 1992, but sales stalled for about 5,000 remaining units when the real estate market crashed, said spokesman Kekoa Paulsen.

Real estate agents say the only way the estate can sell its leasehold interest is to lower the prices to appease buyers.

"It's simply a matter that their asking prices are two to four times what they're worth," said Mike Sklarz, research director of local real estate company Prudential Locations Inc.

Sklarz noted prices vary with the locations of the estate's residential properties, which include Kailua, Pearlridge and Hawaii Kai.

In leasehold properties, homeowners lease the land under their home or condo from a landowner, as opposed to fee-simple properties where homeowners have control of both the home and the land. Kamehameha Schools has been heavily criticized by many lessees who say the estate's asking prices have been too high.