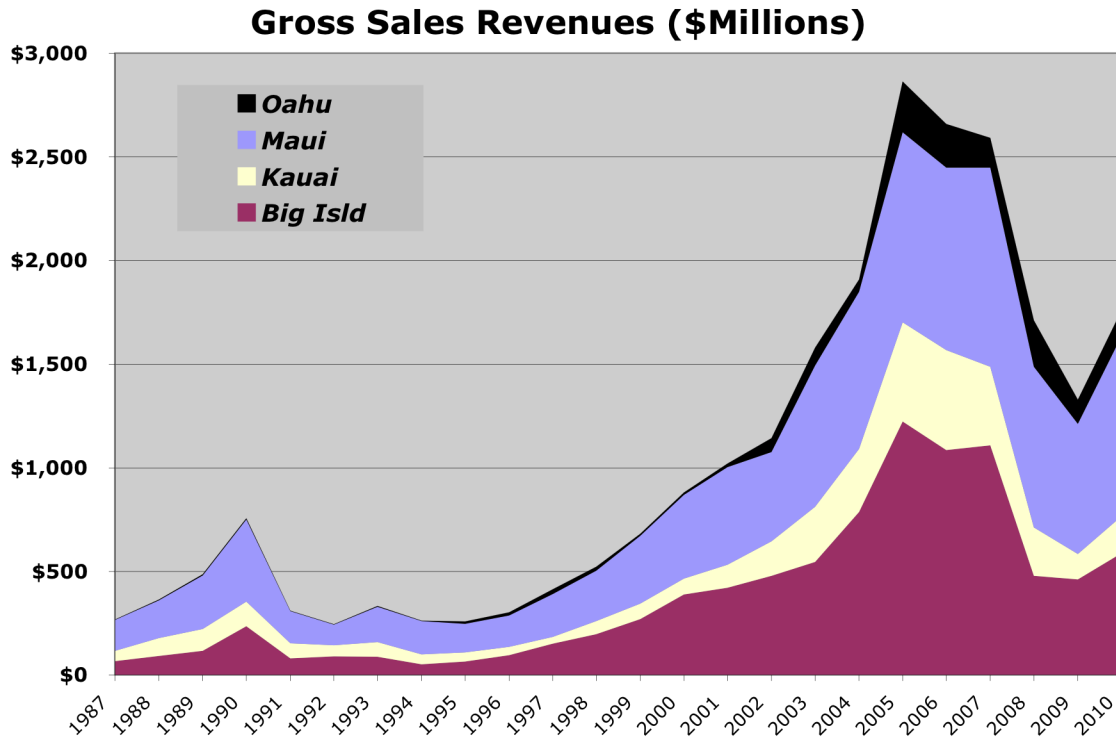


RESORT RESIDENTIAL MARKET

For 2010 3rd Quarter



Data@Work

A RESIDENTIAL REAL ESTATE MARKET RESEARCH CONSULTANCY

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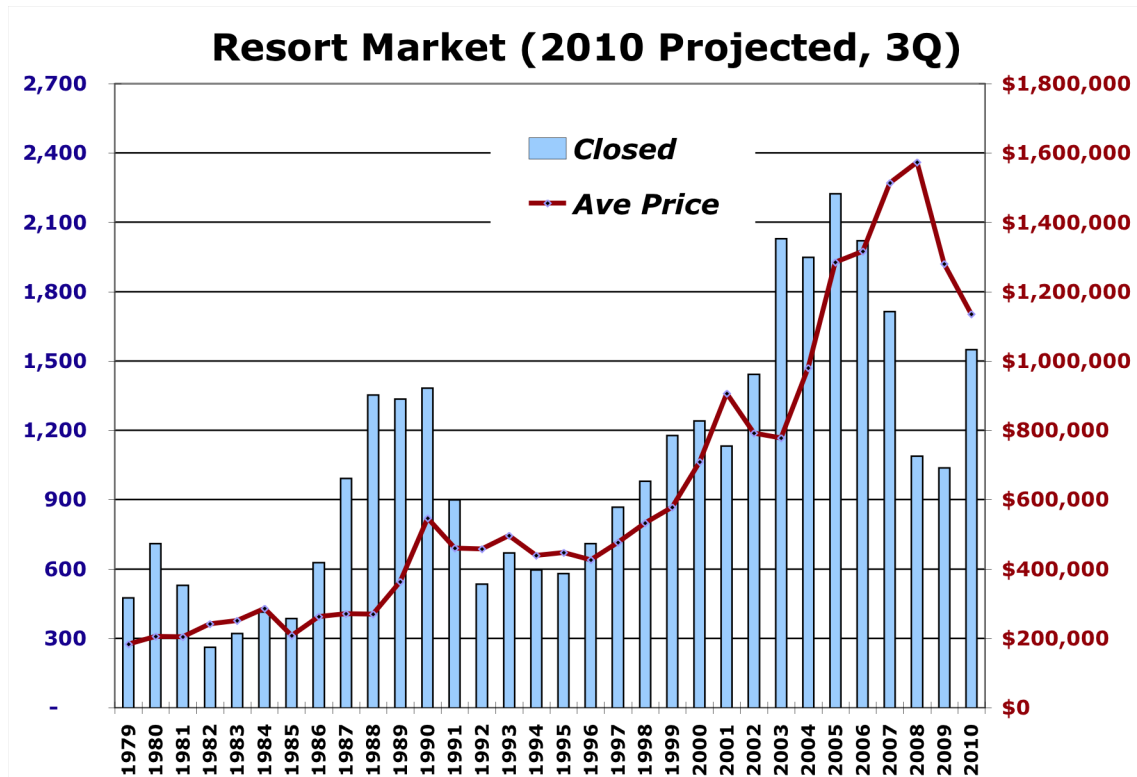
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1. OVERALL STATE RESORT MARKET

OVERVIEW: The down trend in market activity that started 5 years ago appears to have turned around, at least with what is projected, using the data up through the 3^Q 2010*. It is up almost 50% from a year ago.



Indeed, this strong rebound in activity comes at a price – more precisely, it comes thanks to falling prices. The magnitude of this decline the last two years – 30% - is greater in size than any correction, period. The second greatest came in just one year, 1977, when overall average prices dropped by over 27%. In contrast, the falloff in prices in the market due to the surprise attack on 9/11 was only 14%. Obviously, falling prices helps to stoke demand.

OVERALL RESORT MARKET TRENDS

	2006	2007	2008	2009	2010*
Closed	2,020	1,713	1,088	1,038	1,549
Ave Price	\$1,316,492	\$1,513,259	\$1,573,697	\$1,280,566	\$1,135,027
Top Price	\$15,000,000	\$29,000,000	\$20,000,000	\$26,250,000	\$17,500,000
Gross Revs	\$2,659,313,355	\$2,592,212,137	\$1,712,182,588	\$1,329,227,111	\$1,758,534,630
% Change	2006	2007	2008	2009	2010
Closed	-9.2%	-15.2%	-36.5%	-4.6%	49.3%
Ave Price	2.5%	14.9%	4.0%	-18.6%	-11.4%
Gross Revs	-6.9%	-2.5%	-33.9%	-22.4%	32.3%

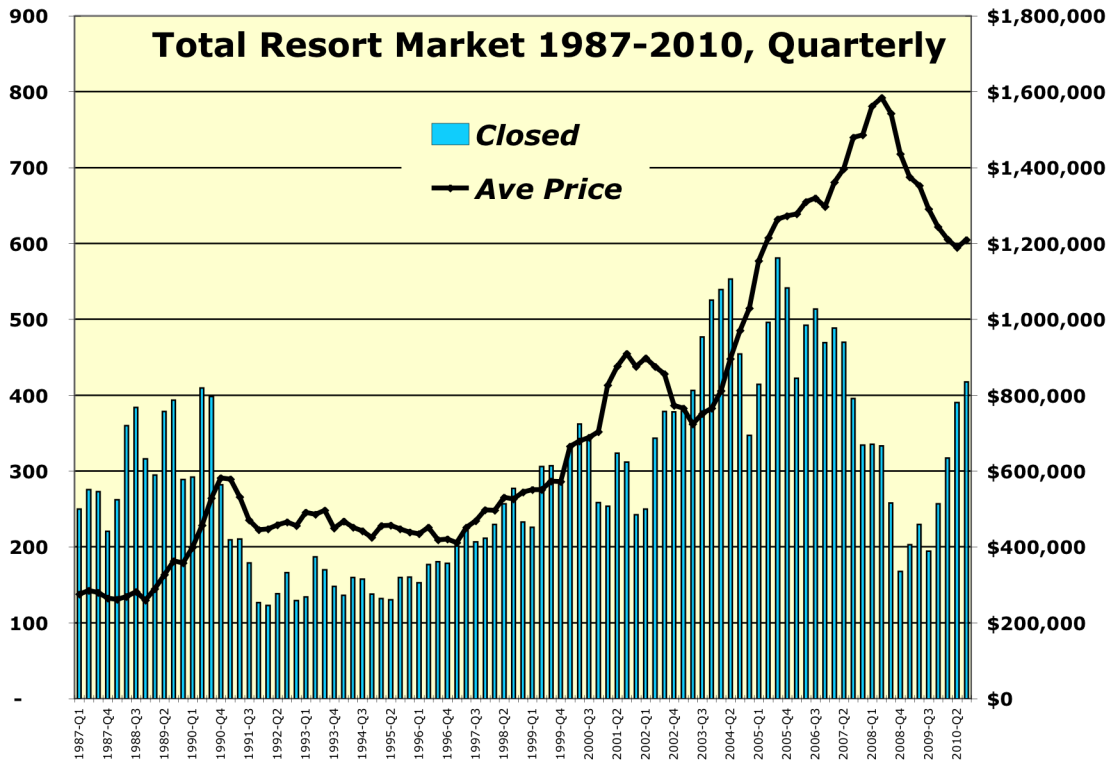
To put a context on the cycle, the average fall in prices, peak to trough, for the four cycles since 1980 is -48%. The reverse, the trough to peak average appreciation, is 200%, statewide, all product type.

This strong YTD sales growth also can be seen in the following table, which isolates and shows just the third quarters over the last few years. As seen, 2010 YTD is the strongest start of any years since 2005, when the market began tipping down:

OVERALL RESORT MARKET TRENDS, 2006-2010 3Q ONLY

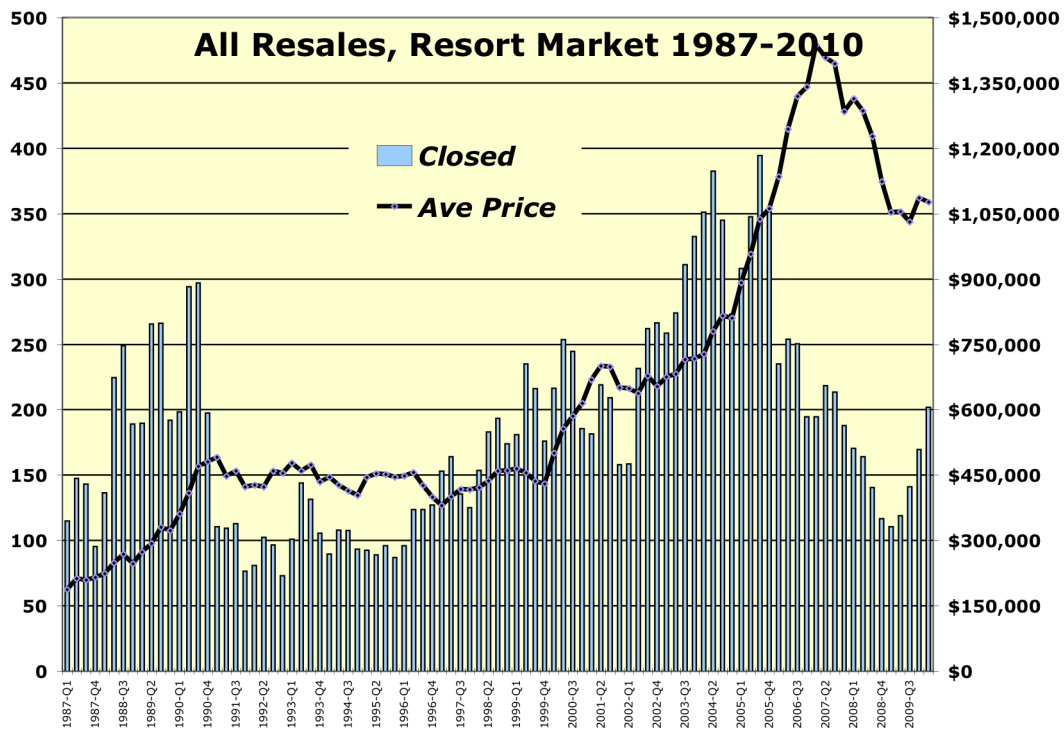
	2006	2007	2008	2009	2010
Closed	478	366	212	211	369
Ave Price	\$1,408,089	\$1,495,105	\$1,409,705	\$1,225,541	\$951,743
Top Price	\$15,000,000	\$29,000,000	\$10,500,000	\$11,375,000	\$10,500,000
Gross Revs	\$673,066,535	\$547,208,487	\$298,857,360	\$258,589,156	\$351,193,148
% Change	2006	2007	2008	2009	2010
Closed	-29.5%	-23.4%	-42.1%	-0.5%	74.9%
Ave Price	17.1%	6.2%	-5.7%	-13.1%	-22.3%
Gross Revs	-17.4%	-18.7%	-45.4%	-13.5%	35.8%

When did sales demand begin to return? Per the following chart, which averages two consecutive quarters, unit demand hit a high in 3Q 2005, followed by a bottom in 2008 4Q. Since then, with prices falling hard, demand responded, and activity has ticked up for 6 of the ensuing 7quarters.

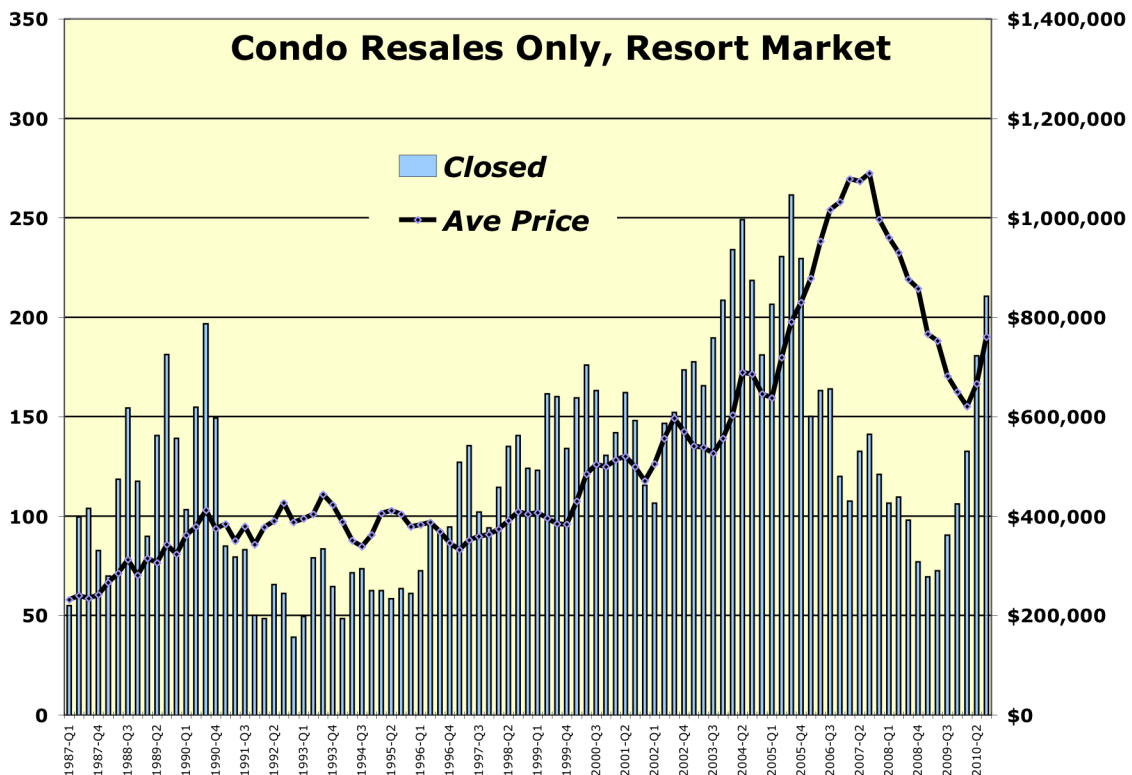


Another way to track market sentiment is to focus just on resales, since developer closings make the trend look erratic (i.e., large number of closings occurring all of a sudden, making the data look lumpy). And since resales don't have the long lag between reserving and closing (18 to 24 months) the resale trend best reflects what today's buyers are thinking currently.

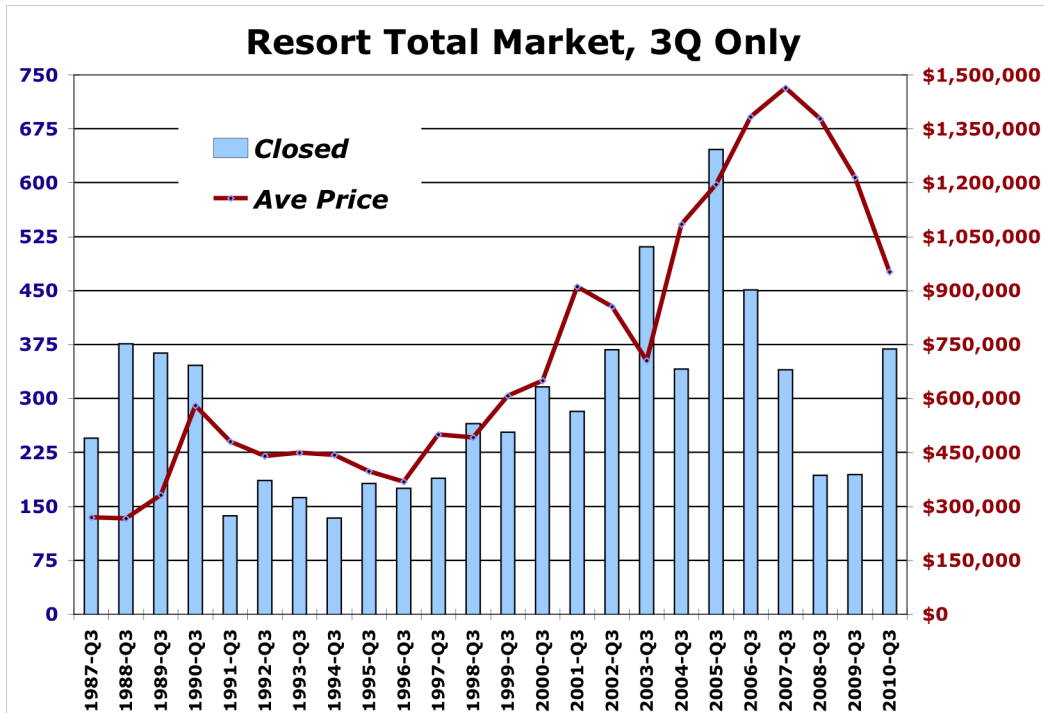
As seen, this market segment has had four quarters of rising activity. In addition, average prices appear to have stabilized, around and around the \$1 million mark, after falling by a quarter since their peak in 3Q 2007.



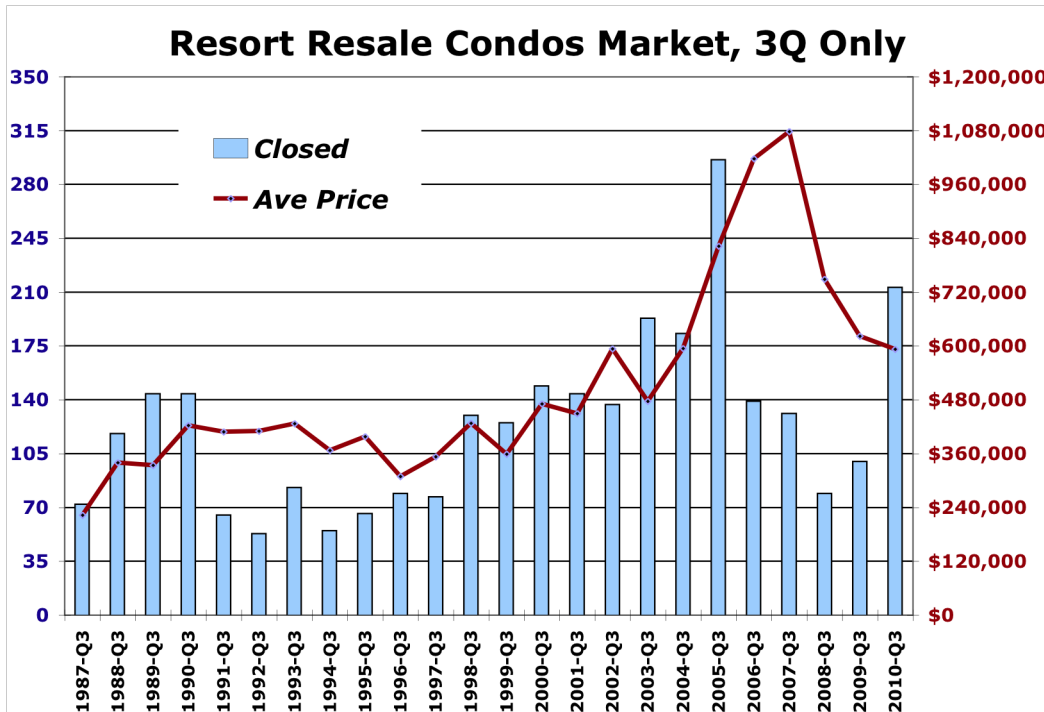
Finally more way to look at this market is to isolate just the resale condominiums, as they are, numerically speaking, the mainstay of the market.



Finally, isolating for just the 3Q data, the market shows prices still falling hard, while activity is up:



And then the condo resale market (apples-to-apples comparison) looks like this:



Next, we look at the trend, 2009-2010, by product types and price ranges. The following tables set the two data sets side by side, plus summarize the changes as a percent. What we are

looking for is the pockets of strength and weakness in one, or in both, series. (Note: 2010 is YTD data extrapolated for the full year).

The table shows that All Sales of All Types were up 49% this year, while prices were down 11%. It shows that new sales held their values better than resales.

ALL RESORT SALES AND PRICE COMPARISONS, 2009 vs. 2010

All Types	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	1,549	\$1,135,197	49%	-11%
Over \$1.0 million	421	\$2,734,997	12%	9%
Over \$2.0 million	192	\$4,321,812	19%	8%
RESALE	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	1,111	\$987,868	79%	-11%
Over \$1.0 million	240	\$2,794,709	44%	4%
Over \$2.0 million	117	\$4,300,176	47%	5%
NEW	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	439	\$1,508,224	5%	-2%
Over \$1.0 million	181	\$2,655,965	-14%	11%
Over \$2.0 million	75	\$4,355,813	-9%	13%

Next, we look at the different market components, starting with condos:

CONDO RESORT MARKET TRENDS 2010 vs. 2009

Condos	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	1,153	\$867,614	48%	-11%
Over \$1.0 million	236	\$2,210,616	0%	15%
Over \$2.0 million	89	\$3,459,561	9%	21%
Condos, RESALE	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	783	\$719,958	85%	-8%
Over \$1.0 million	104	\$2,419,684	30%	22%
Over \$2.0 million	48	\$3,620,959	33%	32%
Condos, NEW	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	371	\$1,179,390	4%	-3%
Over \$1.0 million	132	\$2,045,895	-15%	8%
Over \$2.0 million	41	\$3,272,130	-10%	11%

As seen, the resale market is driving both the condo market and the overall market, as well.

Turning now to the single-family segment, we examine the short-term trend.

RESORT SINGLE FAMILY MARKET TREND 2010 vs. 2009

	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	284	\$2,078,906	61.4%	-8.5%
Over \$1.0 million	133	\$3,693,852	46.5%	-1.9%
Over \$2.0 million	71	\$5,773,901	41.3%	0.9%
Home Site, RESALE	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	239	\$1,744,137	75.5%	-1.2%
Over \$1.0 million	99	\$3,301,031	82.7%	-3.8%
Over \$2.0 million	49	\$5,245,602	146.7%	-24.4%
Home Site, NEW	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	45	\$3,841,364	13.3%	-4.0%
Over \$1.0 million	35	\$4,811,881	-6.3%	13.2%
Over \$2.0 million	21	\$6,995,593	-28.9%	42.5%

As seen, the price behavior of single-family homes is not strong as the condo market. This may be attributable to the fact that these average prices are much higher, almost treble those of the condos. In addition, sales activity is also lower than condos.

Finally, we look at the home site segment tables.

RESORT HOME SITE MARKET TREND 2010 vs. 2009

Home Sites	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	112	\$1,497,699	33%	-25%
Over \$1.0 million	52	\$2,656,276	4%	-13%
Over \$2.0 million	32	\$3,522,236	7%	-16%
Home Site, RESALE	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	89	\$1,314,595	44%	-31%
Over \$1.0 million	37	\$2,501,283	13%	-21%
Over \$2.0 million	20	\$3,598,245	-17%	-6%
Home Site, NEW	Closed	Ave Price	% ▲ Closed	% ▲ Prices
All Sales	23	\$2,219,342	3%	-1%
Over \$1.0 million	16	\$3,407,500	-16%	14%
Over \$2.0 million	12	\$3,395,556	100%	-39%

This market is the laggard segment – which is logical, as buying a lot to build a home is a sign of strong confidence in the ability of the economy to return to a high level of activity.

Next, we look at the market purely in terms of price segments. This allows us to take note of the purchasing power of the market by expenditure.

2. RESORT MARKET SEGMENTS BY PRICE RANGE

The table below tabulates the number of closings in the different price segments. As seen, there has been a large decline in the mid to upper middle priced segment 2008-2009, but an increase in the lowest end (with the highest end going down, but not as dramatically).

OVERALL MARKET, CLOSINGS BY PRICE RANGE

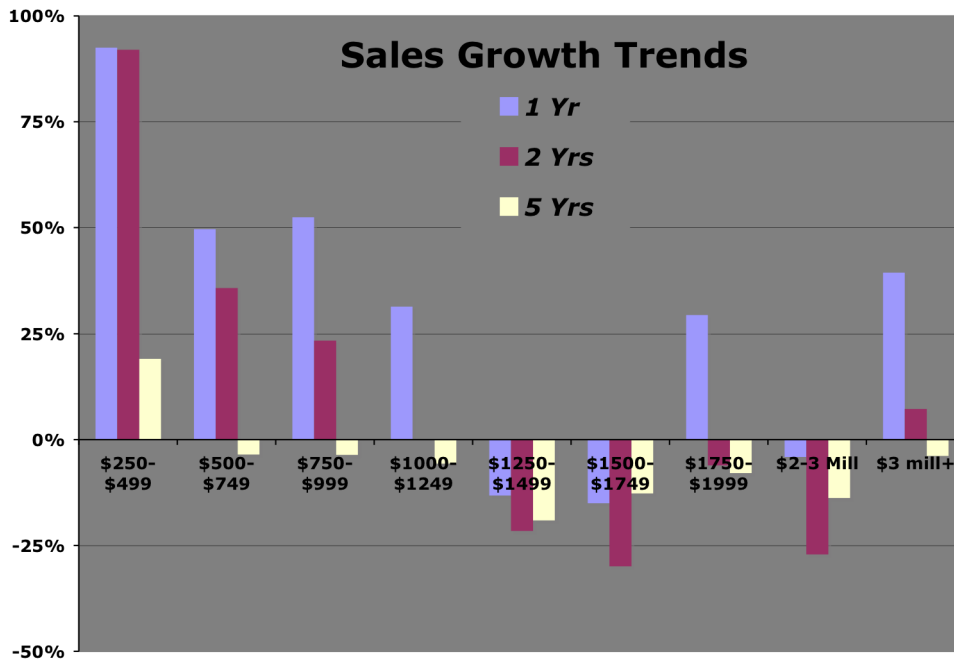
(\$000s)	2006	2007	2008	2009	2010
\$250-\$499	168	145	107	205	395
\$500-\$749	621	446	201	245	367
\$750-\$999	419	308	177	167	255
\$1000-\$1249	172	169	99	68	89
\$1250-\$1499	127	133	94	66	57
\$1500-\$1749	110	114	85	47	40
\$1750-\$1999	68	73	58	34	44
\$2-\$3M+	215	168	150	75	72
\$3M+	139	162	116	87	121

Better than looking at the numbers is seeing the percentage change in sales over a span of time.

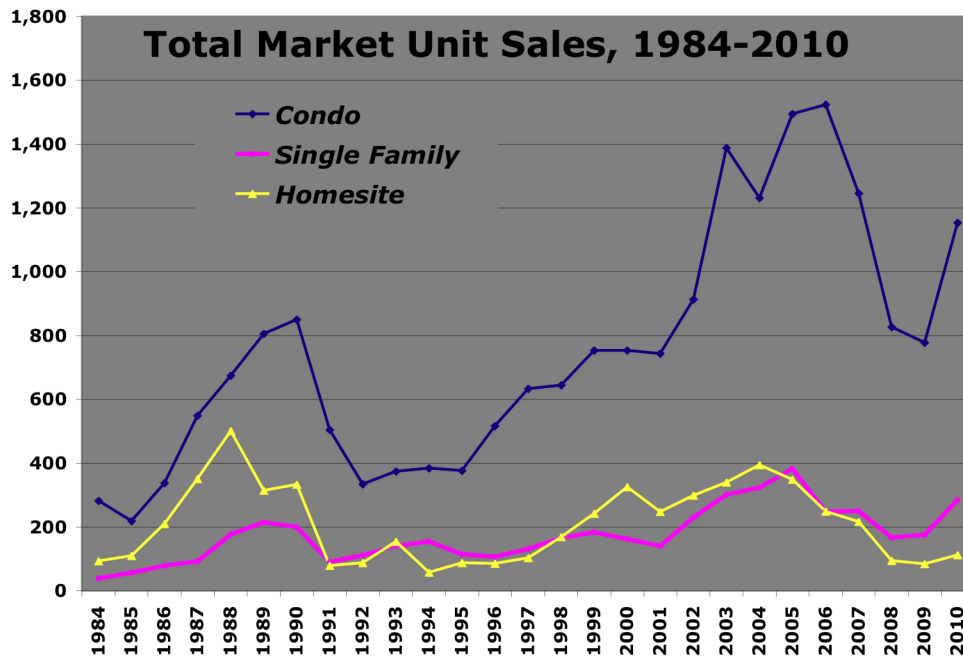
OVERALL MARKET, CLOSINGS BY PRICE RANGE

(\$000s)	2006	2007	2008	2009	2010
\$250-\$499	-49%	-14%	-26%	92%	93%
\$500-\$749	-6%	-28%	-55%	22%	50%
\$750-\$999	4%	-26%	-43%	-6%	52%
\$1000-\$1249	15%	-2%	-41%	-31%	31%
\$1250-\$1499	-27%	5%	-29%	-30%	-13%
\$1500-\$1749	18%	4%	-25%	-45%	-15%
\$1750-\$1999	-14%	7%	-21%	-41%	29%
\$2-\$3M+	18%	-22%	-11%	-50%	-4%
\$3M+	-21%	17%	-28%	-25%	39%

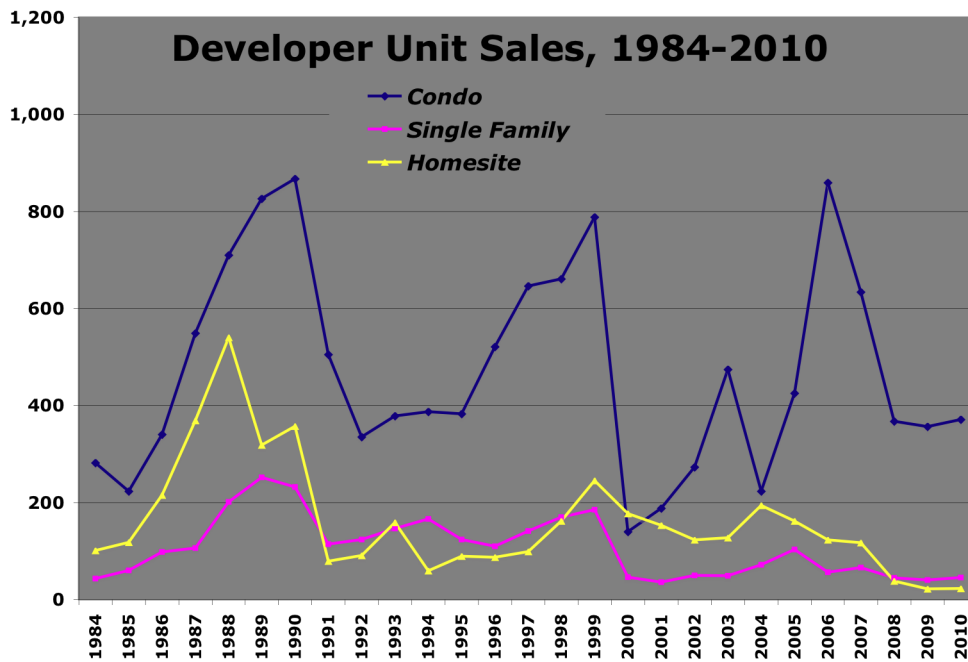
With that in hand, we were able to create the following two charts, each showing the information, but in two different time frames.



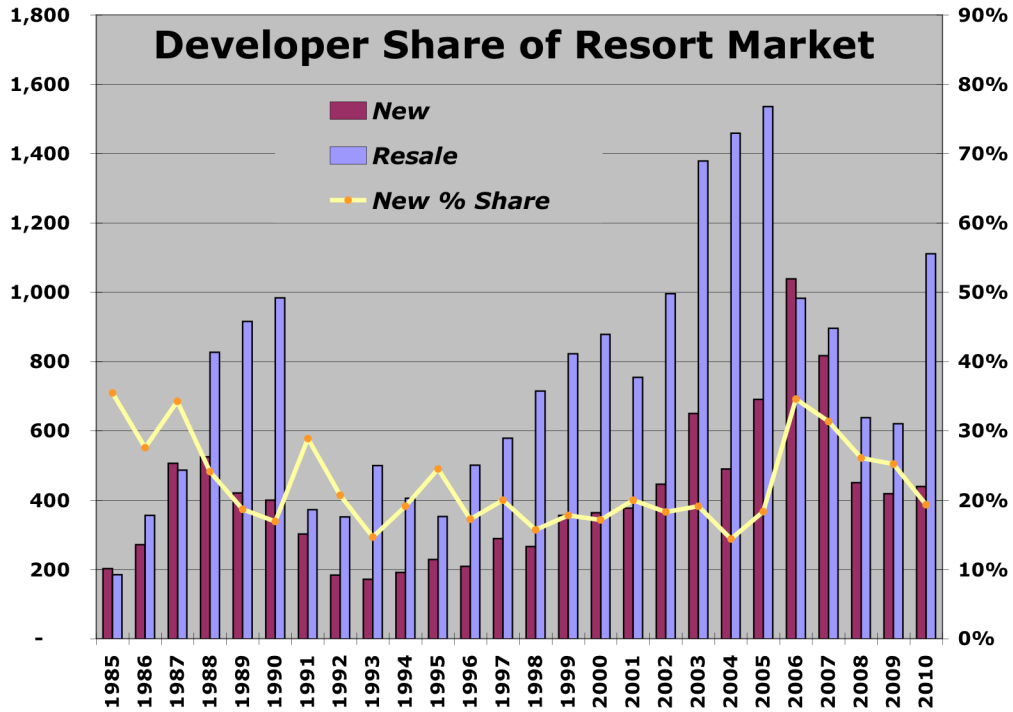
3. RESORT MARKET SEGMENTS BY BUILDING TYPE



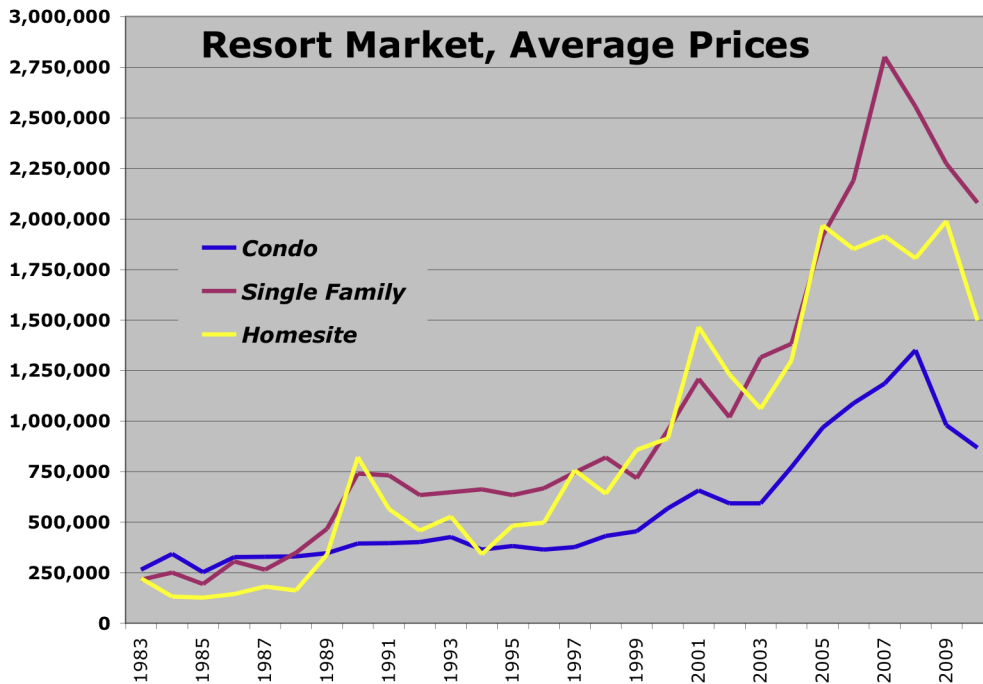
This section breaks the overall market into a number of respective product types and looks at unit closing activity, first for overall sales, then for new sales:



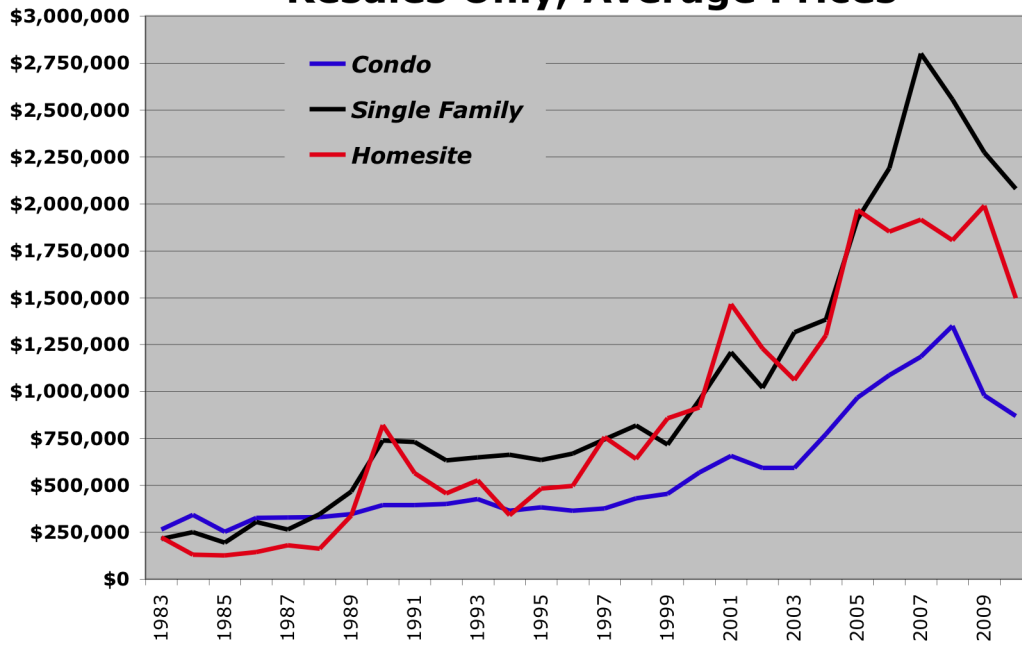
Then, in comparison with resale market share vs. developer market share, it looks like the new homes segment has come down, but not dramatically so:



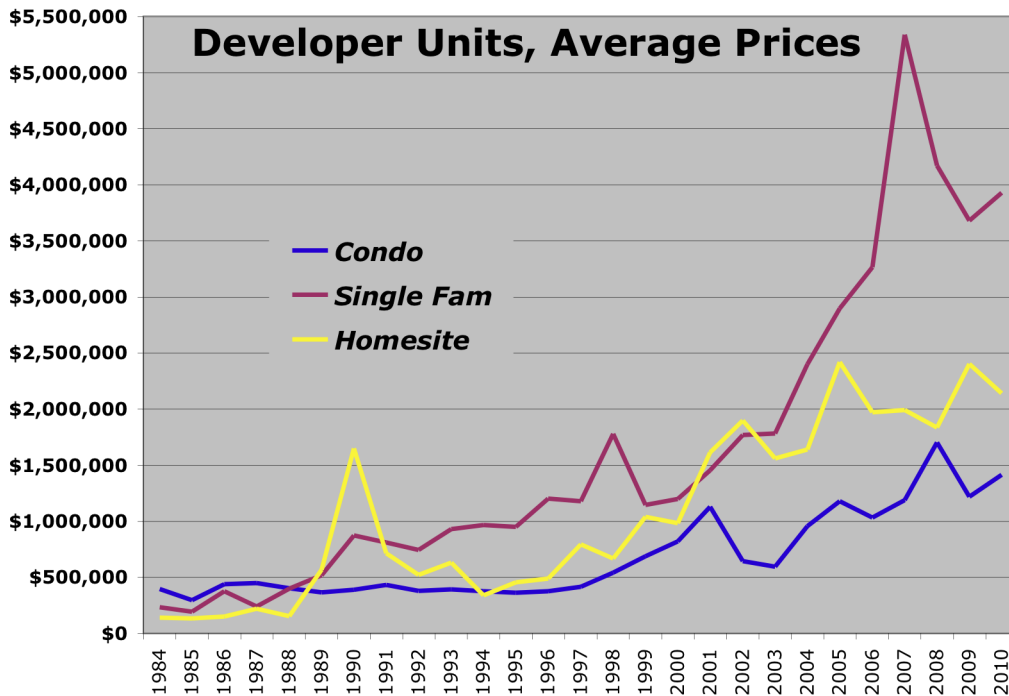
Next, we look at the long-term price trends.



Resales Only, Average Prices



Developer Units, Average Prices

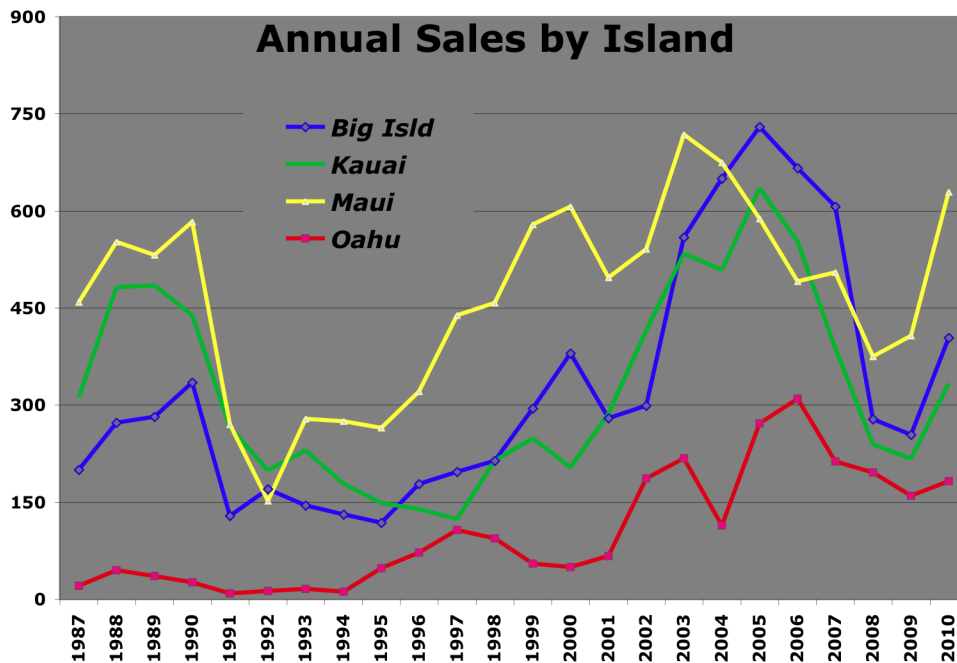


4. MARKET SEGMENTS BY ISLAND

The following looks at the market by island. In terms of closings, Big Island and Maui have come back nicely this year, as has Kauai. Oahu does not look as strong, but it bears mentioning that the data doesn't include Waikiki, which has had a lot of developer closings at the Trump and the Fifield projects.

CLOSING COUNTS BY ISLAND

	Big Isld	Kauai	Maui	Oahu
2005	730	635	588	272
2006	666	553	491	310
2007	607	388	505	213
2008	278	239	375	196
2009	254	217	407	160
2010	404	333	629	183
	Big Isld	Kauai	Maui	Oahu
1 Yr.	59.1%	53.6%	54.6%	14.2%
2 Yrs.	25.2%	22.2%	31.6%	-2.1%
5 Yrs.	-4.3%	-7.3%	4.8%	-5.9%
1Q ONLY	Big Isld	Kauai	Maui	Oahu
2008 3Q	44	50	80	38
2009 3Q	65	50	67	29
2010 3Q	95	93	112	69



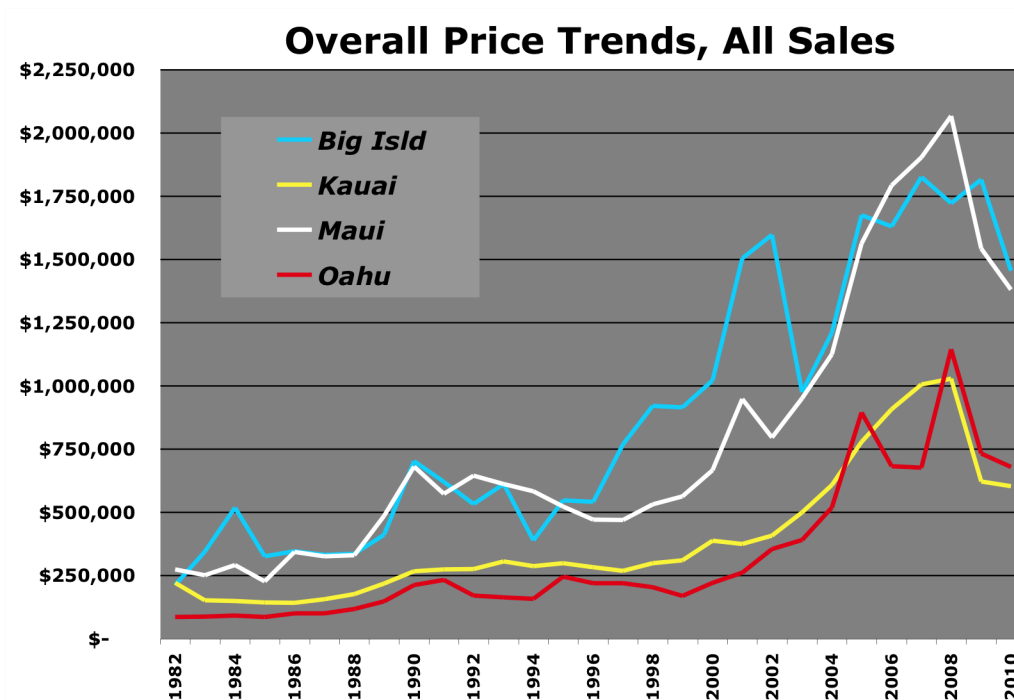
Maui is the stand out, lead by condo sales - which, if the condo trend continues through year-end, could set a new record. And, if so, credit has to go to lower prices, foreclosures and new deliveries in West Maui.

As seen, the island with the best (least percentage fall) price performance for 2010 was Maui, at -10.7%, followed by the Big Island.

AVERAGE PRICES, BY ISLAND

	Big Isld	Kauai	Maui	Oahu
2006	\$1,630,414	\$907,397	\$1,793,549	\$682,507
2007	\$1,825,829	\$1,005,705	\$1,903,742	\$676,951
2008	\$1,723,050	\$1,028,173	\$2,067,134	\$1,145,604
2009	\$1,816,224	\$622,788	\$1,542,924	\$732,041
2010	\$1,454,761	\$603,354	\$1,380,507	\$678,988
	Big Isld	Kauai	Maui	Oahu
1 Yr.	-13.2%	1.6%	-7.6%	-11.9%
2 Yrs.	-4.6%	-19.1%	-16.5%	-24.0%
5 Yrs.	-0.9%	-1.7%	-0.7%	-0.7%

Long-run pricing trend shows the Big Isle being best, with Maui staying close; they were followed by Oahu and Kauai.



4. FORECLOSURES

The following tables compare foreclosed sales vs. 'market' sales in terms of activity and prices. It also looks at the share of market that foreclosures represent in both categories.

FORECLOSURE ACTIVITY, TOTAL MARKET

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	25	1,063	\$1,462,598	\$1,576,310	2%	93%
2009	99	939	\$608,245	\$1,351,449	10%	47%
2010	118	1,044	\$548,917	\$1,201,463	10%	48%

As seen, the benchmark is about 10% of the sales and is generally priced at half of what the market values are. Next, we break this down into the different market and island segments.

FORECLOSURE ACTIVITY, CONDOS

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	21	719	\$1,583,265	\$1,277,966	3%	124%
2009	80	633	\$499,375	\$988,674	13%	51%
2010	89	763	\$474,920	\$903,176	12%	53%

FORECLOSURE ACTIVITY, HOMES

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	2	165	\$779,000	\$2,576,958	1%	30%
2009	15	161	\$1,222,944	\$2,370,338	9%	52%
2010	24	189	\$708,873	\$2,252,878	13%	31%

FORECLOSURE ACTIVITY, HOME SITES

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	2	92	\$879,197	\$1,824,420	2%	48%
2009	4	80	\$480,515	\$2,064,606	5%	23%
2010	5	79	\$1,098,269	\$1,522,979	6%	72%

FORECLOSURE ACTIVITY, TOTAL MAUI

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	14	274	\$2,111,677	\$2,123,708	5%	99%
2009	10	332	\$612,162	\$1,582,713	3%	39%
2010	25	434	\$630,918	\$1,421,041	6%	44%

FORECLOSURE ACTIVITY, TOTAL BIG ISLAND

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	2	276	\$916,165	\$1,728,897	1%	53%
2009	22	232	\$985,756	\$1,894,975	9%	52%
2010	44	259	\$576,899	\$1,603,896	17%	36%

FORECLOSURE ACTIVITY, TOTAL KAUAI

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	4	235	\$619,882	\$982,900	2%	63%
2009	51	166	\$467,743	\$596,114	31%	78%
2010	35	215	\$487,082	\$542,503	16%	90%

FORECLOSURE ACTIVITY, BIG ISLAND CONDOS

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	2	188	\$916,165	\$1,037,122	1%	88%
2009	20	149	\$618,656	\$911,691	13%	68%
2010	40	170	\$498,164	\$689,984	24%	72%

FORECLOSURE ACTIVITY, MAUI CONDOS

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	12	287	\$2,317,091	\$1,947,882	4%	118%
2009	2	307	\$743,157	\$1,402,107	1%	53%
2010	12	350	\$542,980	\$1,294,210	3%	43%

FORECLOSURE ACTIVITY, KAUAI CONDOS

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	3	146	\$570,676	\$772,608	2%	74%
2009	46	108	\$450,504	\$513,219	43%	88%
2010	24	137	\$412,408	\$398,626	18%	103%

FORECLOSURE ACTIVITY, MAUI HOMES

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2009	5	61	\$610,150	\$2,145,622	8%	28%
2010	11	76	\$720,609	\$2,241,295	14%	32%

FORECLOSURE ACTIVITY, KAUAI HOMES

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	1	56	\$767,500	\$1,415,519	9%	82%
2009	4	42	\$698,550	\$871,421	13%	67%
2010	9	60	\$573,805	\$900,046	4%	54%

FORECLOSURE ACTIVITY, BIG ISLAND HOMES

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2009	2	48	\$4,656,749	\$4,293,119	4%	108%
2010	3	49	\$1,094,000	\$4,047,645	6%	28%

FORECLOSURE ACTIVITY, MAUI HOME SITES

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2008	2	8	\$879,197	\$1,301,000	20%	72%
2009	3	29	\$528,187	\$2,086,841	9%	27%
2010	2	21	\$665,250	\$595,934	9%	111%

FORECLOSURE ACTIVITY, KAUAI HOME SITES

	Forced Sales	Market Sales	Forced Prices	Market Prices	Forced Share	Forced Share
2009	1	16	\$337,500	\$432,969	6%	79%
2010	2	18	\$992,922	\$445,759	10%	198%