

February 25, 2020

**The Honorable Karl Rhoads, Chair**  
Senate Committee on Judiciary  
State Capitol, Room 016  
Honolulu, HI 96813

**LATE**

**RE: S.B. 3110, SD1, Relating to Property**

**HEARING: Tuesday, February 25, 2020, at 12:15 p.m.**

Aloha Chair Rhoads, Vice Chair Keohokalole and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **opposes** S.B. 3110, SD1, which prohibits nonresident aliens and businesses and trusts that are significantly controlled by nonresident aliens from acquiring certain residential property in the State, except as otherwise provided by law.

In 2019, total foreign sales accounted for approximately 3% of all real estate transactions. The scale of those transactions would do little to address the cost of housing in the market.

Additionally, international investment can also help with Hawaii's affordable housing challenges. For example, South Korean developer SamKoo built Kapiolani Residence in the Ala Moana area in which 60% of the units were designated as affordable for households earning between 80% to 120% of the Area Median Income. SamKoo is currently in the process of building a second building, The Central, similar to the first building, Kapiolani Residence with affordable housing.

Hawai'i REALTORS® also help international clients who are not speculating, such as parents that are sending their children to the University or researchers that do important educational work in Hawai'i.

We are in a housing shortage, with over 65,000 units needed in Hawai'i by 2025 according to the Department of Business, Economic Development and Tourism. Instead, the focus should be on increasing the housing supply to address Hawaii's housing challenges.

Mahalo for the opportunity to testify.

**SB-3110-SD-1**

Submitted on: 2/24/2020 9:29:35 AM

Testimony for JDC on 2/25/2020 12:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kamalani Keliikuli	Individual	Support	No

Comments:

**SB-3110-SD-1**

Submitted on: 2/24/2020 9:44:00 AM

Testimony for JDC on 2/25/2020 12:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dawlani Keliikuli	Individual	Support	No

Comments:

**LATE**

**SB-3110-SD-1**

Submitted on: 2/24/2020 2:34:04 PM

Testimony for JDC on 2/25/2020 12:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Curt Okimoto	Individual	Support	No

Comments:

I would like to express my support on SB3110. As a native Hawaiian and permanent resident of Hawaii, I have witnessed over the years how land ownership from outside investors has driven up the cost of housing for both purchase and rental markets. Although I would like to raise my family here in the islands, if the housing market trends continue to rise as a result of increased property values and vacation rentals from outside investors, I will be forced to move my family somewhere else I can afford. I plead to the decision makers of Hawaii to do your due diligence in representing the people of Hawaii. Please study the research other states and countries that restrict foreign investors from buying in their home land or state and the negative impacts that foreign investments have on small geographic areas such as Hawaii.

These outside investors to not have a vested interest to contribute to the communities where they purchase. Please send a message to the world that our Islands are not for sale and that the state will do everything possible to protect the livelihood and sustainability of future generations to raise their children on the land of their ancestors. Thank you for your consideration in attempts to decommercialize the State of Hawaii.

Sincerely, Curt Okimoto