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CATHERINE P. AWAKUNI COLÓN
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JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

December 21, 2021

TRANSMITTED VIA LEGISLATIVE WEBSITE

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Enclosed is a copy of the 2021 Annual Report of the Real Estate Commission, as required by section 467-4(5), Hawaii Revised Statutes (HRS). This report includes fund information pertaining to the Condominium Education Trust Fund, as required by section 514B-73(d), HRS.

In accordance with section 93-16(a), HRS, a copy of this report will be transmitted to the Legislative Reference Bureau Library and viewable electronically at cca.hawaii.gov/reb/reports/. Copies will also be transmitted to the State Publications Distribution Center and the University of Hawaii pursuant to section 93-3, HRS.

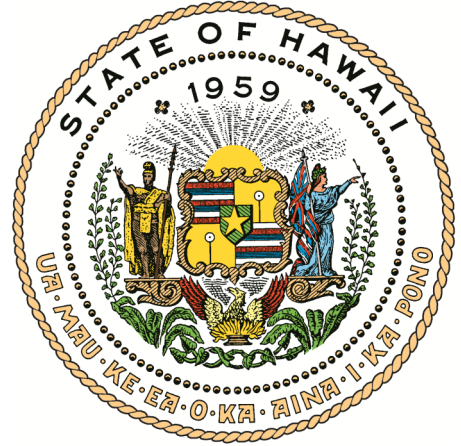
Sincerely,

A handwritten signature in black ink, reading "Catherine P. Awakuni Colón".

CATHERINE P. AWAKUNI COLÓN
Director

Enclosure

- c: Legislative Reference Bureau Library (1 hard copy)
 State Publications Distribution Center (2 hard copies, 1 electronic copy)
 University of Hawaii (1 hard copy)



2021 Annual Report

Real Estate Commission

Real Estate Branch
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

The 2021 Hawaii Real Estate Commission

Michael E. Pang
Chair
Honolulu, Real Estate Broker

Nikki Senter
Vice Chair
Chair, Laws and Rules Review Committee
Honolulu, Public Member

Sean S. Ginoza
Vice Chair, Laws and Rules Review Committee
Hawaii Island, Real Estate Broker

Derrick Yamane
Chair, Education Review Committee
Oahu, Real Estate Broker

Russell Kyono
Vice Chair, Education Review Committee
Kauai, Real Estate Broker

Laurie A. Lee
Chair, Condominium Review Committee
Honolulu, Real Estate Broker

John Love
Vice Chair, Condominium Review Committee
Honolulu, Public Member

Aleta Klein
Honolulu, Real Estate Broker

P. Denise La Costa
Maui, Real Estate Broker

The Purposes of the Commission:

The purposes of the Commission are to:

- Protect the general public in its real estate transactions;
- Promote the advancement of education and research in the field of real estate for the benefit of the public and those licensed under Hawaii Revised Statutes (HRS) chapter 467 and the improvement and more efficient administration of the real estate industry; and
- Promote education and research in the field of condominium management, condominium registration, and real estate for the benefit of the public and those required to be registered under HRS chapters 514A and 514B



The Honorable David Ige, Governor, State of Hawaii, Members of the Thirty-First State Legislature and Catherine P. Awakuni Colón, Director, Department of Commerce and Consumer Affairs (DCCA):

The COVID-19 pandemic affected the normal workings of the Real Estate Branch during fiscal year (FY) 2022. Branch staff was on a rotating schedule of in office and working from home. The monthly in-person Real Estate Commission (Commission) and standing committee meetings were canceled for March, April, May and June 2020 and resumed in July 2021. The usual Real Estate Branch activities and responsibilities have continued, albeit on a more limited basis. Real estate licenses continue to be issued, and the branch's publications of the Real Estate Commission Bulletin, School Files (for real estate educators), and the Condominium

Bulletin were produced on schedule.

License testing was halted at the Hawaii test sites but has resumed in every location. Live, online, and web-based continuing education classes and prelicense classes have been offered during the pandemic. Access by the public to DCCA and the Real Estate Branch is back to pre-pandemic scheduling: Monday-Friday, 7:45 a.m. –4:30 p.m.

Notwithstanding the continued adjustments made due to the COVID-19 pandemic, I respectfully present to you the annual report on the status of the Commission for FY 2021. The Commission currently oversees 19,163 licensees statewide, of which 14,932 hold active licenses. This is a 7.8% decrease in total licensees from a year ago. The Commission also oversees approximately 1,500 registered condominium associations and 28 condominium hotel operators (CHOs). There were 244 new and conversion project filings as compared to 255 filings in FY 2020.

The Commission is a nine-member Governor-appointed body currently comprised of seven industry members and two public members, all of whom serve four-year terms. The Commission oversees the licensing of real estate salespersons and brokers, including brokerages, and the maintenance and renewal of these licenses every two years. The Commission certifies prelicense education schools and instructors and is responsible for developing the prelicensing curriculum for salespersons and brokers.

The Commission also registers continuing education (CE) providers and certifies CE courses, and in the condominium area, registers condominium projects, condominium associations, condominium hotel operations (CHO), and condominium managing agents. The Commission also provides information, advice, referrals, and education and acts as a resource for these unit owners and board members throughout the year on all islands by way of the Commission's Outreach Program.

The Commission administers, as trustee, the real estate recovery fund and publishes and disseminates reports about the fund. There was one payment from the fund during FY 2021. The Commission takes disciplinary action against and reviews and approves settlement agreements involving real estate licensees who have been investigated by the Regulated Industries Complaints Office (RICO) and have been found in violation of the real estate licensing laws or rules.

The Commission has three standing committees: the Laws and Rules Review Committee, the Education Review Committee, and the Condominium Review Committee. The three committees are working committees where commissioners take on leadership roles to work towards accomplishing the program of work in those described areas. Funding for these programs is critical to the Commission to achieve the objectives and goals stated in the program of work and to maintain the direction of the Commission as set forth by law.

Commissioner Nikki Senter, Honolulu Public Commissioner, Chair of the Laws and Rules Review Committee, and Vice Chair Sean S. Ginoza, Hawaii Island Commissioner diligently worked to address national and state issues that impact Hawaii. To address concerns raised by industry stakeholders, certain amendments to the advertising rules are still being pursued through revisions proposed, as well as other trending issues such as team names, which is on the national radar.

The Education Review Committee under the leadership of Derrick Yamane, Oahu Commissioner and Vice Chair Russell Kyono, Kauai Commissioner worked with the Ad Hoc Committee on Education, made up of industry volunteers, to produce the Commission's 2021-2022 mandatory core course, Part A, "Fair Play in Fair Housing: It's Not a Game, It's the Law".

Condominium Review Committee, Laurie A. Lee, Honolulu Commissioner and Vice Chair, Commissioner John Love, Honolulu Public Commissioner oversaw the activities of Commission staff relating to condominium project development, condominium governance, and condominium education.

Under the guidance of Chair Lee and Vice Chair Love, Commission staff created and updated informational brochures, memos, forms, and FAQs for condominium owners and developers and continued its focus on the Commission's statutory mandate of educating the condominium community. The brochures and other informational materials were made available at the Real Estate Branch website. This year the Commission also introduced a new series of educational videos on various aspects of condominium living. The videos are meant to give condominium consumers bite-sized pieces of helpful information. The Commission looks forward to participating in many community events in the future when circumstances allow. The Commission also continues to operate its hotline.

While COVID-19 pandemic health and safety protocols remained in place through the year, Commission staff was still able to fulfill its educational mandate by participating in remote online events. Commission staff engaged with property management companies, and real estate and condominium industry groups to discuss a wide range of topics including condominium project development and governance issues, such as dispute resolution, mediation, accessing documents, and the timely topic of coping with COVID in condominium associations.

The 2021 to 2023 biennial condominium association registration began in FY21. Approximately 1,540 condominium associations consisting of six or more units are currently registered, representing over 157,000 units. Commission staff continue to process and document late submitted association registrations.

The Commission is a hardworking and committed group, seeking to meet the challenges of changing economic times and a constantly evolving real estate industry, as well as embracing current changes that impact today's real estate licensees and consumers. The Commission is grateful to the members of the Ad Hoc Committee on Education who selflessly contribute their time and effort and are committed to improving the education of the real estate industry to maintain professional standards.

With the help and support of DCCA Director Catherine P. Awakuni Colón, Licensing Administrator Ahlani K. Quiogue, RICO, the Department of the Attorney General, Supervising Executive Officer Neil Fujitani, and the Real Estate Branch staff, the Commission will continue to move forward to improve the quality and competency of its real estate licensees, the education provided to registered condominium unit owners, and the licensee's ability to serve consumers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Pang", written in a cursive style.

Michael E. Pang

**Real Estate Commission
Real Estate Branch
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii**



**Catherine P. Awakuni Colón, Director
Jo Ann M. Uchida Takeuchi, Deputy Director
Ahlan K. Quiogue, Licensing Administrator**

Real Estate Branch:

**Neil K. Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Kristen Kekoa-Nakasone, Secretary
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
Nohelani Jackson, Real Estate Specialist
Lessie-Mae De Ramos, Office Assistant
Carleen Weisbarth-Jose, Office Assistant
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Benedyne Stone, Condominium Specialist
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Copyright: Hawaii Real Estate Commission 2021. All rights reserved. Funded by the Real Estate Education Fund and the Condominium Education Trust Fund and provided as an educational service to real estate licensees and the condominium community. This publication is designed to provide general information on the subject matters covered and is not a substitute for professional services to address specific situations. If legal advice or other expert assistance is required, please seek the services of a competent professional.

This material can be made available for individuals with special needs. Please call the Senior Real Estate Specialist at (808) 586-2643 to submit your request.

Table of Contents

Laws and Rules Review Committee Report.....	7-13
FY 2021 Program of Work.....	7
Chart 1 Recovery Fund—Notices	8
Chart 2 Recovery Fund—Claims Paid	8
Chart 3 Condominium Hotel Operator (CHO) Registration	9
Table 1 Administrative Actions.....	11
Chart 4 Disciplinary Actions.....	11
Chart 5 Administrative Actions—Sanctions	11
Chart 6 RICO Complaints (Real Estate)	12
FY 2022 Program of Work.....	13
Education Review Committee Report	14-22
FY 2021 Program of Work.....	14
Chart 7 Inquiries and Application	14
Table 2 Real Estate Licensing Examination.....	15
Chart 8 Licensing Examination Candidates	16
Chart 9 New Real Estate Licenses Issued	20
Chart 10 Total Real Estate Licensees.....	20
Table 3 Current Real Estate Licensees by Type and Island	21
Chart 11 Real Estate Licensees by Island	21
FY 2022 Program of Work.....	22
Condominium Review Committee Report	22-38
FY 2021 Program of Work.....	24
Chart 12 Condominium Advice, Education, and Referral.....	25
Chart 13 Developer’s Public Reports Effective Dates Issued	26
Chart 14 New and Conversion Project Filings of Developer	26
Chart 15 New Residential Project by Size	27
Table 4 Condominium Project Filings	27
Chart 16 Facilitative Mediations	28
Chart 17 Evaluative Mediations.....	28
Chart 18 Condominium Association Registration.....	29
FY 2022 Program of Work.....	34
Fund Information	39-41
Real Estate Education Fund	39
Real Estate Recovery Fund.....	40
Condominium Education Trust Fund.....	41

LAWS AND RULES REVIEW COMMITTEE REPORT

Due to the ongoing COVID-19 pandemic, for FY 2021, the Laws and Rules Review Committee, led by Chair Nikki Senter and Vice Chair Sean Ginoza, had a less active year with legislation, reactive issues, licensing programs, and recovery fund administration compared to previous years.

LEGISLATIVE

Act 19 – Establishes a process for the early termination of a rental agreement for certain active duty servicemembers who receive military orders to vacate civilian housing and move into on-post government quarters. Effective 11/1/2021.

Act 57 – Extends the required period for a notice of termination of the rental agreement from five days to fifteen days. Requires landlords to provide notice with specified terms and enter into mediation. Delays when a landlord may seek possession of a dwelling unit if the tenant schedules or attempts to schedule mediation. Requires landlords to provide the notice of termination of the rental agreement to a mediation center that offers free mediation for residential landlord-tenant disputes. Restricts when a landlord may exercise these remedies depending on the amount of rent due. Appropriates funds. Repeals certain provisions one year after expiration of the Governor's final eviction moratorium Emergency Supplementary Proclamation Related to the Coronavirus Disease 2019 Pandemic or 12/31/2022, whichever is sooner.

Act 179 – Requires that mandatory seller disclosures in real estate transactions include identification of residential real properties lying within the sea level rise exposure area. Effective 5/1/22.

LICENSING

For FY 2021, the total number of licensees was 19,163 compared to 20,782 in FY 2020. This represents a decrease of 7.8% from the previous FY. The number of real estate licensees has always been cyclical, with the all-time high of 26,090 licensees in 1990 and the lowest count in the past 22 years of 13,033 licensees in 1999.

FY 2021 PROGRAM OF WORK

Real Estate Recovery Fund (RERF) – The Commission administered the statutory requirements, contracts with consultant attorneys, notice of claims, court orders for payouts, dissemination of information, financial responsibilities of the RERF, records management, and the development of reports.

The Commission is the trustee of the RERF, which is intended to provide a measure of compensation to consumers injured by the fraud, misrepresentation, or deceit of real estate licensees. One of the primary statutory requirements for obtaining payment from the fund is notifying the Commission of the filing of a court action that may result in payment from the RERF.

During FY 2021, the Commission received notification for 2 claims on the fund (see Chart 1). There was one payment out of the recovery fund for FY 2021. Since its inception in 1967, the RERF has paid out over two million dollars (see Chart 2).

CHART 1. Recovery Fund - Notices

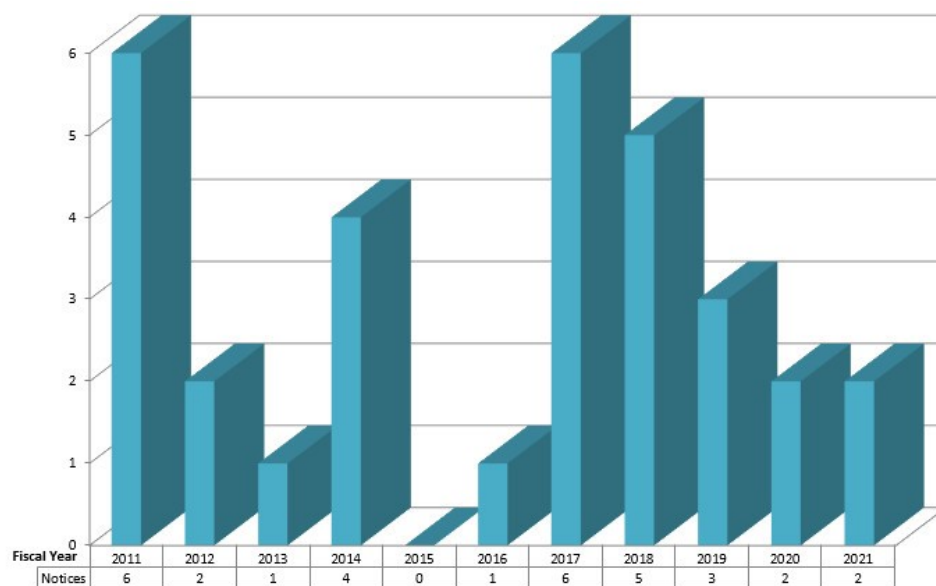
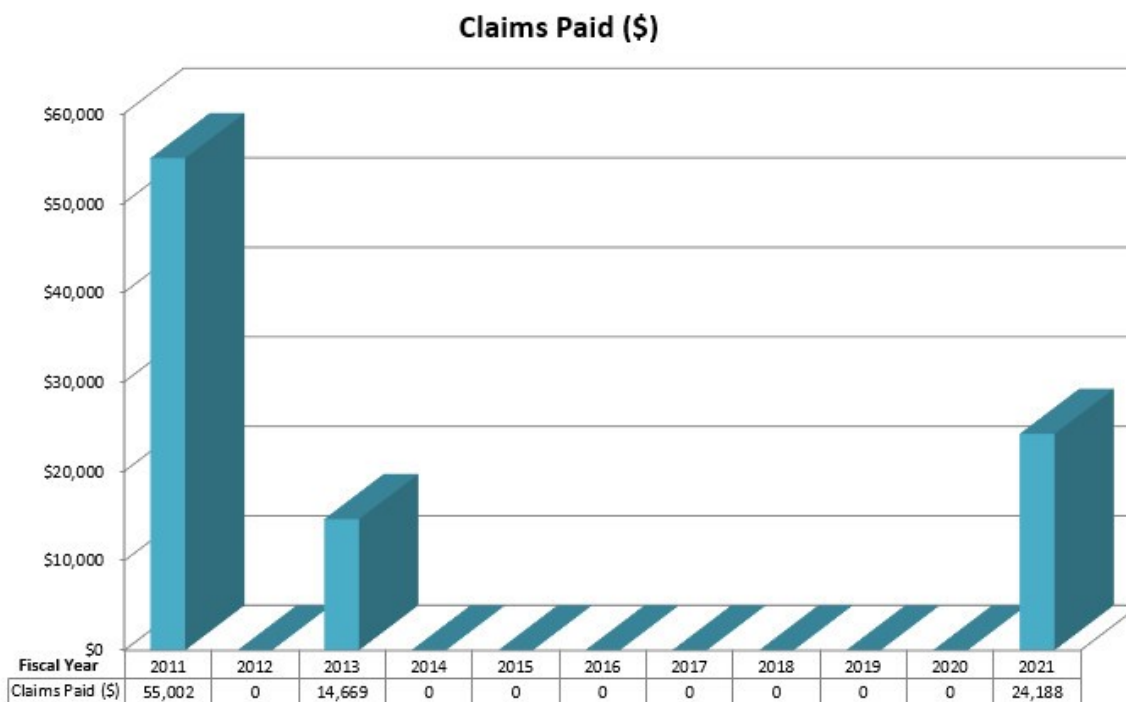


CHART 2. Recovery Fund - Claims Paid



Real Estate Licensing Registration, and Certification- The Commission administered the licensing, registration, and certification requirements, including applications review and updates, policies, procedures, appeals, subpoenas, and requests for records under the Uniform Information Practice Act (UIPA), laws, rules, and procedures.

CHO Registration – Staff administered the licensing, registration, and certification requirements, including applications review, policies, procedures, appeals, subpoenas, and requests for records under the UIPA. Staff continued the administration of the registration program with the Licensing Branch, since active real estate brokers are exempt from registration and fidelity bond requirements. This FY, the Commission registered 28 CHOs (see Chart 3).

Advice, Education, and Referral – Staff responded and provided information to inquiries received via telephone, walk-ins, faxes, written correspondence, emails, and the Commission’s website; printed and distributed

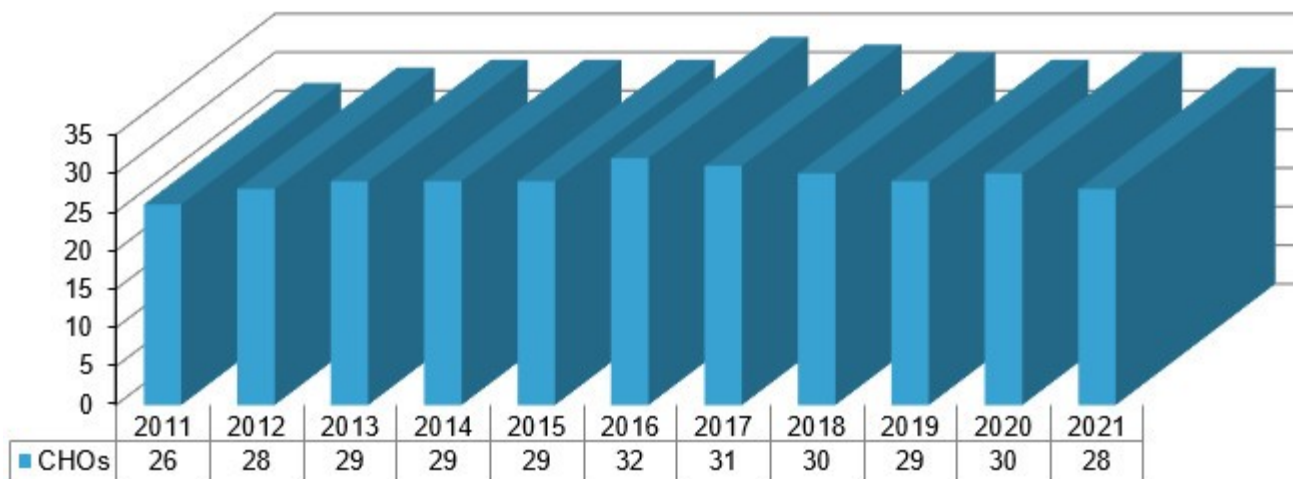
Commission- developed information; and responded to inquiries from government officials and the media.

Rulemaking, Hawaii Administrative Rules (HAR) Chapter 99 – The Commission studied, evaluated, researched, and developed rule amendments for submission to the formal rule-making process. The Commission is proceeding with the Legislative Reference Bureau’s recommendation to separate the rules into three separate chapters. To address strong concerns raised by industry stakeholders, amendments to certain advertising rules are being developed and reviewed separately.

Meetings – The Commission, with support from staff, administered monthly committee meetings, as well as subcommittee and ad hoc committee meetings virtually.

Licensing Renewals – Staff continued implementation of the paperless renewal system and worked closely with the Licensing Branch to ensure its continued success.

CHART 3. CHO Registration



Legislative and Government Participation –

The Commission participated in the legislative session, provided briefings, and acted as a resource to legislators, government officials, and staff; researched and submitted testimony on bills and resolutions, including oral testimony; and assisted legislators and government officials in responding to the community.

Interactive Participation with Organizations –

The Commission, as well as staff, actively participated with the Association of Real Estate License Law Officials (ARELLO) and local, Pacific Rim, national, and international organizations and government agencies to exchange information and concerns, as well as share educational and re- search efforts, joint projects of mutual concern, and training.

Legislative Acts and Resolutions – The Commission reviewed, reported, and developed summaries of all related acts and resolutions and implemented requirements of directly related acts and resolutions.

Neighbor Island Outreach – Unfortunately, due to the COVID-19 pandemic and the associated travel related complications in-person meetings to the neighbor islands were canceled. Neighbor island interested parties were afforded the opportunity to attend and participate in the virtual meetings held in conjunction with the Commission meetings.

Review of Services and Organization- Staff analyzed and initiated steps to improve services, provided for effectiveness and efficiency, amended laws, rules, forms, and systems, and improved staffing, equipment, and organization. Staff also conducted meetings and exchanges with

Licensing Branch personnel.

Application Processing and Forms – Staff studied and evaluated the processing of applications, evaluated and amended forms and instructions, and assisted in mainframe computer programming issues. Staff also studied, reported on, and continued researching other electronic or computerized methods to improve application processing.

ARELLO National Disciplinary Action Data Bank – Staff continued participating in the ARELLO National Disciplinary Action Data Bank to assist in the background review of applicants and consumer protection in other jurisdictions.

Case Law Review Program – The Commission monitored, collected, and reported on case law, disciplinary actions, judgments, and decisions in Hawaii court cases, federal court cases, and other state court cases. The Commission further studied material cases to be considered for the Real Estate Commission Bulletin and the Commission website.

Commissioners Education Program – Staff researched and provided reference materials to commissioners and conducted periodic workshops for all commissioners.

Division and Department Programs – The Commission coordinated and worked with the Professional and Vocational Licensing Division (PVL), the DCCA, and others on programs of mutual concern through a joint program with the Education Review Committee and the Condominium Review Committee.

ADMINISTRATIVE ACTIONS

Disciplinary Actions- The Commission took disciplinary action against 39 licensees from July 2020 to June 2021. This is a 25.8% increase over the 31 licensees disciplined in FY 2020. Chart 4 provides historical information on the number of licensees disciplined.

Fines totaling \$50,875 were assessed against 38 licensees. One license was revoked. (see Table 1 and Chart 5).

Table 1 - Administrative Actions - FY 2021

No. of Licensees Disciplined	38
Licenses Revoked	1
Licenses Suspended	0
Licenses Fined	39
Total fines	\$50,875

CHART 4. Disciplinary Actions

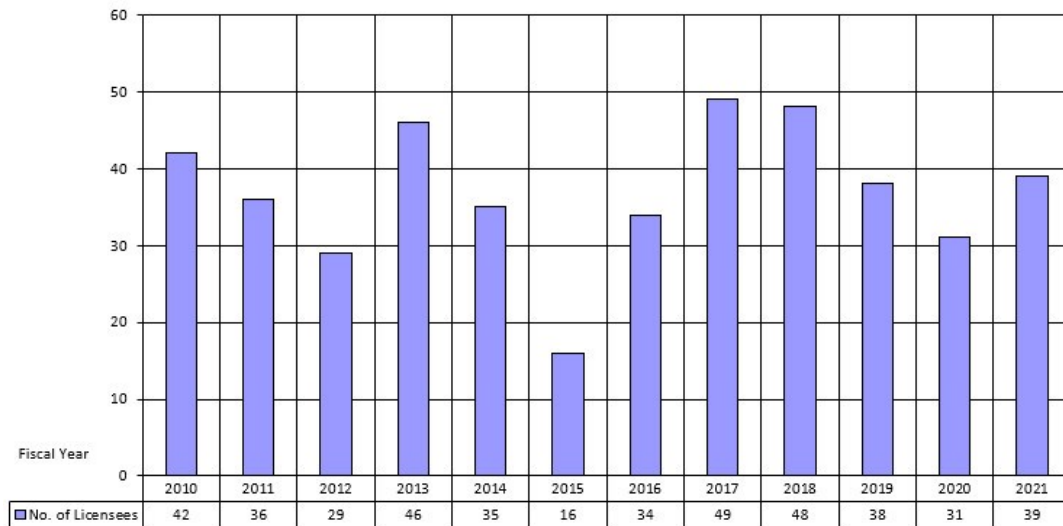
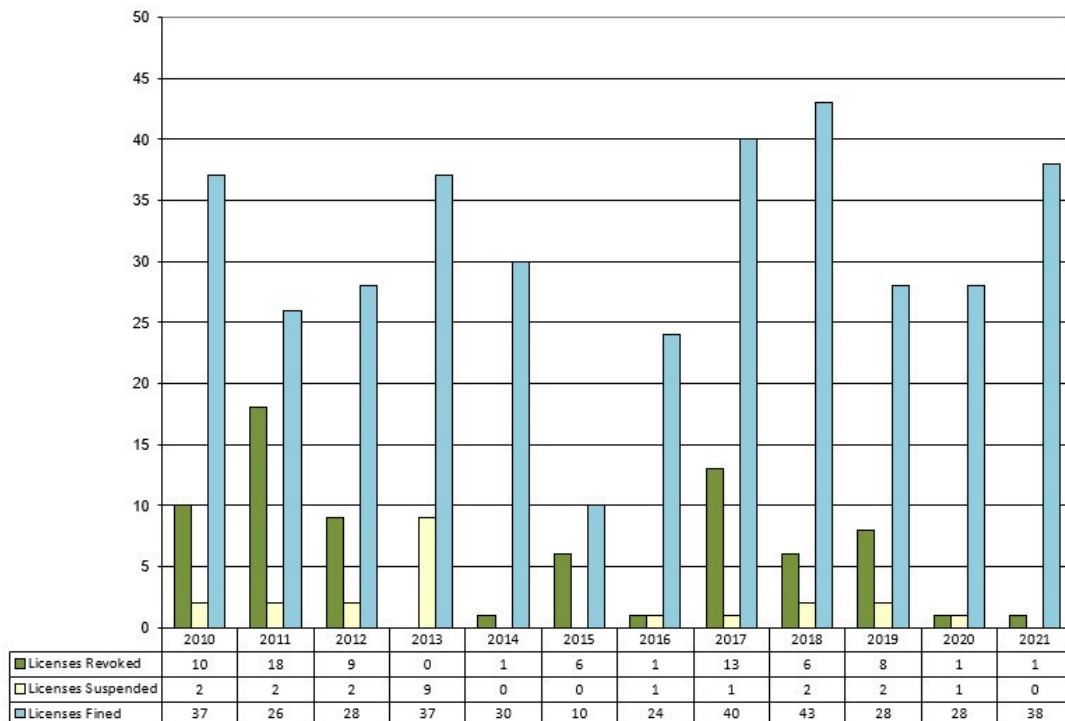


CHART 5. Administrative Actions - Sanctions



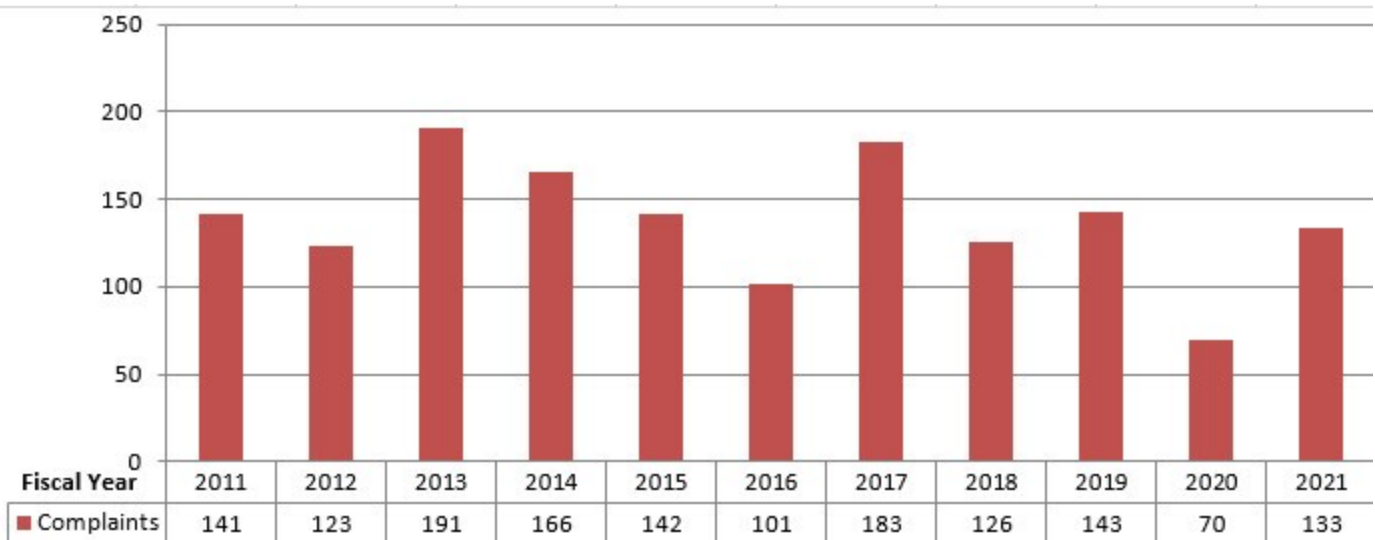
REGULATED INDUSTRIES COMPLAINTS OFFICE (RICO)

RICO receives, investigates, and prosecutes complaints against real estate licensees for violations of laws and rules. Complaints have fluctuated over the past ten years with a 90% increase in FY 2021. RICO received 133 real estate complaints in FY 2021, compared to 70 in FY 2020 (see Chart 6).

Fifty-seven complaints are pending, and seventy-six cases were closed as follows:

- 13 Warning Letters
- 18 Insufficient Evidence
- 10 Legal Action
- 14 Resolved
- 10 Retained for Records Only
- 3 No Violation
- 5 Education Contact
- 3 Withdrawn

CHART 6. RICO Complaints (Real Estate)



The top 5 alleged HRS chapter 467 violations in RICO complaints:

1. §467-14(13) - Violating chapter 467, chapters 484, 514A, 514B, 514E, or 515, section 516-71, or the rules adopted pursuant thereto.
2. §467-1.6(a) - The principal broker shall have direct management and supervision of the brokerage firm and its real estate licensees.
3. §467-14(1) - Making any misrepresentation concerning any real estate transaction
4. §467-14(8) - Any other conduct constituting fraudulent or dishonest dealings.
5. §467-14(20) - Failure to maintain a reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing. §467-14(8) - Any other conduct constituting fraudulent or dishonest dealings.

The top 5 alleged HAR chapter 99 violations in RICO complaints:

1. §16-99-3(b) - Licensee shall protect the public against fraud, misrepresentation, or unethical practices in the real estate field.
2. §16-99-3(a) - Licensee shall fully protect the general public in its real estate transactions.
3. §16-99-3(f) - The licensee, for the protection of all parties with whom the licensee deals, shall see that financial obligations and commitments regarding real estate transactions, including real property rental management agreements, are in writing, express the exact agreements of the parties, and set forth essential terms and conditions, and that copies of those agreements, at the time they are executed, are placed in the hands of all parties involved.
4. §16-99-11(a) - All real estate advertising and promotional materials shall include the legal name of the brokerage firm or a trade name previously registered by the brokerage firm with the DCCA's Business Registration Division and with the Commission.
5. §16-99-4(a) - Every brokerage firm that does not immediately place all funds entrusted to the brokerage firm in a neutral escrow depository, shall maintain a trust fund account in this State with some bank or recognized depository, which is federally insured, and place all entrusted funds therein. The trust fund account shall designate the principal broker as trustee and all trust fund accounts, including interest bearing accounts, shall provide for payment of the funds upon demand.

FY 2022 PROGRAM OF WORK

- | | |
|--|--|
| • Real Estate Recovery Fund | • Legislative Acts and Resolutions |
| • Real Estate Licensing, Registration & Certification Administration | • Neighbor Island Outreach |
| • CHO Registration | • Review of Services and Organization |
| • Education and Referral | • Application Processing and Forms |
| • Rulemaking, HAR Chapter 99 | • ARELLO National Disciplinary Action Data Bank |
| • Subcommittees | • Case Law Review Program |
| • Meetings | • Rulemaking, HAR Chapter 53 |
| • Licensing Renewals | • Commissioners Education Program |
| • Legislative and Government Participation | • Division and Department Programs |
| • Interactive Participation with Organizations | • Housing and Urban Development/ ARELLO Fair Housing Agreement |

EDUCATION REVIEW COMMITTEE REPORT

The Education Review Committee, for FY 2021, under the leadership of Chair Derrick Yamane and Vice Chair Russell Kyono, continued to address important and varied education issues.

FY 2021 PROGRAM OF WORK

Continuing Education (CE) Core Course – The Commission researched and developed its core course on legislative updates and Core A – “Fair Play in Fair Housing: It’s Not a Game, It’s the Law” for the first year of the licensing biennium. Due to the COVID-19 pandemic, the core course is offered in a “remote/live” format, which means the instructor is actually teaching the course and it is being offered via webinar-type platforms. This is in addition to the traditional live and online course offerings.

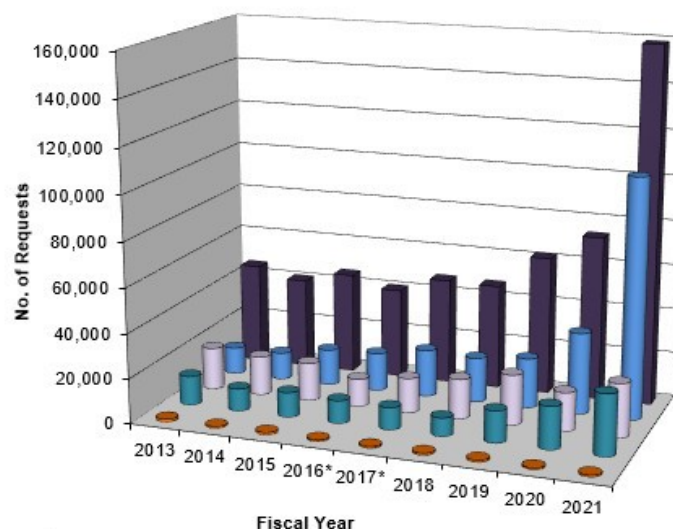
Salesperson Curriculum and Resources – The newly updated curriculum was effective January 1, 2021 and continued to be offered in both the live classroom and independent study/online format.

Broker Curriculum and Resources— The broker’s curriculum continued to be offered in both live classroom and independent study/online format.

Advice, Education, and Referral – Staff continued to provide advice, education, and referral to applicants, licensees, government officials, consumers, public, and organizations, including the research, reproduction of materials, and mailings. It developed a distribution system of educational and informational products for each principal broker and broker-in-charge. Staff also published and distributed educational and informational materials through the Commission’s website.

Staff continued to field a high number of telephone calls, walk-ins, written inquiries, faxes, and emails. For real estate, the FY produced 818 walk-in inquiries; 27,138 applications and written inquiries/requests; 23,999 telephone inquiries; and 106,652 emails (see Chart 7).

CHART 7. Inquiries and Applications



	2013	2014	2015	2016*	2017*	2018	2019	2020	2021
■ Walk-ins	1,231	852	1,031	727	784	941	984	720	818
■ Applications / written requests	13,038	10,007	11,073	10,209	9,953	8,171	14,166	18,968	27,138
■ Telephone calls	18,922	17,486	17,067	12,410	15,463	17,701	22,329	17,249	23,999
■ E-mail	12,095	12,233	16,225	17,060	21,074	20,053	22,332	36,319	106,652
■ Total (*Corrected Total)	45,286	40,578	45,396	40,406	47,274	46,866	61,830	73,256	158,607

Administration of Pre-license Education Program, Schools, and Instructors

The Commission provided administrative review and an approval process for applications, disseminated information regarding renewals and certification, and provided appropriate records management. It coordinated the instructor's examination program with its test administrator, PSI. A new Education System was launched March 2021 by the Professional and Vocational Licensing Division. The Education System is part of the new licensing database developed by Pacific Point Inc. on a Salesforce platform called Hō'ala. The Education System and Hō'ala have experienced issues. However, those issues are being tweaked to address all education issues that impact real estate licensees and real estate candidates, as well as the Pre-license Schools and Continuing Education Providers. The Education System provides electronic access to student registration, course completions, course schedules, and the ability to issue electronic School Completion Certificates.

Staff researched, developed, printed, and distributed School Files, a quarterly newsletter for educators. It provided schools, instructors, and CE providers' information on administrative procedures, changes in licensing laws, and other articles relevant to the delivery of real estate education. As with the Real Estate Commission Bulletin, School Files was published in print and electronic format.

This was a joint program with the CE Program.

Administration of Examinations – The Commission administered the real estate licensing examination program, including contract administration with its test administrator, PSI, and provided information

regarding the exam process, reviewed amendments to test candidate booklets, evaluated periodic examination and reports and kept abreast of daily exams. The annual PSI Industry Day was postponed due to the COVID-19 pandemic. The yearly item review and writing sessions were held virtually with PSI on October 13, 2020 and March 18, 2021.

Because of the COVID-19 pandemic, PSI testing was temporarily suspended on March 28, 2020. Testing resumed on the previous schedule, Tuesday through Saturday, on April 13, 2020 on Oahu only. Because of social distance requirements, the testing capacity has been cut—by 50% in the test centers. Testing in Honokaa resumed on June 3, 2020.

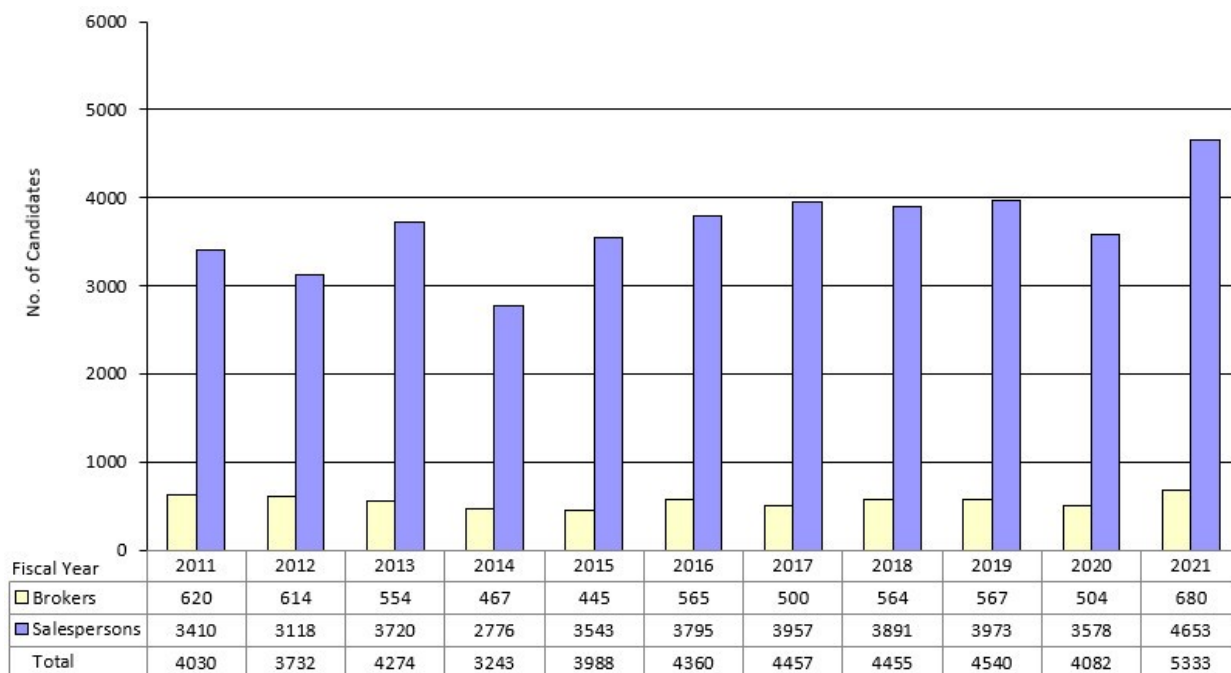
Testing on Maui resumed on July 18, 2020 and on Kauai on September 19, 2020. Prior to the COVID-19 pandemic, PSI offered testing at least five days a week, including Saturdays, in Honolulu, twice a month on Maui and the Big Island, and once a month on Kauai.

The Commission approved remote proctoring or remote testing and it successfully launched on January 21, 2021. The availability of remote proctoring was a plus for license candidates, as testing could be accomplished in the candidates' own home, assuming the technology available was compatible with the PSI testing requirements. As shown in Table 2 and Chart 8, the number of total examination attempts by candidates increased 30.6% from the last fiscal year.

Table 2 Real Estate Licensing Examination

	FY 2020	FY 2021	% Change
Brokers Tested*	504	680	34.9%
Salespersons Tested*	3578	4653	30.0%
Total Tested	4082	5333	30.6%
Brokers Passed**	287	447	55.7%
Salespersons Passed**	2084	2948	41.5%
Total Passed	2371	3395	43.2%
% Brokers Pass*	56.9%	65.7%	
% Salespersons Pass*	58.2%	63.4%	
*First time and Retakers			
**National and/or State Portion			

CHART 8. Licensing Examination Candidates



Staff periodically monitors the examination administration on each island to assure facilities and procedures comply with PSI and Commission policies.

Two-hundred and fifty-eight applications were approved for equivalency to the uniform section of the examination based on passage of the uniform section of another state's exam. This represents a 13.7% increase from last FY's total of 227 approvals.

Administration of CE Program, Providers, and Courses — The Commission administered the CE program, including the registration of providers and certification of courses and provided timely information and records management, as appropriate. The Commission also published a quarterly newsletter, School Files, exclusively for the real estate education community. It provided schools, instructors, and CE providers' information on administrative procedures, changes in licensing laws, and other articles relevant to the delivery of real estate education. As with the Real Estate

Commission Bulletin, School Files was published in print and electronic format.

Administration of CE Elective Courses — Due to the COVID-19 pandemic, previously approved CE courses were offered via webinar-based platforms to much success. Live classes ceased for CE Providers. Online CE courses continued as scheduled. Live-remote CE courses continue to be offered in the place of strictly live courses.

The Commission provided administrative information to elective course providers and licensees, assisted providers in submissions, reviewed submitted applications, reviewed submitted curriculum, made recommendations, and assisted with records management. The new Education System continues to provide real estate licensees with the ability to view the number of CE hours required and earned for the current licensing period, their CE history, and the ability to search for future CE courses offered by approved CE providers. However, as stated above, the Education System continues to deal

with issues in delivery of information. Real estate licensees are also able to access and reprint their own course completion certificates for the current and previous biennium. Additionally, real estate principal brokers and brokers-in-charge are able to monitor and view current CE hours, CE history, and the license status of all licensees associated with the brokerage. This system is updated daily.

During the FY 2021, there was a total of 377 newly approved and recertified CE courses. Thirty-seven approved CE providers offered 1,247 classes to over 75,527 participants.

Ad Hoc Committee on Education (ACE) –

The Commission’s ACE reviewed, recommended, assisted in developing, updating, and administering education-related projects and CE. There were three ACE meetings during the fiscal year: September 10, 2020, March 17, 2021, and April 16, 2021. ACE assisted in developing the topic for the Commission’s 2021-2022 Core Course, Part A, “Fair Play in Fair Housing: It’s Not a Game, It’s the Law.” ACE also provided review and feedback in the updating of the salesperson’s pre-license curriculum which went into effect on January 1, 2021. Meetings were held via Zoom due to the COVID-19 pandemic.

Meetings and Symposium – Due to the COVID-19 pandemic, the Education Review Committee (“ERC”) did not meet as a separate standing committee from April 2020 through the end of the fiscal year. Instead, ERC matters are included as an agenda item at monthly Commission meetings, and will continue that way until in-person meetings resume.

Annual Report and Quarterly Bulletin –

Staff researched, developed, and distributed the Commission’s Annual Report and quarterly Real Estate Commission Bulletin and continued contract administration with consultant and procurement code management.

The Commission continued to publish the Real Estate Commission Bulletin in a traditional newsletter format that was mailed to all current licensees, legislators, government officials, ARELLO jurisdictions, and other interested parties. It was also available in electronic format on the Commission’s website at www.hawaii.gov/hirec.

In contrast to the Real Estate Commission Bulletin, the Commission’s Annual Report is primarily an electronic publication. A limited number of printed copies was distributed to the Legislature and to the Governor. Interested licensees and members of the public can download and print the report from the Commission’s website.

Real Estate Education Fund – The Commission maintained and reviewed the budget, finance, and records for the Real Estate Education Fund; prepared quarterly and annual financial statements; prepared annual and biennial budgets; and administered fund investment programs, including contract administration and procurement code management.

Neighbor Island Outreach – Due to the COVID-19 pandemic, the Commission did not meet on the Neighbor Islands in FY 2021. It is uncertain when and if these meetings will resume.

Interactive Participation with Other

Organizations – The Commission continued its participation in events sponsored by local and national organizations. On a national level, the Commission continued its active participation with ARELLO and the Real Estate Educators Association (REEA). Participation in local, national, and international organizations offers an opportunity to learn about the latest issues, trends, and solutions in the industry, exchange information and concerns, share education and research efforts, joint projects of mutual concern, and training. The Commission sent Chair Pang to attend the ARELLO annual mid-year conference which was held from June 30 – July 3, 2021, in San Antonio, Texas.

Instructors Development Workshops – The Commission contracted with the Hawaii Association of REALTORS® to provide Instructors Development Workshops (IDWs). The IDWs were previously scheduled to take place last fiscal year, however, they were postponed and held virtually this fiscal year on August 25, 26, 28, 31, 2020.

Legislative Participation, Research, and Report – The Commission researched, participated, and reported on requests by the Legislature, including resolutions, agreements, and issues of mutual concern.

Evaluation and Education System for CE and Pre-licensing Instructors, Courses, Providers, and Schools – The evaluation system for continuing education courses, continuing education instructors, pre-license instructors, and schools is on hold until the development and implementation of the new licensing and education system is completed. The new licensing and education system—Hō`ala—launched in February 2021 and education system launched in March 2021 and work is ongoing. It is anticipated that an evaluation may be integrated into the new system. Currently, course and instructor evaluations are the responsibility of each CE

Provider and Prelicense School. Record-keeping is required by each CE Provider and Prelicense School.

Real Estate Specialists' Office for the Day – The Real Estate Specialists' Office for the Day provided staff with an opportunity to meet in person with licensees, applicants, prospective licensees, and members of the public. In conjunction with the Neighbor Island Outreach, the Specialists' Office for the Day was not held on any Neighbor Island due to the COVID-19 pandemic.

Real Estate Speakership Program – Subject to state government approvals and priorities, the Commission and staff honored requests to provide a speaker, a resource person, or an active participant in functions related to real estate education.

Pre-licensing Education Equivalency

Administration – The Commission administered applications for pre-licensing education equivalencies, including consultation with ARELLO.

Uniform Section Equivalency for Licensing

Examination – The Commission administered applications for equivalency to the uniform part of the examination based on passage of the uniform part of another state's exam.

Technology and Website – Staff maintains the design and content of the Hawaii Real Estate Branch's website (www.hawaii.gov/hirec). The website is updated frequently to provide both licensees and the public the most current real estate information. The Commission's website, www.hawaii.gov/hirec, is available 7 days a week, 24 hours each day for information, forms, and applications.

Records Management – Staff evaluated, planned, reorganized, and implemented a computerized glossary of existing and future records and files that is centralized, consistent, and user-friendly.

Information Distribution System— Staff researched, developed, and implemented a centralized information distribution system for all education products produced by the Commission. Staff standardized policies and procedures for distribution, purchasing, copyright, specific permission copying, or generic permission copying of brochures, reports, and videotapes.

New Salesperson and New Broker Start-up Kits – Staff packaged and distributed start-up kits to newly licensed salespersons and brokers.

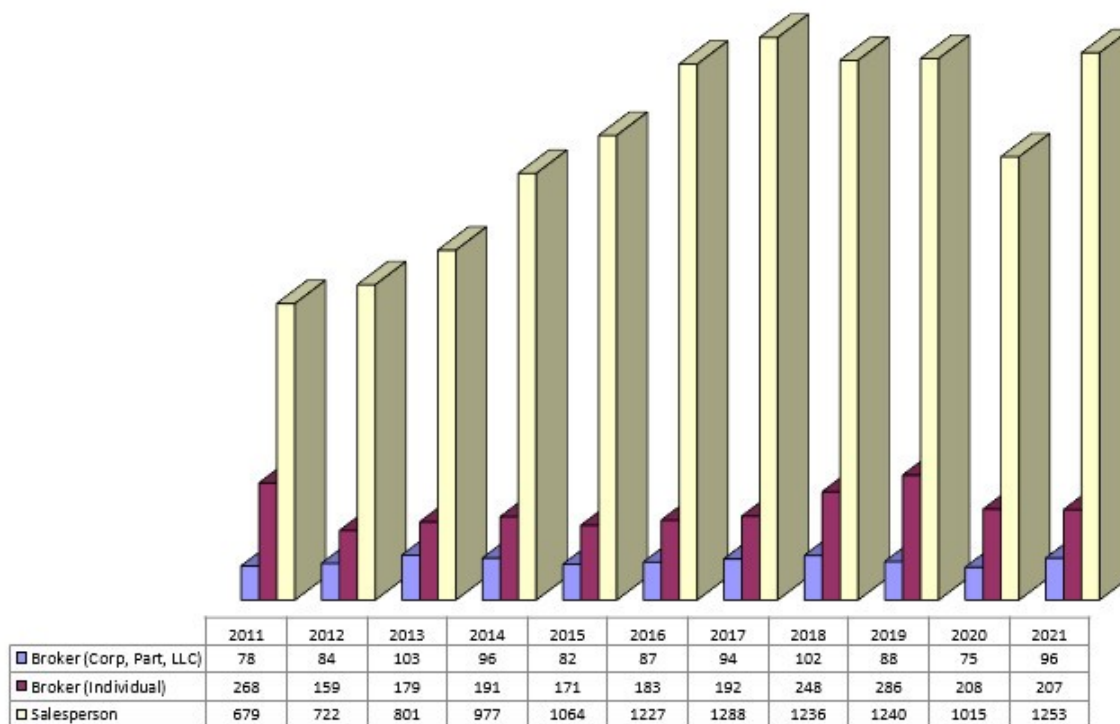
Staff and Commissioners Development— Staff developed and trained staff and commissioners for better administration of the real estate programs. Commissioners and staff participated in training and educational opportunities provided by the REEA, ARELLO, Condominium Associations Institute, Council on Licensure, Enforcement and Regulation, and other organizations.

Real Estate Reference Library – The Commission subscribed and purchased real estate reference materials for public review.

Licenses

New Licenses – During FY 2021, 1,556 new licenses were issued, representing increase of 19.9% over the prior FY. New individual broker licenses decreased by 0.5%, new salesperson licenses increased by 23.4%, and new entity licenses increased by 28% (see Chart 9).

CHART 9. New Real Estate Licenses Issued



Current Licenses – The overall number of current real estate licenses decreased 7.8% by the end of FY 2021. In FY 2021, active licenses decreased by 5.4% over the previous FY, with inactive licenses decreasing by 15.3% (see Chart 10, Table 3, and Chart 11).

CHART 10. Total Real Estate Licensees

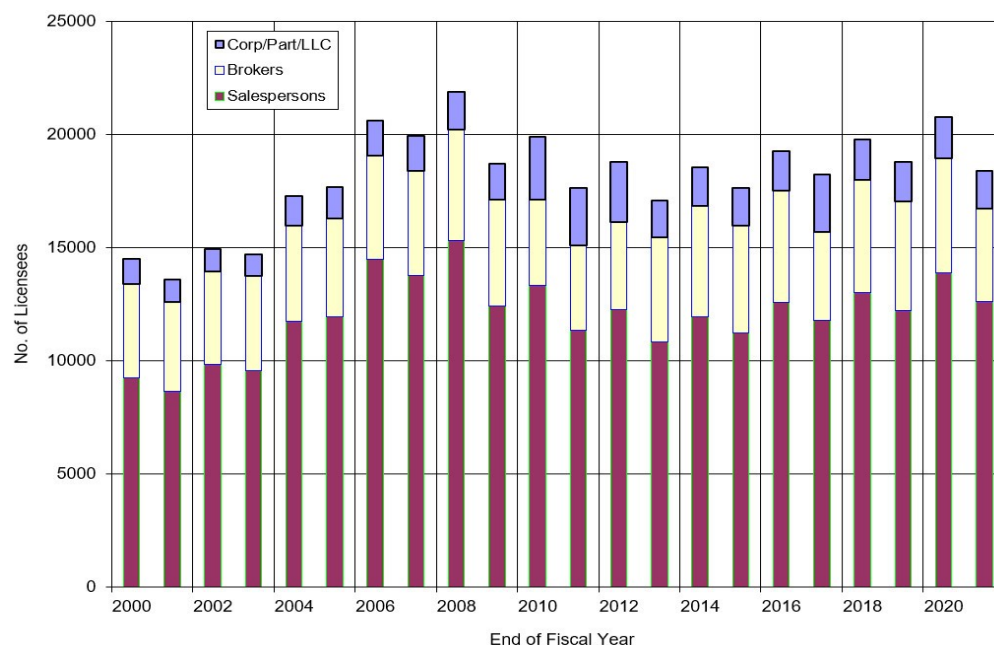
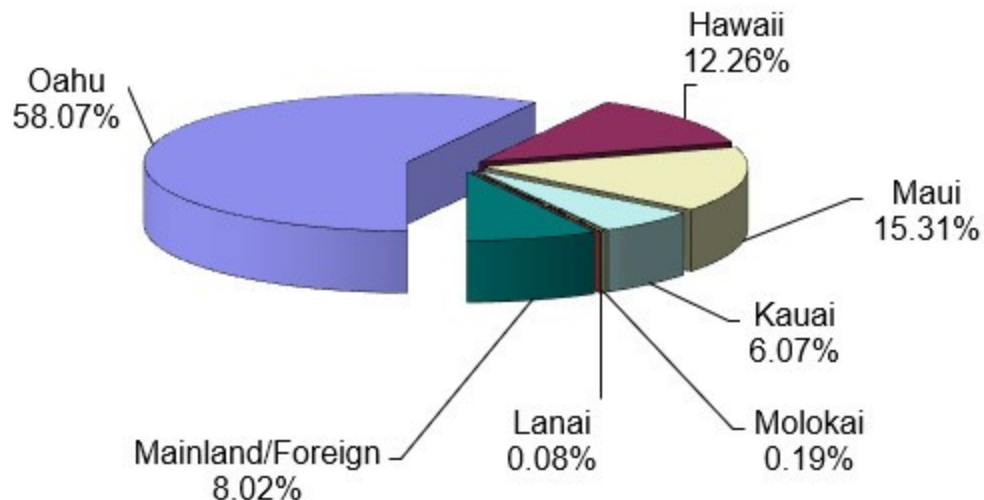


Table 3. Current Real Estate Licensees by Type and Island

	Oahu	Hawaii	Maui	Kauai	Molokai	Lanai	Other	Total
Active								
Broker	2,097	510	531	214	8	1	161	3,522
Salesperson	5,422	1,129	1,601	528	14	8	348	9,050
Sole Proprietor	463	103	71	54	5	0	65	761
Corporation, Partnership, LLC	987	214	231	87	5	1	74	1,599
Total Active	8,969	1,956	2,434	883	32	10	648	14,932
Inactive								
Broker	226	37	41	26	0	1	257	588
Salesperson	1,899	349	453	248	5	4	604	3,562
Sole Proprietor	2	0	1	0	0	0	2	5
Corporation, Partnership, LLC	31	8	4	7	0	1	25	76
Total Inactive	2,158	394	499	281	5	6	888	4,231
Active and Inactive								
Broker	2,323	547	572	240	8	2	418	4,110
Salesperson	7,321	1,478	2,054	776	19	12	952	12,612
Sole Proprietor	465	103	72	54	5	0	67	766
Corporation, Partnership, LLC	1,018	222	235	94	5	2	99	1,675
Total	11,127	2,350	2,933	1,164	37	16	1,536	19,163

CHART 11. Real Estate Licensees by Island

FY 2022 PROGRAM OF WORK

Education Review Committee

- CE Core Course
- Salesperson Curriculum and Resources
- Broker Curriculum and Resources
- Education and Referral
- Administration of Pre-license Education Program, Schools, and Instructors
- Administration of Examinations
- Administration of CE Program, Providers, and Instructors
- Administration of CE Elective Courses
- Ad Hoc Committee on Education
- Meetings and Symposium
- Annual Report and Quarterly Bulletin
- Real Estate Education Fund
- Neighbor Island Outreach
- Interactive Participation with Organizations
- Real Estate Seminars
- Legislative Participation, Research, and Report
- Instructor's Development Workshop
- Evaluation and Education System for CE and Pre-licensing Instructors, Courses, Providers, and Schools
- Real Estate Specialists' Office for the Day
- Real Estate Speakership Program
- Pre-licensing Education Equivalency Administration
- Uniform Section Equivalency of Pre-licensing Examination
- Technology and Website
- Records Management
- Information Distribution System
- New Salesperson and New Broker Start-up Kits
- Cooperative Education, Research, and Administration Program
- Division and Department Programs
- Staff and Commissioners Development
- Real Estate Reference Library

CONDOMINIUM REVIEW COMMITTEE REPORT

Under the leadership of Chair Laurie A. Lee and Vice Chair John Love, the Condominium Review Committee (CRC) oversaw the jurisdiction of condominiums governed by HRS Chapter 514B and the administration of condominium-related Programs of Work in an ongoing pandemic environment.

The CRC is a standing committee that holds monthly public meetings in which condominium issues are presented, discussed, examined, and considered. It is a working committee that handles everyday issues affecting all aspects of condominium living. During the pandemic, the CRC meeting has been held jointly with the monthly Commission meeting, and all condominium issues are considered at that time. Members of the condominium community, including developers, unit owners and board members, condominium managing agents, attorneys, educators, government officials, and others with condominium concerns participate in the meetings. The CRC considers a variety of issues affecting condominium living in Hawaii, ranging from the proper registration of condominium projects by developers, condominium association registration, the mandated self-governing philosophy of condominium associations, and the education of owners.

Additionally, the Commission is required to submit to the legislature annually: (1) a summary of the programs funded during the prior fiscal year with monies from the Condominium Education Trust Fund (CETF) and the amount of money in the CETF, including a statement of which programs were directed specifically at the education of condominium owners; and (2) a copy of the budget for the current fiscal year, including summary information on programs that were funded or will be funded and the target audience for each program and a line item reflecting the total amount collected from condominium associations.

Pursuant to HRS §514B-71, monies may be expended from the CETF for educational purposes, including financing or promoting:

1. Education and research in condominium management, condominium project registration, and real estate, to benefit the public and those required to be registered under this chapter;
2. The improvement and more efficient administration of associations;
3. Expeditious and inexpensive procedures for resolving association disputes;
4. Support for mediation of condominium-related disputes; and
5. Support for voluntary binding arbitration between parties in condominium-related disputes, pursuant to HRS § 514B-162.5

FY 2021 PROGRAM OF WORK

Condominium Laws and Education – The Commission continued the statewide promotion and delivery of Commission-subsidized and procured seminars via electronic platforms due to the continuing pandemic environment. The Commission updated its existing educational materials for consistency with all applicable laws. The Commission created new materials to keep current with new laws and policies, and made improvements to instruction, curriculum, and other materials related to all aspects of condominiums.

In FY21, the Commission introduced a new educational tool to its library of materials consisting of 15 short educational videos on a variety of topics important to condominium unit owners and prospective condominium purchasers. In the current real estate sales market, and with increased sales of condominiums, it's important that prospective purchasers understand what communal condominium living means. The videos are available on the Real Estate Branch website.

The Commission reviewed and amended existing Commission-developed educational materials, created new forms and brochures, modified existing forms as necessary, reviewed instructions, informational sheets, procedures, and evaluative processes, and explored the delivery of educational seminars on the Commission's website. The Commission posted YouTube videos of its Condorama events for convenient viewing on the Real Estate Branch's website.

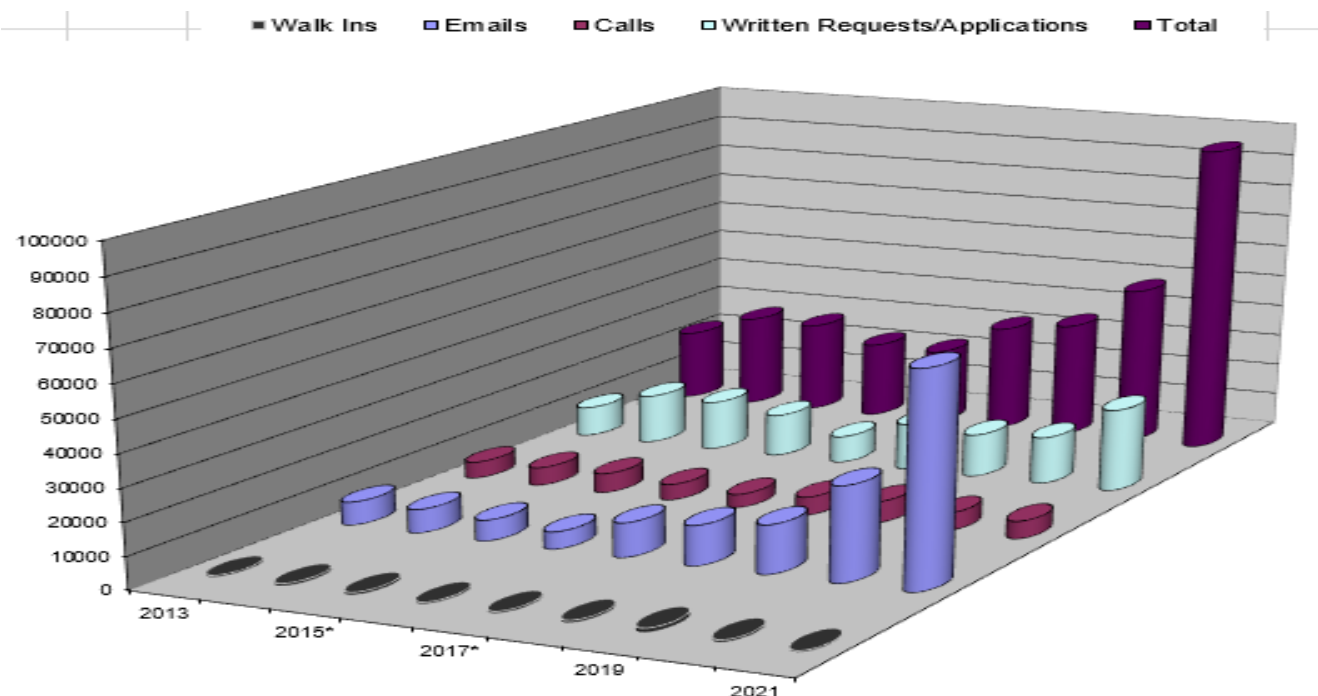
In the implementation of HRS Chapter 514B, the CRC appreciates the continuing support of the condominium governance and

development communities, practicing condominium attorneys, the Hawaii State Bar Association - Real Property Section, and members of the real estate industry. To these committed organizations and groups, the Commission extends a sincere mahalo.

Education and Referral – The Commission provided educational information to inquirers via telephone, in-person office visits, electronic communications, the Hawaii Condominium Bulletin, a variety of educational materials on the Commission's website, quarterly email subscriptions, procured seminars, and virtual community outreach. Targeted recipients of educational efforts were condominium unit owners, developers, prospective purchasers, real estate licensees, government officials, and other interested parties.

The condominium specialists respond to thousands of requests for information, advice, and referral every year. Chart No. 12 shows the number of requests to be 96,390 for assistance from condominium owners and interested persons handled by the condominium specialists in FY 2021.

Condominium Project and Developer's Public Reports – Staff implemented and administered the condominium project registration program pursuant to HRS Chapter 514B. With the assistance of stakeholder organizations, volunteers, State and County agencies, and interested attorneys, the Commission evaluated and developed new processes, records, forms, information documents, and considered rules relevant to the condominium project registration process. Commission staff

Chart 12. Condominium Advice, Education, and Referral

	2013	2014	2015*	2016*	2017*	2018	2019	2020	2021
Walk Ins	557	754	792	563	597	749	1276	676	464
Emails	7149	7292	6431	5293	10545	12259	14951	28914	64830
Calls	5135	5603	6023	4897	4094	5621	6550	5406	5379
Written Requests/Applications	9311	15347	15357	13200	8341	14664	13371	14686	25717
Total	22152	28996	28603	23953	23577	33293	36148	49682	96390

assisted consultants with condominium project registration issues and related tasks. Developer's public reports were made available for public viewing and copying to disc via the Commission's website.

In FY 2021, the condominium consultants reviewed 244 condominium project files for issuance of effective dates for a developer's public report.

Staff planned for the electronic management of condominium project files, including the scanning of documents. The Commission worked alongside the condominium consultants to oversee the registration of condominium projects and issuance of effective dates for developer's public reports, which are mandated for public sales

of condominium units (see Charts 13 through 15 and Table 4).

Hawaii Condominium Bulletin – The Commission publishes a quarterly online bulletin for the condominium community. Through the procurement process, staff contracted for the design and online layout of the bulletin. This FY, the bulletin included essential articles on pets in condominium associations, considerations when purchasing a condominium unit and a directors' duty to avoid conflicts of interests, in addition to regular reporting from the CRC chair, legislative updates, a calendar of upcoming meetings, and a quarterly summary of condominium mediations.

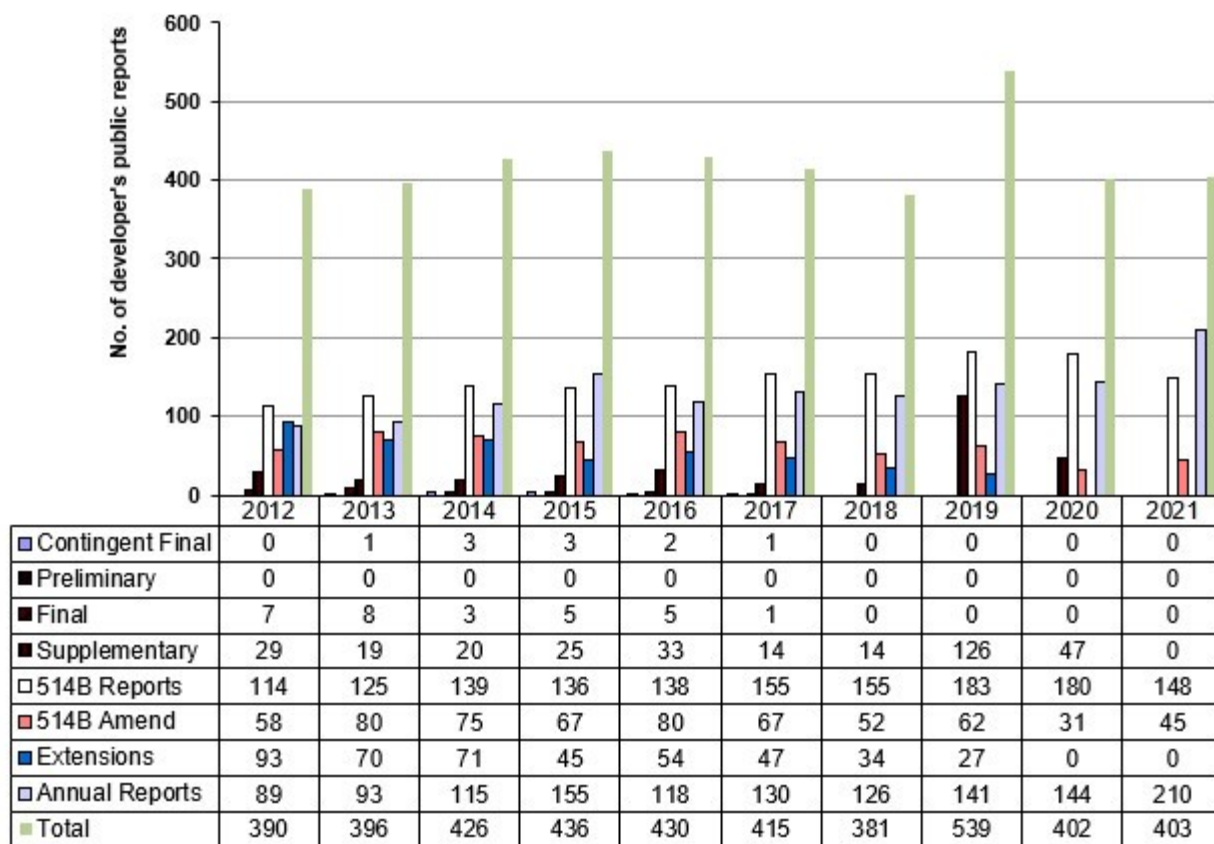
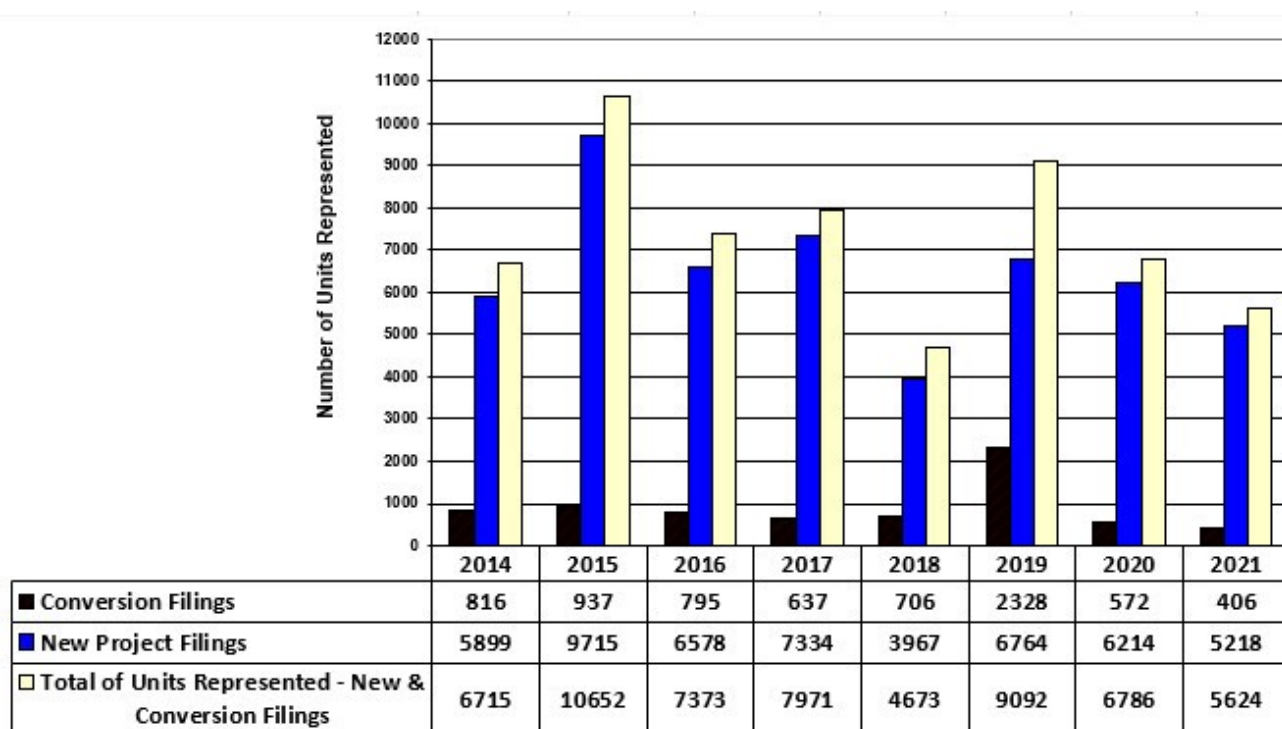
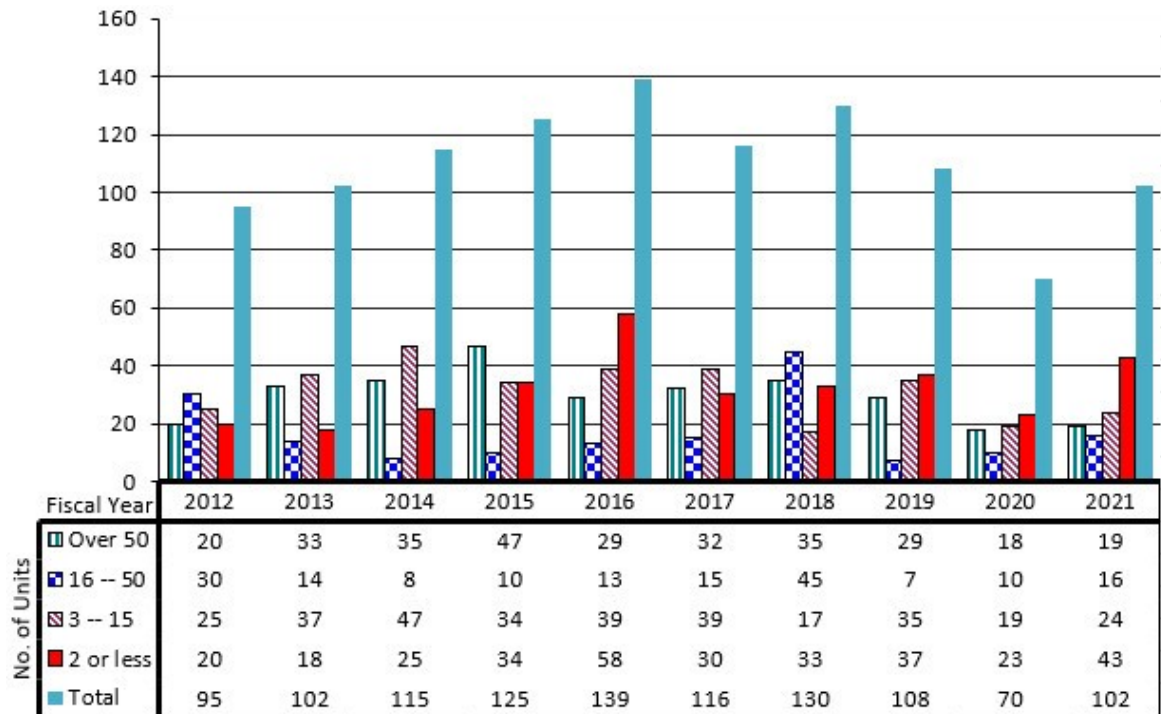
CHART 13. Developer's Public Reports Effective Dates Issued**CHART 14. New and Conversion Project Filings of Developer**

CHART 15. New Residential Project by Size**Table 4. Condominium Project Filings**

Vertical Condominiums									
New Projects	2014	2015	2016	2017	2018	2019	2020	2021	
Residential	121	125	139**	116	110	108	74	102	
No. of Units Represented	4,933	8,175	5,374	6,978	3,583	5,629	5,417	4,885	
Commercial and Other	9	9	4	4	4	9	7	4	
No. of Units Represented	881	1,485	1,030	145	232	833	674	148	
Agricultural	23	26	20	19	27	58	44	27	
No. of Units Represented	85	55	123	211	152	302	123	185	
Total New Projects	153	160	163	139	141	175	125	133	
Total No. of Units Represented	5,899	9,715	6,527	7,334	3,967	6,764	6,214	5,218	
Conversions									
Residential	75	71	76	62	91	110	75	59	
No. of Units Represented	633	596	365	332	481	1,532	386	331	
Commercial and Other	4	3	4	4	4	4	2	1	
No. of Units Represented	88	264	320	247	192	570	48	2	
Agricultural	29	19	34	27	15	70	53	31	
No. of Units Represented	95	77	110	58	33	226	138	73	
Total Conversion Projects	108	93	114	93	110	184	130	91	
Total No. of Units Represented	816	937	795	637	706	2,328	572	406	
Combined New & Converted Proj.	261	253	277	232	251	359	255	244	
Combined No. of Units Represented	6,715	10,652	7,322	7,971	4,673	9,092	6,786	5,624	

* Total includes one (1) project that was either withdrawn or returned.

** Correction to the 2016 Annual Report

Note 1: Numbers and totals may differ from those reported in prior annual reports due in part to the change in the database management software.

Note 2: In mixed use condominium projects, the predominant use is reported. This is done to prevent the multiple counting of a project filing.

Condominium Mediation and Arbitration Program – Through the CETF, the Commission subsidized mediation and voluntary binding arbitration programs on all islands for registered condominium associations and worked with the various providers to provide information on alternative dispute resolution and mediation for boards of directors, unit owners, and condominium managing agents (see Charts 16 and 17). Brochures describing the types of mediation subsidized and mediation provider contact information are available on the Commission website. Every mediation or arbitration conducted is a condominium dispute that has avoided the court system and is considered a success.

Chart 16. Facilitative Mediations

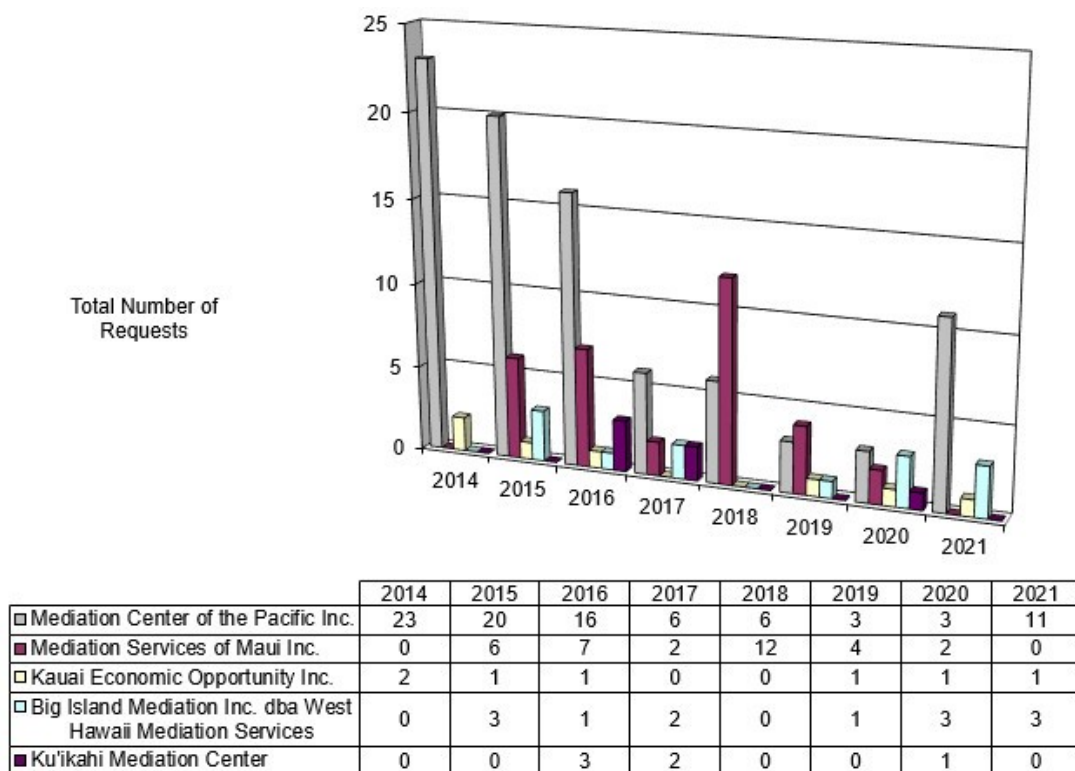


Chart 17. Evaluative Mediations

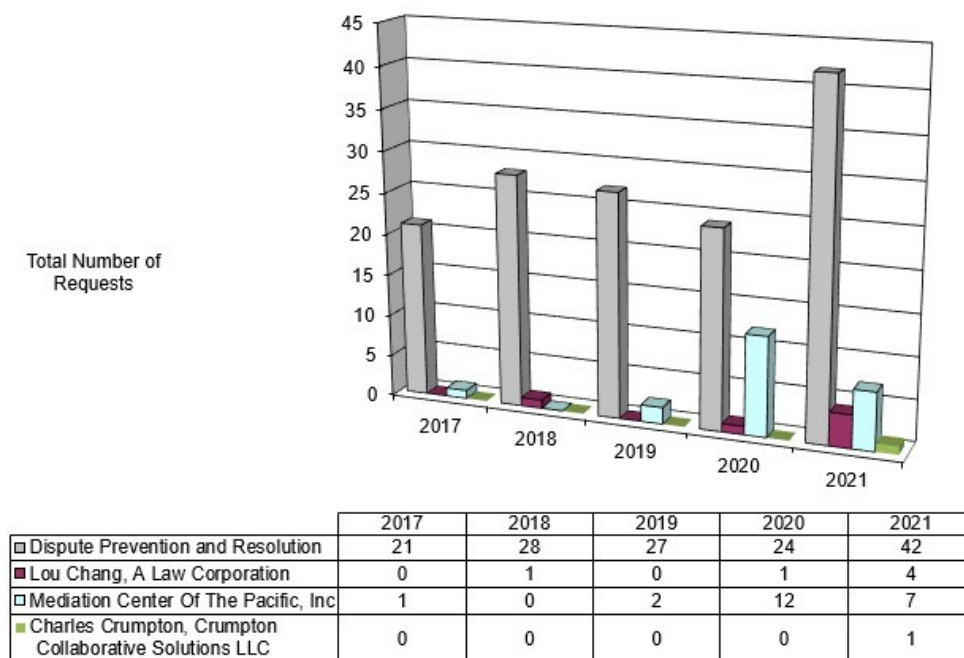
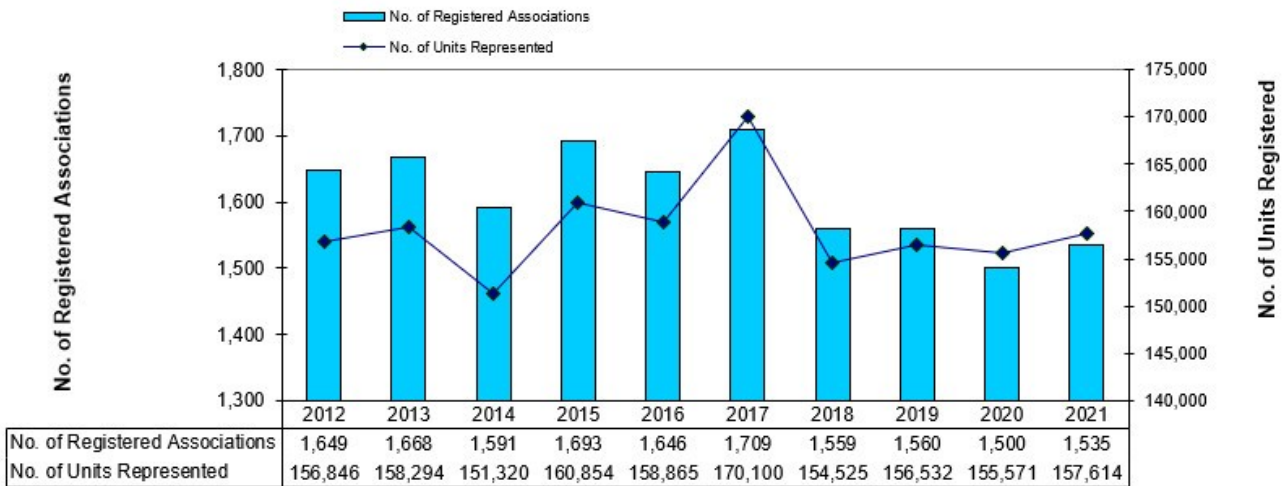


Chart 18. Condominium Association Registration



Condominium Association Registration-

The Commission conducted the condominium association registration program pursuant to HRS § 514B-103, which includes reviewing submitted applications for compliance with statutory and Commission registration policies and procedures. Registration requirements apply to condominium associations with six or more units. It also considered appeals, subpoenas, and requests for records and copies of association registrations under HRS Chapter 92F, and the Office of Information Practices' (OIP) rules and procedures. Beginning in spring FY21, the Real Estate Branch began preparing registered associations for the 2021-2023 biennial condominium association registration period by constructing its website for online registration and notifying all registered associations and property management companies of the upcoming registration period.

Over 1,700 condominium associations, including 13 first-time registrations, submitted registration materials to the Real Estate Branch in this fiscal year. This represents more than 160,000 condominium units and their owners. Chart 18 reflects the total number of current registered associations and the number of units represented. In addition, the Commission maintained its online-only association

registration process and made a list of all public contact information for registered associations available on the Commission website. The Commission responded to requests for registration lists and neighbor island and zip code-specified condominium associations from various government agencies, industry groups and private companies. The Commission provides targeted lists to the Department of Health for its tobacco education program.

Condominium Seminars and Symposiums

The Commission subsidized seminars for the condominium community using Commission staff, procured providers, and volunteer professionals from the condominium governance, development, and real estate community. The Commission used CETF subsidies for FY 2020:

- September 2020– Technology Issues Affecting Community Associations
- January 2021— Pandemics I
- February 2021— Pandemics II
- March 2021– Fire and Life Safety Evaluations and Sprinkler Updates
- May 2021– Avoiding Recalls– Steps to Successful Association Living

In January 2021, Condorama VII was held remotely for all interested owners in registered condominium associations. Approximately 254 persons registered and attended this free educational event. The featured topics were condominium reserves, construction contracts, insuring association contractors and tips on avoiding meeting blunders.

Condorama presenters are recognized in the condominium community for their expertise in condominium law, property management, dispute resolution, parliamentary procedure and insurance. YouTube videos of all Condoramas are posted at the Real Estate Branch website for convenient viewing.

Ad Hoc Committee on Condominium Education and Research – The CRC administers this informal group of recognized condominium professionals that reviews, recommends, and assists in the development, update, and administration of condominium consumer education-related projects on an as-needed basis.

Condominium Managing Agent Registration – Staff implemented policies and procedures for condominium managing agent registration pursuant to HRS §514B-132.

Rulemaking, HAR Chapters 107 and 119 – The Commission welcomed input from Commissioners, stakeholder groups and interested parties on proposed revised and new rules and has prepared drafts that are currently under review.

Meetings – The Commission plans, coordinates, and conducts CRC meetings as a part of its monthly Commission meetings. All meetings and agendas are posted at the Commission's website. The meetings are open to public participation and are a forum for condominium consumers to bring issues before the Commission as well as to learn about the

variety of issues facing the committee.

Government and Legislative Participation and Report – The Commission participated in all aspects of the legislative process, including researching, responding to and meeting with legislators, attending hearings, and providing testimony on proposed condominium legislation. The Commission reviewed proposed legislation, resolutions, and agreements relevant to condominium association governance and condominium project development. In addition to researching, drafting, and presenting testimony on condominium bills that were presented this session, Commission staff monitored and tracked all condominium-related bills for report to the Commission.

The Commission distributed its Annual Report to the Legislature on CETF programs and funds and posted the report to the Commission's website.

Legislative Acts and Resolutions – The enactment of relevant new laws impacts the CRC's Advice, Education, and Referral Program of Work. This legislative session saw several new laws passed, two of the bills affected condominium governance.

Act 83 – Allows condominium associations use of an electronic voting device and allows electronic meetings during a local state of emergency in the county in which the condominium is located, notwithstanding any contrary provision in the condominium project documents.

Act 98 – Makes it easier for condominium associations to dispose of unclaimed possessions.

Two other bills focused on the project development aspect of the condominium law.

Act 77 – Amends certain land subdivision and condominium property regime laws related to agricultural land, as recommended pursuant to Act 278, Session Laws of Hawaii 2019, to ensure certain condominium property regime projects within the agricultural district are used for agricultural purposes.

Act 94 – Disallows the enforcement of a re-recorded homeowners' association restriction if the restriction prohibits bona fide agricultural uses and activities on agricultural land.

The Commission prepared revised, unofficial copies of HRS chapter 514B, as amended, and the related administrative rules for posting on its website. A limited number of hard copies of the statute and rules were printed for mailing.

Interactive Participation with Organizations – The Commission participated in education and research efforts with local organizations and government agencies through joint training and participation at meetings with groups including CAI Hawaii, the Hawaii Council of Community Associations, property management companies, and the Hawaii State Bar Association. Participation with agencies and organizations had the goal of educating consumers on HRS chapter 514B.

Neighbor Island Outreach – The switch to video platform events during the pandemic allowed every interested neighbor islander the opportunity to participate in all meetings and educational offerings sponsored by the Commission and outside condominium groups.

CETF – The Commission administered the CETF for educational purposes this fiscal year, pursuant to HRS § 514B-71. The Commission prepared, maintained, and

reviewed quarterly and annual financial statements, budget and finance reports for the CETF, and administered the fund's investments.

Consumer Education – The education of prospective purchasers of condominium units and current condominium unit owners is a priority for the Commission. By way of providing education to these persons, the Commission has posted the following materials on its website: informational videos, the quarterly Hawaii Condominium Bulletin, subject-specific brochures, owner and board member handbooks, a quarterly newsletter emailed to subscribers, and a frequently asked questions link.

The Commission's staff participated in five virtual outreach events in the community in this FY. These events included remote participation before employees of property management firms, condominium industry groups, and panel presentations on topics such as board training, managing owner disputes, coping with COVID, the repeal of HRS chapter 514A and legislative updates.

The Commission's statutory mandate emphasizes educating consumers on condominium self-governance issues. The Commission accomplishes this by procuring presenters for Commission-sponsored seminars, creating educational materials such as quick-read brochures for online and hardcopy availability, and producing free-of-charge educational seminars. Additionally, the Commission responds to telephone, email and written inquiries from the public and from members of the Legislature responding to issues presented by their constituents.

This fiscal year, the Commission proudly unveiled a series of 15 short videos covering various topics of importance to condominium owners on its website. The videos are an introduction to various important issues that

may face consumers - from the purchase of a condominium to the issues that arise in everyday communal living - and serve as additional resource material for consumers.

The Commission modified its outreach efforts during this pandemic to continue providing quality condominium-related education consistent with current public health guidelines.

Rulemaking, HAR Chapter 53 – The Commission implemented HAR chapter 53 fees relating to condominium project registration, condominium association registration, and the CETF.

Condominium Property Regime Project Workshop and Meetings – In April 2021, the condominium consultants met virtually with the Real Estate Branch staff for its annual meeting. Through meetings with Commission staff and other consultants, memoranda, and individual conferences, condominium consultants keep current with the laws and existing Commission policies. The consultants share and discuss with each other and Commission staff common issues they face in their document review and in their dealings with the various counties. The Commission's condominium consultants assist the Commission in reviewing condominium project registration documents for Commission issuance of an effective date for a public report at which time developer sales to the public may begin.

Condominium Specialists' Office for the Day – The pandemic and its restrictions on travel and in-person meetings precluded the availability of this service. However, Condominium Specialists were always available through telephone and email.

Condominium Speakership Program – Subject to administrative approvals and priorities, the Commission honors requests to

provide a speaker, resource person, or participant in a function related to condominium education in the areas of condominium governance or condominium project registration in compliance with all health and safety protocols in place during the pandemic. This fiscal year, Real Estate Branch staff made five virtual appearances at various condominium forums to discuss HRS chapter 514B-related topics.

Technology and Website – The Commission operated its website for public interaction and education. The website is regularly updated for ease of navigation for consumers and to include the most current information.

The Commission's email subscription service was created in 2015. Currently it has 1,200 subscribers. Each quarter, the subscription provides consumers with current information on the condominium law and links to educational materials and events available on the Commission website.

The Commission maintained and updated the electronic storage of materials and provided online access to the developer's public reports, condominium association registration data, and other information. The Commission posts forms and makes them available on its website for condominium developers, association registration, condominium hotel operator and condominium managing agent registration. These forms are available in an electronically fillable and downloadable format. The forms are evaluated and amended to meet current statutory requirements.

The Commission continues to move towards accomplishing its long-range goal of providing all condominium information online and to study the feasibility of providing associations with a central depository for all governing documents on the Commission's website, including minutes of association meetings.

Case Law Review Program – The Commission monitors, collects, and reports on relevant state and federal case law, administrative decisions, and policies and procedures. Staff reports on to the Commission on governance and project development issues affecting the condominium community.

Start-up Kit for New Association of Unit Owners and New Condominium Managing Agents – Commission staff distributed start-up kits to newly registered Associations of Unit Owners that included unofficial copies of HRS chapter 514B and accompanying administrative rules, along with guides on topics pertinent to the condominium community, such as the importance of having sufficient reserves and the rights and obligations of board members and condominium owners.

Records Management – Commission staff evaluated, planned, reorganized, and implemented a centralized, computerized glossary of existing and future educational materials, records, and developer's public reports and files.

Staff maintained and updated the scanning and electronic storage of records.

Cooperative Education, Research, and Administrative Program – The Commission considered requests to participate in or sponsor cooperative education research and administrative programs with persons or groups providing direct or indirect services to the Commission's condominium governance and condominium project registration program educational outreach.

Division and Department Program – The Commission coordinated activities and programs of mutual concern within the DCCA PVL, RICO, and the Director's Office.

Staff and Commissioners Development – Materials were developed for training staff and commissioners to administer the ongoing condominium governance and project registration programs. Commissioners and staff participated in training and educational opportunities provided by Commission staff, local condominium and real estate industry groups and their national counterparts.

Condominium Reference Library – Staff maintained at the Real Estate Branch office and on the Commission's website a catalog of public reference materials provided to the Hawaii State Public Library System in areas with a high concentration of condominiums.

NOTE: This fiscal year, the following previously summarized programs benefited condominium owners and/or educated condominium owners:

- Condominium Laws and Education
- Advice, Education, and Referral
- Hawaii Condominium Bulletin
- Rulemaking, Chapters 107 and 119
- Meetings
- Government and Legislative Participation and Report
- Legislative Acts and Resolutions
- Interactive Participation with Organizations
- Neighbor Island Outreach
- CETF
- Consumer Education
- Condominium Specialists' Office for the Day
- Technology and Website
- Start-up Kit for New Association of Unit Owners and New Condominium Managing Agents
- Cooperative Education, Research, and Administrative Program
- Condominium Reference Library
- Condominium Mediation and Arbitration Program
- Condominium Association Registration
- Condominium Seminars and Symposium

FY 2022 PROGRAM OF WORK

Condominium Laws and Education – The Commission will update the condominium community on relevant changes to the condominium law and post information on the Commission’s website, in its quarterly email notices, and in the Condominium and Real Estate Bulletins on current issues affecting the condominium community.

The ongoing pandemic has forced a re-thinking of the Commission’s delivery of educational programs. The Commission will continue offering educational programs statewide with the help of stakeholder organizations, procured providers, and volunteers on all islands on web platforms that allow remote participation, to keep all participants and providers safe in the pandemic.

With input from stakeholder organizations and volunteers, the Commission will update Commission-developed educational materials, including forms and instructional and informational sheets, as appropriate. During this time, the Commission’s focus will be on maintaining its events on video conferencing platforms where persons on all islands interested in learning may participate in a safe environment.

Education and Referral – On behalf of the Commission, staff will provide educational information to the condominium community via telephone, in-person office visits, email and written correspondence, the Hawaii Condominium Bulletin, quarterly subscriber emails, and educational videos and materials on the Commission’s website. Through procured providers delivering on web platforms and remote appearances, the Commission will continue educating condominium consumers. With these efforts, the Commission will maintain its educational emphasis on the condominium law and the law’s guiding philosophy of self-governance by all owners and majority rule.

Condominium Project and Developer’s Public Reports – The Commission will assist developers and the condominium development community to process documents for the issuance of effective dates for public reports under HRS chapter 514B so that units may be legally sold to the public. With the help of stakeholder organizations, other governmental agencies and interested attorneys, staff will refine electronically fillable developer’s public report forms and evaluate and develop, where appropriate, new processes, records, forms, information documents, and rules relating to condominium project registrations. Where necessary, the Commission will procure additional condominium consultants to assist with the review of documents and information submitted to the Commission in conjunction with condominium project registration requirements. Staff will conduct information and orientation sessions for all new consultants, in addition to conducting yearly informational meetings for all consultants. The Commission will monitor the consultants’ performance under their contracts.

Staff will make the developer’s public reports available for public viewing and copying to disc via the Commission’s website. Commission staff will compile information and Commission decisions related to developer’s public reports and condominium development issues, and make these available to the public, consultants, and other interested persons. Staff will respond to subpoenas and requests for viewing condominium project files pursuant to HRS chapter 92F. For condominium project registrations, the Commission will study and research an evaluation system and review process that includes electronically administering developer’s public reports and scanning documents. The Commission will monitor all legislation relevant to condominium project registration, including land use regulation and agriculture use legislation on the Neighbor Islands for potential impact upon condominium developers and the public report process.

Hawaii Condominium Bulletin – The Commission will continue the online publication of its quarterly bulletin dedicated to educating condominium owners and interested persons on current issues relevant to condominium governance and living. Staff will continue the management and administration of this program with a procured independent contractor assisting in the layout and design of the bulletin.

Condominium Mediation and Voluntary Binding Arbitration Program – Through the CETF, the Commission will subsidize and monitor the ongoing delivery by private providers of mediation and voluntary binding arbitration programs. Staff will monitor the contracted mediation and arbitration providers and collect information and statistics on its use for educational and annual report purposes.

Condominium Association Registration – Staff will administer the online registration of condominium associations, including reviewing and updating registration policies, procedures, and appeals of the 2021-2023 biennial registration period. The Commission will respond to subpoenas and requests for records relating to association registration, consistent with OIP procedures. The Commission lists all association contact information on its website, with preprinted lists available upon request. The Commission will continue responding to requests for data-specific association registration lists.

The Commission will post all completed condominium association registration materials online for access by the public.

Condominium Seminars and Symposiums – The Commission will produce seminars for the condominium community through procured contracts with various providers and will procure additional new providers as required on timely and relevant topics for presentation on web platforms. This will make education accessible to all interested condominium owners on the Neighbor Islands. The Commission will continue administering CETF subsidies for Commission-approved seminars where funds are available and public health requirements can be met. The Commission will administer a CRC

educational ad hoc advisory group to provide recommendations and input on CRC educational programs as needed.

Ad Hoc Committee on Condominium Education and Research – The Commission will continue to administer this group remotely on an as-needed basis, to review, make recommendations, and assist in the development, update, and administration of condominium education-related projects.

Condominium Managing Agents Registration – The Commission will monitor Condominium Managing Agent registration requirements pursuant to HRS §514B-132.

Rulemaking, HAR Chapters 107 and 119 – The Commission will await return of the draft rules from the Attorney General where they are being reviewed. The draft rules will then be reviewed by the Small Business Regulatory Review Board, Legislative Reference Bureau, Department of Budget and Finance, Department of Business, Economic Development and Tourism, and the Governor.

Meetings – With support from staff, the Commission will plan, coordinate, and conduct monthly meetings on a video conferencing platform. This will allow all interested persons, including Neighbor Island residents to participate at their choosing. The schedule of meetings and agendas will be posted on the Commission's website; meeting minutes will be stored in PDF and searchable format.

Government and Legislative Participation and Report – The Commission will participate in all aspects of the legislative process, including researching, responding to and meeting with legislators, responding to requests from legislators, attending hearings and providing testimony on proposed condominium legislation. The Commission will review and consider all proposed legislation and resolutions relating to condominium association governance and condominium project development. In addition to researching, drafting, and providing testimony on condominium-related bills, staff will monitor and track all relevant bills.

Legislative Acts and Resolutions – The Commission will review, report, and develop summaries on all relevant legislation proposed in the 2022 legislative session and implement any required changes to the Commission’s policies and procedures as a result of new legislation.

Interactive Participation with

Organizations – The Commission and staff will participate with local organizations and government agencies in exchanging information and concerns and share education and research efforts that include joint projects of mutual concern. The Commission and staff will participate in meetings with groups including the CAI Hawaii, HCCA, property management companies, other state agencies and the Hawaii State Bar Association. These may all be done remotely as necessary. Participation with national groups such as ARELLO and CAI National is also possible via web platforms in the coming year as funding and state and national public safety protocols allow.

Neighbor Island Outreach – All interested persons on the Neighbor Islands will be able to participate in Commission meetings of their choosing. Meetings will continue to be held on video platforms through the duration of the pandemic as the Commission conducts its business remotely keeping in mind the health and safety of all participants.

CETF – The Commission will administer the funds for educationally defined purposes, pursuant to HRS §514B-71. The Commission prepares, maintains, and reviews quarterly and annual financial statements, budget and finance records for both the educational funds, and administers fund investment.

Consumer Education – In addition to its existing focus on condominium governance

issues, the Commission will work to develop a consumer education program about initial project sales and resales targeting prospective purchasers of new and resale condominium units. The Commission will maintain the existing educational materials and brochures online at its website and will keep its focus on consumer education through these materials and will offer seminars on web platforms as appropriate keeping in mind the health and safety of all participants.

Rulemaking, HAR Chapter 53 – The Commission will monitor, review, research, and make recommendations on rule amendments for fees through coordination with the DCCA and the Licensing Administrator.

Condominium Property Regime Project Workshop and Meetings – Staff will conduct sessions and forums this FY for condominium consultants for the purposes of orientation and information, including a review of all issues presented in project development review. All forums will be conducted on video platform services during the pandemic and will address issues raised by developers, attorneys, and condominium consultants regarding the ongoing implementation of HRS chapter 514B as it relates to the issuance of developer’s public reports.

Condominium Specialists’ Office for the Day – The Condominium Specialists will maintain their contact with Neighbor Island condominium owners through Commission meetings conducted on a web platform that will be open to all, no matter what island a unit owner resides. The Commission and staff will use this time to respond to neighbor island RICO staff concerns as well. In addition, all condominium unit owners will

have access to a Condominium Specialist at any time through the telephone and email communication.

Condominium Speakership Program – The Commission honors requests to provide a speaker or resource person or to participate in a function related to condominium education on HRS chapter 514B. As public health requirements dictate, Commission staff are available to groups to address issues or answer questions about the condominium law. Through the Condominium Education Specialist position the Commission can reach more condominium community members and groups in fulfillment of its educational mandate.

Technology and Website – The Commission will maintain its website for public interaction and education. It will support the electronic storage of materials and provide the public with online access to developer's public reports, condominium association registration data, and current educational information.

The Commission will post and make the developer's public report form and other related forms electronically fillable and downloadable. The forms will be evaluated and amended throughout this FY to meet implementation challenges that may arise. The Commission will assess its long-range goal of providing all public condominium information online and the feasibility of providing associations with a central depository for all governing documents on the Commission's website, including minutes of association meetings.

The Commission will continue to post all completed association registrations at its site for public viewing and provide quarterly condominium updates through its online email subscription service in maintaining the educational focus of its website.

Case Law Review Program – The Commission will monitor relevant state and federal case law and administrative decisions, policies, and procedures, including relevant governance and project development case law

Start-up Kit for New Association of Unit Owners and New Condominium Managing Agents – Staff will distribute start-up kits to newly registered Association of Unit Owners and Condominium Managing Agents, including unofficial copies of HRS chapter 514B, administrative rules, and guides pertaining to budgets and reserves, board of directors, and condominium owners.

Records Management – Staff will evaluate, plan, reorganize, and implement a centralized, consistent, user-friendly, and computerized glossary of existing and future educational materials, records, developer's public reports, and project files. It will scan and store meeting minutes and developer's public reports.

Cooperative Education, Research, and Administrative Program – The Commission will actively participate and sponsor cooperative education, research, and administrative programs for DCCA and the Department of the Attorney General, all of which provide direct and indirect services to the Commission, its CETF, or condominium project registration responsibilities.

Division and Department Program – The Commission will coordinate activities and programs of mutual concern within DCCA for the PVL, RICO, and the Director's Office. It will coordinate positions on HRS Chapters 436B, 467, and 514B and monitor the interaction and effect of other regulatory laws and rules on HRS chapter 514B.

Staff and Commissioners Development –

Training for staff and commissioners will be conducted as funds and health and safety protocols allow to maintain the efficient provision of services to the condominium community. Staff and commissioners will take advantage of remote training and educational opportunities provided by the Real Estate Educators Association, ARELLO, CAI Hawaii, HCCA, the Council on Licensure, Enforcement, and Regulation, and other organizations.

Condominium Reference Library – Staff will maintain and update the Commission's website catalog of all public reference materials. If allowed during the pandemic, it will provide materials to the State Library System when materials are available (especially in highly concentrated condominium property regime areas), at mediation provider offices, and at the Real Estate Branch office. Where feasible, the Commission will provide information in conjunction with condominium law educational programs. Staff will research and study the cost of updating and maintaining all condominium library reference materials. Staff will also consider including these updates as part of any five-year strategic educational plan for condominium education.

REAL ESTATE EDUCATION FUND

Fund Balance As of June 30, 2021 (Estimated)

ASSETS		
Cash		
In State Treasury		\$2,144,586
Short term cash investments		
Total Assets		\$2,144,586
LIABILITIES AND FUND BALANCE		
Liabilities		
Payables	38,581	
Fund Balance		
Reserve for Encumbrances		2,106,005
Unreserved		
Fund Balance		2,106,005
Total Liabilities and Fund Balance		\$2,144,586

REAL ESTATE EDUCATION FUND

Revenues and Expenditures For the Month Ending June 31, 2021 (Estimated)

Revenues		
Fees		\$1,419,475
Interest	\$ 12,576	
Total Revenues		1,432,051
Expenditures		
		536,267
Excess (Deficit) of revenues over expenditures		895,784
Fund Balance		
Beginning of Year		1,210,221
Year to Date		<u>\$2,106,005</u>

REAL ESTATE RECOVERY FUND**Fund Balance
As of June 30, 2021
(Estimated)**

ASSETS	
Cash	
In State Treasury	928,624
Short term cash investments	
Total Assets	\$928,624
LIABILITIES AND FUND BALANCE	
Liabilities	
Payables	\$5,083
Investment income due to Real Estate Education Fund	
Total Liabilities	5,083
Fund Balance	
Reserve for encumbrances	0
Unreserved	923,541
Total Fund Balance	923,541
Total Liabilities and Fund Balance	\$928,624

REAL ESTATE RECOVERY FUND**Revenues and Expenditures
For the month ending 6/30/2021
(Estimated)**

Revenues	
Fees	\$132,955
Expenditures	
Operations	52,858
Legal Services	18,136
Claims	24,188
Total Expenditures	95,182
Excess (deficiency) of revenues over expenditures	37,773
Fund Balance	
Beginning of year	885,768
Year to Date	923,541

Condominium Education Trust Fund

Fund Balance As of June 30, 2021 (Unaudited)

FY 2021 Expenditures and Encumbrances (Unaudited)

ASSETS

Cash	
In State Treasury	\$1,773,393
Short term cash investments	0
Total Assets	\$1,773,393

LIABILITIES AND FUND BALANCE

Liabilities	
Payables	\$17,091
Fund Balance	
Reserve for Encumbrances	\$1,773,393
Unreserved	
Fund Balance	\$1,773,393
Total Liabilities and Fund Balance	\$1,773,393

Personnel	530,406
Supplies	1,690
Equipment Rentals/ Maintenance	5,508
Education and Research	72,963
Dues & Subscriptions	3,065
Mediation	102,528
Miscellaneous	3,121

Total Expenditures and Encumbrances	\$719,281

Revenues and Expenditures For the Year Ending June 30, 2021 (Unaudited)

Revenues

Fees - Evaluative Mediation	\$225,018
Fees - AOOU Registration	\$532,906
Interest income	\$10,544
Total Revenues	\$768,468

Expenditures

Excess (deficiency) of revenues over expenditures	49,187
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Fund Balance	
Beginning of Year	1,724,206
End of Year	\$1,773,393

NOTE: Temporary differences may exist due to the timing delay between registration/renewal and funds deposited due to fiscal and Department of Accounting and General Services releasing the funds and will be accounted for in the following fiscal period.