

Honolulu, Hawaii

FEB 19 , 2026

RE: H.B. No. 2559
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 2559 entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE,"

begs leave to report as follows:

The purpose of this measure is to prohibit real estate brokers from marketing the sale or lease of residential real estate to a limited or exclusive group of prospective buyers or brokers, except when necessary to protect health or safety, and to deem such conduct a violation of the Unfair Practices Act and subject to disciplinary action.

Your Committee received testimony in support of this measure from the Real Estate Commission; Hawai'i Association of REALTORS; and seven individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that selectively marketing residential real estate to exclusive or limited groups can undermine transparency, restrict fair access to housing opportunities, and contribute to inequitable outcomes in the State's real estate market. These practices may disadvantage ordinary buyers, suppress competition, and distort market conditions by limiting broad public awareness of available properties. However, Your Committee recognizes that there are legitimate reasons why a



seller may choose to utilize a private listing, including the desire to preserve privacy or address sensitive personal circumstances, and believes that sellers should be fully informed of their option to do so. Your Committee believes that amending this measure to ensure sellers receive clear disclosure regarding private listing options will strengthen consumer awareness and promote a fairer marketplace, while also establishing guardrails to prevent inequitable marketing practices.

Accordingly, your Committee has amended this measure by:

- (1) Requiring a licensed real estate broker or salesperson to provide written disclosure to the seller when marketing residential property through a private or off-market listing, rather than prohibiting exclusive sale of the residential real property;
- (2) Deleting language that would have considered a violation of this measure to be a violation of the Unfair Practices Act;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2559, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



LUKE A. EVSLIN, Chair



