

**Testimony of the Hawai'i Real Estate Commission**

**Before the  
Senate Committee on Commerce and Consumer Protection  
Tuesday, March 24, 2026  
9:35 a.m.  
Conference Room 229 & Via Videoconference**

**On the following measure:  
H.B. 1824, H.D. 1, RELATING TO CONDOMINIUMS**

Chair Keohokalole and Members of the Committee:

My name is Derrick Yamane, and I am the Chairperson of the Hawai'i Real Estate Commission (Commission). The Commission offers comments on this bill.

The purpose of this bill is to allow small condominium associations to waive the requirement for the reserve study to be reviewed by an independent reserve study preparer if a majority of unit owners at a meeting approve the waiver and certain other requirements are met but prohibit associations from waiving this requirement for consecutive three-year periods.

The Commission understands the cost-saving intent of this bill; however, it has concerns about the potential risk to multi-story condominium projects. According to Commission records, there are 287 non-hotel condominium projects, representing approximately 3,750 units, that are at least three stories tall and consist of fewer than twenty units. These projects often include shared common elements that require regular evaluation and appropriate reserve funding. The Commission respectfully recommends limiting the proposed waiver to low-rise or single-story projects with few or no common elements.

Thank you for the opportunity to testify on this bill.

**HB-1824-HD-1**

Submitted on: 3/21/2026 2:26:13 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

| <b>Submitted By</b> | <b>Organization</b>    | <b>Testifier Position</b> | <b>Testify</b>            |
|---------------------|------------------------|---------------------------|---------------------------|
| Richard Emery       | Testifying for Associa | Oppose                    | Written Testimony<br>Only |

Comments:

This is a poor idea. The smaller higher risk associations that fail to retain professionals for its reserve study get the kick the can down the road to the detriment of the owners by sticking their head in the sand. Oppose.



March 23, 2026

Senator Jarrett Keohokalole, Chair  
Senator Carol Fukunaga, Vice Chair  
Committee Members  
Committee on Commerce & Consumer Protection

RE: HB1824, HD1 - Oppose

Aloha Chair Keohokalole, Vice Chair Fukunaga and Committee Members:

Thank you for the opportunity to submit testimony. I am a member of the Community Associations Institute (CAI) Legislative Action Committee (LAC) Hawaii Chapter.

The CAI Hawaii LAC opposes HB1824, HD1.

CAI Hawaii LAC does not recommend allowing associations less than twenty (20) units to waive the requirement for a reserve study to be reviewed by an independent reserve study preparer.

There will be a charge to the association regardless of an independent reserve study preparer reviews/updates the reserve study. Managing agents will be required to update the reserve study if an independent reserve study preparer is not engaged. Managing agents charge associations for reserve study updates. If the objective is to avoid the reserve study review/update charge, this proposed legislation will not achieve that goal. It is CAI position that it is better to engage an independent third party professional to perform the reserve study rather than a managing agent who is most likely unqualified to perform a reserve study.

The objective of engaging an independent reserve study preparer is to minimize the risk of a future loan or special assessment and to identify deferred maintenance and capital projects. Most managing agents and board members are not qualified to conduct a reserve study which has resulted in associations being severely underfunded. For many years associations were not required to engage a third party reserve study preparer and as result we continually hear of associations requiring large special assessments and loans simply due to the fact that the associations

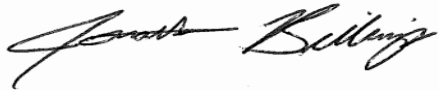
for many years have not been properly funding reserves.

Association board members have a fiduciary duty to make decisions that are in the best interest of the association. Unfortunately, past decisions related to reserve studies oftentimes were not in the best interest of association which has created a financial burden on current homeowners because the association deferred maintenance/capital projects and/or did not fund reserves at adequate levels. It is possible that a Board of Directors will alter the previous reserve study data provided by a third party professional to minimize maintenance fee increases which may be compound for six years based on the current text of HB1824, HD1. If that does occur, it is very likely that an association will be in a worse financial position and may expose an Association to litigation risk. Reserve Studies are litigious documents because associations have not been funding the reserve fund at adequate levels.

Finally, many associations that have twenty (20) units or less are oftentimes the properties that need a third party reserve study review/update most because of the lack of 1) management, 2) maintenance programs, and 3) capital planning.

Thank you for your time and attention. Your service is appreciated.

Sincerely,

A handwritten signature in black ink, reading "Jonathan Billings". The signature is written in a cursive style with a large, stylized initial "J".

Jonathan Billings  
CAI LAC Member

**HB-1824-HD-1**

Submitted on: 3/21/2026 5:17:00 PM

Testimony for CPN on 3/24/2026 9:35:00 AM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Testify</b>            |
|---------------------|---------------------|---------------------------|---------------------------|
| Mike Golojuch, Sr.  | Individual          | Support                   | Written Testimony<br>Only |

Comments:

I support HB 1824.