

### MARKET UPDATE

We wish we had better news for you, but even though the sales market is doing well, (yes, we are losing many clients to the sales market) the rental market is still very slow.

In talking with other companies island wide, they are all experiencing the same slow market. There are several factors for the slowing rental market.

Many new homes on base have opened up and they are available not only for military, but also DOD and others – this takes a lot of potential renters out of the market which leads to a decrease in demand, and an increase in available inventory.

For many years, prices of rentals continued to increase. At a certain point, people just aren't willing to spend that much on a rental anymore. They will either buy their own place or move in with family or roommates. We refer to this as the market correcting itself.

Due to the lack of demand, the increase of inventory, and the ceiling for prices, you are now seeing longer vacancies and lowered rent prices needed in order to get your property rented.

### 5 Tips to Get it Rented:

In this slow renters market, you need to spruce up your property to make it stand out among the rest.

**1) Paint:** Freshly painted walls always make a great first impression.

**2) Updated hardware:** Simple updates like changing the knobs on your cabinets to a contemporary brushed nickel are a great, inexpensive way to wow your potential tenants.

**3) Update the lighting:** Those big circle bulbs are reminiscent of the 80's... why not upgrade to something more sleek and modern? For only a couple hundred dollars in each bathroom, you can make your entire home look upgraded.

**4) Ceiling fans:** Please update your ceiling fans if they are old, white, and drooping! For only a couple hundred dollars you can have an electrician install a brand new ceiling fan with a remote for easy usage for the tenant. Even if you have AC, it's best to provide the cheaper energy efficient option of using a ceiling fan. If you don't already have one in your room, please consider adding one with a remote and a light. It's a major plus!

### 5) Bathroom hardware upgrade:

Do you have those bulky, edgy, old towel bars in your bathroom? These are original and remind us all of the 70's... pick out your favorite brushed nickel towel bars, toilet paper holders and hooks to provide an inexpensive upgrade to all of your bathrooms.

Follow these simple cost efficient tips and see your property rent much faster than your competition!

### **SB 2922 – How this Bill will affect YOU!**

Have you heard about SB 2922 passing through the legislature? It will now be up for public vote in November. You need to be aware of what this means and educate the people around you.

The bill, if passed, will change the state constitution to allow for the legislature and state to be able to impose surcharges on **ALL investment properties**. This will mean higher costs to ALL owners of investment properties.

The first thing to realize is that we have no idea how much that surcharge will be.

## THE CORNERSTONE STAFF

### **Carl Frazier, R, RMP**

President, CEO  
808-380-4611  
[carl@cornerstonehawaii.com](mailto:carl@cornerstonehawaii.com)

### **Aaron Frazier**

Accounting Assistant  
808-380-4616  
[aaron@cornerstonehawaii.com](mailto:aaron@cornerstonehawaii.com)

### **Amanda Frazier, R, RMP**

Property Manager, COO  
808-380-4612  
[amanda@cornerstonehawaii.com](mailto:amanda@cornerstonehawaii.com)

### **Andrew Frazier, RA**

Property Manager  
808-380-4613  
[andrew@cornerstonehawaii.com](mailto:andrew@cornerstonehawaii.com)

### **Arthur Frazier**

Administrative Assistant  
808-484-1211  
[arthur@cornerstonehawaii.com](mailto:arthur@cornerstonehawaii.com)

### **Chelsie Teanio**

Administrative Assistant  
808-485-1044  
[chelsie@cornerstonehawaii.com](mailto:chelsie@cornerstonehawaii.com)

### **Keli Nakamura**

Administrative Assistant  
808-487-0601  
[keli@cornerstonehawaii.com](mailto:keli@cornerstonehawaii.com)

### **Linda Simbre**

Senior Administrative Assistant  
808-380-4610  
[linda@cornerstonehawaii.com](mailto:linda@cornerstonehawaii.com)

### **Sandy Jessmon, RA**

Executive Administrator  
808-380-4618  
[sandy@cornerstonehawaii.com](mailto:sandy@cornerstonehawaii.com)

### **Shanel Tomisato**

Accounting Manager  
808-380-4615  
[shanel@cornerstonehawaii.com](mailto:shanel@cornerstonehawaii.com)

### **Sharal Fernandez**

Accounting Department Assistant  
808-380-4617  
[sharal@cornerstonehawaii.com](mailto:sharal@cornerstonehawaii.com)

### **Tiffany Kom, RA, AHWD, GRI ePro**

Property Manager  
808-380-4614  
[tiffany@cornerstonehawaii.com](mailto:tiffany@cornerstonehawaii.com)

Second, we don't know if the market will be able to handle added costs to the tenants in terms of increased rents.

If it does, this means higher rents for everyone including teachers – and all renters.

Many investment property owners are local families, and so are many renters. Ultimately, no one will win from this bill.

The teachers unions are twisting the message to make the public believe that the answer to all of the educational systems problems is to apply higher taxes on investment properties. What they don't tell you is that most investment property owners are actually local, everyday people, and that the higher costs will hurt everyday people that rent – not to mention increase the cost of living to teachers.

Please tell everyone you know to vote NO on the bill in November and let's protect the people of Hawai'i together.

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