



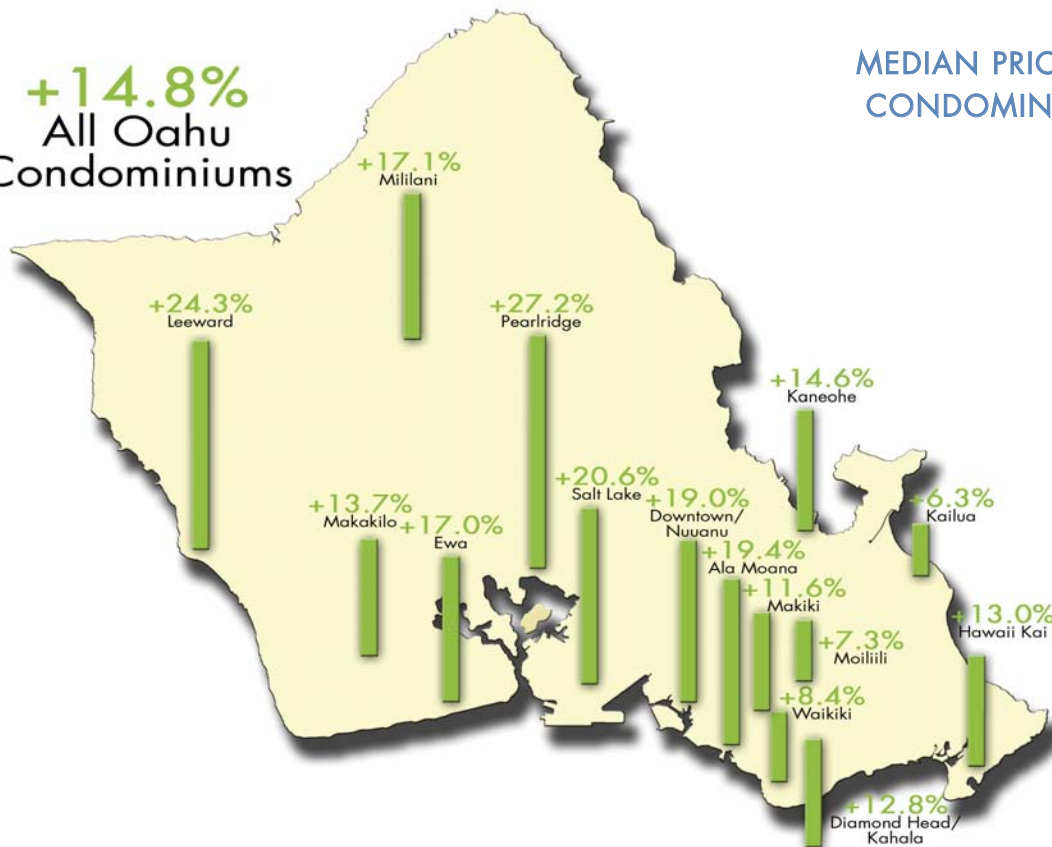
## 2006 REAL ESTATE REPORT

### RECAP FOR OAHU CONDOMINIUMS

The market for Oahu condominiums performed very well in 2006 with the fifth straight year of double-digit price appreciation, despite a slow-down in the number of sales. Median prices increased an aggressive 14.8% to \$310,000, while the number of sales dropped 22.8%. We have not seen such a noticeable change in the pace of condominium sales for over 10 years.

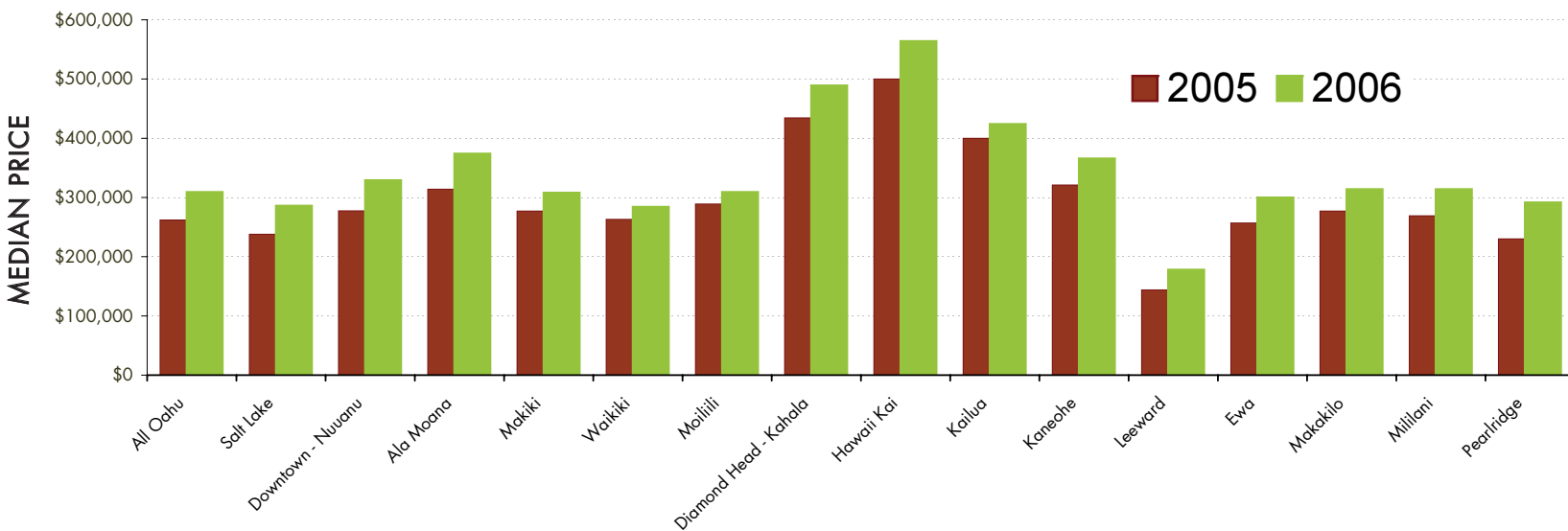
This end-of-year recap report covers overall market activity of Oahu condominiums. Oahu is made up of several distinct market areas, each with their own conditions and activity, so it is important to look at specific areas to get an accurate picture of what's happening. At Prudential Locations, we track market activity for over 200 Oahu neighborhoods and market areas and all of Oahu's 1,900+ condominium projects. Please ask your realtor for more information.

### +14.8% All Oahu Condominiums



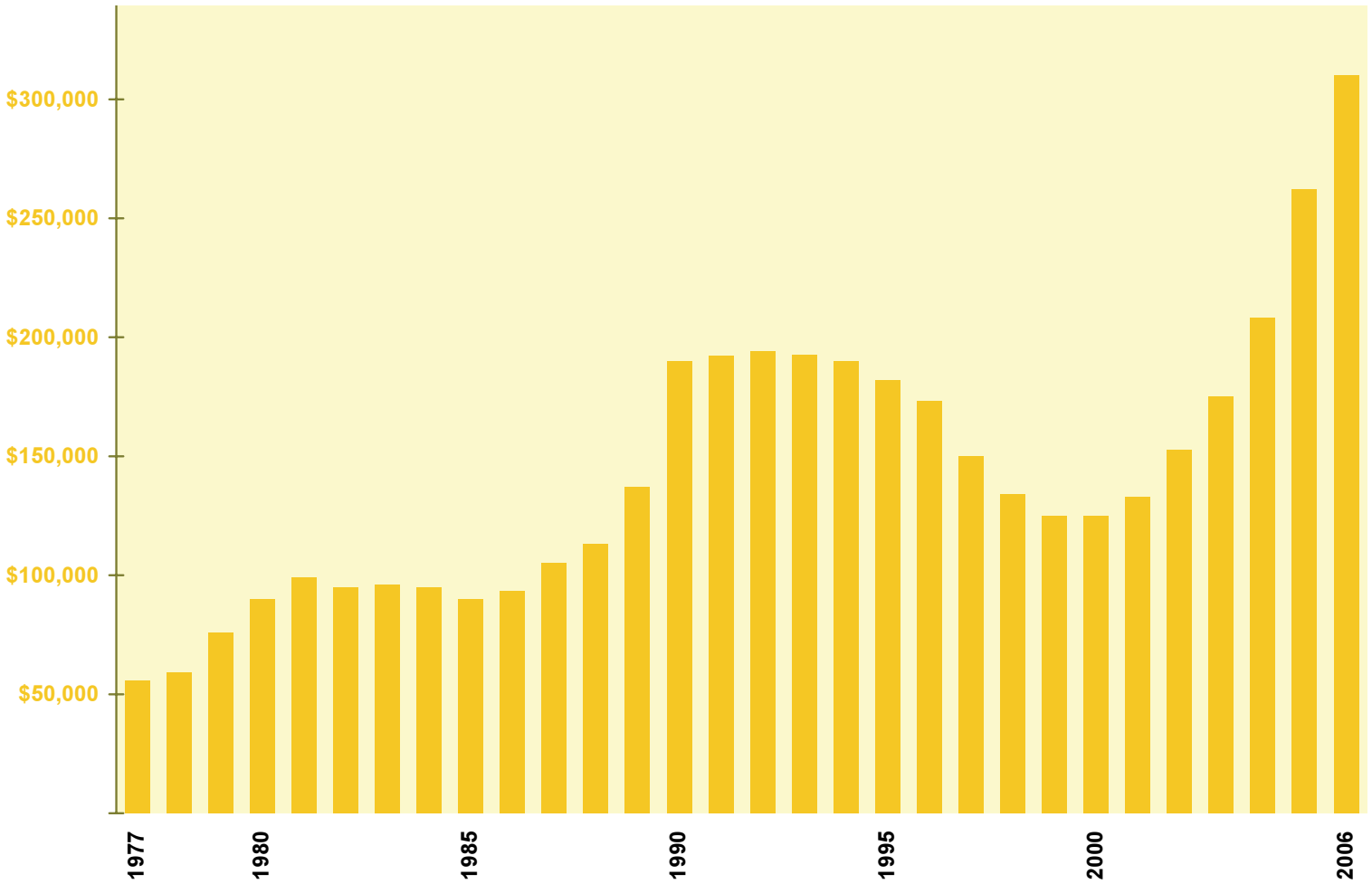
### MEDIAN PRICE APPRECIATION FOR CONDOMINIUMS (2005 VS 2006)

The Oahu condominium market finished 2006 with the median price at \$310,000, up 14.8% from the year previous. Median condo prices rose in every area of the island in 2006, with percentage gains ranging from 6.3% in Kailua to 27.2% in Pearlridge. In general, higher appreciation occurred in the more moderately priced market areas. The Ala Moana/Kakaako condominium market experienced a 19.4% increase in median price to \$375,000, due largely to a changing mix of properties as the lower-end condos that have dominated this region's transactions are overshadowed by resales of upscale/luxury condos recently added to the market.



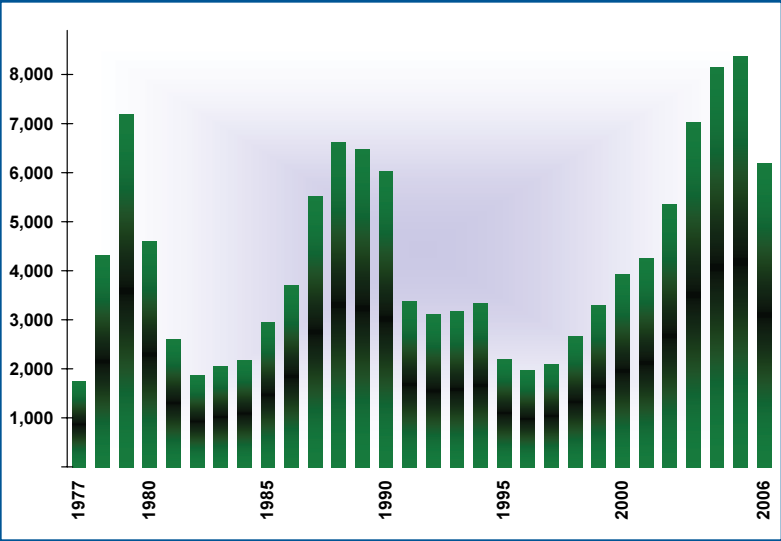


### OAHU MEDIAN PRICE FOR CONDOMINIUMS

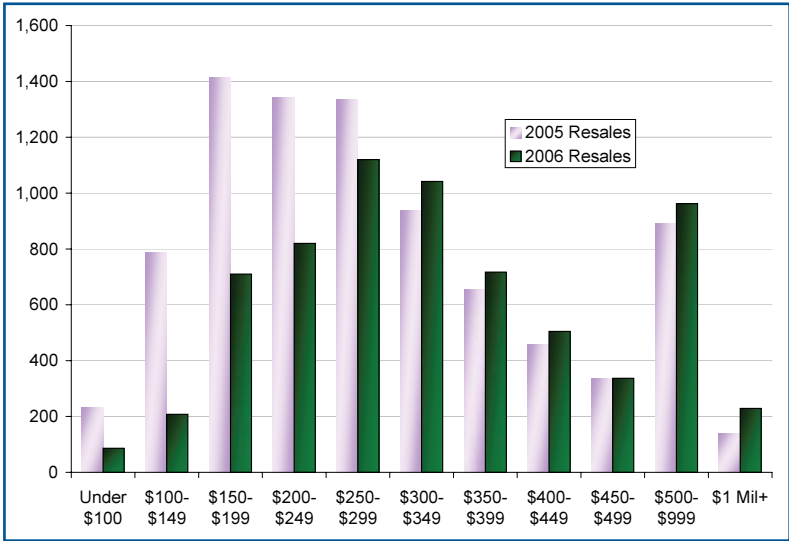


Oahu Condominium prices in 2006 continued their upward trend. As seen in the chart above, every ten-year period shows a sizable gain in price, with the exception of periods ending 2000 through 2003 – a reflection of the Oahu condominium market’s prolonged recovery from the Japanese bubble period of the late 1980s. As shown in the chart below, the number of condominium resales in 2006 dropped 22.8% to 6,196. This is the first drop in sales in 10 years and the rate of sales is still at historically high levels. The falloff in condominium sales is most evident in price ranges below \$250,000. In 2005, the \$150,000-\$199,000 price range had the highest number of condo sales. In 2006, that shifted to the \$250,000-\$299,000 price range.

#### NUMBER OF SALES OF CONDOMINIUMS (1977 TO 2006)

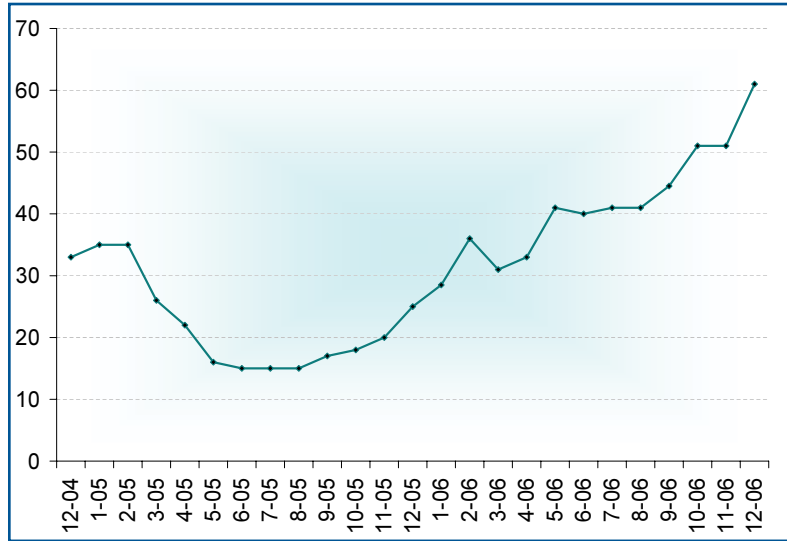


#### NUMBER OF SALES BY PRICE POINT (2005 VS 2006)

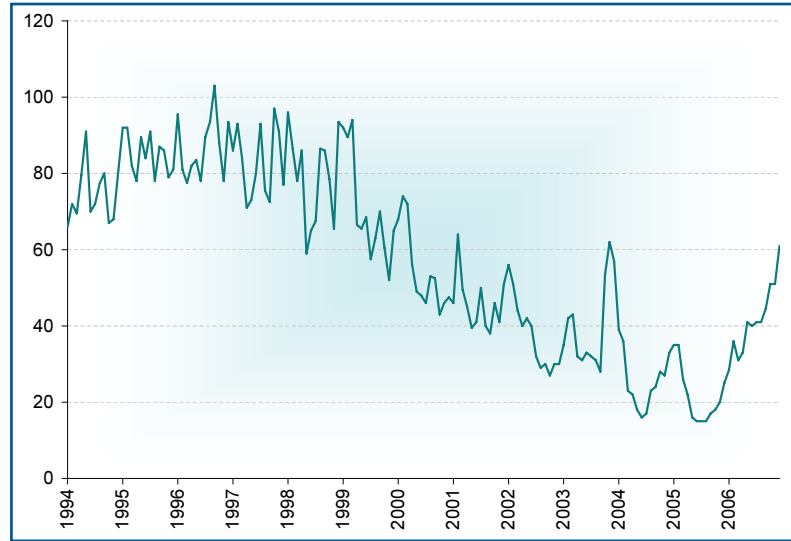


## MEDIAN DAYS ON MARKET FOR CONDOMINIUMS

2 YEAR TREND



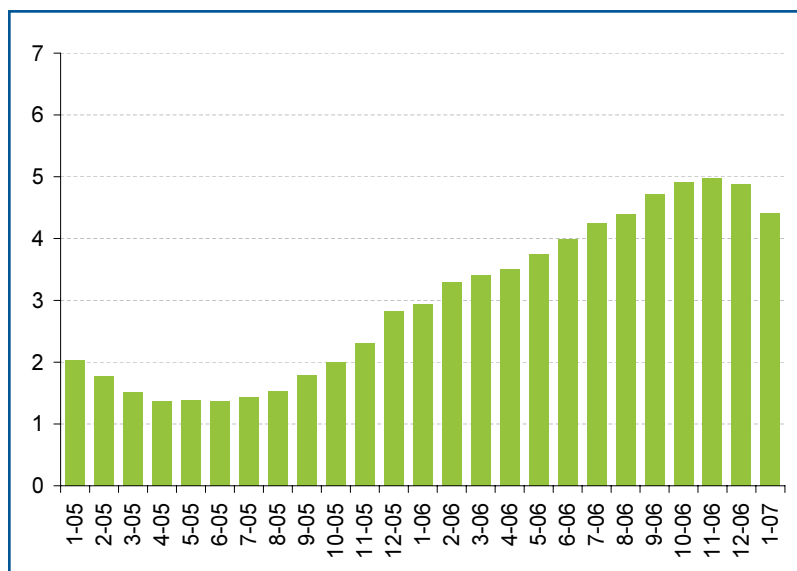
HISTORICAL VIEW



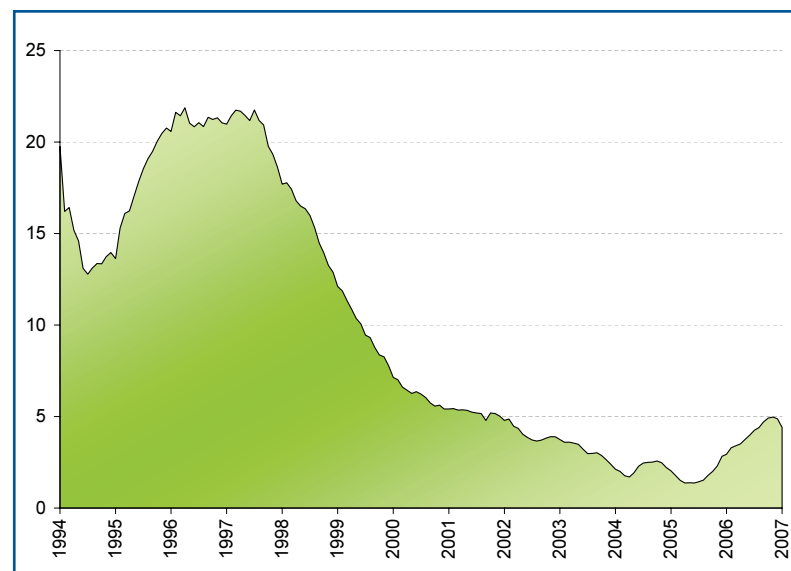
Days on market is the number of days from when a property is listed to when a sales contract is accepted. It's a counter-cyclical indicator in that low numbers correspond with strong market conditions. Oahu condominiums' days on market has risen steadily from a record low of 15 days in mid-2005 to a December 2006 median of 61 days. Typically, Hawaii has much lower Days on Market measures compared to mainland markets.

## MONTHS OF INVENTORY REMAINING FOR CONDOMINIUMS

2 YEAR TREND



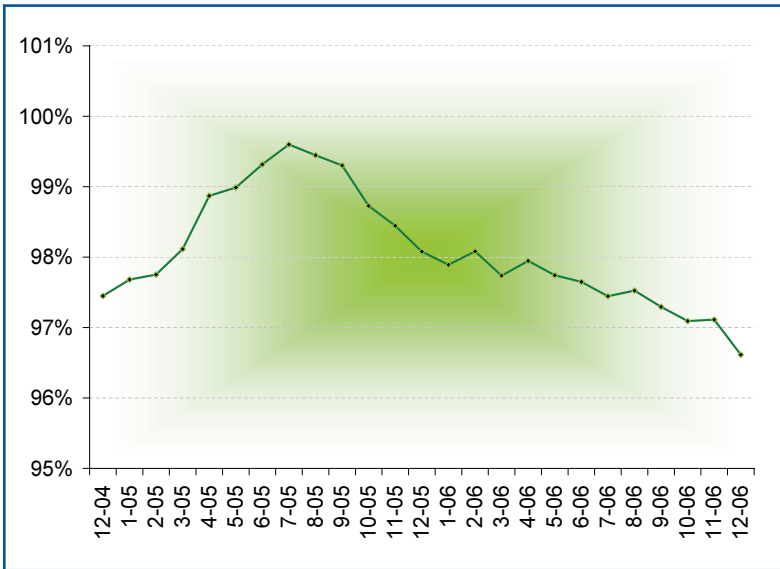
HISTORICAL VIEW



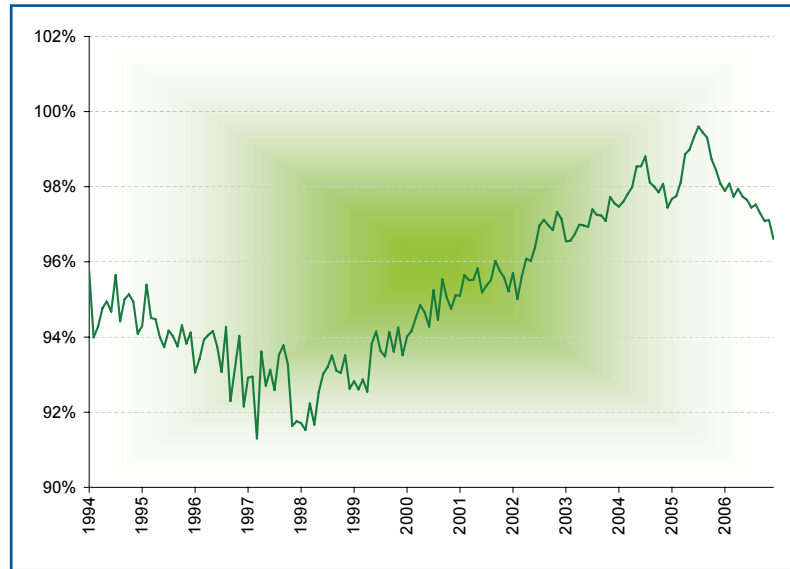
Months of inventory remaining is the amount of time that the current number of available listings would take to sell out at the current rate of sales. Higher numbers indicate softer market conditions. Oahu condominium inventory remaining has been climbing from record lows of 1.4 months in mid-2005 to a current level of around 5 months, which is still characteristic of a strong market. Further, this measure has stopped increasing in the past couple months as inventory levels have started to decline again, which is a positive indicator of underlying market strength.

## SOLD-TO-LIST PRICE RATIO FOR CONDOMINIUMS

### 2 YEAR TREND

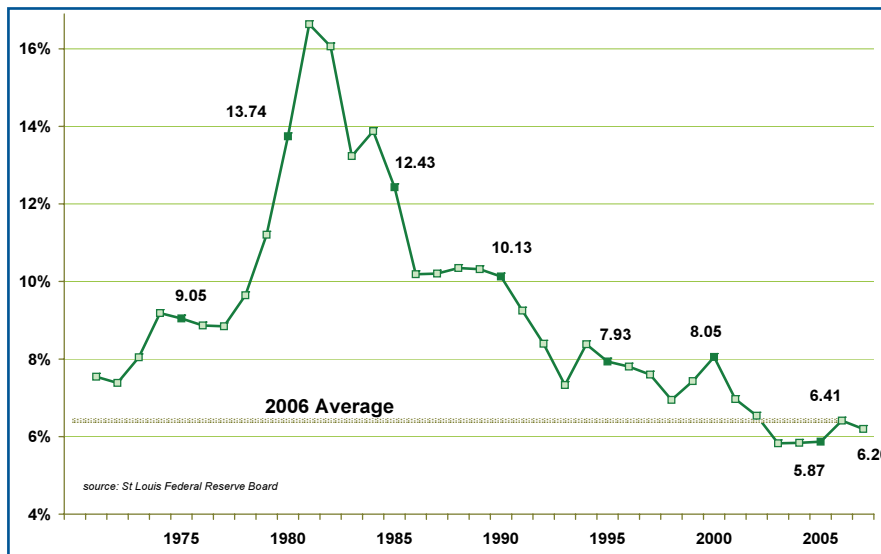


### HISTORICAL VIEW



Sold-to-List price ratio is the difference between the price a property is listed at and the final price that the seller agrees to accept. In weaker markets, this measure can drop into the low 90 percent ranges. The Oahu condominium sold-to-list price ratio has been trending downward since peaking at 99.6% in July 2005 to a December 2006 level of 96.6%, still above 95% which is considered typical in a balanced market.

## 30-YEAR FIXED CONVENTIONAL MORTGAGE RATES



A driving factor of real estate activity on Oahu and nationwide has been low interest rates. As the chart above illustrates, mortgage rates are still at historically low levels. Thirty-year fixed conventional mortgage rates have been hovering at or below the 2006 average of 6.20% for several years now.