

Real estate firms adding 170 agents



TINA YUEN PBN

From left, Coldwell Banker Pacific Properties Sr. VP Eren Look, President Chason Ishii and Realtor associate Sissy Sosner discuss marketing strategies. The firm plans to add 50 agents this year.

Coldwell Banker, Prudential Locations are preparing for a housing market rebound

BY DUANE SHIMOGAWA
PACIFIC BUSINESS NEWS

Coldwell Banker Pacific Properties and Prudential Locations, the two largest residential real estate firms in Hawaii, are in the process of adding at least 170 agents between the two companies this year.

Even though most industry experts are predicting 2012 home sales to stay at last year's level, Coldwell Banker and Prudential Locations say they are expanding in preparation for the next uptick in the market. And analysts say the growth by these two firms also may signal a slight recovery in the market.

"My anticipation is that with the economy doing better than expected locally, folks may be

anticipating a recovery," said Scott Schroeder, dean of the Chaminade University School of Business.

Even if the market doesn't improve this year, expanding in an uncertain market makes perfect sense to Scott Higashi, executive vice president of sales at Prudential Locations.

"Real estate is needs-based, so even though the market is flat you still have people who want to buy," said Higashi, pointing to the 13,000 home sales that took place in Hawaii last year. "You just have to be more aggressive out there because there's still lots of home buyers."

Eren Look, senior vice president of Coldwell Banker Pacific Properties, says this is an excellent time to get agents up to speed and form a foundation for better times.

"In order to survive this [cur-

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15% cap starting to slow PV growth in some areas

Expensive studies required to go beyond that number

BY DUANE SHIMOGAWA
PACIFIC BUSINESS NEWS

With nearly 7,700 photovoltaic systems now connected on Oahu, Maui County and the Big Island, some areas are reaching the 15 percent penetration threshold. That is leaving some businesses worried that growth

in the state's fastest-growing industry could begin to slow.

Although most of the state still remains well below the 15 percent limitation for the amount of energy allowed to be supplied to any given circuit by solar power, three areas on Maui—Kahului, Makawao and Ulumalu— are nearing that point.

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Hunt pursuing new developer for Iroquois Point project

BY JANIS MAGIN
PACIFIC BUSINESS NEWS

Hunt Development Group is in discussions with a new prospective buyer for the former Navy housing subdivision at Iroquois Point after negotiations with devel-

SCOOPS
WHO'S MOVING,
BUYING, OPENING,
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MORE SCOOPS,
PAGE 5

oper Peter Savio and a local hui of investors broke off.

Savio and his local hui had offered \$330 million to purchase the 1,450-home, 1960s-era

SEE HUNT, PAGE 5

Research donations nearly triple for UH Foundation

BY LYNN NAKAGAWA
PACIFIC BUSINESS NEWS

Research-designated donations made to the University of Hawaii Foundation nearly tripled in the past year, going from \$4.5 million to \$11.7 million, according to the foundation's 2011 annual report, which was made available online this week.

Research received the most money of any cause supported by the foundation, which raised \$46.7 million in the fiscal year ending last June.

The UH Foundation's \$207.3 million endowment is at a record high, and executives say the increase in research-designated funding is due to the promotion and public awareness of the University of Hawaii Cancer Center and the overall research emphasis being designated by UH

University of Hawaii Foundation

Nonprofit fundraiser for the University of Hawaii system

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Website: www.uhfoundation.org



leadership.

A total of \$3.9 million was raised specifically for Cancer Center research. An additional \$3.2 million was raised for the center's nonresearch purposes, such as building and equipment, the UH Foundation reports.

"Cancer research is a big

priority for us, and research capacity at the university has been a high priority for the president and the chancellor of Manoa who value research innovation and being able to grow the research enterprise," said UH Foundation President Donna Vuchinich.

Foundation donations are expected to move the Cancer Center forward as a leading research institution, and the new 150,000-square-foot center in Kakaako is expected to add jobs and attract Mainland and international researchers. It is still under construction, and is slated to open late this year.

UH President M.R.C. Greenwood said the University of Hawaii is one of the state's primary economic drivers,

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RESIDENTIAL: Firms' plans for growth include mergers

FROM PAGE ONE

rent] market you've got to be good," she told PBN. "So when the market does get better, our agents will be ready to fly."

Both Coldwell Banker Pacific Properties and Prudential Locations tout their extensive training programs. But instead of seeing many young and inexperienced agents coming through the pipeline, both firms say there have been many seasoned business professionals that are looking to get into the real estate industry.

Consider 52-year-old Sissy Sosner, a new Coldwell Banker Pacific Properties agent, who used to be a law clerk.

"I think it's a fabulous time because I can really learn the ropes and when it takes off, so will I," she said. "I've already closed two deals, so I can't complain."

The firms' growth plans also have led to mergers with smaller firms, and executives say they are actively looking for other opportunities.

For instance, Coldwell Banker Pacific Properties recently acquired Aiea-based Realty Group for an undisclosed amount — adding about 10 agents in the process.

In all, Coldwell Banker Pacific Properties has 370 active agents, including 40 it added last year. This year, it plans to add at least 50 more agents as it looks to focus on areas where it feels it needs to become better — Windward Oahu and West Oahu.

"West Oahu is an area where we see tremendous growth. And for Windward Oahu, although we dominate that area, we somehow just haven't been able to sell as we'd like to, and it may be because the perception is that the area is sold out, but it's not," said President Chason Ishii.

Meanwhile, Prudential Locations, which currently has about 260 agents, is adding between 100 and 120 agents this year, as well as management staff. It added 80 agents in 2011.

"We are going to add on to a very successful recruiting year, most notably agents who moved from other companies



Prudential Locations Executive Vice President of Sales Scott Higashi demonstrates an app available for iPads and other handheld devices. Realtor Lynn Toma says the company's use of technology is among the things that attracted her to Prudential. Higashi says the company plans to add as many as 120 agents this year.

TINA YUEN PBN

to Prudential in 2011," Higashi said. "2012 is going to be a big growth year [for us]."

Higashi also says West Oahu is a hot market that will continue to be a focus for Prudential Locations.

While the two largest residential real estate companies in Hawaii are expanding, other firms across the state are watching to see how it all plays out.

Abe Lee, broker-in-charge of iProperties Hawaii, says there always will be recruitment from other companies.

"They have their own recruiters who are very effective. We've seen a lot of agents go back and forth to either Coldwell [Banker Pacific Properties] or Prudential [Locations]," he said.

Lee says adding a combined 200 agents between the two firms shouldn't be too difficult.

"At our company, we see 15 to 20 [agents] moving in and out of our company in a given year, but we'll bring in 15 to 20 more, as we are not looking for

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Prudential Locations

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growth," he said.

According to Lee, 40 percent of agents make one or no transactions in any given year in Hawaii, and about 8 percent of all agents sell half the market.

"There are lots of agents who don't sell," he said. "So I don't think [adding lots of agents] is undoable, but what matters most is hiring quality people."

Dan Ihara, Realtor associate for Prudential Advantage Realty, thinks both Coldwell Banker Pacific Properties and Prudential Locations have different recruitment strategies.

"Coldwell [Pacific Properties] acquires small companies. So prior to the last upswing they started buying small companies; so when the upswing does happen they'll be ready," he said. "Prudential [Locations] does it by the numbers, getting as many [agents] as they can."

Either way, Chaminade's Schroeder says the expansions are a good sign for Hawaii's economy.

"This may be a precursor or a signal of a faster recovery, at the very least in the real estate market," he said.

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FOUNDATION: Plans in the works for fundraising campaign

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and research is a priority for the 10-campus system.

"We have seen a big upkick in the funding going to the UH Cancer Center, which is not too surprising because potential donors needed to see us making progress on it," she said.

Last year, Dr. Michele Carbone, director of the UH Cancer Center, was awarded a \$3.5 million gift for mesothelioma research, which made up the bulk of the funds designated specifically for Cancer Center research.

Based on such donations and the increased need for private funding, Carbone said the UH Foundation plays a vital role in supporting cancer research.

"It's critical that the Cancer Center be supported by its community, especially at times when federal funding is becoming less and less," Carbone said.

Carbone has already brought researchers such as Marco Bianchi from

the University of Milan to Hawaii on the condition that during the six months spent at UH he is able to secure at least one major grant. Carbone said this partnership with researchers will allow the Cancer Center to be more competitive.

While research funding and the UH endowment continues to grow year-over-year, it still trails institutions such as UCLA and Arizona State University, which have student bodies of a similar size.

The University of Hawaii system posted enrollment of 60,519 students last fall. Arizona State University has a larger student body of 72,250 and a substantially larger endowment. UCLA has a smaller student enrollment figure but has the largest endowment out of the three institutions.

The ASU Foundation reported an endowment of \$515 million in fiscal 2011. Last year, the ASU Foundation dispersed \$12.4 million in research funding to the university. During that same time, the UH Foundation spent \$3.2 million on

research, \$45,674 of which went to the Cancer Center, according to the most recently released report.

Last fall UCLA enrollment totaled 40,675 and the UCLA Foundation endowment stood at \$1.8 billion. Program research giving by the UCLA Foundation was about \$186.6 million.

Vuchinich said the University of Hawaii Foundation started major campaigns for private giving much later than ASU and UCLA.

"UCLA started major campaigns in the mid-'70s and ASU shortly after that," Vuchinich said. "In Hawaii there hasn't been as much pressure for private partnerships. We've made good progress and are very competitive."

Vuchinich said when she became president and CEO of the UH Foundation in June 2004, it brought in about \$20 million a year, a number that has more than doubled to almost \$50 million in annual giving.

"In the next 10 years we hope to be

at about \$100 million a year," she said.

The UH Foundation is working closely with Greenwood on a second significant campaign, following the success of the UH Centennial Campaign, which ran from 2002 to 2009 and raised a total of \$336 million.

While details of the campaign have not been announced, Greenwood said a feasibility analysis is nearly complete for the proposed target for the campaign.

"We should be through with the process at the end of the 2012 academic year, but typically we don't announce the goal of the campaign until we are halfway there," Greenwood said.

While the UH Foundation gears up for another major campaign, Greenwood notes that the work of the foundation "is increasingly an important part of what the University of Hawaii needs to do to be a top academic institution and economic and research resource for the state."

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