



Hawaii Condominium Bulletin

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Funded through
the Condominium
Education Trust Fund

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Have You Seen Your Roof Lately? Manage it, before it manages you! Roof maintenance meets its match in technology. *By Guy Akasaki and Joshua Akaka*

Your roof is a critical and valuable part of your condominium. Don't delay maintenance on it in hopes of hiding the true costs of maintenance from owners; include the cost of its care in your reserve study! You'll encourage open communication between all owners and avoid special assessments in the future.

Even as we speak, motion pictures such as "Eye in the Sky" are utilizing technology and being able to procure, identify and engage in relevant "real time" information like a fly on the wall and applied to strategic initiatives from thousands of miles away. The drones featured were not new technology, but the information procured in critical time allowed engaging the right activity at the right time.

The roofing industry, one of the oldest trades in the nation, is also migrating in technology, by utilizing cloud & software technologies, the expert roof technician is equipped to be the "smart fly on the wall" providing you "eyes on the roof." Real time relevant information delivered to clients provide them with a simplified method of effectively managing their roof asset by proactively addressing roof deficiencies and maximizing its performing life.

OUT OF SIGHT OUT OF MIND... NO LONGER!

Awareness of the rooftop falls to the bottom of the totem pole with the least amount of daily interaction with the occupants on property. Engaging in proactive assessments that deliver prioritized recommended actions, budgeted reporting and track-able work orders allows the client to be more readily informed – with minimal effort. Identified roof deficiencies can be systematically addressed, documented and historically archived.



A few of the top common roof failure points include clogged gutters and downspouts, poor drainage, punctures, and missing shingles.

Message from the Chair

Aloha! On behalf of myself and the Condominium Review Committee (“CRC”), we wish you all of the season’s happiness and a peaceful 2017.

In this edition of the Condominium Bulletin, we offer various ideas about condominiums, from creating your CPR (condominium property regime), to getting involved in the day-to-day governance of the life of your condominium association, to the long-term maintenance of your roof which is so vital to the structural integrity of your buildings.

Speaking of roofs, proper attention to the long-term financial stability of items such as a roof or elevator can be sensitive matters for owners and board members alike; board members may hesitate to collect money regularly from owners in the form of reserves for the future expense of a large ticket item. And some owners may not want to pay for the future maintenance of big-ticket items. Boards have a duty to set money aside regularly for these high-priced items so that when the inevitable major maintenance or replacement comes due, owners are not hit with large special assessments to make up for the lack of prior long-term financial planning.

“Owners Welcome – Condominium Governance” makes the case for getting involved in the everyday decisions that allow condominium associations to run smoothly. I encourage you to get involved in small ways in the running of your association. You can also learn by attending the monthly CRC meetings usually held in the King Kalakaua Building in downtown Honolulu (home to the downtown Post Office); a schedule of monthly Real Estate Commission and CRC meetings for 2017 is included in this condo bulletin.

Enjoy the holidays; the Hawaii State Legislature is back in session in January!

Aloha,

Laurie Lee, Condominium Review Committee Chair

Laurie A. Lee R (B)

Principal Broker
Pacific Island Realty, LLC

Laurie Lee has been a full time licensed real estate agent for 25 years, and joined Pacific Island Realty, the broker for the projects of Stanford Carr Development, 15 years ago. Lee’s real estate background includes both general brokerage (resale market) and new home sales for developers, and includes product lines from the entry level home to luxury high end condominiums. As principal broker of this successful company for the past 11 years, Lee not only oversees the sales team of 4 agents but also the development and execution of the marketing plans for all Stanford Carr Development projects.

Preceding her success at Stanford Carr Development, some of Lee’s previous projects include The Courtyards at Punahou, Hawaiiki Tower, Harbor Court, and Royal Sea Cliff.

Lee is currently serving a 4 year term on Hawaii’s Real Estate Commission. A graduate of the University of Hawaii, Lee holds a bachelor of arts (BA) in Japanese language, as well as a Masters of Business Administration (MBA) in international business.



Have You Seen Your Roof Lately? (cont. from page 1)



Being proactive upfront, mitigates unfortunate damages related to improper water flow to the exit points, which in some cases can be extremely devastating with the water weight caving in the roof.

Example of a roof collapse due to water weight

ACCESS HISTORICAL DATA FOR MULTIPLE PURPOSES

Insurance carriers are becoming more stringent and many are requiring comprehensive roof condition reports before issuing policies and renewals. Historical tracking on regular maintenance performed can be easily accessed and provided as documentation support.

Manufacturer warranties often require regular roof maintenance in order to keep from voiding the warranty. Just like a car, standard maintenance is required on a systematic basis in order to prevent premature failure and to extend the life of the vehicle. Regularly executed maintenance programs customized to meet the manufacturer warranty requirements can be easily documented and provided.

Planning & Budgeting is simplified with a clear picture of prioritized roof deficiencies and recommended actions identified alongside a full roof replacement cost and timeline.

DID YOU KNOW?

Less than 1% of roof failure is due to defective roofing materials. **25% or more of roof leaks** are caused by roofing membrane penetrations (vents, skylights, plumbing pipes, etc.) Per industry statistics (Roofing Contractor Magazine, October 2012, Making A Case for Roof Maintenance), **over 80% of roofs are replaced prematurely** due to the top 3 culprits:

- #1) Poor installation
- #2) Severe weather
- #3) Lack of maintenance

An interesting fact – statistics such as these are sourced and drawn on actual trended and archived historical data for use by national industry organizations. In the same fashion, having access to trended information on your property (without having to dig thru piles of files!) allows you to make informed decisions for both preventative maintenance as well as planning ahead for budget projections.

INFORMATION AT THE RIGHT TIME, RIGHT PLACE

Early identification of minor issues can help to prevent premature roof failure, save money and extend the life of your roof. Buildings continually expand and contract with the heat and UV exposure and roofing materials respond and react to the movement. Foot traffic from all types of contractors with roof mounted equipment access and impact the roof. Catch the damages before the damages begin to cost you more.

Programs that deliver comprehensive roof condition reports identify for clients, emergency and remedial recommendations as well as projected replacement costs and timeframe. Quality inspections with quality data can help you proactively manage one of your buildings largest liabilities (the roof).

Have You Seen Your Roof Lately? (cont. from page 3)

BUYER BEWARE

Differentiating between different programs available will be key to successful roof management in the client's benefit. That being said, those customers looking into engaging in these types of programs should be aware of the following things:

- 1) Junk in, junk out. (Roof technicians need to be qualified in both software protocols, and assessing field conditions)
- 2) Timeliness of information
- 3) Access to historical data (harvest trending information insurance, warranty and budgeting)
- 4) Consistency of the product



LEAK & REPAIR
HISTORY



PREVENTATIVE
MAINTENANCE



FORECAST &
BUDGET

ROOF MAINTENANCE THAT DELIVERS.

Readily available access to information is priority in today's day and age. Data when you need it where you need it 24/7 allows for optimal decision making. Roof maintenance doesn't have to be difficult – and with today's technology, streamlining efficient ways of delivering relevant information in a cohesive format is possible. We encourage you to engage in an effective regular roof maintenance program that collaborates a perfect match of industry expertise and technology.



This article was reprinted with permission from CAI Hawaii. It was originally printed in two parts in their October and December 2016 newsletter.

Ask the Condominium Specialist

Q: I want to place several residential units on my property. What is the procedure that would allow me to do that?

A: CPR (condominium property regime) is a form of ownership of real property. A CPR is created whenever the sole owner or all of the owners including all of the lessees of a property execute and file the declaration, bylaws, condominium map (including floor plans) and master deed or lease with the Bureau of Conveyance or Land Court.

The filed documents will reflect the number and type of units that are allowable on the particular property. To determine this, contact the County Department of Planning and Permitting on your island. (Hawaii Island has an office on the west and east end.) Inform them of the TMK (tax map key/parcel) number of the property in question. With this information, Planning and Permitting can tell you how many units you may place on your property, i.e., how many condominium units the property can contain. Don't ask them if you can CPR or "condominiumize" your property. They cannot answer that question; they can only tell you how many units are allowable on your property based upon the TMK number you provide.

You may also want to call the zoning department in your particular county. The zoning office will be able to tell you what different types of activities are permissible on your property, e.g., agriculture, residential, business, etc.

With this information in hand, you can contact a lawyer who will draft CPR documents for you and advise you regarding the proper procedures for submitting your property to the condominium property regime.

The information provided herein is informal and intended for general informational purposes only. Consult with an attorney familiar with the Hawaii condominium law for specific legal advice regarding a particular situation.

Owners Welcome – Condominium Governance

In Hawaii, the philosophy underlying the governance of condominiums is self-governance and minimal governmental involvement as reflected in Section VI of Hawaii Revised Statutes Chapter 514B. Unofficial copies of this statute are available at no charge from the Real Estate Branch (“REB”) or on the REB website <http://www.hawaii.gov/hirec>.

In community living, one size does not fit all. Likewise, the law provides a framework to enhance self-governance, but does not and cannot address every problem and circumstance that may arise as a result of a shared community.

The purpose of this article is to provide information to owners and prospective owners about meaningful participation in community living and to foster owner involvement.

Why Should I Get Involved?

For many condominium owners, their condominium is their most valuable asset. One of the ways to protect this investment is to get involved in the governance of your condominium community. In addition, condominium living involves sharing common space sometimes in close proximity. Helping to foster a supportive and safe community and a sense of community among all owners has its daily rewards.

How Can I Get involved?

All condominium owners are members of an association of unit owners (“AOUO”).

Generally, at least once a year, the AOUO will hold an association meeting. The law requires notice of this meeting at least fourteen days in advance. This notice of meeting must state the date, time, and place of the meeting and the items on the agenda. Owners should look for this notice, attend, and participate in the annual meeting. The typical annual meeting includes board elections and removals, proposed amendments to the declaration or bylaws, discussion of association funds, and other important actions that will affect the future of the community.

There are instances where apathy or unavailability of the owners have caused the continuing inability to establish a quorum at annual meetings, resulting in the inability to conduct business and community business stalled.

In addition to the annual association meeting, there are several other ways owners can get involved in the life of their condominium community. The condominium owners are represented by an elected board of directors. Thus, owners should familiarize themselves with the qualifications of prospective board members, and vote accordingly. Board members are volunteers, and the quality of board members varies widely.

Owners should also make the effort to attend board meetings and review minutes. By law, all board meetings, other than executive sessions, are open to all members of the association. These members may participate in any deliberation or discussion, other than executive sessions, unless a majority of the board votes otherwise. One practical way to avoid exclusion is effective communication and civility. With rights come responsibility. In addition, owners can participate in the governance of the condominium association by running for a place on the board or participating on board committees.

Being a board member requires some expertise, time, and commitment, and can feel stressful and thankless. It is not a glamorous volunteer position of power. It can, however, be a rewarding experience, and the most effective method of contributing to the condominium community. Training on how to be an effective board member is available and invaluable. Communication is the key.

Being a board member allows an owner to exert good leadership and act in the best interest of the association, as well as allowing for direct involvement in management, contracting, and fiscal responsibility. Poor leadership, conflicts of interest, and owner apathy have resulted in instances of neglected repairs and maintenance, inadequate budgets and reserves, unpaid bills, outright malfeasance, and declining home values. If no one wants to volunteer to serve on the board, the resulting lack of leadership can have disastrous consequences for a condominium association.

One way to become involved with board governance without being on the board is participating on committees. Committees usually focus on one area, such as landscaping or grounds, and members engage in fact finding, research, and proposals. Being on a committee is a good first step for those who are hesitant about the commitment required to be a board member.

Get involved!

Mediation Case Summaries

From September 2016 through November 2016, the following condominium mediations were conducted pursuant to Hawai'i Revised Statutes § 514B-161, and subsidized by the Real Estate Commission. The mediation providers also conducted additional condominium mediations in the District Courts and community outreach in their respective communities.

Mediation Center of the Pacific

Through Skype video conferencing capabilities, MCP can conduct mediations with condominium owners who live part-time in Hawaii and are currently residing out of the state; MCP also continues to mediate condominium disputes referred by the Honolulu District Court.

| | | |
|-----------------|---|-------------------------------------|
| Owner vs. Board | Dispute over ventilation system and security gates (common area). | Board declined mediation. |
| Board vs. Owner | Dispute over responsibility for water damage and source of leak. | Board w/drew request for mediation. |

Dispute Prevention and Resolution, Inc.

| | | |
|-----------------|---|-------------------------|
| Owner vs. Board | Dispute over flood damage to unit. | Mediated to agreement. |
| Owner vs. Board | Various claims against the board for alleged breach of governing documents. | Mediated; no agreement. |
| Owner vs. Board | Dispute over alleged violation of declaration and bylaws. | Mediated; no agreement. |
| Owner vs. Board | Allegation that board violated rules and proxy procedures. | Mediated; no agreement. |
| Owner vs. Board | Dispute over damage to unit caused by a leak outside of the unit. | Mediated to agreement. |
| Board vs. Owner | Alleged violation of house rules and regulations. | Mediated; no agreement. |

Condominium Hotel Operator Biennial Re-Registration Conducted

Re-registration applications for the upcoming 2017-2018 CHO biennial re-registration period were mailed out in October to the 34 CHOs registered with the Real Estate Branch. Applications were due back to the REB by November 30, 2016 to ensure timely registration compliance by December 31, 2016. CHOs who fail to complete the re-registration process by December 31, 2016 are required to submit new applications and supporting documents if they intend to continue conducting CHO activities.

CHO activity is governed by Hawaii Revised Statutes section 467-30 of the real estate licensing law.

2017 Real Estate Commission Meeting Schedule

Laws & Rules Review Committee – 9:00 a.m.

**Condominium Review Committee – Upon adjournment of
the Laws & Rules Review Committee Meeting**
**Education Review Committee – Upon adjournment of the
Condominium Review Committee Meeting**

Wednesday, January 11, 2017
Wednesday, February 08, 2017
Wednesday, March 08, 2017
Wednesday, April 12, 2017
Wednesday, May 10, 2017
Wednesday, June 14, 2017
Wednesday, July 12, 2017
Wednesday, August 09, 2017
Wednesday, September 13, 2017
Wednesday, October 11, 2017
Wednesday, November 08, 2017
Wednesday, December 06, 2017

Real Estate Commission – 9:00 a.m.

Friday, January 27, 2017
Friday, February 24, 2017
Friday, March 24, 2017
Friday, April 28, 2017
Friday, May 26, 2017
Friday, June 30, 2017
Friday, July 28, 2017
Friday, August 25, 2017
Friday, September 29, 2017
Friday, October 27, 2017
Wednesday, November 22, 2017
Friday, December 15, 2017

All meetings will be held in the Queen Liliuokalani Conference Room of the King Kalakaua Building, 335 Merchant Street, First Floor.

Meeting dates, locations and times are subject to change without notice. Please visit the Commission's website at www.hawaii.gov/hirec or call the Real Estate Commission Office at (808) 586-2643 to confirm the dates, times and locations of the meetings. This material can be made available to individuals with special needs. Please contact the Executive Officer at (808) 586-2643 to submit your request.

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