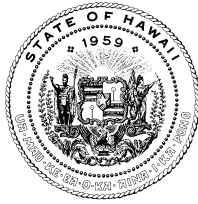


DAVID Y. IGE  
GOVERNOR  
  
DOUGLAS S. CHIN  
LIEUTENANT GOVERNOR



CATHERINE P. AWAKUNI COLÓN  
DIRECTOR  
  
CELIA C. SUZUKI  
LICENSING ADMINISTRATOR

STATE OF HAWAII  
**REAL ESTATE BRANCH**  
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
KING KALAKAUA BUILDING  
335 MERCHANT STREET, ROOM 333  
HONOLULU, HAWAII 96813  
<http://www.hawaii.gov/hirec>

April 2018

Dear Developer:

The Hawaii Real Estate Commission ("Commission") would like to inform you of a recent change to the condominium law for **developers** under the older condominium law, Hawaii Revised Statutes ("HRS") Chapter 514A, and **owners** who received their unit(s) as a gift or inheritance from the developer.

Governor Ige signed Act 181 into law, effective January 1, 2019, which will repeal HRS Chapter 514A. This may affect the owners of a condominium created prior to July 1, 2006, if they are the developer or an owner who received their unit as a gift or inheritance from the developer. HRS Chapter 514A, requires a developer (or someone in the shoes of the developer) to have an active Developer's Public Report ("reports") to legally sell units. **The new Act thus raises concerns about the ability of certain current owners and developers to sell their units after January 1, 2019.**

Act 181 converts reports created under HRS Chapter 514A to the newer condominium law, HRS Chapter 514B. This law requires developers (or someone in the shoes of the developer) to meet a few requirements for this transition to automatically apply. The Commission understands that this is a complex subject and has strongly recommended contacting the attorney who prepared the project's developer's public report and the Commission for guidance. **Developers who have sold all inventory in arm's length transactions may disregard the issues raised in this letter.**

The Commission would greatly appreciate your assistance in disseminating this information about this upcoming law change to any of the owners who may have received their unit via gift or inheritance and **your fellow developers** if any. Please see the attached frequently asked questions, and do not hesitate to contact us at our office at (808) 586-2644, Monday through Friday, between the hours of 7:45 a.m. and 4:30 p.m., Hawaiian Standard Time.

Very truly yours,

REAL ESTATE COMMISSION

Enclosure  
DC:tn