



# Condominium Project Registration

## Reminders Real Estate Commission Memorandum 2020-3 (6/30/20)

*The information provided here is intended to provide developers, including where applicable, their attorneys and agents, as well as interested others with supplemental information in the form of reminders about the condominium project registration process\*.*

The condominium law allows the Director of the Department of Commerce and Consumer Affairs to contract with private consultants for the review of documents and information submitted to the Real Estate Commission ("Commission") in connection with the registration of condominium projects and issuance of effective dates for developer's prepared public reports. (§514B-64, HRS).

In recent years, the Commission has seen an expansion in the amount of documents and information developers submit as part of the developers' condominium project registration applications. A review of the amount of time consultants spend reviewing the submitted documents and information over the past years warrants a realistic realignment and change in compensation paid by developers to these private consultants. The Commission last raised fees in 2009.

Effective **July 1, 2020**, in addition to the \$1,500 consultant review fee paid by developers, the agreed compensation paid by developers to the private consultants now includes:

For any **subsequent review** of additional and/or supplemental documents and/or information which a developer is required to submit to complete the registration application, complex updates, and/or changes to the registration application involving more than two (2) material changes and any subsequent review of developer rewrites of the developer's public report, an additional hourly amount of TWO HUNDRED DOLLARS (\$200) not to exceed a total of TWO THOUSAND DOLLARS (\$2,000) plus any approved expenses incurred in connection with the subsequent review.

Any additional hourly amounts recommended by a consultant shall be approved by the Commission.

Additionally, the developer must submit payment of the recommended and approved amount to the Commission prior to the consultant resuming with the review of a developer's registration application (the developer shall be notified of the additional amount).

**A summary of fees is provided below:**

<b>REPORT TYPE</b>	<b>CONSULTANT FEE AMOUNT</b>
<b>Initial review</b>	\$1,500
<i>(Subsequent review including review of any developer rewrites)</i>	\$200 per hour not to exceed \$2,000 plus approved expenses incurred with review
<b>Amendments</b>	
• Non-complex	\$150

• Updates/changes (non-substantive)	\$100
• (Subsequent review including review of any developer rewrites)	\$200 per hour not to exceed \$2,000 plus approved expenses incurred with review
<b>Amended</b> (complex changes)	\$1,500
(Subsequent review including review of any developer rewrites)	\$200 per hour not to exceed \$2,000 plus approved expenses incurred with review

- **Non-complex** – pertinent changes and/or changes involving up to two (2) material changes. The Commission retains the right to require reporting the changes in a full Amended Developer’s Public Report.
- **Updates/changes** – (e.g.) names of "persons connected to the (condominium) project" and other non-substantive stylistic updates and/or changes
- **Complex** – more than two (2) material changes

**"Abandoned" registration application** - fees as specified above for services rendered by the consultant where the Commission has deemed a registration application abandoned in accordance with §514B-52, HRS.

**Standard fees will remain at:**

- |    |                                |       |
|----|--------------------------------|-------|
| 1. | Initial Application Fee        | \$250 |
| 2. | Amendment Application Fee      | \$75  |
| 3. | Annual Report                  | \$50  |
| 4. | Initial Developer Fee Per Unit | \$10  |

**\* The provided information is unofficial, informal, and non-binding on the Real Estate Commission and is being provided pursuant to §16-201-92, Hawaii Administrative Rules. Please contact the Real Estate Commission at (808) 586-2643 or at hirec@dcca.hawaii.gov between 7:45 AM and 4:30 PM, Monday through Friday and your attorney for more information.**