



Learn more about the Real Estate Branch (REB) of the Department of Commerce and Consumer Affairs

Check out the REB website www.hawaii.gov/hirec for more information and some frequently asked questions.

- What services does the REB provide to the condominium community?
- Where can I get help with association disputes?
- What laws apply to my condominium association?
- How do I get a copy of my association documents?
- How do I obtain a real estate license?
- What are the laws and rules for real estate licensees?

Real Estate Branch

About Us

The Real Estate Branch, as part of the Professional and Vocational Licensing Division, assists the Real Estate Commission in carrying out its responsibility for the education, licensure and discipline of real estate licensees; registration of condominium projects, condominium associations, condominium managing agents, and condominium hotel operators; and intervening in court cases involving the real estate recovery fund.

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Contact Us

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CONDOMINIUM: UNREGISTERED CONDOMINIUMS

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*Real Estate Branch
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What Is An “Unregistered Condominium?”

The creation of a condominium is separate from the registration for public sale. To create a condominium, a developer records the declaration, bylaws, map, and shows proof of ownership at the Bureau of Conveyances or Land Court.

However, creation alone does not allow a developer to legally sell most types of units to the public. Before offering units for sale, [developers must register the condominium project with the Hawai‘i Real Estate Commission](#) (“Commission”) and submit a Developer’s Public Report (“DPR”) for review. The DPR discloses all material and pertinent information about the project to prospective buyers. **Only after** the Commission issues an effective date for the DPR, can a developer legally offer units for sale, accept monies, and take binding contracts.

An unregistered condominium is one where the developer did not register the project by a DPR. The Commission maintains a [searchable database of registered condominiums](#) on its website and strongly encourages buyers and agents to review the disclosures made in

the DPR, even for secondary sales. Should a project not be found in the database, it means no effective date was issued for its submitted DPR, no DPR was submitted for review, or Commission staff have yet to update the database.

Why Are Some Projects Unregistered?

State law does not require a developer to register as not all developers intend to sell. Some developers often use the condominium process as a form of estate planning, dividing up their properties among their heirs without intending to sell. Later, however, the developer or their heir(s) who wants to sell may be unaware of the registration requirements for legally binding sales.

Other developers may deliberately avoid registration to evade their mandatory disclosure requirements and associated costs, hoping buyers or financial institutions do not recognize their attempt at illegal sales.



How Are Most Unregistered Units Initially Sold?

In most cases, not legally. The condominium law, both under both the former law, chapter 514A, and the current law, chapter 514B, HRS, strictly prohibits the sale of most types of units prior to registration. The Commission is aware of unregistered projects that have undergone public sales, likely through cash sales or financing from mainland banks unaware of the legal requirements for binding sales.

As the developer never registered the project for the first legal sale, there is currently no statutory guidance on how such units should be treated in secondary sales. Financial institutions, once aware of the unregistered nature of a unit, generally become wary of being involved in a sale due to this lack of clarity.

Can a Developer or Real Estate Licensee Be Penalized?

Yes. Developers and their real estate licensees who illegally sell unregistered condominium units may face monetary fines, imprisonment for up to one year, and/or disciplinary action taken against their real estate license.