



2024 Annual Report

Real Estate Commission

Real Estate Branch
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

The 2024 Hawaii Real Estate Commission

Derrick Yamane
Chair
Honolulu, Real Estate Broker

Nikki Senter
Vice Chair
Chair, Laws and Rules Review Committee
Public Member

Sean S. Ginoza
Vice Chair, Laws and Rules Review Committee
Hawaii Island, Real Estate Broker

Audrey Abe
Chair, Education Review Committee
Honolulu, Real Estate Broker

Russell Kyono
Vice Chair, Education Review Committee
Kauai, Real Estate Broker

John Love
Chair, Condominium Review Committee
Public Member

P. Denise La Costa
Vice Chair, Condominium Review Committee
Maui, Real Estate Broker

Richard Emery
Honolulu, Real Estate Broker

Jennifer Andrews
Honolulu, Real Estate Broker

The purposes of the Commission are to:

- Protect the general public in its real estate transactions;
- Promote the advancement of education and research in the field of real estate for the benefit of the public and those licensed under Hawaii Revised Statutes (HRS) chapter 467 and the improvement and more efficient administration of the real estate industry; and
- Promote education and research in the field of condominium management, condominium registration, and real estate for the benefit of the public and those required to be registered under HRS chapter 514B.



The Honorable Josh Green, Governor, State of Hawaii, Members of the Thirty-Second State Legislature and Nadine Ando, Director, Department of Commerce and Consumer Affairs (DCCA):

Be prepared. Always be ready. You never know what challenges life will bring.

Real estate is so much a part of life and we must be adaptable to all real estate challenges. We endured the challenges of the COVID-19 pandemic. As difficult as it was, we adjusted, survived, and thrived. We came out of this challenge even better. Before we could celebrate returning to normalcy, another challenge surfaced. In August 2023, Maui experienced the deadliest wildfire in the United States since the Cloquet fire. This horrific tragedy took over 100 lives and changed Lahaina forever. The Real Estate Commission made certain no one took advantage of the situation and the people affected. Licensees were warned. Anyone taking advantage of the situation and those affected by this tragedy would be subject to losing their license. Humankind prevailed – people helped, and no licenses were lost. People banded together and Lahaina is recovering - “Maui Strong!”

The Real Estate Branch (REB) is up and running like the “good old days” – as in pre-pandemic times. The public access hours to the Real Estate Branch office are Monday – Friday, 7:45 am – 4:30 pm. Real estate licenses are being issued. In-person license testing has resumed. The REB remains technologically proficient. License testing as well as continuing education can now be done virtually. The public has options that did not exist previously. Routine REB activities and responsibilities have returned. The REB’s publications are distributed timely. The Real Estate Commission Bulletin, the School Files (for real estate educators), and the Condominium Bulletins were distributed to all recipients on schedule. The Real Estate Commission meetings are held in person every month and are streamed live by 'Ōlelo Community Media. I commend the REB for adjusting back to normal.

Historically, the Real Estate Commission is one of the most active commissions in the State. It demands much time from its members, but these dedicated volunteers give unselfishly of themselves to protect the public and enrich our local real estate industry. This past year was no different and I respectfully present the Annual Report of the Real Estate Commission (Commission) for FY 2024.

The Commission currently oversees 19,839 licenses statewide of which 14,896 are active. This is a 5.5% increase in total licensees from a year ago. Additionally, the Commission oversees approximately 1,649 registered condominium associations and 34 condominium hotel operators. There were 96 new conversion project filings for FY 2024.

The Commission is a nine-member, Governor-nominated, and Governor-appointed quasi-judicial body. Presently, it is comprised of seven industry members and two public members. If confirmed by the Senate, each commissioner serves a four-year term. The main purpose of the Commission is the “protection of the general public in its real estate transactions” (HRS § 467-4(2)). The Commission oversees the licensing of real estate salespersons and brokers, including brokerages, and the maintenance and renewal of these licenses every two years. This year is a renewal year. There are 19,968 licensees eligible to renew.

The Commission is responsible for the Real Estate Recovery Fund. As its trustee, the Commission has a fiduciary duty and obligation to administer the trust properly and transparently. There was one payment made from the fund for FY 2024.

Other state agencies work closely with the Commission such as the Regulated Industries Complaints Office (RICO). The Commission reviews and approves settlement agreements involving real estate licensees found guilty of violating real estate licensing laws and rules by RICO.

The Commission is comprised of three standing committees:

- (1) The Laws and Rules Review Committee;
- (2) The Education Review Committee; and
- (3) The Condominium Review Committee.

The three committees are working committees where commissioners take on leadership roles and work towards accomplishing the goals set forth in those specific areas. Funding for these programs is crucial for the Commission. Funding the Commission is of utmost importance. Proper funding allows the Commission to achieve its objectives and reach its goals as set forth by law.

The Commission certifies pre-license education schools and instructors and is responsible for developing the prelicensing curriculum for salespersons and brokers. The Commission also registers continuing education (CE) providers and certifies CE courses.

The Education Review Committee, under the leadership of Audrey Abe, Oahu Commissioner, and Vice Chair Russell Kyono, Kauai Commissioner, worked closely with an Ad Hoc Committee on Education. This committee, comprised of veteran industry volunteers, collaborated and created the Commission’s 2024 mandatory core course, Part B – “Regulation, RICO, and Your License.”

Regarding condominiums, the Commission registers condominium projects, condominium associations, condominium hotel operators (CHO), and condominium managing agents. The Commission’s Outreach Program provides information and education on general condominium topics for all interested owners. This program services all islands and is an excellent resource for any condominium homeowner.

The Condominium Review Committee, under the leadership of John Love, Esq., Public Commissioner and Vice Chair of the Committee and P. Denise La Costa, Maui Commissioner, oversaw the activities of Commission staff relating to condominium project development, condominium governance, and condominium education. Under their guidance, the Commission staff created and updated informational brochures and FAQs for condominium owners and developers. Their focus was to educate the condominium community. Informational materials were also made available on the REB website. This committee successfully planned well-received informational events – Condorama XI and Condorama XII. The events provided valuable information to condominium owners. The Commission looks forward to participating in future community events.

While the Commission is a State body, it does not limit its awareness to a local level. To maintain high standards of excellence for Hawaii's real estate industry, the Laws and Rules Review Committee keeps abreast with matters of importance outside our State. In addition to local information, this committee keeps the Commission aware of national activities – national law changes or anticipated new rules. This invaluable Laws and Rules Review Committee is headed by Nikki Senter, Esq., Honolulu Public Commissioner, and supported by Vice Chair Sean Ginoza, Hawaii Island Commissioner. This committee worked tirelessly to monitor national and State issues. They kept a keen eye out for legislation that could affect our licensees. Additionally, they are active and committed members of the Association of Real Estate License Law Officials (ARELLO). Keeping abreast of controversial issues and concerning items has been invaluable to the Commission. This information keeps Hawaii ahead of the curve and out of trouble-“An ounce of prevention is worth a pound of cure.”

I congratulate the REB for another year well done. It was a busy year. Staff had numerous issues, new assignments, and a constant influx of daily work that needed to be promptly completed. They accomplished all that was required. Bravo, staff!

At REB, the working environment is collaborative. Cooperation is evident between the leadership of Supervising Executive Officer, Neil Fujitani, and the staff. Mr. Fujitani's instructions are clearly understood and carried out by his staff. Everyone works well together, which is important and rare. REB is a well-managed branch. Kudos to Mr. Neil Fujitani!

I thank my fellow Commissioners for serving on the Commission. They are busy people, yet they give so freely of their time. They are committed to protecting the people of Hawaii. The Commission addressed all mandates and reached our annual goals. The people of Hawaii are fortunate to have this hard-working group working tirelessly on their behalf.

This new year will bring more work and new challenges and I can confidently say that the Real Estate Commission of the State of Hawaii is prepared and ready. With continued kokua and support from DCCA Director, Nadine Ando, Licensing Administrator, Ahlani Quiogue, RICO, the Attorney General's Office, Supervising Executive Officer, Neil Fujitani, and the dedicated REB staff, the Commission will improve the professionalism, competency, and integrity of Hawaii's real estate industry. The public will be protected.

Respectfully submitted,

A handwritten signature in black ink, reading "Derrick T. Yamane". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Derrick T. Yamane
Chairperson, State of Hawaii Real Estate Commission

Real Estate Commission
Real Estate Branch
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii



Nadine Ando, Director
Dean Hazama, Deputy Director
Ahlani K. Quiogue, Licensing Administrator

Real Estate Branch:

Neil K. Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Kristen Kekoa, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
Nohelani Jackson, Real Estate Specialist
Colleen Mar, Office Assistant
Charisa Flores, Office Assistant
Hidemi Sato, Office Assistant
Kedin Kleinhans, Senior Condominium Specialist
Dathan Choy, Condominium Specialist
Lorie Sides, Condominium Education Specialist
Joseph B. Pagkalinawan, Secretary
Tammy Norton, Secretary
Jon Gasper, Office Assistant
Dorothy Aquino, Office Assistant
Joyce Lee, Office Assistant

335 Merchant Street, Room 333
Honolulu, Hawaii 96813
Telephone: (808) 586-2643
Web: <https://cca.hawaii.gov/reb/>
Email: hirec@dcca.hawaii.gov

Copyright: Hawaii Real Estate Commission 2024. All rights reserved. Funded by the Real Estate Education Fund and the Condominium Education Trust Fund and provided as an educational service to real estate licensees and the condominium community. This publication is designed to provide general information on the subject matters covered and is not a substitute for professional services to address specific situations. If legal advice or other expert assistance is required, please seek the services of a competent professional.

This material can be made available for individuals with special needs. Please call the Senior Real Estate Specialist at (808) 586-2643 to submit your request.

Table of Contents

Laws and Rules Review Committee Report		9-17
FY 2024	Program of Work	10
Chart 1	Recovery Fund Notices	11
Chart 2	Recovery Fund—Claims Paid	11
Chart 3	Condominium Hotel Operator (CHO) Registration	12
Chart 4	Disciplinary Action	14
Table 1	Administrative Action	14
Chart 5	Administrative Actions—Sanctions	14
Chart 6	RICO Complaints (Real Estate)	15
FY 2025	Program of Work	17
Education Review Committee Report		18-26
FY 2024	Program of Work	18
Chart 7	Inquiries and Application	18
Table 2	Real Estate Licensing Examinations	19
Chart 8	Licensing Examination Candidates	20
Chart 9	New Real Estate Licenses Issued	23
Chart 10	Total Real Estate Licensees	24
Table 3	Current Real Estate Licensees by Type and Island	24
Chart 11	Real Estate Licensees by Island	25
FY 2025	Program of Work	25
Condominium Review Committee Report		26-43
FY 2024	Program of Work	27
Chart 12	Condominium Advice, Education, and Referral	28
Chart 13	Developer’s Public Reports Effective Dates Issued	29
Chart 14	New and Conversion Project Filings of Developer	29
Chart 15	New Residential Project by Size	30
Table 4	Condominium Project Filings	30
Chart 16	Facilitative Mediations	31
Chart 17	Evaluative Mediations	31
Chart 18	Condominium Association Registration	32
FY 2025	Program of Work	39
Fund Information		44-46
	Real Estate Education Fund	44
	Real Estate Recovery Fund	45
	Condominium Education Trust Fund	46

LAWS AND RULES REVIEW COMMITTEE REPORT

For FY 2024, the Laws and Rules Review Committee, led by Chair Nikki Senter and Vice Chair Sean Ginoza, continued with actively reacting to and monitoring the legislative process, licensing programs, and the Real Estate Recovery Fund administration.

LEGISLATIVE

Act 011 – Requires boards to make available for public inspection board packets, if created, at the time the board packet is distributed to board members but no later than two business days before the board meeting. Provides that public testimony may be distributed to board members before the board meeting. Requires boards to include in the notice to persons requesting notification of meetings, a list of the documents that were compiled by the board and distributed to board members before a board meeting for use at the meeting. Requires boards to post board packets on its website.

Act 012 – Requires public meeting notices to inform members of the public how to provide remote oral testimony in a manner that allows the testifier, upon request, to be visible to board members and other meeting participants. Recognizes a board's authority to remove and block individuals who disrupt meetings. Takes effect January 1, 2025.

Act 032 – Amends the deadline related to the repair of conditions that constitute health or safety violations. Increases the amount deducted from a tenant's rent for the tenant's actual expenditures to correct health or safety violations and defective conditions. Takes effect November 1, 2024.

Act 033 – Amends the Residential Landlord-Tenant Code to provide for a process to dispose of the tenant's personal property and surrender the dwelling unit to a landlord when there is a death of a tenant. Takes effect November 1, 2024.

Act 041 – Repeals the authority of counties to administer commercial property assessed financing programs and delegates all existing administrative responsibilities of the counties under the commercial property assessed financing program to the Hawai'i Green Infrastructure Authority. Allows condominium associations to be eligible for commercial property assessed financing.

Act 042 – Repeals provisions governing the use of electronic voting devices at condominium association meetings. Clarifies the procedure for electronic meetings, electronic voting, and mail voting.

Act 043 – Requires the Legislative Reference Bureau to conduct a study on how certain other states approach the following subjects as they relate to condominiums: an ombudsman, licenses for management, alternative dispute resolution, governmental regulation, owner education, and owner access to documents. Extends the deadline for the final report and the cease date for the Condominium Property Regime Task Force to June 30, 2026. Makes appropriations.

Act 044 – Authorizes the use of electronic mail to deliver certain documents when purchasing a condominium.

Act 166 – Requires the Office of the Lieutenant Governor or the appropriate county clerk's office to ensure access to paper or electronic copies of all meeting notices and removes the requirement to post notices in a central location in a public building.

Act 176 – Makes certain long-term exclusive listing agreements for the sale of residential real property void and unenforceable under the state law that governs unfair and deceptive practices. Prohibits the recording or filing of exclusive listing agreements of any duration with the Bureau of Conveyances. Establishes certain remedies. Takes effect November 1, 2024.

LICENSING

For FY 2024, the total number of licensees was 19,839 compared to 18,806 in FY 2023. This represents an increase of 5.5% from the previous FY. The number of real estate licensees has always been cyclical, with the all-time high of 26,090 licensees in 1990 and the lowest count in the past 24 years of 13,033 licensees in 1999.

FY 2024 PROGRAM OF WORK

Real Estate Recovery Fund (RERF) – The Commission administered the statutory requirements, contracts with consultant attorneys, notice of claims, court orders for payouts, dissemination of information, financial responsibilities of the RERF, records management, and the development of reports.

The Commission is the trustee of the RERF, which is intended to provide a measure of compensation to consumers injured by the fraud, misrepresentation, or deceit of real estate licensees. One of the primary statutory requirements for obtaining payment from the fund is notifying the Commission of the filing of a court action that may result in payment from the RERF.

During FY 2024, the Commission received one notification for claim on the fund (see, Chart 1) and made one payout in the amount of \$25,000 that came out of the recovery fund for FY 2024 (see, Chart 2). Since its inception in 1967, the RERF has paid out over two million dollars.

CHART 1. RECOVERY FUND NOTICES

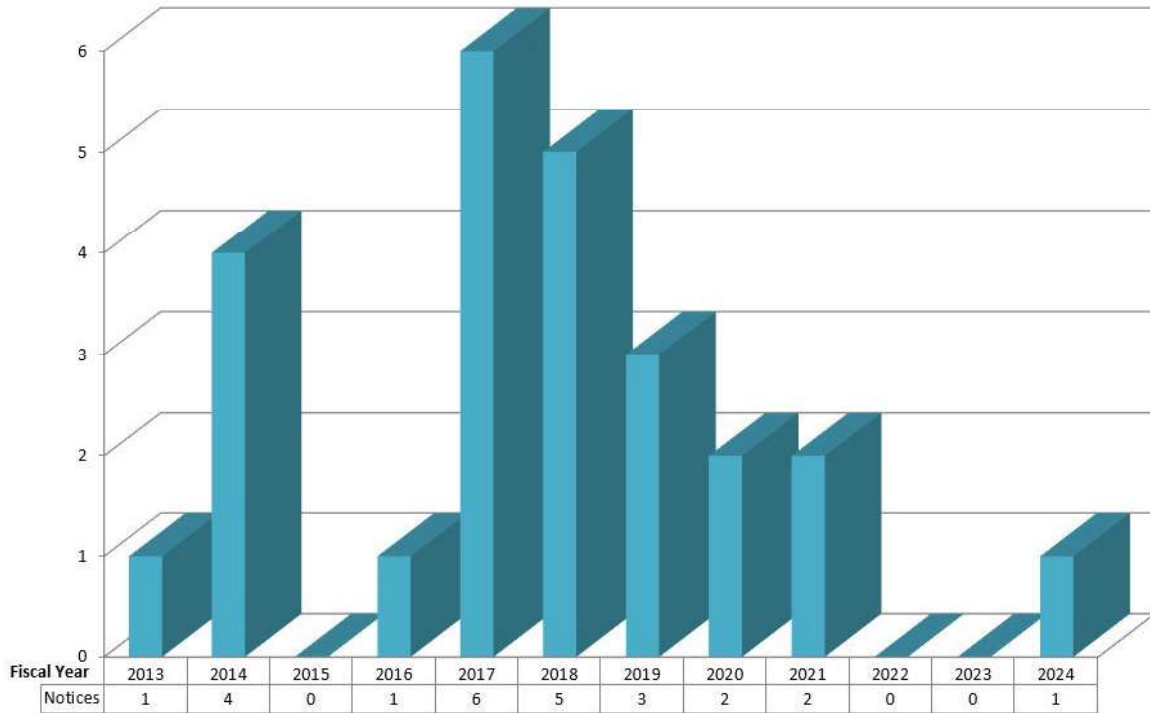
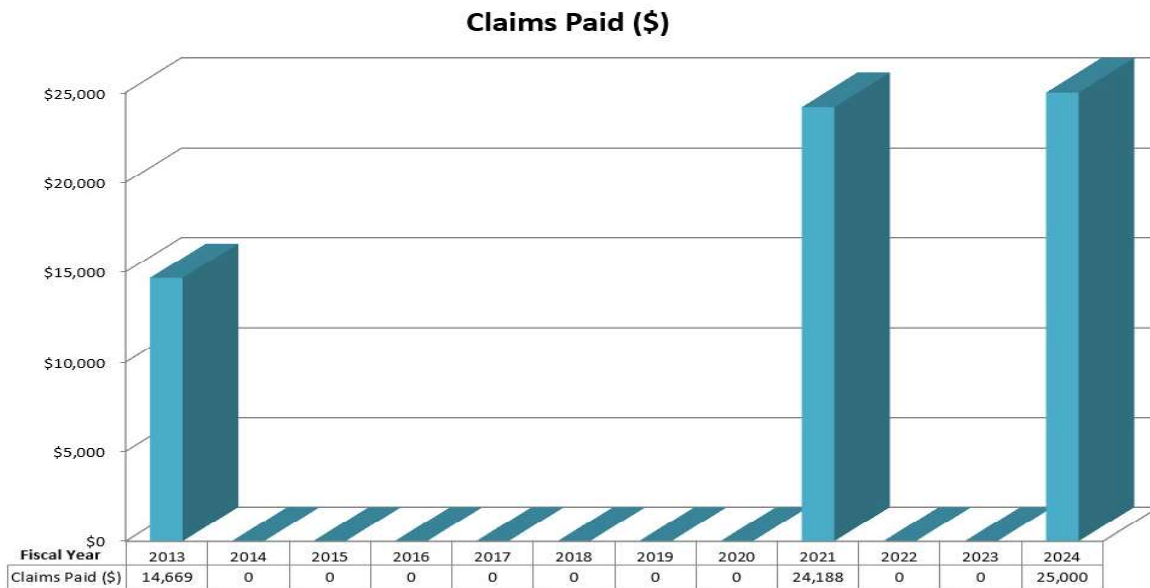


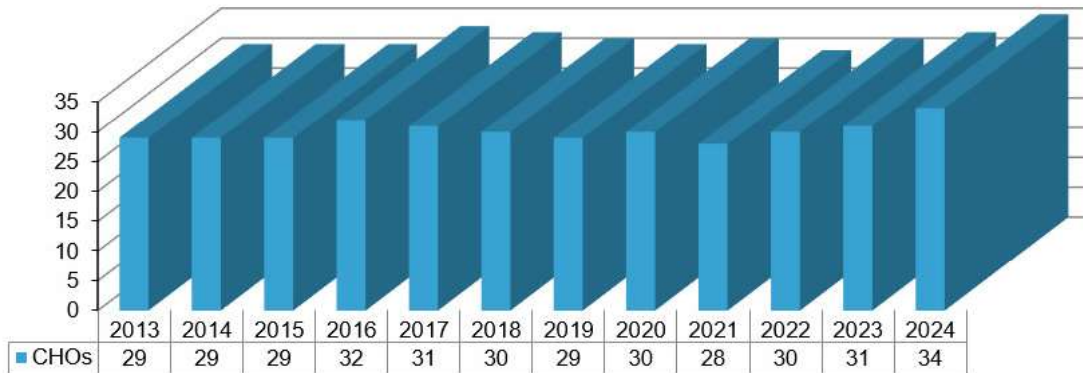
CHART 2. RECOVERY FUND- CLAIMS PAID



Real Estate Licensing Registration, and Certification – The Commission administered the licensing, registration, and certification requirements, including applications review and updates, policies, procedures, appeals, subpoenas, and requests for records under the Uniform Information Practice Act (UIPA), laws, rules, and procedures.

CHO Registration – Staff administered the licensing, registration, and certification requirements, including applications review, policies, procedures, appeals, subpoenas, and requests for records under the UIPA. Staff continued the administration of the registration program with the Licensing Branch since active real estate brokers are exempt from registration and fidelity bond requirements. This FY, the Commission registered 34 CHOs (see, Chart 3).

CHART 3. CHO REGISTRATION



Advice, Education, and Referral – Staff responded and provided information to inquiries received via telephone, walk-ins, faxes, written correspondence, emails, and the Commission’s website; printed and distributed Commission developed information; and responded to inquiries from government officials and the media.

Rulemaking, Hawaii Administrative Rules (HAR) Chapter 99 – The Commission studied, evaluated, researched, and developed rule amendments for submission to the formal rule-making process. The Commission is proceeding with the Legislative Reference Bureau’s recommendation to separate the rules into three separate chapters. To address strong concerns raised by industry stakeholders, amendments to certain advertising rules are being developed and reviewed separately.

Meetings – The Commission, with support from staff, administered LRRC committee meetings as part of its monthly Commission meeting, as well as subcommittee and ad hoc committee meetings virtually.

Licensing Renewals – Staff continued implementation of the paperless renewal system and worked closely with the Licensing Branch to ensure its continued success.

Legislative and Government Participation – The Commission participated in the legislative session, provided briefings, and acted as a resource to legislators, government officials, and staff; researched and submitted testimony on bills and resolutions, including oral testimony; and assisted legislators and government officials in responding to the community.

Interactive Participation with Organizations – The Commission, as well as staff, actively participated with the Association of Real Estate License Law Officials (ARELLO) and local, Pacific Rim, national, and international organizations, and government agencies to exchange information and concerns, as well as share educational and research efforts, joint projects of mutual concern, and training.

Legislative Acts and Resolutions – The Commission reviewed, reported, and developed summaries of all related Acts and resolutions and implemented requirements of directly related Acts and resolutions.

Neighbor Island Outreach – Interested parties on the Neighbor islands continued to be afforded the opportunity to actively participate in the Commission meetings via online interactive video conferencing. The Commission plans on resuming Neighbor Island Outreach next FY.

Review of Services and Organization – Staff analyzed and initiated steps to improve services, provided for effectiveness and efficiency, amended laws, rules, forms, and systems, and improved staffing, equipment, and organization. Staff also conducted meetings and exchanges with Licensing Branch personnel.

Application Processing and Forms – Staff studied and evaluated the processing of applications, evaluated, and amended forms and instructions, and assisted in mainframe computer programming issues. Staff also studied, reported on, and continued researching other electronic or computerized methods to improve application processing.

ARELLO National Disciplinary Action Data Bank – Staff continued participating in the ARELLO National Disciplinary Action Data Bank to assist in the background review of applicants and consumer protection in other jurisdictions.

Case Law Review Program – The Commission monitored, collected, and reported on case law, disciplinary actions, judgments, and decisions in Hawaii court cases, federal court cases, and other state court cases. The Commission further studied material cases to be considered for the Real Estate Commission Bulletin and the Commission website.

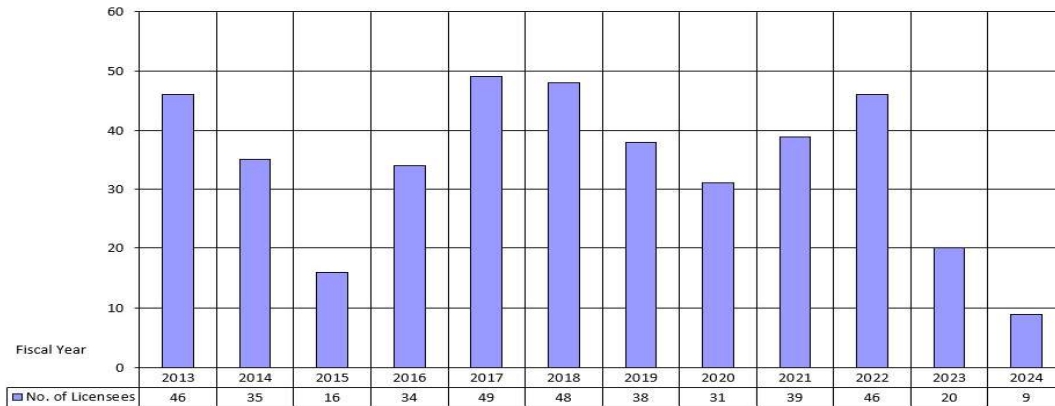
Commissioners Education Program – Staff researched and provided reference materials to commissioners and conducted periodic workshops for all commissioners.

Division and Department Programs – The Commission coordinated and worked with the Professional and Vocational Licensing Division (PVL), the DCCA, and others on programs of mutual concern through a joint program with the Education Review Committee and the Condominium Review Committee.

ADMINISTRATIVE ACTIONS

Disciplinary Actions – The Commission took disciplinary action against 9 licensees from July 2023 to June 2024. This is a 55% decrease over the 20 licensees disciplined in FY 2023. Chart 4 provides historical information on the number of licensees disciplined by the Commission.

CHART 4. DISCIPLINARY ACTIONS

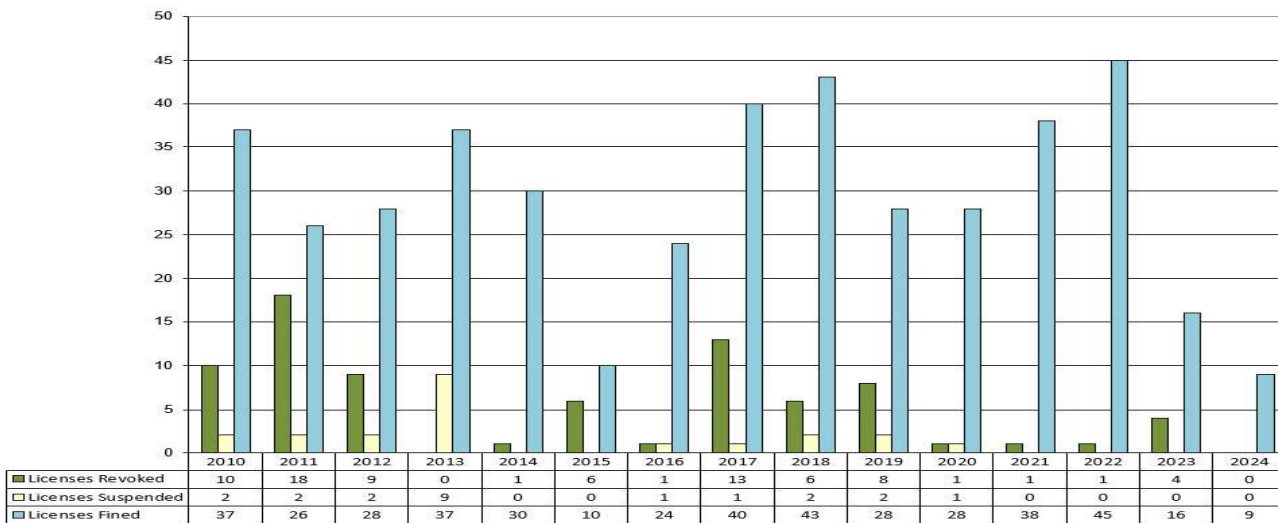


Fines totaling \$57,500 were assessed against 9 licensees (See, Table 1 and Chart 5).

Table 1 - Administrative Actions - FY 2024

No. of Licensees Disciplined	9
Licenses Revoked	0
Licenses Suspended	0
Licenses Fined	9
Total fines	\$57,500

CHART 5. ADMINISTRATIVE ACTIONS - SANCTIONS



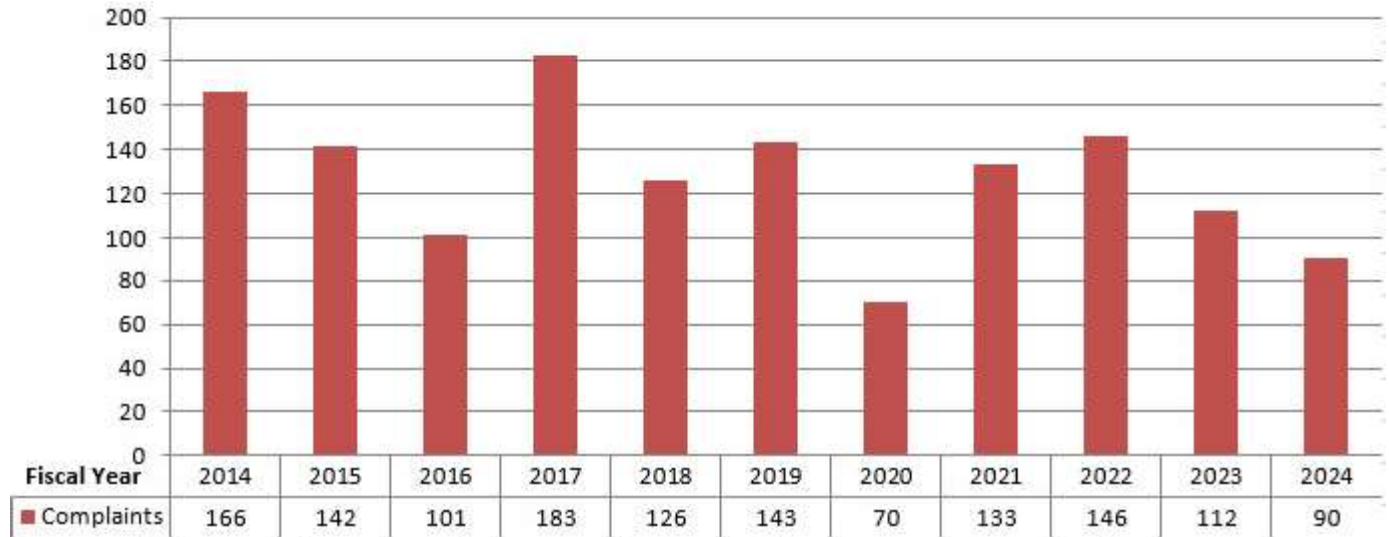
REGULATED INDUSTRIES COMPLAINTS OFFICE (RICO)

RICO receives, investigates, and prosecutes complaints against real estate licensees for violations of laws and rules. Complaints have fluctuated over the past 10 years with a 19.6% decrease in FY 2024. RICO received 90 real estate complaints in FY 2024, compared to 112 in FY 2023 (see, Chart 6).

Forty-nine complaints are pending, and forty-one complaints were addressed as follows:

- 14 Warning Letters
- 13 Insufficient Evidence
- 5 Legal Action
- 3 Resolved
- 1 No Violation
- 3 Education Contact
- 2 Withdrawn

Chart 6. RICO COMPLAINTS (REAL ESTATE)



The top 5 alleged HRS Chapter 467 violations in RICO complaints:

1. §467-14(13) - Violating chapter 467; chapters 484, 514B, 514E, or 515; §516-71; or the rules adopted pursuant thereto.
2. §467-1.6(a) - The principal broker shall have direct management and supervision of the brokerage firm and its real estate licensees.
3. §467-7- No person within the purview of this chapter shall act as real estate broker or real estate salesperson, or shall advertise, or assume to act as real estate broker or real estate salesperson without a license previously obtained under and in compliance with this chapter and the rules and regulations of the real estate commission.
4. §467-14(8) – Any other conduct constituting fraudulent or dishonest dealings.
5. §467-14(1) – Making any misrepresentation concerning any real estate transaction.

The top 5 alleged HAR Chapter 99 violations in RICO complaints:

1. §16-99-3(b) - Licensee shall protect the public against fraud, misrepresentation, or unethical practices in the real estate field.
2. §16-99-3(f) - The licensee, for the protection of all parties with whom the licensee deals, shall see that financial obligations and commitments regarding real estate transactions, including real property rental management agreements, are in writing, express the exact agreements of the parties, and set forth essential terms and conditions, and that copies of those agreements, at the time they are executed, are placed in the hands of all parties involved.
3. §16-99-11(a) - All real estate advertising and promotional materials shall include the legal name of the brokerage firm or a trade name previously registered by the brokerage firm with the business registration division and with the commission.
4. §16-99-11(e) - All advertising and promotional materials that refer to the individual licensee's name, including but not limited to business cards, shall:
(1) Include the licensee's legal name, name as licensed by the commission, or sole proprietor's trade name as licensed by the commission; (2) Identify the licensee with the licensee's associating or employing brokerage firm; and (3) Specify that the licensee is a broker (B), or salesperson (S), or if a current member of the Hawaii Association of Realtors, Realtor (R) or Realtor-Associate (RA).
5. §16-99-3(w) - Violation of any of this chapter may be cause for revocation or suspension of license.

FY 2024 PROGRAM OF WORK

- Real Estate Recovery Fund
- Real Estate Licensing, Registration & Certification Administration
- CHO Registration
- Education and Referral
- Rulemaking, HAR Chapter 99
- Subcommittees
- Meetings
- Licensing Renewals
- Legislative and Government Participation
- Interactive Participation with Organizations
- Legislative Acts and Resolutions
- Neighbor Island Outreach
- Review of Services and Organization
- Application Processing and Forms
- ARELLO National Disciplinary Action Data Bank
- Case Law Review Program
- Rulemaking, HAR Chapter 53
- Commissioners Education Program
- Division and Department Programs
- Housing and Urban Development/ ARELLO Fair Housing Agreement

EDUCATION REVIEW COMMITTEE REPORT

The Education Review Committee, for FY 2024, under the leadership of Chair Audrey Abe and Vice Chair Russell Kyono, continued to address important and varied education issues.

FY 2024 PROGRAM OF WORK

Continuing Education (CE) Core Course – The Commission researched and developed its core course on legislative updates and Core B – “Regulation, RICO, and Your License” for the second year of the licensing biennium. Licensees have the option to take the core course in a traditional classroom format, “remote/live” format, where the instructor teaches the course in real time via webinar-type platforms, and independent study/online format.

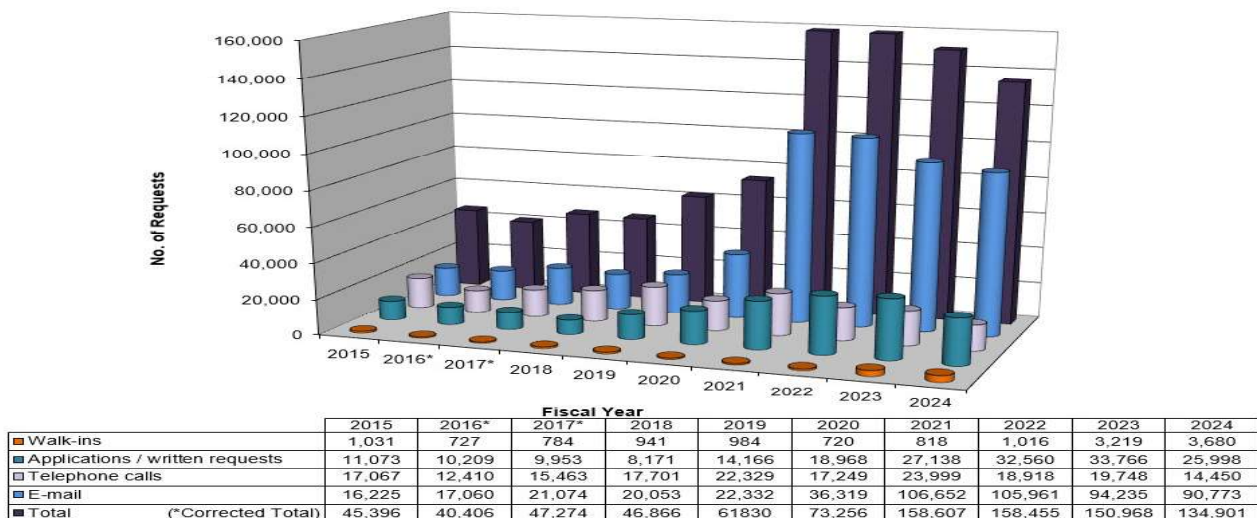
Salesperson Curriculum and Resources – The newly updated curriculum which went into effect January 1, 2021, continued to be offered in the live classroom, remote/live, and independent study/online format.

Broker Curriculum and Resources – The broker’s curriculum continued to be offered in the live classroom, remote/live, and independent study/online format.

Advice, Education, and Referral – Staff continued to provide advice, education, and referral to applicants, licensees, government officials, consumers, public, and organizations, including the research, reproduction of materials, and mailings. Staff developed a distribution system of educational and informational products for each principal broker and broker-in-charge. Staff also published and distributed educational and informational materials through the Commission’s website.

Staff continued to field a high number of telephone calls, walk-ins, written inquiries, faxes, and emails. For real estate, the FY produced 1,463 walk-in inquiries; 25,998 applications and written inquiries/requests; 14,450 telephone inquiries; and 90,773 emails (see, Chart 7).

CHART 7. INQUIRES AND APPLICATIONS



Administration of Prelicense Education Program, Schools, and Instructors – The Commission provided administrative review and an approval process for applications, disseminated information regarding renewals and certification, and provided appropriate records management. It coordinated the instructor’s examination program with its test administrator, PSI. Since the launch of the new Education System in March 2021, challenges regarding the new database continued this FY. However, those issues are being tweaked to address all education issues that impact real estate licensees and real estate candidates, as well as the pre-license schools and continuing education providers. The Education System provides electronic access to student registration, course completions, course schedules, and the ability to issue electronic school completion certificates.

Staff researched, developed, printed, and distributed School Files, a quarterly newsletter for educators. It provided schools, instructors, and CE providers’ information on administrative procedures, changes in licensing laws, and other articles relevant to the delivery of real estate education. As with the Real Estate Commission Bulletin, School Files was published in print and electronic format. This was a joint program with the CE Program.

Administration of Examinations – The Commission administered the real estate licensing examination program, including contract administration with its test administrator, PSI, and provided information regarding the exam process, reviewed amendments to test candidate booklets, evaluated periodic examinations and reports and kept abreast of daily exams.

The annual PSI Industry Day took place virtually on November 1, 2023.

The Commission approved remote proctoring or remote testing and it successfully launched on January 21, 2021. The availability of remote proctoring was beneficial for license candidates, as testing could be accomplished in the candidates’ own home, assuming the technology available was compatible with the PSI testing requirements. This FY, we saw a decrease of about 14.6% of candidates who took the examination compared to last fiscal year as shown in Table 2 and Chart 8 (see, page 20).

TABLE 2. REAL ESTATE LICENSING EXAMINATIONS

	FY 2023	FY 2024	% Change
Brokers Tested*	695	769	-24.0%
Salespersons Tested*	5746	5576	-13.2%
Total Tested	6441	6345	-14.6%
Brokers Passed**	305	304	-30.9%
Salespersons Passed**	1802	1795	-26.9%
Total Passed	2107	2099	-27.5%
% Brokers Pass*	43.9%	39.5%	
% Salespersons Pass*	31.4%	32.2%	
*First time and Retakers			
**National and/or State Portion			

CHART 8. LICENSING EXAMINATION CANDIDATES



Staff periodically monitors the examination administration on each island to assure facilities and procedures comply with PSI and Commission policies.

201 applications were approved for equivalency to the uniform section of the examination based on passage of the uniform section of another state's exam. This represents a 15.9% decrease from last FY's total of 239 approvals.

Administration of CE Program, Providers, and Courses – The Commission administered the CE program, including the registration of providers and certification of courses, and provided timely information and records management, as appropriate. The Commission also published a quarterly newsletter, School Files, exclusively for the real estate education community. It provided schools, instructors, and CE providers information on administrative procedures, changes in licensing laws, and other articles relevant to the delivery of real estate education. As with the Real Estate Commission Bulletin, School Files was published in print and electronic format.

Administration of CE Elective Courses – As a result of the COVID-19 pandemic, many previously approved classroom CE courses switched to a live webinar-based platform which was welcomed with much success. In addition, as restrictions eased up this fiscal year, CE providers were able to resume with in-person classroom offerings of CE courses.

The Commission provided administrative information to elective course providers and licensees, assisted providers in submissions, reviewed submitted applications, reviewed submitted curriculum, made recommendations, and assisted with records management. The new Education System continues to provide real estate licensees with the ability to view the number of CE hours required and earned for the current licensing period, their CE history, and the ability to search for future CE courses offered by approved CE providers. However, as stated above, the Education System continues to deal with issues in delivery of information. Real estate licensees are also

able to access and reprint their own course completion certificates for the current and previous biennium. Additionally, real estate principal brokers and brokers-in-charge can monitor and view current CE hours, CE history, and the license status of all licensees associated with the brokerage. This system is updated daily and allows principal brokers to stay accountable for their associated licensees.

Ad Hoc Committee on Education (ACE) – The Commission’s ACE reviewed, recommended, assisted in developing, updating, and administering education-related projects and CE. There were two ACE meetings during the fiscal year: April 12, and May 22, 2024. ACE assisted in developing the topic for the Commission’s 2023-2024 Core Course, Part B, “Regulation, RICO, and Your License.” All meetings were held via Zoom.

Meetings and Symposium – The Commission, with support from staff, administered the Education Review Committee (ERC) meetings as part of its monthly Commission meeting, as well as subcommittee and ad hoc committee meetings virtually.

Annual Report and Quarterly Bulletin – Staff researched, developed, and distributed the Commission’s Annual Report and quarterly Real Estate Commission Bulletin and continued contract administration with consultant and procurement code management.

The Commission continued to publish the Real Estate Commission Bulletin in a traditional newsletter format that was mailed to all current licensees, legislators, government officials, ARELLO jurisdictions, and other interested parties. It was also available in electronic format on the Commission’s website at <https://cca.hawaii.gov/reb/>. In contrast to the Real Estate Commission Bulletin, the Commission’s Annual Report is primarily an electronic publication. A limited number of printed copies were distributed to the Legislature and to the Governor. Interested licensees and members of the public can download and print the report from the Commission’s website.

Real Estate Education Fund – The Commission maintained and reviewed the budget, finance, and records for the Real Estate Education Fund; prepared quarterly and annual financial statements; prepared annual and biennial budgets, including contract administration and procurement code management.

Neighbor Island Outreach – The Commission continued to meet via hybrid format, and in-person Neighbor Island Outreach has not occurred this fiscal year. Staff is exploring the option of a virtual outreach meeting.

Interactive Participation with Other Organizations – The Commission continued its participation in events sponsored by local and national organizations. On a national level, the Commission continued its active participation with ARELLO and the Real Estate Educators Association (REEA). Participation in local, national, and international organizations offers an opportunity to learn about the latest issues, trends, and solutions in the industry, exchange information and concerns, share education and research efforts, joint projects of mutual concern, and training.

Instructors Development Workshops - This FY the Commission approved “Instructors Power Up” by the Hawai`i Association of REALTORS®, “Gold Standard Instructor Development Workshops” by the Real Estate Educators Association, and “Training 101, Training 201, Training 301 or Training 401” by Carmel Streater Courses, as fulfillment of an Instructor’s Development Workshop (IDW).

Legislative Participation, Research, and Report – The Commission researched, participated, and reported on requests by the Legislature, including resolutions, agreements, and issues of mutual concern.

Evaluation and Education System for CE and Prelicensing Instructors, Courses, Providers, and Schools – Currently, course and instructor evaluations are the responsibility of each CE Provider and Prelicense School. Record-keeping is required by each CE Provider and Prelicense School. As the new licensing education system continues to be developed, the hope is that the new system will allow for the evaluations to be electronically submitted.

Real Estate Specialists’ Office for the Day – The Real Estate Specialists’ Office for the Day provides staff the opportunity to meet in person with licensees, applicants, prospective licensees, and members of the public. In conjunction with the Neighbor Island Outreach, the Specialists’ Office for the Day was not held this fiscal year. Staff is exploring the option of meeting during the next fiscal year.

Real Estate Speakership Program – Subject to state government approvals and priorities, the Commission and staff honored requests to provide a speaker, a resource person, or an active participant in functions related to real estate education.

Prelicensing Education Equivalency Administration – The Commission administered applications for prelicensing education equivalencies, including consultation with ARELLO.

Uniform Section Equivalency for Licensing Examination – The Commission administered applications for equivalency to the uniform part of the examination based on passage of the uniform part of another state’s exam.

Technology and Website – Staff maintains the design and content of the Hawaii Real Estate Branch’s website (<https://cca.hawaii.gov/reb/>). The website is updated frequently to provide both licensees and the public the most current real estate information. The Commission’s website is available 7 days a week, 24 hours each day for information, forms, and applications.

Records Management – Staff evaluated, planned, reorganized, and implemented a computerized glossary of existing and future records and files that is centralized, consistent, and user-friendly.

Information Distribution System – Staff researched, developed, and implemented a centralized information distribution system for all education products produced by the Commission. Staff standardized policies and procedures for distribution, purchasing, copyright, specific permission copying, and generic permission copying of brochures, reports, and videotapes.

Cooperative Education, Research, and Administration Program – The Commission actively participated in and sponsored cooperative education, research, and administrative programs for branches and divisions and the Department of the Attorney General, all of which provided direct or indirect services to the Commission or were part of a real estate-related program.

Division and Department Programs – The Commission coordinated activities and programs of mutual concern with the PVL and DCCA.

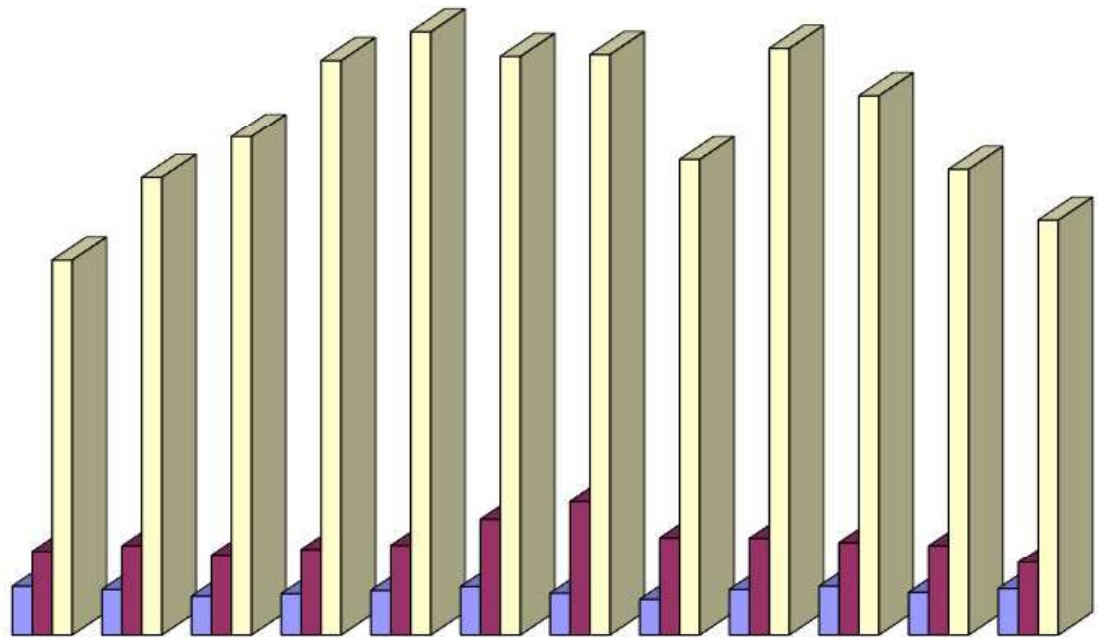
Staff and Commissioners Development – Staff developed and trained both staff and commissioners for better administration of the real estate programs. Commissioners and staff participated in training and educational opportunities provided by the REEA, ARELLO, Condominium Associations Institute, Council on Licensure, Enforcement and Regulation, and other organizations.

Real Estate Reference Library – The Commission subscribed and purchased real estate reference materials for public review.

LICENSEES

New Licenses – During FY 2024, 1,138 new licenses were issued, representing a decrease of 10.7% over the prior FY. New individual broker licenses decreased by 19.3%, new salesperson licenses decreased by 10.9%, and new entity licenses increased by 8.9% (see, Chart 9).

CHART 9. NEW REAL ESTATE LICENSES ISSUED



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
■ Broker (Corp, Part, LLC)	103	96	87	87	94	102	88	75	96	103	90	98
■ Broker (Individual)	179	191	171	183	192	248	286	208	207	198	191	154
■ Salesperson	801	977	1064	1227	1288	1236	1240	1015	1253	1153	994	886

Current Licenses – The overall number of current real estate licenses increased by 5.5% by the end of FY 2024. The number of active licenses increased slightly by 0.7%. The number of inactive licenses increased by 23.2% in comparison to last FY. (See, Chart 10, Table 3, and Chart 11).

CHART 10. TOTAL REAL ESTATE LICENSEES

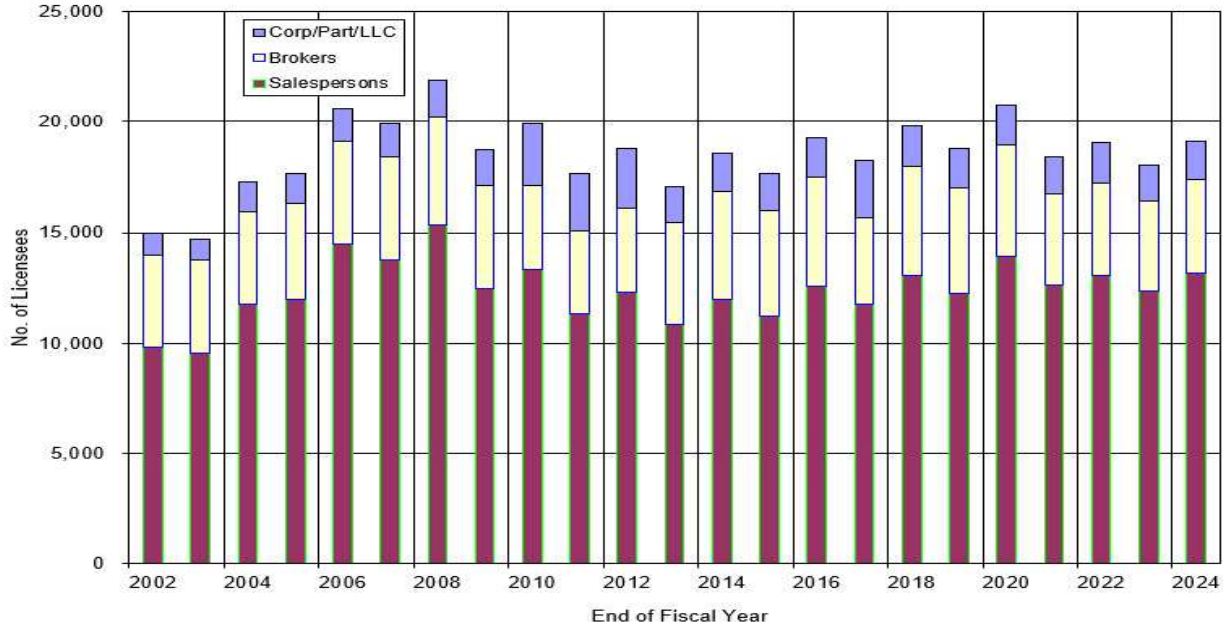
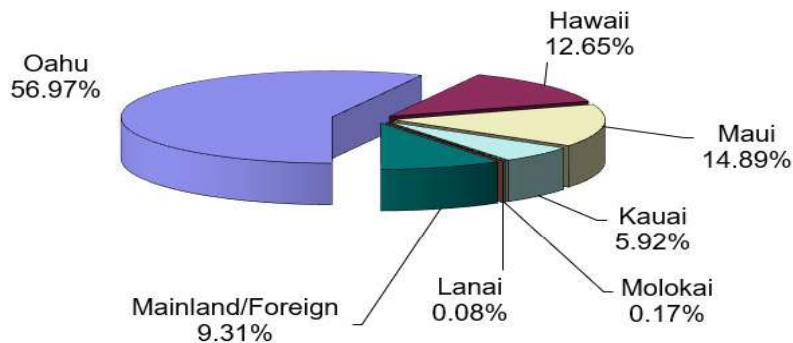


TABLE 3. CURRENT REAL ESTATE LICENSEES BY TYPE AND ISLAND

	Oahu	Hawaii	Maui	Kauai	Molokai	Lanai	Other	Total
Active								
Broker	2,104	531	530	219	8	3	229	3,624
Salesperson	5,297	1,186	1,463	516	11	6	438	8,917
Sole Proprietor	399	103	71	44	3	0	74	694
Corporation, Partnership, LLC	996	235	230	97	5	3	95	1,661
Total Active	8,796	2,055	2,294	876	27	12	836	14,896
Inactive								
Broker	227	36	46	26	1	0	267	603
Salesperson	2,229	409	602	268	6	4	726	4,244
Sole Proprietor	16	6	2	1	0	0	8	33
Corporation, Partnership, LLC	35	3	10	4	0	0	11	63
Total Inactive	2,507	454	660	299	7	4	1,012	4,943
Active and Inactive								
Broker	2,331	567	576	245	9	3	496	4,227
Salesperson	7,526	1,595	2,065	784	17	10	1,164	13,161
Sole Proprietor	415	109	73	45	3	0	82	727
Corporation, Partnership, LLC	1,031	238	240	101	5	3	106	1,724
Total	11,303	2,509	2,954	1,175	34	16	1,848	19,839

CHART 11. REAL ESTATE LICENSEES BY ISLAND



FY 25 PROGRAM OF WORK EDUCATION REVIEW COMMITTEE

- CE Core Course
- Salesperson Curriculum and Resources
- Broker Curriculum and Resources
- Education and Referral
- Administration or Prelicense Education Program, Schools, and Instructors
- Administration of Exams
- Administration of CE Elective Courses
- Ad Hoc Committee on Education
- Meetings and Symposium
- Annual Report and Quarterly Bulletin
- Real Estate Education Fund
- Neighbor Island Outreach
- Interactive Participation with Organizations
- Real Estate Seminars
- Legislative Participation, Research, and Report
- Instructor's Development Workshop
- Evaluation and Education System for CE and Prelicensing instructors, courses, providers, and schools
- Real Estate Specialists' Office for the Day
- Real Estate Speakership Program
- Prelicensing Education Equivalency Administration
- Uniform Section Equivalency of Prelicensing Examination
- Technology and Website
- Records Management
- Information Distribution System
- Cooperative Education, Research and Administration Program
- Division and Department Programs
- Staff and Commissioner Development
- Real Estate Reference Library

CONDOMINIUM REVIEW COMMITTEE REPORT

Under the leadership of Chair John Love and Vice Chair P. Denise La Costa, the Condominium Review Committee (CRC) oversaw the jurisdiction of condominiums governed by HRS chapter 514B, and the administration of condominium-related Programs of Work.

The CRC is a standing committee that holds monthly public meetings in which condominium issues are presented, discussed, examined, and considered. It is a working committee that handles various “nuts-and-bolts” issues affecting condominium living in Hawaii, ranging from the proper registration of condominium projects by developers, condominium association registration, the self-governing philosophy of condominium associations, and the ongoing education of unit owners.

Various members of the condominium community, including unit owners, board members, managing agents, developers, attorneys, educators, government officials, and others with condominium concerns participate in CRC meetings. Since the COVID-19 pandemic, CRC meetings have been held jointly with the monthly Commission meetings, where all condominium issues are discussed and considered.

The Commission is required to submit to the Legislature annually: (1) a summary of the programs funded during the prior fiscal year with monies from the Condominium Education Trust Fund (CETF) and the amount of money in the CETF, including a statement of which programs were directed specifically at the education of condominium owners; and (2) a copy of the budget for the current fiscal year, including summary information on programs that were funded or will be funded, the target audience for each program and a line item reflecting the total amount collected from condominium associations.

Pursuant to HRS §514B-71, monies may be expended from the CETF for educational purposes, including financing or promoting:

1. Education and research in condominium management, condominium project registration, and real estate, to benefit the public and those required to be registered under HRS chapter 514B;
2. The improvement and more efficient administration of associations;
3. Expedient and inexpensive procedures for resolving association disputes;
4. Support for mediation of condominium-related disputes; and
5. Support for voluntary binding arbitration between parties in condominium-related disputes, pursuant to HRS §514B-162.5.

FY 2024 PROGRAM OF WORK

Condominium Laws and Education – In response to the challenges posed by the COVID-19 pandemic, the Commission reevaluated its approach to delivering educational programs. With the assistance of stakeholder organizations, procured providers, and volunteers Statewide, educational programs will continue to be offered through electronic platforms, allowing remote participation by residents of all islands. The Commission continued its Statewide promotion and delivery of Commission-subsidized and procured seminars online, with videos of its past Condorama events available on its website for convenient viewing.

The Commission's newest offerings are 15 brief educational videos on a variety of topics important to condominium unit owners and prospective purchasers. With continuous sales of condominiums in the real estate sales market, these videos provide unit owners and prospective purchasers an overview of communal living. The videos, collectively titled the "Hawaii Condo Living Guide," are available on YouTube, the Commission's website, and the DCCA's social media accounts.

To keep current with new laws and policies, the Commission updated its existing educational materials, modified existing forms as necessary, reviewed instructions, informational sheets, procedures, evaluative processes, created new forms and brochures, and made improvements to instruction, curriculum, and other materials related to all aspects of condominiums.

In the implementation of HRS chapter 514B, the CRC appreciates the continuing support of the condominium governance and development communities, practicing condominium attorneys, the Hawaii State Bar Association – Real Property Section, and members of the real estate industry. To these committed organizations and groups, the Commission extends a sincere mahalo.

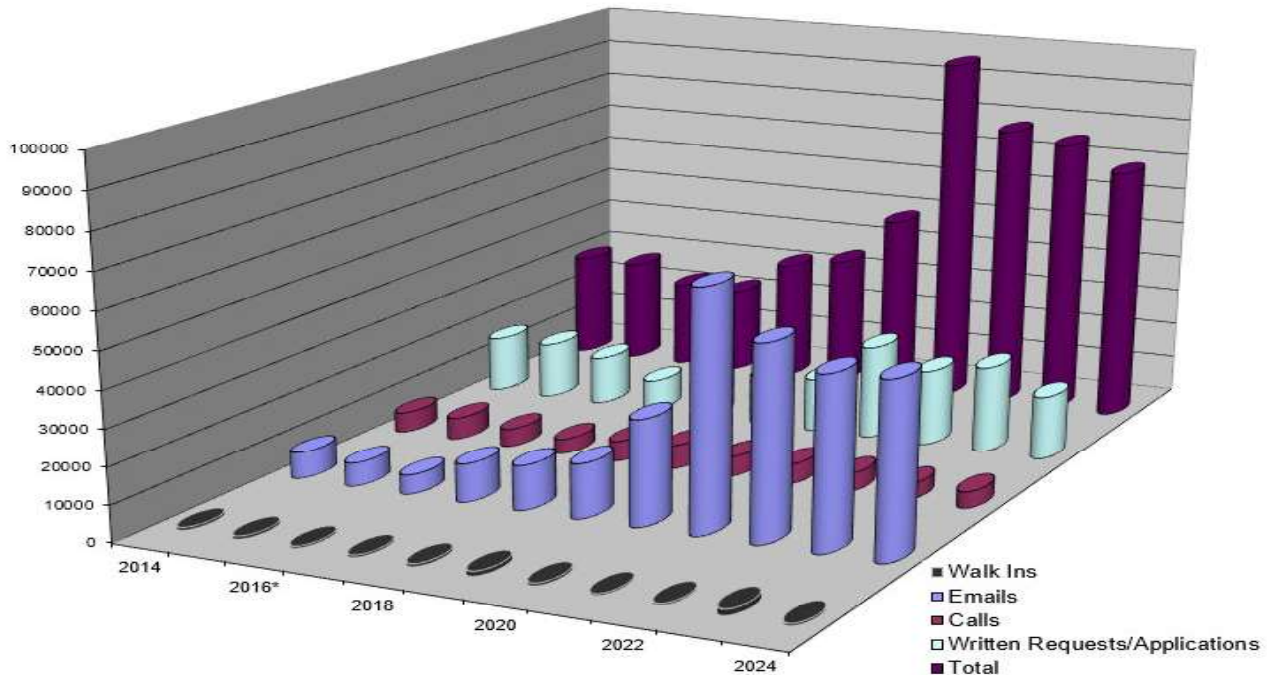
Hawaii Condominium Bulletin – The Commission publishes a quarterly online bulletin for the condominium community. Through the procurement process, staff contracted for the design and online layout of the bulletin. This FY, the bulletins offered valuable information on topics involving condominium self-governance, such as association meetings, minutes, maintenance fees, including tips for prospective purchasers, and the changing landscape of condominium property insurance. The bulletins also offered current reporting from the CRC chair, legislative updates, a calendar of upcoming meetings, and a quarterly summary of condominium mediations and arbitrations conducted.

Education and Referral – The Commission provided educational information to inquirers via telephone, in-person office visits, electronic communications, the Hawaii Condominium Bulletin, a variety of educational materials on the Commission's website, quarterly email subscriptions, procured seminars, and virtual community outreach. Targeted recipients of educational efforts were condominium unit owners, prospective owners and purchasers, developers, real estate licensees, government officials, and other interested parties.

Condominium specialists continued to respond to a high number of requests for information, guidance, and referral from condominium owners and other interested

persons. In FY 2024, the condominium specialist fielded 69,817 requests. See, Chart No. 12.

CHART 12. CONDOMINIUM ADVICE, EDUCATION, AND REFERRAL



	2014	2015*	2016*	2017*	2018	2019	2020	2021	2022	2023	2024
Walk Ins	754	792	563	597	749	1276	676	464	492	1662	596
Emails	7292	6431	5293	10545	12259	14951	28914	64830	52472	46646	47286
Calls	5603	6023	4897	4094	5621	6550	5406	5379	4909	4235	4448
Written Requests/Applications	15347	15357	13200	8341	14664	13371	14686	25717	20857	23760	17487
Total	28996	28603	23953	23577	33293	36148	49682	96390	78730	76303	69817

Condominium Project and Developer’s Public Reports – Staff implemented and administered the condominium project registration program pursuant to HRS chapter 514B. With the assistance of its procured consultants, stakeholder organizations, volunteers, State and County agencies, and interested attorneys, the Commission evaluated and developed new processes, records, forms, informational documents, and considered rules relevant to the condominium project registration process. Commission staff assisted its consultants with condominium project registration issues and related tasks. Developer’s public reports were made available and continue to be accessible for public viewing and copying via the Commission’s website.

In FY 2024, the condominium consultants reviewed 199 condominium project files for issuance of effective dates for a developer’s public report.

Staff planned for the electronic management of condominium project files, including the scanning of documents. The Commission worked alongside the condominium consultants to oversee the registration of condominium projects and issuance of effective dates for developer’s public reports, which are mandated for public sales of condominium units (see, Charts 13 through 15 and Table 4).

CHART 13. DEVELOPER'S PUBLIC REPORTS EFFECTIVE DATES ISSUED

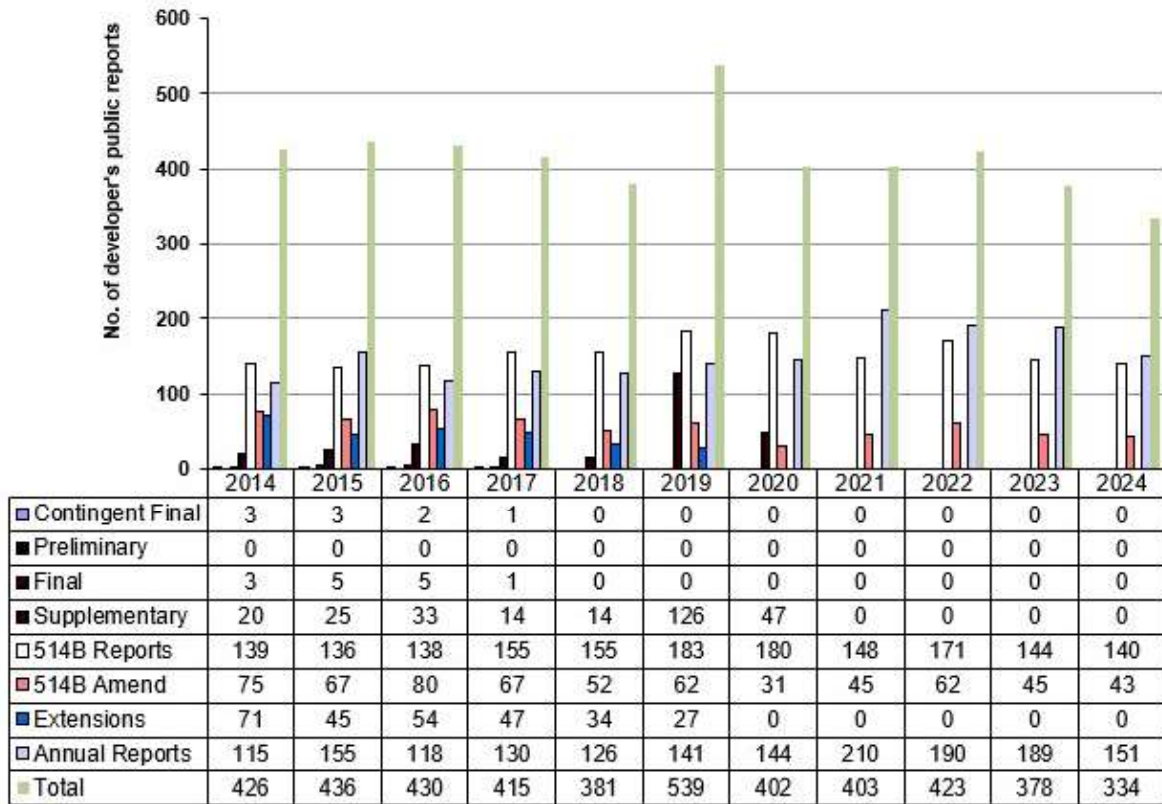


CHART 14. NEW AND CONVERSION PROJECT FILINGS OF DEVELOPER

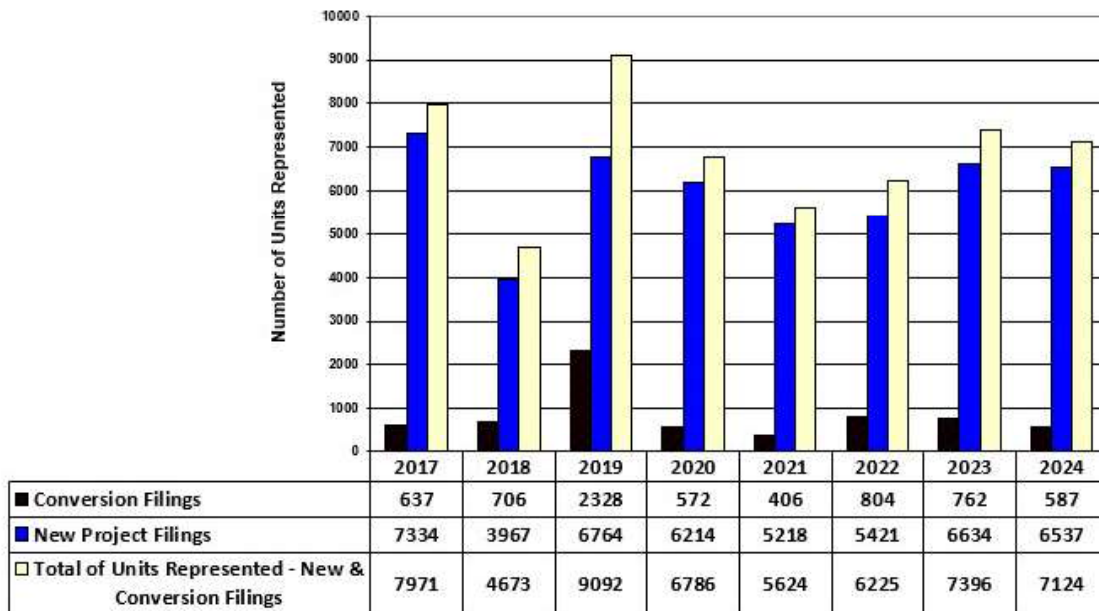


CHART 15. NEW RESIDENTIAL PROJECT BY SIZE

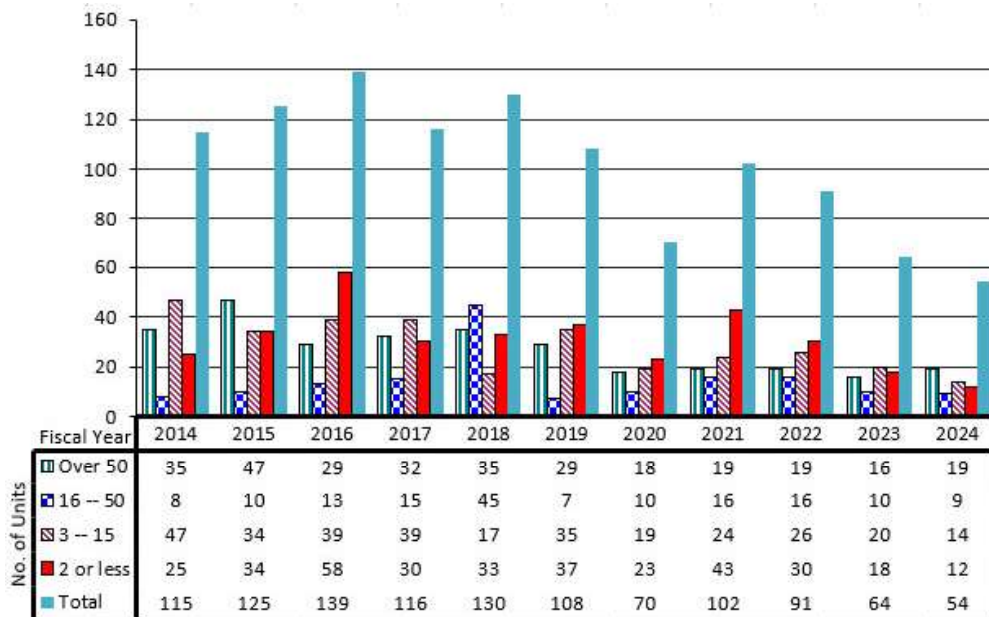


TABLE 4. CONDOMINIUM PROJECT FILINGS

New Projects	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential	121	125	139**	116	110	108	74	102	92	63	60
No. of Units Represented	4,933	8,175	5,374	6,978	3,583	5,629	5,417	4,885	4,547	6,081	6,012
Commercial and Other	9	9	4	4	4	9	7	4	8	5	3
No. of Units Represented	881	1,485	1,030	145	232	833	674	148	506	328	425
Agricultural	23	26	20	19	27	58	44	27	38	42	33
No. of Units Represented	85	55	123	211	152	302	123	185	368	225	100
Total New Projects	153	160	163	139	141	175	125	133	138	110	96
Total No. of Units Represented	5,899	9,715	6,527	7,334	3,967	6,764	6,214	5,218	5,421	6,634	6,537
Conversions											
Residential	75	71	76	62	91	110	75	59	68	58	66
No. of Units Represented	633	596	365	332	481	1,532	386	331	456	244	532
Commercial and Other	4	3	4	4	4	4	2	1	3	3	1
No. of Units Represented	88	264	320	247	192	570	48	2	284	448	19
Agricultural	29	19	34	27	15	70	53	31	26	28	17
No. of Units Represented	95	77	110	58	33	226	138	73	64	70	36
Total Conversion Projects	108	93	114	93	110	184	130	91	97	89	84
Total No. of Units Represented	816	937	795	637	706	2,328	572	406	804	762	587
Combined New & Converted Project Filings	261	253	277	232	251	359	255	244	235	199	180
Combined No. of Units Represented	6,715	10,652	7,322	7,971	4,673	9,092	6,786	5,624	6,225	7,396	7,124

* Total includes one (1) project that was either withdrawn or returned.

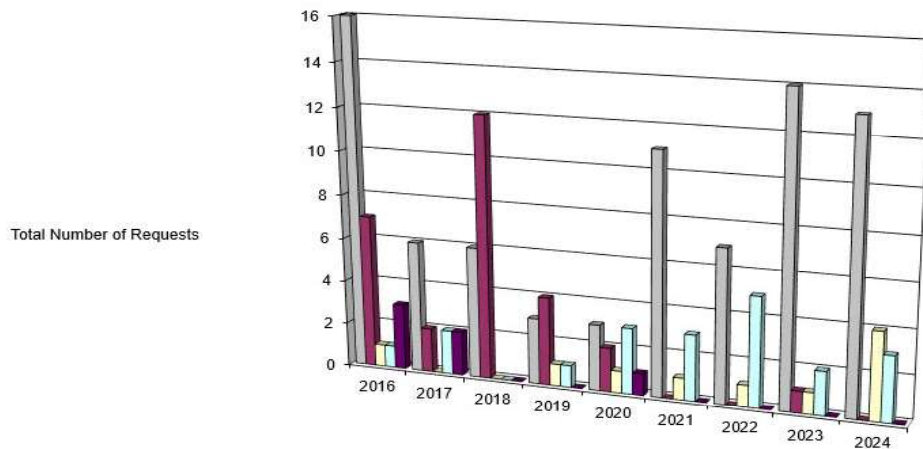
** Correction to the 2016 Annual Report

Note 1: Numbers and totals may differ from those reported in prior annual reports due in part to the change in the database management software.

Note 2: In mixed use condominium projects, the predominant use is reported. This is done to prevent the multiple counting of a project filing.

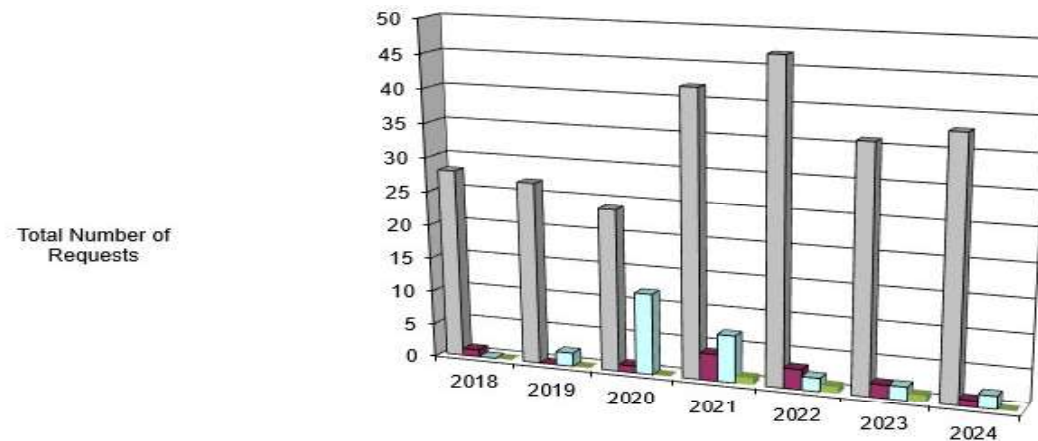
Condominium Mediation and Arbitration Program – Through the CETF, the Commission subsidizes mediation and voluntary binding arbitration programs on all islands for registered condominium associations and works with the various mediation and arbitration providers to provide information on alternative dispute resolution and mediation for unit owners, boards of directors, and condominium managing agents (see, Charts 16 and 17). Brochures describing the types of mediation and arbitration, including provider contact information are available on the Commission’s website. Each mediation or arbitration conducted provides disputing parties a neutral perspective on the issues in dispute, which parties do not receive through the adversarial process of litigation.

CHART 16. FACILITATIVE MEDIATIONS



	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mediation Center of the Pacific Inc.	16	6	6	3	3	11	7	14	13
Mediation Services of Maui Inc.	7	2	12	4	2	0	0	1	0
Kauai Economic Opportunity Inc.	1	0	0	1	1	1	1	1	4
Big Island Mediation Inc. dba West Hawaii Mediation Services	1	2	0	1	3	3	5	2	3
Ku'ikahi Mediation Center	3	2	0	0	1	0	0	0	0

CHART 17. EVALUATIVE MEDIATIONS



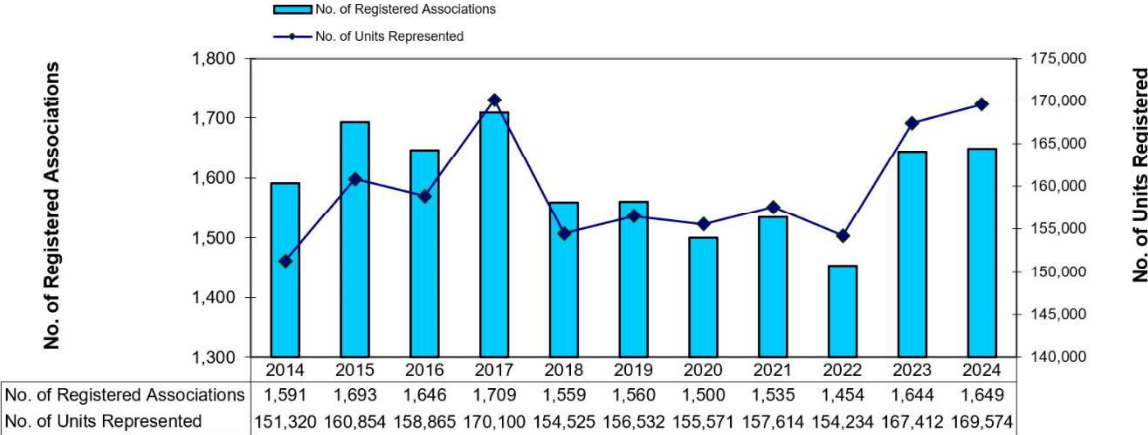
	2018	2019	2020	2021	2022	2023	2024
Dispute Prevention and Resolution	28	27	24	42	47	36	38
Lou Chang, A Law Corporation	1	0	1	4	3	2	1
Mediation Center Of The Pacific, Inc	0	2	12	7	2	2	2
Charles Crumpton, Crumpton Collaborative Solutions LLC	0	0	0	1	1	1	0

Condominium Association Registration – The Commission conducted the condominium association registration program, pursuant to HRS §514B-103, which involves the review of submitted applications for compliance with statutory requirements and the Commission’s policies and procedures for registration. Registration requirements apply to condominium associations with six or more units. The Commission also considered appeals, subpoenas, and requests for records and copies of association registrations pursuant to HRS chapter 92F, and the Office of Information Practices’ (OIP) rules and procedures.

FY 2024, saw staff cure association registration deficiencies and contact unregistered condominium associations to assist them in completing the registration process.

Chart 18, representing a little more than 169,000 condominium units and their owners, shows the total number of current registered associations and the number of units represented. The Commission continues to administer its association registration process online and compiled a list of all public contact information for registered associations on its website. In addition, the Commission responded to requests for registration lists, including neighbor island and/or zip code-specific requests, from various government agencies, industry groups, private companies, and individuals. Targeted lists were also provided to the Department of Health for their Tobacco Prevention & Education Program.

CHART 18. CONDOMINIUM ASSOCIATION REGISTRATION



Condominium Seminars and Symposiums – The Commission subsidized educational seminars for the condominium community using Commission staff, procured providers, and volunteer professionals from the condominium governance, development, and real estate community. For FY 2024, the Commission used CETF subsidies on:

- September 2023 – Short-Term Rentals
- October 2023 – Association Fundamentals

- January 2024 – Get Your Act Together – Tips for a Successful Meeting Season
- February 2024 – Cyber Threats
- March 2024 – Ask the Consultants and Contractors
- May 2024 – What in the World is Going on With Insurance
- June 2024 – Board Leadership Development Workshop.

In November 2023, Condorama XI was held virtually for all interested owners in registered condominium associations. Over 720 persons registered for this free educational event, and an additional number of viewers watched the video of the event after its online posting. The featured topics for Condorama XI were: “Impact of Lahaina Fires on Insurance Premiums Statewide,” “Disinformation Affecting Community Associations – What to Know and What to Do,” “Effectively Dealing with Rogue Boards,” and “Labor Law – Fundamentals of Hiring & Firing.”

Furthermore, in June 2024, Condorama XII was held virtually for all interested owners in registered condominium associations. Approximately 570 persons registered for this free educational event, and an additional number of viewers watched the video of the event after its online posting. The featured topics for Condorama XII were: “Impact of Lahaina Fires on Reserves Statewide,” “Duties of Directors & Tips on Dealing with Difficult Owners,” and “Security Services: What do Community Associations Have a Duty to Protect?”

Condorama presenters are individuals recognized in the condominium community for their expertise in condominium law, property management, dispute resolution, parliamentary procedure, and condominium association insurance. Videos and handouts for these events, including past Condoramas, remain on the Commission’s website for handy review or printing.

Ad Hoc Committee on Condominium Education and Research – The CRC administers this informal group of recognized individuals in the condominium community for the review, recommendation, and assistance in compiling topics to comprise targeted educational curricula for condominium board members, unit owners, and prospective purchasers on an as-need basis.

Condominium Managing Agent Registration – Staff continued to implement and update policies and procedures for condominium managing agent registration, pursuant to HRS §514B-132.

Rulemaking, HAR Chapters 107 and 119 - The Commission’s draft rules were reviewed by the Small Business Regulatory Review Board, which recommended for the rules to proceed to public hearing. The Commission is working to schedule, publish notice, and hold a public hearing to gather public testimony on its proposed rules.

Meetings – The Commission plans, coordinates, and conducts CRC meetings as a part of its monthly Commission meetings. All meetings and agendas are posted at the Commission’s website. Meetings are open to public participation and provide a forum for the condominium community to bring issues before the Commission and CRC, as well as to learn about the variety of issues affecting condominium living in Hawaii.

Government and Legislative Participation and Report – The Commission participated in all aspects of the legislative process, including the review and research of proposed legislation and resolutions relevant to condominium association governance and condominium project development; responding to, and meeting with legislators; and attending hearings and providing testimony, as appropriate. Staff also monitored and tracked all condominium-related bills for report to the Commission.

Assigned Commission staff also participated in the Condominium Property Regime Task Force and the Planned Community Association Oversight Task Force established by Act 189, SLH 2023.

The Commission distributed its Annual Report to the Legislature on CETF programs and funds and posted the report to the Commission’s website.

Legislative Acts and Resolutions – The enactment of Acts pertaining to condominiums impact the CRC’s Advice, Education, and Referral Program of Work. The 2024 legislative session adjourned with several condominium bills enacted into law:

Act 39 – Requires the counties to adopt or amend ordinances to allow for at least two accessory dwelling units (ADU), subject to certain restrictions, on all residentially zoned lots.

Act 40 – Creates a Solar Hui Program in the Hawaii Green Infrastructure Authority. This program allows multi-family residential property owners to invest into a solar fund to receive installation tax credits and income derived from the sale of energy.

Act 41 – Enacts a commercial property assessed clean energy and resiliency (C-PACER) program, administered by the Hawaii Green Infrastructure Authority, to allow certain condominium projects to access alternative funding for qualified association capital improvements.

Act 42 – Clarifies statutory language regarding electronic meetings, electronic voting, and mail voting. These may now be authorized via approval at association meetings, or between three and eighteen months prior to the electronic meeting, electronic vote, or mail vote. This Act also repeals language governing machine voting and the use of electronic voting devices.

Act 43 – Requests and funds a study for the Legislative Reference Bureau to examine a multistate approach to various condominium governance issues, such as a condominium ombudsman, licensing individuals who manage condominiums, dispute resolution programs, requirements for owner education at point of sale, and several other topics of interest determined by the Condominium Property Regime Task Force established by Act 189, SLH 2023.

Act 44 – Allows for email to be used to deliver certain documents during the initial developer sale of condominium units.

Act 240 – Expands who can act as a complainant in a multi-unit building for reporting burglaries.

The Commission prepared revised, unofficial copies of HRS chapter 514B, as amended, and related administrative rules for posting on its website. A limited number of hard copies of the statute and rules were printed for distribution.

Interactive Participation with Organizations – The Commission participated in education and research efforts with local and national organizations, and government agencies through joint training and meetings with condominium groups including the Hawaii State Bar Association, CAI Hawaii, CAI National, the Hawaii Council of Community Associations, and property management companies. Participation with agencies and organizations helped to disseminate information to unit owners about the Commission’s educational programs, as well as directly educating the condominium community on HRS chapter 514B.

Neighbor Island Outreach – The switch to remote training events due to the pandemic allowed every interested neighbor islander the opportunity to participate in all meetings and educational offerings sponsored by the Commission and outside condominium groups.

CETF – This FY, the Commission administered the CETF for educational purposes, pursuant to HRS §514B-71. The Commission prepared, maintained, and reviewed quarterly and annual financial statements, budget and finance reports of the CETF.

Consumer Education – The education of prospective purchasers, new unit owners, and existing unit owners of condominiums is an ongoing priority for the Commission. To provide education to these groups, the Commission posted on its website informational videos, subject-specific brochures, owner and board member handbooks, the quarterly Hawaii Condominium Bulletin, a quarterly newsletter emailed to subscribers, and a link to frequently asked questions.

The Commission also reached out to the real estate industry and property management companies for additional outreach. This FY, Commission staff also participated in town halls and virtual outreach events before condominium industry groups, property management firms, and the Hawai’i State Bar Association. Appearances included panel and solo presentations on topics such as condo governance, encouraging owner participation, board training, managing disputes, and legislative updates.

The Commission’s statutory mandate is primarily focused on educating consumers on condominium self-governance issues, which is the basis of the Hawai’i condominium law. The Commission accomplishes this by procuring presenters for Commission-sponsored seminars, creating educational materials such as short informative videos, quick-read brochures for online and hardcopy availability, and producing no-fee educational seminars. Additionally, the Commission responds to telephone, email, and written inquiries from the public and the Legislature on behalf of their constituents.

The Commission continues to provide quality condominium-related education and outreach consistent with current public health guidelines.

Rulemaking, HAR Chapter 53 – The Commission is working with the PVL Licensing

Administrator in the review and update of HAR chapter 53 fees relating to condominium project registration, condominium association registration, and the CETF.

Condominium Property Regime Project Workshop and Meetings – Through individual meetings with Commission staff, memoranda, and individual conferences, the condominium consultants are kept current with laws and Commission policies. The consultants assist the Commission in reviewing condominium project registration documents for Commission issuance of an effective date for a public report at which time developer sales to the public may begin. Consultants also share and discuss with Commission staff about common issues they face in their document review and in their dealings with the various counties.

Condominium Specialists' Office for the Day - In the post-pandemic environment, Condominium Specialists continue to make themselves available for discussions with owners and owners' groups through remote appearances or via telephone and email. With the lifting of State travel restrictions, the Commission is re-examining specialists' attendance in the neighbor islands.

Condominium Speakership Program – Subject to administrative approvals and priorities, the Commission honors requests to provide a speaker, resource person, or participant in a function related to condominium education in the areas of condominium governance or condominium project registration in compliance with all health and safety protocols in place during the pandemic. This FY, Real Estate Branch staff made virtual appearances at diverse condominium forums to discuss topics related to HRS chapter 514B.

Technology and Website – The Commission maintained its website for public interaction and education, which remains vital in a post-pandemic environment. The website is regularly updated for ease of navigation and to include up-to-date information.

The Commission's email subscription service was created in 2015 and has over 1,680 subscribers at this time. Each quarter, the service provides consumers with current information on the condominium law, legislative updates, links to educational materials, events in the condominium community, and other pertinent news on the Commission website.

The Commission also maintained and updated the electronic storage of materials, which provides online access to the developer's public reports, condominium association registration data, and other information. The Commission uploads electronic and fillable forms on its website for condominium developers, association registration, condominium hotel operator and condominium managing agent registration. These forms are evaluated and amended to meet current statutory requirements.

To accomplish the Commission's long-range goal of providing all condominium information online, staff continues to study the feasibility of establishing a central depository for all association governing documents on the Commission's website, including minutes of association meetings.

Case Law Review Program – The Commission monitors, collects, and reports on relevant state and federal case law, administrative decisions, and policies and procedures. Staff reports to the Commission on relevant governance and project development case law affecting the condominium community.

Start-up Kit for New Association of Unit Owners and New Condominium Managing Agents – Newly registered Associations of Unit Owners received start-up kits developed by Commission staff. The kits include unofficial copies of HRS chapter 514B, administrative rules, and guides on topics pertinent to the condominium community, such as the importance of having sufficient reserves and the rights and obligations of board members and condominium owners.

Records Management – Commission staff evaluated, planned, and implemented a centralized electronic glossary of existing and future educational materials, records, developer's public reports, and related files. Staff continues to maintain and update the scanning and electronic storage of records.

Cooperative Education Research and Administrative Program – The Commission considered requests to participate in, or sponsor, joint educational research and outreach with persons or groups providing direct or indirect services to the Commission's condominium association governance and project registration programs.

Division and Department Program – The Commission participated and helped coordinate activities and programs of mutual concern with the DCCA Director's Office, PVL, and RICO.

Staff and Commissioners Development – Materials were developed to train Commissioners and staff in the administration of the Commission's ongoing condominium programs. Training and educational opportunities were provided by Commission staff, local condominium and real estate industry groups, and their national counterparts.

Condominium Reference Library – Staff maintained at the Real Estate Branch office and on the Commission's website a catalog of reference materials provided to the Hawaii State Public Library System in areas with a high concentration of condominiums.

NOTE: This fiscal year, the following previously summarized programs benefited condominium owners and/or educated condominium owners:

- Condominium Laws and Education
- Advice, Education, and Referral
- Hawaii Condominium Bulletin
- Rulemaking, Chapters 107 and 119
- Meetings
- Government and Legislative Participation and Report
- Legislative Acts and Resolutions
- Interactive Participation with Organizations
- Neighbor Island Outreach
- CETF
- Consumer Education
- Condominium Specialists' Office for the Day

- Technology and Website
- Start-up Kit for New Association of Unit Owners and New Condominium Managing Agents
- Cooperative Education, Research, and Administrative Program
- Condominium Reference Library
- Condominium Mediation and Arbitration Program
- Condominium Association Registration
- Condominium Seminars and Symposiums

FY 2025 PROGRAM OF WORK

Condominium Laws and Education – The Commission will continue to offer its educational programs and events through electronic platforms providing residents of all islands opportunities to learn and participate in a safe environment.

The Commission will continue to update the condominium community on relevant changes to the condominium law through its educational programs and post information on its website, quarterly email notices, and in the Condominium and Real Estate Bulletins on current events affecting the condominium community. With input from stakeholder organizations and volunteers, the Commission will also revise its forms, instructional and informational sheets, and educational materials, as appropriate.

Education and Referral – On behalf of the Commission, staff will provide educational information to the condominium community via telephone, in-person office visits, email and written correspondence, the Hawaii Condominium Bulletin, quarterly subscriber emails, and educational videos and materials on the Commission's website.

Through procured providers delivering education remotely, the Commission will continue educating condominium consumers. With these ongoing efforts, the Commission will maintain its educational emphasis on the condominium law and the law's guiding philosophy of self-governance and majority rule by the owners.

Condominium Project and Developer's Public Reports – The Commission will assist developers and the condominium development community in processing documents for the issuance of effective dates on public reports so units may be legally sold to the public, pursuant to HRS chapter 514B. With input from stakeholders and other government agencies, staff will refine the electronic fillable developer's public report forms and develop new processes, records, forms, information documents, and rules relating to condominium project registrations, as appropriate. Where necessary, the Commission will procure additional condominium consultants to assist with the review of documents and information submitted to the Commission in conjunction with condominium project registration requirements. Staff will conduct orientation sessions for all new consultants, including yearly informational meetings for all consultants. The Commission will monitor consultants' performance under their contracts.

Staff will make developer's public reports available for public viewing and copying via the Commission's website. Commission decisions related to developer's public reports and condominium project development issues will continue to be made available to the public, consultants, and other interested persons. Staff will respond to subpoenas and requests for viewing condominium project files in accordance with HRS chapter 92F. For condominium project registrations, the Commission will study and research an evaluation and review process that includes the electronic administration of developer's public reports and scanning of documents. The Commission will monitor all legislation relevant to condominium project registration, including regulations of land and agricultural use on neighbor islands for any potential impact upon condominium developers and the public report process.

Hawaii Condominium Bulletin – The Commission will continue the online publication of its quarterly bulletin dedicated to educating condominium owners and interested persons on current issues relevant to condominium living in Hawaii. Staff will continue the management and administration of this program with a procured independent contractor assisting in the layout and design of the bulletin.

Condominium Mediation and Voluntary Binding Arbitration Program – Through the CETF, the Commission will subsidize and monitor the ongoing delivery of its mediation and voluntary binding arbitration programs by private providers. Staff will monitor the contracted mediation and arbitration providers and collect statistics on its use for educational and annual report purposes. The Commission will promote mediation and voluntary binding arbitration as a primary means of dispute resolution.

Condominium Association Registration – Staff will continue processing deficiencies and incomplete applications from the 2023-2025 registration period and administer the online registration of condominium associations. In preparation for the 2025-2027 biennial registration period, staff will review registration policies, procedures, forms, and appeals for appropriate updates. The Commission will respond to subpoenas and requests for records relating to association registration, consistent with OIP laws, rules, and procedures. The Commission will continue to respond to requests for data-specific lists of association registrations.

All public association registration and appropriate contact information will continue to be posted on the Commission’s website, with pre-printed lists available upon request.

Condominium Seminars and Symposiums – The Commission will produce seminars for the condominium community through procured contracts with various providers and will procure additional providers on timely and relevant topics as needed. Presentations will be provided on electronic video platforms for neighbor island accessibility. Where funds are available, the Commission will continue to administer CETF subsidies for Commission-approved seminars, provided public health requirements can be met. The Commission will consult with its CRC educational ad hoc advisory group to provide recommendations and input on CRC educational programs as needed.

Ad Hoc Committee on Condominium Education and Research – The Commission will continue to administer and consult with this group, on an as-needed basis, for recommendations and input to create new CRC educational materials and programs.

Ad Hoc Committee on Condominium Association and Board Education – The Commission will continue to administer and consult with this group, on an as-needed basis, for recommendations on educational course topics for targeted education, including the development and administration of course curricula.

Condominium Managing Agents Registration – Pursuant to HRS §514B-132, the Commission will administer the registration requirements for condominium managing agents and evaluate its policies and procedures for appropriate updates.

Rulemaking, HAR Chapters 107 and 119 – A public hearing will be scheduled, noticed, and held for the Commission’s draft rules to gather public testimony and input from all interested persons and stakeholders. The Commission will fully consider all testimony on its proposed rules and issue a decision following the hearing.

Meetings – With support from staff, the Commission will plan, coordinate, and conduct monthly meetings to allow interested persons to participate. The schedule of meetings and agendas will be posted on the Commission’s website, and meeting minutes will be stored as a searchable PDF format.

Government and Legislative Participation and Report – The Commission will participate in all aspects of the legislative process, including the review and research of proposed legislation and resolutions relevant to condominium association governance and condominium project development; responding to, and meeting with legislators; and attending hearings and providing testimony, as appropriate.

Act 149 (2023) – The Commission will continue working with its Ad Hoc Committee on Condominium Association and Board Education to develop and administer an educational curriculum for leadership training to condominium board members, including a separate educational curriculum for condominium unit owners and prospective purchasers.

Act 189 (2023) – Assigned Commission staff will continue participating in the Planned Community Association Oversight Task Force and Condominium Property Regime Task Force as established by this Act.

Legislative Acts and Resolutions – The Commission will review, report, and develop summaries on all relevant legislation proposed in the 2025 legislative session and implement any required changes to the Commission’s policies and procedures as a result of new legislation.

Interactive Participation with Organizations – The Commission and staff will participate with local and national organizations and government agencies to exchange and share information, research, and educational efforts, including joint projects, of mutual concern. Staff will attend in-person and virtual meetings with organizations, including ARELLO, CAI National, CAI Hawaii, HCCA, the Hawaii State Bar Association, property management companies, and other state agencies, as funding allows.

Neighbor Island Outreach – All interested persons on the neighbor islands will be able to watch live streams of Commission meetings through 'Ōlelo Community Media.

CETF – Pursuant to HRS §514B-71, the Commission will administer the funds for educationally defined purposes. The Commission prepares, maintains, and reviews quarterly and annual financial statements, and budget and finance records for the CETF.

Consumer Education – In addition to its existing focus on condominium governance issues, the Commission will work to strengthen a consumer education program about initial project sales and re-sales targeting prospective purchasers of condominium units. The Commission will maintain and update its existing educational materials

online at its website. As appropriate, educational seminars will be administered virtually using electronic platforms to consider the health and safety of all participants.

Rulemaking, HAR Chapter 53 – The Commission will monitor, review, research, and make recommendations on rule amendments for fees through coordination with the DCCA and the Licensing Administrator.

Condominium Property Regime Project Workshop and Meetings – This FY, staff will conduct sessions and forums for condominium consultants for the purposes of orientation and information, including a review of issues presented in project file reviews. Forums will be conducted in hybrid format (virtual and in-person), and will cover issues raised by developers, attorneys, and condominium consultants regarding the ongoing implementation of HRS chapter 514B, relating to the issuance of developer's public reports.

Condominium Specialists' Office for the Day – Condominium Specialists will maintain their contact with neighbor island condominium owners and respective RICO staff through telephone and electronic mail. Commission meetings will be livestreamed by 'Ōlelo Community Media and may be viewed by residents of all islands, however, in consideration of the lifting of State travel restrictions, the Commission will re-examine specialists' physical attendance in the neighbor islands.

Condominium Speakership Program – The Commission honors requests to provide a speaker or resource person, or to participate in a function related to condominium education in accordance with HRS chapter 514B. Through the Condominium Education Specialist position, the Commission has the ability to reach more condominium community members and groups in fulfillment of its educational mandate.

Technology and Website – The Commission will maintain and update its website for public interaction and education, including the electronic storage and public availability of developer's public reports and condominium association registration data.

Staff will post and make the developer's public report form and other related forms electronically downloadable and fillable. The forms will be evaluated and amended throughout this FY to meet implementation challenges that may arise. The Commission will assess its long-range goal of providing all public condominium information online and the feasibility of providing associations with a central depository for all governing documents on the Commission's website, including minutes of association meetings.

The Commission will continue to post all completed association registrations at its site for public viewing and provide quarterly condominium updates through its online email subscription service to maintain the educational focus of its website.

Case Law Review Program – The Commission will monitor relevant state and federal case law and administrative decisions, policies, and procedures, including relevant governance and project development case law.

Start-up Kit for New Association of Unit Owners and New Condominium Managing Agents – Staff will distribute start-up kits to newly registered Association of Unit Owners and Condominium Managing Agents, including unofficial copies of HRS

chapter 514B, administrative rules, and guides pertaining to owner rights and responsibilities, board of directors and budgets and reserves.

Records Management – Staff will evaluate, plan, reorganize, and implement a centralized, consistent, user-friendly, and computerized glossary of existing and future educational materials, records, developer’s public reports, and project files. Meeting minutes and developer’s public reports will be electronically scanned and stored.

Cooperative Education, Research, and Administrative Program – The Commission will actively participate and sponsor cooperative education, research, and administrative programs for the DCCA and the Department of the Attorney General, all of which provide direct and indirect services to the Commission, its CETF, or condominium project registration responsibilities.

Division and Department Program – The Commission will coordinate activities and programs of mutual concern within DCCA for the PVL, RICO, and the Director’s Office, including positions on HRS chapters 436B, 467, and 514B, and monitor the interaction and effect of other regulatory laws and rules on HRS chapter 514B.

Staff and Commissioners Development – Training for staff and commissioners will be conducted as funds and health and safety protocols allow to maintain the efficient provision of services to the condominium community. Staff and commissioners will take advantage of virtual training and educational opportunities provided by the Real Estate Educators Association, ARELLO, CAI Hawaii, HCCA, and Council of Licensure, Enforcement, and Regulation, and other organizations.

Condominium Reference Library – Staff will maintain and update the Commission’s website catalog of all public reference materials. As appropriate, the Commission will provide relevant materials to the State Library System when materials are available (especially in highly concentrated condominium property regime areas), at mediation provider offices, and at the Real Estate Branch office. Where feasible, the Commission will provide information in conjunction with condominium law educational programs.

Staff will research and study the cost of updating and maintaining all condominium library reference materials, and consider including these updates as part of any five-year strategic educational plan for condominium education.

REAL ESTATE EDUCATION FUND			
Fund Balance			
As of June 30, 2024			
(Estimated)			
ASSETS			
Cash			
In State Treasury			\$2,218,394
Short term cash investments			
Total Assets			\$2,218,394
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables			
Fund Balance			
Reserve for Encumbrances			\$37,995
Unreserved			\$2,180,399
Fund Balance			\$2,218,394
Total Liabilities and Fund Balance			\$2,218,394
REAL ESTATE EDUCATION FUND			
Revenues and Expenditures			
For the Month Ending June 30, 2024			
(Estimated)			
Revenues			
Fees			\$208,982
Interest			\$0
Total Revenues			\$208,982
Expenditures			
			\$595,218
Excess (Deficit) of revenues over expenditures			-\$386,237
Fund Balance			
Beginning of Year			\$2,604,631
Year to Date			<u>\$2,218,394</u>

REAL ESTATE RECOVERY FUND

**Fund Balance
As of June 30, 2024
(Estimated)**

ASSETS

Cash		
In State Treasury		1,085,410
Short term cash investments		
Total Assets		\$1,085,410

LIABILITIES AND FUND BALANCE

Liabilities		
Payables		
Investment income due to Real Estate Education Fund		0
Total Liabilities		0
Fund Balance		
Reserve for encumbrances		25,168
Unreserved		1,060,242
Total Fund Balance		1,085,410
Total Liabilities and Fund Balance		\$1,085,410

REAL ESTATE RECOVERY FUND

**Revenues and Expenditures
For the month ending 6/30/24
(Estimated)**

Revenues		
Fees		\$133,397
Expenditures		
Operations		36,280
Legal Services		15,170
Claims		25,000
Total Expenditures		76,450
Excess (deficiency) of revenues over expenditures		56,946
Fund Balance		
Beginning of year		1,028,464
Year to Date		\$1,085,410

CONDOMINIUM EDUCATION TRUST FUND

**Fund Balance
As of June 30, 2024
(Estimated)**

ASSETS	
Cash	
In State Treasury	\$1,472,499
Cash Invested	
Total Assets	\$1,472,499
LIABILITIES AND FUND BALANCE	
Liabilities	
Payables	
Fund Balance	
Reserve for Encumbrances	13,010
Unreserved	1,459,489
Fund Balance	1,472,499
Total Liabilities and Fund Balance	\$1,472,499

CONDOMINIUM EDUCATION TRUST FUND
Revenues and Expenditures
For the Month Ending June 30, 2024
(Estimated)

Revenues	
Fees	617,935
Interest	44,520
Total Revenues	662,456
Expenditures	725,000
Excess (Deficit) of revenues over expenditures	(62,544)
Fund Balance	
Excess (Deficit) of revenues over expenditures	(62,544)
Fund Balance	
Beginning of Year	\$1,535,043
Year to Date	<u>\$1,472,499</u>