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Condo's 1st buyers picked

By [Andrew Gomes](#)
Advertiser Staff Writer

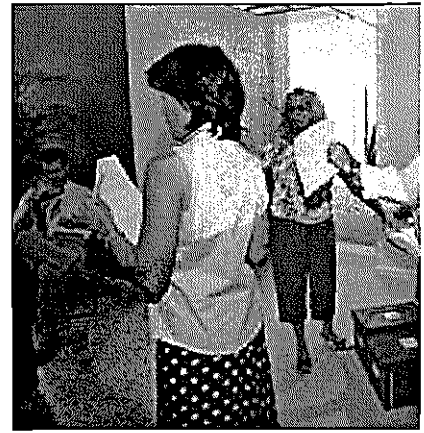
The odds weren't great, or even good, to buy one of the first 85 condominium units released for sale yesterday at Kaka'ako's newest planned residential high-rise.

An attorney sitting in a model kitchen of the Keola La'i sales office on Queen Street drew about 1,100 names out of cardboard boxes during a lottery that had roughly 1-in-13 odds for hopeful buyers.

The turnout was another reminder of just how heated the local housing market continues to be as prices escalate while inventory levels hover near historic lows and interest rates remain attractive.

"We thought there would be 500 (applicants), but it was double, which is pretty amazing," said Tracy Yamato, an agent with Coldwell Banker Pacific Properties, which is marketing and selling the project for developer Alexander & Baldwin Inc.

A&B announced its intent to develop the tower last August, and earlier this month won state approval to proceed with the 42-story project bordered by South, Queen, Kawaiaha'o and Emily streets. The high-rise is projected to be completed in early 2008.



Salespeople for Keola La'i assigned applica number so buyers can choose which condo About 1,100 names were drawn during the

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The lottery was an initial phase of sales representing 85 of the tower's 352 planned one- to three-bedroom units ranging in price from about \$340,000 to the mid-\$800,000s.

Only about 20 hopeful buyers or brokers stopped in to witness the lottery in person.

Jet Singh, a Seattle resident whose father, Lucho, entered the lottery for Keola La'i investors, got disappointing news that his dad's name was drawn after 239 others.

"So at this point we weren't selected to buy one?" he asked an agent who told Singh his chances were about nil.

The way Keola La'i's condo lottery works, prospective buyers in the order established by the lottery can select one unit from their respective pool of 40 investor or 45 owner-occupant units, or opt not to purchase.

Each selection narrows the remaining choices for those further down the two lottery lists. So it's possible that someone whose owner-occupant lottery ranking was No. 70 could still buy a unit, though not many people are expected to pass on available units or be unable to complete a purchase.

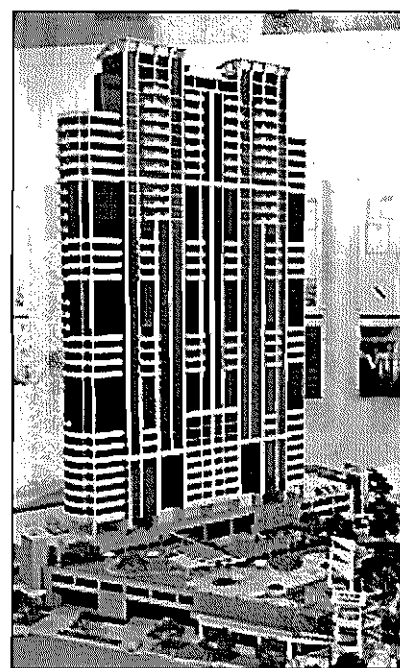
The odds were better for investors because there were only 300 of them competing for 40 units, compared with 800 owner-occupants vying for 45 available units.

Rick Stack, vice president of development for A&B, said the company tried to use the simplest and fairest system to pick buyers.

"It was a great response," he said. "It was very exciting."

Stack said the next lottery for Keola La'i will likely be offered within the next month, though prices have not been set.

Lotteries have become a popular sales tool for Hawai'i home developers over the past couple years as demand has far outweigh supply. Other alternatives include a first-come-first served process, or people camping for days outside sales offices, or more subjective sales methods.



A model of the proposed Keola La'i condo development.

Turnouts for home lotteries have varied in the recent past. Last year, about 500 people entered multiple 100-unit lotteries for the 706-unit twin-tower Moana Pacific condo on Kapi'olani from around \$300,000 to \$800,000.

At one of several Castle & Cooke Island Classics home lotteries last year, about 200 people bought single-family homes starting at \$438,000. And the developer of Ko Olina Kai cut off applications for mostly condo villas going for an average \$750,000 at Ko Olina Resort & Marina a year ago.

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