
From the Pacific Business News:

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Beachfront Kahala lot once planned for luxury condos on the market for \$25M

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A 1.3-acre beachfront property in Honolulu's Kahala neighborhood once owned by Japanese billionaire Genshiro Kawamoto, where Alexander & Baldwin and a Japan-based partner had planned to build a six-unit luxury condominium compound, is on the market for \$25 million.

The former "Kahala by the Sea" property is being sold as six condominium properties, with approvals and designs for six two-story paired townhomes designed by architect Benjamin Woo Architects with interiors by Philpotts Interiors. It was listed last week with Matt Beall and Erik Hinshaw of Hawaii Life.

The seller is Maruito USA, which had partnered with A&B on the development project after the Honolulu real estate investment trust bought 27 Kahala homes and lots for \$98 million from Kawamoto in 2013, said Steve Sombrero, owner of Cushman & Wakefield ChaneyBrooks.

Sombrero, who represents Maruito, said his client bought out A&B's interest in the entity 4607 Kahala LLC in late 2019. A&B said in its



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An aerial rendering of Alexander & Baldwin's former Kahala By The Sea project in Honolulu is seen here. A&B sold its interest in the 1.3-acre lot in 2019 to its Japan-based partner in the joint venture, who is now selling the land for \$25 million.

earnings report for the fourth quarter of 2019 that it “closed out of the Kahala project with five lot sales” but did not disclose the price.

Sombrero was the one who brokered the deal between the Honolulu real estate company and Kawamoto, who had allowed many of the homes and lots to fall into disrepair under his ownership.

After selling most of the homes, A&B hired Hawaii Life in 2017 to sell the remaining seven properties — the last three sold for a total of \$11 million. Sombrero’s firm has since teamed up with the residential firm to list such large properties as the Dillingham Ranch on Oahu’s North Shore and the Wai Kala Ranch on the North Shore of Kauai.

Beall said that the buyer could build anything from one large home to the six townhouse units on the property, but said he thinks it will appeal most to a developer.

A&B had originally gone to market with the units in May 2018 after filing building permit applications totaling \$18 million — prices for the six units in the gated property, dubbed “Kahala by the Sea,” started at \$9 million each.

Beall said this year – when inventory of homes for sale on Oahu has been at historic lows and homes are selling quickly for above asking price — is “a little more exciting market for this kind of trade.”

“There’s a terminus coming of inventory ... [and] that causes a little more interest in what could possibly be developed,” said Beall, who said they’ve gotten a lot of interest from both Hawaii and West Coast buyers.

The property could also draw interest from Asian buyers, who have been staying away from Hawaii during the Covid-19 pandemic because of travel restrictions, including Japan’s mandatory 14-day quarantine for returning citizens, Sombrero said.

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