



Prudential Locations LLC

REAL ESTATE SALES & RESEARCH

OAHU REAL ESTATE REPORT

OCTOBER 2008 SALES ACTIVITY

KEY OBSERVATIONS

In the current rolling three-month period, Oahu real estate sales for single-family homes and condominiums decreased with single-family homes down 20.8% and condominiums down 26.6% compared to the same period in 2007. Some areas have seen a slight increase in sales for single-family homes, these areas include the North Shore, Pearl City-Aiea and Makakilo. Condominium sales have also increased in the Diamond Head-Kahala and Leeward areas.

Median sale prices also continue to dip for both single-family homes, down 4.6%, and condominiums, down 2.9%. Some areas continue to show marginal price increases in 2008. For single-family homes this includes the areas of Nuuanu-Makiki and the North Shore. Similarly, for condominiums the areas of Downtown-Nuuanu, Ewa, and Waikiki have shown price increases.

Prudential Locations examines monthly numbers as well as statistics for rolling three-month periods as a way to better identify trends in the market. For more information on a specific neighborhood, please contact your Prudential Locations agent.

SINGLE FAMILY	Resales (Over 3-Month Period)						Median Price (Over 3-Month Period)					
	Oct 2008	Aug - Oct 2008	May - July 2008	% change	Aug - Oct 2007	% change	Oct 2008	Aug - Oct 2008	May - July 2008	% change	Aug - Oct 2007	% change
All Oahu	235	689	733	-6.0%	870	-20.8%	\$625,000	\$620,000	\$630,000	-1.6%	\$650,000	-4.6%
East Oahu	7	16	16	0.0%	27	-40.7%	\$1,015,000	\$982,500	\$792,500	24.0%	\$1,225,000	-19.8%
Ewa	47	130	127	2.4%	145	-10.3%	\$490,000	\$467,000	\$460,000	1.5%	\$510,000	-8.4%
Hawaii Kai	15	33	51	-35.3%	58	-43.1%	\$890,000	\$800,000	\$850,000	-5.9%	\$862,000	-7.2%
Kailua	21	70	73	-4.1%	74	-5.4%	\$720,000	\$772,000	\$785,000	-1.7%	\$775,000	-0.4%
Kaimuki	10	30	32	-6.3%	35	-14.3%	\$660,000	\$770,000	\$755,000	2.0%	\$900,000	-14.4%
Kaneohe	13	41	44	-6.8%	43	-4.7%	\$599,000	\$599,000	\$681,000	-12.0%	\$675,000	-11.3%
Leeward	9	34	37	-8.1%	49	-30.6%	\$340,000	\$332,500	\$363,000	-8.4%	\$370,000	-10.1%
Makakilo	9	27	17	58.8%	26	3.8%	\$499,900	\$560,000	\$550,000	1.8%	\$554,750	0.9%
Manoa	3	15	15	0.0%	23	-34.8%	\$715,000	\$850,000	\$952,000	-10.7%	\$950,000	-10.5%
Mililani	24	58	74	-21.6%	80	-27.5%	\$555,750	\$582,000	\$597,500	-2.6%	\$643,000	-9.5%
North Shore	4	18	12	50.0%	11	63.6%	\$1,057,500	\$878,750	\$800,000	9.8%	\$587,500	49.6%
Nuuanu-Makiki	6	30	30	0.0%	47	-36.2%	\$790,000	\$775,000	\$747,500	3.7%	\$725,000	6.9%
Pearl City-Aiea	17	48	43	11.6%	47	2.1%	\$638,000	\$627,000	\$620,000	1.1%	\$649,888	-3.5%
Waiialae-Kahala	13	30	35	-14.3%	32	-6.3%	\$1,200,000	\$1,310,000	\$1,575,000	-16.8%	\$1,702,500	-23.1%
West Honolulu	7	28	31	-9.7%	43	-34.9%	\$700,000	\$645,000	\$565,000	14.2%	\$611,500	5.5%
CONDOMINIUM	Oct 2008	Aug - Oct 2008	May - July 2008	% change	Aug - Oct 2007	% change	Oct 2008	Aug - Oct 2008	May - July 2008	% change	Aug - Oct 2007	% change
All Oahu	297	952	1,072	-11.2%	1,297	-26.6%	\$325,000	\$320,000	\$337,750	-5.3%	\$329,500	-2.9%
Ala Moana-Kakaako	25	75	81	-7.4%	119	-37.0%	\$455,000	\$439,000	\$550,000	-20.2%	\$550,000	-20.2%
Diamond Head-Kahala	11	27	32	-15.6%	24	12.5%	\$437,500	\$437,500	\$411,714	6.3%	\$541,000	-19.1%
Downtown-Nuuanu	29	94	84	11.9%	95	-1.1%	\$325,000	\$350,000	\$462,500	-24.3%	\$345,000	1.4%
Ewa	17	48	64	-25.0%	83	-42.2%	\$376,000	\$333,500	\$319,500	4.4%	\$281,000	18.7%
Hawaii Kai	17	50	47	6.4%	60	-16.7%	\$515,000	\$547,500	\$545,000	0.5%	\$533,500	2.6%
Kailua	6	25	26	-3.8%	33	-24.2%	\$436,500	\$435,000	\$432,500	0.6%	\$435,000	0.0%
Kaneohe	10	31	38	-18.4%	55	-43.6%	\$457,000	\$420,000	\$404,500	3.8%	\$440,000	-4.5%
Kapiolani-University	16	58	72	-19.4%	60	-3.3%	\$335,450	\$323,950	\$302,750	7.0%	\$325,000	-0.3%
Leeward	4	20	9	122.2%	19	5.3%	\$122,250	\$142,500	\$154,000	-7.5%	\$170,000	-16.2%
Makakilo	8	22	21	4.8%	31	-29.0%	\$325,000	\$309,500	\$330,000	-6.2%	\$315,000	-1.7%
Makiki	20	63	73	-13.7%	97	-35.1%	\$307,500	\$305,000	\$324,000	-5.9%	\$325,000	-6.2%
Mililani	22	65	78	-16.7%	103	-36.9%	\$322,000	\$299,000	\$340,000	-12.1%	\$300,000	-0.3%
Pearlridge-Aiea	33	85	98	-13.3%	92	-7.6%	\$290,000	\$298,000	\$284,500	4.7%	\$312,500	-4.6%
Salt Lake	17	41	56	-26.8%	61	-32.8%	\$275,000	\$275,000	\$316,000	-13.0%	\$295,000	-6.8%
Waikiki	41	176	195	-9.7%	231	-23.8%	\$255,000	\$276,000	\$302,100	-8.6%	\$268,000	3.0%

This report contains real estate activity for several general areas of Oahu. Prudential Locations' Research Department currently tracks sales activity for over 200 Oahu neighborhoods. For information about a specific neighborhood, please call a Prudential Locations agent.

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SPOTLIGHT: REASONS TO BUY IN THIS MARKET

Purchasing real estate is a huge financial commitment, but consider the glass half full rather than half empty: buying real estate is an investment in the future. The following points are bright spots in being a potential buyer in this current market. And remember, you don't have to walk this road alone, real estate professionals can help you consider your options and discover the opportunities in owning a home.

Buying Power and Interest Rates

Since the U.S. government's takeover of Freddie Mac and Fannie Mae interest rates have dropped due to taxpayer dollars being used to guarantee Freddie and Fannie's mortgages. This has somewhat alleviated consumer stress in securing loans. Now is a great time to jump on the current rates as these may increase in the new year. What does this mean for you if rates increase? Every 1-point increase in interest reduces your buying power by about 10%! The graph below illustrates this.

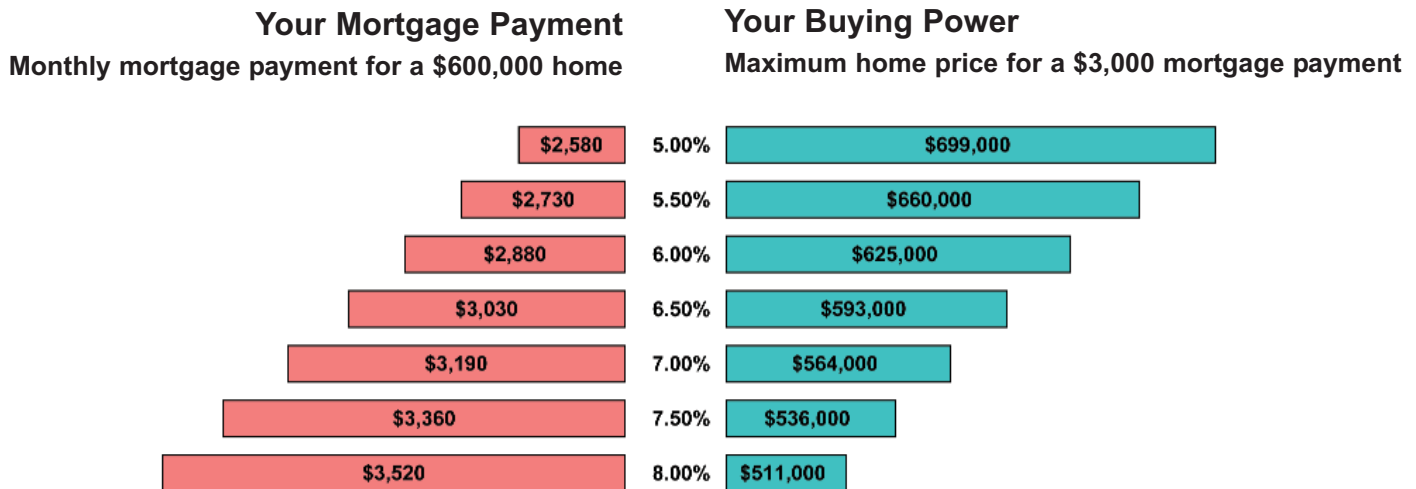
Build Your Own Wealth

If you are a renter, putting money into your own pocket now by purchasing a home will allow you to reap the benefits should you decide to sell in the future. Why make your landlord rich? Over the time period that you are covering their mortgage you could be putting money towards your own investment. Increase your own wealth by developing equity, building your credit and taking advantage of tax benefits.

Tax Benefits

The government supports homebuyers by offering tax benefits as incentives to buy. In addition to this first-time homebuyers can take advantage of a government tax credit if a home is purchased between April 9, 2008 and until July 1, 2009. The credit is 10 percent of the purchase price of the home and up to \$7,500. This credit is recaptured over a 15-year period at \$500 per year with no interest. If your purchase closes in 2008, you can apply for your credit when you file your 2008 taxes in 2009 – so hurry. Talk to an accountant to determine the adjustments that you can receive in tax savings each month by being a homeowner.

The graph below illustrates how different interest rates affect your monthly mortgage payments and buying power. As interest rates increase your monthly mortgage increases and the property amount you can afford decreases. Taking advantage of the current low rates will save you money in the long term.



(based on 30-year fixed mortgage, 20% down)

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