



### *The Aloha State &&&..*

The Hawaiian Islands consist of 8 major islands. The main islands of Hawai`i are O`ahu, Maui, Kaua`i, Hawai`i, Molokai and Lana`i. The main islands land area is 6,425 square miles, with Hawai`i being the biggest, followed by Mau`i, O`ahu, Kaua`i, Moloka`i, Lana`i, Ni`ihau and the uninhabited Kaho`olawe.

**Hawai`i** - Hawai`i is an entire continent in itself - from desert-like plains to lush rainforest, from snowcapped Mauna Kea volcano to the pasture lands of Waimea. Its western coast enjoys beautiful sunny weather, while the Hilo side is a tropical greenhouse with towns, waterfalls and valleys.

The Island of Hawai`i was formed by five large volcanoes, the highest of which is Mauna Kea (13,796 feet above sea level), followed by Mauna Loa (13,677 feet above sea level), Hualalai at 8,271 feet, Kohala at 5,480 and Kilauea at 4,093. Kilauea Volcano (the world`s most active) is constantly adding acres of lava to the youngest island in the Hawaiian chain. Its size has earned it the nickname the **Big Island**. Approximately 137,000 people live on the 4,038-square-mile island of Hawai`i. The most heavily populated areas are Hilo on the East Side and Kona on the West Side. Hilo is the island`s seat of government, gateway to the Hawai`i Volcanoes National Park and home to the University of Hawai`i.

Between the two sides of the island are acres of ranch and farmland. The ranching tradition goes back more than 150 years on the Big Island, with the inception of Parker Ranch the largest privately owned ranch in the United States.





The Big Island's world-renowned resorts are located on the west side, where a variety of accommodations, year-round sunshine, blue skies, beaches and warm ocean waters attract visitors from around the world. Kailua-Kona is home to the Ironman Triathlon and the International Billfish Tournament, while championship golf courses along the Kona Kohala Coast host the MasterCard Championships each January, as well as a host of other collegiate and LPGA events.

Any description of the Big Island would be remiss if it did not include the word diversity. Out of the 12 climates of the world, the Big Island boasts 10 - from the frigid top of Mauna Kea mountain to the arid Ka`u desert and nine other climactic zones in between. Lush tropical rain forests give way to sweeping vistas of ranchland and stretches of shoreline highlighted by white sand beaches. Hawaii does not observe daylight saving time. Hawaiian Standard Time is in effect year-round.

The island's industry is as diversified as the climate, including exotic crops such as macadamia nuts, Kona coffee, avocado, papaya, bananas and ginger root. Truck farming, cattle ranching, poultry and egg farms, honey and dairy operations round out the island's agricultural offerings. A steadily growing high tech industry offers windfarms, geothermal and ocean thermal energy, aquaculture, and hydroponics. The top of Mauna Kea is accepted as the world's best site for astronomical observations. The telescopes, in full operation, are allowing observation by optical, infrared, and millimeter/sub millimeter wavelengths.

The Big Island's large size and diverse range of climates have made it a natural for diversified agriculture. The result is that today the bulk of the state's agricultural products are grown on the island. The Big Island is home to nearly 1 million of the state's 1.8 million acres in agricultural production.

While the various food commodities delight our tastebuds, the largest agricultural sector on the island is actually the floriculture industry, which includes exotic flowers, foliage and nursery products. Among the flowers are the extraordinary orchids from which the island takes another nickname, 'Orchid Isle' -



Known as the "Melting Pot of the Pacific," many people of different races and cultural backgrounds call the Big Island home. No single race prevails and the mixed ethnic portion of the population is always growing. This ethnic variety is a source of pride for the people of Hawai'i. It is this diversity of backgrounds and cultures that make Hawaii so special. Generosity, friendliness, and compassion, the love for music, dance and celebrations all play an integral part in the life of an islander. In the island's climate, tension is abated, rushing is obsolete, and thus the expression of doing things "Hawaiian Style" is created. Flowers and leis are given to friends or relatives upon arrivals or departures on trips or for other special occasions - birthdays, weddings, births, promotions, anniversaries, graduations, or anything that moves the spirit. Bringing small gifts or offerings are common gestures when visiting another's home. All of these are reflections of Hawaii's "Spirit of Aloha."

As the different races settled in Hawaii they looked for a way to communicate with each other and what emerged was a unique language known as "Pidgin English. Pidgin combines words from many and the tone in which Pidgin is spoken often has as much to do with its meaning as the words. There are also words that are pure slang and used for emphasis, but overall, most of it consists of shortcuts or saying more with fewer words.

Listen closely while you're in Hawaii and see if you hear any of these phrases:

All pau (pow) - finished  
that annoy you?

I neva know - I didn't know that  
Suck 'em up - have a few drinks  
Da kine - what-cha-ma-call-it  
No make lidat - stop doing that  
dah - the  
you doing?

What, bahdah you? - does

Grinds - food  
Choke - a lot  
Eh, brah - Hi, brother  
bumbye - later on  
What you stay doing? - what are

Howzit - How is it? (A casual form of greeting.)

Written Hawaiian, first written down by the missionaries, consists of 12 letters. These are a-e-i-o-u and h-k-l-m-n-p-w, five vowels and seven consonants. Your first encounter with the Hawaiian language may very well be when asking a 'kama'aina' (resident) for directions. When he or she points you 'makai' (ocean) or 'mauka' (mountain), you'll know that it won't be as easy to get around as you had hoped. The same goes for the street names, which are predominantly in Hawaiian, and many of them sound similar. But you should not despair, since you may pick up some beautiful Hawaiian words. Many Hawaiian words have found their way into the English of everyday life, and give it the special Hawaiian touch.

They call it "hurricane season." People are always fearful of the damage a hurricane

can do. But tropical storms, though not as powerful, can be just as deadly. Many hurricanes and tropical storms pass by the Hawaiian Islands during the typical hurricane season, which is from June 1st to November 30. Some pass at varying distances. Some strike one or more islands. The minimum wind speed for a hurricane is 74 mph. The worst-case scenario would be a hurricane that made its way from one island to another causing damage on all islands. Other bad scenarios involve direct hits on densely populated areas such as Honolulu. It should be noted that coherent data collection on hurricanes did not begin until the second part of the 20th century. In addition, satellite weather information is of relatively recent origin. This having been said, set forth below is a list of hurricanes that have threatened the Hawaiian Islands since 1950. Note that a hurricane does not need to make landfall to cause serious damage. It should also be noted that historical data is not necessarily predictive of future events, particularly those involving complex phenomenon such as the weather.

<b>Date</b>	<b>Hurricane</b>	<b>Affected Islands</b>	<b>Damage</b>
1992	Iniki	Kauai; Oahu	Severe
1991	Fefa		
1988	Uleki; Fabio		
1986	Estelle	Maui; Oahu	Light
1982	Iwa	Kauai; Oahu	Moderate
1978	Fico; Susan		
1959	Dot	Kauai	Moderate

In addition, since 1950 five other tropical storms that could have caused serious damage passed through the ocean surrounding the Hawaiian Islands.

## **FLORA and FAUNA**

**U.S. Department of Agriculture (USDA) regulates the export of cut flowers, foliage and fruits from Hawaii to the mainland U.S. and propagates plants to foreign countries. Anyone who has traveled to the mainland is familiar with the mandatory USDA baggage inspection at the airports for agricultural materials.**

## **GOVERNMENT**

Hawai`i is run no differently than the other 49 states with a senate, house of representatives and city/county councils. There are four county seats: Oahu, Kauai, Maui and Hawai'i counties. The federal government has a strong presence in Hawai`i, largely because of the military and the land it controls. The Hawaiian islands are the only major land mass for thousands of miles in either direction, so it's likely to remain of national strategic importance.

## **COST OF LIVING**

The cost of living is considered high in comparison to the other states. But, there are redeeming features to living in Hawaii. Because of the pleasant year-round climate, there is

no need to purchase additional winter clothing. In some ways, living in Hawaii can cost you less than living on the mainland.

## **TAXATION**

Each county establishes, assesses, and collects its property taxes. Except for licenses, permits and fees, other tax collections are the responsibility of the State, which operates a centralized tax system. There is a 4% Gross Excise Tax on goods and services. Hawaii has a state income tax; however, there are no personal or inventory taxes.

## **HAWAII HOMES**

Hawaii homes are generally smaller than homes on the continental U.S. and are designed for a different style of living. Because of the limited amount of land, residential lots average about 6,000 square feet. Outdoor-living is a predominant feature of many Hawaiian homes, with lanais, patios, and informal areas for eating and entertaining.

With Hawaii's climate there is no need for heating or air-conditioning, though you come across homes with fireplaces at higher elevations. You can find properties with features similar to mainland homes, but prices will be higher.

## **REAL PROPERTY TAXES**

Real Property taxes in Hawaii are relatively low compared to most mainland standards. Property is currently assessed at 100% of its fair market value, with adjustments for homeowner tax exemptions. Taxes are computed by multiplying the assessed valuation, less exemptions, by the applicable tax rate. Tax rates vary depending on the type of property involved. Personal property, e.g. cars or boats is not subject to property tax.

## **RETIREMENT**

Hawaii offers several retirement communities, social functions and clubs for senior citizens. In addition, Hawaii merchants participate in Senior Citizen Discount Program, which extend price discounts on services and product. A trademarked encircled star identifies (in display windows and in the yellow pages) discount participants with the print Senior Discount.

Hawaii Department of Agriculture's (HDOA) Plant Quarantine Branch regulates the export of nursery products (propagate plants) to the mainland U.S. and certain foreign countries by certifying that the shipment meets the requirements of the state or country of destination.

## Services

A healthy base of service industries has emerged upon the Big Island. In the financial sector, there are five banks with 22 branches and five savings and loan associations with 17 branches on the Big Island. Retail has a strong presence as well, including the recent arrival in West Hawaii of major consumer outlets such as Walmart, Costco, Kmart and others. A variety of physicians, clinics, and hospitals provide medical services. Educational services are well represented (more information is available in the Education section) and Hawaii County and State governments also provide services .



## Air Transportation

There are two state-run commercial airports on the Big Island, as well as one military airport at Pohakuloa. There are also a few small, semi-private ones. Hilo International Airport is located in East Hawai`i and **Kona International Airport** serves West Hawai`i. Kona earned its international status in 1995 when the first direct flight from Canada landed in Kona. There are now direct flights from Japan and it is expected there will soon be flights from Korea too.

Like most people in the state, Big Island residents frequently catch local commuter airlines to get from island to island. There are two major interisland carriers that serve the state: Aloha Airlines and Hawaiian Airlines.

Airfreight for a small shipment is feasible. Companies that receive and deliver air shipments include Cavalry Express, Inc., Hawaii Air Cargo, AirFreight Specialists, West Hawaii Freight Services, Aloha Airlines, Hawaiian Airlines and Commodity Forwarders Inc. The U.S. Postal Service, Federal Express, UPS, Airborne Express, DHL, and Emery Worldwide also provide express mail services.

## SHIPPING

To locate household goods or vehicles shipped by ocean freight, Call **Matson Navigation Co. at 882-7751 (Kawaihae)** or **935-5781 (Hilo)**, or **Young Brothers at 882-7244 (Kawaihae)** or **935-8903 (Hilo)**. Both have piers at Kawaihae and Hilo harbors. Matson ships household goods and cars from the West Coast to the Big Island; four barges arrive per week. Sea-Land ship freight from the mainland and international ports to Honolulu, where freight bound for the Big

Island is transferred to Young Brothers barges; four barges arrive weekly.

## CAR AND DRIVER LICENSING

For information on out-of-state and new vehicle registrations, call the **County Motor Vehicle Registration Office at 327-3543 (Kona) or 961-8351 (Hilo)**. Out-of-state license plates may be kept a short time, provided you get a special permit and register the vehicle. Hawai`i requires annual safety inspections, proof of current no-fault insurance, and annual registration.

Driver's licenses issued by other states can be used on the Big Island until they expire. Call the **Driver Licensing Office at 327-3580 (Kona) or 961-2222 (Hilo)** for information. Changing over to a Hawai`i driver's license requires you to surrender any out-of-state license you may have. Bring to the office some proof of name, birth date, and Social Security number. A written examination and eye examination will be administered and a road test may be required. Hawai`i driver's licenses are valid for six years for adults age 25-64, and valid for two years for minors and young adults up to age 24 and seniors age 65 and older. In smaller communities the local police station may be able to issue driver's licenses.

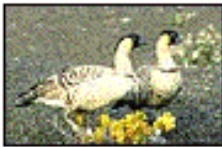
*O`ahu* - "The Gathering Place"

*Maui* - the "Valley Isle"

*Kaua`i* - "The Garden Island"

*Molokai* - "The Friendly Island"

*Lana`i* - "The Pineapple Island"



**Hawaii's state bird; Nene  
(nene; *Branta Sandvicensis*)**

## PETS AND QUARANTINE

Hawaii is a rabies free state. Hawaii's quarantine law is designed to protect residents and pets from potentially serious health problems associated with the presence and spread of rabies. All dogs and cats must spend 30 or 120 days in the animal quarantine facility operated by the State Department of Agriculture. This is required to confirm the animals do not have rabies.

Arrangements for your pet must be made prior to arrival in Hawai`i. Write to: **State of Hawai`i Department of Agriculture, Division of Animal Industry, Animal Quarantine Branch, 99-951 Halawa Valley Street, Aiea, HI 96701. Phone (808)483-7171**. Call (808)586-0844 for information on importing birds and other domestic animals. Your current veterinarian must prepare a pre-shipment health certificate, and you must make appropriate arrangements for transporting your animal, particularly if you will not be accompanying the pet. Further information is available in Animal Quarantine Branch brochures.

## UTILITIES

- **Hawaii Electric Light Co Inc. (HELCO):** To start service, call 935-1171 between 7 a.m. and 4 p.m., Monday thru Friday. A deposit is required for new customers.
- **Board of Water Supply, Hawai`i County:** To start service, call 961-8660 (Hilo) between 7:45 a.m. and 4:30 p.m. Monday thru Friday or 322-0600 (Kona) between 7:00 a.m. and 3:30 p.m. Monday thru Friday.
- **Verizon Hawaii Telephone:** To start service, call 643-3456 between 8 a.m. and 5 p.m. Deposits may be waived if you have a letter from a former utility company that indicates you were a good customer.
- **BHP Gas Company:** Call 329-2984 (Kona) or 935-0021 (Hilo) for information on getting propane and gas-power for residential use.
- **Cable TV:** There are four cable television systems on the Big Island. Hawaiian Cablevision, Inc. (961-0443) provides service in East Hawai`i. **Sun Cablevision (329-2418) provides service in West Hawai`i.** Kam Cablevision (889-5868) provides service in Hawi and Kapa`au. Chronicle Cablevision of Hawaii (800) 421-3611 provides service in Ka`u. Many rural areas on the Big Island are not served by either cable companies.

## SCHOOLS

The State Department of Education administers public schools. Call the District Superintendent's Office, **974-6600, for information on enrollment and transferring.** Hilo Community College, a 2-year college awarding associate degrees and 4-year college degrees in various majors is a part of the University of Hawaii system. Campuses are in **Kealahou (322-6066)** and Hilo (933-3311).

The island is also home to a number of top quality private schools, such as the Hawai`i Preparatory Academy, one of the most highly regarded schools in the western United States.

There's also a non-traditional college in Kailua-Kona. The University of the Nations is part of an international missionary organization called Youth With A Mission. Offering degree programs in education, counseling and health care, communications, science and technology, Christian ministry, humanities, and international studies, the school's focus is to prepare missionaries.

## VOLUNTEER OPPORTUNITIES

Donating your time, hands and heart to community organizations that need volunteers is a great way to get to know your community and neighbors. Community service groups will welcome you as a new friend and truly appreciate whatever skills you are willing to donate. Contact the local United Way office for a listing of non-profit organizations in your community. You might want to consider the American Red Cross, American Cancer Society, American Lung Association, and American Heart Association, Hospice or local schools.

## **CONDOMINIUMS**

Condominiums are a popular form of real estate ownership in Hawaii. Each buyer acquires an individual ownership interest in a separate apartment unit, a share of ownership in the common facilities, and participates in an Association of Apartment Owners Meeting. An owner can obtain separate financing for his own unit, and shares in the operating cost of the building(s) through the payment of a monthly maintenance fee.

Sizes and floor plans vary greatly, but the typical one-bedroom condominium is about 600 to 900 square feet, two-bedrooms about 800 to 1,200 square feet and three-bedroom about 900 to 1,500 square feet.

## **TOWNHOMES**

Townhouse projects may be operated as condominium units or in a similar manner under other forms of legal organization, such as Planned Unit Developments. Owners become members of an Owner's Association and share the operating expenses of the project through the payment of monthly fees.

## **FINANCING**

Financing the purchase of real estate in Hawaii is accomplished much the same way as in other states. Loans are available from a variety of sources, including Banks, Saving and Loans, Mortgage Companies and other financial institutions. In addition to principal and interest charges, most lenders will require the borrower to make payments for property taxes, insurance and lease rent (where applicable) on a monthly basis.

The type of loans available range from the traditional 30-year Amortized Fixed-Rate mortgage to newer programs involving adjustable interest rates and payments. You will need to take some time in selecting a loan program that best suits your finances. I would be happy to guide you to a lender for professional assistance.

## **BASIC TERMINOLOGY**

# What is the difference between Leasehold and Fee Simple ?

**Fee simple** ownership is the individual direct ownership of both the land and the structures or the improvements on the land. However, due to limited land areas, and historical developments of real estate ownership, some of Hawaii's real property is still sold on a "Leasehold" basis. In this method, a buyer will acquire a "ground lease" on the parcel of land, and pay a rental fee (lease rent) to the fee simple owner of the land. In this situation the buyer (lessee) acquires the full use of the real estate but does not actually own the land directly although the buyer usually has direct ownership of any improvements/structures on the property. The buyer may obtain mortgage-financing and/ or may resell his interest in the property at any time.

One advantage of purchasing **Leasehold** property is that it reduces the buyer's initial investment, since he is not paying the full fee simple value for the land. However, lease rents are re-negotiated periodically during the term of the lease. If the value of the property has increased substantially, this could mean a substantial increase in the lease rent amount. Also, most leases include a "reversionary clause" which means that, at the end of the lease, the improvements revert back to the fee owner. It is recommended that you discuss the leasehold situation in detail with your agent before purchasing.

## Closing

The meeting between the buyer, seller and lender or their agents where the property and funds legally change hands.

## Conventional Loan

A mortgage not guaranteed by the Federal Housing Administration or the Veteran's Administration.

## Earnest Money

A payment from the buyer to bind a real estate transaction.

## Escrow

An account held by the lender for property taxes or insurance payments or other items. Also known as "impounds" in some states.

## **FHA Loan**

A loan insured by the Federal Housing Administration.

## **Federal Housing Administration /VA**

A division of the Department of Housing and Urban Development that insures residential loans made by private lenders. Also sets standards for underwriting mortgages. VA is a long term, low or no-down payment loan guaranteed by the Department of Veterans Affairs. Available only to individuals qualified because of military service or other criteria.

## **Fixed Rate Mortgage**

A mortgage on which the interests rate remains the same throughout the term of the mortgage.

## **Hazard Insurance**

A form of insurance in which the homeowner is protected from losses from fire, storms and more.

## **Jumbo Loan**

A loan that exceeds the limits set by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

## **Loan to Value Ratio**

The relationship between the amount of the mortgage loan and appraised value of the property expressed as a percentage.

## **Market Value**

The highest price a buyer would pay and the lowest price a seller would accept on a property. May differ from what a property could be sold for at a given time.

## **Mortgages**

When a buyer pledges a property as collateral on a loan in Hawai i, he does so by means of a mortgage, rather than via a trust deed as used in some other states. With a mortgage loan, the difference is that the legal title to the property is kept in the name of the buyer and not transferred to a trust company. The lender has a lien against the property for repayment of the loan.

### **Mortgage Life Insurance**

Term life insurance designed to pay off the mortgage balance if the insured person dies.

### **Origination Fee**

A fee charged for preparing loan documents to initiate a mortgage loan. Often a percentage of the loan amount.

### **Points**

Prepaid interest paid at closing by the borrower. A point is equal to one percent of the loan amount. (One point on a \$100,000 loan would be \$1,000).

### **Private Mortgage Insurance**

Insurance required by the lender on mortgage loans in which the down payment is less than 20 percent of loan amount. Usually requires an initial premium payment and may require an additional monthly fee.

## **Termite Clearance**

**Due to its warm climate, termites can be a problem affecting Hawai i homes. Most sale contract usually require that the seller provide a Termite Clearance Letter from a licensed pest control company, at the seller s cost.**

### **Title Insurance**

A policy issued by a title company, which insures a homebuyer against errors in a title search.

### **Title Search**

An examination of records to determine the legal ownership of property.

**Truth-In-Lending**

A federal law requiring disclosure of the cost of credit to mortgage loan applicants. Also known as Regulation Z.

**Underwriting**

A process of reviewing an applicant's credit history, employment, assets, liabilities and other financial records to determine whether to make a mortgage loan.

