

HB 1319

February 9, 2015

The Honorable Mark Hashem, Chair

House Committee on Housing
State Capitol, Room 309
Honolulu, Hawaii 96813

RE: H.B. 1319, Relating to Residential Real Estate

HEARING: Monday, February 9, 2015, at 8:30 a.m.

Aloha Chair Hashem, Vice Chair Jordan and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,400 members. HAR **opposes** H.B. 1319 which requires that sellers give qualifying Hawaii residents the right of first refusal in the sale of residential real property.

While HAR supports Hawaii's families and resident in need of housing, we have various concerns with the unintended consequences of this measure. Many of our keiki or families move away to go to school or take a job on the mainland, and work to save money and gain work experience with the intent of returning home. This measure could potentially cause them to lose out on the opportunity to return and purchase a home, because they are now considered a nonresident.

From a seller perspective, once an offer is accepted, a contract is formed between the buyer and seller. This measure proposes to allow the nonresident's Purchase Contract to then be subjected to a right to refusal process, in which a resident could match that offer. HAR has concerns that this impedes the ability of an individual to engage in their private contracts, as established by the Contract Clause of the United States Constitution.

Additionally, the Fair Housing Act prohibits discrimination in housing on the basis of national origin. HAR believes that by differentiating between resident and non-residents will expose real estate licensees to risks in violating the Fair Housing Act.

Finally, a complete and correct copy of the nonresident buyer's written offer and terms are to be published in a statewide publication or on the Department of Commerce and Consumer Affairs website. Real estate licensees have a duty of confidentiality to their clients and placing the Purchase Contract offers in a statewide publication goes contrary to the fiduciary duty owed to one's client.

For the following reasons, we respectfully request that this measure be held.

Mahalo for the opportunity to testify in opposition and respectfully ask that this measure be held.



Randy L. Prothero, REALTOR®

Principal Broker
ABR, AHWD, CRS, e-PRO, GRI, MRP, SFR

Island Style Realty Inc.

Cell: (808) 384-5645
Homes@HawaiiRandy.com
www.HawaiiRandy.com



February 7, 2015

The Honorable Mark Hashem
Chair House Committee on Housing
State Capitol, Room 309 Honolulu, Hawaii 96813
RE: H.B. 1319, Relating to Residential Real Estate

HEARING: Monday, February 9, 2015, at 8:30 a.m.

Aloha Chair Hashem, Vice Chair Jordan and Members of the Committee:

I am writing In Strong **Opposition of HB 1319**

This law would limit a home owner from taking advantage of the free and open market to sell their home. Many times someone is selling their home because they are in a distressed situation where they may be at risk of losing their home. By making it harder to sell their home quickly or at top dollar could create a hardship to those home owners.

Also returning residents to Hawaii would be discriminated against from buying a home.

This proposed law is wrong on several levels and would cause harm unnecessarily. Please vote no on this bill.

Thank you for your consideration.

Sincerely,

Randy L. Prothero, REALTOR®