

Testimony of the Real Estate Commission

Before the
House Committee on Tourism
Thursday, March 20, 2025
10:00 a.m.
Conference Room 423 and Videoconference

On the following measure:
H.C.R. 102, STRONGLY URGING THE REAL ESTATE COMMISSION TO ALLOW FOR THE ADMINISTRATION OF THE REAL ESTATE SALESPERSON'S EXAMINATION IN THE JAPANESE LANGUAGE FOR PURPOSES OF ISSUING A FULL REAL ESTATE SALESPERSON'S LICENSE, LIMITED TO THE SALE OF TIMESHARE PRODUCTS IN HAWAII, TO PROMOTE THE SALE OF THESE PRODUCTS TO JAPANESE-SPEAKING VISITORS AND ENHANCE JAPAN'S INVOLVEMENT IN AND SUPPORT OF THE HAWAII TOURISM INDUSTRY.

Chair Tam and Members of the Committee:

My name is Derrick Yamane, and I am the Chairperson of the Hawai'i Real Estate Commission (Commission). The Commission opposes this resolution.

The purpose of this resolution is to urge the Commission to allow for the administration of the real estate salesperson's examination in the Japanese language for purposes of issuing a real estate license limited only for the sale of timeshare products in Hawaii

At its August 23, 2024 meeting, the Commission considered a similar request from Hilton Grand Vacations ("Hilton"). After a full discussion and consideration, the Commission voted unanimously to deny the request for administering the real estate examination in Japanese.

The Commission appreciates the visitors to the state and the benefits they create. Still, the Commission's purpose as stated in Hawaii Revised Statutes section 467-4, is "the protection of the general public in its real estate transactions," and creating a Japanese language examination may create additional concerns that will need to be addressed for the public's protection, such as: (1) the Regulated Industries Complaints Office ("RICO") does not have Japanese language resources to assist complainants red? (2) concern that the limited licensee leaves the "larger" timeshare company, that the subsequent "smaller" timeshare company will not have the resources to properly oversee the conduct of the limited licensee (3) will a timeshare reseller have

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the resources to properly oversee the conduct of the limited licensee (4) that prelicensing schools do not currently teach the mandatory prelicensing education in Japanese and (5) that the 20 hours of mandatory continuing education classes are offered only in English. Thank you for the opportunity to testify on H.C.R. 102/H.R. 98.

HR-98

Submitted on: 3/17/2025 3:03:28 PM

Testimony for TOU on 3/20/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Emery	Hawaii First Realty	Oppose	Written Testimony Only

Comments:

A real estate license includes broad obligations and duties to the public. A licensee should be able to pass the licensing test in the language the laws were written in, in this case English. Passing the test that only covers limited test areas does not assure the public the licensee has the full proficiency necessary to communicate properly to clients and to protect the consumer. OPPOSE.



March 19, 2025

TO: Representative Adrian Tam, Chair
Representative Shirley Ann Templo, Vice Chair
Members of the House Tourism Committee

FR: AMERICAN RESORT DEVELOPMENT ASSOCIATION – HAWAII (ARDA-Hawaii)

RE: **HCR 102, - STRONGLY URGING THE REAL ESTATE COMMISSION TO ALLOW FOR THE ADMINISTRATION OF THE REAL ESTATE SALESPERSON'S EXAMINATION IN THE JAPANESE LANGUAGE FOR PURPOSES OF ISSUING A FULL REAL ESTATE SALESPERSON'S LICENSE, LIMITED TO THE SALE OF TIMESHARE PRODUCTS IN HAWAII, TO PROMOTE THE SALE OF THESE PRODUCTS TO JAPANESE-SPEAKING VISITORS AND ENHANCE JAPAN'S INVOLVEMENT IN AND SUPPORT OF THE HAWAII TOURISM INDUSTRY.**
Hearing date: Thursday, March 20, 2024, at 10:00 a.m.

Aloha Chair Tam, Vice Chair Templo and members of the House Tourism Committee,

ARDA-Hawaii is the local chapter of the trade association for the timeshare industry. There are currently 98 resorts and more than 15,000 timeshare units throughout Hawaii. ARDA-Hawaii hereby submits testimony in **STRONG SUPPORT of HCR 102 STRONGLY URGING THE REAL ESTATE COMMISSION TO ALLOW FOR THE ADMINISTRATION OF THE REAL ESTATE SALESPERSON'S EXAMINATION IN THE JAPANESE LANGUAGE FOR PURPOSES OF ISSUING A FULL REAL ESTATE SALESPERSON'S LICENSE, LIMITED TO THE SALE OF TIMESHARE PRODUCTS IN HAWAII, TO PROMOTE THE SALE OF THESE PRODUCTS TO JAPANESE-SPEAKING VISITORS AND ENHANCE JAPAN'S INVOLVEMENT IN AND SUPPORT OF THE HAWAII TOURISM INDUSTRY.**

ARDA-Hawaii strongly supports the HCR 102 to allow the real estate examination for the issuance of a salesperson's license to be administered in the Japanese language, and that, upon passage of the exam by the applicant, the Commission issue a license that would be limited to the sale of timeshare interests only, and for no other type of activity (i.e., residential, or commercial property management, condominium management and residential sales).

Based on experience in other jurisdictions, ARDA—Hawaii believes that if adopted, this will increase the passage rate for Japanese-speaking applicants, which will, in turn, result in increased visitor counts from Japan to Hawaii.

Timeshare owners have made a long-term commitment to Hawaii by purchasing and owning real property in the State, significantly supporting our economy. These owners are consistent and dependable visitors who bring substantial tax dollars to the State and continue to come even during periods of economic downturn. Indeed, historical averages for timeshare occupancy hovers around 90%, significantly outpacing traditional lodging. Over time, timeshare owners become part of the fabric of our local community as they return year after year. Since they are owners, they continue to visit the islands even during challenging times. We witnessed this during prior natural disasters and economic downturns such as Hurricane `Iniki (1992) and recovery periods following the COVID pandemic (2020) and the devastating 2023 Maui Wildfires. Timeshare is an economically resilient industry.

A large majority of buyers are from Japan. HCR 102 would promote the sale of these products to the Japanese market and enhance Hawaii's tourism industry. Hawaii's tourism industry as a whole has not yet seen a complete return of the Japanese visitor market to our islands following the wildfires and also due to the current weakness of the yen. This has proven challenging for our economy, especially on our neighbor islands.

HCR 102 helps to directly address an issue that is hindering the return of Japanese visitors. It has been difficult to hire and license enough sales associates to meet the demand of the Japanese market. Enabling additional salespersons to take a real estate license in Japanese and the corresponding increase in passage rate would facilitate an increase in Japanese visitors back to the islands, particularly with the new development on the horizon. This support allows Hawaii to continue with the recovery of our visitor industry as we seek to rebuild Lahaina and other parts of West Maui.

Chapter 467 of the Hawaii Revised States gives the Commission broad authority to issue licenses on a conditional basis. As proposed, HCR 102 would encourage the Commission to permit the administration of real estate license examinations in Japanese and, in turn, promote the continued growth of the tourism industry in Hawaii.

Thank you for your consideration of this request. We look forward to having a more detailed conversation and answering any questions the Commission may have.

Thank you for your consideration.

Respectfully submitted,



Justin J. Vermuth
ARDA Hawaii

HR-98

Submitted on: 3/20/2025 9:21:28 AM

Testimony for TOU on 3/20/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Watanabe	Hilton Grand Vacations	Support	Written Testimony Only

Comments:

I support the request regarding Japanese language testing abilities for the Hawaii Real Estate exam for Sales persons. I believe this would further the ability for organizations in Hawaii to recruit top talent from Japan and help support the inbound Japan tourism market in Hawaii. Visitors from Japan tend to spend more money while on vacation while respecting the culture of the destination. Timeshare owners have a much higher tendency to return to Hawaii every year and bring friends and family to the state. This will further advance the opportunity to expand visitors to Hawaii from Japan.

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