

Luxus sells out first phase of Hawaii project

BY GARY LAMPHIER, EDMONTON JOURNAL JULY 16, 2015

An Edmonton-area developer has sold out the first phase of a \$50-million US luxury resort project on Hawaii's Big Island.

Sherwood Park-based Luxus Developments said it closed the sale Thursday of the first seven units of the 17-unit gated project, known as the Residences of Laule'a, for a total of \$20 million.

The buyers come from Texas, Georgia and Western Canada, said Stephen Petasky, president of Luxus Group, the parent company. The project, located on a two-hectare parcel on the Kohala Coast, is expected to take about 18 to 24 months to complete.

"A \$20-million sales day is not very common here. On the island of Oahu there are some big sales numbers there, but on Big Island this is a big deal, so we're pretty excited about it. This is a big day for us."

Although the price tag for a luxury unit is as high as \$3-million plus, Luxus is marketing them as "mid-luxury units" in Hawaii, where condos routinely sell for more than \$1 million and some opulent homes are priced in the \$15-million range, he said.

"We kind of fit that middle niche and that's the biggest difference we've found among post-recession buyers. A lot of people are still working and they don't want the hassle of caring for a big single-family home. So this is really a hassle-free community where snowbirds can just lock up and go."

Demand for property in Hawaii is currently being driven largely by a mix of affluent U.S. West Coast and Asian buyers, although purchasers from Western Canada are still active, despite the plunging loonie, he said.

"Some are on the edge of retirement but most are still working. They just want a place where they can spend a few months of the year," Petasky said.

"Some also want to be able to rent their property to create some revenues to offset costs. That's also allowed at this project, and that's pretty rare for this type of community."

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