

# Housing in West Maui

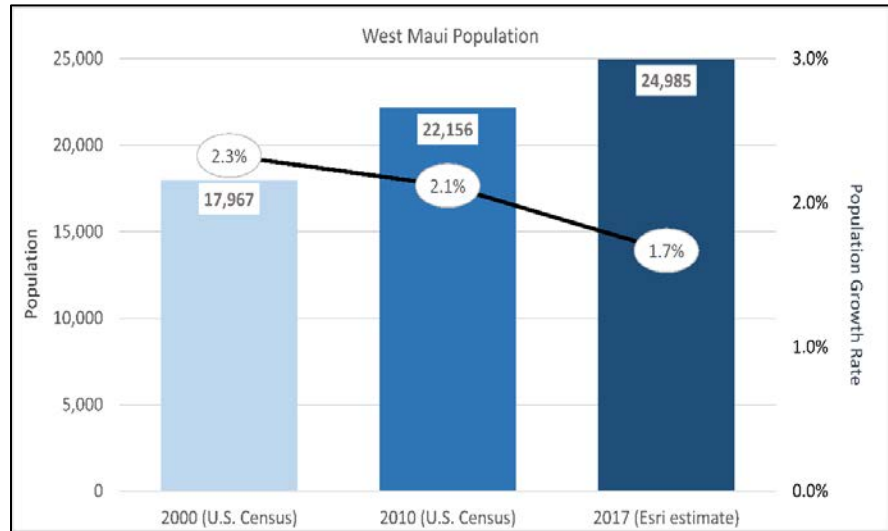
With the population of Maui projected to increase over the coming years, demand for housing will continue to grow. In Hawaii's high-priced housing market, demand for lower priced housing is especially significant, however supply is low, making it difficult for many individuals and families to find needed housing.

## Population

The population of West Maui increased from just over 22,000 in 2010 to nearly 25,000 in 2017. There were 8,742 West Maui households in 2017, a 1.7% increase over the 2010 number of 7,759 households.

The 2017 average household size is 2.8 persons. The median age in West Maui is 40 years old versus the national average age of 38. Nearly 80% of West Maui residents are over the age of 18. (ESRI, 2017)

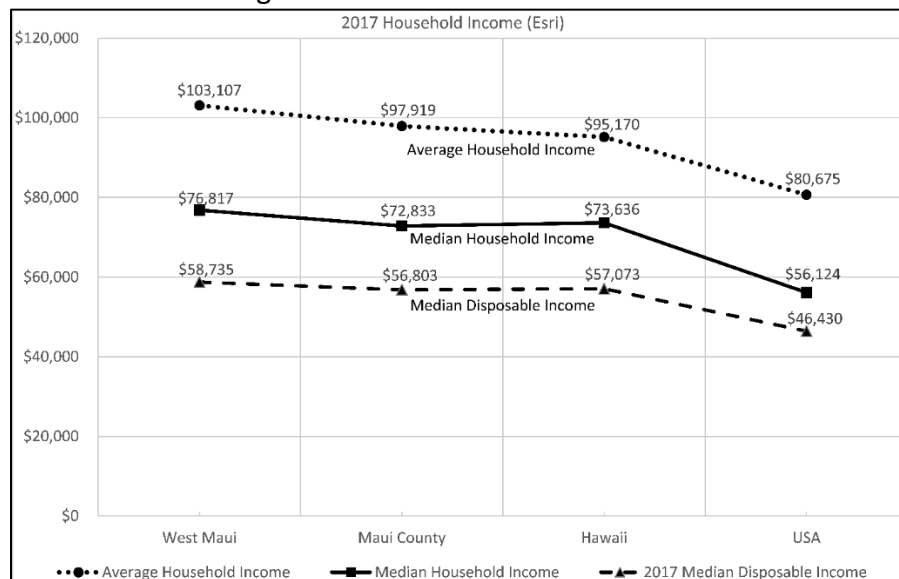
Figure 1. West Maui Population 2000, 2010, 2017



## Income

The West Maui median (the midpoint of the income range) household income in 2017 was \$76,817, while the average household income was \$103,107. Disposable income is defined as the amount of money that households have available for spending and saving after income taxes have been accounted for.

Figure 2. 2017 Household Income

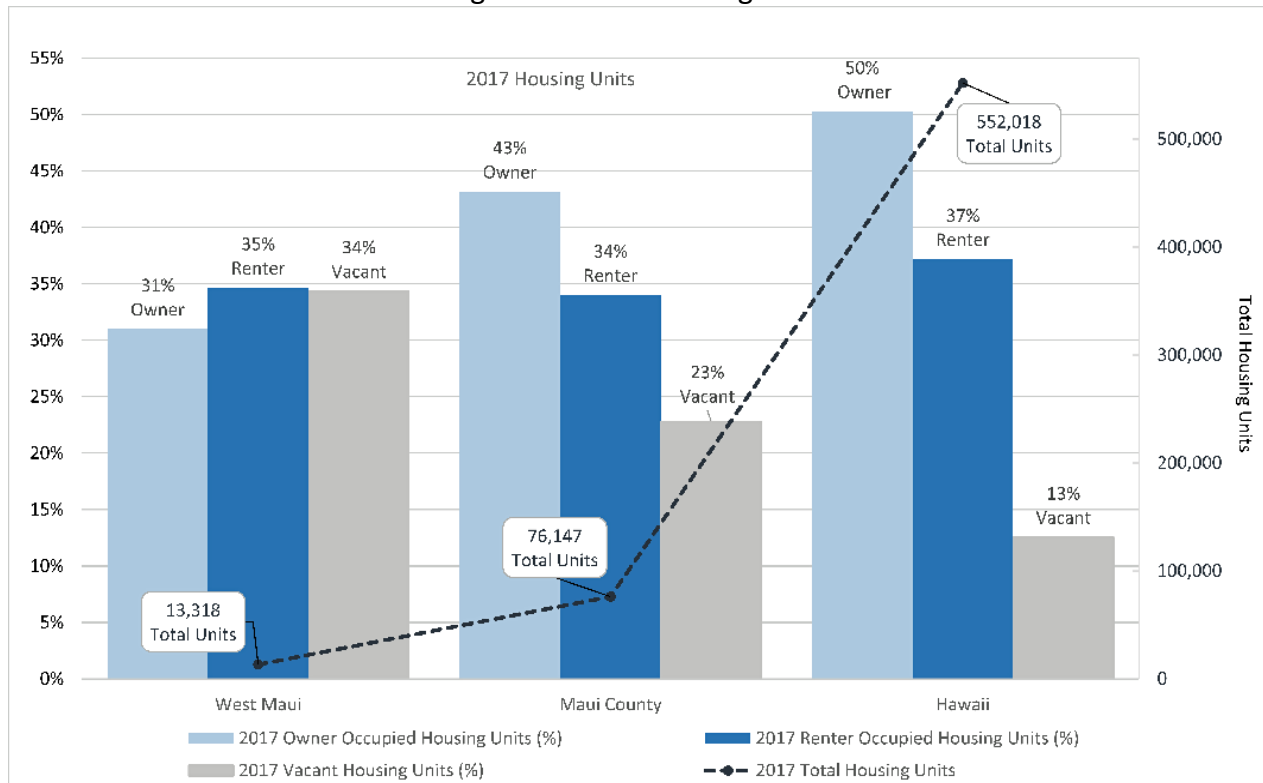


## Housing Units

In 2017, there were 13,318 housing units in West Maui, a 12% increase from 2010. Only 31% of the housing units in West Maui were owner occupied; 35% were renter occupied; and the remaining 34% were vacant (ESRI, 2017). Note that vacant units are made up of three components: a) vacant for-sale properties, b) vacant for-rent properties, and

c) second and occasional use homes. Second homes include homes held for recreation or vacation, homes used for employment-related reasons, homes occupied temporarily by a household with a usual residence elsewhere, and second homes used for other purposes. (DBEDT, 2015)

Figure 3. 2017 Housing Units



## Housing Production

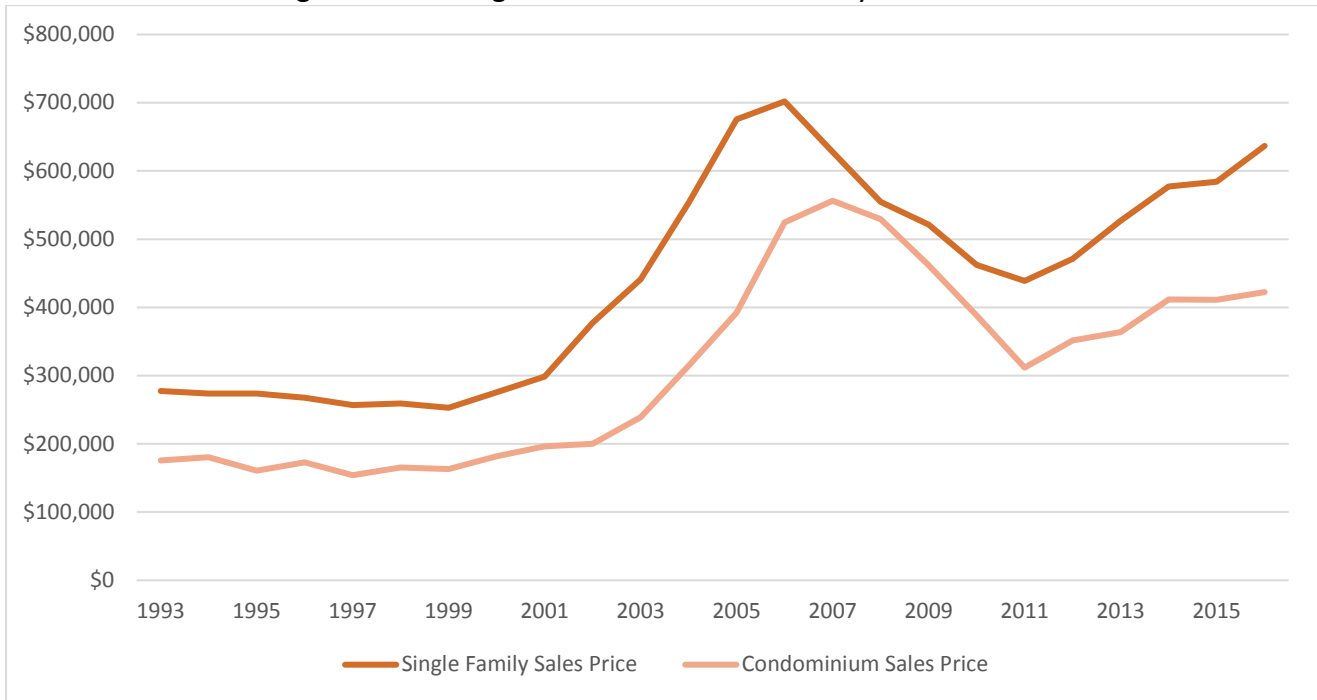
Production of new housing units are typically driven by market demand. The housing market in Hawaii is considered supply inelastic, meaning an increase in demand does not lead to an increase in supply in a timely or efficient manner (SMS 2016). The result is higher housing prices. A number of limitations to housing production have been identified by different studies:

- lack of “reasonably priced” developable land;
- lack of major off-site infrastructure;
- high development costs;
- government regulations;
- community opposition; and,
- growing environmental requirements (State of Hawaii 2015).

## Housing Prices and Sales

Median home sales price for Maui County reached a high in 2006 for a single family home (\$701,900) and 2007 for a condominium (\$556,300). Prices decreased through 2011 and have steadily increased since.

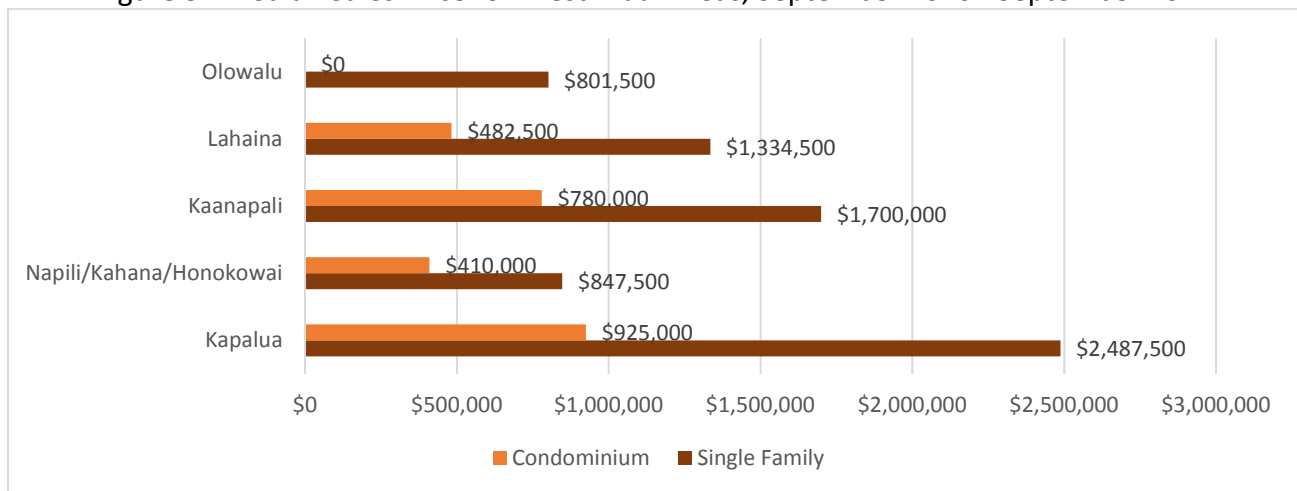
Figure 4. Housing Sale Prices for Maui County 2006 to 2016



Source: <http://data.uhero.hawaii.edu>

Figure 5 shows the median sales prices for single family and total condominium units by West Maui area for the period September 2016 to September 2017.

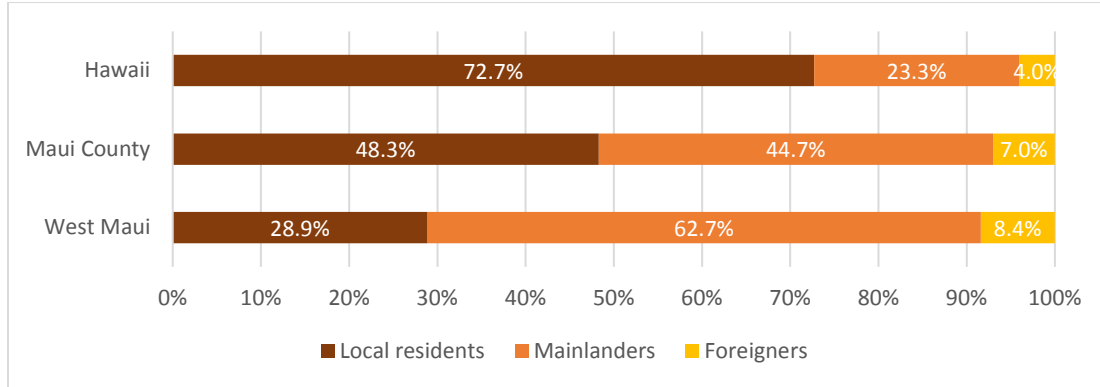
Figure 5. Median Sales Price for West Maui Areas, September 2016 - September 2017



Source: Realtors Association of Maui, Inc. 2017

Home sales have been dramatically impacted in Maui County by non-resident buyers as shown in Figure 6 below. Sales of homes to non-residents are estimated at just over 70 percent of all purchases in West Maui.

Figure 6. Composition of buyers for West Maui, Maui County, and Hawaii (2008-2015)



Source: DBEDT 2016

Many of the homes purchased by non-residents were either second homes or timeshare units that are considered vacant, seasonal, recreational or occasional use by the U.S. Census (SMS 2016). These homes, therefore, become unavailable to residents.

High housing prices are making it difficult for households to buy or rent a home without spending more than 30 percent of their monthly household income. In Maui County, only 9.3 percent of prospective single family home buyers were identified as fully qualified to purchase a home.

Table 1. Financial Qualification to Purchase a Home in Maui County, 2016

	Single Family Home	Multi-family Unit
Median Sales Price	\$607,000	\$370,000
Down Payment Required	\$121,400	\$74,000
Monthly Mortgage Payment	\$2,898	\$1,766
Total Effective Demand Buyers <sup>1</sup>	5,009	664
Can Afford Monthly Payment	25.9%	50.9%
Have Adequate Down Payment	23.3%	23.0%
Fully Qualified	9.3%	20.9%

Source: SMS 2016

<sup>1</sup>Households that plan to purchase a home

Table 2. Financial Qualification to Rent a Home in Maui County, 2016

	Single Family Home	Multi-family Unit
Median Monthly Rent Amount	\$2,090	\$1,922
Security Deposit + 1st Mo. Rent	\$4,180	\$3,844
Total Effective Demand Renters <sup>1</sup>	3,792	2,516

Source: SMS 2016

<sup>1</sup>Households that plan to rent a multi-family unit

The National Low-Income Housing Coalition (2016) measured the hourly wage income needed to rent a median-priced 2-bedroom apartment in Maui County for 2016:

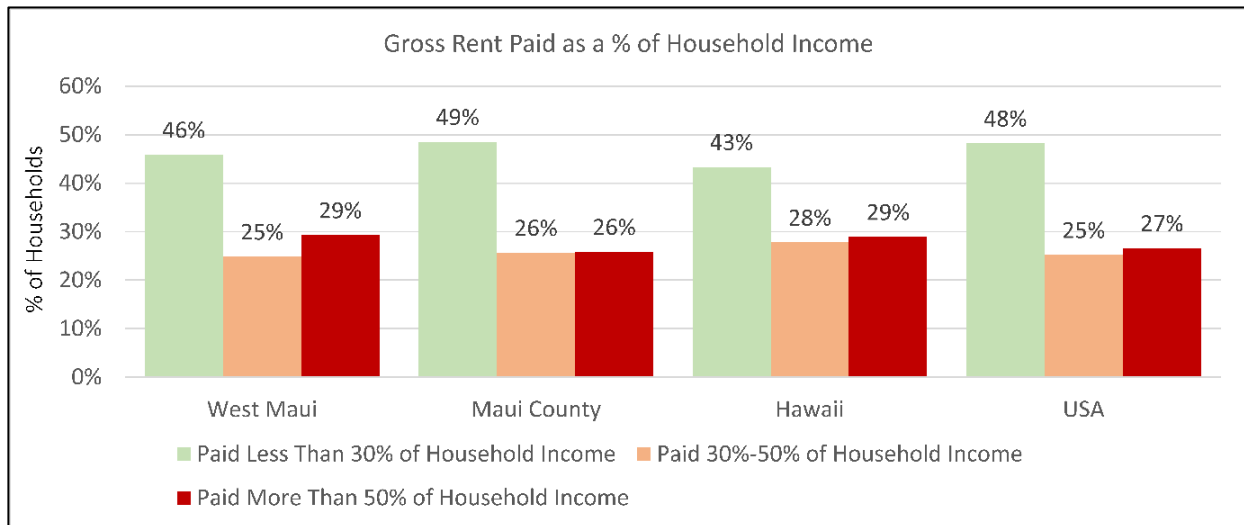
Fair Market Rent for 2-bedroom apartment	\$1,780
Maui County hourly housing wage needed	\$24.73
State of Hawaii hourly housing wage needed	\$34.22
Estimated monthly income needed	\$5,932
Estimated annual income needed	\$71,184
Minimum Wage	\$8.50
Average Renter Wage (Hawaii)	\$14.53

The State of Hawaii housing wage ranked highest among all states in 2016.

Housing expenditures that exceed 30% of household income have historically been viewed as an indicator of a housing affordability problem. Households paying 30% to 50% of household income are considered moderately housing-cost burdened, while households paying 50% or more are considered severely housing-cost burdened.

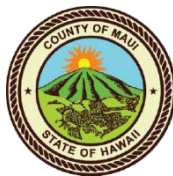
As shown in Figure 7, the U.S. Census Bureau’s 2011-2015 American Community Survey found that 46% of West Maui renters paid less than 30% of their household income for gross rent, while 25% paid between 30% and 50% of household income, and 29% paid more than 30% of household income for their gross rent. Gross rent is the contract rent plus the estimated average monthly cost of utilities and fuels if these are paid by the renter or paid for the renter by someone else. (U.S. Census Bureau 2017)

Figure 7. 2017 Gross Rent Paid as a Percentage of Household Income



## References Cited

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County of Maui  
Department of Planning  
2200 Main Street, Suite 601  
Wailuku, HI 96793

Phone: (808) 270-7214 Web: [www.wearemaui.org](http://www.wearemaui.org) Email: [wearewestmaui@mauicounty.gov](mailto:wearewestmaui@mauicounty.gov)

