



Hawai'i Home Advocates

"Understanding Makes All the Difference."™

VACANT PROPERTY

Costs, Risks & Your Options

A plain-English guide for Hawai'i homeowners who own a property sitting vacant.

"Understanding Makes All the Difference."™

ONE MISSION · THREE GOALS

One Mission: To educate homeowners.

Three Goals: To help Hawai'i homeowners —

1. Understand their situation,
2. Learn their rights and options, and
3. Navigate toward the best possible outcome.

Everything here is free. Nothing is required.

And every path leads to your best interest.

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OWNING A VACANT HOME IN HAWAII — THE CLOCK IS RUNNING

A vacant property might feel like a problem on pause — but in Hawaii, the clock is running. Carrying costs, insurance complications, county ordinances, vandalism risk, and accelerated deterioration in the tropical climate make vacancy one of the most financially draining situations a homeowner can face. The good news: you have more options than most people realize.

Real Costs & Risks

- ✓ Property taxes continue — Honolulu's vacant/non-owner-occupied rate can be significantly higher
- ✓ Vacant home insurance is harder to obtain and more expensive (typically 50–60% more than standard)
- ✓ Standard homeowner policies lapse or exclude coverage after 30–60 days of vacancy — act before day 30
- ✓ Hawaii's tropical climate accelerates deterioration — mold, termites, and rust don't pause
- ✓ Vandalism, squatting, and theft are real risks on all islands
- ✓ HOA (Homeowners Association) dues, utilities, and upkeep costs continue monthly
- ✓ If financed, mortgage payments continue regardless
- ✓ Some Hawaii counties have vacant property registration requirements and ordinances
- ✓ You remain liable for injuries on the property — maintain liability insurance coverage

Vacancy Timeline

Period	What Happens	Risk Level
Month 1–3	Taxes, insurance, utilities begin accumulating	Low — act now
Month 3–6	Mold, pest activity, weathering begins in Hawaii's climate	Moderate
Month 6–12	Visible decline — repair costs rise, value may dip	High
12+ Months	County notices, potential liens, major repairs needed	Critical

■ **Honolulu County** charges a higher real property tax rate for vacant and non-owner-occupied homes. **Maui County** has additional regulations targeting long-term vacant properties. Check your county's current ordinances — carrying costs may be higher than you expect.

■ **Squatter risk — know the facts:** You cannot simply call police to remove someone who has established residency without permission. Removing a squatter requires a formal court process (FED — Forcible Entry and Detainer). The myth that squatters gain rights after 30 days is false — Hawaii's adverse possession period is **20 years**. Prevention is the key: inspect regularly, secure all access points, and act immediately if you discover unauthorized occupancy.

YOUR OPTIONS — YOU HAVE MORE CHOICES THAN YOU MAY REALIZE

There is no one-size-fits-all answer. The right path depends on your financial situation, property condition, timeline, and goals.

Move Back In — Reoccupy the Property **Consider First**

- ✓ Stops every vacancy problem simultaneously — insurance, taxes, squatter risk, deterioration
- ✓ Restores the home exemption — potentially saves thousands per year in property taxes
- ✓ If you're paying rent elsewhere, you may save money on both ends
- ✓ No carrying cost, no commissions, no transaction costs
- Requires you to be able and willing to relocate back to the property

List on the Open Market **Often Best**

- ✓ Maximum exposure to buyers island-wide — competitive offers possible
- ✓ Stops ongoing carrying costs once sold
- ✓ Best price if property is in reasonable condition
- Typically 60–120+ days to close in Hawaii
- Requires property to show well — may need prep and repairs
- 5–6% agent commission

Renovate, Then List

- ✓ Targeted improvements can meaningfully increase value in Hawaii's market
- ✓ Stops the deterioration clock while potentially boosting proceeds
- Get contractor estimates and compare to expected price increase before committing
- Requires time and upfront capital

Rent It Out **Consider**

- ✓ Generates monthly income to offset carrying costs
- ✓ Preserves ownership while market appreciates
- STR (Short-Term Rental) permits are tightly restricted in most Hawaii counties — verify your zoning before planning on STR income
- Long-term tenants have strong legal protections in Hawaii
- Requires active management or a property manager

Direct Off-Market Sale **Fast Option**

- ✓ Immediate end to all carrying costs
- ✓ No repairs or cleanup required — sell as-is
- ✓ Can close in 7–21 days on your timeline
- ✓ No commissions or agent fees
- Below full market value — typically 70–85%
- Best when speed or property condition is the priority

YOUR ACTION PLAN — WHAT TO DO RIGHT NOW

- 1 **Calculate your true monthly carrying cost.** Add up: mortgage payment, property taxes (at the correct vacancy rate), insurance, HOA dues, utilities, and minimum maintenance. Most owners are surprised by the real number.
- 2 **Call your insurance carrier before day 30.** Ask whether your current policy has a vacancy clause and at what point coverage lapses. If vacant longer than 30 days already, call today. You need a vacant home endorsement or separate policy — do not leave this unaddressed.
- 3 **Confirm your county property tax classification.** Honolulu and Maui both have higher rates for vacant and non-owner-occupied properties. Confirm which rate applies at your county's real property tax office.
- 4 **Secure the property.** Change locks, check for water leaks, ensure minimum ventilation to prevent mold, maintain the exterior. A maintained property is a less attractive target and limits your liability exposure.
- 5 **Inspect it regularly.** Monthly walkthroughs catch water damage, pest activity, code violations, and unauthorized access before they become expensive. Arrange for a neighbor, property manager, or scheduled service if you're not local.
- 6 **Research short-term rental regulations before renting.** STR permits are tightly restricted in most Hawai'i counties. Verify your zoning and permit requirements before advertising the property.
- 7 **Get a current market value estimate.** Understand what your property is worth before deciding to hold, rent, or sell. Markets shift — the number may surprise you in either direction.
- ! **Don't let inaction make the decision for you.** Every month of vacancy is money leaving your pocket. Set a decision deadline and stick to it.
- 8 **Contact Barbara.** Free review of whether renting, listing, or selling makes the most financial sense for your specific property — no pressure toward any particular outcome. 808-781-6951

DOCUMENTS TO GATHER FIRST

- Property tax bill (check rate)
- Mortgage statement (if financed)
- County zoning confirmation
- Last inspection report (if any)
- Current insurance policy
- HOA dues statement
- Title / deed documents
- Any liens or encumbrances

FREE RESOURCES — HELP FOR VACANT PROPERTY OWNERS

Honolulu Real Property Assessment Division (RPAD)

Confirm your current tax rate classification and vacant property status for O'ahu properties.

808-768-3799 | realproperty.honolulu.gov

Maui County Real Property Tax Division

Check Maui's vacant property regulations and current tax rates.

808-270-7297 | mauicounty.gov

Hawai'i State DCCA — Zoning & Land Use

County zoning, land use classifications, and property regulations across all islands.

cca.hawaii.gov

Hawai'i State Bar — Lawyer Referral Service

Find a licensed Hawai'i real estate attorney for quiet title actions, title disputes, or squatter removal.

808-537-5177 | hsba.org

Barbara Coote — Hawai'i Home Advocates

Free consultation — honest review of your options. No pressure toward any outcome.

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- **Hawai'i STR note:** Short-term rental regulations vary significantly by county and zoning. Operating without a permit carries significant fines. Verify your permit requirements — and current county rules — before advertising the property for short-term rental.

Barbara Coote is a licensed Hawai'i REALTOR® and investor. Hawai'i Home Advocates provides free homeowner education. Barbara Coote receives no compensation for referrals and none is expected. This guide is not legal or financial advice — consult a licensed Hawai'i attorney for property disputes, squatter removal, and title matters.



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"When God closes a door, He opens a window."

I want to be that window for you.

"Informed Decisions are the Best Decisions."™

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Free. No sign-up. No obligation. Ever.