

Business

Affordable-rental complex welcomes new residents

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COURTESY AVALON DEVELOPMENT

7000 Hawaii Kai Drive, a 269-unit rental apartment complex in East Oahu, opened ahead of schedule and on budget following a blessing Friday. Shown above is the interior of one of the units.

The first rental apartment complex built in more than a decade in East Oahu opened Friday after a blessing of the 269-unit community.

The \$168 million project, known as 7000 Hawaii Kai Drive, opened ahead of schedule

and on budget at the corner of Hawaii Kai Drive and Keahole Street surrounded by 3 acres of Hawaiian wetlands.

“The significance of this project for the community is that this is the only 100 percent rental community. Not everybody’s going to be able to buy, but it’s an opportunity for those who choose to rent to be able to rent it,” said Christine Camp, chief executive officer of developer Avalon Development. “It’s a resource for the community.”

Some 45 families have already moved in, even before furniture arrived at the complex, she said. In addition, the developer has leased about 140 units and expects that number to grow by about 10 to 20 units a month. Camp expects the building to be leased to capacity by year’s end.

Avalon designated 54, or 20 percent of the units, as affordable housing under city guidelines. To qualify for the below-market units, applicants may not earn more than 80 percent of the median income in Honolulu, or \$61,350 for a couple and \$76,650 for a family of four, and cannot own a majority interest in other residential property. There are a few remaining units for households with low incomes because some applicants did not qualify, she said.

Camp says Avalon intends to replicate the affordable-housing model, without government funding, elsewhere on the island.

“People talk about housing as for-sale housing, but it’s got to be robust rental housing as well,” she said. “There’s a lot of rental housing that are coming in for 60 percent and below median income, but what about those that make more? That’s where our niche is, the middle-income gap.”

A major housing concern on Oahu is the lack of inventory on the market for Hawaii’s growing population. Over the past few years, low mortgage interest rates have driven buyer demand up and inventory down. The median price of a single-family home climbed 3 percent to \$719,000 from \$698,000 in May, while condo prices slipped 0.5 percent to \$373,000 from \$375,000.

“This is an all-rental community, which is a fairly new concept in Hawaii,” Camp added. “7000 Hawaii Kai Drive is giving sons and daughters the opportunity to move back into the community they grew up in and giving empty-nesters an option to downsize in their own community and not have to move out of East Honolulu.”

Honolulu-based Avalon developed the project for landowner Hanwha Engineering & Construction of South Korea. The developer and owner helped create the Hawea Heiau Cultural Preserve on approximately 5 acres and deeded the land to Livable Hawaii Kai Hui to preserve the cultural, environmental and historical aspects of the property.

The apartment complex offers two-, three- and four-bedroom units ranging in price

from about \$2,500 to \$4,200 and includes outdoor barbecues and a resort-style pool, Jacuzzi, fitness center, concierge, club room, business center, movie theater, parking structure and pet spa. Monthly rent for the affordable rentals range from \$1,495 for two-bedroom, two-bathroom units with 709 to 782 square feet of living space to \$2,336 for three-bedroom, two-bathroom units with 1,018 to 1,103 square feet of living space.

CORRECTION: Please note the correct affordable rental rates are \$1,764 for the two-bedroom unit and \$2,635 for the three-bedroom unit.