

Affordable housing lottery attracts 267 potential buyers

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WAILUKU – Stanford Carr Development handed out 267 reservation numbers in a lottery for 114 affordable town houses Wednesday.

The financial qualification process can begin, said broker Patrick O'Neill.

On Jan. 29, the reservation holders will find out whether they won the right to buy a two- or three-bedroom town house at Kehalani Gardens.

"It was very successful," said O'Neill.

No reservations are being taken yet for the market-price component of Kehalani Gardens, which is at the intersection of Kuikahi Drive and Waiale Road. O'Neill said the model homes should be on display by February.

It is possible that a few more will be shifted into the affordable segment.

To qualify to buy the subsidized homes, families must have an income of no more than \$84,980 per year.

Those who certified they met that limit were permitted to put down their names in the lottery.

The Kehalani Gardens sales office also will continue to accept applications on a first-come, first-served basis through January, but the applicants selected by Wednesday's lottery will have first priority.

Those candidates now must start the process of becoming qualified for mortgages to buy the town homes.

Although mortgage rates have been rising in recent months, O'Neill said so far that does not seem to have much effect on the ability of buyers to qualify for loans.

"Rates are so historically low, and flexible mortgages allow more people to get in," he said.

Two forms of mortgage are popular with first-time buyers trying to get a toehold in Maui's steamed-up real estate market: the no-down, 100 percent mortgage, and the interest-only mortgage.

With the affordable units in Kehalani Gardens, buyers must agree to occupy the affordable houses, and not rent or sell them, for at least two years.

Although it is subsidized, O'Neill said the Kehalani Gardens town homes will maintain the

design and material quality for which Stanford Carr Development is known. Carr "was adamant about high standards," he said.

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