

PACIFIC BUSINESS NEWS

Monday, March 8, 2004

Pat Choi -- Real estate's \$100-million woman

From Pacific Business News

Pat Choi is a perfectionist.

That trait suits her profession well because many of her clients demand close attention to detail -- and customer service somewhere close to perfection.

The president and principal broker of Choi International says she closed more than \$100 million in home sales last year, setting a personal record in Hawaii real estate. She expects to do just as well, if not better, this year.

Her listings include a \$20 million property on Kahala, \$10 million property on Diamond Head Road and \$6.85 million property on Hawaii Loa Ridge (the winner of the 2003 Building Industry Association Renaissance Award). Take a drive through Kahala, and chances are you'll see the Choi International signs dotting the streets.

The luxury real estate market in Hawaii set a record sales volume of more than \$495 million in 2003, according to Coldwell Banker Pacific Properties. Growth outpaced the mainland due to a growing demand from wealthy residents despite rising property values.

The price of vacant Kahala lots also has gone up, according to Choi. During the Japanese bubble period of the late 1980s, the lots averaged about \$200 per square foot and dropped to about \$90 per square foot when the state's economy fizzled in the 1990s. Now they've risen to more than \$150 per square foot, and the price for vacant lots is on the upswing, she said.

She and her husband, Cedric Choi, are members of the "Who's Who of Luxury Real Estate" -- an international network and directory of luxury brokers that lists agents by invitation only.

They travel the world scoping out the most expensive, luxurious residences and helped sell the home of Al Masini, producer of the "Lifestyles of the Rich and Famous."

Yet, they live in a simple but elegant Kahala condominium.

Choi attributes her success to experience, cultivation of personal relationships and knowledge of the market, along with a steely patience beneath a professional exterior. The firm's motto is: "Extraordinary properties, unrivaled expertise."

Part of her job is to help homebuyers understand the value of the home they are viewing on Oahu, given that luxury homes on the island are in limited supply.

"When you come to the islands, everything is scaled down to size," Choi said. "We have the best air and water in the world. People come to Hawaii for the fresh air, pure water and weather."



Tina Yuen • PBN

Pat and Cedric Choi at one of the luxury homes their company is selling.

Customers in the luxury-home market make purchases more for emotional and personal reasons than purely financial reasons -- and many pay in cash. So mortgages and interest-rate fluctuations have little impact on their decisions. Sometimes, it's just a matter of timing.

Growing a reputation

Choi first came to Hawaii from Birmingham, Ala., in the mid-1970s to work as a real estate paralegal at Torkildson Katz Conahan & Loden. It wasn't until one year after she married Cedric, whom she met while working at the firm, that she decided to start her own real estate firm in 1981.

Now the firm has a total of 22 full- and part-time agents on staff, focusing on Hawaii's high-end residential market.

She remembers her first sell -- a luxury condominium on Maui's Kaanapali Shores in the late 1970s. Her client, an art gallery owner, later became a regular client for other sales.

Besides 2003, the best record she had was in the year 2000, when she closed \$70 million in sales. In the past eight years, Choi estimates she's sold nearly 30 oceanfront properties in Kahala.

Part of Choi's success has to do with her selectiveness and work ethic. She works seven days a week, meeting with clients when it's most convenient for them -- and she's selective about the properties she represents.

"When our sign goes up in front, it's usually a property of high-quality distinction," she said. "We select the profile of what we've established."

Cedric Choi, vice president and administrative manager of Choi International, has been a practicing attorney for 25 years. The more quiet-spoken of the pair, he nevertheless stands like a sentinel guard, helping to oversee the business.

A graduate of Punahou School, Stanford, and the University of Santa Clara School of Law, Cedric Choi co-authored "The Complete Guide to Preventing and Resolving Brokerage Disputes for Investors, Advisors and Attorneys."

Though many celebrities choose to go to more remote communities on the neighbor islands, Choi says she has refined her services for those seeking a home on Oahu.

Compared to Kahala and Diamond Head, Hawaii Loa Ridge has a newer stock of homes, and is among one of the most expensive gated communities in Hawaii. Choi attributes the price of the homes there to the fine details and craftsmanship.

Oahu is the choice of luxury homebuyers who want to live in neighborhoods instead of resorts, according to Choi.

"After a while, they want to come to Oahu for its cultures, arts and access to airports and medical facilities," she said.

They also want to feel like kamaaina -- and become a part of the community, she added.

Movie stars, producers and celebrities have purchased some of the homes, she said, but she is strict about their confidentiality. Discretion is the absolute rule for any Realtor serving this class of clientele, she says.

"We really offer concierge services with quiet confidentiality," Choi said. "We're always discreet."

Fostering trust is important, she said, as well as experience, knowledge and a connection to the luxury-home community.

"You know people personally well enough to pick up the phone and call them," she said. "You understand the buyers, their personalities and lifestyle. It all has to kind of weave together so that people trust you and you have to manage that carefully."

Patience, patience, patience

While the mantra for most Realtors would be "location, location, location," Pat Choi says it's also timing, perseverance and "patience, patience, patience."

She can wait anywhere from two weeks to five years for potential buyers to make up their minds. Many of the buyers have several homes around the globe, and they pass through Hawaii during their world gallops.

The \$20 million home in Kahala has received six offers, for instance, but so far none has reached the minimum amount the owner wants. The home at 4505 Kahala Ave. sold once, in 1996, for \$13.2 million and remains the most expensive property on the market on Oahu. It has been on the market for several months.

Patience also was key to selling producer Al Masini's 16,000-square-foot home on Hawaii Loa Ridge -- called Hiilani -- which sold after a little over a year on the market for \$9.4 million in September 2001. Masini personally invested about \$12 million in building and designing the modern Mediterranean-style home, along with land improvements.

Afterwards, he went back to Choi to help him buy a lot for the new home he is now building on Hawaii Loa Ridge.

"This was one of the more pleasant transactions I've ever had," Masini said. "Pat is probably the best I've ever encountered. She's a saleswoman who's really persistent, and always looks for a new angle to sell."

Selling a luxury home means dealing with a team of personal assistants rather than just one individual -- ranging from financial advisers, attorneys and housekeepers to managers. The key, Choi says, is to become the spoke in the wheel in managing all of the different team players. It's also about creating good relationships with clients.

To make the transaction smoother, Choi International also provides asset management, including legal and tax coordination services and referrals to housekeeping and maintenance. The real estate team speaks Japanese, Mandarin, German, Taiwanese, English and Korean to serve an international clientele.

Choi International's listings cover the scope of the island -- from Diamond Head to Kahala, Portlock, Hawaii Loa Ridge and even some properties in Lanikai. Prices have more than doubled and tripled over the decades.

Choi has sold one house five times -- for \$700,000 in 1978 and for \$1.6 million in 1990. Another Kahala oceanfront property sold for \$2.6 million in 1986 and \$9 million in 2003.

In addition to personal referrals, Choi said many potential homebuyers find their information on the Web. The Choi International Web site -- www.choi-realty.com -- has been a good way to reach out to potential homebuyers worldwide.

In the \$3 million-and-above luxury-home market, money isn't an object. These clients aren't waiting for mortgage rates to decline -- they pay with cash.

Oftentimes, when a client feels that they have missed an opportunity to purchase a home, they may return a year later and offer up to \$1 million more than the original asking price. That happened with a home in Kahala, but unfortunately for the buyer, the homeowner wasn't willing to sell.

Though 2003 was a record year, Choi foresees no slowdown in customer demand in the luxury-home market. Many multimillionaires and billionaires have been made in the past three years, Choi said, and many have an interest in buying in Hawaii.

The average turnaround for buying and selling homes is about five to 10 years, she said. Then luxury homeowners often want to try out another part of the globe. She also anticipates a large number of baby boomers interested in homes in the \$1 million to \$2 million range this year.

"Hawaii is seen as a special place because of safety, clean air and water and it's desired by many people coming from many directions," she said. "I think this year will be really strong to the end of the year. People are rushing out to buy."

Profile

- Pat and Cedric Choi
- Choi International Inc.
- Founded: 1981
- Staff: 22 part-time and full-time associates
- Members: Who's Who of Luxury Real Estate
- Web Site: www.choi-realty.com