



May 18, 2007

Dear Royal Kuhio Owners:

Have you ever considered selling or renting your unit? Now may be the *right time*. Consider the following:

### **The increasing cost of ownership**

Real property taxes have been sharply climbing every year because of the hot real estate market. Even though the market has cooled down, there are no signs of a significant decline in sight.

Last year, a ten-year lease renewal term was negotiated, which resulted in the lease fee quintupling as of January 2007.

The maintenance fee jumped 10% from last year. In general, the rising price of oil has increased the Building's costs across the board. Since the maintenance fee includes electricity and cable TV, price inflation in those sectors are also reflected in our fee. Further, the Building sent owners a letter dated May 3, 2007 notifying us about the impending spalling repair project, the cost of which will be borne by unit owners. The Building is thirty years old, so we probably can expect more maintenance issues and maintenance fees to increase in the future.

### **But what can we do about it?**

We can turn a difficult situation into an opportunity. There are two options: *sell* your unit, or *optimize* their income *earning potential* to offset the inevitable increasing costs. Starts International Hawaii, Inc. can assist you with both options.

We have been in the real estate brokerage and management business for 38 years in Japan and 24 years in Hawaii. We have bilingual staff, most with post-graduate business degrees and an in-house CPA. We have a chain of close to 350 real estate brokerage houses in Japan and an overseas network of offices in New York, Los Angeles, Australia, China, South Korea, Thailand and Germany. Our worldwide network will provide access to markets that may not be available if you list your unit or have it managed by other real estate firms.

In Hawaii, we currently manage about 80 properties, 30 of which are Royal Kuhio units. We also happen to own most of the Royal Kuhio units we manage, so we have a huge stake in making sure that the units are earning their keep and more. The tourist industry is booming. Experts thought 2005 was a stellar year, but 2006 numbers are even better. CondoHotels are gaining in popularity compared to hotels. These are all good reasons to rent out your unit.

We provide customizable management services to fit your particular needs and goals. These services include long-term leasing, vacant unit maintenance, and a niche version of the condohotel rental program in which owners are able to use their units and put them on the rental market when not in use.

Whatever your needs, whether you are unhappy with your current management company, or have never rented out your unit before, or are consider selling your unit, we're here to lessen your burden and offer our services.

**For a free consultation, please fax (808)947-2292 in attached inquiry sheet or call us at (808) 947-2280 ext. 207.**

*Starts International Hawaii, Inc.*