

Celebrities bring value and cachet to neighborhoods

By Nina Wu

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Home buyers who fancy walking their dogs on the same beach as "Frazier" star Kelsey Grammer, kicking back in upcountry Maui with Oprah or playing golf with Charles Schwab may have a good shot to do just that in Hawaii.

Celebrities may not be present at their Hawaii homes most of the time, but they exert an influence over their neighborhoods, many of them new resort communities.

How Hawaii Works

Hawaii residents are noted for **not bothering** their celebrity neighbors and visitors.

and take notice."

These luxury resort neighborhoods are already well-established, she noted, and can hold their own without celebrity buyers. But the celebrity name does give it a cachet — and a stamp of exclusivity that everyone seeks.

News that Grammer bought a lot at the exclusive Pauoa Beach at Mauna Lani has brought good tidings to the Big Island resort.

Of the initial 46 lots, only eight remain available after a strong year of sales. Front-row ocean lots like Grammer's cost from \$6 million to \$7 million, while the back lots cost anywhere from \$2 million to \$3.5 million, said principal broker Bob Rediske.

A longtime visitor to the Kohala Coast, Grammer approached Realtors about the

"It raises the level of believability," said Paula Harris of the Harris Co. "If you see someone who's a successful businessperson and recognizable name, it makes people sit up

Sampling of Hawaii's celebrity-owned properties



KAUAI

- ◆ Peter Guber (producer)
- ◆ Ben Stiller
- ◆ Woody Harrelson

OAHU

- ◆ Michelle Pfeiffer, Lanikai
- ◆ Jim Nabors, Kahala

MAUI

- ◆ Carlos Santana, Kapalua
- ◆ Clint Eastwood, Wailea
- ◆ Oprah Winfrey, Upcountry Kula and Hana

BIG ISLAND

- ◆ Charles Schwab
- ◆ Kelsey Grammer

SOURCE ◆ PBN RESEARCH

property and not vice versa.

Pauoa Beach residents will have access to a private beach club, residential concierge and resort privileges at the Mauna Lani Bay Hotel & Bungalows and The Fairmont Orchid, both within walking distance.

There will be only 50 owners on the 53-acre site.

Surge in prices

On the other hand, celebrities also can drive up the prices of homes because they

have the power and money to do so.

As Michael Schmidt of Coldwell Banker Bali Hai Realty tells it, one famous action-movie star went to Kauai, fell in love with the place and bought up \$10 million of beachfront property. Then he decided that he wanted the two-acre parcel next door as well, which already had been sold to a retired couple from Maui for \$1.7 million.

The couple did not initially want to sell, but eventually agreed to take \$3.4 million for what would have been their dream home.

Most of the movie stars are drawn to the charm of the Hanalei district on the north shore of Kauai. While the area may have drawn the rock-and-rollers of the 1960s for its fringe lifestyle, the area today is known more for its remote beauty.

"It's that old surf town feel," Schmidt said. "And of course, the beauty always permeates everything — from the majesty of the Na Pali Coast to the mountains cascading down to the beautiful beaches."

On the north shore of Kauai, prices for homes range from \$1 million to \$10 million, and the more than 100 estates can cost up to \$40 million.

In the past year, many wealthy buyers have been looking at properties on Kauai because they've been disenchanted with what they see as the overcommercialization of the other islands.

On average, Harris said, luxury home buyers buy their Hawaii resort home as a second or third home and spend anywhere from two to four weeks a year in them.

Some have electric bills that ring up to \$7,000 a month, according to Harris, plus groundskeepers and housekeepers to look after the homes when they're not there.

"They get a whim," Harris said. "When you have indiscriminate resources, you can do what you want to do, when you want to do it. The big draw for Hawaii right now is, it is safe. You're still in the U.S. but you still have an exotic locale and fabulous weather."

It's good for the economy, but Schmidt said it also can cause a ripple effect on a small town, especially if buyers are willing

Please see **CELEBRITIES**, Page 15

CELEBRITIES:

Famous people walk the streets and no one cares

FROM PAGE 14

to pay \$1 million for an old surf shack. Celebrities are not usually particular about financing, since they can pay in cash. A celebrity can change the course of a property overnight, Schmidt said.

Island privacy

The one aspect that makes Hawaii unique is that people leave celebrities alone, according to Maui Realtor Roy Sakamoto.

Some celebrities seek the privacy of a gated community like the Plantation Estates or Pineapple Hill in Kapalua because they will be left alone.

Grammer, who also owns a home in Kapalua, can walk around in T-shirts and cutoff jeans and no one's going to run up to him for an autograph. Likewise, musician Carlos Santana can drive around the neighborhood in peace.

Prospective buyers don't actually ask if a celebrity lives in the neighborhood when considering a home, said Sakamoto, who keeps the list of his clients confidential — that's the mantra for any Realtor selling luxury properties to well-heeled clients.

You can bet plenty of Big Island residents would join the Charles Schwab Nanea Golf Club — which is by invitation only.

Schmidt said that on Kauai, famous, handsome men that most women swoon over can put on the grungiest T-shirts, grow out beards and stand in line at the supermarket without anyone noticing.

"They like that because no one cares," he said.

Celebrities can eat at a restaurant on Kauai without being bothered, according to Bali Hai Realtor Barbara Sloan, who has sold a good number of homes to them. Sales of million-dollar homes have been steady in the last five years, she said.

Former Vice President Al Gore used to enjoy visiting Kauai for that reason.

"I think people like being real and they like being real on Kauai," Sloan said.

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