



STATE OF HAWAII
REAL ESTATE BRANCH
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
828 FORT STREET MALL, SUITE 600
HONOLULU, HAWAII 96813

July 17, 1991

MEMORANDUM

TO: Condominium Property Regime Developers
Real Estate Brokers and Salespersons

FROM: Real Estate Commission

SUBJECT: CPR Project Advertising Prior to the Issuance of the
Initial Public Report

Some of the key rule provisions concerning advertising of a condominium project, with the exception of the "sales to owner-occupant provisions", are summarized as follows:

§16-107-2 Definitions...

"Offer for sale" means and includes any advertisement, inducement, solicitation of letters of intent to purchase, or any attempt of whatever nature to encourage any person to acquire any legal or equitable interest in any condominium unit. The method used in offering for sale shall include, but not be limited to, sales contracts, agreements of sales, reservation agreements, options to purchase, solicitation or acquiring of interested parties list whether general or specific, posting of signs indicating that the project is a condominium project, or giving of the selling agent's name or address or telephone number.

§16-107-20 Offer for sale to nonowner-occupant. Developers, agents, or developer's representatives are prohibited from making any offer for sale of residential units to a nonowneroccupant prior to issuance of the commission's preliminary or final public report for the project.

Continued on back .

July 17, 1991

Page 2

§16-107-23 Filing of advertisement materials. Circulars, prospectus, brochures, pamphlets, leaflets, and all other advertising and promotional material on the condominium plan or project shall not be issued, circulated or published before a copy thereof shall have been previously filed with the commission. Such filing shall not be construed to mean an approval by the commission of the advertising and promotional material.

Note: Filing of advertisement materials includes the sales to owner-occupant publication announcement.

In addition, the Real Estate Commission has issued an informal interpretation (subject to Subchapter 5, Title 16, Chapter 201, Hawaii Administrative Rules) for informational and explanatory purposes only and is not an official opinion, as follows:

1. From the date of the first announcement to prospective owner-occupants as required by §514A-102, and prior to the issuance of the initial public report for the subject condominium project, the developer and the project's real estate broker(s) may advertise the condominium project, provided that every advertisement shall clearly state that the offering is limited only to bona fide prospective owner-occupants until the issuance of the effective date for the initial public report.
2. That advertisements includes any form of notice or announcement, whether distributed through individual contact, mass mail, or mass media, including but not limited to: brochures, flyers, information sheets, videos, television, radio, newspapers, signs, or presentations.
3. That the announcement to prospective owner-occupants shall contain the information as required by §514A-102, and any other information consistent with the intent and purpose of the subject section.

060791CCRC

0717MEMO