



Here is a comprehensive checklist to help guide you through the essential aspects of buying or selling a home in Maui, Hawaii, along with references to relevant legal documents:

### 1. Research the Maui Real Estate Market

- Understand market trends, property values, and potential for appreciation.
- Consider working with a local real estate agent familiar with Maui's unique market.

### 2. Budget & Financing

- **Pre-Approval Letter:** Obtain a mortgage pre-approval to understand your buying capacity.
- **Down Payment:** Ensure you have funds for the down payment.
- **Closing Costs:** Be prepared for additional expenses.

### 3. Legal Due Diligence & Inspections

- **Title Report:** Check to see if the property has a clear title.
- **Survey:** Verify the property boundaries with a survey done by a Surveyor / Engineer.
- **Condominium Assessment:** Check to see if the property can be created into either a future condominium or subdivision.
- **Home Inspection Report:** Hire a licensed inspector to examine the property's condition.
- **Disclosure Statement:** Provide the Seller's Real Property Disclosure Statement.
- **Appraisal:** Obtain an appraisal for valuation purposes.

### 4. Review Homeowner Association (HOA) Details (if applicable)

- **HOA Documents:** Review Declarations and Bylaws, financial statements, CC&Rs (Covenants, Conditions, & Restrictions), rental or building restrictions, maintenance obligations, and fees.

### 5. Understand Zoning and Land Use Regulations

- Verify zoning designations and permissible uses for the property.
- **Special Management Area (SMA) Permit:** Check if the property is in an SMA zone.
- Review the **Hawaii Land Use Commission Designations**.

### 6. Tax Obligations

- **HARPTA (Hawaii Real Property Tax Act):** This applies to non-Hawaii residents selling property, requiring 7.25% withholding on sales.
- **FIRPTA (Foreign Investment in Real Property Tax Act):** This federal withholding applies if the seller is a foreign national.
- **Conveyance Tax Certificate:** Required for property transfers, this document is filed with either the Bureau of Conveyances, Regular System or the Office of the Assistant Registrar of the Land Court.

## 7. Obtain Essential Legal Documents

- **Purchase Agreement (Sales Contract):** Clearly outline terms, contingencies, and deadlines for both buyer and seller.
- **Warranty Deed:** This legally transfers ownership of the property with the necessary covenants.
- **Disclosure Forms:** Ensure all disclosures, like flood zones, lead-based paint, and known property defects, are completed.

## 8. Environmental Considerations

- **Flood Zone Status:** Verify if the property is in a flood zone and requires flood insurance (FEMA map zones).
- **Hurricane/Storm Insurance:** Review hurricane, tsunami, and other storm risks, especially for coastal properties.

## 9. Rental & Short-Term Rental Regulations

- **Short-Term Rental Home (STRH) Permit:** Check local ordinances regarding short-term rentals or vacation rentals. Maui has specific zoning restrictions and may require permits for short-term rentals.

## 10. Final Walkthrough

- Conduct a walkthrough within 24-48 hours before closing to ensure the property is in the agreed condition.

## 11. Closing Process

- **Title Insurance Policy:** Protects against future title disputes.
- **Escrow Agreement:** The funds will be handled through an escrow company, which is typical for Hawaii real estate transactions.
- **Deed Recording:** Upon completion of closing, the deed is recorded with the **Hawaii Bureau of Conveyances**.

\*\*\*NOTE: this document should not be considered as legal advice from UPCOUNTRY LAW, and this article does not create an Attorney-client relationship with UPCOUNTRY LAW.

Dated: November 30, 2024

