

Hawaii's biggest industry: Real estate

BY JIM KELLY
PACIFIC BUSINESS NEWS

Tourism, front and center of the Hawaii economy for more than 40 years, is slipping into the background as a catalyst for growth, gradually being displaced by government, retail and, most recently, real estate.

The shift is clear in figures re-

leased recently by the U.S. Bureau of Economic Analysis, which calculated that the leisure and hospitality industry represented only about 10 percent of Hawaii's \$58.3 billion in gross domestic product last year.

That is down from 25 percent in the early 1990s.

The surge in real estate prices

and the accompanying lending and investment activities pushed the financial services industry to the top in Hawaii last year with \$13.1 billion in goods and services produced. That includes \$10.4 billion from the selling and leasing of real estate, up 46 percent from 2002.

Tourism ranked fourth at \$5.5

billion, behind government and retail trade, and was just ahead of professional and business services. And health care is now a \$4 billion business in Hawaii, up from \$3 billion five years ago.

That the economic "footprint" of tourism is receding isn't new; economists have been tracking its decline for years and say that

government passed up tourism as the state's biggest business in the mid-1990s.

But the latest numbers show that the eclipse of tourism by other industries is continuing. And they document the enormous impact the buying, selling and

SEE INDUSTRY, PAGE 36

Tourism agency assesses visitor safety

Cameras still found to be one of the best ways to discourage thieves

BY CHAD BLAIR
PACIFIC BUSINESS NEWS

In the early 1990s, British and German tourists were targets in a series of carjackings in Florida. Criminals actually followed the victims as they left airports in rental cars.

Once the word got out, Florida saw a 3 percent drop in visitor revenues.

"Even though it amounted to only a blip on Florida's homicide rate, it was a massacre in terms of its tourism industry," said Peter Carlisle, prosecuting attorney for the City & County of Honolulu. "It took Florida at least five years to recover. Hawaii could not survive that kind of a blow — it would be like the months after Sept. 11."

Mindful of the potential harm to the visitor industry, the Hawaii Tourism Authority has contracted with a Texas company to objectively assess how safe the state is for vacationers. Carlisle was one of two dozen people — law enforcement officials, tourism industry executives and others — interviewed for the study.

While Hawaii is considered an extremely safe visitor des-



TINA YUEN PHN

Cyndi Johnson, team leader with the Waikiki Business Improvement district, briefs Candace Groves on the activities picked up by security cameras along Kalakaua Avenue. Cameras placed at popular visitor destinations have led to decreases in thefts, robberies and car break-ins.

tinuation — about 93 percent of visitors report no problems during their stay — the study by consulting firm Tourism & More recommends a list of "priority actions" to ensure that record continues.

The recommendations include expanded camera surveillance at popular tourist spots like the Pali Lookout on Oahu and Akaka Falls on the Big Island, improved signage to help visitors get around, and

increased awareness of safety at beaches and inland waters.

HTA spends \$600,000 annually on visitor assistance programs on Oahu, Maui, Kauai and the

SEE TOURISTS, PAGE 36

Lawyers balk at bigger fund for victims

BY LINDA CHIEM
PACIFIC BUSINESS NEWS

Administrators of a state-run trust aimed at helping the clients of lawyers who mishandled their money want to increase the amount of money that victims could get.

At issue is a proposed change to Hawaii Supreme Court rules that govern how much clients can be reimbursed from the Hawaii Lawyers' Fund for Client Protection if their attorney steals from them.

For years, the fund has covered losses up to \$50,000, regardless of whether a client lost more. But the fund's trustees, who are court-appointed volunteers, believe that clients need better protections and want to raise the cap to \$100,000.

"It's to be more in line with the award limits [offered] by other funds in other jurisdictions across the country," said Gayle Lau, chairman of the fund's board of trustees. "I am in strong support because it's necessary, because the incidents of dishonest conduct have increased the need

SEE LAWYERS, PAGE 37



REAL ESTATE: Oahu's tight industrial space. P3

LAW: Teaching "street law" to at-risk youth. P7

FOCUS: New help for diversified farmers. P19

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SPEAR PHISHING

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How a credit union solved its technology challenge. P13

TOURISTS: Beaches may be safety-rated, like ski slopes

FROM PAGE ONE

Big Island with the help of businesses. HTA also has \$900,000 budgeted to act on Tourism & More's recommendations.

"While HTA is not the lead agency when it comes to safety and security, we do fund a number of programs that help facilitate this," said Momi Akimseu, the HTA's strategic planner. "The purpose of this plan is to identify areas we need to work on, especially regarding education. We think informing visitors can go a long way to making sure their experience is a wonderful one."

HTA has a Web site (www.travelsmarthawaii.com) that offers tips to travelers and most of them are common sense, e.g., do not leave valuables in plain sight.

But Randall Mack, a vice president with Tourism & More's Honolulu office, said most people don't use common sense when they are on vacation.

"Take the guy who took his moped to the Blow Hole," said Mack, who has 30 years' experience in law enforcement and government security. "He put his wallet and his fanny pack in the basket and went to look at the Blow Hole. Common sense did not prevail."

Property crime remains a problem. Americans have to be told repeatedly not to leave valuables in rental cars; Japanese are advised to put their valuables



TINA YUEN PHN

Purse snatching has become less common in Waikiki but safety experts say it's still important for tourists to keep up their guard.

in hotel safes.

And more visitors from the Mainland and Europe are putting themselves at risk by visiting "secret" but dangerous destinations described in guide books, like secluded beaches with rough shore breaks.

Visitor-safety recommendations

- Increase visitor awareness ("inform but not alarm").
- Ensure that visitors who are hurt receive support and empathy.
- Create a statewide 1-800 number for visitor information.
- Expand support for closed-circuit TV camera surveillance.
- Enhance security at smaller hotels, time shares and vacation rentals.
- Improve signage to prevent visitors from getting lost.
- Develop a statewide beach-usage warning system.
- Adopt tourism-oriented policing units.
- Lobby for increased in-state prison space.

SOURCE: TOURISM & MORE

HTA's contract with Tourism & More is for \$90,000. The company, based in College Station, Texas, was founded by Peter Tarlow, a sociology professor at Texas A&M University who also is on the faculty of the Travel Industry Management school at the University of Hawaii at Manoa.

Tourism & More also is recommending a safety rating system for beaches and waterways, using a system similar to the one used for ski slopes.

One of the biggest deterrents has turned out to be security cameras.

"They actually made an arrest the first week they put a camera up at the Pali Lookout," said Warren Ferreira, a retired Honolulu police officer, former corporate director of security for Outrigger Hotels and Resorts, and a project partner on Tourism & More's safety study.

The cameras at the Pali and Ehukai Beach Park on Oahu's North Shore ran as a pilot program from September 2005 to March 2006 at a cost of \$67,500.

This year the HTA is contracting with Sensormatic Hawaii for \$3,000 a month to continue the program.

Jan Yamane, executive director of the Waikiki Business Improvement District Association, said the association helps support a camera surveillance program along Kalakaua Avenue. The six cameras are monitored at the Honolulu Police Department's Waikiki substation.

The association also supports an Aloha Ambassador bike and foot patrol, formerly called the Aloha Patrol.

"The ambassadors are focused on hospitality, but they also provide a visible presence and are trained to be alert [and] to report suspicious activity," Yamane said. "These programs are a deterrent to crime and they will continue."

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