

Opinion

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New \$70 million plan will deliver more than a hospital for West Maui

With the West Maui Improvement Foundation's new plans for a West Maui medical center in the news and the Maui Health Care Initiative Task Force about to issue its recommendations, the rumor mill is alive, and not necessarily so accurately.

Some are wondering what is the so-called Hoyle group that wants to bring acute emergency care to West Maui. Others are hearing rumors about our plans, some undoubtedly true, some not true. The foundation, through its president, Joe Pluta, joins with me in providing this overview.

Some 40 years ago, my uncle developed the Maui Eldorado Resort and still owns land in Kaanapali. As hospital and nursing home developers, my father and uncle worked to improve medical care on Maui and throughout the United States in the 1950s and early 1960s. Today, after my own 30 years of owning, developing and building hospitals and nursing homes throughout the U.S., I am pleased to return to Maui to try to meet the west side's need for a complete emergency hospital and long-term care facility.

All the plans we previously released are still on the table: acute emergency care, a 25-bed critical access hospital, two operating rooms, a medical office building and clinic, a 40-bed skilled nursing facility and 40 long-term assisted-living units.

To be clear, the central role of the medical center we are planning with the West Maui Improve-

ment Foundation will be to provide acute emergency care to everyone on the west side regardless of income level or the insurance people carry. By law, acute emergency ambulance crews are required to bring patients with threatening illnesses to the nearest acute care hospital. In our case, this means anyone in West Maui in need of assistance.

It should also be clear that we have not abandoned the idea of building an assisted-living or long-term care facility. Although it is true that long-term care beds are expensive to maintain and can be a drain on finances, we continue to work with health care providers and area business people throughout the community to bring long-term care to West Maui. We could build and own a long-term care facility or have space for it on the 14.9 acres of land that is being made available. If someone else wants to build it, we are prepared to run it and staff it.

The "we" is not just Brian Hoyle. I am a principal of Southwest Health Group whose management and partners have a combined 140 years experience in health care development and management. The group has built and operates five community hospitals, including the only hospital in the New Orleans area that continued operating after the Katrina disaster.

It should be pointed out that, American Health care Investment LLC, a firm I founded in 1998, now has 15 nursing facilities in Iowa, Utah and Colorado. My Newport Hospital Corp. is a health care investment and consulting firm with operations in 10 states and also owns a 34-bed geriatric psychiatric hospital in Newport Beach, Calif.

The \$70 million in financing for the West Maui medical center will be provided by Newport Hos-

pital Corp. and its investment partners, including the Southwest Health Group. Its officers include Irvin Gregory, developer of 130 hospitals or surgical centers the last 30 years; J. Michael Mullin with 25 years of in health care financing and accounting experience with health care companies; CEO James Parkhurst of Newport Bay Hospital in Newport Beach; CEO Ira Jackson of hospitals in Houston and Victoria, Texas; and Promod Seth with 30 years experience in the health care industry.

We are pleased to be associated with the community-based West Maui Improvement Foundation, a group that deserves a great deal of credit for spearheading the hospital effort over the last eight years and laying all the groundwork for the anticipated zoning changes necessary to build on land near the Lahaina Civic Center. We are also most appreciative of the generosity of the folks at Ka'anapali 2020 and their long-standing offer to make the land available.

We have a good team and strong financial support. But we do need the support of everyone in Maui County to assure that we can move this all-important effort forward and secure a certificate of need from the state.

Improving the quality of health care is a worthwhile goal for everyone. To learn more, you can go to westmauihospital.org, or attend the West Maui Taxpayers Association annual meeting, at 5 p.m. Jan. 17 at the Lahaina Civic Center.

We humbly ask for your support.

■ **Brian Hoyle**, principal of Southwest Health Group, is working with the West Maui Improvement Foundation to develop and operate a critical access hospital in Lahaina. He is headquartered in Newport Beach, Calif.



VIEWPOINT
BRIAN HOYLE

Real estate market update

By **TRICIA MORRIS**

President, Premiere Mortgage

The Realtors Association of Maui (RAM) has just posted their 2007 year-to-date sales statistics, allowing a comparison with 2006. Deep on page ten of the report is the news that the number of unit sales of single-family homes for 2007 grew by five percent to 1,138. In 2006 the figure was 1,082. The median sales price in 2007 was down nine percent from 2006, going from \$690,000 to \$630,069.



Tricia Morris

Following several years of ultimately unsustainable double-digit price increases of 25-30 percent, this cooling of the market is reflected in the Hawaii State Department of Business, Economic Development and Tourism (DBEDT) 4th Quarter 2007 - Economic Outlook for 2008 Report. That report noted that "...despite the continued sluggishness in the housing market in most of the Mainland U.S., with housing prices starting to stabilize and in some markets starting to decline and inventories improving due to declines in sales, Hawaii's housing market is expected to be more favorable to buyers in coming months, perhaps creating de-

mand for new residential construction."

Translation - Now is a good time to buy.

Hawaii's economy continues to grow

Economic forecasters generally agree that Hawaii's economy will continue to grow in 2008, but at a slower pace. The growth rate is projected by DBEDT to be 2.8 percent. That would extend Hawaii's current economic growth cycle to 11, straight years. Two years longer than the previous economic expansion. The University of Hawaii's Economic Research Organization (UHERO) has predicted a similar range in the growth rate of 1.8-2.9% in 2008-2009, with "Further recovery in real income expected in all four counties..." The report goes on to say that, "By 2008, it is expected that each of the four counties will have slowed to a pace that is broadly consistent with sustainable trend growth."

2008 personal income in Hawaii is expected to grow by 1.8 percent. Increased real personal income and moderating housing prices means that income and prices will ultimately begin to converge stimulating demand that is expected to increase as we approach 2009. This increase in personal income is on top of a forecasted job growth of 1.5 percent in 2008.

Page 11 of the RAM sales information addresses condo-

miniums. With 1,179 units sold in 2007, compared to 1,247 in 2006, it is interesting to note that the median price in 2007 saw a six percent increase over 2006, rising from \$518,000 to \$550,000. The rise in the median price came on a total dollar volume that only declined by one percent from 2006 to 2007.

Translation - If you thought it was better to wait, think again, now is a good time to buy.

Maui's outpaces national market

Maui's real estate market and its potential cannot be viewed solely through a national lens. Recent unemployment figures are just one example. The national story is about a rise in the rate to five percent, still low by historic standards. The fear reported in the national press is that a rise in the unemployment rate could dampen consumer spending and delay the housing recovery.

But, in Hawaii the unemployment rate is 2.9 percent and on Maui it is 3.5 percent. It follows that if a higher rate might depress demand, then one that remains low - and with a real gain in personal income after inflation - should have the opposite effect and work to increase demand.

Translation - Now is the time to prepare your finances and get ready to buy.

According to Lawrence Yun, chief economist for the National

Association of Realtors, the worst of the credit crunch that was evident in August has already worked its way through the housing data.

In a statement released on December 31, 2007, Yun said, "The unusual mortgage disruptions that peaked in August were clearly seen in lower home sales that were finalized in September and October, so the market was underperforming."

"Now that mortgage conditions have improved, some postponed activity should turn up in existing-home sales over the next couple of months, and I expect sales at fairly stable to slightly higher levels," he said.

He went on to say that, "Just like the weather, there are large local variations in home prices," and that "...further reduction in prices may be required in some areas to induce buyers back into the market."

Translation: Price it right and they will come. Money is available to loan and now is a good time to buy and to sell.

Premiere Mortgage has offices on Maui and Kaua'i and provides a wide range of services to the real estate community. Tricia Morris may be reached on Maui, in Kihei, at 874-8800, Wailea, at 891-8900, West Maui at 665-8800, on Kaua'i at 808-822-2300, or toll free at (800)-813-7711.

Orbitz ranks Maui as 'fastest-growing' beach destination in the nation

Marc and Wendy Newkirk of Dallas relax with a view of the West Maui Mountains on Monday afternoon while enjoying the sun and surf at Baldwin Beach Park. Maui is ranked as the fastest-growing winter beach destination in the country by Orbitz, the internet travel agency. The calculation was made based on the percentage increase in bookings by Orbitz customers between 2005 and this year for the weeks of Dec. 21 through Feb. 28 in those years. Orbitz did not say what the percentage gains were, but the Big Island's Kailua-Kona was third among U.S. destinations, with Daytona Beach, Fla., ranked second. San Diego was the fastest-growing West Coast beach, in the fifth spot overall. International destinations were ranked separately, with top ranking going to Cozumel, Mexico, which was followed by Rivera Maya/Playa Del Carmen, Mexico; and Negril, Jamaica.



The Maui News / AMANDA COWAN photo