



THE MINATOYA PROPERTIES

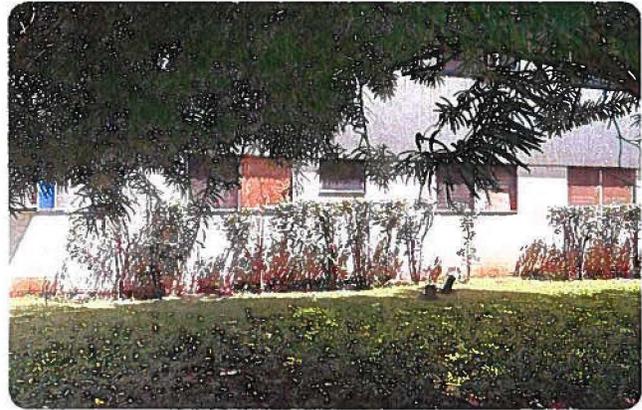
A CLOSER LOOK AT RESIDENTIAL
DISPLACEMENT IN MAUI



JUNE 2025

INTRODUCTION

For decades, a quiet transformation has been unfolding across Maui's apartment-zoned properties. Originally envisioned as a mix of owner-occupied units, long-term rentals, and limited or occasional visitor use, these developments have increasingly been converted into short-term vacation rentals (STRs). This shift has hollowed out our residential communities, removed housing from the local pool, and pushed working families further to the margins.



The rise of online platforms such as VRBO (launched in 1995) and Airbnb (founded in 2008) dramatically expanded the reach and profitability of STRs, allowing individual unit owners to function as commercial operators. What once may have been a seasonal rental or a unit occasionally loaned to family became part of a global tourism inventory—marketed, booked, and reviewed like a hotel room. Over time, many absentee owners stopped renting long-term to local families altogether, opting instead to charge daily rates. This technological and cultural shift coincided with a wave of investor-driven buying, particularly after the passing of original owners, many of whom were retirees.

As a result, units originally accessible as starter homes for young families or retirement housing for Maui residents were transformed into unstaffed, digitally managed vacation businesses—often without any meaningful presence of on-site management, guest services, or accountability. This disruption has made it nearly impossible for the next generation of kama'āina to find housing, not only by removing long-term rental options for Maui's working class, but also by artificially inflating the value of these units beyond the reach of local buyers.

In addition, many of these units—originally intended to serve as residential housing—are now poorly managed commercial vacation rental businesses, lacking guest services and contributing little to Maui's economic ecosystem. Reviews from travelers themselves describe issues like lack of accountability, inconsistent standards, and neglected furnishings, underscoring the fact that these are not well-functioning visitor accommodations but instead hollowed-out residential properties.



This report is structured around three central findings:

- **A 10-YEAR SNAPSHOT SHOWING THE SHARP DECLINE IN LOCAL OWNER OCCUPANCY.**
- **HISTORICAL DOCUMENTS DEMONSTRATING THE ORIGINAL RESIDENTIAL INTENT OF THESE PROPERTIES.**
- **SITE VISIT DATA THAT REVEALS HOW MOST PROPERTIES DO NOT MEET ANY STANDARD OF HOTEL OPERATION.**

Together, these three sections lead to a clear conclusion: short-term rentals in apartment zones function as commercial operations that are incompatible with residential zoning. **Assertions that these properties were intended primarily for vacation use are contradicted by historical records, lived community experience, and the absence of guest services and amenities.** Visitor reviews further highlight inconsistent experiences and poor management, underscoring that these are not the premier visitor accommodations some claim them to be.

Instead, **the highest and best use of these properties for the health of our community is to return them to the long-term housing pool.** While a very small number may qualify to pursue hotel or resort zoning, they are the outliers.

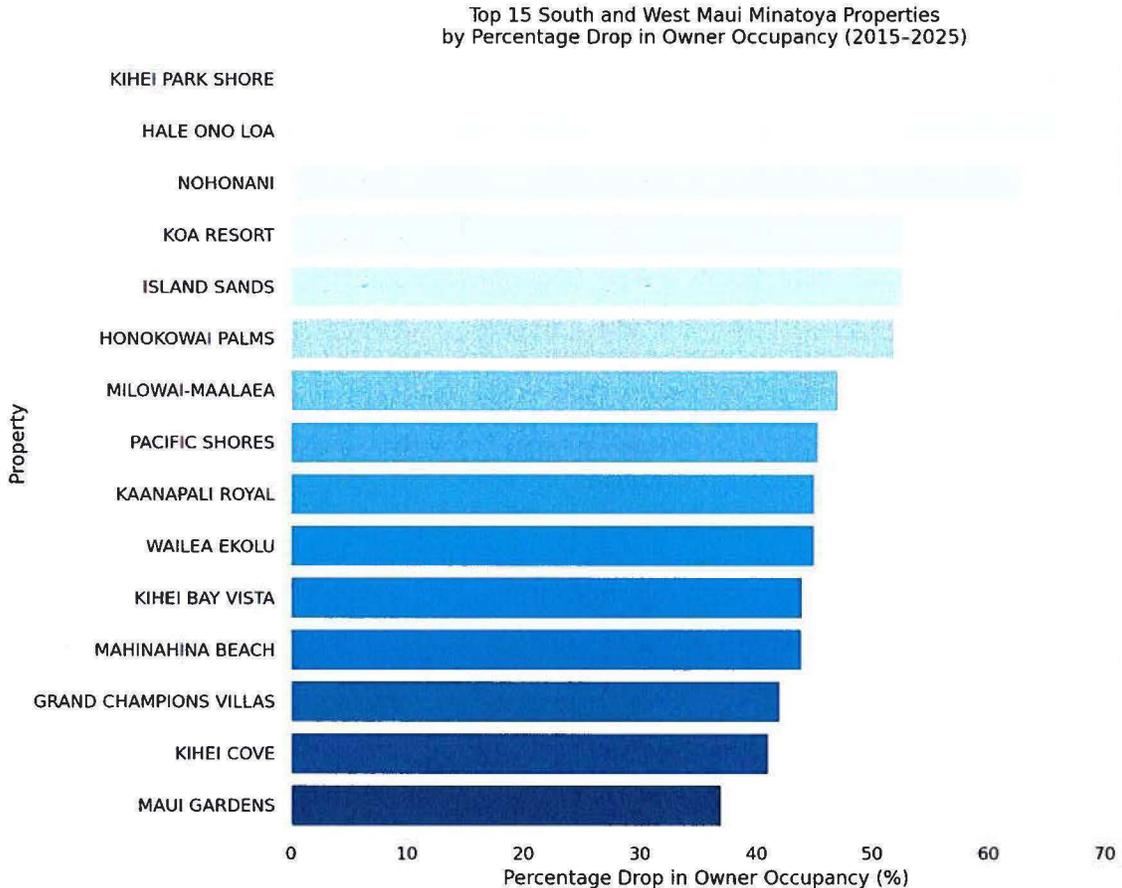
We urge the Maui County Council to adopt Bill 9 as a law of general application, thereby restoring the integrity of our zoning laws and advancing the most defensible legislation possible. There is no need for hesitation or carve-outs; the limited number of properties that may present a legitimate case for rezoning can be appropriately addressed by the Planning Department over the course of the multi-year phaseout. This action represents a necessary and principled step toward prioritizing the long-term interests of Maui residents over those of off-island investors.

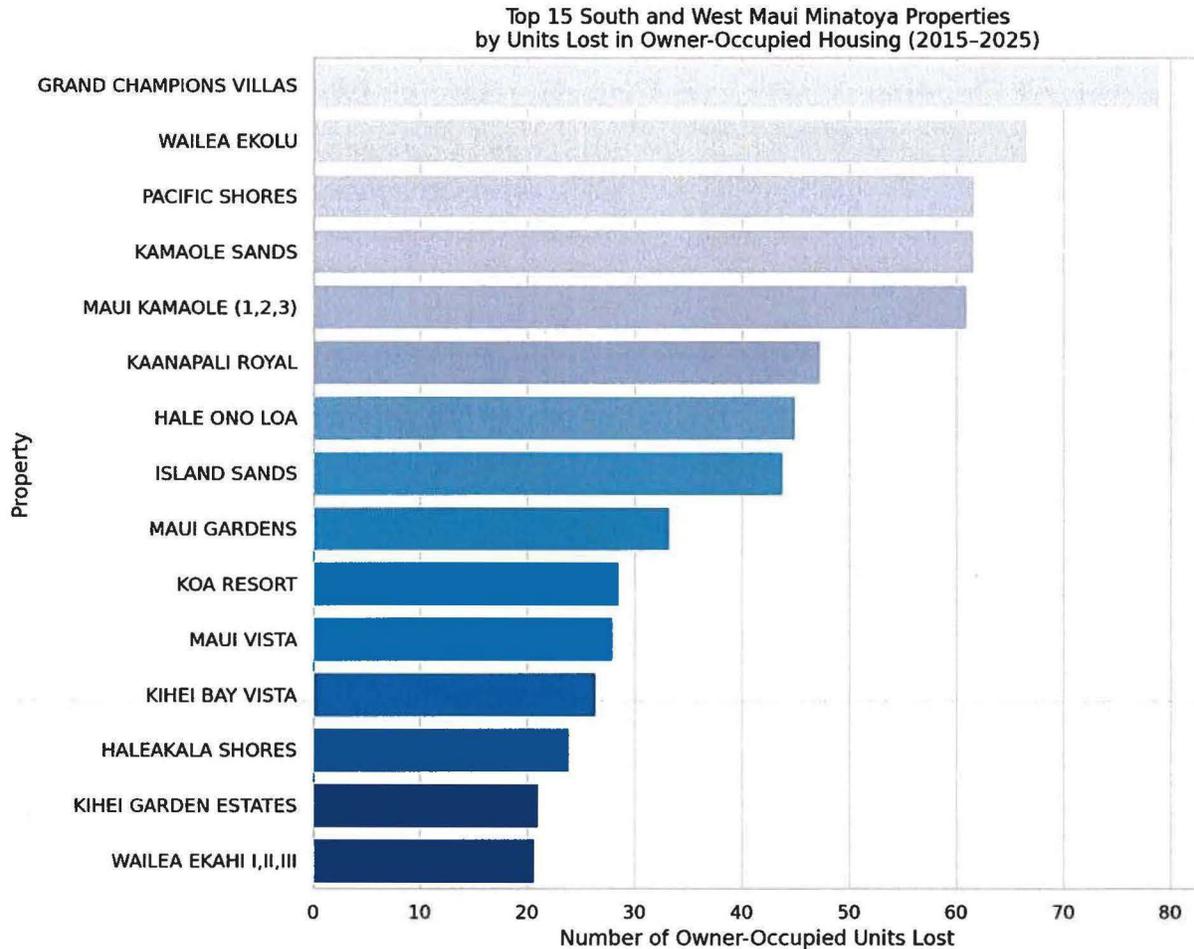
OWNER OCCUPANCY DECLINE — A 10-YEAR SNAPSHOT

Using publicly available data from the Hawai'i State Condominium Guide (2015), the most recent DCCA filings (self-reported by each condominium association), and Maui County tax records, we evaluated changes in owner occupancy rates across all of Maui's Minatoya list properties over the past decade.

Key Trends:

- Many buildings experienced drops of 40 to 60+ percentage points.
- Thousands of units once housing residents have been lost to the STR market.





While the rise of short-term rentals on Maui has been unfolding for decades, a **10-year snapshot of DCCA filings and Maui County property tax data reveals a sharp and accelerating decline in owner-occupancy within many residential apartment complexes now dominated by STRs.** This recent drop reflects a tipping point—driven in part by the widespread adoption of platforms like Airbnb and Vrbo—which has normalized absentee ownership and turned residential units into commercial investments.

These numbers understate the true scale of the transformation. The data only reflects owner-occupied units; it does not capture lost properties that were historically used by seasonal visitors who lived on-island part-time and rented them out the remainder of the year. Nor does it account for units that were once long-term rentals, quietly removed from the residential market as nightly rates proved more lucrative. What we are seeing is only the most visible layer of displacement and conversion. **The true consequences for housing, neighborhoods, and Maui’s social fabric run far deeper than these numbers capture.**

OWNER OCCUPANCY DECLINE

Snapshot Profile: Lahaina Roads, (West Maui – Burn Zone)



- 2015 Owner Occupancy (DCCA): 33%
- 2025 Owner Occupancy (DCCA): 0% (building closed since Aug. 2023 fire)
- 2025 Owner occupancy (County tax records): 4 out of 41 units

90% STR

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The building of the condominium and the apartments therein are intended for use as private dwellings and for no other purpose.

Built in 1967 for “private dwellings and for no other purpose,” Lahaina Roads was originally intended to provide residential housing. In the decades since, it gradually transitioned into near-total short-term vacation rental use—even before the August 2023 wildfire left it uninhabitable. In the context of Lahaina’s recovery, ensuring that our neighborhoods transition back to long-term housing over time is both a practical and principled step toward housing justice.

Snapshot Profile: Island Sands, (Maalaea)

- 2015 Owner Occupancy (DCCA): 67% (56 of 84 apartments)
- 2025 Owner Occupancy (DCCA): 14.29% (12 of 84 apartments)

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments shall be used as residential apartments in accordance with the terms of the proposed Declaration of Horizontal Property Regimes, and the proposed By-Laws of Association of Apartment Owners of The Island Sands.

83% STR

Built in 1973 as an 84-unit, fee-simple condominium, **Island Sands** was originally intended for residential apartment use. With Lahaina Harbor closed and activity shifting to Ma’alaea, and with County investment in a regional wastewater facility, this area is better suited for long-term housing—as supported by the South Maui Community Plan. Its location near major transportation corridors, harbor access, and undeveloped land makes it a rare candidate for managed retreat. These factors strongly support transitioning all of Ma’alaea back to permanent housing to help meet Central Maui’s growing needs.

THE MAUI CHOICE!
FEE SIMPLE OCEANFRONT CONDOMINIUM FROM \$36,500

LOCATED IN MAUI'S BEACHFRONT
 The ISLAND SANDS is centrally located between the Lahaina Harbor and the Maalaea Harbor, offering convenient access to shopping, dining, and recreation.

CLOSE BY BAY PARKING
 Enjoy the beautiful view from the Bay. The Island Sands is centrally located between the Lahaina Harbor and the Maalaea Harbor, offering convenient access to shopping, dining, and recreation.

OPEN SPACE PLANNING
 The Island Sands offers the best of both worlds. It's centrally located between the Lahaina Harbor and the Maalaea Harbor, offering convenient access to shopping, dining, and recreation.

80% 90% FINANCING

CALL OR WRITE NOW!
 FOR FULL COLOR BROCHURE AND INFORMATION:
 808-255-1525
 1885 Laha Road
 Maalaea, Maui, Hawaii
 808-255-1525
 808-255-1525
 808-255-1525

STUDIOS \$36,500
1 BEDROOM \$54,500
2 BEDROOM \$66,500

9 FLOOR PLANS:
 • Fully equipped with a kitchen
 • In-unit laundry
 • Hardwood floors
 • In-unit storage
 • In-unit air conditioning
 • In-unit water heater
 • In-unit disposal
 • In-unit microwave
 • In-unit refrigerator
 • In-unit stove
 • In-unit sink
 • In-unit toilet
 • In-unit shower
 • In-unit bathtub
 • In-unit window treatments
 • In-unit lighting
 • In-unit ceiling fans
 • In-unit ceiling lights
 • In-unit ceiling fans
 • In-unit ceiling lights
 • In-unit ceiling fans
 • In-unit ceiling lights

DEVELOPER & CONSTRUCTION • 808-255-1525 • 1885 Laha Road • MAALAEA, MAUI, HAWAII 96751

OWNER OCCUPANCY DECLINE

Snapshot Profile: PACIFIC SHORES (South Maui)



Sparkling pool

\$829,000

2 bds | 2 ba | 745 sqft - Condo for sale

2219 S Kihei Rd APT B309, Kihei, HI 96753

HAWAII LIFE (W)

- Built as affordable housing
- 2015 Owner Occupancy: 48%
- 2025 Owner Occupancy: 9%
- Units Lost: Over 60 owner-occupied units in 10 years

91% STR

The following are additional encumbrances against title not contained in Title Guaranty's September 11, 1992 title report, but will be contained in any updated title report.

2. Affordable Housing Agreement by and between Unicorn Live Lobster Co., Inc., a Hawaii corporation and the County of Maui, dated January 15, 1993, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-7697.

Built in 1989, and originally marketed as a pet-friendly, affordable housing complex, Pacific Shores has followed the same troubling trajectory as many apartment-zoned properties in South Maui. What was once a neighborhood has become a revolving door of vacationers.

4. Permitted Uses by Zoning		No. of Units	Use Determined By Zoning	No. of Units		Use Determined By Zoning
<input type="checkbox"/>	Commercial			<input type="checkbox"/>	Industrial	
<input checked="" type="checkbox"/>	Residential	136	Yes	<input type="checkbox"/>	Agricultural	
<input type="checkbox"/>	Timeshare/Hotel			<input type="checkbox"/>	Recreational	
<input type="checkbox"/>	Other:					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?
 Yes

5. Specific Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:
 No livestock, chicken, pigs, or farm animals. No pets exceeding twenty-
 Pets: five (25) pounds, except seeing eye dogs. Limit of one (1) household pet (dog or cat or bird) per unit.
 Number of Occupants: _____

A CLEAR PATTERN OF LOSS:

The decline in owner-occupancy across Maui's apartment-zoned properties signals a major shift in how these buildings function in our communities. Units that once provided stable housing have been steadily converted into income-generating vacation rentals, often owned by people with no ties to the neighborhood. This transformation has reduced the supply of homes available to residents and contributed to the erosion of long-term community stability. The data shows a clear pattern of loss, but it also highlights where policy can intervene. **Bill 9 offers a pathway to gradually reclaim these spaces for residential use, aligning land use policy with the needs of Maui's people and the original intent of apartment zoning.**

HISTORIC INTENT — WHAT THE DOCUMENTS TELL US

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	48	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other: _____			_____

We analyzed public records from the State of Hawai'i Department of Commerce and Consumer Affairs (DCCA) and the County of Maui Document Database, including those issued by the Real Estate Commission, to determine the intended use of each Minatoya property at the time of its original development. This section draws directly from the declarations made by the developers in the planning and permit approval process.

Key Findings:

- The **majority** of properties included **no mention of transient, visitor, hotel, or commercial activity** in their original documents, reinforcing their intended use as long-term housing.
- Many properties **explicitly prohibited transient, commercial, or hotel use** in their original documents.
- Only two properties were developed primarily for timeshare or hotel use. In all other cases, even where language allowed for transient or hotel use, such uses were framed as secondary or optional—further underscoring that **residential living was the primary intent**.

HISTORIC INTENT

Our review of these documents from the 1960s to 1980s showed the use of boilerplate language: units intended for “private dwelling purposes only” or “only by the owner, their family, guests, tenants, or domestic servants.” To interpret these provisions accurately, we must place ourselves in an entirely different era. “Transient rental” did not carry the same meaning as today, and references to “domestic servants” reflect social norms that no longer exist.

Understanding the historical context is essential to avoid misapplying outdated language to today’s housing and zoning debates.

Where transient use was mentioned, it was frequently a vague allowance to “rent from time to time to transients,” or “use as permanent or temporary dwellings,” always presented as secondary or optional, never as the core purpose. They likely referred to the rare instances when owners were off-island or lent units to family and friends, very different from today’s business model of daily turnover.

STR owners say “It was always this way”

- **Polynesian Shores:** “used for private dwelling purposes only, and no commercial or transient rentals shall be permitted.”
- **Maui Parkshore:** “No unit shall be used for hotel or transient purposes, no advertising of transient rentals shall be permitted.”
- **Leinaala:** “Only used for private dwelling”
- **Walpullani:** “Shall not be used for transient purposes.”
- **The Shores of Maui:** “Shall not be rented for transient or hotel purposes.”
- **Maui Parkshore:** “Entire building is intended for residential and no other purpose.”
- **Nohonani:** “No apartment shall be rented for transient or hotel purposes.”
- **Makani Sands Apartments:** “Restricted us to residential, not operating as a business.”
- **Lokelani:** “no apartment shall be rented by the owner or owners thereof for transient or hotel purposes as defined in the proposed Declaration.”
- **Mahina Surf:** “the building shall at all times be used as a residential apartment building.”

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The purpose for which the apartments are intended and restricted as to use is residential; provided, that this shall not be construed to prohibit the renting or leasing of said apartments for profit, individually or otherwise, so long as the ultimate tenant thereof uses the apartment as a place in which to reside as distinguished from a place in which to carry on a trade or business; provided, further, that no apartment shall be rented by the owner or owners thereof for transient or hotel purposes as defined in the proposed Declaration.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments shall be occupied and used as private residences in accordance with applicable laws.

The Project Rules state, in part: (1) Occupancy is limited to not more than two (2) persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, tenant or lessee, provided that in no event shall the number of occupants be more than three (3) per bedroom; (2) The only pets permitted on the premises are dogs, cats, fish and small birds; and (3) no waterbeds shall be permitted in the apartments.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the residential apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. The apartments may not be used for any other purpose unless consent of the Board of Directors is secured. The owners of the respective apartments shall have the absolute right to lease the same subject to the limitations, restrictions, covenants and conditions of the Declaration.

Restrictive condition set forth in Land Patent Grant No. 12,196, to-wit:

“ . . . the lot hereby conveyed shall be used for residence purposes only. In the event of violation of the foregoing provision, said land shall forthwith be forfeited and resume the status of government land any may be recovered by the Territory of its successors in an action of ejectment or other appropriate proceedings.

Residential by Design:

The historical record shows that nearly all of Maui’s Minatoya properties were designed with residential life in mind, not hotel operations. Among the documents reviewed, most clearly stated residential use as the primary intent, and only two were designed primarily for hotel or timeshare purposes. **The idea that these properties were “always intended for vacation use” is simply not supported by the record.** STR proponents have retroactively projected a commercial use that the developers, zoning laws, and original developers never envisioned. As Maui faces an ongoing housing crisis, **we must respect the original purpose of these communities by returning these units to long-term housing.**

OBSERVED OPERATIONS — SITE VISIT ANALYSIS



Between June 2024 and June 2025, Lahaina Strong and volunteers conducted site visits to more than 100 Minatoya properties across South and West Maui. These visits took place Monday through Friday during regular business hours. We collected observations regarding management practices, visible staffing, signage, and any indicators of whether properties were operating like hotels.

What we found was striking: the vast majority of properties—over 90%—lacked hotel-like services, on-site staff, or meaningful guest support. While a small handful featured lobbies, front desks, or uniformed staff, **most were quiet, unstaffed, and operated as digital, self-service rentals.** Two-thirds of the properties visited had no workers observed and either closed or non-existent offices. This challenges the common narrative that these operations meaningfully contribute to the local economy or provide substantial employment opportunities.

Our findings make one thing clear: these properties are overwhelmingly residential in character and use. **While individual exceptions exist, our boots-on-the-ground data supports a broad phaseout of all STR use in the apartment zones.** There is no reason to structure county policy around a small minority of properties that might qualify for hotel use, and have been offered a path to do so.

2/3 OF MINATOYA
PROPERTIES:
**NO WORKERS
OBSERVED & CLOSED
OR NON-EXISTENT
OFFICES**

OBSERVED OPERATIONS — SITE VISIT ANALYSIS

Of all the Minatoya list properties, **Maui Kaanapali Villas (MKV)** is by far the most hotel-like in both appearance and operation. It features a full lobby and front desk, uniformed staff, on-site amenities including a restaurant and laundry facility, and the overall infrastructure of a traditional resort. These features are consistent with its 1965 variance from Maui County, which specifically authorized it to operate as a hotel.

Historical records indicate that **Maui Schooner**, originally built under the name Laule'a, and operated today by Capital Vacations, appears to have always been intended for timeshare use.

Although it lacks the extensive amenities or appearance of a large on-site staff, its inclusion on the list is due to a combination of its historical use, its management by a resort company and maintained office and lobby presence.

The remaining properties on this limited list: **Wailea Ekahi, Wailea Ekolu, Palms at Wailea, Kamaole Sands, Maui Hill, Papakea, and Maui Eldorado**, displayed active, uniformed staff, guest-facing operations, and guest amenities such as fitness centers or linen services. From appearances, these properties offer a modest level of full-time employment and basic guest accommodations.

However, it is essential to emphasize that most of these properties were originally established for non-commercial purposes, with a documented history of owner occupancy and long-term rental use. Papakea, built across spilt hotel and apartment zoning, used to provide housing for the West Maui Community. Maui Hill, although appearing to be operating as a hotel today, might have a higher community use as long term housing.

Any decision to rezone by the Maui Planning Commission should be approached with caution and grounded in a comprehensive review of historical intent, current operations, and what will best serve the community moving forward. While some properties may be operating at hotel standards, the urgent need for resident housing far outweighs any perceived benefit of maintaining additional tourist accommodations.

**OF 104 MAUI
MINTAOYA LIST
PROPERTIES
VISITED:**

ONLY 9

**EXHIBITED HOTEL
CHARACTERISTICS**

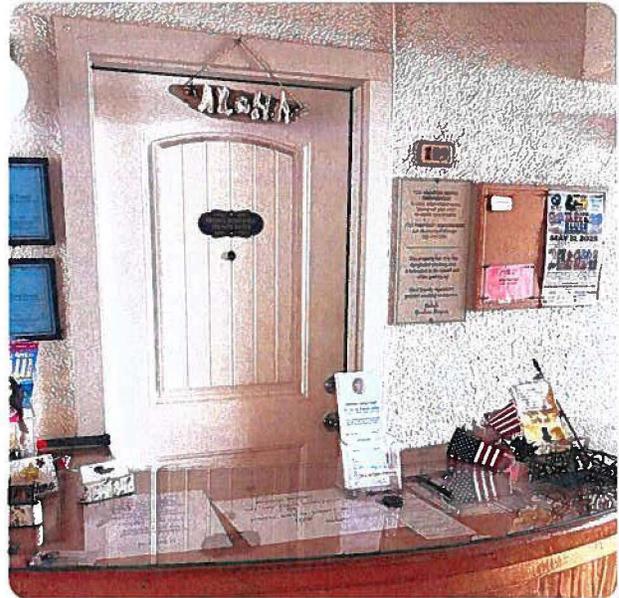
OBSERVED OPERATIONS — SITE VISIT ANALYSIS

NOHONANI
The Nohonani Association of Apartment Owners
3723 Lower Honoapiʻiani Rd, Lahaina, HI 96761

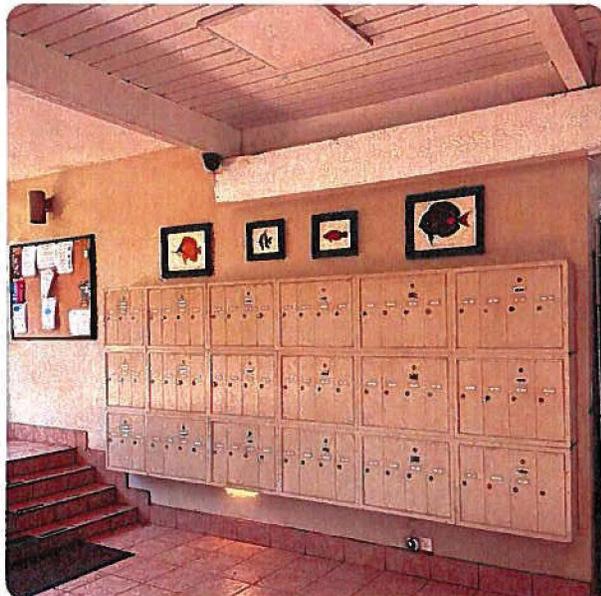
PROPERTY MANAGERS

UNIT	PROPERTY MANAGER	PRIMARY TELEPHONE	ALTERNATE TELEPHONE
100	Maui Ho Ka Oi Properties	808-870-2425	
101	Vianna	808-544-0300	
102	Constance Barber Island Vac.	808-544-4796	
103	Ugretta	808-544-0300	808-544-0300
104	Vianna	808-544-0300	808-544-0300
105	Maui Lodging	808-668-0089	
106	Maui Ho Ka Oi Properties	808-870-2425	
200	Maui Ho Ka Oi Properties	808-870-2425	
201	Maui Lodging	808-668-0089	
202	Maui Lodging	808-668-0089	
203	Maui Lodging	808-668-0089	
204	My Perfect Stay	808-357-4181	
204	N/A		
205	Angela Tyler	851-915-9379	Alice Friesenborg 808-376-7991
206	Aloha Condos, Jose Matheo	808-264-3151	
300	Maui Lodging	808-668-0089	
301	Vianna	808-544-0300	808-544-0300
302	N/A, N/A		808-544-0300
303	My Perfect Stay	591-202-2766	808-544-0300
304	My Perfect Stay	808-357-4181	808-544-0300
305	Rocco Ajani	808-634-2292	
306	Vianna	808-544-0300	
400	Maui Life	808-381-9598	808-544-0300
401	Maria Cardenas	808-105-9596	
402	Maui Lodging	808-668-0089	
403	Maui Life	808-381-9598	
404	Vianna	808-544-0300	
405	Maui Lodging	808-668-0089	808-544-0300
406	N/A		

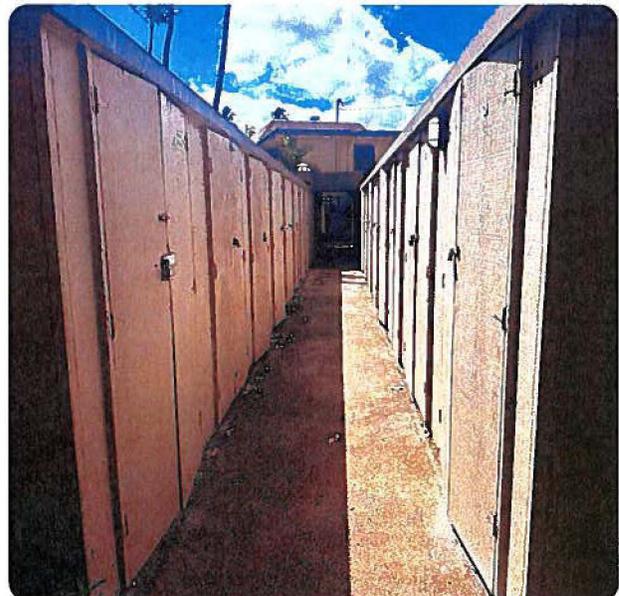
Most Minatoya apartment complexes have different managers for each unit instead of on-site management and centralized booking.



Most Minatoya properties have closed offices during regular business hours and require self-registration of guests and their vehicles.



Most Minatoya properties have vintage mailbox walls—an architectural detail that reflects their original design as residential buildings.



Properties like Maui Sands, offer simple storage solutions that can be replicated, and indicate an intent for long term residency.

OBSERVED OPERATIONS — SITE VISIT ANALYSIS

****Note on Single-Family Homes:**

While the vast majority of Minatoya properties are multi-unit condominium complexes, a small number of single-family homes—particularly those on Halama Street, 'Ili'ili Road, and Uluniu Road in South Maui—are also included on the list. These properties are fundamentally different in character, each with a single owner, and are not the primary focus of Bill 9. Should the owners of these homes wish to continue short-term rental operations, they can pursue Conditional Use Permits or apply under the existing regional STR or B&B permitting frameworks. **Their size, structure, and ownership model make them clear outliers that can be reasonably and efficiently addressed by the Planning Commission on a case-by-case basis.**

HOTEL-LIKE OPERATIONS ARE THE EXCEPTION—NOT THE RULE

Out of all the Maui Minatoya properties visited between June 2024 and June 2025, only a handful demonstrated the obvious appearance of staffing, guest services, and management typical of hotel operations. **Most lacked even a basic office presence, with little to no signs of full-time staff, guest services or cohesive management.**

The vast majority of these properties function as disjointed, self-serve, rental buildings. They operate largely through off-site property managers, digital check-in platforms, or contracted service providers, contributing little to the local employment base or guest experience.

Other observations included broken irrigation systems and water features left running, as well as water being wasted during the hottest parts of the day, washing tennis courts, pool decks, or walkways, despite our ongoing water shortages. These actions reflect not just a lack of oversight but a disconnect from community priorities and resource stewardship.

Bill 9 is, at its core, a zoning issue—and it should be treated as such. With fewer than a dozen properties potentially qualifying for hotel or resort zoning, it is entirely reasonable for the Maui County Council to pass Bill 9 as a law of general application. The Planning Commission is well equipped to evaluate any legitimate rezoning requests on a case-by-case basis during the multi-year phaseout.

The Council must pass Bill 9 as a law of general application; there is no justification for carving out exemptions or delaying action around a small minority.

FINAL CONCLUSION & RECOMENDATION

The findings in this report are clear and consistent across every level of review: Maui's apartment-zoned STR properties were largely intended for residential use, functioned as such for decades, and continue to operate in ways that are fundamentally incompatible with commercial resort activity. While a small handful of outliers exhibit hotel-like operations, around 90% do not come close—lacking on-site staff, guest services, amenities, or the employment footprint of true hospitality businesses.

Claims by the vacation rental industry that these properties were “always intended for vacation use” are not supported by the historical record, public observations, or even the experiences of guests themselves. In fact, many online reviews describe unmanaged properties with inconsistent service, unclear protocols, and challenging check-ins —not the kind of visitor accommodations that uplift Maui's economy or brand.

At the same time, **this decades-long creep of commercial activity into residential zones has contributed directly to the housing crisis that now grips the island.** Long-term rental stock has been gutted. Owner occupancy has plummeted. Entire buildings that once housed Maui's working families now function as unstaffed hotel alternatives, disconnected from the community and draining the housing supply.

This report affirms what residents have long known: **Maui's zoning code was never meant to allow a backdoor for resort operations in residential apartment districts.**

WE URGE THE MAUI COUNTY COUNCIL TO HONOR THE ORIGINAL RESIDENTIAL PURPOSE OF THESE NEIGHBORHOODS:

PASS BILL 9.

