



Living Near Hawaii's Lava Zones in 2026: The Risks, the Insurance, and the Real Estate Reality

Living near Hawaii's lava zones is one of the most misunderstood parts of buying real estate in the islands. People see lower home prices and stunning landscapes, but often don't realize how lava hazard maps affect insurance availability, financing options, property values, and long-term risk. In 2026, these factors matter more than ever as buyers weigh affordability against uncertainty. This episode is about understanding the real risks, the insurance challenges, and the realities of owning property in Hawaii's lava-prone areas so you can make an informed decision before you buy.

What's Your Next Step?

Get the Full Guide

Everything you need to know about living near hawaii's lava zones — in one place.

[Link to Youtube Description]

Book a Meeting with the Experts

Talk directly with someone who knows Hawaii real estate and can help you plan your move.

[Link in Youtube Description]

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What Is a Lava Zone?

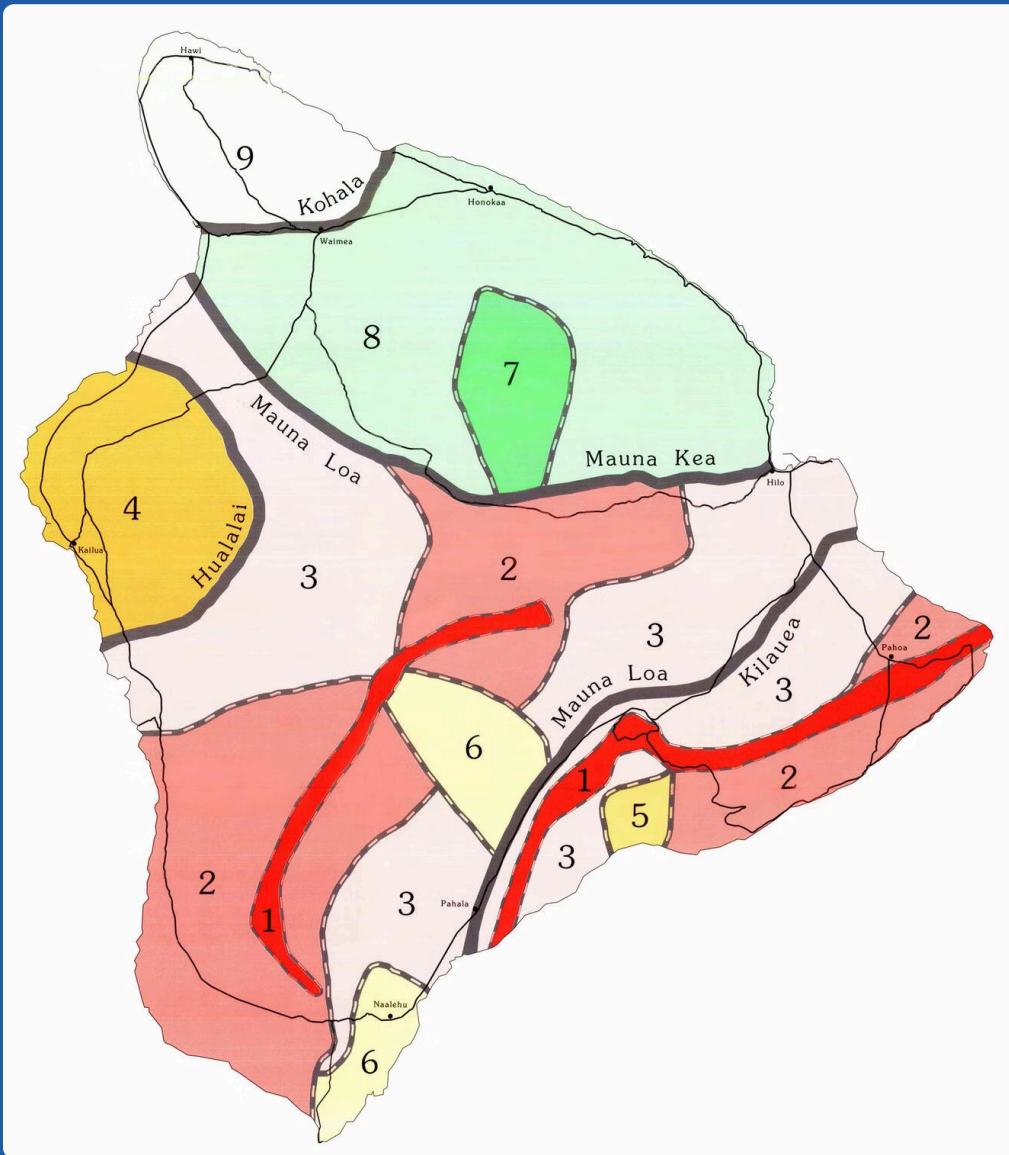
The Basics

Hawaii has **9 lava zones**. Zone 1 is the highest risk, Zone 9 the lowest — based on historical lava flow coverage and proximity to active rift zones and volcanic vents. Only the **Big Island** has active lava zones relevant to real estate. Oahu, Maui, and Kauai are not a factor.

How to Read the Map

- Zone 1 and Zone 2 sit in lower Puna, near Kilauea's active rift zones
- Kona, Waimea, and Hilo fall in significantly lower-risk zones
- Any specific address or parcel can be looked up on the USGS lava hazard zone map
- Zones are a **probability tool**, not a guarantee — lower zone means statistically less likely, not zero risk

⚠ In 2018, the Kilauea eruption destroyed **716 homes** — mostly in Leilani Estates, a Zone 1 and Zone 2 neighborhood.



Why This Matters for Real Estate

Lava zone designation directly affects three things — and all three work differently here than anywhere else in the country.



Property Value

Zone designation significantly impacts what a home is worth and what a buyer can realistically expect to pay — or recoup — over time.



Insurance

Standard homeowners policies don't cover lava. Separate volcanic activity coverage is required, and options narrow dramatically in high-risk zones.



Financing

Conventional loans are very difficult to obtain in Zone 1. Lender options shrink, which also shrinks the future resale pool.

- ❏ Buyers on the mainland often don't discover the zone until they're already under contract. Agents have a responsibility to raise this **early** — before touring, not after. The zone should be one of the first things confirmed on any Big Island property.



Lending in Lava Zones

Financing in Zone 1 is harder — but not impossible. Understanding your options is critical before making an offer.

Conventional Loans

Fannie Mae and Freddie Mac loans are **very difficult to obtain** in Zone 1. FHA and VA loans are similarly restrictive in the highest-risk zones.

Portfolio & Local Lenders

Portfolio lenders and local banks have more flexibility and are **often the path forward** for buyers seeking financing in high-risk zones.

Cash Buyers

Cash buyers make up a **significant portion** of Zone 1 transactions — which means a smaller buyer pool now and a smaller resale pool later. Liquidity risk is real.

Insurance: Coverage Exists, But It Costs More

What You Need to Know

- In Zone 1 and Zone 2, most private insurers will not write coverage at all
- The **Hawaii Property Insurance Association (HPIA)** is the state's insurer of last resort — often the only option in the highest-risk zones
- In lower-risk zones, private insurance is available but premiums are rising — expect to pay **roughly double** compared to similar homes on Oahu or Maui

⊗ Always get an insurance quote **before making an offer**, not after.

Annual Premium Ranges

Zone 1 (HPIA): \$3,000 – \$8,000+ per year depending on home value

Lower-risk zones: \$1,500 – \$2,500 per year

Oahu / Maui comparison: Significantly lower — Big Island premiums can run double or more

It Comes Down to Risk Tolerance

There is no universal right answer. This is a personal decision based on each buyer's risk tolerance, financial situation, and lifestyle priorities. Someone buying Zone 1 with cash, full HPIA coverage, and a clear understanding of the tradeoffs is making an **informed choice**. Someone buying because the price surprised them and they didn't know what the zone meant is in a very different situation.

Questions Every Buyer Should Ask

- Can I absorb the insurance cost into my monthly budget without strain?
- Am I okay owning a property that may be harder to sell quickly?
- Have I looked at the lava zone map and understood exactly where this property sits?
- Do I understand what happened in 2018 and accept that it could happen again?

i If the answers are yes, lava zone living can work. If there's hesitation on any of them, there are better options on the Big Island worth exploring first.

A tropical beach scene with waves, palm trees, and a building in the background. The image is overlaid with a semi-transparent blue filter. The text "Mahalo for Watching!" is prominently displayed in the center-left.

Mahalo for Watching!

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