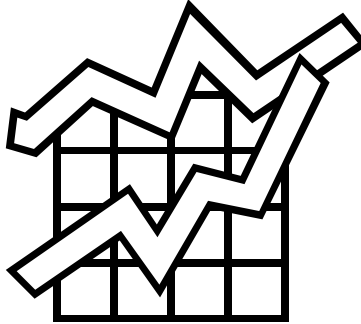


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# Summary of Single Family Vacant Lots & New Building Permits

Ada County  
Boise, Idaho

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## PURPOSE

Provide an overview of the current vacant lots along with new single family construction permit history to understand trends in the County.

## SCOPE OF WORK

Provide an estimated absorption rate for single family residential vacant lots in Ada County as of year-end 2010.

Collected and analysis

- Residential vacant lots in Ada County.
- New construction permits from all six issuing offices in Ada County.
- New construction sales from IMLS.
- New lots sales in IMLS.

## KEY RESULTS

### Current Absorption

Using Ada County data, 9,346 parcels are coded as “200 Bare Land”. However it’s misleading to say there are 9,346 vacant lots. Data was removed for the following reasons: a) Government lots, 2) Lots over 5 acres, c) Non-condo & non-townhouse parcels which are too small and, d) Incorrectly reported data. The revised estimation is 7100 lots broken down by city in the chart.

Estimated from Ada County

CITY	VACANT LOTS
Boise	2100
Eagle	1200
Garden City	100
Meridian	2400
Star	700
Kuna	600
Grand Total	7100

Pioneer Title Company (PTC) data indicates Ada County has 217 *detached* subdivisions with 6,112 vacant lots from newer subdivisions which started selling lots between 2005 and 2009. The majority of subdivisions started selling lots in 2005-2007.

Of the 12,078 total lots, 6,112 are vacant with another 400 with “spec” homes. Developer held lots are 2,108 (35%). The current absorption rate\* is estimated at April, 2017 (6 years).

PTC data indicates there are 46 *attached* developments with a total of 1,952 lots with 1,348 lots not sold. The sell-out date is forecasted from Nov, 2020 - June , 2024 (9 – 13 years).

Remarkably, two methods arrived at very close figures. Ada County has about 7,100 vacant lots with 400 lots with spec homes. Furthermore, The City of Meridian ([www.cityofmeridian.org](http://www.cityofmeridian.org)) online data also supports the 2,400 figure, with a figure 2,407 posted online. The two numbers are within 0.3% and are arrived by two separate methods and data sources.

<u>Data Base</u>	<u>Figure</u>
PTC Data	7460 (6112 Det Lots + 1348 Att Lots)
Ada County	7100
Difference	4.8%

\*Estimated Absorption Rate = (Lots or Homes Available / Average Month Sales) = Number of months until Sellout

### **Proposed New Developments**

PTC data shows the county has 128 proposed developments, with 11,795 permits.

<u>Type</u>	<u>Subdivisions</u>	<u>Lots</u>
Detached	103	10,334
Attached	25	1,461

This is an oversupply of proposed developments.

### **Permit Data**

Ada County has experienced a steep decline of new construction permits. Last year the county dropped 5% from 2009 to 2010. The peak year for new construction permits was 2005 with a steady decline until 2010. Reliable data for 2005 was not available from the Ada County office and City of Garden City at the time of this report. I would expect similar trends.

ADA COUNTY PERMITS			
Location	2009	2010	Change
Ada County	165	150	-9%
City of Boise	202	340	168%
City of Eagle	35	103	294%
City of Garden City	9	16	178%
City of Kuna	238	93	39%
City of Meridian	626	509	81%
TOTAL	1275	1211	95%

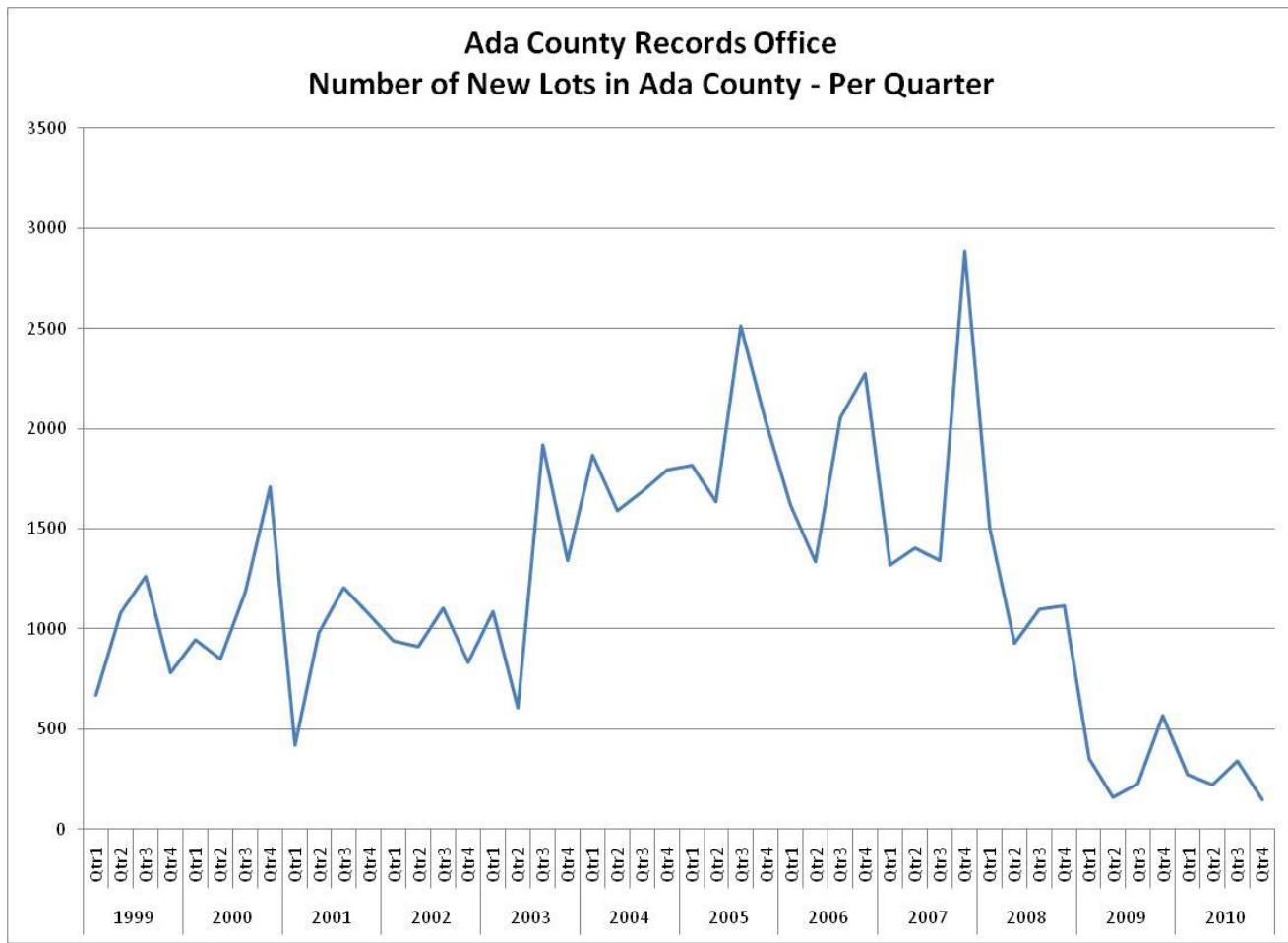
NEW CONSTRUCTION PERMITS			
ISSUING OFFICE	2005	2010	Difference
City of Boise	1044	340	-67%
City of Eagle	528	103	-80%
City of Kuna	520	93	-82%
City of Meridian	3252	509	-84%
City of Garden City	N/A	16	N/A
Ada County	N/A	150	N/A

This is causing a decreasing value in bare land and developed vacant lots with a rise of inventory of vacant lots in Ada County.

## Records Office

Ada County shows 57,011 new lots from 1999 to 2010, with the spike in 2005. The 2010 lots are 88% below the 2005 peak, while 2010 subs are 81% down from the 2005 peak. In some peak months, the county was adding 1,104 new lots per month (July-2006), which is 11% greater than the entire year of 2010.

Year	New Lots	New Subs	Avg Lots/Sub
1999	3,795	131	29
2000	4,690	143	33
2001	3,685	120	31
2002	3,785	145	26
2003	4,954	166	30
2004	6,936	203	34
2005	8,002	237	34
2006	7,280	218	33
2007	6,951	210	33
2008	4,650	165	28
2009	1,301	66	20
2010	982	44	22
<b>12 YEAR TOTAL</b>	<b>57,011</b>	<b>1,848</b>	<b>31</b>



## CONCLUSION

Ada County has an excessive supply of vacant lots. Data shows almost half of the lots since 1999 were added between 2004 and 2008. The build-up of vacant lots followed by falling home prices and rising foreclosures has crippled vacant lot sales and subdivisions developments in Ada County. The Law of Supply and Demand dictates the steep decline in vacant land sales would continue to decline vacant lot and vacant land value.

The review data for single family, condo, townhouse, duplex, triplex and fourplex would estimate Ada County as having 7-9 years of inventory as of year-end 2010.

I estimate the figure will rise, since the nation has 1 in 501 homes being foreclosed\*, with Idaho ranked 6<sup>th</sup> in the Nation with 1 in 309 homes being foreclosed\*. I should also be noted that the current time, 1 in 4 or 25%, of all mortgages on single family in our nation are under water.

\* [www.statehealthfacts.org](http://www.statehealthfacts.org)

## OVERVIEW OF RESEARCH METHODS

Data was collected using several methods. One method, data of vacant lots in Ada County, along with data on “Preliminary Subdivisions” was provided by Mark Southard in the Assessor’s office.

Ada County records office data was provided by Mark Southard.

Secondary data source was Pioneer Title, Jake Tunison. The data was detailed and provided in data table format. Data was provided to PTC via [www.newtrendhomes.com](http://www.newtrendhomes.com).

Sold data came from IMLS, Paragon tax feature within IMLS, and Ada County, which provided confirmation on total yearly sales.

New construction permit data was critical to obtain. All six issuing offices were contacted via phone or email to compile all permits in one data base.

Ada County – Data was taken from online source, cleansed and reported. Online data was in semi-friendly format in MS excel. Detail information by permit number.

City of Boise – Data was taken from online source. The data was removed from the .pdf report. Data was summarized monthly, not by permit number.

City of Eagle – Data was taken from online website, summary data was for entire year.

City of Meridian - Data was taken from online website, monthly summary information in excel format. Detail permit information was listed in .pdf form, but not used.

City of Kuna – Data was taken from online website, detailed by permit information.

City of Garden City – Data was e-mailed in summary .pdf form and manually removed. No data online.

## DATA SOURCES

### NEW PERMITS

Custom made database using the following data sources.

#### Ada County

Ada County Website / Development Service

<http://www.adaweb.net/DevelopmentServices/BuildingDivision/CurrentPermitInformation.aspx>

#### City of Boise

City of Boise Website / PDS Construction Reports

<http://www.cityofboise.org/Departments/PDS/BuildingServices/PermitReports/page52776.aspx>

#### City of Eagle

City of Eagle Website

<http://www.cityofeagle.com/>

#### City of Garden City

Leon Letson - Planner

P: (208) 472-2921

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#### City of Meridian

City of Meridian website

<http://www.cityofmeridian.org/>

Departments / Building Services / Report / Other Reports / Construction Totals

#### City of Kuna

City of Kuna website

[http://www.cityofkuna.com/building\\_permits.htm](http://www.cityofkuna.com/building_permits.htm)

### TOTAL LOTS / SUB PLATTED

1. Ada County Recorder's Office

### TOTAL HOMES SOLD DATA

1. Intermountain Multiple Listing Service
2. Paragon Tax Records (within IMLS)
3. Ada County (Mark Southard)
4. Pioneer Title Company – Jake Tunison

### VACANT LOT DATA

1. Ada County – Mark Southard
2. City of Meridian – Online Report
3. PTC – Jake Tunison

## **CREDENTIALS**

**Education:** Michigan State University, B.S. in Packaging Engineering  
Graduated December 1992

Boise State University, M.B.A.  
Graduation, December 2000

Lincoln-Graduate Center – National Association of Master Appraisers  
Graduation, August 2002

### **Computer Skill Set**

- Advanced analytic applications in Microsoft Excel
- MBA Thesis was Online Analytical Processing (OLAP) with ProClarity Software
- Advanced computer skills in Microsoft Office

### **MBA Classes**

MBA512 Business Statistics

MBA517 Accounting for Managers

BMA525 Corporate Finance

MBA539 Marketing & Customers Issues

MBA533 Operations & Information Systems

MBA536 Organizational Issues

MBA516 Law for Managers

MBA523 Production & Systems Management

MBA531 Business Perspectives

MBA584 Operations Management

MBA536 Business in Global Society

PR497 Project Management

Co-owner of Hennessey Appraisals since 2003

Started Real Estate Appraisals in the Treasure Valley in 2001, licensed in 2003.

Publisher of the website [www.hennesseyappraisals.com](http://www.hennesseyappraisals.com) & weekly blog

Author of "The Hennessey Report".

Online published since October 2009

Provides Quarterly Recap of the Treasure Valley Real Estate Market.

Guest Speaker

Canyon County Realtors Association (March -2011)

Ada County Assessor Office 2011 - Real Estate Symposium by Robert McQuade (April-2011)

Data Source of Articles in the Idaho Statesman (Joe Estrella [jestrella@idahostatesman.com](mailto:jestrella@idahostatesman.com))

10/24/2010 "Eagle's real estate crash hits top leaders, too"

2/12/2011 "Treasure Valley median home prices still heading downward"