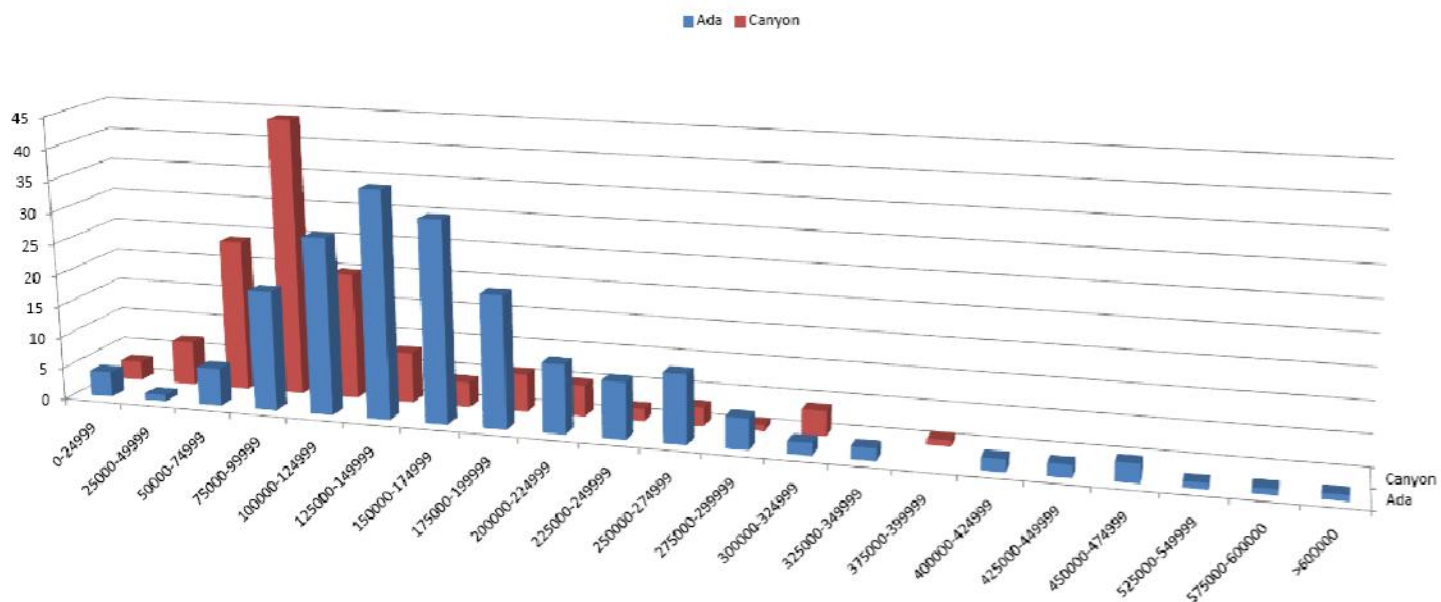


Ada & Canyon- Distress by Price Range
December 2009



The Hennessey Report

Month End Recap – December, 2009

Treasure Valley Home Sales

Boise, Idaho

Issued 1/15/2009

www.hennesseyappraisals.com

John R. Hennessey LRA-748

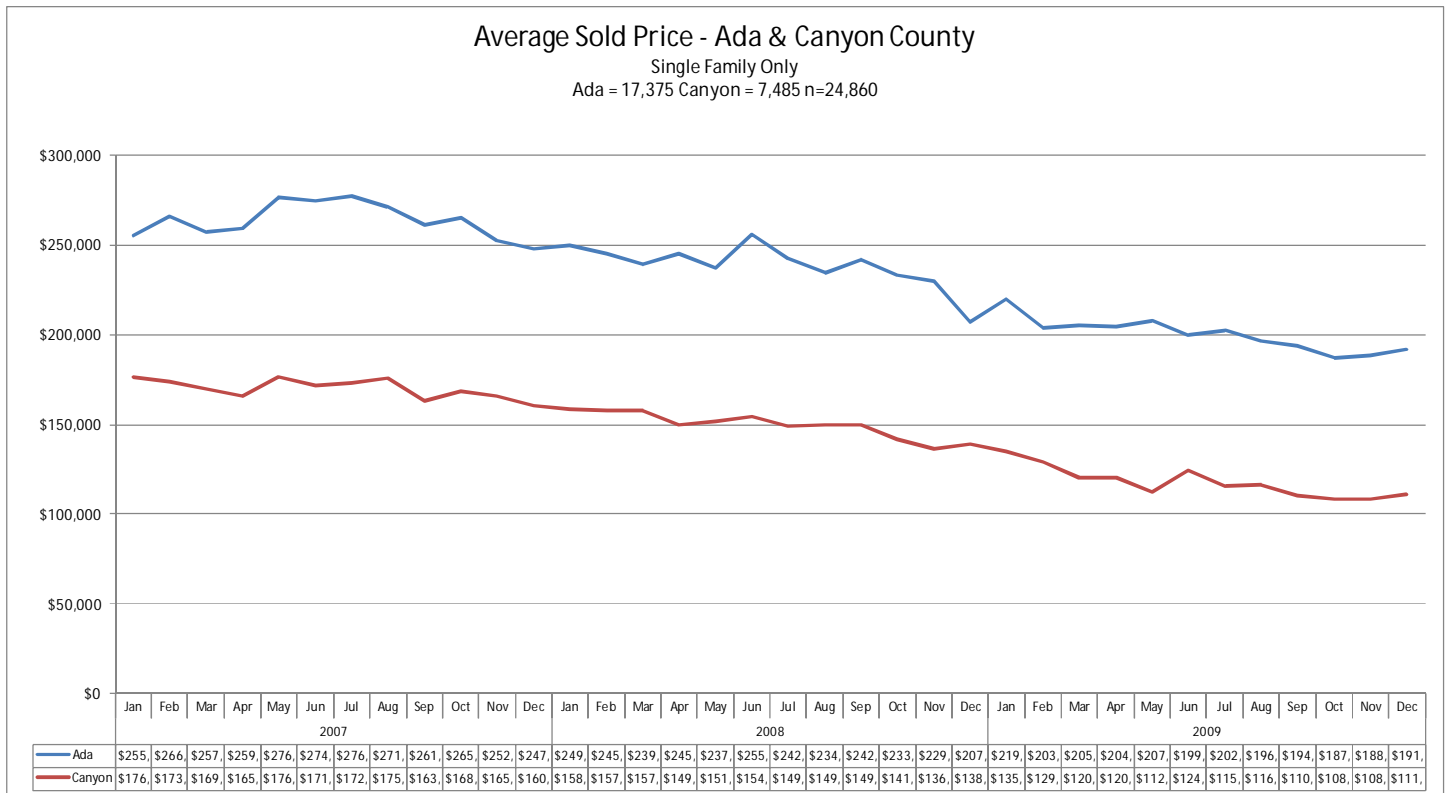
Average Monthly Sold Price

The twenty-four (24) month downward trend in both counties is listed below.

| County | Monthly Change in Value* | |
|--------|--------------------------|----------|
| | 24 Month | 12 Month |
| Ada | - 0.09% | - 1.05% |
| Canyon | - 1.24% | - 1.47% |

The 12-month quarterly rolling average change in value for Ada is -0.08% month.

The 12-month quarterly rolling average change in value for Canyon is -1.24% month



| Ada County | | | |
|-------------------------|-----------|-----------|-----------|
| Average Sold Price - SF | | | |
| | 2007 | 2008 | 2009 |
| Jan | \$255,265 | \$249,855 | \$219,741 |
| Feb | \$266,239 | \$245,317 | \$203,643 |
| Mar | \$257,317 | \$239,143 | \$205,372 |
| Apr | \$259,389 | \$245,030 | \$204,800 |
| May | \$276,706 | \$237,090 | \$207,714 |
| Jun | \$274,421 | \$255,845 | \$199,941 |
| Jul | \$276,982 | \$242,544 | \$202,334 |
| Aug | \$271,499 | \$234,378 | \$196,310 |
| Sep | \$261,007 | \$242,145 | \$194,050 |
| Oct | \$265,214 | \$233,446 | \$187,225 |
| Nov | \$252,389 | \$229,708 | \$188,642 |
| Dec | \$247,906 | \$207,131 | \$191,856 |

| Canyon County | | | |
|-------------------------|-----------|-----------|-----------|
| Average Sold Price - SF | | | |
| | 2007 | 2008 | 2009 |
| Jan | \$176,306 | \$158,584 | \$135,246 |
| Feb | \$173,628 | \$157,795 | \$129,326 |
| Mar | \$169,554 | \$157,664 | \$120,370 |
| Apr | \$165,542 | \$149,661 | \$120,165 |
| May | \$176,648 | \$151,660 | \$112,555 |
| Jun | \$171,528 | \$154,409 | \$124,126 |
| Jul | \$172,988 | \$149,048 | \$115,609 |
| Aug | \$175,744 | \$149,536 | \$116,623 |
| Sep | \$163,196 | \$149,606 | \$110,042 |
| Oct | \$168,500 | \$141,713 | \$108,264 |
| Nov | \$165,558 | \$136,502 | \$108,066 |
| Dec | \$160,333 | \$138,836 | \$111,259 |

Math Section - Ada County

$$12 \text{ Month} = (\$191856 / \$219741) - 1 / 12 = 0.0105 = (1.05\%)$$

$$24 \text{ Month} = (\$191856 / \$249855) - 1 / 24 = 0.0097 = (0.09\%)$$

12 Month Quarterly Rolling Average (helps smooth the line)

$$(((187255 + 188642 + 191856 / 3)) / ((219741 + 203643 + 205372 / 3))) - 1 / 12 = - 0.08\%$$

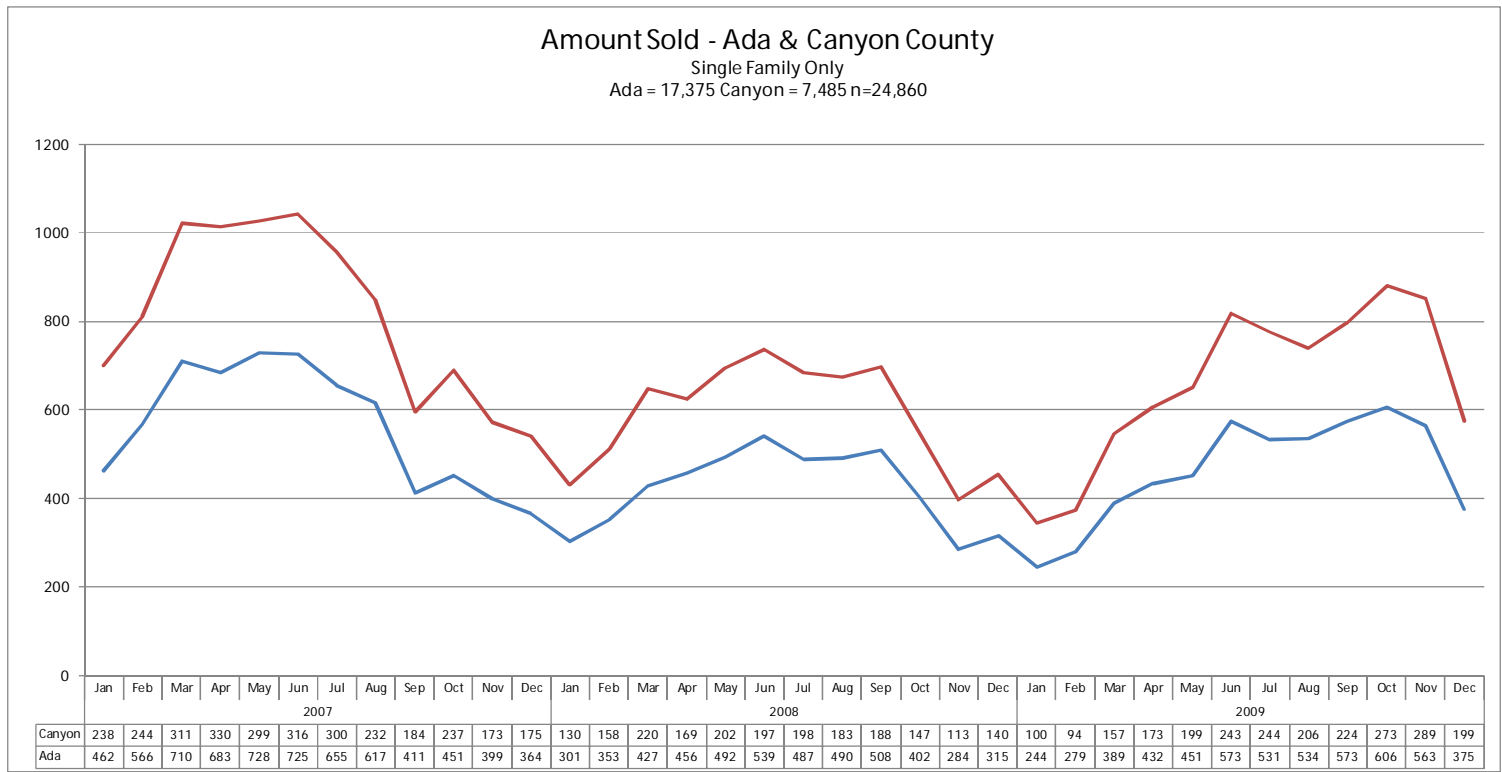
Monthly Sold Volume

Ada County Dec-09 monthly sold volume was 19% better than Dec-08, while Canyon showed a 42% improvement over Dec-08.

| Dec-2009 Change From Prior Years | | |
|----------------------------------|------|------|
| County | 2007 | 2008 |
| Ada | 3% | 19% |
| Canyon | 14 % | 42% |

Ada County six month average is 530 units, a 28% improvement over same time last year.

Canyon County six month average is 239 units, a 48% improvement over same time last year.

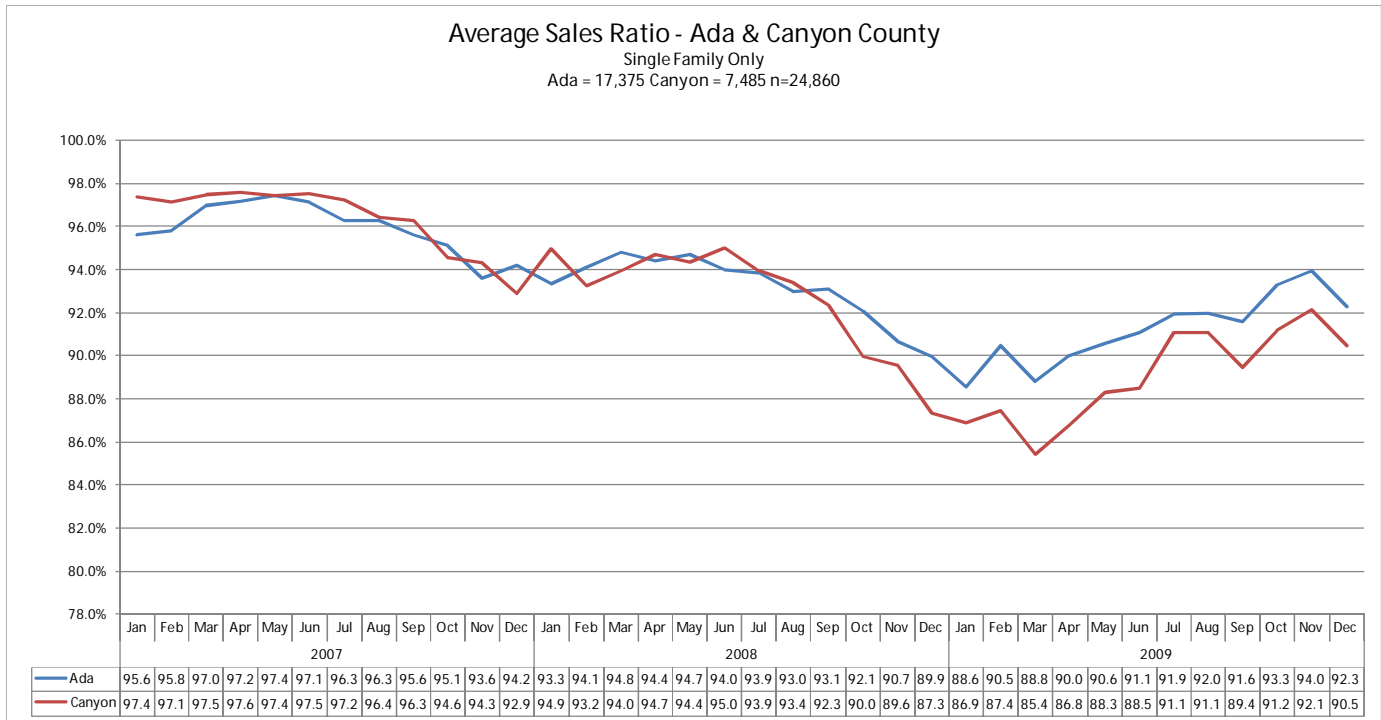


| Ada County | | | |
|-------------|------|------|------|
| Amount Sold | | | |
| | 2007 | 2008 | 2009 |
| Jan | 462 | 301 | 244 |
| Feb | 566 | 353 | 279 |
| Mar | 710 | 427 | 389 |
| Apr | 683 | 456 | 432 |
| May | 728 | 492 | 451 |
| Jun | 725 | 539 | 573 |
| Jul | 655 | 487 | 531 |
| Aug | 617 | 490 | 534 |
| Sep | 411 | 508 | 573 |
| Oct | 451 | 402 | 606 |
| Nov | 399 | 284 | 563 |
| Dec | 364 | 315 | 375 |
| Grand Total | 6771 | 5054 | 5550 |

| Canyon County | | | |
|---------------|------|------|------|
| Amount Sold | | | |
| | 2007 | 2008 | 2009 |
| Jan | 238 | 130 | 100 |
| Feb | 244 | 158 | 94 |
| Mar | 311 | 220 | 157 |
| Apr | 330 | 169 | 173 |
| May | 299 | 202 | 199 |
| Jun | 316 | 197 | 243 |
| Jul | 300 | 198 | 244 |
| Aug | 232 | 183 | 206 |
| Sep | 184 | 188 | 224 |
| Oct | 237 | 147 | 273 |
| Nov | 173 | 113 | 289 |
| Dec | 175 | 140 | 199 |
| Grand Total | 3039 | 2045 | 2401 |

Average Monthly Sales Ratio

The sales ratio trend went down 2% in both counties; This is mainly due to short-sales percentage increase from 32% to 46% in Ada County. Short-sales are causing the drop in sales ratio.



| Ada County | | | |
|-----------------------------|-------|-------|-------|
| Average Monthly Sales Ratio | | | |
| | 2007 | 2008 | 2009 |
| Jan | 95.6% | 93.3% | 88.6% |
| Feb | 95.8% | 94.1% | 90.5% |
| Mar | 97.0% | 94.8% | 88.8% |
| Apr | 97.2% | 94.4% | 90.0% |
| May | 97.4% | 94.7% | 90.6% |
| Jun | 97.1% | 94.0% | 91.1% |
| Jul | 96.3% | 93.9% | 91.9% |
| Aug | 96.3% | 93.0% | 92.0% |
| Sep | 95.6% | 93.1% | 91.6% |
| Oct | 95.1% | 92.1% | 93.3% |
| Nov | 93.6% | 90.7% | 94.0% |
| Dec | 94.2% | 89.9% | 92.3% |

| Canyon County | | | |
|-----------------------------|-------|-------|-------|
| Average Monthly Sales Ratio | | | |
| | 2007 | 2008 | 2009 |
| Jan | 97.4% | 94.9% | 86.9% |
| Feb | 97.1% | 93.2% | 87.4% |
| Mar | 97.5% | 94.0% | 85.4% |
| Apr | 97.6% | 94.7% | 86.8% |
| May | 97.4% | 94.4% | 88.3% |
| Jun | 97.5% | 95.0% | 88.5% |
| Jul | 97.2% | 93.9% | 91.1% |
| Aug | 96.4% | 93.4% | 91.1% |
| Sep | 96.3% | 92.3% | 89.4% |
| Oct | 94.6% | 90.0% | 91.2% |
| Nov | 94.3% | 89.6% | 92.1% |
| Dec | 92.9% | 87.3% | 90.5% |

Inventory

The inventory from November to December for Ada County Single Family listings shed about 2 weeks of inventory, based on a 12-month forecast. Last month I projected this, because the November 2008 sales were low and “fell off” the calculations.

Compared to last month, Canyon county shed 2 weeks also, from 10.1 month to 9.5 months.

| County | Status & Est Inventory | TYPE OF LISTING | | | | TOTAL |
|--------|------------------------|-----------------|----------------------------|-------|-----------|-------|
| | | Single Family | Single Family with Acreage | Condo | Townhouse | |
| Ada | Sold | 5539 | 194 | 142 | 287 | 6162 |
| | Active | 3157 | 227 | 251 | 216 | 3851 |
| | Pending | 560 | 39 | 20 | 28 | 647 |
| | Inventory* | 8.1 | 16.5 | 22.9 | 10.2 | 8.8 |
| Canyon | Sold | 2389 | 271 | 0 | 33 | 2693 |
| | Active | 1612 | 337 | 4 | 42 | 1995 |
| | Pending | 280 | 41 | 0 | 2 | 323 |
| | Inventory* | 9.5 | 16.7 | N/A | 16.0 | 10.3 |

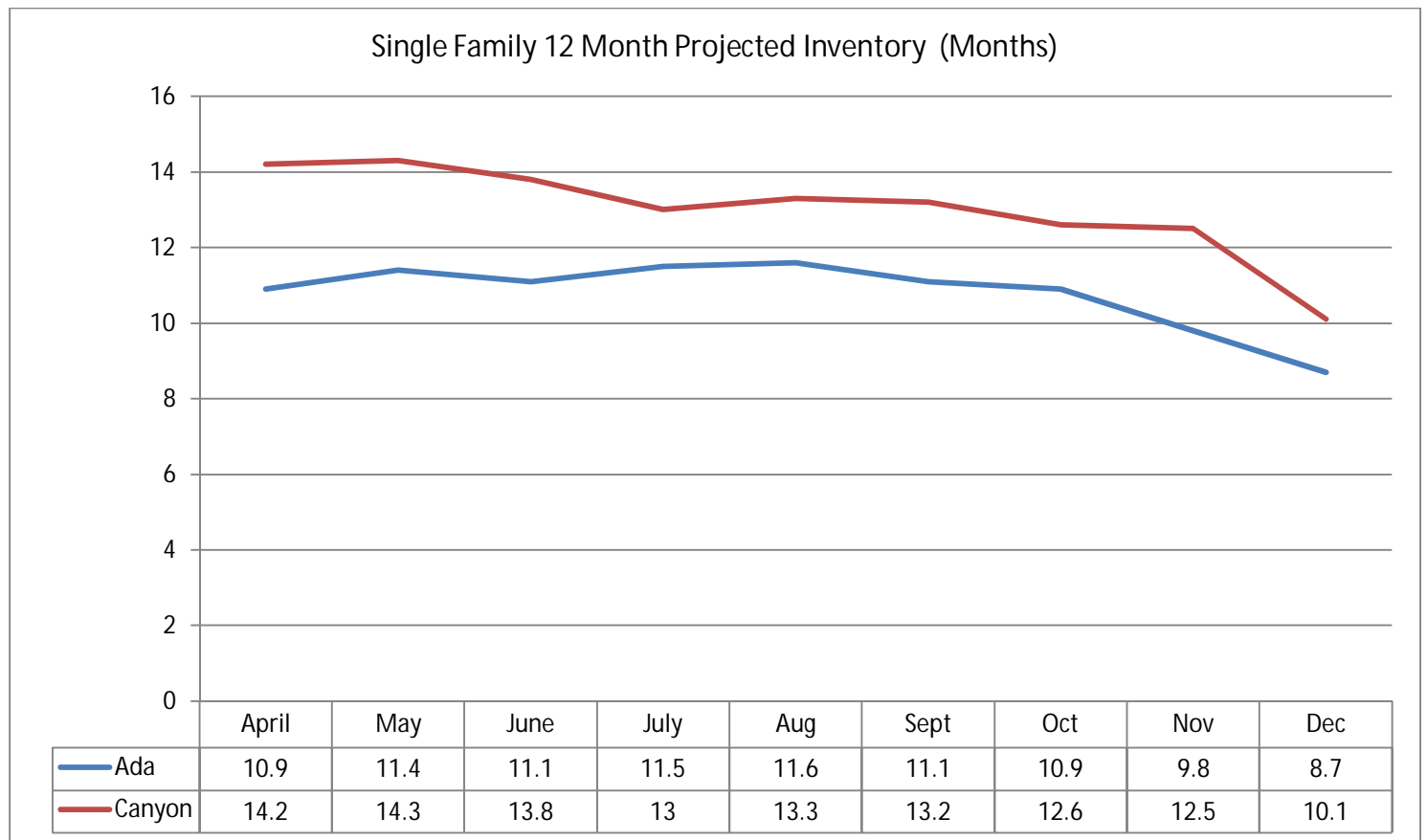
*Estimated from 12 months sales. 12 Month Sales / (Current Active + Current Pending) = Inventory

Inventory Units = Months

Single Family Only

| County | MLS Area | Current Active/Pend Listings | 12 Month Sales | Est Inventory using 12 Months Sales (Months) | 6 Month Sales | Est Inventory using 6 Months Sales (Months) | 3 Month Sales | Est Inventory using 3 Months Sales (Months) |
|---------|----------|------------------------------|----------------|--|---------------|---|---------------|---|
| Ada | Several | 3717 | 5539 | 8.1 | 3165 | 7.0 | 1525 | 7.3 |
| Canyon | Several | 1892 | 2389 | 9.5 | 1422 | 8.0 | 748 | 7.6 |
| Gem | Several | 83 | 114 | 8.7 | 61 | 8.2 | 37 | 6.7 |
| Elmore | Several | 249 | 248 | 12.0 | 134 | 11.1 | 67 | 11.1 |
| Payette | Several | 185 | 134 | 16.6 | 71 | 15.6 | 31 | 17.9 |

10 Month History – Single Family, 12 Month Projections



Inventory by MLS Area

MLS area 100 reduced inventory 1 month, from 10.7 months to 9.6 months. This is the first time all year all MLS areas in Boise are tracking around or below 9 months, based on 12 month projections.

Single Family Only - Date Range: 1/1/2009 - 12/31/2009. Intermountain MLS

| County | City | MLS Area | Active / Pending | 12 Month Sales | Est Inventory using 12 Months Sales (Months) | 6 Month Sales | Est Inventory using 6 Months Sales (Months) | 3 Month Sales | Est Inventory using 3 Months Sales (Months) |
|--------|-----------|----------|------------------|----------------|--|---------------|---|---------------|---|
| Ada | Boise | 100 | 227 | 283 | 9.6 | 161 | 8.5 | 74 | 9.2 |
| | | 200 | 70 | 115 | 7.3 | 69 | 6.1 | 32 | 6.6 |
| | | 300 | 237 | 404 | 7.0 | 243 | 5.9 | 102 | 7.0 |
| | | 400 | 213 | 347 | 7.4 | 195 | 6.6 | 86 | 7.4 |
| | | 500 | 94 | 167 | 6.8 | 89 | 6.3 | 47 | 6.0 |
| | | 550 | 384 | 571 | 8.1 | 329 | 7.0 | 174 | 6.6 |
| | | 600 | 165 | 207 | 9.6 | 128 | 7.7 | 54 | 9.2 |
| | | 650 | 369 | 482 | 9.2 | 251 | 8.8 | 120 | 9.2 |
| | 800 | 205 | 330 | 7.5 | 181 | 6.8 | 78 | 7.9 | |
| | Eagle | 900 | 281 | 331 | 10.2 | 181 | 9.3 | 84 | 10.0 |
| | Star | 950 | 112 | 184 | 7.3 | 93 | 7.2 | 45 | 7.5 |
| | Meridian | 1000 | 167 | 239 | 8.4 | 137 | 7.3 | 74 | 6.8 |
| | | 1010 | 40 | 48 | 10.0 | 28 | 8.6 | 10 | 12.0 |
| | | 1020 | 307 | 531 | 6.9 | 292 | 6.3 | 155 | 5.9 |
| | | 1030 | 584 | 822 | 8.5 | 473 | 7.4 | 223 | 7.9 |
| Kuna | 1100 | 248 | 474 | 6.3 | 313 | 4.8 | 164 | 4.5 | |
| Canyon | Nampa | 1250 | 303 | 393 | 9.3 | 246 | 7.4 | 151 | 6.0 |
| | | 1260 | 511 | 614 | 10.0 | 357 | 8.6 | 153 | 10.0 |
| | | 1270 | 304 | 385 | 9.5 | 225 | 8.1 | 123 | 7.4 |
| | Melba | 1265 | 6 | 9 | 8.0 | 4 | 9.0 | 1 | 18.0 |
| | Caldwell | 1275 | 145 | 197 | 8.8 | 116 | 7.5 | 65 | 6.7 |
| | | 1280 | 433 | 574 | 9.1 | 345 | 7.5 | 178 | 7.3 |
| | Middleton | 1285 | 123 | 157 | 9.4 | 96 | 7.7 | 60 | 6.2 |
| Other | 1290 | 23 | 18 | 15.3 | 12 | 11.5 | 6 | 11.5 | |

Inventory by Price

Compared to last month, every price segment in Ada County showed improvement on the 12 month estimated inventory.

Compared to last month, almost every price segment in Canyon County showed improvement on the 12 month estimated inventory; only homes over \$450,000 went from 24 months to 84 months. However, the count is so low, it has a minimal impact overall.

Single Family Only - Date Range: 1/1/2009 - 12/31/2009. Intermountain MLS

| County | City | Price Range | Active | 12 Month Sales | Est Inventory using 12 Months Sales (Months) | 6 Month Sales | Est Inventory using 6 Months Sales (Months) | 3 Month Sales | Est Inventory using 3 Months Sales (Months) |
|--------|---------|-----------------------|--------|----------------|--|---------------|---|---------------|---|
| Ada | Several | \$0 - \$99,999 | 159 | 180 | 10.6 | 127 | 7.5 | 22 | 21.7 |
| | | \$100,00 - \$199,999 | 2167 | 3457 | 7.5 | 2014 | 6.5 | 995 | 6.5 |
| | | \$200,000 - \$299,999 | 820 | 1199 | 8.2 | 658 | 7.5 | 295 | 8.3 |
| | | \$300,000 - \$449,999 | 354 | 463 | 9.2 | 251 | 8.5 | 117 | 9.1 |
| | | \$450,000 - over | 207 | 156 | 15.9 | 75 | 16.6 | 30 | 20.7 |
| Canyon | Several | \$0 - \$99,999 | 787 | 988 | 9.6 | 636 | 7.4 | 83 | 28.4 |
| | | \$100,00 - \$199,999 | 937 | 1244 | 9.0 | 713 | 7.9 | 363 | 7.7 |
| | | \$200,000 - \$299,999 | 125 | 106 | 14.2 | 49 | 15.3 | 23 | 16.3 |
| | | \$300,000 - \$449,999 | 33 | 37 | 10.7 | 20 | 9.9 | 9 | 11.0 |
| | | \$450,000 - over | 7 | 1 | 84.0 | 0 | N/A** | 0 | N/A** |

**N/A = Lack of Sales to Forecast

Below \$99,999 does not included "OSLD" = Zero Sold Price or \$1,000 Active (Auction) listings

Inventory by for Acreage Listings

This indicates that homes over \$450,000 have a 2-year supply of inventory, an improvement from last month showing 2.5 years.

Canyon County SF w/ Acreage over \$450,000 is one of the worst I have seen, showing 5.4 years of inventory. This will cause falling sales ratio and falling prices in this price segment in the months to come.

Single Family with ACREAGE Must have More than 1 Acre.

| County | MLS Area | Current Active/Pend Listings | 12 Month Sales | Est Inventory using 12 Months Sales (Months) | 6 Month Sales | Est Inventory using 6 Months Sales (Months) | 3 Month Sales | Est Inventory using 3 Months Sales (Months) |
|---------|----------|------------------------------|----------------|--|---------------|---|---------------|---|
| Ada | Several | 302 | 211 | 17.2 | 119 | 15.2 | 53 | 17.1 |
| Canyon | Several | 381 | 289 | 15.8 | 174 | 13.1 | 87 | 13.1 |
| Gem | Several | 102 | 56 | 21.9 | 36 | 17.0 | 13 | 23.5 |
| Elmore | Several | 56 | 34 | 19.8 | 20 | 16.8 | 3 | 56.0 |
| Payette | Several | 97 | 41 | 28.4 | 22 | 26.5 | 3 | 97.0 |

Single Family with ACREAGE - Date Range: 1/1/2009 - 12/31/2009. Intermountain MLS

| County | City | Price Range | Active | 12 Month Sales | Est Inventory using 12 Months Sales (Months) | 6 Month Sales | Est Inventory using 6 Months Sales (Months) | 3 Month Sales | Est Inventory using 3 Months Sales (Months) |
|--------|---------|-----------------------|--------|----------------|--|---------------|---|---------------|---|
| Ada | Several | \$0 - \$99,999 | 6 | 1 | 72.0 | 0 | #DIV/0! | 0 | #DIV/0! |
| | | \$100,000 - \$199,999 | 27 | 25 | 13.0 | 16 | 10.1 | 7 | 11.6 |
| | | \$200,000 - \$299,999 | 44 | 47 | 11.2 | 27 | 9.8 | 13 | 10.2 |
| | | \$300,000 - \$449,999 | 73 | 58 | 15.1 | 35 | 12.5 | 13 | 16.8 |
| | | \$450,000 - over | 150 | 75 | 24.0 | 39 | 23.1 | 19 | 23.7 |
| Canyon | Several | \$0 - \$99,999 | 10 | 15 | 8.0 | 14 | 4.3 | 5 | 6.0 |
| | | \$100,000 - \$199,999 | 114 | 80 | 17.1 | 54 | 12.7 | 31 | 11.0 |
| | | \$200,000 - \$299,999 | 124 | 119 | 12.5 | 69 | 10.8 | 35 | 10.6 |
| | | \$300,000 - \$449,999 | 82 | 64 | 15.4 | 33 | 14.9 | 14 | 17.6 |
| | | \$450,000 - over | 49 | 9 | 65.3 | 3 | 98.0 | 1 | 147.0 |

Brief Analysis – Dec- 2008 vs Dec- 2009 and Nov -09 vs Dec -09

Ada County had a -44.59% change in seasonal sales. Nov-08 to Dec-08 shows a 10.73% improvement, while Nov-09 to Dec-09 shows a -33.86% drop. This is due to Nov-08 sales hitting a record low from the Oct-08 bailout.

Canyon County had a -16.45% change in seasonal sales. Nov-08 to Dec-08 shows a 15.86% drop, whereas from Nov-09 to Dec-09 shows a -32.31% drop.

| Single Family, Single Family w/ Acreage, Condo, Townhouse - Total Sales | | | | | | |
|---|---------------------------------|------|--------|------------------------------|----------|---------|
| | December Shows 1 Year Change | | | 2009 Shows 1 Month Change | | |
| | 2008 | 2009 | Change | November | December | Change |
| Ada | 350 | 419 | 19.71% | 633 | 419 | -33.81% |
| Canyon | 160 | 224 | 40.00% | 330 | 224 | -32.12% |

| Single Family Only | | | | | | |
|-------------------------|---------------------------------|------------|---------|------------------------------|------------|---------|
| | December Shows 1 Year Change | | | 2009 Shows 1 Month Change | | |
| | 2008 | 2009 | Change | November | December | Change |
| Ada - Total Sales | 320 | 375 | 17.19% | 567 | 375 | -33.86% |
| Ada - Avg Sold Price | \$ 207,131 | \$ 191,856 | -7.37% | \$ 188,642 | \$ 191,856 | 1.70% |
| Canyon - Total Sales | 145 | 199 | 37.24% | 294 | 199 | -32.31% |
| Canyon - Avg Sold Price | \$ 138,836 | \$ 111,259 | -19.86% | \$ 108,066 | \$ 111,259 | 2.95% |

| SEASONAL CHANGE COMPARISON - Single Family Only - Total Sales | | | | | | |
|---|------------------------------|----------|---------|------------------------------|----------|---------|
| | 2008 Shows 1 Month Change | | | 2009 Shows 1 Month Change | | |
| | November | December | Change | November | December | Change |
| Ada - Total Sales | 289 | 320 | 10.73% | 567 | 375 | -33.86% |
| Canyon - Total Sales | 145 | 122 | -15.86% | 294 | 199 | -32.31% |

Good Ada Nov-09 sales change was 19.71% better than last year.

Good Canyon Nov-09 sales change was 40% better than last year.

Bad Ada County had a -44.59% swing in sales based on seasonal change! (From 10.73 to -33.86%)

Bad Canyon County had a -16.45% swing in sales based on seasonal change! (From -15.863% to -32.31%)

Bad Ada County is dropping 0.5% per month on average sold price from Dec-08
 $(\$191,856 / \$207,131) - 1 / 13 = -0.5\%$

Bad Canyon County is dropping 1.52% per month on average sold price from Dec-08
 $(\$111,259 / \$138,836) - 1 / 13 = -1.52\%$

2009 Distress Sales Summary

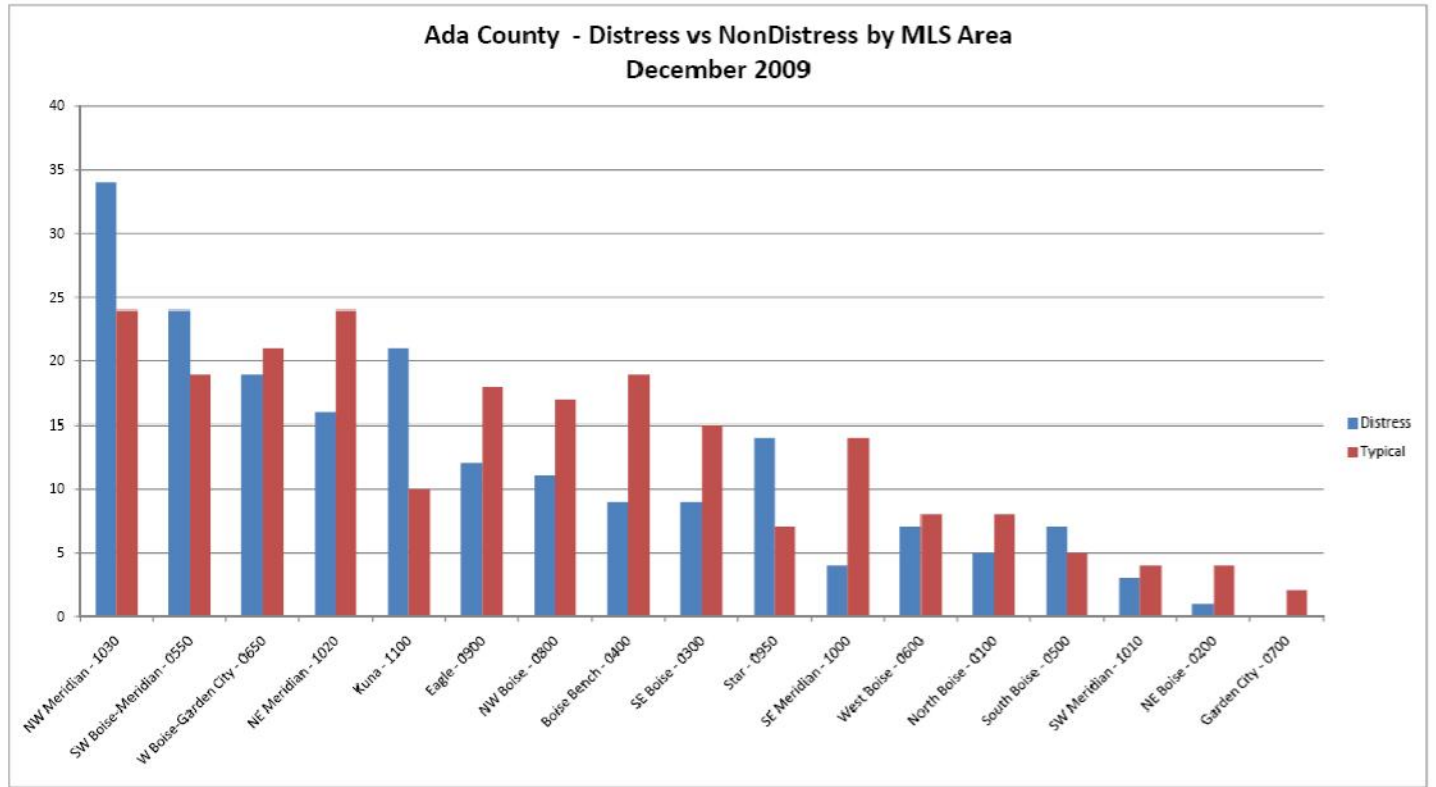
Ada County has a large increase in percent distress sales, from 32.5% to 46.6% . The amount of distress sales remained steady, while the overall sales fell by 32% (627 vs 422), causing the 14% rise in distress sales. Canyon County remained steady around 59%. Ada County finished off 2009 with about 35.3% distress sales, while Canyon County finished off at 58.6% distress sales.

| MLS Area | Distress | Typical | TOTAL | % Distress |
|----------------------------|--------------|--------------|--------------|--------------|
| NW Caldwell - 1275 | 132 | 73 | 205 | 64.4% |
| Melba - 1265 | 14 | 8 | 22 | 63.6% |
| NE Nampa (87) - 1250 | 265 | 163 | 428 | 61.9% |
| NW Nampa (51) - 1270 | 255 | 162 | 417 | 61.2% |
| SW Meridian - 1010 | 34 | 23 | 57 | 59.6% |
| South Nampa (86) - 1260 | 410 | 282 | 692 | 59.2% |
| SW Caldwell - 1280 | 358 | 248 | 606 | 59.1% |
| Star - 0950 | 121 | 86 | 207 | 58.5% |
| Canyon County Other - 1290 | 25 | 26 | 51 | 49.0% |
| Eagle - 0900 | 190 | 216 | 406 | 46.8% |
| Middleton - 1285 | 105 | 123 | 228 | 46.1% |
| NW Meridian - 1030 | 361 | 486 | 847 | 42.6% |
| Wilder - 1293 | 9 | 13 | 22 | 40.9% |
| NE Meridian - 1020 | 222 | 338 | 560 | 39.6% |
| South Boise - 0500 | 72 | 110 | 182 | 39.6% |
| SW Boise-Meridian - 0550 | 235 | 398 | 633 | 37.1% |
| Kuna - 1100 | 179 | 331 | 510 | 35.1% |
| Greenleaf - 1294 | 3 | 6 | 9 | 33.3% |
| W Boise-Garden City - 0650 | 171 | 350 | 521 | 32.8% |
| West Boise - 0600 | 88 | 194 | 282 | 31.2% |
| Boise Bench - 0400 | 125 | 289 | 414 | 30.2% |
| NW Boise - 0800 | 112 | 261 | 373 | 30.0% |
| SE Meridian - 1000 | 71 | 179 | 250 | 28.4% |
| Garden City - 0700 | 8 | 21 | 29 | 27.6% |
| Parma - 1292 | 6 | 16 | 22 | 27.3% |
| SE Boise - 0300 | 124 | 361 | 485 | 25.6% |
| North Boise - 0100 | 57 | 245 | 302 | 18.9% |
| NE Boise - 0200 | 20 | 102 | 122 | 16.4% |
| TOTAL | 3,772 | 5,110 | 8,882 | 42.5% |

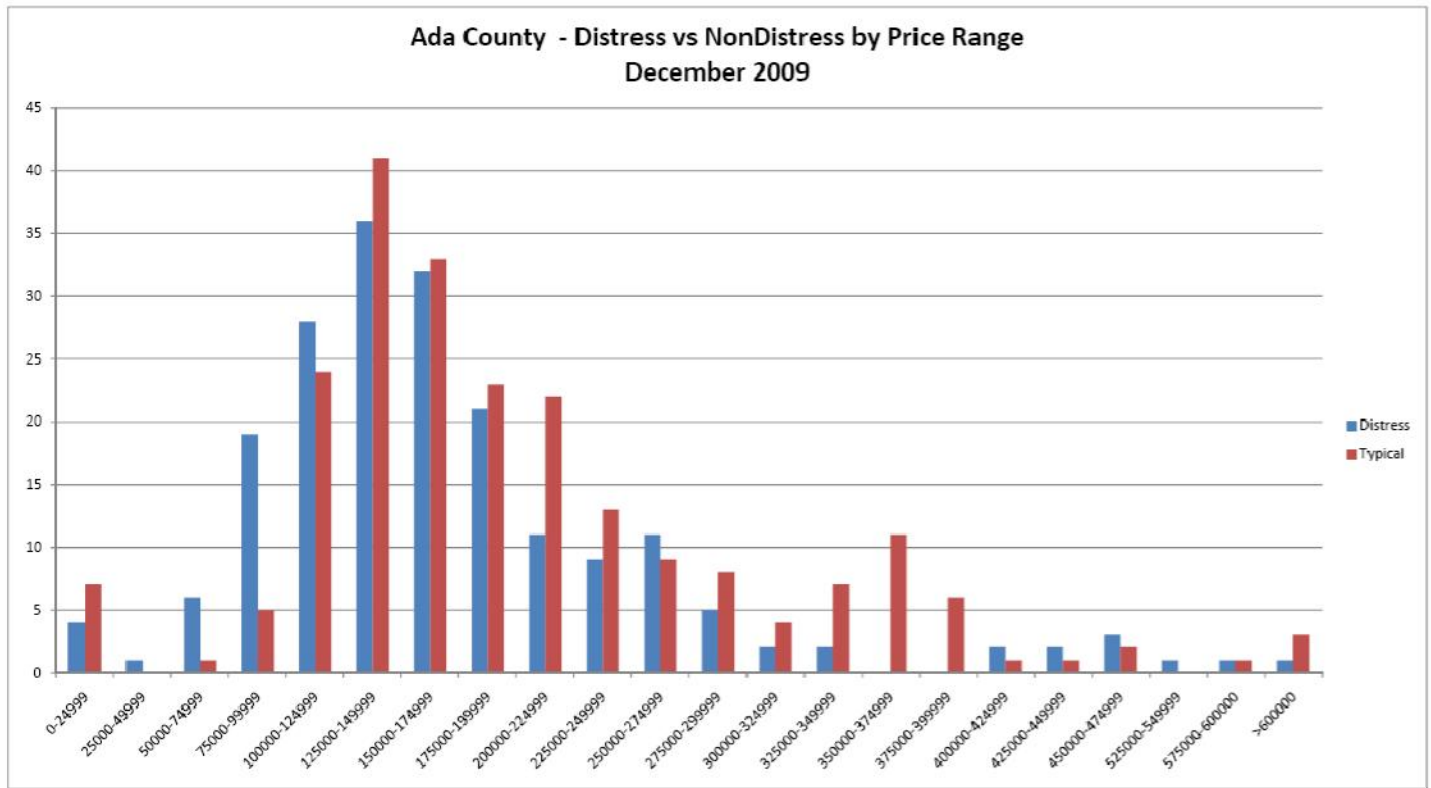
| ADA COUNTY | | | | CANYON COUNTY | | | |
|---------------------|--------------|--------------|-------------|---------------|--------------|--------------|-------------|
| 2009 | Distress | Typical | TOTAL | 2009 | Distress | Typical | TOTAL |
| Jan | 51 | 215 | 266 | Jan | 28 | 88 | 116 |
| Feb | 116 | 188 | 304 | Feb | 58 | 51 | 109 |
| Mar | 182 | 245 | 427 | Mar | 105 | 67 | 172 |
| Apr | 205 | 272 | 477 | Apr | 137 | 63 | 200 |
| May | 177 | 311 | 488 | May | 141 | 84 | 225 |
| Jun | 208 | 426 | 634 | Jun | 168 | 114 | 282 |
| Jul | 197 | 405 | 602 | Jul | 158 | 119 | 277 |
| Aug | 209 | 380 | 589 | Aug | 138 | 96 | 234 |
| Sep | 220 | 421 | 641 | Sep | 159 | 97 | 256 |
| Oct | 212 | 473 | 685 | Oct | 180 | 125 | 305 |
| Nov | 204 | 423 | 627 | Nov | 192 | 130 | 322 |
| Dec | 197 | 225 | 422 | Dec | 132 | 92 | 224 |
| TOTAL | 2178 | 3984 | 6162 | TOTAL | 1596 | 1126 | 2722 |
| 2009 | Distress | Typical | | 2009 | Distress | Typical | |
| Jan | 19.2% | 80.8% | | Jan | 24.1% | 75.9% | |
| Feb | 38.2% | 61.8% | | Feb | 53.2% | 46.8% | |
| Mar | 42.6% | 57.4% | | Mar | 61.0% | 39.0% | |
| Apr | 43.0% | 57.0% | | Apr | 68.5% | 31.5% | |
| May | 36.3% | 63.7% | | May | 62.7% | 37.3% | |
| Jun | 32.8% | 67.2% | | Jun | 59.6% | 40.4% | |
| Jul | 32.7% | 67.3% | | Jul | 57.0% | 43.0% | |
| Aug | 35.5% | 64.5% | | Aug | 59.0% | 41.0% | |
| Sep | 34.3% | 65.7% | | Sep | 62.1% | 37.9% | |
| Oct | 30.9% | 69.1% | | Oct | 59.0% | 41.0% | |
| Nov | 32.5% | 67.5% | | Nov | 59.6% | 40.4% | |
| Dec | 46.6% | 53.4% | | Dec | 58.9% | 41.1% | |
| 2009 Summary | 35.3% | 64.7% | | 2009 | 58.6% | 41.4% | |

Distress Sales (continued)

NW Meridian, SW Boise-Meridian, Kuna, Star and South Boise (1030,0550,1100, 0950, 500) struggle with more distress than non-distress in Dec-09. Area 1030 & 0550 had a large volume of distress sales, creating the large jump from 32% to 46%.

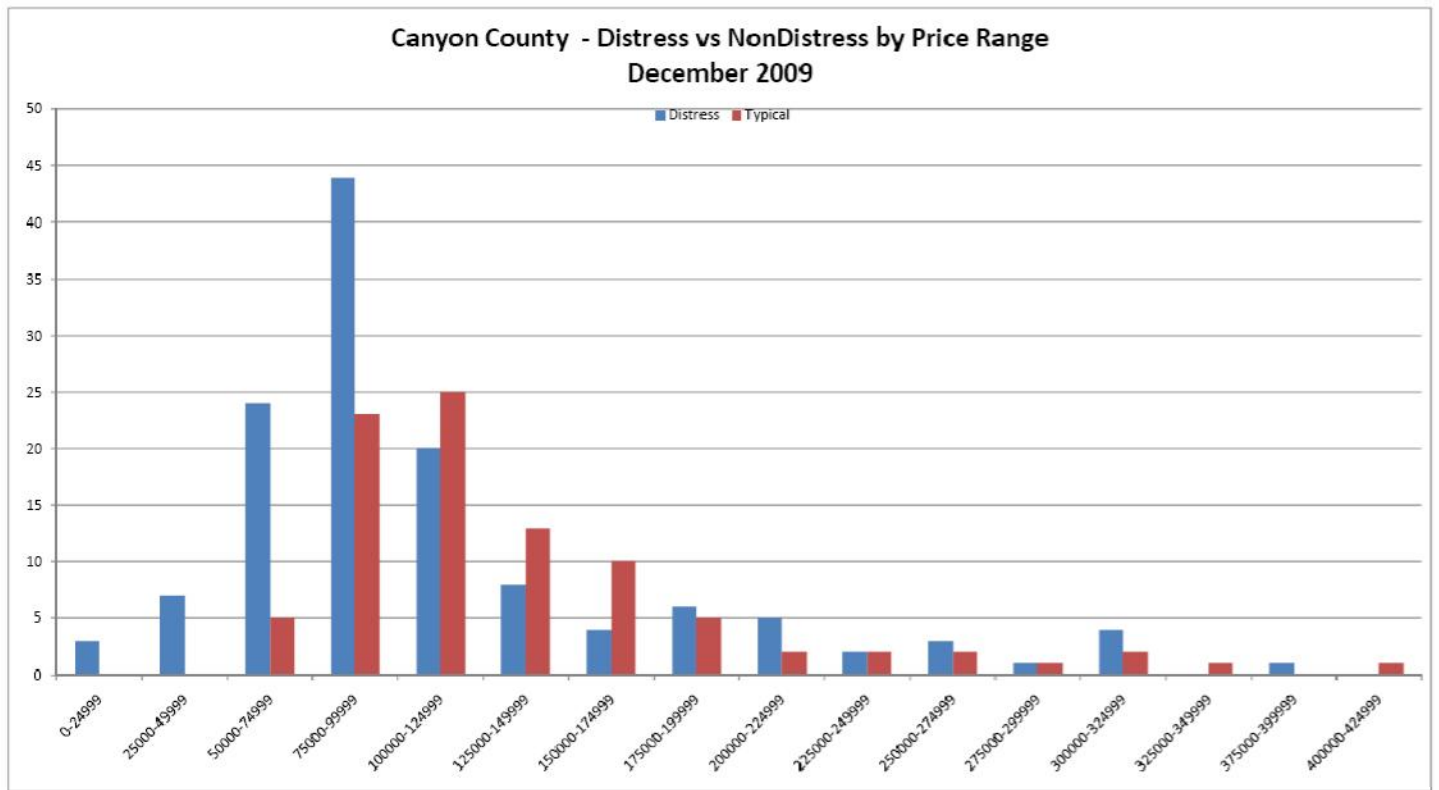
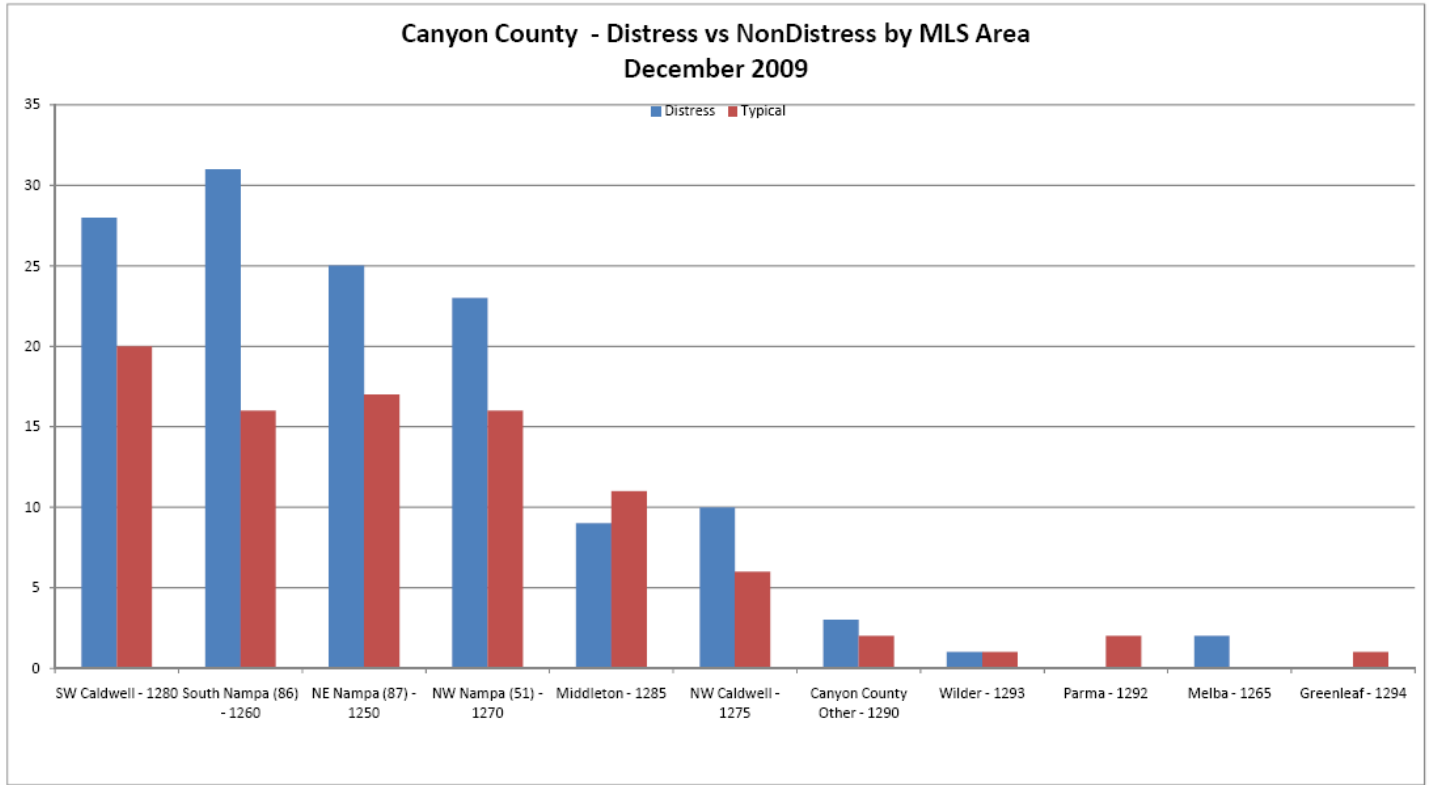


No surprise here - the largest distress price segment is from \$125,00 - \$150,000 in Ada County with a fairly even bell curve distribution. The sales below \$25,000 are "OSLD" or "Zero Sold Price", so these can be ignored for price value (Hence, the bars for sales below \$25,000 are skewed and incorrect)



Distress Sales (continued)

Canyon County is in horrible shape..., mostly negative news: however homes under \$100,000 and over \$175,000 are causing the problems. The price range from \$100,000 - \$175,000 have been selling more homes "typical" than distress.



ECONOMIC TRENDS

Nation (<http://www.bls.gov/>)

Nonfarm payroll employment edged down (-85,000) in December, and the unemployment rate was unchanged at 10.0 percent, the U.S. Bureau of Labor Statistics reported today. Employment fell in construction, manufacturing, and wholesale trade, while temporary help services and health care added jobs.

In December, both the number of unemployed persons, at 15.3 million, and the unemployment rate, at 10.0 percent, were unchanged. At the start of the recession in December 2007, the number of unemployed persons was 7.7 million, and the unemployment rate was 5.0 percent.

Idaho (labor.idaho.gov/news/PressReleases)

Idaho's seasonally adjusted unemployment edged up slightly again in December as year-over-year job losses continued and the number of Idaho workers without jobs in December reached 69,016 - an all time record. December's statewide unemployment rate rose one-tenth of a percent from November to 9.2 percent, the highest rate on record since unemployment reached 9.4 percent in late 1982 and early 1983, but still below the national rate of 10 percent for the 99th straight month.

Department analysts this week told the legislative Economic Outlook and Revenue Assessment Committee they expect Idaho's unemployment rate may continue rising slightly in 2010 before leveling off in the 8 – 9 percent range by the end of the second or third quarter.

Month over month, job declines continued as analysts estimated Idaho lost 4,400 jobs between November and December. Almost all sectors saw monthly declines in all industries except for education, health services, leisure and hospitality. The largest monthly job losses occurred in construction, government, manufacturing; trade, transportation and utilities; and professional and business services.

Despite the monthly decrease in jobs, analysts say nonfarm job losses have essentially leveled out over the past four months and are beginning to follow pre-recession seasonal patterns. Idaho's year-to-year job losses went from an extreme of a -7.5 percent in August down to -5.3 percent in December, a signal that Idaho may have passed a statistical low point for job losses and is approaching the road to recovery.

Rural Idaho remained hard hit by the recession with 21 counties posting double-digit percentage jobless rates for December. All but two were rural. Only one county - Adams - exceeded 20 percent at 24.3 percent. Grangeville had the highest labor market area rate of 12.4 percent; Coeur d'Alene was next at 10.6 percent.

Idaho's 2009 annual average unemployment rate is 8.1 percent, more than double 2007's record low of 3 percent and the highest annual average rate since 1986. Twelve counties had double digit annual unemployment rates in 2009. Adams had the highest at 15.4 percent; Canyon County was the only urban county with an average 2009 unemployment rate of 10.8 percent. Owyhee County had the lowest rate at 3.8 percent and the only county below 5 percent. The cities of Nampa and Caldwell averaged over 11 percent for all of 2009. Grangeville had the highest labor market area rate of 9.4 percent, followed by the Boise and Coeur d'Alene metro areas at 9.1 percent.

Unemployment area counties

| <u>County</u> | <u>Dec-2008</u> | <u>Dec-2009 (Forecast)</u> |
|---------------|-----------------|----------------------------|
| Ada | 5.2 % | 8.0 % |
| Canyon | 8.2 % | 11.9 % |
| Gem | 8.2 % | 11.7 % |
| Owyhee | 2.6 % | 4.1 % |
| Payette | 8.2 % | 11.6 % |
| Elmore | 6.4 % | 9.2 % |
| Washington | 8.2 % | 11.5% |

Please keep an eye out for the following reports to be posted to my blog, at www.hennesseyappraisals.com/blog

1) 2009 Builder Report

Analyze Ada & Canyon County new construction sales by builders. Similar to Nov-09 blog topic, but in more detail.

2) Million Dollar Drop Club

You do not want to belong to this club...it show homes which have dropped either \$1,000,000 from the previous sold price, or have dropped \$1,000,000 in the list price.

My favorite is 2150 W Champagne, Eagle, Idaho.

END OF DECEMBER RECAP