

# The Hennessey Report

Month End Recap – November 2009

Treasure Valley Home Sales

Boise, Idaho

Issued 12/15/2009

[www.hennesseyappraisals.com](http://www.hennesseyappraisals.com)

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The report is intended to aid the readers as to my view point of the market. For a snapshot report, just visit my [blog](#), for the whole 9 yards, keep reading.

## Growth Rate Trend

I get asked how do you figure out growth rate? There are more than one way to determine..

1. From the government published data.
2. From the average sold price data trend.
3. From the same home, with two known sales prices and sale dates and plot a graph.

I use all three methods; the below method is for the same home sold twice.

The chart is based on 106,275 sales which isolates 35,026 homes selling twice with 1 year between sales. Some data is removed if the GLA is not close or acreage is typically smaller.

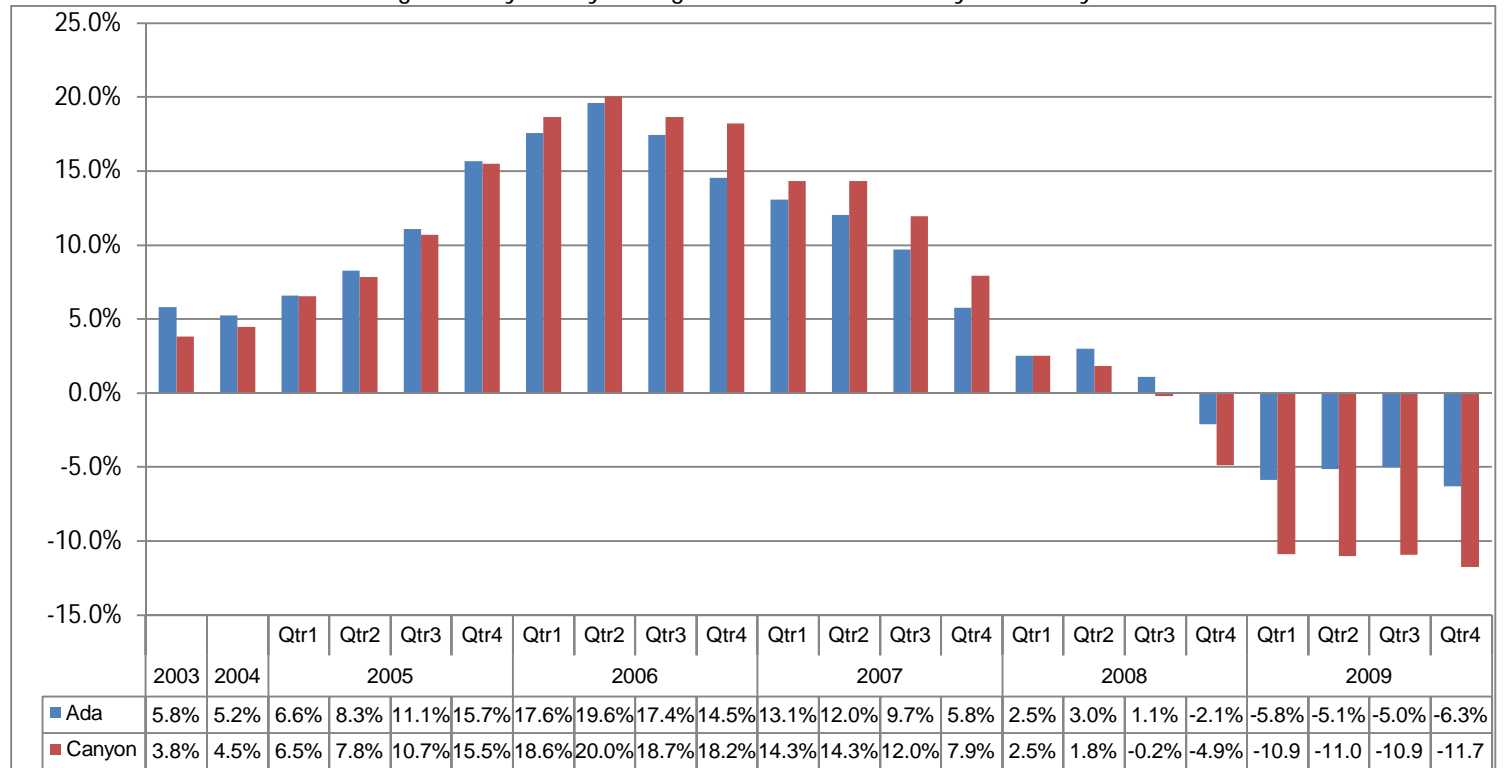
Of all the isolates matched sales, sales with less than 1 year are removed. Otherwise the chart would be distorted. There are homes which are flipped in a downward market for profit; however, they are the few not the trend. Also, the average hold time for a home is well over 1 year.

My favorite flips this month are;

- 1) 2116 North 26<sup>th</sup> in Boise (Estimated \$38,000 profit in 5 days)
- 2) 1441 East Prohaska in Eagle (Estimated \$55,000 profit in 45 days)

Can you spot the bail out?

Single Family Yearly Change in Value - Ada & Canyon County



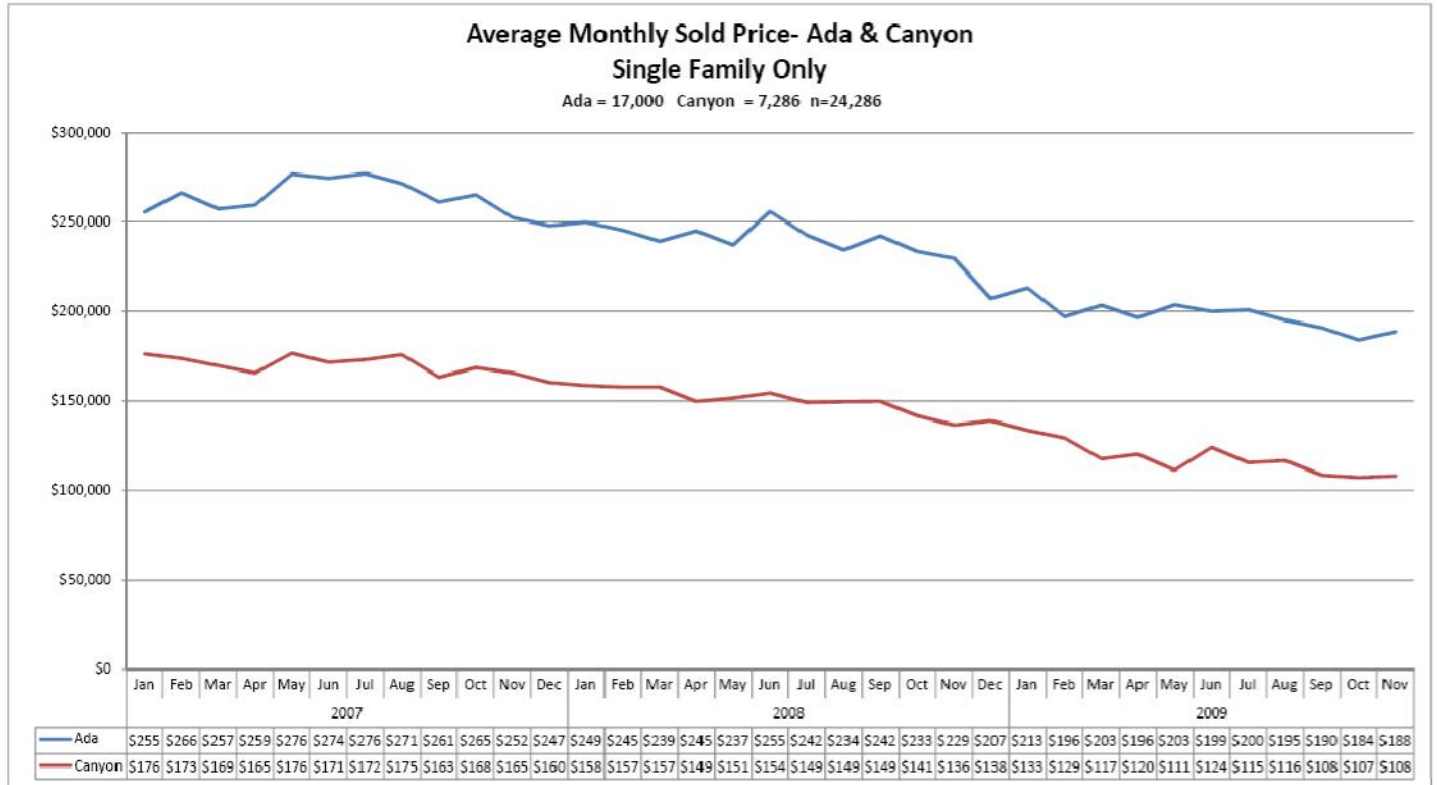
## Average Monthly Sold Price

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

County	Monthly Change in Value*	
	24 Month	12 Month
Ada	- 1.0%	- 0.07%
Canyon	- 1.36%	- 1.85 %

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 -1.58% 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	

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	

### Math Section - Ada County

$$12 \text{ Month} = (\$188,642 / \$207,131) - 1 / 12 = 0.0074 = (0.08\%)$$

$$24 \text{ Month} = (\$188,642 / \$247,906) - 1 / 24 = 0.0099 = (1.0 \%)$$

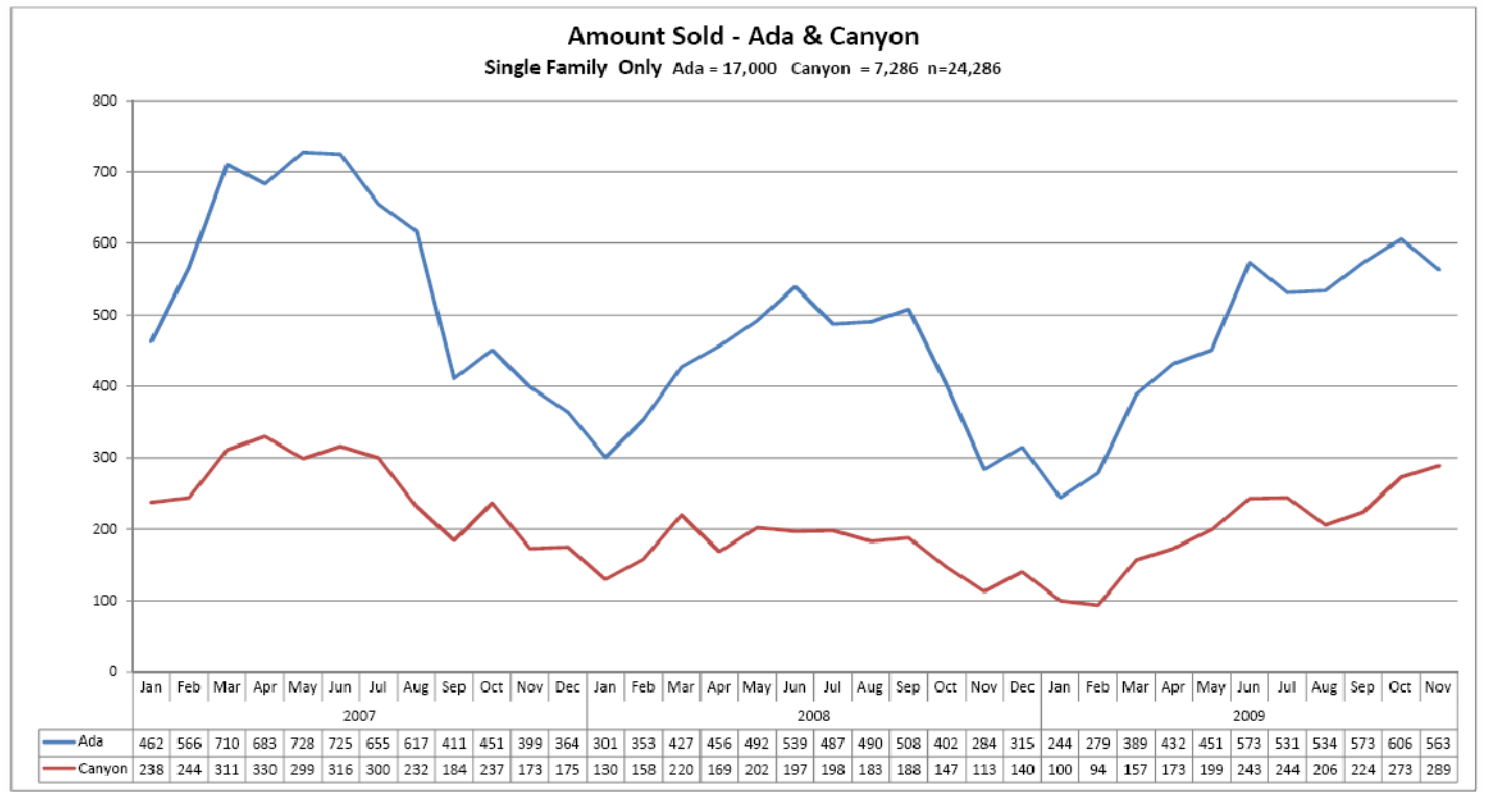
## Monthly Sold Volume

Bam! Ada County DOUBLED the sales of Nov-08, while Canyon was 255% better than Nov-08. This shows, just how much the bail-out killed the market.

2009 Change From Prior Years		
County	2007	2008
Ada	141%	198%
Canyon	167 %	255%

Ada County six month average is 563 units, 24% better than same time last year.

Canyon County six month average is 247 units, 44% better than same time last year.



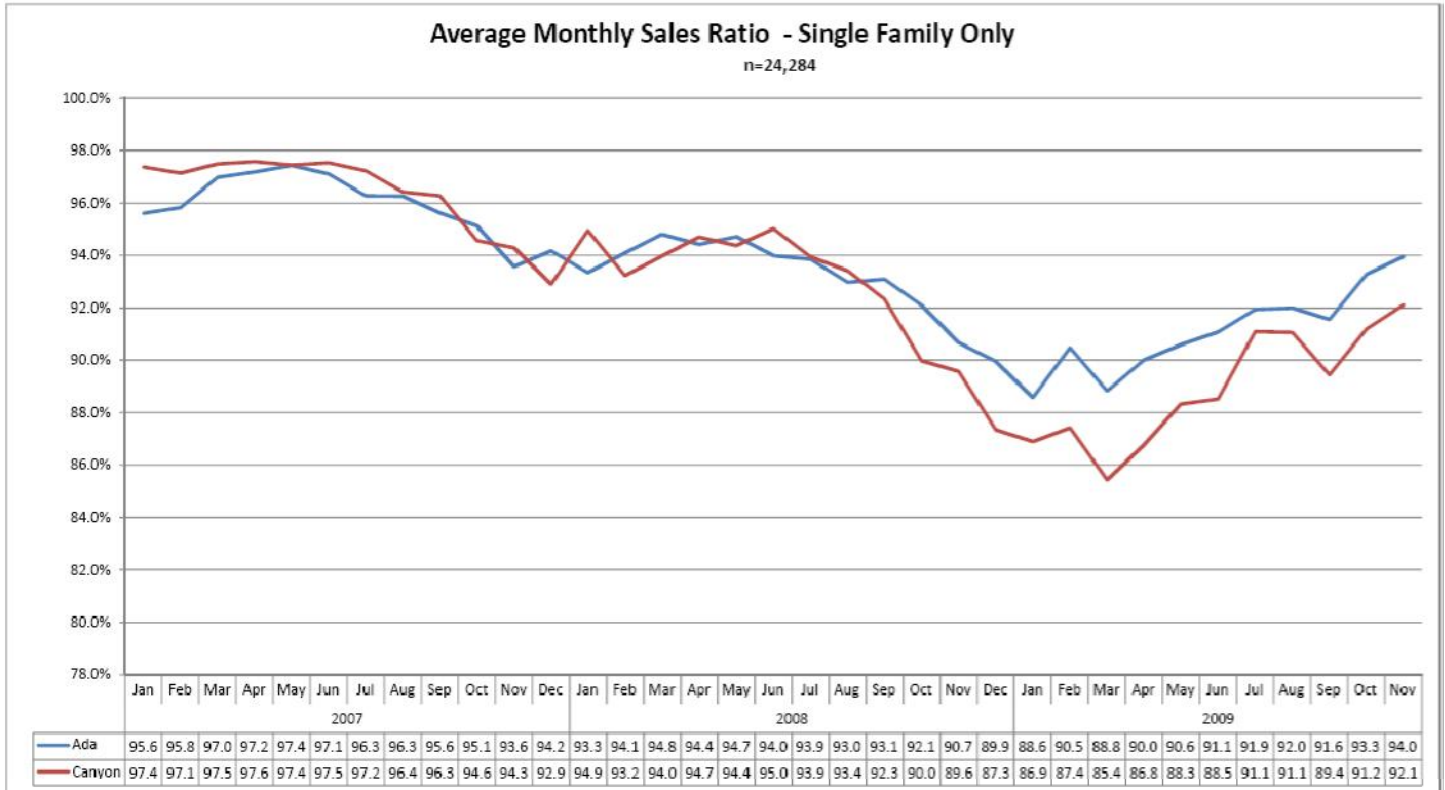
Ada County			
Amount Sold - SF			
	2007	2008	2009
Jan	462	301	244
Feb	566	353	279
Mar	710	427	389
Apr	683	456	432
May	728	492	451
Jun	725	539	573
Jul	655	487	531
Aug	617	490	534
Sep	411	508	573
Oct	451	402	606
Nov	399	284	563
Dec	364	315	

Canyon County			
Amount Sold - SF			
	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	

## Average Monthly Sales Ratio

The sales ratio trend continues on a 9 month climb in both counties. It's recovering from a record low. Since my data only goes back 9 years, I will have to guess the Valley has not seen anything like this since the Carter Era in the early 1980's.

I was 10 years old in 1980 and really did not care...and yes...I turn the BIG 40 next month.



Ada County			
Sales Ratio - SF			
	2007	2008	2009
Jan	95.60%	93.34%	88.57%
Feb	95.83%	94.08%	90.48%
Mar	96.98%	94.80%	88.82%
Apr	97.18%	94.42%	90.01%
May	97.43%	94.71%	90.59%
Jun	97.11%	93.99%	91.08%
Jul	96.28%	93.85%	91.94%
Aug	96.26%	92.97%	91.99%
Sep	95.61%	93.10%	91.56%
Oct	95.12%	92.10%	93.28%
Nov	93.57%	90.66%	93.95%
Dec	94.18%	89.95%	

Canyon County			
Sales Ratio - SF			
	2007	2008	2009
Jan	97.37%	94.95%	86.90%
Feb	97.13%	93.22%	87.42%
Mar	97.48%	93.97%	85.43%
Apr	97.57%	94.70%	86.76%
May	97.45%	94.37%	88.32%
Jun	97.52%	95.01%	88.51%
Jul	97.22%	93.93%	91.08%
Aug	96.42%	93.40%	91.05%
Sep	96.28%	92.33%	89.44%
Oct	94.56%	89.98%	91.19%
Nov	94.29%	89.57%	92.12%
Dec	92.90%	87.34%	

## Inventory

The inventory from October to November for Ada County Single Family shed about 1 month of inventory, based on 12 month forecast.

This is due to October 2008 number falling off the projections ...so December 2009 inventory should improve also, since November 2008 sales were low.

County	Status & Est Inventory	TYPE OF LISTING				TOTAL
		Single Family	Single Family with Acreage	Condo	Townhouse	
Ada	Sold	5461	187	134	284	6066
	Active	3307	258	273	234	4072
	Pending	632	38	24	30	724
	Inventory*	8.7	19.0	26.6	11.2	9.5
Canyon	Sold	2321	261	0	31	2613
	Active	1642	384	5	45	2076
	Pending	306	38	0	4	348
	Inventory*	10.1	19.4	N/A	19.0	11.1

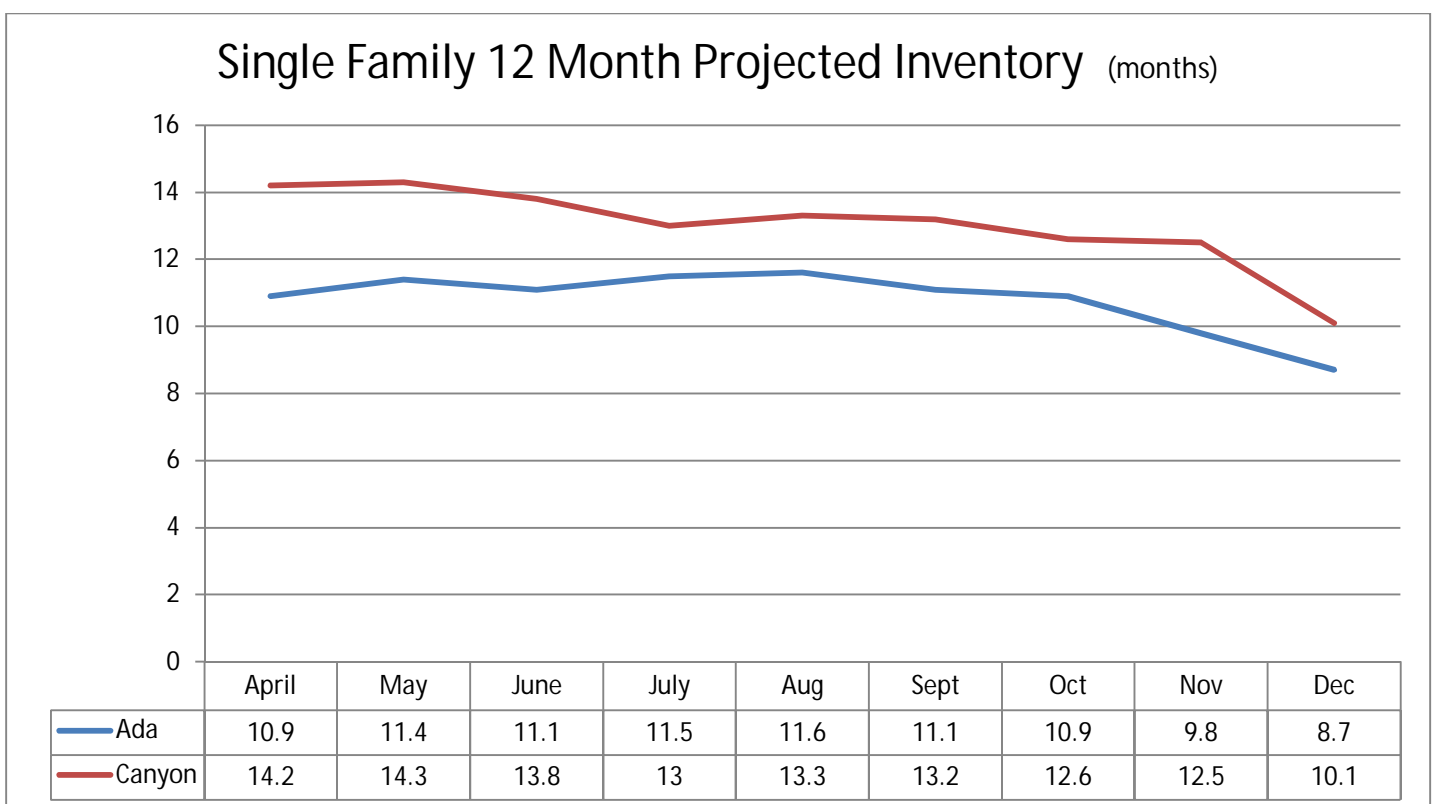
\*Estimated from 12 months sales. 12 Month Sales / (Current Active + Current Pending) = Inventory

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	3939	5461	8.7	3346	7.1	1708	6.9
Canyon	Several	1948	2321	10.1	1453	8.0	760	7.7
Gem	Several	101	112	10.8	63	9.6	33	9.2
Elmore	Several	266	249	12.8	145	11.0	59	13.5
Payette	Several	190	128	17.8	74	15.4	33	17.3

## 9 Month Summary



## Inventory by MLS Area

MLS area 0100 (Downtown Boise) is trying to keep up with the other areas; however it is still above 9 months. I venture to guess this is due to the MLS Area having the 2<sup>nd</sup> highest average price for a SF home (\$321,690) , behind MLS 0900 - Eagle. (\$354,555). Since the qualified buyers pool is smaller in this price range (as compared to 2 years ago), this is causing Downtown to remain higher than others.

Check out this month's [blog](#) on home value in Downtown Boise.

Single Family Only - Date Range: 12/1/2008 - 12/30/2009. 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	256	286	10.7	180	8.5	94	8.2
		200	73	117	7.5	78	5.6	45	4.9
		300	272	404	8.1	268	6.1	119	6.9
		400	226	343	7.9	209	6.5	100	6.8
		500	106	165	7.7	102	6.2	49	6.5
		550	373	571	7.8	322	7.0	184	6.1
		600	164	201	9.8	124	7.9	72	6.8
		650	381	464	9.9	267	8.6	126	9.1
	800	254	325	9.4	199	7.7	95	8.0	
	Eagle	900	285	328	10.4	195	8.8	95	9.0
	Star	950	133	180	8.9	94	8.5	42	9.5
	Meridian	1000	179	234	9.2	144	7.5	73	7.4
		1010	47	43	13.1	28	10.1	12	11.8
		1020	318	524	7.3	318	6.0	162	5.9
		1030	605	804	9.0	501	7.2	238	7.6
Kuna	1100	253	472	6.4	318	4.8	202	3.8	
Canyon	Nampa	1250	307	372	9.9	247	7.5	147	6.3
		1260	538	615	10.5	383	8.4	174	9.3
		1270	304	372	9.8	234	7.8	120	7.6
	Melba	1265	7	10	8.4	4	10.5	1	21.0
	Caldwell	1275	156	196	9.6	113	8.3	63	7.4
		1280	443	551	9.6	347	7.7	183	7.3
	Middleton	1285	123	147	10.0	92	8.0	56	6.6
	Other	1290	23	16	17.3	10	13.8	6	11.5

## Inventory by Price

Canyon County SF homes over \$200,000 are suffering when compared to Ada. The banks are burning the inventory below \$100,000 in the last 3 months; however, the sales price is unfortunately dropping. This is atypical. One would expect rising pricings with lowering inventory. Since most sales are from motivated intuitional sellers (banks) who need an immediate marketing reaction to the price (ie...price the home to sell in 90-120 days or liquidation value of 30 days) this is causing lowering of inventory and lowering average sold price.

Again, the largest price segment in Ada County (\$100,000 - \$199,999) has improved over the last 7 months.

Single Family Only - Date Range: 12/1/2008 - 12/30/2009. 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	142	155	11.0	143	6.0	90	4.7
		\$100,00 - \$199,999	2249	3418	7.9	2156	6.3	1130	6.0
		\$200,000 - \$299,999	907	1189	9.2	695	7.8	321	8.5
		\$300,000 - \$449,999	405	463	10.5	267	9.1	126	9.6
		\$450,000 - over	233	159	17.6	85	16.4	41	17.0
Canyon	Several	\$0 - \$99,999	748	908	9.9	604	7.4	337	6.7
		\$100,00 - \$199,999	1004	1246	9.7	768	7.8	389	7.7
		\$200,000 - \$299,999	145	114	15.3	54	16.1	24	18.1
		\$300,000 - \$449,999	43	34	15.2	21	12.3	6	21.5
		\$450,000 - over	8	4	24.0	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 is new this month. This indicates that homes over \$450,000 have a 2.5 years supply of inventory, which makes perfect sense. I can't tell you how many times I have typed Days on Market numbers from 700 – 1100 on the 2<sup>nd</sup> page of the URAR. The number 700 – 1100 are added up from multiple broken MLS listings with only days or 1 week between listings.

MLS can't hide the true inventory by not joining the listing, the overall gross inventory paints the picture. How much does the market have vs how much did the market sell?

### Single Family with ACREAGE

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	296	187	19.0	119	14.9	63	14.1
Canyon	Several	422	263	19.3	175	14.5	82	15.4
Gem	Several	104	58	21.5	35	17.8	16	19.5
Elmore	Several	62	36	20.7	22	16.9	10	18.6
Payette	Several	104	44	28.4	26	24.0	10	31.2

### Single Family with ACREAGE - Date Range: 12/1/2008 - 11/30/2009. 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	3	2	18.0	1	18.0	1	9.0
		\$100,00 - \$199,999	32	30	12.8	24	8.0	17	5.6
		\$200,000 - \$299,999	44	47	11.2	27	9.8	13	10.2
		\$300,000 - \$449,999	83	50	19.9	33	15.1	16	15.6
		\$450,000 - over	133	52	30.7	30	26.6	13	30.7
Canyon	Several	\$0 - \$99,999	9	17	6.4	14	3.9	8	3.4
		\$100,00 - \$199,999	118	74	19.1	56	12.6	35	10.1
		\$200,000 - \$299,999	144	102	16.9	61	14.2	23	18.8
		\$300,000 - \$449,999	93	58	19.2	39	14.3	13	21.5
		\$450,000 - over	57	10	68.4	4	85.5	2	85.5

\*\*N/A = Lack of Sales to Forecast

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

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

Ada County had a 198% change in seasonal sales! This is mainly due to the bail-out last year.

Canyon County had a 255% change in seasonal sales! I think that's a new record!

It appears Ada County sold price is trying to turn the corner at the bottom. If Ada County has another quarter of stable to rising average sold price, then the bottom will "appear". This still shows a decline market, since more resales are selling below the last sale price, which is keeping the growth rate negative along with excessive distress sales.

Keep in mind, you can have rising negative number...and still be in a declining market, just not as much.

Single Family, Single Family w/ Acreage, Condo, Townhouse - Total Sales						
	November Shows 1 Year Change			2009 Shows 1 Month Change		
	2008	2009	Change	October	November	Change
Ada	306	627	104.90%	683	627	-8.20%
Canyon	127	321	152.76%	305	321	5.25%

Single Family Only						
	November Shows 1 Year Change			2009 Shows 1 Month Change		
	2008	2009	Change	October	November	Change
Ada - Total Sales	315	563	78.73%	606	563	-7.10%
Ada - Avg Sold Price	\$ 229,708	\$ 188,642	-17.88%	\$ 187,225	\$ 188,642	0.76%
Canyon - Total Sales	113	289	155.75%	273	289	5.86%
Canyon - Avg Sold Price	\$ 136,502	\$ 108,066	-20.83%	\$ 108,264	\$ 108,066	-0.18%

SEASONAL CHANGE COMPARISON - Single Family Only - Total Sales						
	2008 Shows 1 Month Change			2009 Shows 1 Month Change		
	October	November	Change	October	November	Change
Ada - Total Sales	402	284	-29.35%	606	563	-7.10%
Canyon - Total Sales	147	113	-23.13%	273	289	5.86%

Ada Nov-09 sales change was 104% better than last year...that is DOUBLE!  
 Canyon Nov-09 sales change was 152% better than last year...that is more than DOUBLE!!  
 The change is due to the bail-out in Oct-08, which make a record drop in sales!  
 Canyon County had a 28.99% swing in sale based on seasonal change! (From -23.13% to 5.86%)

**Don't forget check out last Month's Blog Topics**

- Growth Trend - Ada & Canyon County
- November 2009 - 41% of New listing are Distress in Ada, 55% in Canyon County.
- Ada County shed 1 months of Inventory in November!!!!
- Canyon County - 90% of Single Family sold homes in 2009 are below Prior Sale Price
- Boise North End –Pushed back 4 Years in Home Value!
- Mountain Home (Elmore County) - Fending off the steep drop in Value

## 2009 Distress Sales Summary

The table below shows the sold units for distress sales, Ada County is still selling about 30 % distress sale while Canyon County is double at 60%

The new active listings in November 2009, shows a similar ratio. Of the 1,118 new listings in Ada & Canyon County, 41% were distress sales in Ada and 55% in Canyon. (Ada = 317 distress listings of 775; Canyon = 229 distress listings of 414). This is broken down by MLS area on my [blog](#).

Ada & Canyon County (Single Family, Single w/ Acreage, Townhouse, Condo)  
11 Months Sales in 2009 (Jan - Nov)  
Distress = Agent gave "YES" to REO, Foreclosure, Possible Short-Sale

MLS Defined Area	Distress	Typical	TOTAL	% Distress
NW Caldwell - 1275	122	67	189	64.6%
NE Nampa (87) - 1250	240	146	386	62.2%
SW Meridian - 1010	31	19	50	62.0%
NW Nampa (51) - 1270	232	146	378	61.4%
Melba - 1265	12	8	20	60.0%
SW Caldwell - 1280	330	228	558	59.1%
South Nampa (86) - 1260	379	266	645	58.8%
Star - 0950	107	79	186	57.5%
Canyon County Other - 1290	22	24	46	47.8%
Eagle - 0900	177	197	374	47.3%
Middleton - 1285	96	112	208	46.2%
NW Meridian - 1030	327	462	789	41.4%
Wilder - 1293	8	12	20	40.0%
NE Meridian - 1020	206	314	520	39.6%
South Boise - 0500	65	105	170	38.2%
Greenleaf - 1294	3	5	8	37.5%
SW Boise-Meridian - 0550	211	378	589	35.8%
Kuna - 1100	158	321	479	33.0%
W Boise-Garden City - 0650	152	329	481	31.6%
Garden City - 0700	8	18	26	30.8%
West Boise - 0600	81	185	266	30.5%
Boise Bench - 0400	116	270	386	30.1%
Parma - 1292	6	14	20	30.0%
NW Boise - 0800	101	244	345	29.3%
SE Meridian - 1000	67	165	232	28.9%
SE Boise - 0300	115	345	460	25.0%
North Boise - 0100	52	237	289	18.0%
NE Boise - 0200	19	97	116	16.4%
<b>Grand Total</b>	<b>3443</b>	<b>4793</b>	<b>8236</b>	<b>42%</b>

Based on 8,236 Sales in MLS of Single Family, Single Family w/ Acreage, Townhouse, Condo  
Date: Jan 09 - November 09

ADA COUNTY			
2009	Distress	Typical	TOTAL
Jan	51	215	266
Feb	116	188	304
Mar	182	245	427
Apr	205	272	477
May	177	311	488
Jun	208	426	634
Jul	197	405	602
Aug	209	380	589
Sep	220	421	641
Oct	212	473	685
Nov	204	423	627
<b>TOTAL</b>	<b>1981</b>	<b>3759</b>	<b>5740</b>
2009	Distress	Typical	
Jan	19.2%	80.8%	
Feb	38.2%	61.8%	
Mar	42.6%	57.4%	
Apr	43.0%	57.0%	
May	36.3%	63.7%	
Jun	32.8%	67.2%	
Jul	32.7%	67.3%	
Aug	35.5%	64.5%	
Sep	34.3%	65.7%	
Oct	30.9%	69.1%	
Nov	32.5%	67.5%	

CANYON COUNTY			
2009	Distress	Typical	TOTAL
Jan	28	88	116
Feb	58	51	109
Mar	105	67	172
Apr	137	63	200
May	141	84	225
Jun	168	114	282
Jul	158	119	277
Aug	138	96	234
Sep	159	97	256
Oct	180	125	305
Nov	192	130	322
<b>TOTAL</b>	<b>1464</b>	<b>1034</b>	<b>2498</b>
2009	Distress	Typical	
Jan	24.1%	75.9%	
Feb	53.2%	46.8%	
Mar	61.0%	39.0%	
Apr	68.5%	31.5%	
May	62.7%	37.3%	
Jun	59.6%	40.4%	
Jul	57.0%	43.0%	
Aug	59.0%	41.0%	
Sep	62.1%	37.9%	
Oct	59.0%	41.0%	
Nov	59.6%	40.4%	

Distress = Agent gave "YES" to REO, Foreclosure, Possible Short-Sale

## ECONOMIC TRENDS

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

In November, both the number of unemployed persons, at 15.4 million, and the unemployment rate, at 10.0 percent, edged down. At the start of the recession in December 2007, the number of unemployed persons was 7.5 million, and the jobless rate was 4.9 percent . The unemployment rate edged down to 10.0 percent in November, and nonfarm payroll employment was essentially unchanged (-11,000). In the prior 3 months, payroll job losses had averaged 135,000 a month. In November, employment fell in construction, manufacturing, and information, while temporary help services and health care added jobs

**Idaho** ([labor.idaho.gov/news/PressReleases](http://labor.idaho.gov/news/PressReleases))

Idaho's seasonally adjusted unemployment edged up again in November, but the year-over-year job loss across the state declined significantly.

While the number of Idaho workers without jobs hit yet another record at 68,800, job loss between November 2008 and this November was 33,400, nearly 9,000 less than in October in a signal that the rapid deterioration of the Idaho economy may have ended. The loss peaked at nearly 50,000 in August.

The unemployment rate for November was forecast up a tenth of a point from October to 9.1 percent and will likely continue rising into 2010. But the number of nonfarm jobs has essentially leveled out over the past three months and begun to follow pre-recession seasonal patterns.

The year-over-year job gap is closing because the slide was so severe during the final months of 2008, not because the current economy is creating new jobs yet as employers held hiring to the lowest level since May and the lowest November level since 1998 when those statistics began to be compiled. Still, job activity from October to November exceeded the five-year average, if only modestly, in construction, manufacturing, retail trade, transportation, financial services, health care, accommodations and restaurants.

Idaho's unemployment rate hit its highest point since May 1983 when the state was pulling out of a double-dip recession. It was 3.3 percentage points above November 2008 but still under the national rate for the 98th straight month – more than eight years. The record rate was 9.4 percent in late 1982 and early 1983.

Unemployment area counties (<http://labor.idaho.gov/dnn/portals/48/histrates.pdf>)

<u>County</u>	<u>Nov-2008</u>	<u>Nov-2009 (Forecast)</u>
Ada	5.1 %	8.4 %
Canyon	8.1 %	11.9 %
Gem	8.6 %	11.1 %
Owyhee	2.5 %	4.0 %
Payette	7.2 %	10.2 %
Elmore	6.4 %	8.8 %
Washington	7.8 %	12.6%

**ENJOY FAMILY & FRIENDS AND LET'S HOPE 2009 GOES OUT WITH A BANG!**

**LOOKING FORWARD TO A GREAT 2010!**

(Best Printed on LEGAL Paper)

END OF NOVEMBER RECAP