

The Hennessey Report

Month End Recap – October 2009

Treasure Valley Home Sales

Boise, Idaho

Issued 11/3/2009

www.hennesseyappraisals.com

John R. Hennessey LRA-748

Average Monthly Sold Price

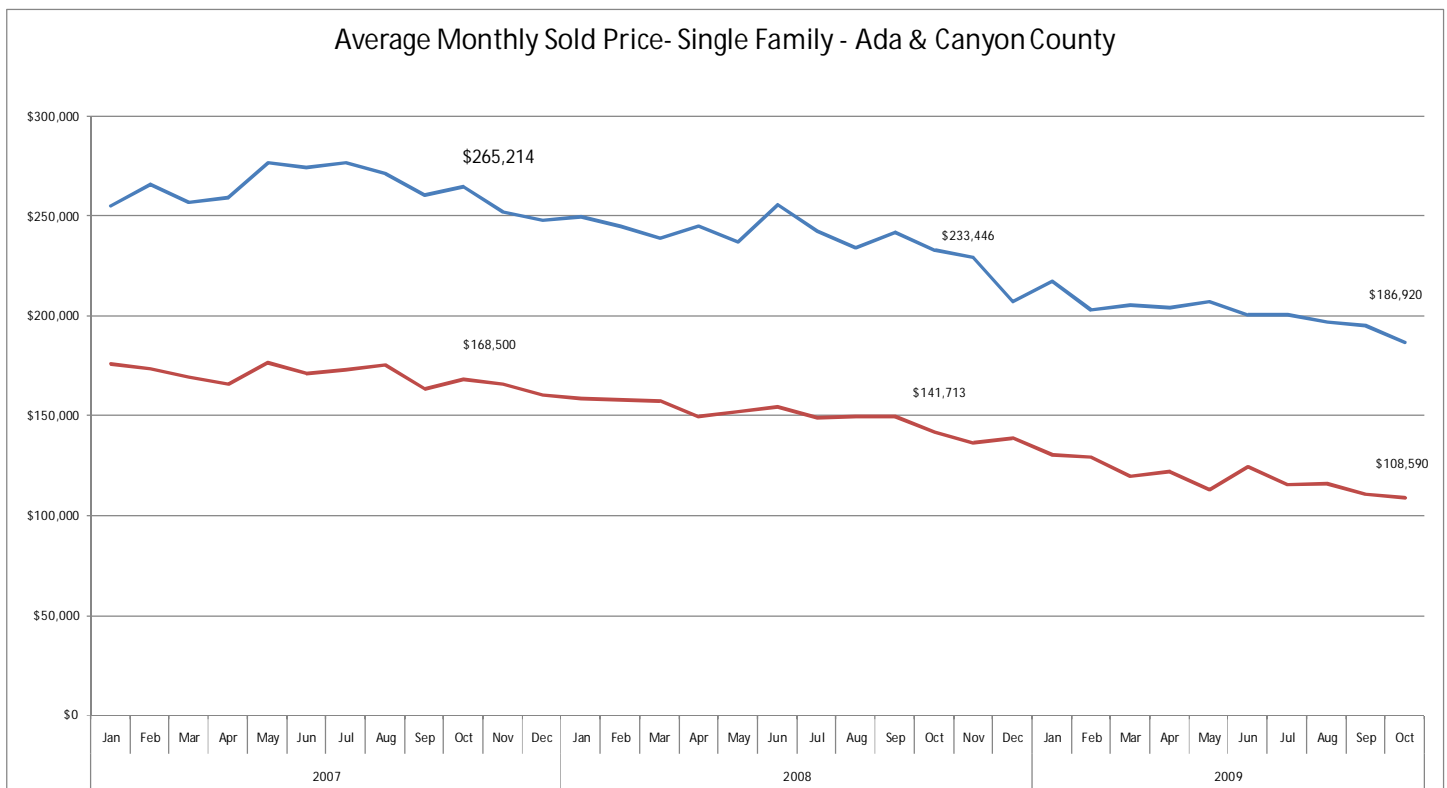
The thirty (30) month downward trend in both counties can be seen fairly simply below. Ada county is tracking -1.18% monthly downward since Oct-2007; however, just looking the last 12 months it been -1.5% month.

Canyon County is tracking a -1.4% monthly drop for last 25 months, or -1.8% per month for the last 13 months.

The 12 month quarterly rolling average change in value for Ada is -0.095% month.

The 12 month quarterly rolling average change in value for Canyon is -1.45% month.000

Please keep in mind, this the AVERAGE Monthly sold, the Ada County Median Monthly Sold tracks \$30,854 below average for 2009. (\$36,708 for 2008, and \$39,091 for 2007)



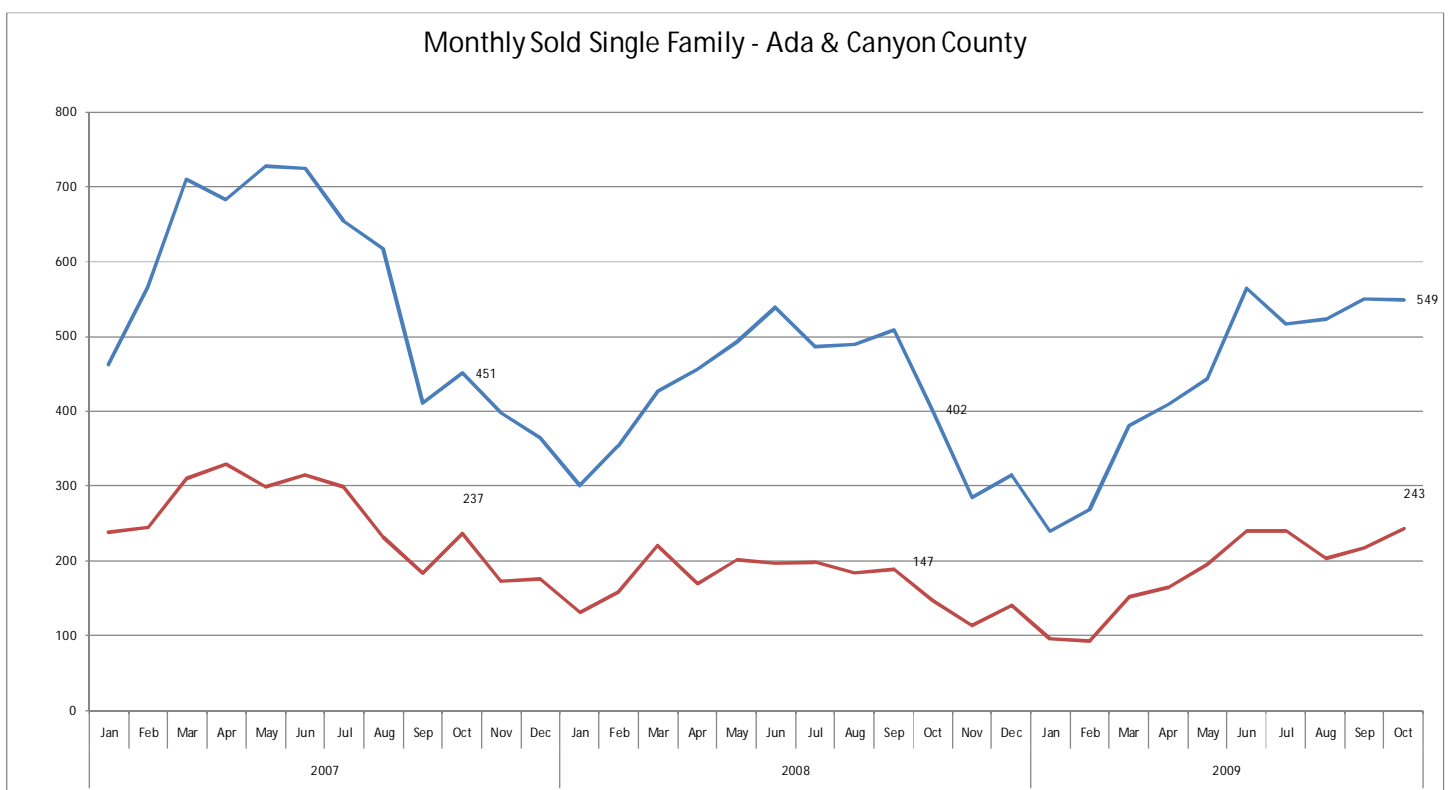
Ada - Single Family				Canyon - Single Family			
	2007	2008	2009		2007	2008	2009
Jan	\$ 255,265	\$ 249,855	\$ 217,738	Jan	\$ 176,306	\$ 158,584	\$ 130,181
Feb	\$ 266,239	\$ 245,317	\$ 202,869	Feb	\$ 173,628	\$ 157,795	\$ 129,019
Mar	\$ 257,317	\$ 239,143	\$ 205,492	Mar	\$ 169,554	\$ 157,664	\$ 119,681
Apr	\$ 259,389	\$ 245,030	\$ 204,061	Apr	\$ 165,542	\$ 149,661	\$ 121,703
May	\$ 276,706	\$ 237,090	\$ 207,391	May	\$ 176,648	\$ 151,660	\$ 112,810
Jun	\$ 274,421	\$ 255,845	\$ 200,993	Jun	\$ 171,528	\$ 154,409	\$ 124,189
Jul	\$ 276,982	\$ 242,544	\$ 200,432	Jul	\$ 172,988	\$ 149,048	\$ 115,236
Aug	\$ 271,499	\$ 234,378	\$ 197,344	Aug	\$ 175,744	\$ 149,536	\$ 115,995
Sep	\$ 261,007	\$ 242,145	\$ 195,197	Sep	\$ 163,196	\$ 149,606	\$ 110,506
Oct	\$ 265,214	\$ 233,446	\$ 186,920	Oct	\$ 168,500	\$ 141,713	\$ 108,590
Nov	\$ 252,389	\$ 229,708		Nov	\$ 165,558	\$ 136,502	
Dec	\$ 247,906	\$ 207,131		Dec	\$ 160,333	\$ 138,836	
Grand Total	\$ 265,196	\$ 239,514	\$ 200,366	Grand Total	\$ 170,463	\$ 150,257	\$ 117,197

Monthly Sold Volume

At least it's not last year! The bail-out killed us in 2008! Just look at the HUGE drop in Oct-2008..can you say "Bail-Out!"

The valley is recovering from a 9-year low. The \$8,000 First Time Buyer's incentive along with record number distress sales is improving the numbers. Canyon County saw a drop from Sept to Oct in 08' while in 09' they had an INCREASE in sales.

Ada County has been selling around the 500 – 550 for last 6 months, slightly better than last year's numbers.



Ada - Single Family				Canyon - Single Family			
	2007	2008	2009		2007	2008	2009
Jan	462	301	240	Jan	238	130	95
Feb	566	353	268	Feb	244	158	92
Mar	710	427	381	Mar	311	220	152
Apr	683	456	409	Apr	330	169	165
May	728	492	443	May	299	202	195
Jun	725	539	565	Jun	316	197	240
Jul	655	487	517	Jul	300	198	240
Aug	617	490	523	Aug	232	183	203
Sep	411	508	550	Sep	184	188	218
Oct	451	402	549	Oct	237	147	243
Nov	399	284		Nov	173	113	
Dec	364	315		Dec	175	140	
Grand Total	6771	5054	4445	Grand Total	3039	2045	1843

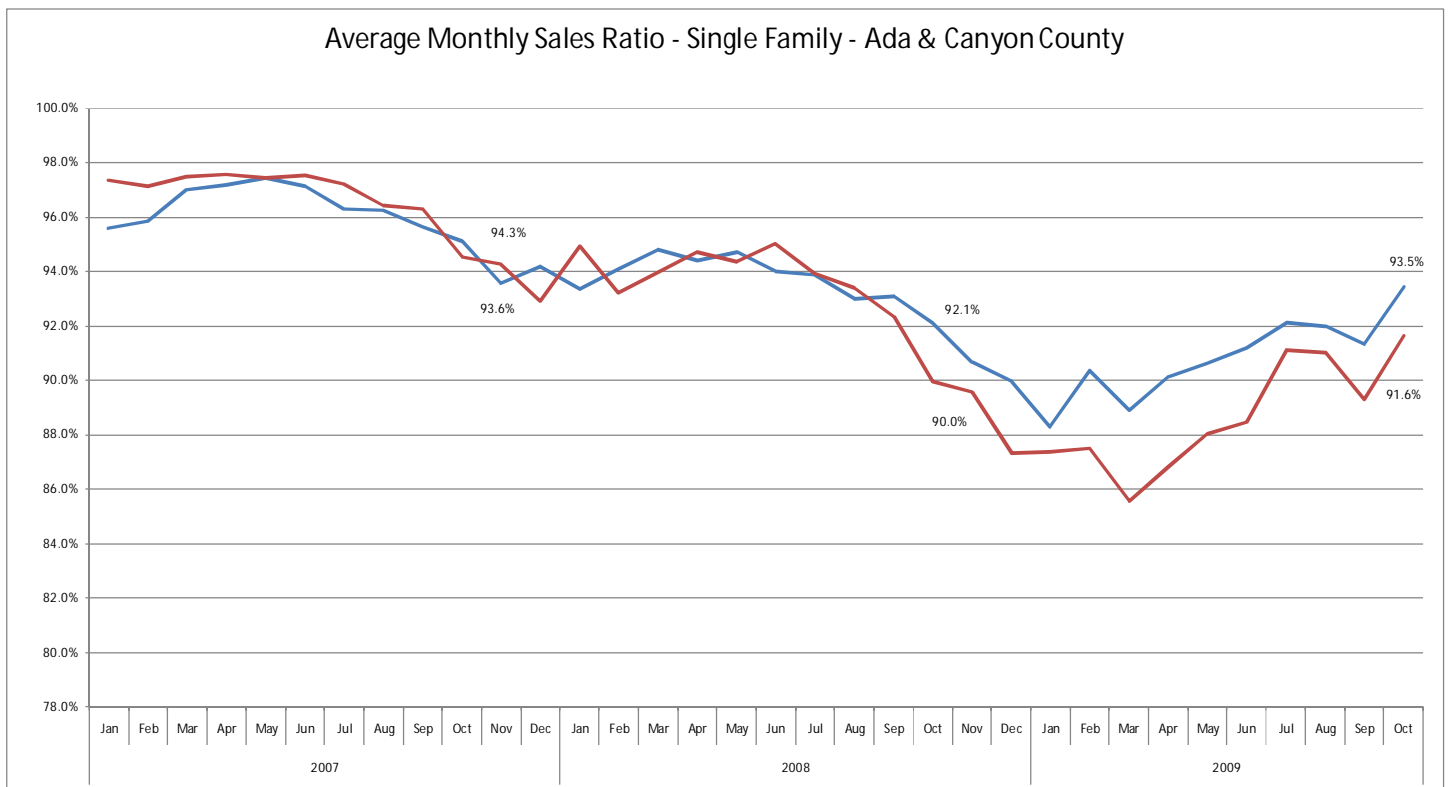
Average Monthly Sales Ratio

I don't place that much stock in the overall accuracy of the number; however, I will place merit on the overall trend. We all know MLS does not properly link Original List price with Sold Price because they may not think it's important. However, the second "trigger" in a downward market is falling sales ratio, the first is rising days on market, while the third is average sales price. Simple rule of "Supply verse Demand."

If you view the market as three legged stool, with the three legs being:

1. Days on Market
2. Sales Ratio
3. Average Sales Price

It's much easier to understand the linkage between these three important variables when viewed this way. It helps one see the market direction over longer periods of time and how each of the three variables impact each other.



Ada - Single Family				Canyon - Single Family			
	2007	2008	2009		2007	2008	2009
Jan	95.6%	93.3%	88.3%	Jan	97.4%	94.9%	87.4%
Feb	95.8%	94.1%	90.4%	Feb	97.1%	93.2%	87.5%
Mar	97.0%	94.8%	88.9%	Mar	97.5%	94.0%	85.6%
Apr	97.2%	94.4%	90.1%	Apr	97.6%	94.7%	86.9%
May	97.4%	94.7%	90.6%	May	97.4%	94.4%	88.0%
Jun	97.1%	94.0%	91.2%	Jun	97.5%	95.0%	88.5%
Jul	96.3%	93.9%	92.1%	Jul	97.2%	93.9%	91.1%
Aug	96.3%	93.0%	92.0%	Aug	96.4%	93.4%	91.0%
Sep	95.6%	93.1%	91.3%	Sep	96.3%	92.3%	89.3%
Oct	95.1%	92.1%	93.5%	Oct	94.6%	90.0%	91.6%
Nov	93.6%	90.7%		Nov	94.3%	89.6%	
Dec	94.2%	89.9%		Dec	92.9%	87.3%	
Grand Total	96.2%	93.3%	91.1%	Grand Total	96.6%	93.0%	89.1%

Inventory

Summer months reduced some inventory, Ada is still tracking about 9.8 months inventory for Single Family, and the overall inventory is about 10.8 months (this does not include land sales).

The projected inventory for Ada County on using the last 3 month sales would be a great number, too bad seasonal changes (winter) will always raise the figure.

County	Status & Est Inventory	TYPE OF LISTING				TOTAL
		Single Family	Single Family with Acreage	Condo	Townhouse	
Ada	Sold	5184	177	125	265	5751
	Active	3350	270	289	240	4149
	Pending	903	40	34	46	1023
	Inventory*	9.8	21.0	31.0	13.0	10.8
Canyon	Sold	2154	244	0	28	2426
	Active	1620	390	5	42	2057
	Pending	453	60	0	6	519
	Inventory*	11.5	22.1	N/A	20.6	12.7

*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	3350	5184	7.8	3231	6.2	1676	6.0
Canyon	Several	1620	2154	9.0	1371	7.1	685	7.1
Gem	Several	90	102	10.6	58	9.3	30	9.0
Elmore	Several	267	230	13.9	139	11.5	30	26.7
Payette	Several	172	133	15.5	79	13.1	35	14.7

Inventory by MLS Area

Star is still running into trouble, along with MLS area 0100 and 0650, which tend to be higher than the others.

Single Family Only - Date Range: 11/1/2008 - 10/31/2009. 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	283	289	11.8	182	9.3	91	9.3
		200	86	108	9.6	78	6.6	39	6.6
		300	289	386	9.0	253	6.9	137	6.3
		400	248	324	9.2	207	7.2	108	6.9
		500	117	155	9.1	101	7.0	46	7.6
		550	400	550	8.7	312	7.7	171	7.0
		600	170	192	10.6	119	8.6	64	8.0
		650	394	453	10.4	272	8.7	127	9.3
		800	280	309	10.9	199	8.4	95	8.8
	Eagle	900	296	317	11.2	194	9.2	100	8.9
	Star	950	141	174	9.7	94	9.0	37	11.4
	Meridian	1000	202	219	11.1	135	9.0	73	8.3
		1010	46	45	12.3	30	9.2	15	9.2
		1020	350	498	8.4	292	7.2	152	6.9
		1030	642	750	10.3	484	8.0	246	7.8
Kuna	1100	291	415	8.4	277	6.3	174	5.0	
Canyon	Nampa	1250	327	325	12.1	214	9.2	111	8.8
		1260	558	588	11.4	380	8.8	190	8.8
		1270	336	350	11.5	220	9.2	107	9.4
	Melba	1265	7	10	8.4	4	10.5	2	10.5
	Caldwell	1275	165	179	11.1	108	9.2	52	9.5
		1280	472	506	11.2	333	8.5	164	8.6
	Middleton	1285	132	137	11.6	81	9.8	47	8.4
	Other	1290	25	15	20.0	9	16.7	3	25.0

Inventory by Price

I would hate to be selling homes over \$450,000 in Canyon County right now! Heck, I hate doing appraisals on homes over \$450,000 in Canyon County...can you say ..."Where are the comps!"

Homes over \$300,000 in Canyon are still tracking about 15 months inventory, which is not too bad considering the lowest 12 months projections is 11 months.

The largest price segment in Ada County (\$100,000 - \$199,999) has been doing GREAT the last 12 months, keeping inventory below 9 months. This segment has seen improvement over the last 6 months!

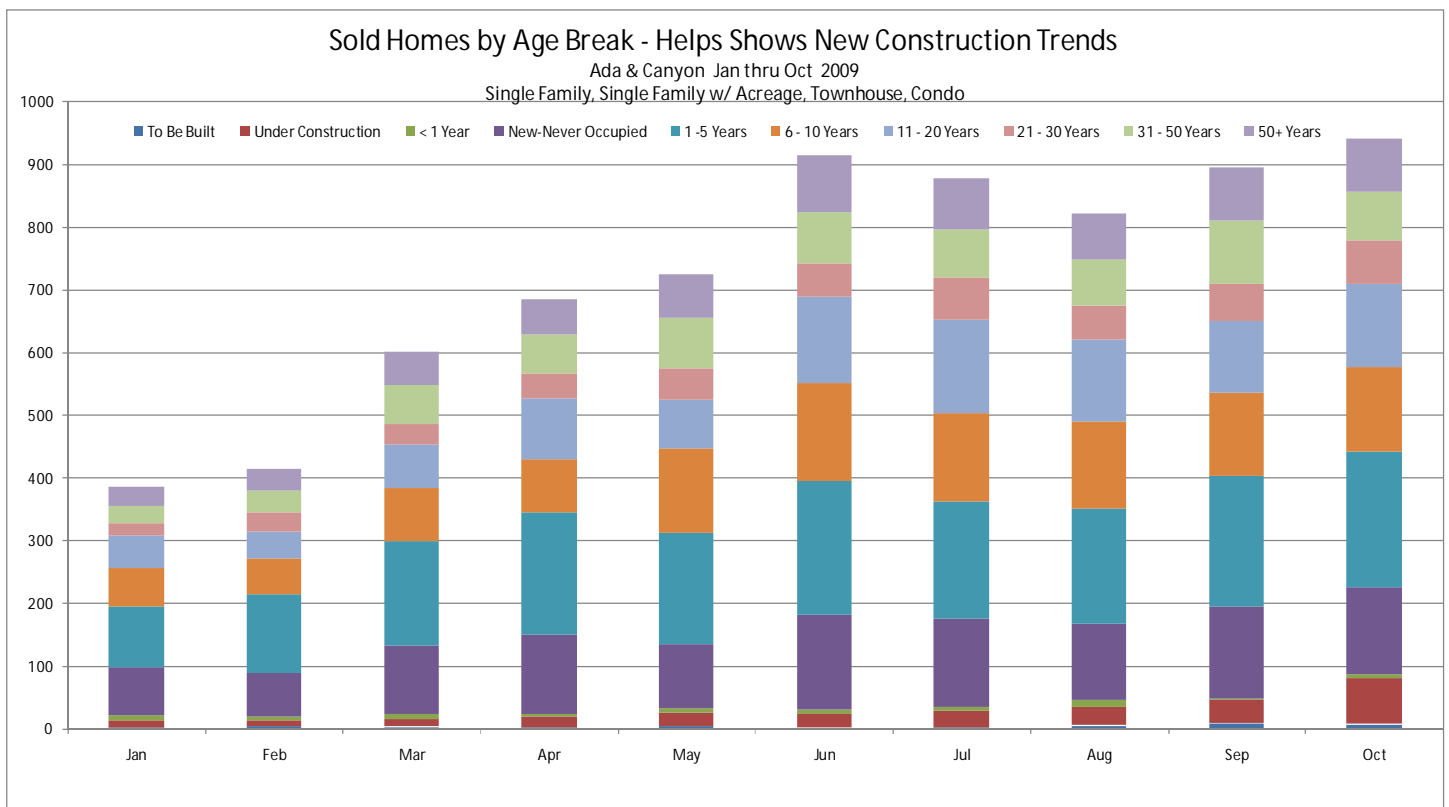
Single Family Only - Date Range: 11/1/2008 - 10/31/2009. Intermountain MLS									
County	City	Price Range	Active	12 Month Sales	Est Inventory using 12 Months Sales (Months)	6 Month Sales	Est Inventory using 6 Months Sales (Months)	3 Month Sales	Est Inventory using 3 Months Sales (Months)
Ada	Several	\$0 - \$99,999	137	141	11.7	100	8.2	64	6.4
		\$100,00 - \$199,999	2415	3208	9.0	2042	7.1	1093	6.6
		\$200,000 - \$299,999	975	1155	10.1	702	8.3	332	8.8
		\$300,000 - \$449,999	452	449	12.1	261	10.4	132	10.3
		\$450,000 - over	259	163	19.1	95	16.4	42	18.5
Canyon	Several	\$0 - \$99,999	779	804	11.6	575	8.1	293	8.0
		\$100,00 - \$199,999	1084	1185	11.0	716	9.1	358	9.1
		\$200,000 - \$299,999	152	113	16.1	54	16.9	26	17.5
		\$300,000 - \$449,999	44	35	15.1	20	13.2	6	22.0
		\$450,000 - over	10	4	30.0	0	N/A**	0	N/A**
**N/A = Lack of Sales to Forecast									
Below \$99,999 does not included "OSLD" = Zero Sold Price									

2009 Sold Homes by Age

This helps sheds light on new construction sales, tracking along around 20 – 25%. Keep in mind this is CLOSED date, not contract date. So all the spring/summer buyer's are closing late summer and fall. Pre-solds are about 30% of the New Construction make-up, or about 10% of the overall sales.

Jan - Oct 2009 Ada & Canyon County – SF, SF w/ Acreage, Townhouse, Condo											
Age	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Grand Total
New	98	89	134	150	136	182	176	167	195	226	1553
1 - 5 Years	97	126	166	196	177	213	187	185	208	216	1771
6 - 10 Years	62	57	84	85	134	157	140	139	133	135	1126
11 - 20 Years	52	43	69	96	78	138	149	131	115	133	1004
21 - 30 Years	20	31	34	40	51	53	68	53	60	69	479
31 - 50 Years	27	34	62	63	81	82	78	74	99	79	679
50+ Years	31	36	54	56	69	90	81	74	85	85	661
Grand Total	387	416	603	686	726	915	879	823	895	943	7273

Jan - Oct 2009 Ada & Canyon County – SF, SF w/ Acreage, Townhouse, Condo											
Age	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Grand Total
New	25.30%	21.40%	22.20%	21.90%	18.70%	19.90%	20.00%	20.30%	21.80%	24.00%	21.40%
1 - 5 Years	25.10%	30.30%	27.50%	28.60%	24.40%	23.30%	21.30%	22.50%	23.20%	22.90%	24.40%
6 - 10 Years	16.00%	13.70%	13.90%	12.40%	18.50%	17.20%	15.90%	16.90%	14.90%	14.30%	15.50%
11 - 20 Years	13.40%	10.30%	11.40%	14.00%	10.70%	15.10%	17.00%	15.90%	12.80%	14.10%	13.80%
21 - 30 Years	5.20%	7.50%	5.60%	5.80%	7.00%	5.80%	7.70%	6.40%	6.70%	7.30%	6.60%
31 - 50 Years	7.00%	8.20%	10.30%	9.20%	11.20%	9.00%	8.90%	9.00%	11.10%	8.40%	9.30%
50+ Years	8.00%	8.70%	9.00%	8.20%	9.50%	9.80%	9.20%	9.00%	9.50%	9.00%	9.10%



Brief Analysis – Oct- 2008 vs Oct- 2009 and Sept-09 vs October-09

The good news is Canyon County had a 33.28% swing in seasonal change in sales. Canyon County dropped from Sept to Oct-08, while in 2009 it saw an increase in sales. Now if we can get an increase in average sales price!

Sales are up in both counties.

Average Sales price in the last year had changed -19.93% in Ada and -23.37% in Canyon.

Single Family, Single Family w/ Acreage, Condo, Townhouse - Total Sales						
	October Shows 1 Year Change			2009 Shows 1 Month Change		
	2008	2009	Change	September	October	Change
Ada	449	615	36.97%	614	615	0.16%
Canyon	161	268	66.46%	249	268	7.63%

Single Family Only						
	October Shows 1 Year Change			2009 Shows 1 Month Change		
	2008	2009	Change	September	October	Change
Ada - Total Sales	402	549	36.57%	550	549	-0.18%
Ada - Avg Sold Price	\$ 233,446	\$ 186,920	-19.93%	\$ 195,197	\$ 186,920	-4.24%
Canyon - Total Sales	147	243	65.31%	218	243	11.47%
Canyon - Avg Sold Price	\$ 141,713	\$ 108,590	-23.37%	\$ 110,506	\$ 108,590	-1.73%

SEASONAL CHANGE COMPARISON - Single Family Only - Total Sales						
	2008 Shows 1 Month Change			2009 Shows 1 Month Change		
	September	October	Change	September	October	Change
Ada - Total Sales	508	402	-20.87%	550	549	-0.18%
Canyon - Total Sales	188	147	-21.81%	218	243	11.47%

2009 Distress Sales Summary

Ouch! Need I say more? The good news...it actually went down in Oct!

Ada & Canyon County (Single Family, Single w/ Acreage, Townhouse, Condo)

10 Months Sales in 2009 (Jan - Oct)

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

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MLS Defined Area	Distress	Typical	TOTAL	% Distress
NW Caldwell - 1275	103	54	157	66%
NW Nampa (51) - 1270	197	112	309	64%
SW Meridian - 1010	30	18	48	63%
NE Nampa (87) - 1250	188	120	308	61%
Melba - 1265	12	8	20	60%
SW Caldwell - 1280	281	189	470	60%
South Nampa (86) - 1260	331	232	563	59%
Star - 0950	98	69	167	59%
Canyon County Other - 1290	17	18	35	49%
Eagle - 0900	167	178	345	48%
Middleton - 1285	81	97	178	46%
Greenleaf - 1294	3	4	7	43%
NW Meridian - 1030	283	396	679	42%
NE Meridian - 1020	179	265	444	40%
South Boise - 0500	56	87	143	39%
Wilder - 1293	6	11	17	35%
SW Boise-Meridian - 0550	177	331	508	35%
Kuna - 1100	134	256	390	34%
W Boise-Garden City - 0650	134	281	415	32%
West Boise - 0600	71	154	225	32%
Boise Bench - 0400	101	237	338	30%
Garden City - 0700	7	17	24	29%
NW Boise - 0800	86	212	298	29%
Parma - 1292	4	10	14	29%
SE Meridian - 1000	57	143	200	29%
SE Boise - 0300	105	299	404	26%
North Boise - 0100	48	212	260	18%
NE Boise - 0200	18	86	104	17%
Grand Total	2974	4096	7070	42%

Based on 7,070 Sales in MLS of Single Family, Single Family w/ Acreage, Townhouse, Condo

Date: Jan 09 - October 09

ADA COUNTY			
2009	Distress	Typical	TOTAL
Jan	52	218	270
Feb	118	181	299
Mar	183	245	428
Apr	209	274	483
May	181	315	496
June	204	420	624
July	190	380	570
August	203	373	576
September	212	402	614
October	186	429	615
TOTAL	1738	3237	4975
2009	Distress	Typical	
Jan	19%	81%	
Feb	39%	61%	
Mar	43%	57%	
Apr	43%	57%	
May	36%	64%	
June	33%	67%	
July	33%	67%	
August	35%	65%	
September	35%	65%	
October	30%	70%	

CANYON COUNTY			
2009	Distress	Typical	TOTAL
Jan	28	84	112
Feb	57	50	107
Mar	105	65	170
Apr	138	61	199
May	137	83	220
June	166	109	275
July	152	114	266
August	137	93	230
September	156	93	249
October	161	107	268
TOTAL	1237	859	2096
2009	Distress	Typical	
Jan	25%	75%	
Feb	53%	47%	
Mar	62%	38%	
Apr	69%	31%	
May	62%	38%	
June	60%	40%	
July	57%	43%	
August	60%	40%	
September	63%	37%	
October	60%	40%	

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

ECONOMIC TRENDS

Nation & Area trends and economic data: (<http://www.bls.gov/>)

In October, the unemployment rate rose to 10.2 percent, the highest since April 1983, and nonfarm payroll employment continued to decline (-190,000). The largest job losses over the month were in construction, manufacturing, and retail trade.

In October, the number of unemployed persons increased by 558,000 to 15.7 million. The unemployment rate rose by 0.4 percentage point to 10.2 percent, the highest rate since April 1983. Since the start of the recession in December 2007, the number of unemployed persons has risen by 8.2 million, and the unemployment rate has grown by 5.3 percentage points.

Idaho

Idaho employers remained cautious about the economy in September, but the state's seasonally adjusted unemployment rate dropped to 8.8 percent, from 8.9 percent in August. Unemployment in September 2008 was 5.4 percent.

Idaho ranks #1 (worst state) in increase in July Unemployment rates from 2007 – 2009 at 193.3%. The monthly Idaho Department of Labor forecast showed the number of unemployed workers falling by more than 1,200 from August to September 2009, the largest one-month decline on record.

Total unemployment slipped under 66,000 in September for the first time since June, but that is still 25,000 more than in September 2008 when the unemployment rate was 5.4 percent. Over \$50 million in state and federal unemployment benefits was paid to nearly 37,000 workers during September, but unemployed workers are now exhausting all the benefit entitlements at a rate of over 100 a week. Since the year began Idaho has paid \$493 million in benefits to over 67,000 people - nearly twice the amount paid in all of 2008, which was the previous record.

The slight improvement in the jobless rate resulted from over 2,500 people dropping out of the labor force, the Idaho Department of Labor said. It was only the seventh time since the mid-1970s that the labor force contracted between August and September.

Unemployment area counties Aug-09 Ada 9.2%, Canyon 12.0%, Gem 12.0% Owyhee 3.9%, Payette 10.3%, Elmore 8.5%, Washington 9.8%

Ada County is Idaho's largest urban and regional center of government, industry, and education. Ada County is the most populous county in Idaho at 373,406 residents, over twice the size of the next largest county, Canyon. It ranks 31st among Idaho's 44 counties in total area, and nearly 29.1 percent of the county is federally owned. The population has been rapidly growing over the past decade adding 99,081 residents since 1997. This figures to an astounding 36.1 percent growth rate for the decade 1997 to 2007, well above the state's growth rate of 22.0 percent over the same period. Ada County's low unemployment rate, outdoor lifestyle, and relatively mild climate, continue to attract an increasing and diverse number of people from around Idaho as well as from out of state.