

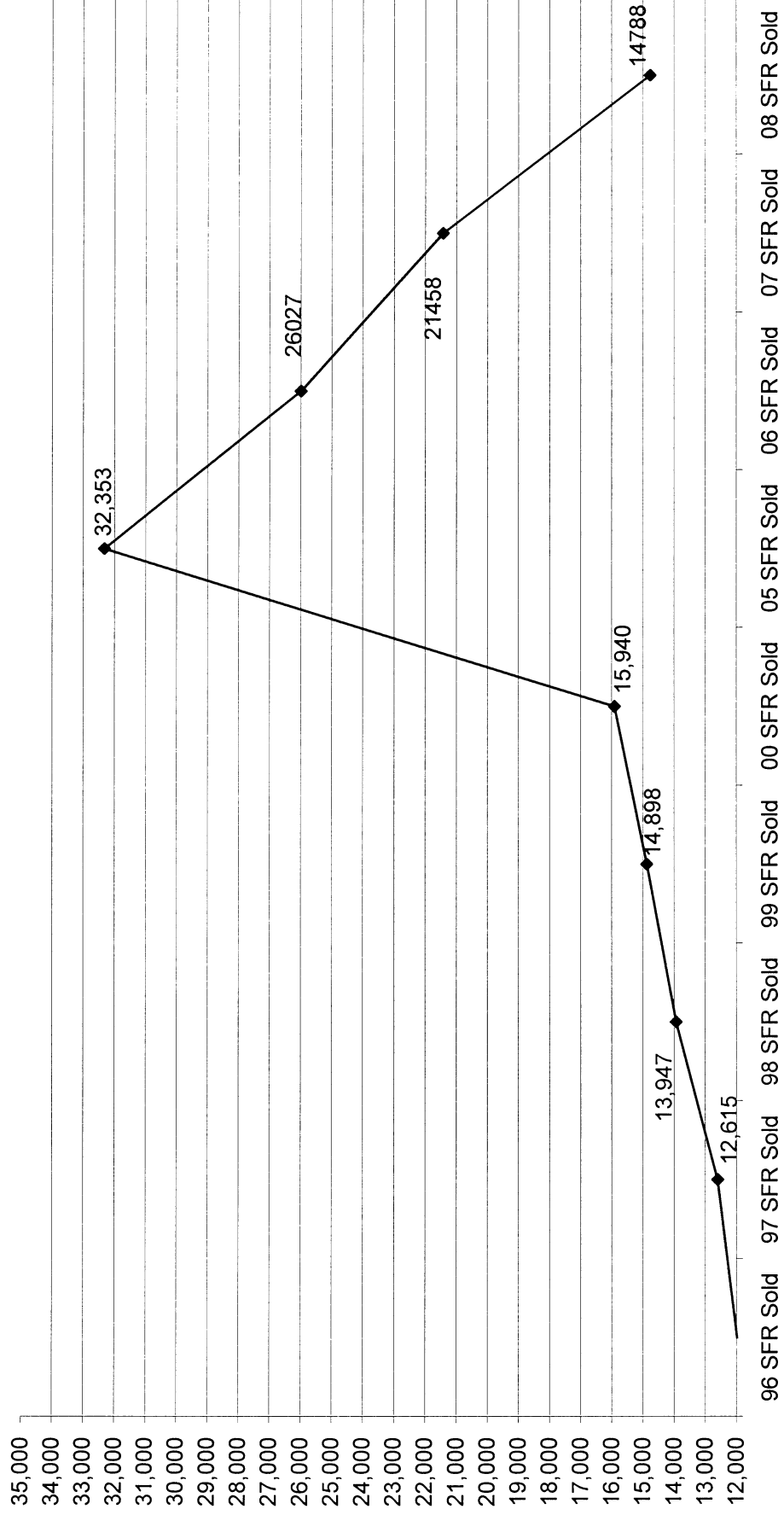
Local Board/Association	96 SFR Sold	96 Ave Price	97 SFR Sold	97 Ave Price	98 SFR Sold	98 Ave Price	99 SFR Sold
Ada County/Boise, Meridian, Kuna	4838 \$	129,943	5064 \$	132,322	5542 \$	140,689	5,858
Blackfoot	n/a	n/a	n/a	n/a	n/a	n/a	185
Seikirk	391 \$	116,035	413 \$	122,475	528 \$	127,017	528
Canyon County/Nampa, Caldwell	1354 \$	92,987	1598 \$	95,516	1927 \$	100,416	2,261
Coeur d'Alene, Post Falls	1838 \$	111,058	2110 \$	114,667	2353 \$	116,902	2,262
Idaho Falls, Madison, Fremont	824 \$	95,670	859 \$	98,088	977 \$	103,500	1,078
Lewiston	347 \$	93,525	332 \$	96,668	423 \$	101,741	402
Mini-Cassial/Burley, Rupert, Paul	271 \$	62,704	232 \$	70,073	250 \$	73,867	276
Moscow	196 \$	115,787	188 \$	114,115	301 \$	123,152	310
Bannock County	915 \$	84,271	859 \$	91,684	898 \$	98,938	829
Twin Falls, Buhl, Filer	1020 \$	86,919	960 \$	89,733	1008 \$	92,906	1,094
	11,394 \$	1,320,800,557	12,615 \$	1,434,204,881	13,947 \$	1,671,798,589	14,898
	-4.85%	-5.80%	5.18%	8.59%	10.56%	16.57%	6.82%

Average Change from previous year	96 SFR Sold	96 Ave Price	97 SFR Sold	97 Ave Price	98 SFR Sold	98 Ave Price	99 SFR Sold
Ada County/Boise, Meridian, Kuna	0.94%	4.41%	4.67%	1.83%	9.44%	6.32%	5.70%
Blackfoot	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bonner County/Sandpoint	-22.73%	5.46%	5.63%	5.55%	27.85%	3.71%	0.00%
Canyon County/Nampa, Caldwell	1.20%	4.13%	18.02%	2.72%	20.59%	5.13%	17.33%
Coeur d'Alene, Post Falls	-7.27%	-0.67%	14.80%	3.25%	11.52%	1.95%	-3.87%
Idaho Falls, Iona, Ammon	1.35%	4.79%	4.25%	2.53%	13.74%	5.52%	10.34%
Lewiston	-51.74%	6.22%	-4.32%	3.36%	27.41%	5.25%	-4.96%
Mini-Cassial/Burley, Rupert, Paul	-1.81%	0.32%	-14.39%	11.75%	7.76%	5.41%	10.40%
Moscow	n/a	n/a	-4.08%	-1.44%	60.11%	7.92%	2.99%
Pocatello, American Falls	6.40%	-0.18%	-6.12%	8.80%	-25.73%	7.91%	29.94%
Twin Falls, Buhl, Filer	-0.68%	1.54%	-5.88%	3.24%	5.00%	3.54%	8.53%

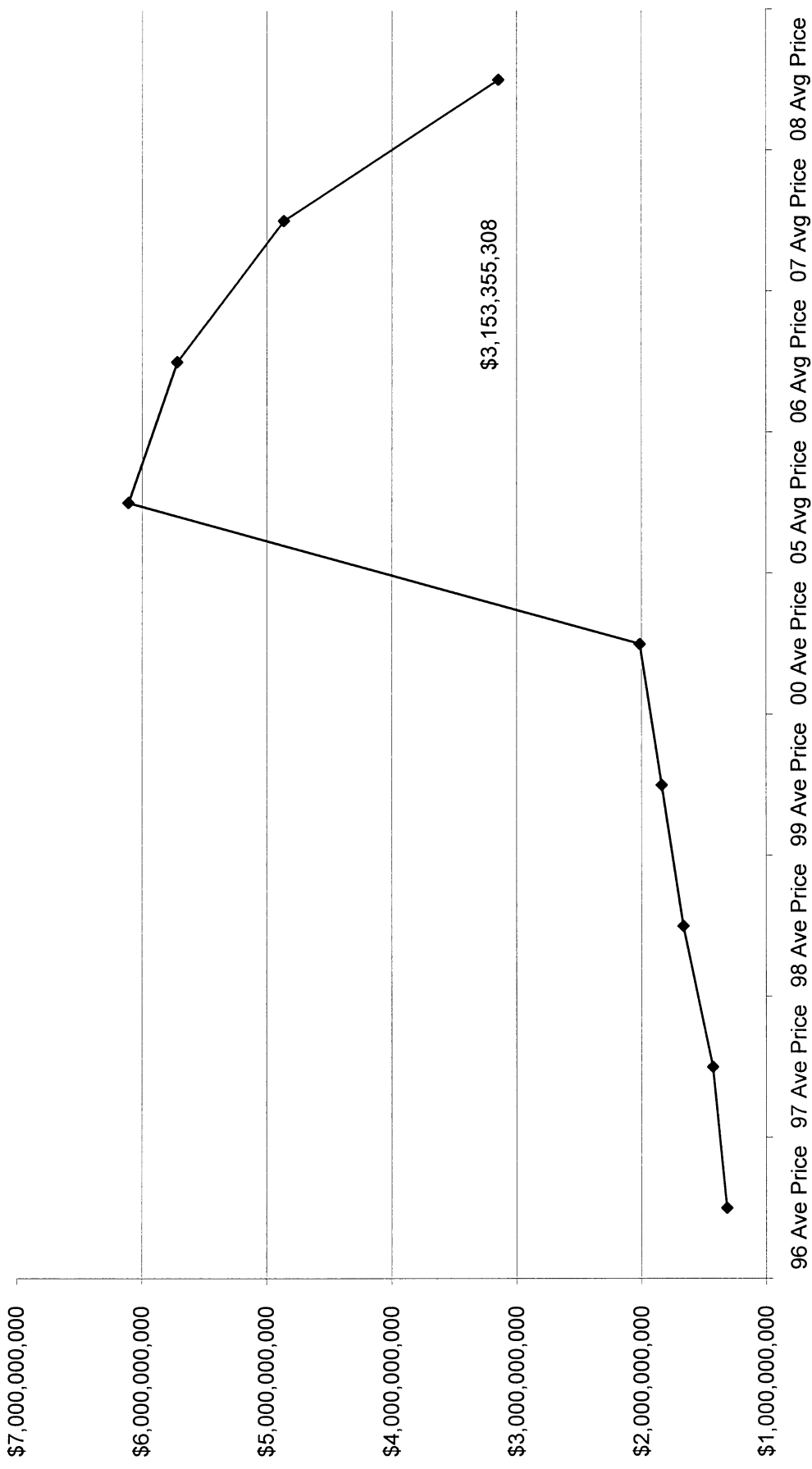
Control (1995 sales)	96 SFR Sold	96 Ave Price	97 SFR Sold	97 Ave Price	98 SFR Sold	98 Ave Price	99 SFR Sold
Control (1995 sales)	4793 \$	124,453					
	n/a	n/a					
	506 \$	110,025					
	1338 \$	89,297					
	1982 \$	111,802					
	813 \$	91,300					
	719 \$	88,051					
	276 \$	62,507					
	n/a	n/a					
	860 \$	84,422					
	291 \$	321,659					
	1027 \$	85,589					
	12,605 \$	1,402,161,832					

IDAHO RESIDENTIAL DATA SHEET

Tracked Single Family Residential Units Sold Statewide

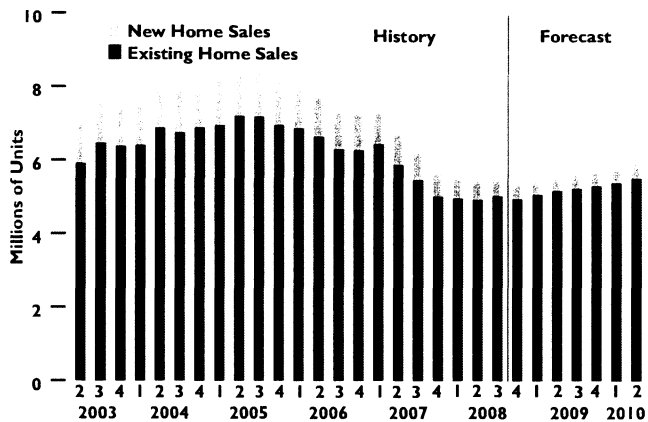


Total Dollar Volume



Home Sales

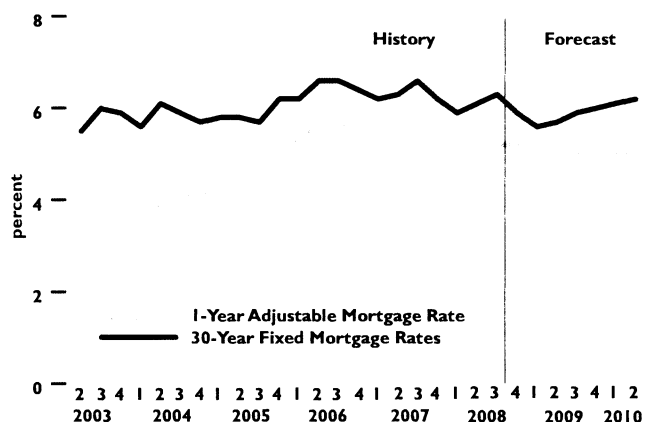
Finally hitting bottom, then rising



Sources: NAR, Bureau of the Census, NAR Forecast

Mortgage Rates

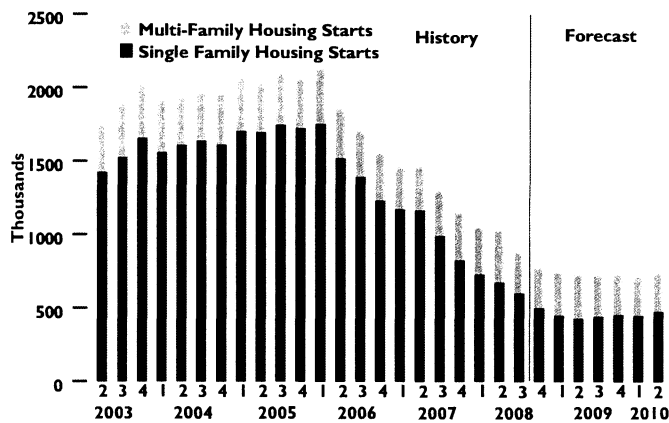
Dipping lower to spur home sales, then rising slightly



Sources: Freddie Mac, NAR Forecast

Housing Starts

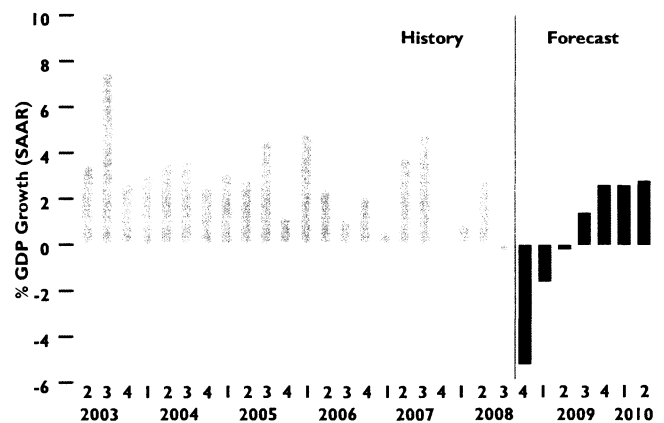
Continuing to decline until home sales rise and stabilize



Sources: Bureau of the Census, NAR Forecast

Economic Growth

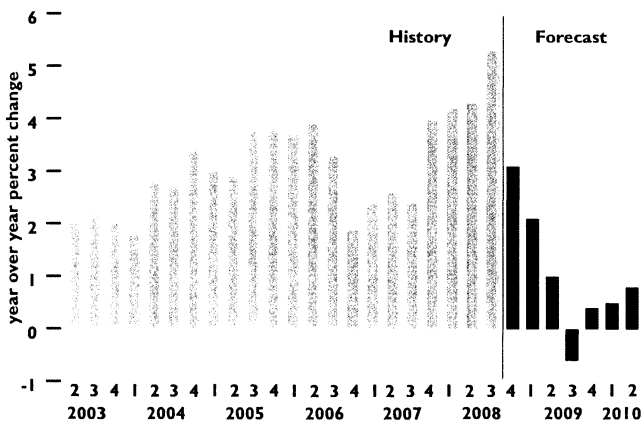
Look for economic recovery to start in mid-2009



Sources: Bureau of Economic Analysis, NAR Forecast

Inflation

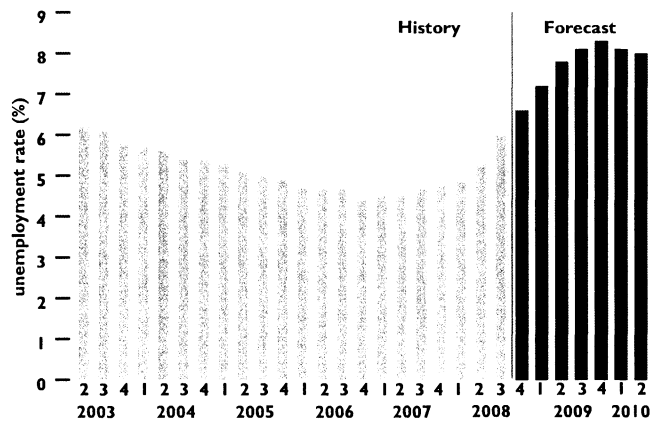
Declining until the economy fully recovers



Source: BLS, NAR forecast

Unemployment

Very challenging job market ahead but over 90% will have jobs



Sources: Bureau of Labor Statistics, NAR Forecast

Tracking Home Prices – Different Measures; Different Approaches

by NAR Research Staff

Since all real estate is local, interpreting changes in home prices at the national or metropolitan level can be difficult. This can be problematic for policy makers and market participants like home buyers, sellers, and REALTORS®. The first step is understanding what the various measures of house prices are, what those measures actually track, and how this information can be interpreted and used. Below is a summary describing four most closely watched home price indexes and discussing the major differences between them.

There are four major home price indexes that market participants follow:

- the National Association of REALTORS® Median Sales Price series
- the Case-Shiller Index group
- the Federal Housing Finance Agency (formerly OFHEO) Index
- the Freddie Mac Conventional Mortgage Home Price index

Of the series listed above, only NAR's is a pure median measure. The NAR Median Sales Price (which is not an index) tracks the sales price of the typical home where half of the homes sold at a higher and half sold at a lower price in a particular month.

Indexes track home prices with a level

of abstraction since there are several ways that information about home prices can be aggregated to develop an index. Consequently, changes in the prices of homes in a particular neighborhood may differ from an index based on home sales from a larger or slightly different geographic area.

Each of the other measures is an index. Like all indexes, these indexes track house prices with a level of abstraction. Percent changes in the index figure mirror percent changes in the prices of houses; therefore, a single index figure may not be very meaningful. The weighted repeat sales technique—employed by all of the other major players attempts to address an issue arising in pure sales medians, namely, that the houses that sell one month are not the same houses that sell the following month. If these houses differ in quality, then a change in the median sales price of houses reflects the change in the quality of the home sold as well as any appreciation in value that would have accrued to a constant-quality house. Researchers track and measure repeat sales to get past this limitation. For example, if a house sold in 1980 for \$100,000, and it sold again in 2007 for \$400,000, it would register as a repeat sale. Researchers would use its 300% appreciation over 27 years with informa-

tion from other repeat sales to determine how much this same (and therefore “constant quality”) home had appreciated in the most recent time period.

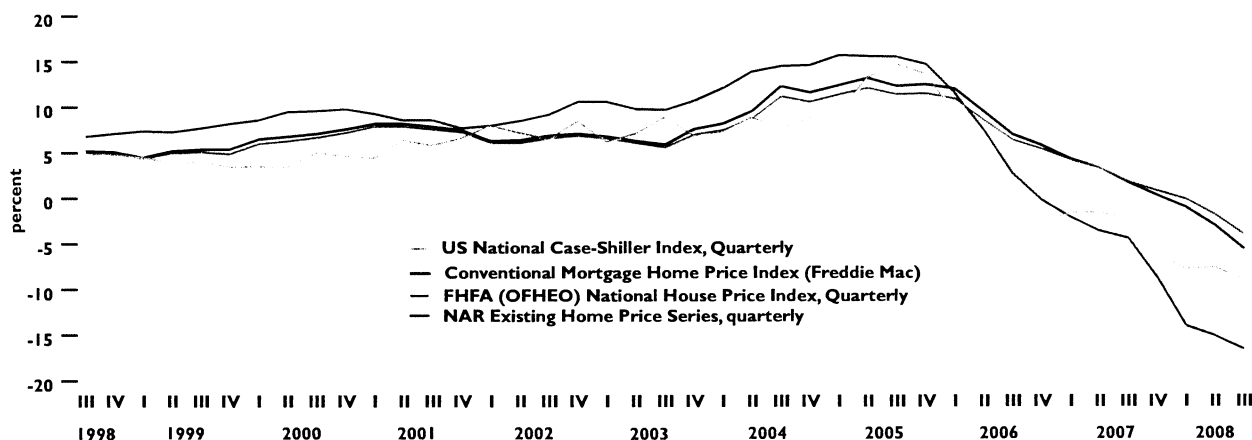
Unlike a median sales price, the repeat-sales methodology is very complex and requires an extremely large database of home sales transactions that limits its application to the nation or to large metropolitan areas.

The National Association of REALTORS® Median Sales Price

NAR's median sales price data is a series of dollar figures released monthly at both the national and Census regional levels. In addition, NAR releases quarterly median home price data for more than 150 metropolitan areas. NAR reports the observed median sales prices based on closed sales transactions gathered from Multiple Listing Services (MLSs).

National data are released around the 25th of the month and cover transactions from the previous month, thus making it the timeliest information about housing market conditions available. Another advantage to NAR's price data is that it includes information on condominium/co-op prices, compiled in both joint and separate series. Because the underlying data is gathered from MLSs, a substantial majority of all home sales

Home Price Growth Third Quarter 1998 to Third Quarter 2008



Tracking Home Prices (continued)

transactions are represented, although transactions not listed through a MLS are excluded.

NAR's median sales price data on existing homes are available at the Association's web site at www.realtor.org/research. Click on "home sales statistics" in the left hand navigation.

Case-Shiller

The Case-Shiller Index group consists of 20 regional (metro area) indexes and two composite indexes (a 10-region and a 20-region index). These indexes are reported monthly as 3-month moving averages and cover a period ending two months prior. This group also consists of a broader national index that is released quarterly.

Case-Shiller uses a weighted repeat sales methodology to measure price change. This type of index examines price changes for the same home based on the two most recent sales transactions. While this methodology helps to control for several factors that influence price, it requires the exclusion of many data points. For instance, Case-Shiller indexes exclude data from foreclosures as well as home sales transactions in the following states: Maine, Indiana, Wisconsin, North Dakota, South Dakota, South Carolina, West Virginia, Alabama, Mississippi, Idaho, Montana, Wyoming, and Alaska. Additionally, Case-Shiller gathers information on transactions from local government sources and therefore, information about sales transactions is subject to delay. Furthermore, the index is value-weighted: that means that high-priced homes have a greater impact on the index than do low-priced homes. Sales financed with conventional as well as jumbo and subprime loans are included in the index.

For more information about the Case-Shiller Index, visit www.homeprice.standardandpoors.com

Federal Housing Finance Agency (FHFA)

The Federal Housing Finance Agency (FHFA) – formerly the Office of Federal Housing Enterprise Oversight (OFHEO) – produces its House Price Index (HPI). As of March 2008, national and Census division level data are released monthly.

The data has a 2-month lag time. State and metropolitan area indexes are released quarterly.

The index uses a weighted repeat sales methodology to track changes in the price of homes financed with mortgages purchased by Fannie Mae and Freddie Mac and includes both purchase and refinance mortgages. The index reflects the prices of homes that are financed with mortgages that do not exceed conforming loan limits. FHFA estimates that 40 percent of mortgages fall into this category including a small number of subprime loans.

FHFA also publishes a purchase-only series which includes data back to 1991. The index excludes transactions financed with non-conforming jumbo mortgages or homes that were purchased without a mortgage. The index is not value-weighted.

For more information about the FHFA index, visit www.ofheo.gov/HPI.aspx

Freddie Mac

Freddie Mac also produces a Conventional Mortgage Home Price Index (CMHPI) that is released quarterly (2 months after the end of each quarter) at the national, Census division, state and metropolitan area levels.

The data to create the index is drawn from the same data pool as the OFHEO index. Unlike the FHFA/OFHEO index, it is constructed as a value-weighted repeat sales index. In addition, Freddie Mac's index *excludes* the same home sales transactions as the OFHEO index.

For more information, visit www.freddiemac.com/finance/cmhpi/faq.htm

Why should REALTORS® Care?

Pricing a home can be challenging. According to the **2008 NAR Profile of Home Buyers and Sellers** 84 percent of sellers used a real estate professional to help them sell their home. And what sellers *most want* their real estate agent to help them with is pricing their home. Each of the home price measures discussed above provides a different perspective on the real estate market. Home buyers and sellers should be aware that conditions in their local market may dif-

fer quite substantially from the national perspective. Furthermore, REALTORS® can use this information along with their local market knowledge to help clients price their homes competitively and sell their homes successfully.

Additional information about the various home price measures is available at www.realtor.org/research.