



MARKET CONDITION REPORT

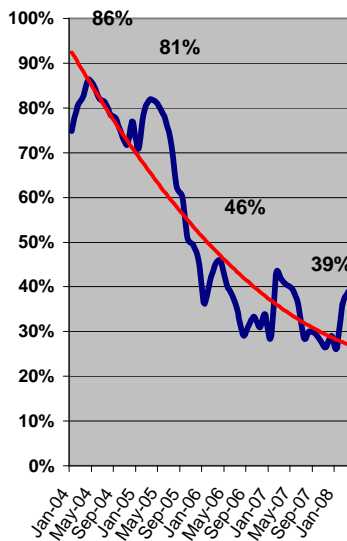
RENO AREA

March-2008

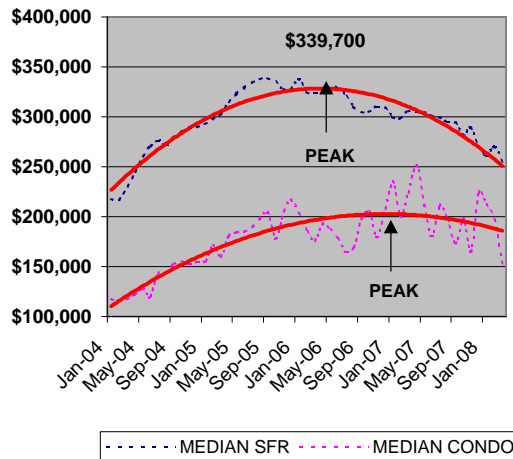
SINGLE FAMILY RESIDENCE

CITY	LISTED	SOLD PER MONTH	EXPIRE WITHDRAW MONTH	PERCENT SELLING	PENDING	MONTHS SUPPLY	DAYS ON MARKET SOLD	60 DAY ABSORB	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN CLOSE
Reno	1,792	147	248	37%	87	12.2	116	16%	\$300	\$298	\$290
Sparks	790	59	100	37%	25	13.4	101	15%	\$275	\$269	\$256
WASHOE COUNTY TOTAL	2,582	206	347	37%	112	12.6	112	16%	\$293	\$290	\$280
Fernley	365	25	39	39%	15	14.9	160	13%	\$225	\$220	\$200
Dayton	198	13	25	34%	9	15.8	96	13%	\$252	\$221	\$222
Yerington	73	1	6	15%	1	73.0	100	3%	\$240	\$160	\$157
LYON COUNTY TOTAL	636	38	69	36%	25	21.9	137	12%	\$234	\$219	\$206
Gardnerville	248	16	27	37%	8	16.0	141	13%	\$349	\$260	\$260
Minden	128	14	15	47%	3	9.5	161	21%	\$420	\$399	\$390
DOUGLAS COUNTY TOTAL	376	29	42	41%	11	13.8	151	15%	\$382	\$325	\$321
Fallon (Churchill County)	221	20	25	44%	1	11.3	135	18%	\$230	\$200	\$195
Carson City (Carson County)	367	39	54	42%	9	9.5	108	21%	\$320	\$269	\$260
TOTAL	4,182	331	537	38%	158	13.8	119	16%	\$290	\$277	\$268

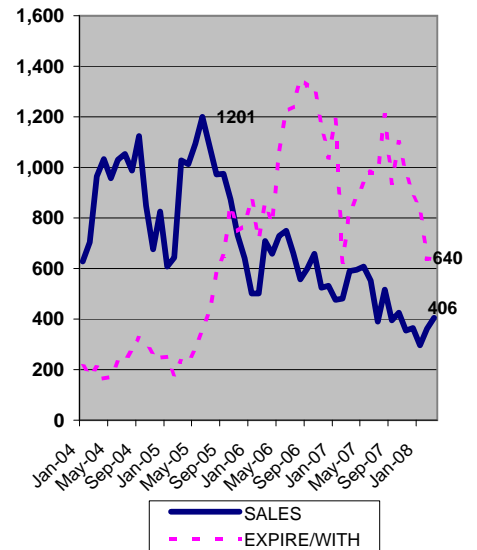
PERCENT SELLING MARKET EFFICIENCY



HISTORY OF MEDIAN SALE PRICE



HISTORY OF SOLDS AND EXPIRE/WITHDRAW (ALL)



CONDO/TOWNHOME

CITY	LISTED	SOLD PER MONTH	EXPIRE WITHDRAW MONTH	PERCENT SELLING	PENDING	MONTHS SUPPLY	DAYS ON MARKET SOLD	60 DAY ABSORB	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN CLOSE
Reno	464	17	56	23%	14	27.3	92	7%	\$179	\$134	\$132
Sparks	125	6	18	23%	1	22.7	86	9%	\$165	\$165	\$162
WASHOE TOTAL	589	23	74	23%	15	26.3	91	8%	\$176	\$142	\$139
Carson City	42	2	2	50%	1	21.0	122	10%	\$157	\$94	\$92
TOTAL	631	25	76	25%	16	26.0	93	8%	\$175	\$138	\$135

COURTESY OF FIRST CENTENNIAL TITLE

MARKET CONDITION REPORT

Reno-Sparks Area

March 2008



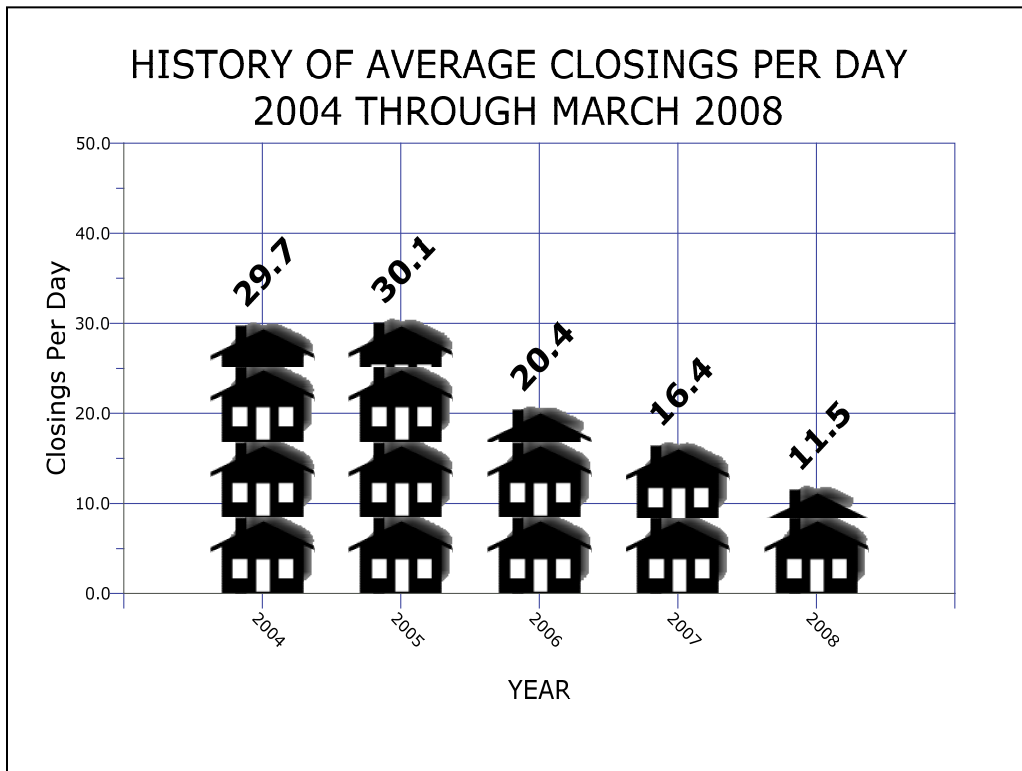
Welcome to the **Reno-Sparks Market Condition Report (MCR)** sponsored by **First Centennial Title**. These comments are designed to accompany the attached Market Condition Report.

We appreciate and value your business.

THIS YEAR LAST YEAR

Closed Last Year	Closed This Year	Change in Sales	Percent Change
1,615	1,092	-523	-32%

In the last report (March), the market lagged the previous year by **-37%**. The current result (**-32%**) displays a 5 point improvement. This is generally in line with other markets surveyed. A good way to visualize the current market versus past known results is to convert total annual closings to rates per day (based on 365 day year) as in the following graph.



In the last report, sales per day was 11.

In the current report, the market has accelerated to 11.5 per day. While that may not seem like a significant change, this differential in market speed translates into an additional 182 closed properties on an annualized basis. Notice the current market is performing at about 38% of peak 2005 values.

MARKET QUICK LOOK

	RENO AREA	FAVORABLE TO		
INDICATOR	COMMENTS	BUYER	SELLER	NEUTRAL
SUPPLY	Significant decline in SFR while condo increased slightly	★		
DEMAND	Increase for SFR; moderate decline for Condo	★		
FAILURES	Moderate and usual decline for both types	★		
PERCENT SELLING	Remaining rather constant with SFR the stronger of the two	★		
MONTHS SUPPLY	SFR backing off while Condo showing meaningful increase	★		
60 DAY ABSORB	Absorb Rate (market speed) for SFR gained 5 points; Condo down 2 points	★		
PRICES	Prices mixed, weak and volatile--both types posted significant declines	★		
SPECIAL NOTE	Change in Condo median price most likely--a short term outlier due to unusual closings			

In terms of market position, the market should be judged a buyer's market (Percent Selling is <40% and Absorb Rate is <30%).

In terms of movement, the movement toward the buyer has halted. Changes in the key indicators for SFR are more positive than for Condo. Generally, even though the market may have bottomed in terms of demand, prices will continue to display weakness. This result (market bottom) is in line with other areas surveyed. Sale pendings are rising, but at a pace a bit slower than other markets surveyed.

SPECIAL COMMENT: When using measures of central tendency such as median price, the reader should focus on trends and trend lines more than actual results. Values in any one month can easily be mitigated and thus adjusted from month to month. In other words, a trend is not a result; a trend is a series of results.

The reader should note two ideas revealed by the displayed graphs. Percent Selling is increasing pointing to a trend toward more properties closing relative to those failing (see bowing of the trend line for Percent Selling). Also, see that SFR median price peaked before Condo price and is declining at a more rapid rate.

The strongest sub-market is Minden SFR. The weakest continues to be Yerrington SFR.

The quickest and surest one-number measure of market viability is the **60 DAY ABSORB RATE** which considers changes in supply, demand, and time. As this measure increases, the market is moving in the direction of the seller. The opposite movement favors the buyer.

MCR TIP (BASIC)

The current increase in activity is an inevitable buyer response to the relatively lower price schedule offered by sellers over previous time periods. Clearly demonstrated and often forgotten is that the market is in full operation and ultimately each market participant must meet the demands of the market. Those who do not wish to meet these demands will find no satisfaction and will be faced with a choice: Accept market dictates or exit and wait until the market is more favorable to their interests.

WORDS OF WISDOM

The first step to getting the things you want out of life is this: Decide what you want. **Ben Stein**