



MARKET CONDITION REPORT

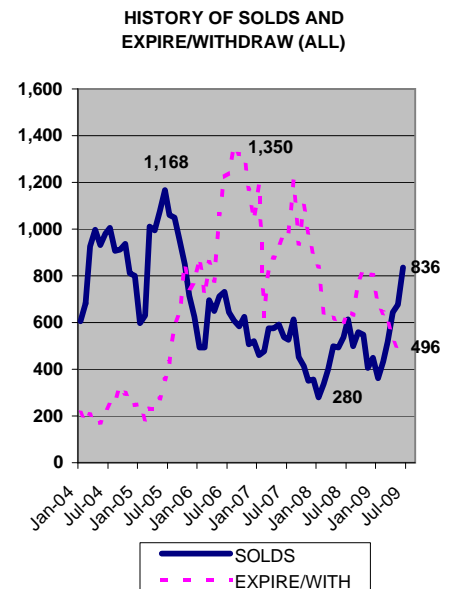
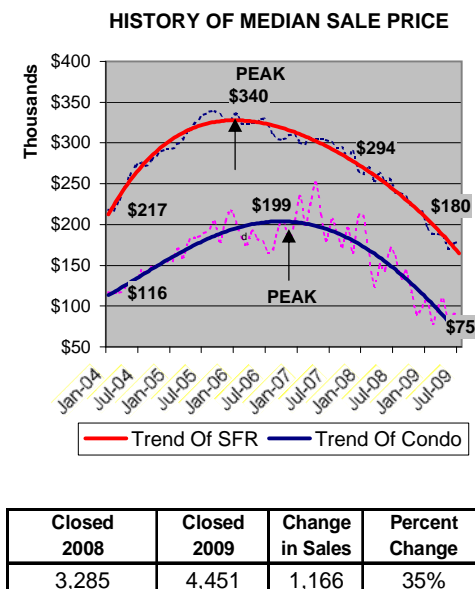
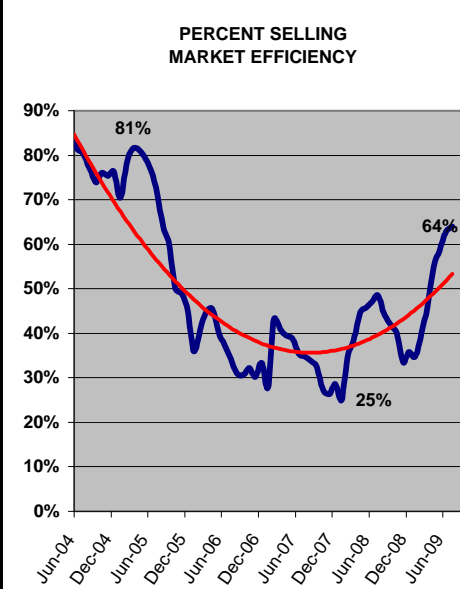
RENO AREA

July-09

SINGLE FAMILY RESIDENCE

CITY	SUPPLY ON MARKET	DEMAND SOLD MONTH	EXPIRE WITHDRAW MONTH	IN ESCROW	PERCENT SELLING	MONTHS SUPPLY	DAYS ON MARKET SOLD	MARKET SPEED	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN CLOSE PRICE
Reno	2,285	307	211	180	59%	7.5	138	27	\$249	\$195	\$187
Sparks	843	140	82	81	63%	6.0	118	33	\$191	\$176	\$171
WASHOE COUNTY TOTAL	3,128	447	293	261	60%	7.1	132	29	\$231	\$189	\$182
Fernley	243	54	32	16	63%	4.5	113	44	\$115	\$118	\$121
Dayton	178	32	21	10	61%	5.7	121	35	\$196	\$157	\$150
Yerington	80	3	7	2	28%	32.0	132	6	\$165	\$72	\$62
LYON COUNTY TOTAL	501	88	59	28	60%	9.3	116	35	\$145	\$131	\$130
Gardnerville	318	29	32	13	48%	11.0	190	18	\$354	\$251	\$235
Minden	152	12	12	4	51%	12.7	169	16	\$365	\$292	\$300
DOUGLAS COUNTY TOTAL	470	41	43	17	49%	11.5	184	17	\$357	\$263	\$254
Fallon (Churchill County)	183	20	19	4	51%	9.4	147	21	\$190	\$139	\$140
Carson City (Carson County)	394	47	38	20	55%	8.5	135	24	\$264	\$199	\$190
TOTAL	4,676	642	451	330	59%	8.0	134	27	\$238	\$185	\$179

Market Speed measures the rate of conversion of listings to closings. The higher this number, the faster the market is converting. The area with the highest speed is the "quickest" area. All other things being equal, areas with the highest market speed are the most desirable to buyers.



Closed 2008	Closed 2009	Change in Sales	Percent Change
3,285	4,451	1,166	35%

CONDO/TOWNHOME

CITY	SUPPLY ON MARKET	DEMAND SOLD MONTH	EXPIRE WITHDRAW MONTH	IN ESCROW	PERCENT SELLING	MONTHS SUPPLY	DAYS ON MARKET SOLD	MARKET SPEED	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN CLOSE PRICE
Reno	456	44	38	39	54%	10.5	159	19	\$125	\$84	\$66
Sparks	113	13	20	3	38%	9.0	118	22	\$89	\$78	\$74
WASHOE TOTAL	569	56	58	42	49%	10.2	150	20	\$117	\$83	\$67
Carson City	37	5	11	1	31%	7.4	190	27	\$128	\$133	\$127
TOTAL	606	61	69	43	47%	10.0	153	20	\$119	\$87	\$72

COURTESY OF FIRST CENTENNIAL TITLE



MARKET CONDITION REPORT

Reno-Sparks Area

July 2009

Welcome to the Reno-Sparks Market Condition Report (MCR) provided by First Centennial Title.

THE BIG PICTURE

- **SUPPLY (ON MARKET):** Continues to hold very steady in the current range with little meaningful deviation (6th month). This implies that as the market resolves supply, it is being replaced with about the same level of new activity.
- **DEMAND (SOLD PER MONTH):** Demand is up 22 units from July for SFR and down 5 units for Condo. Large and meaningful changes in demand are becoming less likely.
- **FAILURES (EXPIRE-WITHDRAW):** The rate of failure is on the increase for both types. This supports proximity to market peak. This is the first month in several months that the failure rate increased over the previous month.
- **IN ESCROW (FUTURE CLOSINGS):** SFR in escrow inventory declined by 3 units, while Condo moved up a significant 15 units. Based on rather constant levels of properties in escrow, expect the SFR market to loiter (in terms of closings) at or near current levels in the near term while Condo will begin to move up.
- **PERCENT SELLING:** SFR very steady as closings and failures balance out. Condo lost 8 points due to increase in failures. While Percent Selling it is not likely to drop dramatically, large increases should not be expected.
- **MONTHS SUPPLY:** SFR little changed from July while Condo moved up slightly. Current level of Months Supply is still relatively high and is not shifting in a meaningful way. Without meaningful changes or shifts in Months Supply, current price trends will remain on current trajectories (slightly negative per month).
- **MARKET SPEED:** Market Speed hardly moving at all for both types. The pace of the Reno market has halted at the current level. The best performing Reno submarket remains Fernley, returning a Market Speed of 44 (up 5 points from last month). The slowest is Yerington at a very sluggish 6 (down 7 points from July).
- **PRICES:** Price indicators are erratic but signs of stabilization for SFR are apparent. Condo still demonstrating weakness. Expect this up and down trend to continue. Large changes in price should not be expected, while small diminishing negative shifts are more likely. Long term buyers should not fear buying in the current market since market stabilization is clearly apparent and close. However, speculators and short term players should be more cautious.

MCR TIP : No significant change in Months Supply implies no significant change in price can be expected. Prices are driven by demand and supply. Months Supply is current supply divided by current [monthly] demand.