



MARKET CONDITION REPORT

RENO AREA

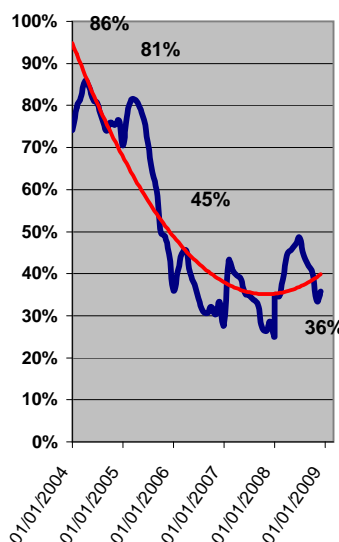
January-09

SINGLE FAMILY RESIDENCE

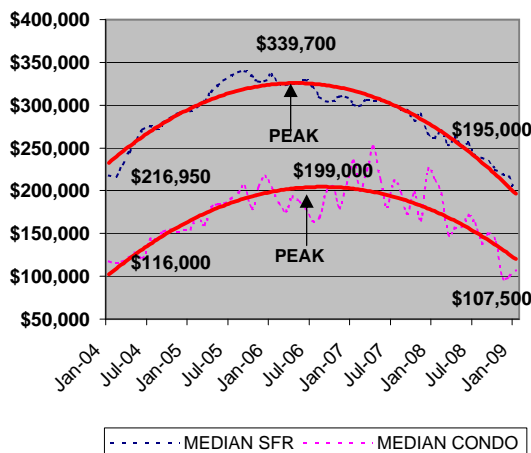
CITY	LISTED	SOLD PER MONTH	EXPIRE WITHDRAW MONTH	PERCENT SELLING	PENDING	MONTHS SUPPLY	DAYS ON MARKET SOLD	MARKET SPEED	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN CLOSE
Reno	2,257	144	280	34%	108	15.7	120	13	\$265	\$220	\$205
Sparks	925	84	92	48%	54	11.0	120	18	\$219	\$210	\$200
WASHOE COUNTY TOTAL	3,182	228	372	38%	162	14.4	120	14	\$248	\$216	\$203
Fernley	298	27	47	37%	21	11.0	128	18	\$132	\$118	\$117
Dayton	247	12	26	31%	6	21.5	107	9	\$210	\$165	\$163
Yerington	69	1	10	9%	1	69.0	75	3	\$180	\$74	\$74
LYON COUNTY TOTAL	614	40	82	33%	28	21.8	121	13	\$156	\$131	\$129
Gardnerville	280	12	37	24%	15	24.3	185	8	\$371	\$240	\$230
Minden	163	4	20	15%	3	46.6	75	4	\$399	\$320	\$320
DOUGLAS COUNTY TOTAL	443	15	57	21%	18	32.5	160	7	\$378	\$259	\$251
Fallon (Churchill County)	185	15	27	35%	5	12.8	174	16	\$210	\$160	\$155
Carson City (Carson County)	359	16	45	26%	14	23.2	159	9	\$270	\$245	\$233
TOTAL	4,783	312	582	35%	227	17.6	127	13	\$253	\$206	\$195

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.

PERCENT SELLING
MARKET EFFICIENCY

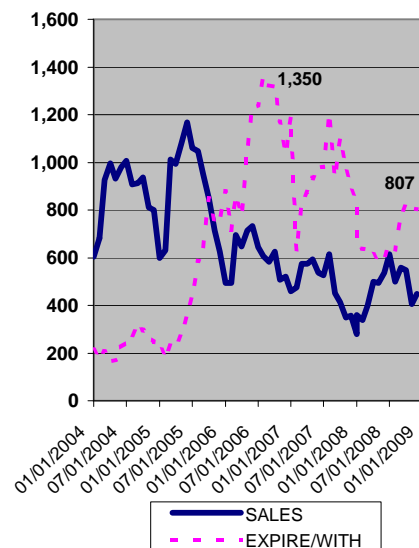


HISTORY OF MEDIAN SALE PRICE



Closed 2008	Closed 2009	Change in Sales	Percent Change
448	544	96	21%

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	MARKET SPEED	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN CLOSE
Reno	493	18	68	21%	15	27.4	111	7	\$149	\$100	\$98
Sparks	118	5	21	18%	4	26.2	117	8	\$107	\$95	\$89
WASHOE TOTAL	611	23	88	20%	19	27.2	112	7	\$141	\$99	\$97
Carson City	38	2	6	21%	2	25.3	228	8	\$151	\$179	\$175
TOTAL	649	24	94	20%	21	27.1	119	7	\$141	\$104	\$101

COURTESY OF FIRST CENTENNIAL TITLE



MARKET CONDITION REPORT

Reno-Sparks Area

January 2009

Welcome to the **Reno-Sparks Market Condition Report (MCR)** sponsored by **First Centennial Title**. We appreciate and value your business.

These comments are designed to accompany the attached Market Condition Report.

THE BIG PICTURE

- **SUPPLY (LISTED):** Moderate increase for both types—usual for this time of the year.
- **DEMAND (SOLDS PER MONTH):** Both types in moderate and somewhat unusual decline (from January).
- **FAILURES:** About 10% reduction from January; Condo down about 5%.
- **SALE PENDING (FUTURE CLOSINGS):** Pending inventories up significantly for both types implying a stronger pace of closings in the next time period.
- **PERCENT SELLING:** Little variation from January suggesting a rather uneventful market moving forward at a constant pace.
- **MONTHS SUPPLY:** Four month increase for SFR due to increase in supply and depressed demand. Current levels of Month's Supply are relatively high, especially for Condo. This usually is a pointer to ongoing price weakness. More typical Months Supply would be 7-8 months.
- **MARKET SPEED:** Slumped from January to February. The Reno area market pace is relatively slow and remaining so. Typical Market Speeds in other areas surveyed (Nevada and California) return in the range 20-35. The best performing sub-markets are Sparks and Fernley SFR at 18.
- **PRICES:** All price indicators very negative with meaningful declines. Condo close price is showing some strength. Given elevated Month's Supply, flat Percent Selling, and slow Market Speed in concert with increasing incidence of REO/Short Sale, this negative trend should be expected to continue. The reader should note that median sale price for SFR has dropped below the \$200K benchmark.

MCR TIP

Market Speed should be evaluated in the same manner as a speedometer. Very quick high speed seller's markets return Market Speed values in the range 85-110, these are generally perceived as "fast" speeds. In the next several time periods, all other things being equal, Market Speed will increase, most likely into the range 25-40. This speed is generally perceived as a "slow" speed.

WORDS OF WISDOM

The safest road to mediocrity is the gradual one--the gentle slope, soft underfoot, without sudden turnings, without milestones, without signposts. The Screwtape Letters