



MARKET CONDITION REPORT

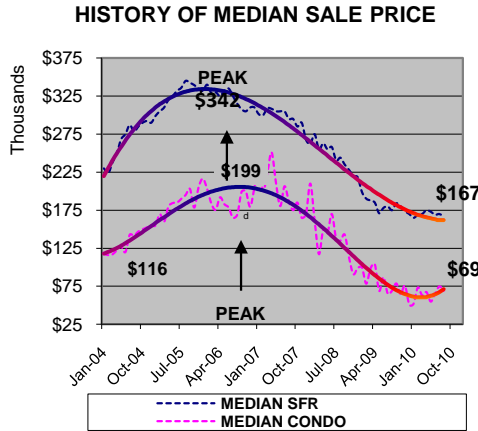
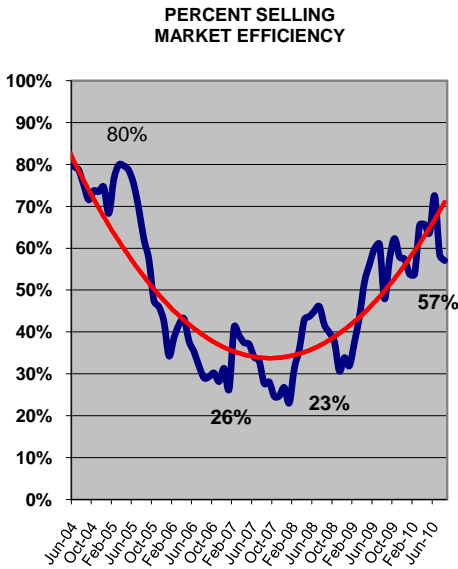
RENO AREA

Aug-10

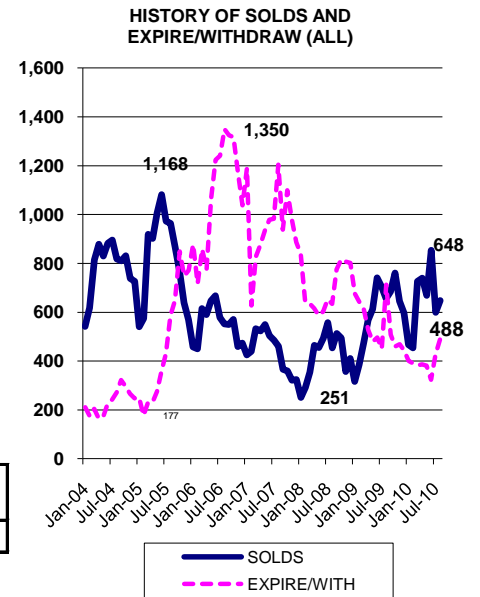
SINGLE FAMILY RESIDENCE

CITY	SUPPLY ON MARKET	DEMAND SOLD MONTH	EXPIRE WITHDRAW MONTH	IN ESCROW	PERCENT SELLING	WEEKS SUPPLY GIVEN DEMAND	DAYS ON MARKET SOLD	MARKET SPEED	MEDIAN LIST PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Reno	2,461	260	197	140	57%	43	134	21	\$220	\$190	\$186
Sparks	938	145	82	70	64%	30	110	31	\$166	\$160	\$155
WASHOE COUNTY TOTAL	3,399	405	279	210	59%	39	125	24	\$201	\$180	\$175
Fernley	224	31	23	18	58%	34	110	27	\$113	\$107	\$105
Dayton	187	23	17	10	58%	37	143	25	\$155	\$130	\$130
Yerington	64	5	6	4	45%	65	156	14	\$165	\$115	\$110
LYON COUNTY TOTAL	475	58	45	32	56%	38	127	24	\$134	\$117	\$115
Gardnerville	295	19	27	15	41%	73	132	13	\$299	\$190	\$189
Minden	140	13	11	7	54%	51	158	18	\$300	\$325	\$310
DOUGLAS COUNTY TOTAL	435	31	37	22	46%	64	142	14	\$299	\$244	\$238
Fallon (Churchill County)	206	19	12	4	61%	49	150	18	\$166	\$135	\$126
Carson City (Carson County)	446	30	41	12	42%	66	156	13	\$220	\$182	\$181
TOTAL	4,961	542	414	280	57%	42	129	22	\$206	\$175	\$171

THIS REPORT IS SORTED ON MARKET SPEED. 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. "Weeks Supply Given Demand" is the Absorption Rate (the number of weeks required to exhaust current supply given current demand).



Closed 2009	Closed 2110	Change in Sales	Percent Change
5,544	5,897	353	+6%



CONDO/TOWNHOME

CITY	SUPPLY ON MARKET	DEMAND SOLD MONTH	EXPIRE WITHDRAW MONTH	IN ESCROW	PERCENT SELLING	WEEKS SUPPLY GIVEN DEMAND	DAYS ON MARKET SOLD	MARKET SPEED	MEDIAN LIST PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Reno	435	61	57	38	52%	34	113	28	\$80	\$81	\$80
Sparks	126	14	14	4	50%	42	111	21	\$69	\$64	\$67
WASHOE TOTAL	561	75	70	42	52%	35	113	27	\$78	\$78	\$78
Carson City	40	3	3	0	50%	69	121	13	\$113	\$41	\$46
TOTAL	601	77	73	42	52%	36	113	26	\$80	\$77	\$77

COURTESY OF FIRST CENTENNIAL TITLE

MARKET CONDITION REPORT

Reno-Sparks Area

August 2010

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

NOTE: The measure Months Supply has been replaced by “Weeks Supply Given Demand” which is the classic **Absorption Rate** widely used in commercial real estate. Both measures express the relationship between supply and demand. The Absorption Rate differs in that it includes properties in escrow as a part of the supply chain. The higher this measure the looser the market; the lower the measure the tighter the market.

THE BIG PICTURE

- **OVERVIEW:** The market is slowing. Market speed is down. Absorption Rate is up and prices are weakening. These outcomes are in line with other areas surveyed such as Las Vegas, Phoenix and selected California urban markets.
- **SUPPLY (ON MARKET):** Little change. A slight increase over last month.
- **DEMAND (SOLD PER MONTH):** Demand off significantly from last month (82 units).
- **FAILURES (EXPIRE-WITHDRAW):** Marginal increase from last month (54 units).
- **IN ESCROW (FUTURE CLOSINGS):** SFR and Condo inventory in escrow is in slow decline. This suggests that the recent surge of closings is not being replaced by new escrow entry, signaling a slower or constant market. This outcome is similar to last month.
- **PERCENT SELLING:** Off 7 points from last month.
- **WEEKS SUPPLY GIVEN DEMAND (Absorption Rate):** Absorption Rate is on the increase. As the ratio of supply to demand increases, Absorption Rates increase and there are more units of supply on the market relative to demand and the weeks required to liquidate supply increases. Consequently, rising Absorption Rates favor the buyer and declining Absorption Rates favor the seller.
- **MARKET SPEED:** The pace of the market, which had been rising consistently, has peaked and is now in decline. Fernley SFR, the perennial favorite, has taken a heavy hit in the short term due to rising supply and declining demand.
- **PRICES:** Prices gyrating from month to month with a slight positive propensity (especially for Condo). See History of Median Sale Price Graph.

MCR TIP: As a generalization, key measures such as Market Speed and the Absorption Rate dictate a “slower” Reno market than other areas surveyed. As an example, the Las Vegas Market Speed is currently 50 as opposed to the Reno area at 22. Absorption is 34 weeks in Las Vegas, while it is 42 weeks in Reno. Indirectly this implies that a given listing in Reno is less effective at attracting buyers than those in Las Vegas.

