



MARKET CONDITION REPORT

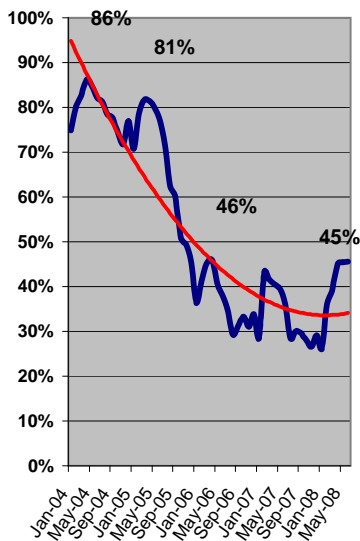
RENO AREA

June-08

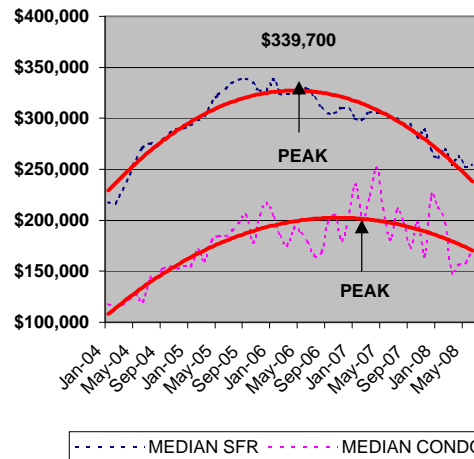
SINGLE FAMILY RESIDENCE

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	2,652	237	235	50%	100	11.2	103	18%	\$349	\$295	\$278
Sparks	983	102	89	53%	28	9.7	74	21%	\$270	\$250	\$245
WASHOE COUNTY TOTAL	3,635	338	323	51%	128	10.8	94	19%	\$325	\$281	\$268
Fernley	409	25	41	38%	12	16.4	96	12%	\$204	\$182	\$173
Dayton	212	20	26	43%	11	10.9	84	18%	\$243	\$219	\$214
Yerington	77	2	7	22%	0	38.5	36	5%	\$200	\$182	\$175
LYON COUNTY TOTAL	698	47	74	39%	23	17.1	89	13%	\$220	\$198	\$190
Gardnerville	358	25	32	44%	10	14.6	105	14%	\$401	\$268	\$264
Minden	164	13	17	43%	3	12.6	149	16%	\$479	\$339	\$311
DOUGLAS COUNTY TOTAL	522	38	49	44%	13	14.0	120	14%	\$428	\$293	\$280
Fallon (Churchill County)	218	12	31	27%	2	19.0	163	11%	\$230	\$190	\$180
Carson City (Carson County)	488	33	41	45%	4	15.0	97	13%	\$330	\$299	\$280
TOTAL	5,561	466	516	47%	170	12.6	98	17%	\$319	\$273	\$260

PERCENT SELLING
MARKET EFFICIENCY

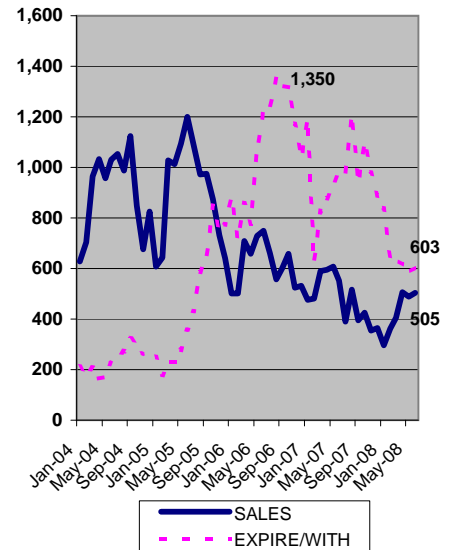


HISTORY OF MEDIAN SALE PRICE



Closed Last Year	Closed This Year	Change in Sales	Percent Change
3,463	2,793	-670	-19%

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	529	28	63	31%	17	18.9	150	11%	\$185	\$183	\$171
Sparks	117	8	19	29%	3	15.6	136	13%	\$143	\$140	\$138
WASHOE TOTAL	646	36	81	30%	20	18.3	147	11%	\$176	\$174	\$164
Carson City	45	3	6	35%	2	15.0	124	13%	\$175	\$127	\$128
TOTAL	691	39	87	31%	22	18.1	145	11%	\$177	\$170	\$161

COURTESY OF FIRST CENTENNIAL TITLE



MARKET CONDITION REPORT

Reno-Sparks Area

June 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.

THE BIG PICTURE

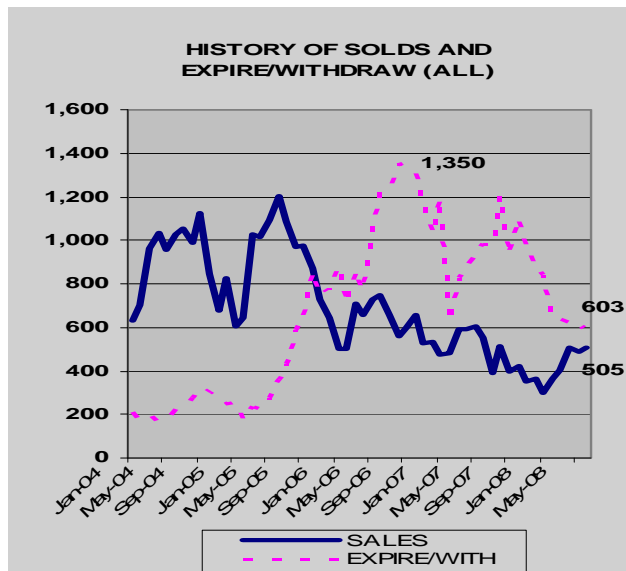
- **DEMAND:** Increased about 8% for both types over June.
- **SUPPLY:** Very constant in a narrow range. SFR increased about 200 units; Condo increased by 26 units.
- **FAILURES:** Down for SFR but up marginally for Condo.
- **PRICES:** \$2K decline for SFR. Condo staged somewhat of a rally and increased significantly. May be short term.
- **60 DAY ABSORB:** Market speed (conversion of listings to closings) steady at a slow rate for SFR. Condo increased 3 points but rate still signaling a slow and sluggish market.
- **PERCENT SELLING:** Steady with positive propensity.
- **FUTURE CLOSINGS (SALE PENDING):** Current pending inventory levels for both SFR and Condo are increasing at a slow rate. This signals increased closings in the offing. However, do not look for any big changes—just steady marginal increases.
- **GENERAL COMMENT:** Market acting as though it has reached a peak and big shifts in the demand schedule should not be expected.

Closed Last Year	Closed This Year	Change in Sales	Percent Change
3,463	2,793	-670	-19%

In the last report (June), the market lagged the previous year by **-24%**. The current result (**-19%**) displays a 5 point improvement. This is generally slower than other markets surveyed. As an example, Las Vegas (resale) is currently even with last year's sales pace, however, Clark County is dominated by distressed sales (see table below).

DISTRESSED PROPERTIES

DATE	TYPE	Washoe County	Lyon County	Douglas County	Clark County
7/13/2008	PRE-FORECLOSE	1,910	156	121	18,215
7/13/2008	FORECLOSE	1,039	53	102	13,729



The graph to the left from the MCR illustrates a very typical phenomenon that applies to the Reno area market as well as others.

When markets are “good” (sellers’s market) the count of solds (successes) are greater than failures. As markets move toward the buyer, failures begin to increase and successes decline.

The failure line crosses the success line, and at that point it becomes more likely a listing will fail than succeed (Reno Area-Jan 2006). This market movement through time is measured by changes in percent selling displayed on the MCR. Note the success (sold) line is poised to cross the failure line.

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 is toward the seller, but slowly. Changes in the key indicators are positive but weak in their pace of change. 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. This is most likely due to the lack of large inventories of distressed properties. (This report generally mirrors the June report.)

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 **strongest** sub-market continues to be Sparks SFR. The **weakest** is Yerington SFR.

MCR TIP (ADVANCED)

PERCENT SELLING measures market efficiency and involves demand (sales per month) and failure (expire, cancel, and withdrawal). **PERCENT SELLING** is a percentage greater than or equal to zero and less than or equal to 100%.

The **ABSORB RATE** measures market speed and involves supply (listed), demand (sales per month), and time (60 days), but not failure. The **ABSORB RATE** can and does exceed 100%.

If these measures rise, the seller is being favored. If these measures decline, the buyer is favored.