

MARKET CONDITION REPORT LAS VEGAS VALLEY March 2008

Welcome to the Las Vegas Area Market Condition Report (MCR) provided by Equity Title.

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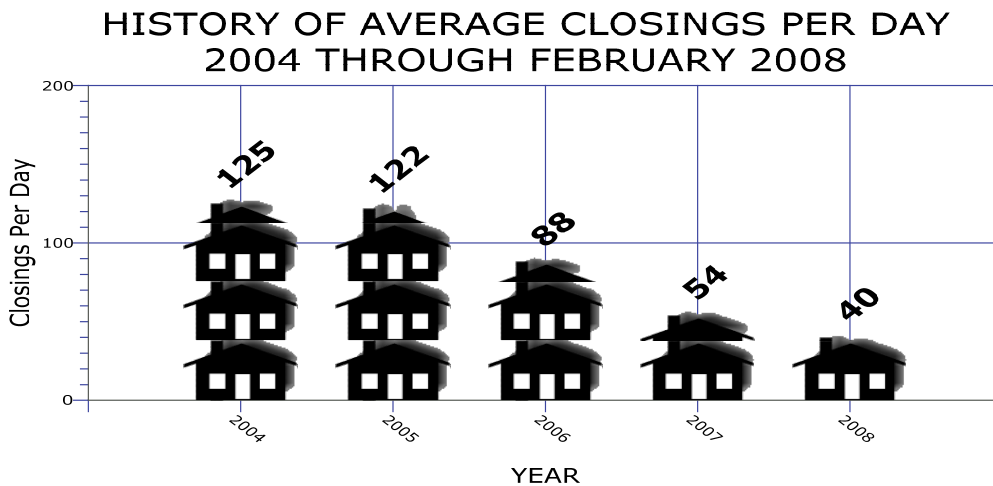
These comments and opinions are designed to accompany the Market Condition Report attached to this document.

THIS YEAR LAST YEAR (VISUALIZING THE MARKET)

Closed Last Year	Closed This Year	Change	%Change
3,591	2,238	-1,353	-37.7%

In the last report (February), the market lagged the previous year by **-38%**. The current result displays only a slight change of .3 of 1 percent. A good way to visualize the current market versus past known results is to convert total annual closings to rates per day as in the following graph.

CLOSINGS PER DAY 2004-2008 RESALE MARKET ONLY—CLARK COUNTY



It is obvious that today's market bears little resemblance to the 2004 market in terms of the strength of demand. One can easily calculate the change in current demand necessary to return to markets of previous time periods. As an example, to return to the market of 2005, the current pace of closings would need to accelerate to 122 closings per day average, an increase of 82 closings per day or 205%. The aware reader will note the rate of change in closed transactions has slowed from **-34** transactions from 2005 to 2006 to **-14** from 2007 to 2008. The rate of closings per day for February 2008 is based on the first two months of market performance.

SELLER CONTRIBUTION (INFORMATIONAL ONLY-NOT DISPLAYED ON REPORT)

February 2008 to March 2008

Single Family	
% Sellers Contributing	50%
Average Contribution	\$7,359
Condo/Townhome	
% Sellers Contributing	41%
Average Contribution	\$4,974

The measure returns the propensity of the buyer to request—and the seller to provide—buyer points to expedite transaction closing. The propensity for SFR sellers to provide buyer support remained rather constant from February to March with the propensity and size of the contribution declining slightly.

As a generalization, and on the average, a good estimate of the seller's expected contribution is between 2.8 and 3.5% of the transaction value. Also, as the strength of demand increases relative to supply, the propensity of sellers to contribute will decline, as will the size of the contribution.

MARKET OVERVIEW—CHANGE FROM PREVIOUS MONTH

LAS VEGAS AREA		FAVORABLE TO		
INDICATOR	COMMENTS	BUYER	SELLER	NEUTRAL
SUPPLY	Supply continues to decline--this trend is counter to the usual for this time of the year; level still elevated	★		
DEMAND	Closings (demand) continued to decline at a slowing rate--this trend will reverse in the next time period	★		
FAILURES	Substantial increase from last month with most of this increase due to revised counting method; level very high	★		
PERCENT SELLING	Both SFR and CONDO posted a two point decline--expect this trend to reverse	★		
MONTHS SUPPLY	Both SFR and CONDO posted a decline due to the negative trend on the supply side		★	
60 DAY ABSORB	Slight increase both types; market bottom (demand) has been reached; look for slow increases as the market speeds up	★		
PRICES	All price indicators off significantly; declines to continue SFR Limit=\$242; CONDO Limit=\$168; pace of declines slowing	★		
SPECIAL NOTE	Significant increase in sale pending and contingent signals increase in transactions levels ahead especially on the low end		★	

PERCENT SELLING (market efficiency) and **ABSORB RATE** (market speed) demonstrated a slight increase after a long decline signaling market bottom has been reached (in terms of demand). Positive changes in the level of sale pendings indicate that both Percent Selling and the Absorb Rate will be on the rise in the near future (slowly). However, *prices have not bottomed especially for SFR* and will continue their current negative trend led by distressed sale situations. Condo is less clear and appears to be demonstrating more resiliency. Confirm this by reviewing (on the MCR) that pending-contingent price for SFR lies below current closing price, but not so for Condo.

Readers should note the Distribution of Supply And Demand Table. See the ratio of supply and demand is still quite high in all ranges but especially in the upper ranges. Overall, there has been a continuation of tightening of the market as sale pendings have increased and supply (listed) has declined. This tightening is essential to gain price stability in the long run.

MCR TIP (ADVANCED)

AREA	LOW RANGE	HIGH RANGE
102	\$200	\$250
103	\$175	\$300
303	\$200	\$250
405	\$200	\$250
504	\$200	\$250
505	\$225	\$300
606	\$250	\$375

Transactions are not distributed over market areas and price ranges in a uniform manner. The market contracts and expands in cycles over time, and areas contract and expand in concert with larger market dictates, but not necessarily in a linear manner.

The market is currently in a contraction cycle of unknown duration. Some areas are “hotter” than others in terms of transactions. Some price ranges in hot areas turn out to be cold. The above areas and price ranges are both hot in terms of area and price range. A listing in the areas and price ranges indicated will have greater expected value¹ than those not in these areas and price ranges (SFR ONLY).

WORDS OF WISDOM

Everything should be made as simple as possible, but not simpler. **Albert Einstein**

¹ The term originates in mathematics (specifically probability mathematics) and is used to describe the long-term average outcome of a given scenario.

EQUITY TITLE OF NEVADA MARKET CONDITION REPORT

MARCH 2008

SINGLE FAMILY RESIDENCE

LAS VEGAS VALLEY

AREA	LISTED	SOLDS MONTH	FAIL MONTH	% SELLING	DOM SOLD DAYS	LIST CLOSE (DAYS)	MONTHS SUPPLY	60 DAY ABSORB	MEDIAN \$LIST	MEDIAN ASK AT OFFER	MEDIAN CLOSE
NORTH	3,639	196	1,224	14%	95	134	18.6	11%	\$275	\$239	\$226
EAST	2,153	68	618	10%	90	133	31.8	6%	\$215	\$195	\$188
SOUTH	923	65	312	17%	77	118	14.3	14%	\$290	\$250	\$242
NORTHWEST	3,282	180	1,048	15%	99	141	18.2	11%	\$290	\$271	\$265
SOUTHWEST	4,058	251	1,293	16%	80	121	16.2	12%	\$343	\$270	\$260
SOUTHEAST	758	25	227	10%	87	126	29.8	7%	\$260	\$225	\$218
CENTRAL	287	6	100	5%	76	121	51.3	4%	\$185	\$150	\$120
HENDERSON	3,091	198	955	17%	88	124	15.6	13%	\$389	\$306	\$295
BOULDER CITY	104	6	28	18%	89	123	17.0	12%	\$575	\$354	\$318

DISTRIBUTION OF SUPPLY/DEMAND				SFR	CONDO	LONG-TERM SUPPLY/DEMAND (CLARK COUNTY)			
CLASS	IN ESCROW (DEMAND)	LISTED (SUPPLY)	SUPPLY TO DEMAND	LISTED					
\$30,000,000	0	2	No Sale	18,295	4,836				
\$20,000,000	0	13	No Sale	994	164				
\$10,000,000	2	53	27 to 1	5,804	1,454				
\$5,000,000	55	1,101	20 to 1	15%	11%				
\$1,000,000	14	285	20 to 1	89 days	94 days				
\$900,000	20	356	18 to 1	128 days	132 days				
\$800,000	41	533	13 to 1	18.4	29.5				
\$700,000	56	847	15 to 1	10.9%	6.8%				
\$600,000	116	1,173	10 to 1	\$305	\$243				
\$500,000	84	904	11 to 1	\$264	\$169				
\$450,000	178	964	5 to 1	\$254	\$160				
\$400,000	212	1,641	8 to 1	\$250	\$168				
\$350,000	201	1,181	6 to 1	3,461	508				
\$325,000	174	1,014	6 to 1						
\$300,000	296	1,792	6 to 1						
\$275,000	328	1,806	6 to 1						
\$250,000	506	2,448	5 to 1						
\$225,000	462	1,962	4 to 1						
\$200,000	572	2,491	4 to 1						
\$175,000	318	1,500	5 to 1						
\$150,000	192	1,117	6 to 1						
\$125,000	87	456	5 to 1						
\$100,000	55	222	4 to 1						
TOTAL	3,969	23,861	6.0 to 1						

Closed Last Year	Closed This Year	Change	%Change
3,591	2,238	-1,353	-37.7%

As of Feb 29, 2008-RED=ABOVE AVERAGE

CONDO-TOWNHOME

AREA	LISTED	SOLDS MONTH	FAIL MONTH	% SELLING	DOM SOLD DAYS	LIST CLOSE (DAYS)	MONTHS SUPPLY	60 DAY ABSORB	MEDIAN \$LIST	MEDIAN ASK AT OFFER	MEDIAN CLOSE
NORTH	189	7	58	11%	122	158	26.6	8%	\$175	\$157	\$152
EAST	467	11	132	7%	88	132	43.7	5%	\$147	\$120	\$115
SOUTH	301	11	107	9%	99	139	26.9	7%	\$220	\$222	\$215
NORTHWEST	931	38	318	11%	111	149	24.4	8%	\$170	\$174	\$160
SOUTHWEST	1,065	43	313	12%	82	122	24.6	8%	\$187	\$160	\$150
SOUTHEAST	1,095	25	307	8%	85	119	44.0	5%	\$435	\$160	\$155
CENTRAL	36	1	17	3%	274	305	70.8	3%	\$115	\$62	\$42
HENDERSON	713	26	190	12%	90	127	27.5	7%	\$220	\$189	\$185
BOULDER CITY	39	3	11	19%	83	115	15.3	13%	\$280	\$131	\$131