MARKET CONDITION REPORT
LAS VEGAS VALLEY
December 2007

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

We appreciate and value your business.

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

SELLER CONTRIBUTION: The measure returns the propensity of the buyer to request—and the seller to provide—buyer points to expedite transaction closing. The propensity for sellers to provide buyer support declined from November to December—but only slightly. The average contribution declined for both SFR and CONDO. This decline may have been caused by faulty data which has since been corrected.

As a generalization, and on the average, a good estimate of the seller's expected contribution is between 2.8 to 3.5% of the transaction value.

December 2007

Single Family	
% Sellers Contributing	53%
Average Contribution	$7,846
Condo/Townhome	
% Sellers Contributing	51%
Average Contribution	$4,623

<u>THIS YEAR LAST YEAR</u>

Closed Last Year	Closed This Year	Change	%Change
29,694	18,130	-11,564	-38.9%

Relative to last year in terms of transactions, the market is **-38.9%** behind the previous year. Given the market has entered the winter/holiday cycle, it would be reasonable to assume the market will finish the year about **-38%** to **-42%** in back of 2006. The November result was **-38.6%** which implies the slowdown in the current market may be at or near bottom in terms of demand (sales per month). This logic, however, should not be extended to price. Prices will continue to weaken in the short term.

MARKET OVERVIEW—CHANGE FROM PREVIOUS MONTH

	LAS VEGAS AREA	FAVORABLE TO		
INDICATOR	COMMENTS	BUYER	SELLER	NEUTRAL
SUPPLY	Declined moderately for both types			★
DEMAND	Declined significantly (this is generally true for all areas surveyed)	★		
FAILURES	Declined slightly			★
PERCENT SELLING	Declined moderately for both types (market less efficient)	★		
MONTHS SUPPLY	Increased moderately especially for CONDO (more supply relative to demand)	★		
60 DAY ABSORB	Declining moderately for both types (market slowing)	★		
PRICES	All price indicators negative with significant declines	★		
SPECIAL COMMENT	MEDIAN LIST ALL posted meaningful decline	★		

<u>Based on the changes from the previous month, the market should be judged as continuing to move toward the buyer</u>. Both **PERCENT SELLING** (market efficiency) and **ABSORB RATE** (market speed) are still declining from month to month signaling market slowing. *However, the rate of decline has slowed implying the market is at or near the bottom in terms of demand.*

Supply (listed), which has been climbing at a steady and consistent pace, has peaked and is now in a moderate decline. Market peak, in terms of supply, peaked at about **29,300** units on or about September 14, 2007. The current rate of decline in listing inventory is about 30 per day.

The reader should expect a continuation of the negative price trend with SFR moving slowly toward 270K (closing). Expect CONDO to demonstrate more price stability and resiliency although fluctuations will occur on a month to month basis. About 10% of properties in escrow are now short sale.

The strongest sub-market is South SFR. The weakest is Central/Boulder City SFR. As a general rule, the relative strength of markets can be deduced by the 60 DAY **ABSORBS RATE**. *All markets in the Las Vegas area are now exceptionally weak in terms of demand*.

MCR TIP

PERCENT SELLING looks at the last 60 days and counts the number of solds (success) and the number of expired, cancels and withdrawals (failures), and adds them together. These are the total number of clear market resolutions that occurred during the period (current listings are unresolved). This result is then divided into solds (success) to create the percentage of property that attempted to sell and *was successful*.

This number is a leading indicator in the sense that if this measure rises over time more listings are converting to sales (not failing). **PERCENT SELLING** the Las Vegas area peaked at about 75-85% in 2004-2005. Note in the current report **PERCENT SELLING** is about 19% for SFR. In the previous report, percent selling was 20%. This implies the market is inefficient in converting listings to sales and is becoming less efficient in the short term. This is a negative indicator and implies that from the perspective of the seller, the market is less favorable and becoming more so.

WORDS OF WISDOM

We all have big changes in our lives that are more or less a second chance.

Harrison Ford

EQUITY TITLE OF NEVADA
MARKET CONDITION REPORT

DECEMBER 2007 **LAS VEGAS VALLEY**

SINGLE FAMILY RESIDENCE

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	4,264	157	795	16%	91	127	27.1	7%	$295	$265	$260
EAST	2,238	84	404	17%	79	117	26.5	8%	$235	$220	$219
SOUTH	1,124	58	203	22%	80	115	19.4	10%	$305	$275	$266
NORTHWEST	3,810	170	675	20%	79	114	22.4	9%	$310	$290	$278
SOUTHWEST	4,645	214	824	21%	80	116	21.8	9%	$360	$309	$300
SOUTHEAST	803	34	144	19%	76	113	23.9	8%	$280	$250	$243
CENTRAL	321	6	56	9%	75	97	57.4	3%	$209	$180	$180
HENDERSON	3,601	155	593	21%	84	119	23.3	9%	$400	$330	$315
BOULDER CITY	121	2	15	9%	18	67	79.3	3%	$550	$340	$335

DISTRIBUTION OF SUPPLY/DEMAND

CLASS	IN ESCROW (DEMAND)	LISTED (SUPPLY)	SUPPLY TO DEMAND
$30,000,000	0	2	No Sale
$20,000,000	0	9	No Sale
$10,000,000	1	52	52 to 1
$5,000,000	60	1,220	20 to 1
$1,000,000	8	319	40 to 1
$900,000	17	450	26 to 1
$800,000	31	667	22 to 1
$700,000	42	1,037	25 to 1
$600,000	86	1,462	17 to 1
$500,000	67	1,113	17 to 1
$450,000	110	1,302	12 to 1
$400,000	181	2,124	12 to 1
$350,000	154	1,562	10 to 1
$325,000	140	1,376	10 to 1
$300,000	197	2,524	13 to 1
$275,000	226	2,459	11 to 1
$250,000	281	3,098	11 to 1
$225,000	241	2,123	9 to 1
$200,000	249	2,007	8 to 1
$175,000	117	1,204	10 to 1
$150,000	88	786	9 to 1
$125,000	29	264	9 to 1
$100,000	16	172	11 to 1
TOTAL	2,341	27,332	11.7 to 1

As of Aug 1, 2007-RED=ABOVE AVERAGE

	SFR	CONDO
LISTED	20,927	5,593
SOLD MONTH	878	169
FAILED MONTH	3,711	955
PERCENT SELLING	19%	15%
DAYS ON MARKET	82 days	92 days
LIST TO CLOSE	118 days	126 days
MONTHS SUPPLY	23.8	33.0
60 DAY ABSORB	8.4%	6.1%
MEDIAN $LIST ALL	**$324**	**$242**
ASK AT OFFER	**$287**	**$185**
CLOSE PRICE	**$278**	**$179**

SELLER'S CONTRIBUTION

Single Family	
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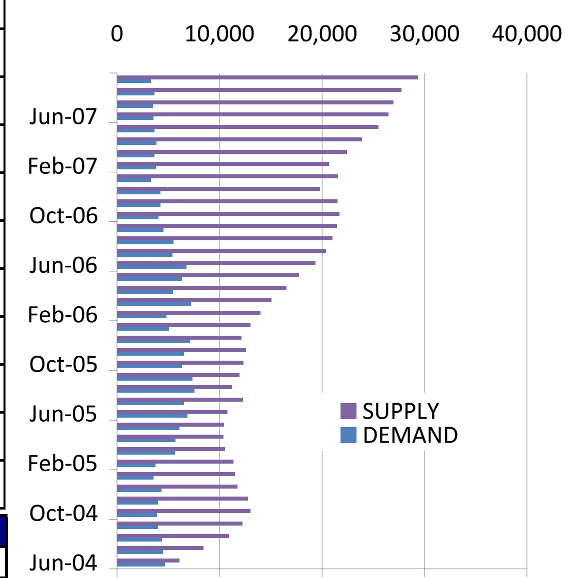
LONG-TERM SUPPLY/DEMAND (CLARK COUNTY)



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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	238	6	55	10%	115	156	39.0	5%	$200	$198	$195
EAST	537	14	82	15%	85	122	37.7	5%	$150	$142	$138
SOUTH	352	8	56	13%	92	123	43.3	5%	$228	$244	$230
NORTHWEST	1,129	40	220	15%	75	110	28.1	7%	$184	$180	$175
SOUTHWEST	1,210	43	197	18%	102	133	28.3	7%	$200	$180	$172
SOUTHEAST	1,235	30	182	14%	102	132	41.2	5%	$400	$175	$170
CENTRAL	51	2	7	18%	143	180	33.4	6%	$82	$147	$149
HENDERSON	793	25	150	14%	91	131	31.8	6%	$230	$216	$207
BOULDER CITY	48	2	6	21%	49	69	31.5	6%	$269	$240	$240