MARKET CONDITION REPORT
LAS VEGAS VALLEY
November 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.

November 2007		October 2007	
Single Family		Single Family	
% Sellers Contributing	55%	% Sellers Contributing	55%
Average Contribution	$9,155	Average Contribution	$10,322
Condo/Townhome		Condo/Townhome	
% Sellers Contributing	56%	% Sellers Contributing	55%
Average Contribution	$7,799	Average Contribution	$5,542

The propensity for sellers to provide buyer support increased from October to November—but only slightly. The average contribution declined for SFR but increased for CONDO. See the above comparison between the two time periods.

As a generalization, and on the average, a good estimate of the seller's expected contribution is between 3.00 and 3.50% of the transaction value.

<u>THIS YEAR LAST YEAR</u>

Closed Last Year	Closed This Year	Change	%Change
27,749	17,039	-10,710	-38.6%

Relative to last year in terms of transactions, the market is -38.6% behind the previous year. Given the market is entering the winter/holiday cycle, it would not be unreasonable to assume the market will finish the year about -38% to -42% in back of 2006.

MARKET OVERVIEW—CHANGE FROM PREVIOUS MONTH

Based on the changes from the previous month, the market should be judged as continuing to move toward the buyer. The rate of movement toward the buyer is slowing but both **Percent Selling** (market efficiency) and **ABSORB RATE** (market speed) are still declining from month to month. This implies that price erosion will continue. Sellers who are motivated (willing to meet market price) should make every effort to identify and move to market price as soon as possible to maximize seller equity. *This opinion is a virtual duplicate of the September and October opinions*.

Supply (listed), which has been climbing at a steady and consistent pace, appears to have peaked and is now in a slow decline. Market peak, in terms of supply, peaked at about **29,300** units on or about September 14, 2007.

The market is moving toward the fall/winter cycle. This cycle usually manifests a reduced transactions count. The change in the direction of supply will most likely not influence the intensity of the negative nature of prices in the short run. It would not be unreasonable to assume the decline in the supply curve is most likely attributable to fall/winter cycle, as opposed to a change in trend. If this notion is true, the supply will return to market at the conclusion of the cycle.

	LAS VEGAS AREA	FAVORABLE TO		
INDICATOR	COMMENTS	BUYER	SELLER	NEUTRAL
SUPPLY	Supply has peaked and is declining slowly		★	
DEMAND	Continuing in moderate decline--however stabilization is near	★		
FAILURES	SFR significant increase, CONDO steady	★		
PERCENT SELLING	Declined significantly for both types	★		
MONTHS SUPPLY	Significant increase for both types	★		
60 DAY ABSORB	Declining (market slowing) at about 1-2 points per month	★		
PRICES	**All price indicators off significantly--SFR close below $290K**	★★		
SPECIAL COMMENT	As an estimate, about 5-7% of all closings are short sales	★		
SPECIAL COMMENT1	Expect price declines to slow in the short run-especially for CONDO			★

The reader should note the DISTRIBUTION SUPPLY/DEMAND table. The current ratio is 12.6 to 1—down from 13 to 1 in the previous month. However, higher-end properties face ratios of 46 to 1 (46 competitors for each property in escrow). This implies an exceptionally competitive high end market.

The reader should expect a continuation of the negative price trend with SFR moving slowly toward 280K. Expect CONDO to demonstrate more price stability and resiliency although fluctuations will occur on a month to month basis.

The strongest sub-market is South SFR. The weakest is South CONDO. As a general rule, the relative strength of markets can be deduced by the 60 DAY **ABSORB RATE**.

MCR TIP

The ABSORB RATE is defined as follows:

"The percentage of total supply (listed) that can be expected to close in the next 60 days given the current rate of demand (sales per month)."

This is a measure of market speed. The absorb rate measures the conversion of listings to solds (supply to demand) during a defined period. The higher the absorb rate, the more the market is moving to the seller. The opposite is true.

Sellers think their property will sell with 100% probability and do so quickly. In the current market, average sellers would be wrong on both counts.

WORDS OF WISDOM

Finish each day and be done with it. You have done what you could.

Ralph Waldo Emerson

EQUITY TITLE OF NEVADA
MARKET CONDITION REPORT

NOVEMBER 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	4,352	174	851	17%	90	128	25.0	8%	$300	$270	$265
EAST	2,249	87	408	18%	77	114	25.7	8%	$240	$225	$220
SOUTH	1,172	68	228	23%	69	108	17.2	12%	$315	$295	$285
NORTHWEST	3,899	185	741	20%	77	112	21.1	9%	$320	$299	$285
SOUTHWEST	4,839	243	887	22%	77	113	19.9	10%	$365	$310	$304
SOUTHEAST	806	43	145	23%	85	124	18.9	11%	$280	$257	$254
CENTRAL	317	10	63	14%	72	111	31.2	6%	$210	$185	$185
HENDERSON	3,754	178	632	22%	81	116	21.0	10%	$400	$339	$325
BOULDER CITY	123	6	19	24%	62	99	20.2	10%	$555	$305	$283

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	46	46 to 1
$5,000,000	67	1,257	19 to 1
$1,000,000	9	313	35 to 1
$900,000	17	471	28 to 1
$800,000	30	723	24 to 1
$700,000	51	1,083	21 to 1
$600,000	82	1,518	19 to 1
$500,000	70	1,225	18 to 1
$450,000	117	1,372	12 to 1
$400,000	163	2,331	14 to 1
$350,000	138	1,658	12 to 1
$325,000	123	1,491	12 to 1
$300,000	216	2,718	13 to 1
$275,000	221	2,529	11 to 1
$250,000	293	3,170	11 to 1
$225,000	220	2,033	9 to 1
$200,000	190	1,865	10 to 1
$175,000	92	1,148	12 to 1
$150,000	84	713	8 to 1
$125,000	28	215	8 to 1
$100,000	14	154	11 to 1
TOTAL	2,226	28,044	12.6 to 1

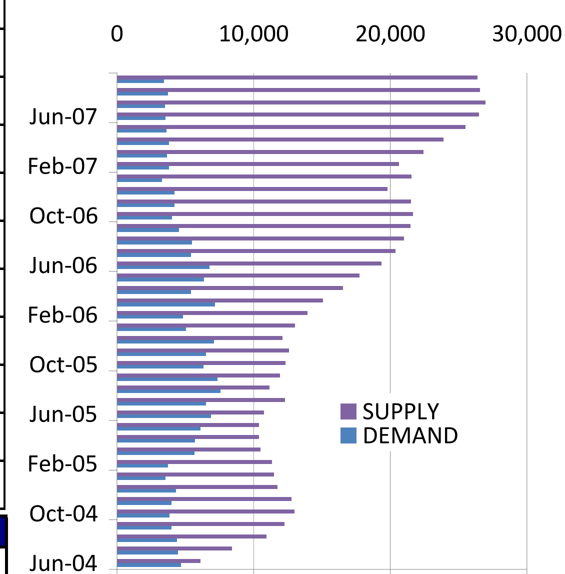
As of NOV 1, 2007-RED=ABOVE AVERAGE

	SFR	CONDO
LISTED	21,511	5,717
SOLD MONTH	996	215
FAILED MONTH	3,973	957
PERCENT SELLING	20%	19%
DAYS ON MARKET	79 days	99 days
LIST TO CLOSE	116 days	133 days
MONTHS SUPPLY	21.6	26.7
60 DAY ABSORB	9.3%	7.5%
MEDIAN $LIST ALL	**$330**	**$248**
ASK AT OFFER	**$294**	**$181**
CLOSE PRICE	**$285**	**$177**

SELLER'S CONTRIBUTION

Single Family	
% Sellers Contributing	55%
Average Contribution	$9,155
Condo/Townhome	
% Sellers Contributing	56%
Average Contribution	$7,799

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	236	7	52	12%	72	106	33.2	6%	$200	$192	$186
EAST	528	20	78	21%	80	118	26.0	8%	$150	$139	$139
SOUTH	371	9	58	13%	112	147	42.9	5%	$230	$230	$230
NORTHWEST	1,144	50	219	19%	93	128	22.7	9%	$188	$186	$180
SOUTHWEST	1,223	52	213	20%	106	140	23.4	9%	$199	$170	$170
SOUTHEAST	1,296	34	181	16%	113	146	38.1	5%	$420	$169	$160
CENTRAL	51	2	16	11%	159	197	25.1	8%	$85	$93	$90
HENDERSON	818	37	135	22%	94	129	22.0	9%	$230	$210	$207
BOULDER CITY	50	3	5	36%	55	99	19.7	10%	$269	$240	$240

Information believed accurate but not guaranteed. Resale market only. Some new home, government and FSBO transactions excluded. Report intended to be generally descriptive, not definitive.
This year/last year all Clark County.