

**MARKET CONDITION REPORT
LAS VEGAS VALLEY
October 2008**

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

We appreciate and value your business.

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

The reader should take note of the new MCR graph “History of Median Sale Price.” This graph tracks the change of median sale price since January 2004 for resale SFR and Condo. Also note that by request, the 60 Day Market Performance Table has been added. This table tracks the frequency of various market events by price class.

THE BIG PICTURE

- **SUPPLY** (Listed): Very little changed from the September report for both property types. This is the fourth month of relatively steady supply outcomes. Usually at this time of year, supply tends to decline.
- **DEMAND** (Sales per Month): A positive small increase over September. This suggests the market is at or near market peak for this cycle.
- **FAILURES**: Moderate decline from the September report for SFR; Condo very steady.
- **FUTURE CLOSINGS (SALE PENDING-CONTINGENT)**: Pending-Contingent inventory levels have posted a decline, signaling a slowdown in future closings. The reader should be aware that the closings of short sale contingencies are very low relative to REO (about 1 in 8).
- **PERCENT SELLING**: SFR jumped 9 points from the previous month; Condo unchanged. The change in percent selling is negligible and signals current stability at the current level.
- **MONTHS SUPPLY**: Months Supply continues to decline slowly. Months Supply for Condo is about twice that of SFR.
- **PRICES**: All price indicators negative—significant declines across the board. Because current pending price is less than current closing price, this trend can be expected to continue. **Note the price projection provided for the November report.**
- **MARKET SPEED**: Market speed (conversion of listings to closings) inched up for both types. Market Speed is the number of properties that can be expected to close in the next 60 days for each 100 listings on the market.

THIS YEAR LAST YEAR

Closed Last Year	Closed This Year	Change	%Change
16,023	20,594	4,571	28.5%

In the last report (September), the market exceeded the previous year by **+19.1%**. The current result (**+28.5%**) displays a major positive change. This implies that the pace of closings for 2008 has now exceeded the 2007 rate by a significant number. **However, about 75% of all closings are either REO or short sales.**

DISTRESSED PROPERTY REPORT (SPECIAL REPORT)

In the August report, Clark County foreclosures numbered 14,564. The current count is 18,799, an approximate 4000+ increase in about 60 days. As a general rule about 50% (estimate only) of these foreclosures will eventually convert to REO. These increasing REOs exert a negative affect on the price line that, in turn, increases the number of foreclosures.

SPECIAL NOTE

Strongest Sub-Market: Those areas with MARKET SPEED FLAGGED **GREEN**.

Weakest Sub-Market: Those areas with MARKET SPEED FLAGGED **RED**.

MCR TIP

If area X has a Market Speed of 20 and area Y returns a Market Speed of 10, then area X is converting listings to closings at twice the rate of area Y ($20 / 10 = 2$).

Taking listings in low Market Speed areas automatically forewarns the Realtor of increased risk of listing failure and requires a more aggressive approach to listing management.

In general, all other things being equal, it is in the best economic interest of the Realtor to concentrate activity in areas demonstrating the highest Market Speed over time.

WORDS OF WISDOM

Facing it, always facing it, that's the way to get through. Face it.

Joseph Conrad (1857 - 1924)

PLEASE SCROLL DOWN TO VIEW THE MARKET CONDITION REPORT.

EQUITY TITLE OF NEVADA MARKET CONDITION REPORT

OCTOBER 2008

LAS VEGAS VALLEY

SINGLE FAMILY RESIDENCE

AREA	LISTED (SUPPLY)	SOLDS MONTH (DEMAND)	FAIL MONTH	PERCENT SELLING	MONTHS SUPPLY	MARKET TIME (DAYS)	MARKET SPEED*	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN PENDING PRICE	MEDIAN CLOSE PRICE
NORTH	3,006	573	538	52%	5	107	38	\$200	\$190	\$185	\$192
EAST	2,357	243	447	35%	10	105	21	\$145	\$145	\$139	\$150
SOUTH	827	166	130	56%	5	95	40	\$235	\$212	\$209	\$218
NORTHWEST	2,963	435	531	45%	7	112	29	\$228	\$195	\$195	\$193
SOUTHWEST	3,507	600	592	50%	6	102	34	\$265	\$221	\$220	\$225
SOUTHEAST	736	91	126	42%	8	105	25	\$195	\$160	\$150	\$160
CENTRAL	300	33	59	36%	9	110	22	\$115	\$122	\$108	\$119
HENDERSON	2,443	369	426	46%	7	108	30	\$349	\$260	\$250	\$258
BOULDER CITY	114	10	17	37%	12	142	17	\$549	\$300	\$300	\$290

HISTORY OF MEDIAN SALE PRICE

— Trend of SFR — Trend of Condo

	SFR	CONDO	60 DAY MARKET PERFORMANCE (ALL CLARK)					
	LISTED	CONDO	Price Class	Listed	60 Day Close	60 Day Fail	In Escrow	Percent Selling
LISTED	16,253	4,491	\$25,000,000	3	0	0	0	0%
SOLD MONTH	2,518	375	\$20,000,000	6	0	1	0	0%
FAILED MONTH	2,863	949	\$15,000,000	9	0	3	0	0%
PEND-CONTINGENT	6,047	903	\$10,000,000	71	0	16	1	0%
%SELLING	47%	28%	\$5,000,000	1,025	38	412	42	8%
MONTHS SUPPLY	6	12	\$1,000,000	220	14	110	12	11%
MARKET TIME	106 days	113 days	\$900,000	258	16	125	15	11%
*MARKET SPEED	31	17	\$800,000	347	26	185	24	12%
MEDIAN LIST	\$225	\$154	\$700,000	474	37	243	44	13%
ASK AT OFFER	\$200	\$125	\$600,000	690	91	424	92	18%
PENDING PRICE	\$199	\$110	\$500,000	1,168	222	162	252	58%
CLOSE PRICE	\$205	\$120	\$400,000	2,181	600	372	659	62%
			\$300,000	4,999	1,762	2,339	1,894	43%
			\$200,000	8,040	2,650	2,980	3,312	47%
			\$100,000	1,987	410	465	703	47%
			TOTAL	21,478	5,866	7,837	7,050	43%
				Closed Last Year	Closed This Year	Change	%Change	
				16,023	20,594	4,571	28.5%	

PROJECTED CLOSE PRICE (NOV) **\$194** **\$115**

CONDO-TOWNHOME

AREA	LISTED (SUPPLY)	SOLDS MONTH (DEMAND)	FAIL MONTH	PERCENT SELLING	MONTHS SUPPLY	MARKET TIME (DAYS)	MARKET SPEED*	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN PENDING PRICE	MEDIAN CLOSE PRICE
NORTH	199	23	37	38%	9	112	23	\$125	\$115	\$113	\$110
EAST	419	28	112	20%	15	122	13	\$92	\$80	\$80	\$79
SOUTH	287	22	57	28%	13	93	15	\$185	\$150	\$147	\$150
NORTHWEST	845	95	180	34%	9	117	22	\$125	\$120	\$97	\$115
SOUTHWEST	1,036	93	199	32%	11	105	18	\$145	\$120	\$110	\$120
SOUTHEAST	1,067	51	219	19%	21	128	9	\$329	\$135	\$111	\$135
CENTRAL	27	4	16	20%	7	119	30	\$80	\$84	\$73	\$78
HENDERSON	580	59	127	32%	10	111	20	\$200	\$150	\$140	\$148
BOULDER CITY	31	2	3	44%	16	135	13	\$230	\$227	\$240	\$208

Information believed accurate but not guaranteed. Resale market only. This year/last year all Clark County.

*The number of closings per 100 listings (based on 60 day sample).