

**MARKET CONDITION REPORT
LAS VEGAS VALLEY
September 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 both resale SFR and Condo. Also, note that closing price is now being projected for the coming month.

THE BIG PICTURE

- **SUPPLY** (Listed): Very little changed from the August report for both property types. This is the third month of relatively steady supply outcomes.
- **DEMAND** (Sales per Month): A positive moderate increase over August. This suggests the market is at or near market peak for this cycle.
- **FAILURES**: Moderate decline from the August report.
- **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. This is a repeat of the August report. **Note the projection of price provided for the October report.**
- **MARKET SPEED**: Market speed (conversion of listings to closings) increased for both types but at a slower rate. This slowing rate of conversion suggests market hesitation and reinforces the notion of market peak in terms of transactions. 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.
- **PERCENT SELLING**: Steady with a slight positive propensity for both types. The change in percent selling is negligible and signals the current stability at the current level.
- **FUTURE CLOSINGS (SALE PENDING)**: The increase in pending inventory levels has slowed, signaling a slowdown in future closings.
- **GENERAL COMMENT**: There is market slowing as indicated by minimal growth in pending inventories. The slowdown in key measures points to a continuation of high levels of supply in concert with weakening demand. Consequently, prices, which are already weak and fragile, are likely to come under increasing pressure. This report is a near duplicate of the July-August reports.

THIS YEAR LAST YEAR

Closed Last Year	Closed This Year	Change	%Change
14,615	17,408	2,793	19.1%

In the last report (August), the market exceeded the previous year by **+9%**. The current result displays a major positive change to **+19.1** which 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.**

PERCENT SELLING (market efficiency) and **MARKET SPEED** continue to demonstrate increases, but change in these measures has slowed to a near halt. However, *prices have not bottomed for either SFR or Condo* and will continue their current negative trend led by distressed sale situations.

DISTRESSED PROPERTY REPORT (SPECIAL REPORT)

In the August report, Clark County foreclosures numbered 14,564. The current count is 16,580, a 2000+ increase in approximately 60 days.

SPECIAL NOTE

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

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

MCR TIP

There are only two ultimate outcomes possible for a listed property. It will either close or fail. Failure is defined as expired, anceled, or withdrawn. Most agents and nearly all clients underestimate the importance of listing failure. When an agent tells a seller, "Mr. Seller, the good news is that the number of sales per month is 10; the bad news is that at the same time those 10 sold 30 failed," he is delivering a very subtle and *correct* message that the prospect of failure is ever-present.

This is directly opposite of common industry practice that attempts to persuade the seller that closing is a near certainty which, many times, is a distortion of the true market reality.

WORDS OF WISDOM

The average person thinks he isn't. **Father Larry Lorenzoni**

EQUITY TITLE OF NEVADA MARKET CONDITION REPORT

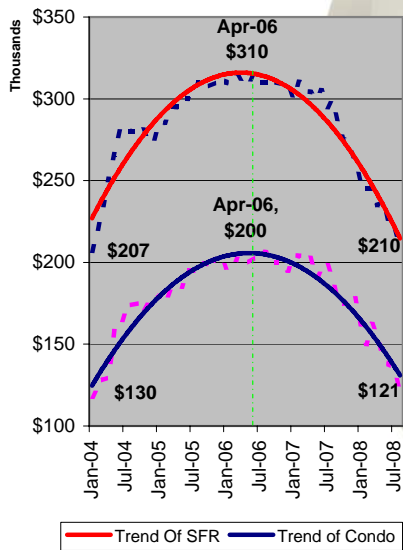
SEPTEMBER 2008

LAS VEGAS VALLEY

SINGLE FAMILY RESIDENCE

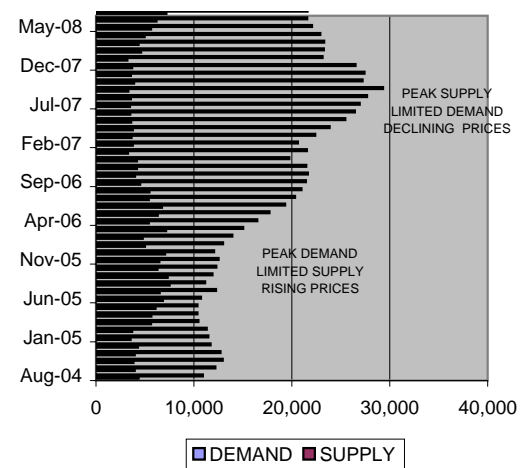
AREA	LISTED (SUPPLY)	SOLDS MONTH (DEMAND)	FAIL MONTH	PERCENT SELLING	MONTHS SUPPLY	MARKET TIME (DAYS)	MARKET SPEED*	MEDIAN LIST PRICE	MEDIAN ASK AT OFFER	MEDIAN PENDING PRICE	MEDIAN CLOSE PRICE
NORTH	2,999	581	664	47%	5	108	39	\$219	\$200	\$190	\$200
EAST	2,310	221	453	33%	10	111	19	\$155	\$150	\$145	\$151
SOUTH	790	144	177	45%	6	105	36	\$245	\$214	\$212	\$218
NORTHWEST	2,993	430	668	39%	7	113	29	\$240	\$214	\$197	\$210
SOUTHWEST	3,459	606	784	44%	6	103	35	\$285	\$235	\$225	\$237
SOUTHEAST	708	79	160	33%	9	106	22	\$205	\$165	\$150	\$167
CENTRAL	288	28	67	29%	10	131	19	\$125	\$125	\$120	\$120
HENDERSON	2,453	374	607	38%	7	114	30	\$350	\$270	\$260	\$265
BOULDER CITY	114	5	25	15%	25	196	8	\$555	\$290	\$303	\$286

HISTORY OF MEDIAN SALE PRICE



	SFR	CONDO
LISTED	16,114	4,618
SOLD MONTH	2,465	352
FAILED MONTH	3,602	947
%SELLING	38%	28%
MONTHS SUPPLY	7	13
MARKET TIME	109 days	118 days
* MARKET SPEED	30.6	15.2
60 DAY ABSORB	31%	15%
MEDIAN LIST	\$237	\$159
ASK AT OFFER	\$215	\$135
PENDING PRICE	\$200	\$120
CLOSE PRICE	\$215	\$130
PEND-CONTINGENT	6,301	860
PROJECTED CLOSE PRICE (OCT)	\$204	\$122

LONG-TERM SUPPLY/DEMAND (CLARK COUNTY)



Closed Last Year	Closed This Year	Change	%Change
14,615	17,408	2,793	19.1%

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	184	19	46	29%	10	126	21	\$136	\$119	\$113	\$118
EAST	460	26	93	22%	18	110	11	\$100	\$82	\$87	\$80
SOUTH	294	16	62	20%	19	106	11	\$199	\$158	\$139	\$152
NORTHWEST	838	83	191	30%	10	117	20	\$129	\$125	\$108	\$119
SOUTHWEST	1,043	94	198	32%	11	117	18	\$150	\$135	\$120	\$130
SOUTHEAST	1,133	51	208	20%	22	130	9	\$350	\$150	\$139	\$144
CENTRAL	40	4	10	26%	11	125	18	\$77	\$88	\$74	\$80
HENDERSON	595	58	134	30%	10	112	19	\$200	\$160	\$140	\$157
BOULDER CITY	31	2	7	24%	16	196	13	\$230	\$245	\$210	\$220

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).