

# MARKET CONDITION REPORT

## LAS VEGAS VALLEY

### July 2008

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

**We appreciate and value your business.**

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

### THE BIG PICTURE

- **DEMAND:** Increased for both types over June.
- **SUPPLY:** Very constant in a narrow range.
- **FAILURES:** Slight decline for both types.
- **PRICES:** All price indicators negative—significant declines across the board.
- **60 DAY ABSORB:** Market speed (conversion of listings to closings) increased for both types but at a slower rate. This slowing rate of conversion suggests market slowdown.
- **PERCENT SELLING:** Steady with positive propensity for both types.
- **FUTURE CLOSINGS (SALE PENDING):** Current increase in pending inventory levels has slowed. This signals a slowdown in future closings is in the offing.
- **GENERAL COMMENT:** Market slowing as indicated by lack of 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.

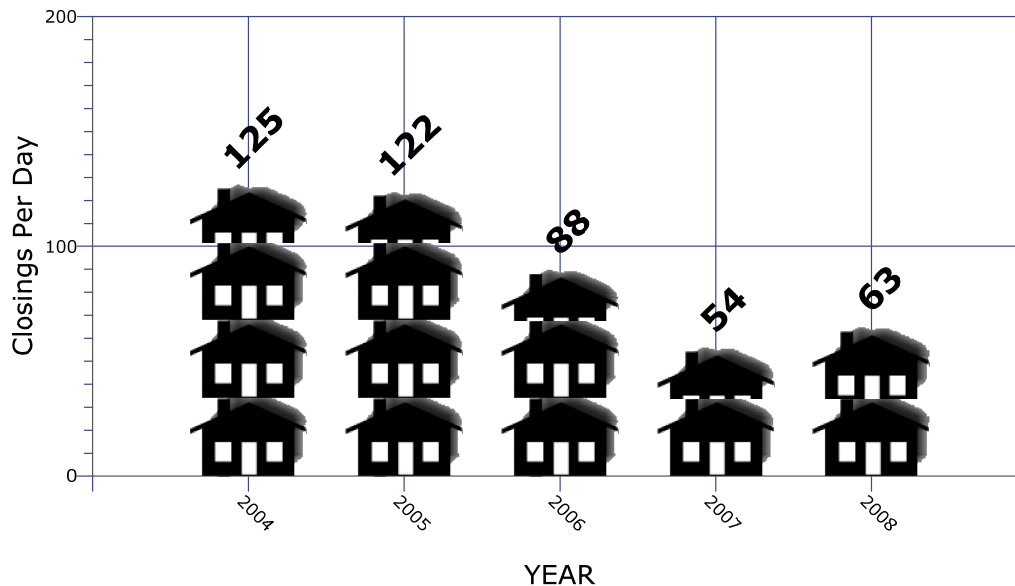
### THIS YEAR LAST YEAR (VISUALIZING THE MARKET)

Closed Last Year	Closed This Year	Change	%Change
11,427	11,353	-74	-0.6%

In the last report (June), the market lagged the previous year by **-8%**. The current result displays a major positive change to **-.6%**, which implies that the pace of closings for 2008 is now equal to the 2007 rate.

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

### HISTORY OF AVERAGE CLOSINGS PER DAY 2004 THROUGH JUNE 2008



The pace of closings for 2008 has surpassed the 2007 average rate by 9 closings per day. This result suggests 2008 will yield about 1,600-2,000 additional closings over 2007.

This outcome is about **50%** of peak demand demonstrated by the market in 2004.

**PERCENT SELLING** (market efficiency) and **ABSORB RATE** (market speed) continuing to demonstrate increases, but have slowed. However, *prices have not bottomed for either SFR or Condo* and will continue their current negative trend led by distressed sale situations. The existing level of sale pending price for Condo highlights this negative price scenario.

Readers should note the Distribution of Supply And Demand Table. See the overall ratio of supply and demand declined to 3.0 from 3.2. Overall, there has been a continuation of tightening of the market as sale pendings and contingents (short term demand) have increased and supply (listed) has declined or steadied. Those properties above \$700,000, however, continue to face a particularly difficult market challenge.

### MCR TIP

In 2004-2005 at the height of the sellers market, DOM (days on the market) averaged 24-29 days. The current market is returning 72-79 days. This demonstrates that as markets move from sellers to buyers, DOMs increase by an approximate factor of 3.

### WORDS OF WISDOM

Things do not change; we change.

Henry David Thoreau (1817 - 1862), *Walden*

**PLEASE SCROLL DOWN TO VIEW THE MARKET CONDITION REPORT**

# EQUITY TITLE OF NEVADA MARKET CONDITION REPORT

**JULY 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	2,995	483	812	37%	72	119	6.2	32%	\$230	\$210	\$210
EAST	2,204	156	499	24%	73	118	14.1	14%	\$175	\$169	\$166
SOUTH	807	134	196	41%	64	110	6.0	33%	\$270	\$240	\$236
NORTHWEST	2,942	370	695	35%	72	115	7.9	25%	\$254	\$235	\$230
SOUTHWEST	3,380	529	888	37%	75	119	6.4	31%	\$310	\$250	\$245
SOUTHEAST	723	69	182	27%	71	114	10.5	19%	\$225	\$179	\$179
CENTRAL	306	16	68	19%	65	111	19.4	10%	\$145	\$140	\$140
HENDERSON	2,570	368	651	36%	68	112	7.0	29%	\$370	\$289	\$280
BOULDER CITY	122	9	15	38%	119	159	13.3	15%	\$523	\$345	\$342

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	3	No Sale	16,049	4,540				
\$20,000,000	0	19	No Sale	2,134	283				
\$10,000,000	1	65	65 to 1	4,005	1,057				
\$5,000,000	49	1,066	22 to 1	35%	22%				
\$1,000,000	13	247	19 to 1	72 days	79 days				
\$900,000	26	284	11 to 1	116 days	122 days				
\$800,000	32	428	13 to 1	7.5	16.1				
\$700,000	55	600	11 to 1	26.6%	12.5%				
\$600,000	140	884	6 to 1	\$268	\$226				
\$500,000	130	668	5 to 1	\$236	\$148				
\$450,000	187	699	4 to 1	\$232	\$144				
\$400,000	332	1,141	3 to 1	\$220	\$125				
\$350,000	268	788	3 to 1	6,236	828				
\$325,000	241	642	3 to 1						
\$300,000	447	1,219	3 to 1						
\$275,000	411	1,124	3 to 1						
\$250,000	713	1,781	2 to 1						
\$225,000	698	1,601	2 to 1						
\$200,000	1,014	2,360	2 to 1						
\$175,000	903	2,011	2 to 1						
\$150,000	729	1,698	2 to 1						
\$125,000	381	1,030	3 to 1						
\$100,000	294	1,007	3 to 1						
<b>TOTAL</b>	<b>7,064</b>	<b>21,365</b>	<b>3.0 to 1</b>						

As of June 30, 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	183	14	46	24%	70	110	12.9	16%	\$145	\$131	\$129
EAST	412	21	100	17%	83	125	19.8	10%	\$115	\$95	\$96
SOUTH	269	15	84	15%	74	117	17.6	11%	\$200	\$174	\$170
NORTHWEST	852	68	219	24%	76	120	12.5	16%	\$145	\$137	\$130
SOUTHWEST	995	80	234	26%	72	115	12.4	16%	\$168	\$147	\$140
SOUTHEAST	1,140	35	224	13%	105	147	33.0	6%	\$407	\$167	\$164
CENTRAL	41	1	5	10%	8	70	80.7	2%	\$79	\$110	\$98
HENDERSON	611	47	140	25%	82	126	13.1	15%	\$215	\$171	\$170
BOULDER CITY	37	2	6	25%	76	112	18.2	11%	\$255	\$216	\$195

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.