

**MARKET CONDITION REPORT**  
**LAS VEGAS VALLEY**  
**August 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**

- **SUPPLY** (Listed): Very little changed from the July report for both property types.
- **DEMAND** (Sales per Month): A positive but small increase over July. This suggests the market is at or near market peak for this cycle.
- **FAILURES**: Very steady at the current level.
- **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.
- **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 hesitation at the current level and reinforces the notion of market peak in terms of transactions.
- **PERCENT SELLING**: Steady with slight positive propensity for SFR; Condo displaying weakness.
- **FUTURE CLOSINGS (SALE PENDING)**: The increase in pending inventory levels has slowed, signaling a slowdown in future closings.
- **GENERAL COMMENT**: 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 report.

**THIS YEAR LAST YEAR**

Closed Last Year	Closed This Year	Change	%Change
12,951	14,236	1,285	9.9%

In the last report (July), the market lagged the previous year by **-0.6%**. The current result displays a major positive change to 9.9% which implies that the pace of closings for 2008 has now exceeded the 2007 rate.

This outcome should be considered as a positive indicator but is also mitigated by the comparison to a historically weak 2007 market. Interesting is the idea that this result is superior to Reno and many California markets such as Riverside, San Bernardino, Orange County, and many areas of Los Angeles County.

**PERCENT SELLING** (market efficiency) and **ABSORB RATE** (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.

**Readers should note the Distribution of Supply And Demand Table.** See the overall ratio of supply and demand declined to 3.0 and is holding steady. 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. Of concern is the relatively low probability of conversion of contingent escrows (short sale) to closed sales. This tends to inflate the open escrow count without the expected offsetting closings.

### **DISTRESSED PROPERTY REPORT (SPECIAL REPORT)**

COUNTY	FORECLOSURES	2006 HOUSING UNITS U.S. CENSUS	RATE PER 1,000 HOUSING UNITS	RANK FORECLOSURE	RANK PER 1,000 UNITS
Riverside, CA	16,334	732,448	22.3	3	1
<b>Clark County, NV</b>	<b>14,564</b>	<b>756,161</b>	<b>19.3</b>	<b>4</b>	<b>2</b>
San Bernardino, CA	12,257	668,377	18.3	5	3
Maricopa County, AZ	18,100	1,496,123	12.1	2	4
San Diego, CA	10,950	1,125,827	9.7	6	5
Los Angeles, CA	19,896	3,356,353	5.9	1	6
Orange, CA	5,729	1,022,937	5.6	7	7
<b>TOTAL</b>	<b>97,830</b>	<b>9,158,226</b>	<b>10.7</b>		

The table above tabulates the current count of foreclosures for sample major markets in the West. Based on the 2006 census of available housing units in those markets, a foreclosure rate per 1,000 units is revealed. While Clark County does not lead this group, the relative severity of the foreclosure issue can be deduced. Since the total absolute number of foreclosures is approaching 100,000 units and increasing, the system that typically handles these issues is severely strained and has become relatively inefficient.

### **MCR TIP**

Agents provide information—clients make decisions. Agents do not create markets; they respond and interpret markets for the benefit of their clients. While it is entirely human to be sympathetic to clients in distressed situations, that should not impede the free flow of information, good or bad, from agent to client.

### **WORDS OF WISDOM**

If you wish success in life, make perseverance your friend, experience your counselor, caution your brother and hope your guardian. **Joseph Addison (1672 - 1719)**

# EQUITY TITLE OF NEVADA MARKET CONDITION REPORT

AUGUST 2008

LAS VEGAS VALLEY

## SINGLE FAMILY RESIDENCE

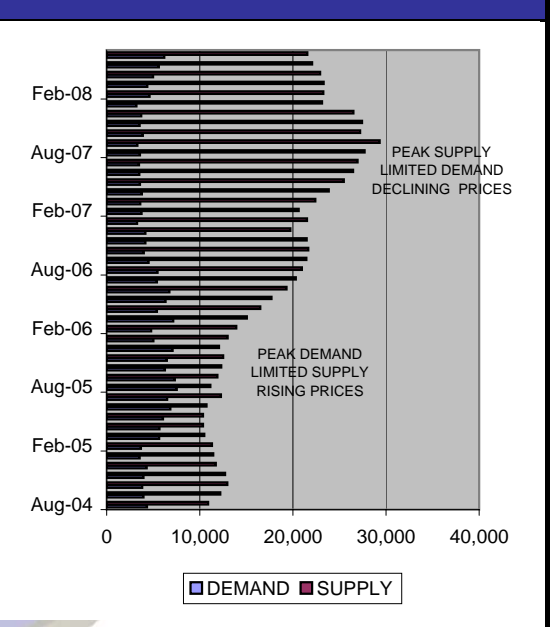
AREA	LISTED	SOLDS MONTH	FAIL MONTH	% SELLING	DOM SOLD DAYS	LIST CLOSE (DAYS)	MONTHS SUPPLY	60 DAY ABSORB	MEDIAN \$LIST	MEDIAN ASK AT OFFER	MEDIAN CLOSE
NORTH	3,053	540	784	41%	65	112	5.7	35%	\$225	\$205	\$205
EAST	2,303	201	493	29%	68	115	11.5	17%	\$165	\$155	\$155
SOUTH	817	136	195	41%	70	116	6.0	33%	\$252	\$220	\$224
NORTHWEST	3,008	408	706	37%	70	115	7.4	27%	\$250	\$225	\$221
SOUTHWEST	3,495	564	876	39%	66	113	6.2	32%	\$299	\$240	\$240
SOUTHEAST	713	63	175	26%	76	122	11.4	18%	\$210	\$175	\$174
CENTRAL	308	20	69	22%	88	137	15.5	13%	\$140	\$137	\$135
HENDERSON	2,511	365	652	36%	67	112	6.9	29%	\$360	\$279	\$275
BOULDER CITY	123	6	20	24%	83	119	20.2	10%	\$499	\$347	\$319

### DISTRIBUTION OF SUPPLY/DEMAND

CLASS	IN ESCROW (DEMAND)	LISTED (SUPPLY)	SUPPLY TO DEMAND
\$30,000,000	0	3	No Sale
\$20,000,000	4	16	4 to 1
\$10,000,000	0	67	No Sale
\$5,000,000	50	1,059	21 to 1
\$1,000,000	15	243	16 to 1
\$900,000	20	282	14 to 1
\$800,000	31	392	13 to 1
\$700,000	65	564	9 to 1
\$600,000	125	781	6 to 1
\$500,000	119	630	5 to 1
\$450,000	171	688	4 to 1
\$400,000	287	1,119	4 to 1
\$350,000	252	759	3 to 1
\$325,000	222	631	3 to 1
\$300,000	432	1,150	3 to 1
\$275,000	386	1,107	3 to 1
\$250,000	654	1,699	3 to 1
\$225,000	676	1,533	2 to 1
\$200,000	978	2,400	2 to 1
\$175,000	974	2,091	2 to 1
\$150,000	824	1,951	2 to 1
\$125,000	453	1,217	3 to 1
\$100,000	434	1,386	3 to 1
<b>TOTAL</b>	<b>7,172</b>	<b>21,768</b>	<b>3.0 to 1</b>

	SFR	CONDO
<b>LISTED</b>	16,331	4,636
<b>SOLD MONTH</b>	2,301	319
<b>FAILED MONTH</b>	3,970	1,015
<b>PERCENT SELLING</b>	37%	25%
<b>DAYS ON MARKET</b>	67 days	78 days
<b>LIST TO CLOSE</b>	114 days	120 days
<b>MONTHS SUPPLY</b>	7.1	14.5
<b>60 DAY ABSORB</b>	28%	14%
<b>MEDIAN \$LIST ALL</b>	<b>\$259</b>	<b>\$209</b>
<b>ASK AT OFFER</b>	<b>\$224</b>	<b>\$143</b>
<b>CLOSE PRICE</b>	<b>\$223</b>	<b>\$137</b>
<b>PENDING PRICE</b>	<b>\$210</b>	<b>\$129</b>
<b>PEND-CONTINGENT</b>	<b>6,340</b>	<b>832</b>

### LONG-TERM SUPPLY/DEMAND (CLARK COUNTY)



Closed Last Year	Closed This Year	Change	%Change
12,951	14,236	1,285	9.9%

As of July 31, 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	185	16	53	24%	82	124	11.4	18%	\$132	\$126	\$128
EAST	419	22	101	18%	76	119	18.7	11%	\$105	\$87	\$81
SOUTH	304	15	68	18%	62	103	19.9	10%	\$198	\$163	\$156
NORTHWEST	884	77	211	27%	81	123	11.5	17%	\$135	\$130	\$125
SOUTHWEST	1,031	87	218	29%	77	120	11.8	17%	\$158	\$145	\$141
SOUTHEAST	1,121	40	222	15%	90	128	28.3	7%	\$380	\$160	\$146
CENTRAL	47	3	7	28%	56	114	18.5	11%	\$77	\$95	\$90
HENDERSON	608	58	131	31%	68	114	10.5	19%	\$200	\$165	\$162
BOULDER CITY	37	1	5	17%	204	244	36.4	5%	\$240	\$245	\$220