

**MARKET CONDITION REPORT**  
**LAS VEGAS VALLEY**  
**October 2007**

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.

**SELLER CONTRIBUTION:** The measure returns the propensity of the buyer to request—and the seller to provide—buyer points to expedite transaction closing.

October 2007		September 2007	
<b>Single Family</b>		<b>Single Family</b>	
<b>% Sellers Contributing</b>	55%	<b>% Sellers Contributing</b>	54%
<b>Average Contribution</b>	\$10,322	<b>Average Contribution</b>	\$9,521
<b>Condo/Townhome</b>		<b>Condo/Townhome</b>	
<b>% Sellers Contributing</b>	55%	<b>% Sellers Contributing</b>	51%
<b>Average Contribution</b>	\$5,542	<b>Average Contribution</b>	\$5,425

The propensity for sellers to provide buyer support increased from September to October. 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.

**THIS YEAR LAST YEAR**

Closed Last Year	Closed This Year	Change	%Change
25,462	15,825	<b>-9,637</b>	<b>-37.8%</b>

**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 accelerating. This implies that price erosion will continue also, but at a faster pace. 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 opinion.*

The market is moving toward the fall/winter cycle. This cycle usually manifests a reduced transactions count. The combination of the current trend and entry into the cycle will, all other things being equal, intensify negative pressure on the price line.

INDICATOR	COMMENTS	FAVORABLE TO		
		BUYER	SELLER	NEUTRAL
SUPPLY	SFR continuing to rise; CONDO steady	★		
DEMAND	Continuing in moderate decline	★		
FAILURES	Declined moderately			★
PERCENT SELLING	Increased marginally due to reduction in failures			★
MONTHS SUPPLY	Rising moderately	★		
60 DAY ABSORB	Declining (market slowing) at about 1-2 points per month	★		
PRICES	All price indicators off significantly--SFR close below \$300K	★		
SPECIAL COMMENT	As an estimate, about 5-7% of all closings are short sales	★		

The reader should note the DISTRIBUTION SUPPLY/DEMAND table. The current ratio is 13 to 1—up from 11.3. to 1 in the previous month. However, higher-end properties face ratios of 23 to 1 (23 competitors for each property in escrow).

The reader should expect a continuation of the negative price trend with SFR moving slowly toward 290K. Expect CONDO to demonstrate more price stability and resiliency.

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

### **MCR TIP**

Listed is the supply; Sales Per Month is the demand. Closing price is driven by the interaction of these two variables over time. The economic “wants” and “needs” of any one seller are not a part of this calculation.

### **WORDS OF WISDOM**

Do more than is required. What is the distance between someone who achieves their goals consistently and those who spend their lives and careers merely following? The extra mile.

**Gary Blair**

# EQUITY TITLE OF NEVADA MARKET CONDITION REPORT

OCTOBER 2007

LAS VEGAS VALLEY

## SINGLE FAMILY RESIDENCE

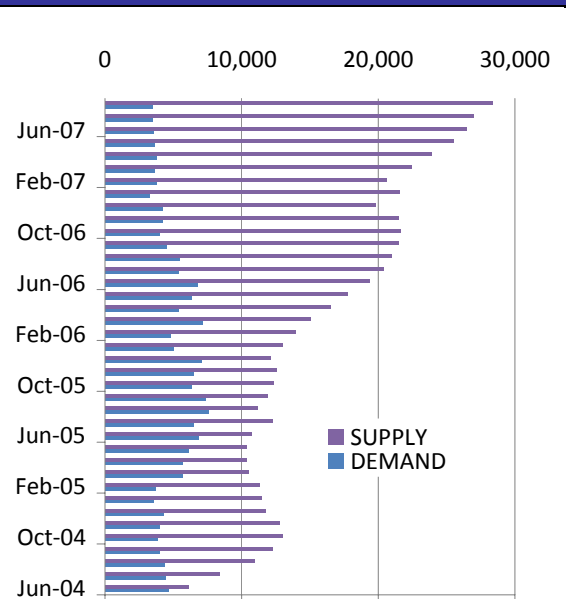
AREA	LISTED	SOLDS MONTH	FAIL MONTH	% SELLING	DOM SOLD DAYS	LIST CLOSE (DAYS)	MONTHS SUPPLY	60 DAY ABSORB	MEDIAN \$LIST	MEDIAN ASK AT OFFER	MEDIAN CLOSE
NORTH	4,417	210	765	22%	82	119	21.0	10%	\$309	\$275	\$270
EAST	2,246	99	365	21%	72	111	22.7	9%	\$245	\$230	\$227
SOUTH	1,183	78	212	27%	71	107	15.2	13%	\$320	\$309	\$300
NORTHWEST	3,961	218	654	25%	76	112	18.2	11%	\$325	\$305	\$298
SOUTHWEST	4,867	266	788	25%	74	111	18.3	11%	\$370	\$325	\$315
SOUTHEAST	799	49	132	27%	76	116	16.2	12%	\$286	\$275	\$269
CENTRAL	311	12	58	17%	75	115	25.5	8%	\$215	\$200	\$195
HENDERSON	3,803	229	585	28%	78	114	16.6	12%	\$400	\$349	\$338
BOULDER CITY	121	9	15	38%	60	92	13.2	15%	\$550	\$310	\$295

### DISTRIBUTION OF SUPPLY/DEMAND

CLASS	IN ESCROW (DEMAND)	LISTED (SUPPLY)	SUPPLY TO DEMAND
\$30,000,000	0	2	No Sale
\$20,000,000	0	8	No Sale
\$10,000,000	2	46	23 to 1
\$5,000,000	62	1,279	21 to 1
\$1,000,000	13	324	25 to 1
\$900,000	23	513	22 to 1
\$800,000	33	752	23 to 1
\$700,000	32	1,124	35 to 1
\$600,000	86	1,554	18 to 1
\$500,000	65	1,344	21 to 1
\$450,000	122	1,427	12 to 1
\$400,000	169	2,436	14 to 1
\$350,000	149	1,799	12 to 1
\$325,000	131	1,647	13 to 1
\$300,000	208	2,837	14 to 1
\$275,000	240	2,620	11 to 1
\$250,000	297	3,056	10 to 1
\$225,000	184	1,923	10 to 1
\$200,000	153	1,637	11 to 1
\$175,000	95	1,061	11 to 1
\$150,000	74	626	8 to 1
\$125,000	23	178	8 to 1
\$100,000	15	135	9 to 1
<b>TOTAL</b>	<b>2,176</b>	<b>28,328</b>	<b>13.0 to 1</b>

	SFR	CONDO
LISTED	21,708	5,757
SOLD MONTH	1,170	259
FAILED MONTH	3,573	959
PERCENT SELLING	25%	22%
DAYS ON MARKET	76 days	92 days
LIST TO CLOSE	113 days	128 days
MONTHS SUPPLY	18.6	22.2
60 DAY ABSORB	10.8%	9.0%
MEDIAN \$LIST ALL	<b>\$335</b>	<b>\$256</b>
ASK AT OFFER	<b>\$304</b>	<b>\$189</b>
CLOSE PRICE	<b>\$296</b>	<b>\$184</b>

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



SELLER'S CONTRIBUTION	Single Family	
	% Sellers Contributing	55%
	Average Contribution	\$10,322
	Condo/Townhome	
% Sellers Contributing	55%	
Average Contribution	\$5,542	

Closed Last Year	Closed This Year	Change	%Change
25,462	15,825	-9,637	-37.8%

As of Oct 1, 2007-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	232	9	49	15%	64	92	26.8	7%	\$205	\$205	\$205
EAST	513	23	89	20%	85	129	22.4	9%	\$155	\$140	\$140
SOUTH	354	11	64	14%	93	152	33.2	6%	\$243	\$229	\$227
NORTHWEST	1,192	63	209	23%	91	126	19.1	10%	\$192	\$199	\$195
SOUTHWEST	1,230	59	227	21%	96	131	20.7	10%	\$200	\$180	\$175
SOUTHEAST	1,304	47	172	21%	104	139	27.9	7%	\$435	\$177	\$171
CENTRAL	40	1	22	4%	113	158	39.3	5%	\$140	\$93	\$90
HENDERSON	849	46	126	27%	83	118	18.4	11%	\$238	\$210	\$206
BOULDER CITY	43	1	3	29%	64	144	42.3	5%	\$275	\$231	\$224