



MARKET CONDITION REPORT

RENO AREA

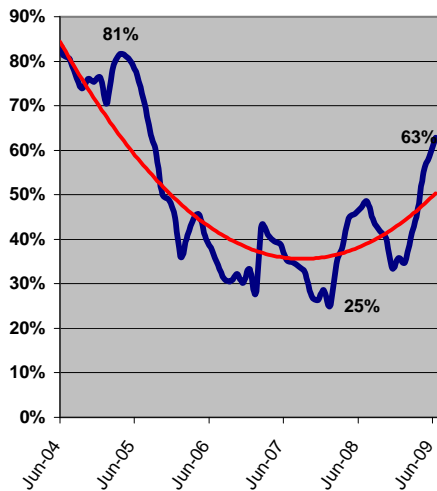
June-09

SINGLE FAMILY RESIDENCE

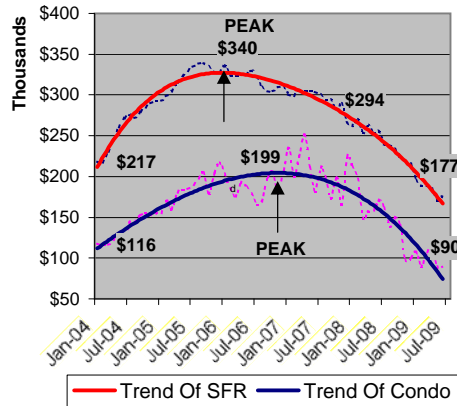
CITY	ON MARKET (SUPPLY)	SOLD PER MONTH (DEMAND)	EXPIRE WITHDRAW MONTH	IN ESCROW	PERCENT SELLING	MONTHS SUPPLY	DAYS ON MARKET SOLD	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN ASK AT OFFER	MEDIAN CLOSE PRICE
Reno	2,250	299	205	189	59%	7.5	144	27	\$250	\$192	\$186
Sparks	855	142	87	73	62%	6.0	124	33	\$195	\$180	\$174
WASHOE COUNTY TOTAL	3,105	441	292	262	60%	7.1	138	28	\$232	\$188	\$182
Fernley	260	51	26	20	66%	5.1	128	39	\$120	\$112	\$110
Dayton	172	32	29	14	52%	5.5	149	37	\$192	\$165	\$163
Yerington	78	5	6	1	48%	15.6	171	13	\$169	\$117	\$110
LYON COUNTY TOTAL	510	88	61	35	59%	6.8	138	34	\$149	\$131	\$129
Gardnerville	285	28	26	15	52%	10.2	196	20	\$379	\$249	\$236
Minden	145	15	12	6	57%	9.7	188	21	\$390	\$277	\$258
DOUGLAS COUNTY TOTAL	430	43	37	21	54%	10.0	193	20	\$383	\$259	\$243
Fallon (Churchill County)	191	15	18	4	46%	12.7	147	16	\$193	\$120	\$121
Carson City (Carson County)	414	34	35	11	49%	12.4	138	16	\$260	\$199	\$190
TOTAL	4,650	620	442	333	58%	8.1	142	27	\$240	\$184	\$178

Market Speed measures the rate of conversion of listings to closings. The higher this number, the faster the market is converting. The area with the highest speed is the "quickest" area. All other things being equal areas with the highest market speed are the most desirable to buyers.

PERCENT SELLING MARKET EFFICIENCY

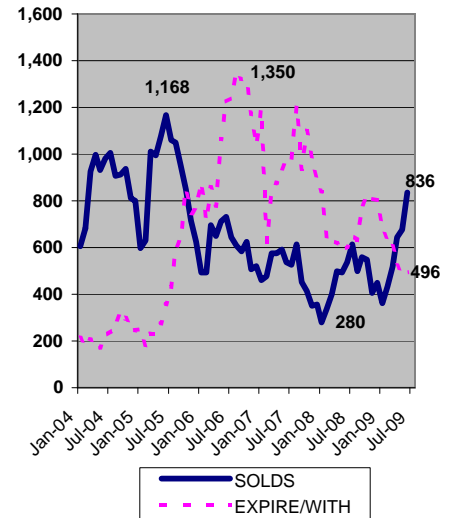


HISTORY OF MEDIAN SALE PRICE



Closed 2008	Closed 2009	Change in Sales	Percent Change
2,783	3,735	952	34%

HISTORY OF SOLDS AND EXPIRE/WITHDRAW (ALL)



CONDO/TOWNHOME

CITY	ON MARKET (SUPPLY)	SOLD PER MONTH (DEMAND)	EXPIRE WITHDRAW MONTH	IN ESCROW	PERCENT SELLING	MONTHS SUPPLY	DAYS ON MARKET SOLD	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN ASK AT OFFER	MEDIAN CLOSE PRICE
Reno	447	46	38	23	54%	9.8	111	20	\$130	\$93	\$85
Sparks	111	15	12	4	56%	7.7	152	26	\$90	\$65	\$60
WASHOE TOTAL	558	60	50	27	55%	9.4	121	22	\$120	\$86	\$79
Carson City	42	6	5	1	57%	7.0	149	29	\$140	\$125	\$119
TOTAL	600	66	54	28	55%	9.2	123	22	\$123	\$90	\$83

COURTESY OF FIRST CENTENNIAL TITLE



MARKET CONDITION REPORT

Reno-Sparks Area

June 2009

Welcome to the **Reno-Sparks Market Condition Report (MCR)** sponsored by **First Centennial Title**. We appreciate and value your business.

THE BIG PICTURE

- **SUPPLY (ON MARKET):** Supply for both types holding steady in the current range for the last five months. This implies that as the market resolves supply, it is being replaced with about the same level of new activity.
- **DEMAND (SOLD PER MONTH):** Slight or marginal increases suggest that demand is near peak. Large and meaningful changes in the level of demand have most likely occurred for this cycle.
- **FAILURES:** The rate of failure for SFR is on the increase while Condo is down marginally. This supports the notion of proximity to market peak in terms of demand.
- **IN ESCROW (FUTURE CLOSINGS):** SFR pending inventory increased 11 units from last month while Condo backed off 9 units. Based on rather constant levels of sale pending, expect the market to loiter (in terms of closings) at or near current levels in the near term.
- **PERCENT SELLING:** SFR dropped a point while Condo increased 5 points. While it is now clearly evident that a property is more likely to close than fail (on average) this could change if demand weakens. While it is not likely to drop dramatically, large increases should not be expected.
- **MONTHS SUPPLY:** Continuing to decline (market tightening) over June, but only slightly. Current level of Months Supply is still relatively high and is not shifting in a meaningful way, especially for Condo. This usually points to a tendency that favors price weakness..
- **MARKET SPEED:** Moved up from June by a slight 1-2 points. The pace of the Reno market is increasing at a slow rate but has nearly come to a halt. The best performing Reno submarket remains Fernley, returning a Market Speed of 39. The slowest is Yerington at a very sluggish 13.
- **PRICES:** Price indicators are erratic but signs of stabilization have shifted to the negative as was predicted. Expect this trend to continue at a slowing pace. Large changes in price should not be expected, while small diminishing negative shifts are more likely. Long term buyers should not fear buying in the current market since it is difficult to time markets exactly, however, speculators and short term players should be more cautious.

MCR TIP

If a car is moving at 15 MPH, that car is moving at a slow speed. If it accelerates to 40 MPH, it is moving at a moderate speed. If Market Speed is 15, the market is moving at a slow speed. If it accelerates to 40 MPH, it is moving at a moderate speed. There are hot REO submarkets that return market speeds of 250 and more. Those markets are on fire. Changes in Market Speed (rate of acceleration) usually occur over an extended period of time in small increments as opposed to quick dramatic changes.