



MARKET CONDITION REPORT

Single Family Residence
 Courtesy of Nevada Title Company
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DISTRIBUTION: MARCH 2010
 EVALUATION: JANUARY 2009-FEBRUARY 2010

MARCH 2010
LAS VEGAS

LAS VEGAS VALLEY SFR MARKET HISTORY

DATE	MEDIAN CLOSING PRICE	CHANGE	REO	SHORT SALE	STANDARD	CLOSINGS BY TYPE	PERCENT SELLING	PERCENT SELLING
Feb-09	\$155,603	\$	1,775	187	278	2,240	41%	41%
Mar-09	\$149,265	\$6,338	2,303	202	416	2,921	46%	46%
Apr-09	\$142,000	\$7,265	2,461	264	428	3,153	52%	52%
May-09	\$140,750	\$1,250	2,475	259	468	3,202	58%	58%
Jun-09	\$140,000	\$750	2,514	296	598	3,408	59%	59%
Jul-09	\$139,000	\$1,000	2,448	340	573	3,361	56%	56%
Aug-09	\$136,000	\$3,000	1,932	344	512	2,788	55%	55%
Sep-09	\$138,000	\$2,000	2,196	482	622	3,300	66%	66%
Oct-09	\$140,000	\$2,000	2,187	558	728	3,473	65%	65%
Nov-09	\$140,000	\$	1,833	524	702	3,059	59%	59%
Dec-09	\$137,000	\$3,000	2,121	685	748	3,554	56%	56%
Jan-10	\$135,000	\$2,000	1,473	567	554	2,594	59%	59%
Feb-10	\$136,101	\$1,101	1,200	529	524	2,253	57%	57%
TOTAL		-\$19,502	26,918	5,237	7,151	39,306		

Historical information for Feb-10 is a close estimate only-subject to future revision



SINGLE FAMILY RESIDENCE (ALL)



AREA	ON MARKET (SUPPLY)	CLOSED MONTH (DEMAND)	FAIL MONTH	IN ESCROW	PERCENT SELLING	CDOM (CLOSED)	MONTHS SUPPLY	MARKET SPEED	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
NORTH	1,563	220	552	2,811	68%	153	2.0	103	103	\$145	\$125	\$127
SOUTHWEST	515	510	121	792	65%	153	2.3	89	89	\$200	\$155	\$160
HENDERSON	1,213	541	325	1,317	57%	160	2.7	74	74	\$235	\$188	\$188
SOUTH	1,307	469	516	1,184	48%	146	2.8	72	72	\$159	\$128	\$128
NORTHWEST	2,013	469	588	2,492	54%	142	3.1	65	65	\$175	\$130	\$131
EAST	1,533	403	401	1,590	42%	141	4.6	43	43	\$95	\$81	\$78
BOULDER CITY	782	97	262	1,383	27%	191	8.1	25	25	\$330	\$275	\$265
TOTALS	8,449	2,708	2,522	11,569	52%	150	3.1	64	64	\$174	\$135	\$135

*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. All areas sorted on MARKET SPEED. (Red Font in Median Price In Escrow column signals expected price weakness.)

Overall, the supply and demand schedules are little changed from previous month. Supply is relatively tight, especially for REO (61% of demand/16% of supply). Prices continue to show weakness for all types, more so for Short Sale and Standards. High price point properties, while showing increasing levels of activity, are still relatively slow exhibiting depressed Percent Selling/and Market Speed outcomes relative to lower priced offerings (about half the Percent Selling and half the Market Speed). Note from the market history table that February 2009 demand is about equal to February 2010 while supply is greatly reduced. The reduction in supply relative to demand has shifted the price schedule to the current level where it appears to be "hovering." Large changes in the price schedule are no longer occurring in favor of relatively small tentative up and down movements from month to month. This is characteristic of proximity to market bottom in terms of price.

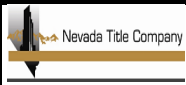


REO ONLY MARCH 2010



AREA	ON MARKET (SUPPLY)	CLOSED MONTH (DEMAND)	FAIL MONTH	IN ESCROW	PERCENT SELLING	CDOM (CLOSED)	MONTHS SUPPLY	MARKET SPEED	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
EAST	159	246	46	391	84%	127	.6	309	309	\$90	\$80	\$75
NORTH	279	346	53	615	87%	123	.8	248	248	\$134	\$120	\$120
NORTHWEST	210	259	35	349	88%	124	.8	247	247	\$145	\$119	\$115
SOUTH	146	165	20	261	89%	123	.9	225	225	\$145	\$123	\$120
SOUTHWEST	299	333	45	554	88%	123	.9	222	222	\$173	\$150	\$150
HENDERSON	229	178	27	273	87%	135	1.3	155	155	\$178	\$160	\$169
BOULDER CITY	14	5	2	8	71%	177	2.8	71	71	\$238	\$153	\$258
TOTALS	1,336	1,530	228	2,451	87%	125	.9	229	229	\$149	\$125	\$125

REO monthly demand continues to exceed REO supply maintaining a Months Supply outcome of .9 (holding steady from February) and Percent Selling of 87%. Buyer preference for this type of property is clear and the competition amongst buyers is keen with multiple offers the norm. Market Speed is very fast (and holding in the current range) signaling quick conversion from listing to closing. Note heavy activity in the EAST and the corresponding price schedule. The REO segment of the market is slowly declining as supply continues to tighten from month to month.



SHORT SALE ONLY



AREA	ON MARKET (SUPPLY)	CLOSED MONTH (DEMAND)	FAIL MONTH	IN ESCROW	PERCENT SELLING	CDOM (CLOSED)	MONTHS SUPPLY	MARKET SPEED	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
SOUTHWEST	925	168	406	2,174	29%	230	6	36	36	\$160	\$150	\$153
BOULDER CITY	13	2	4	8	36%	220	7	31	31	\$238	\$375	\$257
SOUTH	371	56	124	719	31%	256	7	30	30	\$139	\$130	\$139
EAST	414	59	176	794	25%	217	7	29	29	\$90	\$80	\$77
NORTH	936	133	356	1,623	27%	253	7	28	28	\$130	\$125	\$130
HENDERSON	597	84	202	1,098	29%	255	7	28	28	\$180	\$185	\$200
NORTHWEST	696	92	245	1,366	27%	234	8	26	26	\$140	\$130	\$130
TOTALS	3,952	593	1,510	7,782	28%	240	6.7	30	30	\$145	\$137	\$140

Short Sale supply (47% of supply) exceeds Short Sale demand (21% of demand) by a factor of 6.7 (see Months Supply). Months Supply is holding in the current range implying resolved inventory is being replaced by new supply. Market Speed is slow (holding) and Percent Selling depressed, while escrow inventory remains at high levels and is increasing. CDOM is elevated when compared to REO/Standard. These factors continue to support anecdotal reports of an inefficient closing process. Prices are weak with that trend likely to continue.



STANDARD ONLY



AREA	ON MARKET (SUPPLY)	CLOSED MONTH (DEMAND)	FAIL MONTH	IN ESCROW	PERCENT SELLING	CDOM (CLOSED)	MONTHS SUPPLY	MARKET SPEED	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
NORTH	479	122	101	246	55%	130	4	51	51	\$200	\$143	\$148
EAST	223	55	64	169	46%	123	4	49	49	\$130	\$100	\$98
NORTHWEST	632	126	166	249	43%	114	5	40	40	\$257	\$167	\$174
SOUTH	270	54	78	129	41%	100	5	40	40	\$220	\$129	\$135
SOUTHWEST	778	137	188	315	42%	130	6	35	35	\$399	\$200	\$190
HENDERSON	707	92	172	219	35%	122	8	26	26	\$379	\$245	\$207
BOULDER CITY	72	1	16	9	3%	207	144	1	1	\$397	\$325	\$265
TOTALS	3,161	585	784	1,336	43%	122	5.4	37	37	\$279	\$169	\$165

Standard supply (37% of supply) exceeds Standard demand (21% of demand) by a factor of 5.4 (see Months Supply). Overall, prices appear to have stabilized in the short run. Notice the elevated Months Supply outcome for Boulder City relative to other areas. There is little demand for Boulder City property at current prices offered by sellers. Notice the demand schedule for the East. Interesting is that North REO converts to closing 6 times faster than North Standard. Note the difference in the price schedules. Prices tentative but firming.

INTRODUCTION TO THE MARKET CONDITION REPORT LAS VEGAS VALLEY

Courtesy of Nevada Title Company

The Market Condition Report (MCR) is used to analyze residential real estate markets. The proper use of the report requires the reader to understand how the various measures work together to accurately analyze the target markets.

The MCR has a central philosophical foundation that “The role of the agent is to provide information, and the role of the client is to make decisions.” The Las Vegas macro market should be a central part of the agent’s information provided to the client or prospect.

MECHANICS

1. **AREA:** The market is segmented into several areas and is in harmony with the area structure of the MLS.
2. **ON MARKET (SUPPLY):** A count of the active resale properties on the day of the report. These are the properties offered to the market by sellers. Each property is represented by a listing agent who is responsible for managing the property in the market.
3. **CLOSED MONTH (DEMAND):** The number of closings per month. This is the number of properties demanded by buyers and is the average over a two-month period.
4. **FAIL MONTH:** The average number of properties failing per month comprised of expired and withdrawn. These properties have been either rejected by buyers or withdrawn by the seller/agent.
5. **IN ESCROW:** The number of properties in escrow. Pendings and Contingents are a clear indicator of current and future demand, since future closings are a function of current pendings.
6. **PERCENT SELLING:** Closed per month divided by closed per month plus failed per month (total market resolutions). This measure generates the market driven probability that a property will close as opposed to fail. Seller’s markets generate selling probabilities above 60%. Buyer’s markets typically perform below 45%.
7. **CDOM (CLOSED):** The total number of days from market entry to escrow entry for all listing periods.
8. **MONTHS SUPPLY:** Current supply (LISTED) divided by current demand (CLOSINGS). This is the number of months required to exhaust current supply given current demand. As Months Supply rises, the market is moving toward the buyer. As it constricts, the market is moving toward the seller.

9. **MARKET SPEED:** Speed is a force that is usually felt directly. However, because of the nature of real estate markets, the movement of listings to closings is difficult to sense. Market Speed returns the conversion of listings to closing as a rate. This rate considers supply, demand, and time. The greater this number, the quicker the market is converting listings to closings. As an example, if Market Speed in the West is 22, while in the East it is 11, this would imply that West is converting listings to closings at twice the rate of East (22/11). This also entails that, all other things being equal, the West is more attractive to buyers. It goes without saying that those areas with the highest Market Speed are the most desirable to agents.

PRICES

Market price is an economic concept with commonplace familiarity. It is the price that a good or service is offered at, or will fetch, in the marketplace. Conversely, there are many other prices in real estate, but only one market price. There is original price, current price, pending price and closing price. Prices tend to migrate from one price type to another through time—sometimes quickly, sometimes slowly, sometimes not at all. By definition, the seller wishes to maximize his equity and the buyer wishes to pay the lowest price. These two will meet at “market price” and a deal will be struck.

MEDIAN PRICE DEFINED: Median price in statistics is called a “measure of central tendency.” It is a one number calculation that represents many underlying values in a data set. The median price is the point in a list of properties which divides the list into two equal halves when that list is ordered from the lowest to highest value. It is therefore a place on a list that moves up or down according to conditions. It is not the average or the mean value. It is the most common measure of central tendency used in real estate practice especially for large areas like cities, zip codes and areas.

1. **MEDIAN ASK PRICE:** The median price of all active listings (SFR). Median ask price may or may not be the original price offered by sellers to the market. Typically, the price of any one property will migrate from original price in stages according to the motivation of the seller and the skill of the listing agent. The goal? The price that stimulates showing activity and offers.
2. **MEDIAN IN ESCROW PRICE:** The median price of properties that are sale pending. This is the price that stimulated the buyer’s agent which resulted in showing activity. If this price is less than current closing price, price weakness can be expected in the future.
3. **MEDIAN CLOSE PRICE:** The final median price of all closed properties.