



MARKET CONDITION REPORT

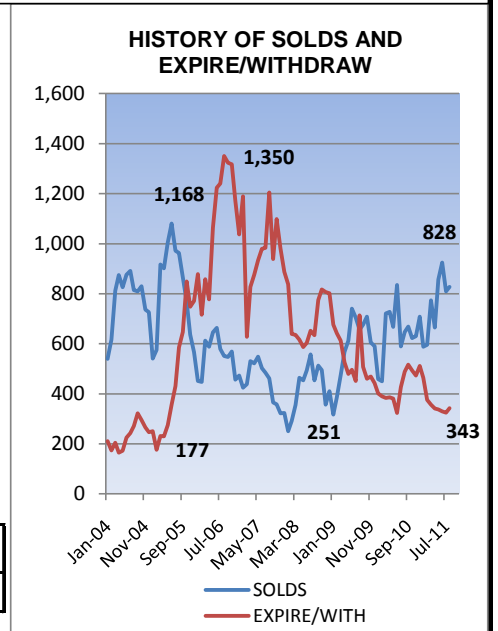
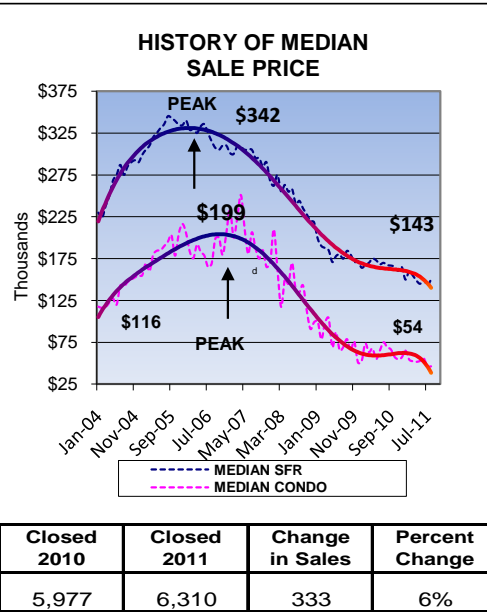
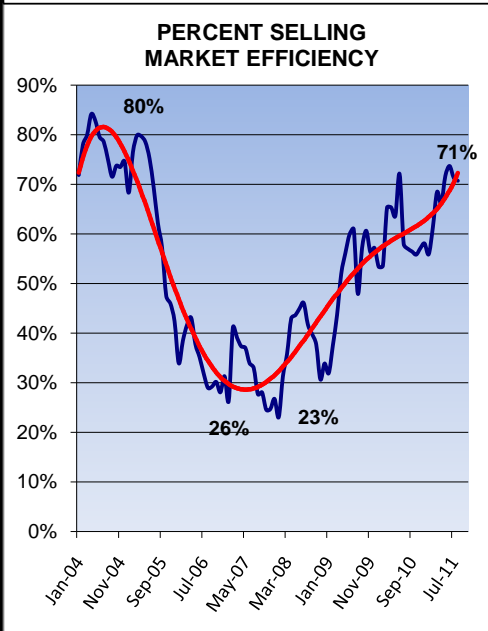
RENO AREA

September-11

SINGLE FAMILY RESIDENCE

CITY	SUPPLY ON MARKET	DEMAND SOLD MONTH	EXPIRE WITHDRAW MONTH	PERCENT SELLING	IN ESCROW	WEEKS SUPPLY GIVEN DEMAND	DAYS ON MARKET SOLD	MARKET SPEED INDEX	MEDIAN LIST PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Reno	2,293	321	139	70%	209	34	129	28	\$195	\$160	\$158
Sparks	931	158	61	72%	92	28	128	34	\$156	\$146	\$140
WASHOE COUNTY TOTAL	3,224	479	200	71%	301	32	129	30	\$182	\$155	\$152
Fernley	241	49	14	78%	26	24	113	41	\$93	\$93	\$92
Dayton	174	26	18	60%	15	32	118	30	\$130	\$109	\$101
Yerington	49	5	5	50%	2	49	173	18	\$140	\$100	\$95
LYON COUNTY TOTAL	464	80	36	69%	43	28	118	34	\$107	\$99	\$95
Gardnerville	259	36	20	64%	17	34	141	27	\$260	\$185	\$176
Minden	134	17	8	68%	5	35	175	25	\$279	\$234	\$227
DOUGLAS COUNTY TOTAL	393	53	28	65%	22	34	152	27	\$266	\$201	\$193
Fallon (Churchill County)	171	18	14	57%	6	43	141	21	\$150	\$120	\$120
Carson City (Carson County)	403	53	27	66%	26	35	113	26	\$189	\$146	\$145
TOTAL	4,655	682	304	69%	398	32	129	29	\$183	\$151	\$147

The Market Speed Index 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. "Weeks Supply Given Demand" is the Absorption Rate (the number of weeks required to exhaust current supply given current demand).



CONDO/TOWNHOME

CITY	SUPPLY ON MARKET	DEMAND SOLD MONTH	EXPIRE WITHDRAW MONTH	PERCENT SELLING	IN ESCROW	WEEKS SUPPLY GIVEN DEMAND	DAYS ON MARKET SOLD	MARKET SPEED INDEX	MEDIAN LIST PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Reno	360	71	29	71%	35	24	126	39	\$79	\$57	\$54
Sparks	87	17	8	69%	16	27	122	38	\$50	\$49	\$46
WASHOE TOTAL	447	88	36	71%	51	25	126	39	\$74	\$55	\$53
Carson City	32	4	3	57%	1	36	181	25	\$80	\$60	\$55
TOTAL	479	92	39	70%	52	25	128	38	\$74	\$55	\$53

MARKET CONDITION REPORT

Reno-Sparks Area

August 2011

Welcome to the Reno-Sparks Market Condition Report (MCR) provided by First Centennial Title.

THE BIG PICTURE

- **OVERVIEW:** Both SFR and Condo supply continue very constant in the current range. This means that as properties are moved off the market by either becoming a sale pending or a failure, those properties are being replaced by new supply. At the same time, properties in escrow are holding. This implies that the level of closed demand is at or around peak values. Prices for SFR are holding steady while Condo continues to slip.
- **WEEKS SUPPLY GIVEN DEMAND (ABSORPTION RATE):** The absorption rate has stabilized with little change from month to month. Tightening absorption rates signal a tighter market. However, current changes in the absorption rate are small and will only be significant as part of trend. Stable absorption rates signal no big changes are in the offing. The usual seasonal changes are just ahead.
- **MARKET SPEED INDEX:** Market speed (the conversion of listings to closings) has remained relatively constant for the last several months and is holding. This change would be hard to detect at the street level and needs to continue to become significant. The pace of the Reno area market is slow and steady with no big variations from month to month (same report as last month).
- **PRICES:** SFR prices continue steady while Condo is in decline. Prices are erratic from month to month and seem to gyrate in a narrow range (see history of median sale price graph). Note in the price graph that the tail end of the trend line shows a definite tendency to decline.

Market Condition Report Tip:

Days on the market is stated as an average and is included in almost all reports. It is actually a very deceptive number of limited usefulness when expressed as a grand average. Currently, there is about a 78% probability that days on the market will fall in the range 84-174 days (see red in table below). This implies there is a 22% probability this event will not occur. Sellers set their probabilities when they choose their price strategy. Highly competitive pricing equals short DOM; uncompetitive pricing equals long drawn out sales periods that can become extreme.

DOM	NUMBER	SHARE
1,344	1	0.1%
1,254	0	0.0%
1,164	0	0.0%
1,074	0	0.0%
984	0	0.0%
894	2	0.1%
804	1	0.1%
714	4	0.2%
624	4	0.2%
534	16	1.0%
444	48	2.9%
354	85	5.2%
264	203	12.3%
174	577	35.1%
84	704	42.8%
0	0	0.0%

Evaluating DOM on the basis of a frequency distribution (not an average) is an excellent way to describe the reality of the market to the reader. In this example (actual results of September 2011), the average is 129 days. Most sellers fall in the range 84-174. But a significant number take inordinate time to sell. This is due to over-pricing relative to current competition, not under-marketing. The agents share the blame here by not reacting fast enough to property under-performance in the market (no showings).

