



MARKET CONDITION REPORT

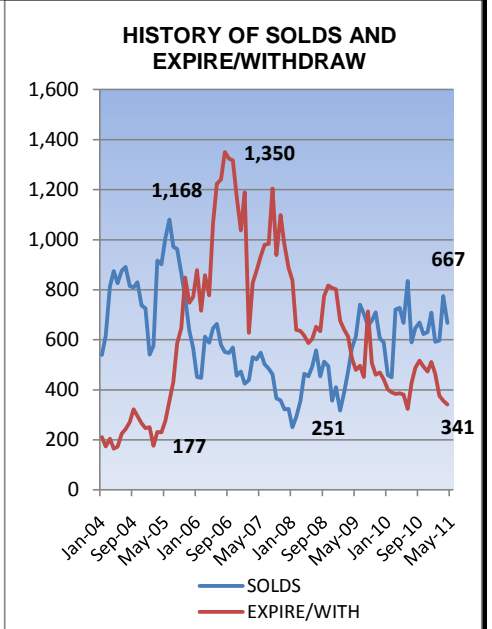
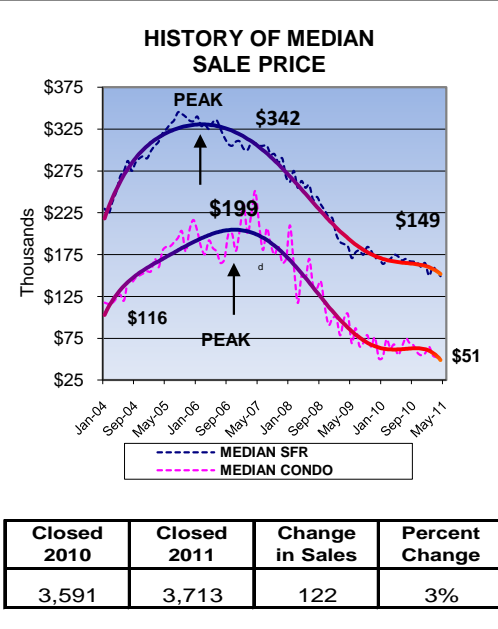
RENO AREA

May-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	2,283	278	143	66%	192	39	140	24	\$195	\$165	\$160
Sparks	937	158	61	72%	97	28	126	34	\$155	\$148	\$145
WASHOE COUNTY TOTAL	3,220	436	204	68%	289	35	135	27	\$180	\$159	\$155
Fernley	216	41	15	73%	33	27	117	38	\$95	\$85	\$82
Dayton	188	26	14	65%	12	33	118	28	\$121	\$141	\$140
Yerington	55	6	4	58%	2	45	172	20	\$133	\$82	\$84
LYON COUNTY TOTAL	459	72	33	69%	47	30	122	31	\$107	\$105	\$103
Gardnerville	248	30	17	63%	16	39	163	24	\$247	\$190	\$190
Minden	120	13	6	70%	4	41	175	22	\$295	\$277	\$268
DOUGLAS COUNTY TOTAL	368	43	23	65%	20	40	167	23	\$262	\$217	\$214
Fallon (Churchill County)	170	16	11	60%	5	49	151	18	\$166	\$82	\$81
Carson City (Carson County)	410	50	31	62%	21	37	156	24	\$194	\$150	\$147
TOTAL	4,627	616	301	67%	382	35	138	27	\$183	\$154	\$150

THIS REPORT IS SORTED ON MARKET SPEED INDEX. 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	411	65	23	74%	28	29	119	31	\$65	\$59	\$58
Sparks	103	25	8	75%	5	19	136	48	\$55	\$53	\$50
WASHOE TOTAL	514	89	31	74%	33	27	123	35	\$62	\$57	\$56
Carson City	29	5	2	69%	2	30	47	31	\$80	\$38	\$38
TOTAL	543	94	33	74%	35	27	120	34	\$64	\$56	\$55

MARKET CONDITION REPORT

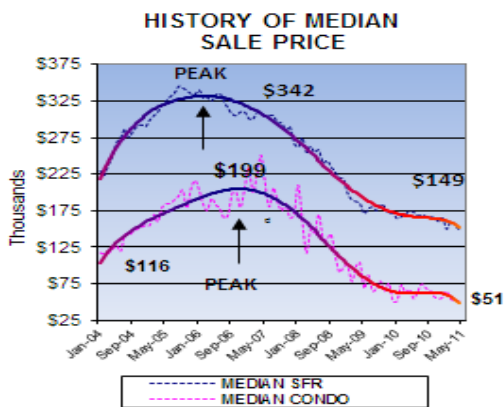
Reno-Sparks Area

May 2011

Welcome to the Reno-Sparks Market Condition Report (MCR).

THE BIG PICTURE

- **OVERVIEW:** Both SFR and Condo supply are very constant in the current range with slight positive propensity. 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 continue to build in a slow methodical way. This implies that the level of closed demand will be increasing in the near term in small steps (no big moves). Prices for SFR continue very weak and in decline; Condo has steadied in the current range.
- **WEEKS SUPPLY GIVEN DEMAND (ABSORPTION RATE):** The absorption rate has stabilized with a slight negative propensity for both types. Tightening absorption rates signal a tighter market. However, current changes in the absorption rate are small and not significant.
- **MARKET SPEED INDEX:** Market speed (the conversion of listings to closings) has remained relatively constant for the last several months. The pace of the Reno area market is slow and steady with no big variations from month to month.
- **PRICES:** SFR prices continue to decline while Condo has stabilized in the short run. 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 lines shows a definite decline. Notice also that the above mentioned erratic nature of the price curve is more is less pronounced and more predictable in the latter time periods.
- **ADVANCED ANALYSIS:**



Notice in the graph to the left the pronounced negative nature of the slope of the trend line in the mid part of 2011.

Beginning in May 2009, the market attempted to stabilize the price schedule. The level of demand relative to supply appears to be insufficient to maintain the current price level or to cause an increase, thus the slumping curve of the graph.

It is unclear how long the situation will continue. There has been some degree of price stabilization in the condo price schedule; however this may be short term.

Given that absorption rate and market speed have been relatively unchanged, it is more likely than not that price will continue to decline.