

MARKET CONDITION REPORT LAS VEGAS VALLEY May 2008

Welcome to the Las Vegas Area Market Condition Report (MCR) provided by Equity Title.

We appreciate and value your business.

These comments and opinions are designed to accompany the Market Condition Report attached to this document.

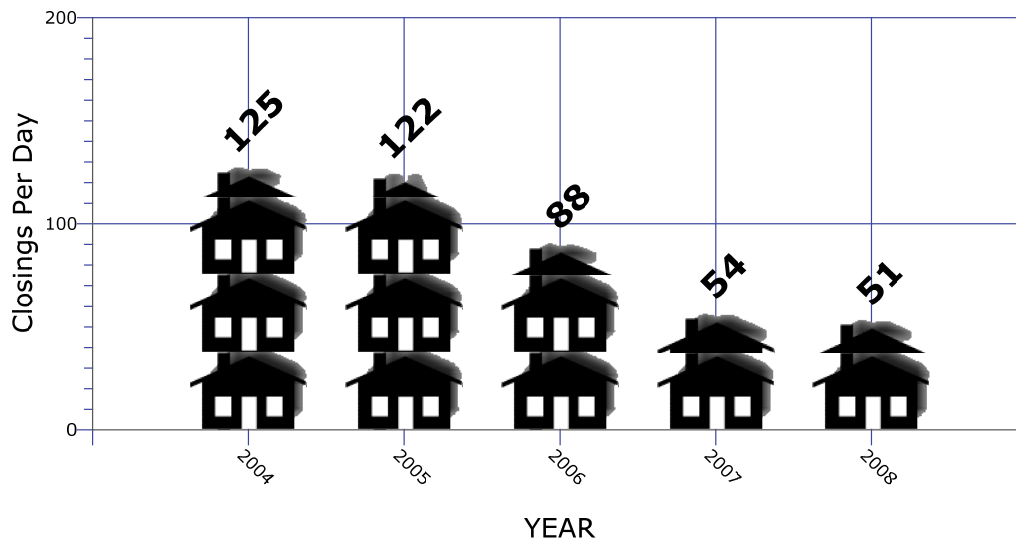
THIS YEAR LAST YEAR (VISUALIZING THE MARKET)

Closed Last Year	Closed This Year	Change	%Change
7,260	6,054	-1,206	-16.6%

In the last report (March), the market lagged the previous year by **-26.7%**. The current result displays a major positive change to **-16.6%**. This 10 point shift is a mirror of the shift from March to April. If this pattern continues, this year's sales pace will surpass the 2007 rate in about 45 to 60 days. Surpassing the performance of the 2007 market appears to be guaranteed. See chart below.

CLOSINGS PER DAY 2004-2008 RESALE MARKET ONLY—CLARK COUNTY

HISTORY OF AVERAGE CLOSINGS PER DAY 2004 THROUGH APRIL 2008



The pace of closings for 2008 is pulling even with the 2007 rate.

This outcome is about **42%** of peak demand demonstrated by the market in 2004-2005.

MARKET OVERVIEW—CHANGE FROM PREVIOUS MONTH

LAS VEGAS AREA		FAVORABLE TO		
INDICATOR	COMMENTS	BUYER	SELLER	NEUTRAL
SUPPLY	Supply continues to decline with the rate of decline slowing, especially for condo; level still elevated	★		
DEMAND	Closings continuing strong; surge for both types but more so for SFR (May 2005=2,757 SFR)	★		
FAILURES	Substantial decline for SFR; little change for condo	★		
PERCENT SELLING	SFR jumped 6 points from previous month; condo 1 point	★		
MONTHS SUPPLY	Both SFR and condo posted moderate declines due to negative supply trend and increasing demand		★	
60 DAY ABSORB	Market has essentially doubled its speed since January (about 9% to current 18.9%)	★		
PRICES	All price indicators off significantly; declines to continue SFR Limit=\$235; Condo Limit=\$139; pace of declines steady	★		
SPECIAL NOTE	Significant increase in sale pending and contingent signals increase in transaction levels ahead, especially on the low end		★	

PERCENT SELLING (market efficiency) and **ABSORB RATE** (market speed) demonstrated substantial increases after a long series of declines. Positive changes in the level of sale pendings indicate that both Percent Selling and the Absorb Rate will continue on the rise in the near future (slowly). However, *prices have not bottomed for either SFR or Condo* and will continue their current negative trend led by distressed sale situations. Condo, which had been demonstrating relative strength, has begun to weaken on the price and demand front. Confirm this by reviewing (on the MCR) that pending-contingent price for SFR and Condo lies below current closing price (this commentary is a near duplicate of the previous month).

Readers should note the Distribution of Supply And Demand Table. See the overall ratio of supply and demand declined to 3.7 from 4.9. Overall, there has been a continuation of tightening of the market as sale pendings and contingents (short term demand) have increased and supply (listed) has declined or steadied. This tightening is essential to gain price stability in the long run. Observe, however, that high price point properties still face high market driven odds.

MCR TIP (ADVANCED)

The 60 day absorb rate is a measure of market speed in the same way a speedometer measures the speed of a car. When we are in a car and our speed is steady (no acceleration), we can feel and gather speed impressions by relating to the passing landscape. If we are going slow, say 18 mph, we “know” we are going slow.

The market offers few visual clues as to speed and direction and can be misinterpreted or misunderstood especially during periods of change. Like a pilot flying at night, the agent must keep his attention focused on his gauges to determine with accuracy the direction and speed of the market. The absorb rate is one such gauge.

If the absorb rate is rising the market is moving toward the seller. If declining, the movement favors the buyer. If the absorb rate is a low number, the market is converting listing to closings at a slow or low rate. If it is a high number the reverse would be true. In May of 2005, the SFR absorb rate was 68%, or about 3.7 time faster than the current market.

WORDS OF WISDOM

I am still determined to be cheerful and happy, in whatever situation I may be; for I have also learned from experience that the greater part of our happiness or misery depends upon our dispositions, and not upon our circumstances.

Martha Washington (1732 - 1802)

EQUITY TITLE OF NEVADA MARKET CONDITION REPORT

MAY 2008

SINGLE FAMILY RESIDENCE

LAS VEGAS VALLEY

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	3,340	337	881	28%	82	125	9.9	20%	\$252	\$230	\$222
EAST	2,125	102	519	16%	82	123	20.8	10%	\$199	\$189	\$185
SOUTH	821	110	222	33%	76	118	7.5	27%	\$285	\$235	\$230
NORTHWEST	3,082	288	773	27%	84	125	10.7	19%	\$275	\$250	\$244
SOUTHWEST	3,705	421	954	31%	77	119	8.8	23%	\$330	\$265	\$255
SOUTHEAST	736	41	166	20%	78	122	18.1	11%	\$250	\$213	\$214
CENTRAL	308	11	67	14%	102	143	28.9	7%	\$164	\$157	\$150
HENDERSON	2,775	297	681	30%	86	124	9.3	21%	\$385	\$298	\$285
BOULDER CITY	103	4	24	13%	24	51	28.9	7%	\$560	\$315	\$290

DISTRIBUTION OF SUPPLY/DEMAND				SFR	CONDO	LONG-TERM SUPPLY/DEMAND (CLARK COUNTY)				
CLASS	IN ESCROW (DEMAND)	LISTED (SUPPLY)	SUPPLY TO DEMAND	LISTED						
\$30,000,000	0	2	No Sale	16,995	4,723					
\$20,000,000	0	16	No Sale	SOLD MONTH	1,609					212
\$10,000,000	1	62	62 to 1	FAILED MONTH	4,288					1,118
\$5,000,000	59	1,096	19 to 1	PERCENT SELLING	28%					16%
\$1,000,000	15	245	16 to 1	DAYS ON MARKET	81 days					87 days
\$900,000	23	322	14 to 1	LIST TO CLOSE	123 days					127 days
\$800,000	52	475	9 to 1	MONTHS SUPPLY	10.6					22.2
\$700,000	68	688	10 to 1	60 DAY ABSORB	18.9%					9.0%
\$600,000	142	1,061	7 to 1	MEDIAN \$LIST ALL	\$290					\$232
\$500,000	119	814	7 to 1	ASK AT OFFER	\$252					\$170
\$450,000	223	879	4 to 1	CLOSE PRICE	\$244					\$163
\$400,000	333	1,368	4 to 1	\$SPENDNG PRICE	\$235					\$139
\$350,000	273	1,002	4 to 1	PEND-CONTINGENT	5,311					704
\$325,000	240	786	3 to 1							
\$300,000	414	1,496	4 to 1							
\$275,000	394	1,412	4 to 1							
\$250,000	649	2,094	3 to 1							
\$225,000	653	1,770	3 to 1							
\$200,000	843	2,519	3 to 1							
\$175,000	706	1,747	2 to 1							
\$150,000	460	1,422	3 to 1							
\$125,000	223	745	3 to 1							
\$100,000	125	470	4 to 1							
TOTAL	6,015	22,491	3.7 to 1							

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7,260	6,054	-1,206	-16.6%

As of Mar 30, 2008-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	196	11	43	20%	79	122	18.4	11%	\$160	\$155	\$150
EAST	429	15	121	11%	90	128	29.1	7%	\$128	\$110	\$110
SOUTH	277	11	81	12%	118	153	24.8	8%	\$220	\$186	\$170
NORTHWEST	908	48	233	17%	90	131	19.0	11%	\$158	\$164	\$155
SOUTHWEST	1,035	55	239	19%	78	118	18.9	11%	\$180	\$166	\$160
SOUTHEAST	1,160	38	229	14%	91	128	30.8	6%	\$399	\$215	\$207
CENTRAL	34	1	9	11%	53	90	33.4	6%	\$99	\$111	\$111
HENDERSON	649	34	157	18%	87	126	19.3	10%	\$223	\$165	\$160
BOULDER CITY	35	1	7	13%	123	153	34.4	6%	\$271	\$159	\$154