



MARKET CONDITION REPORT

RENO AREA

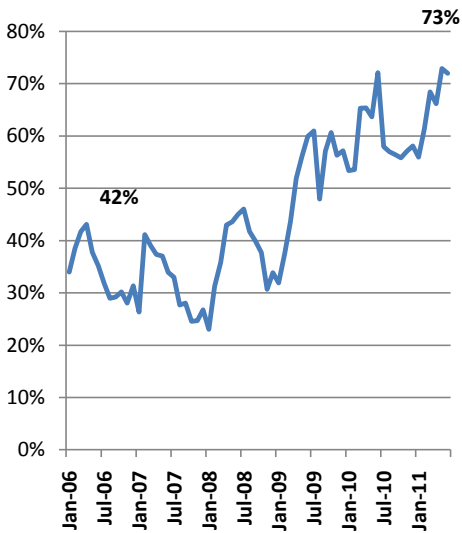
Jun-11

SINGLE FAMILY RESIDENCE

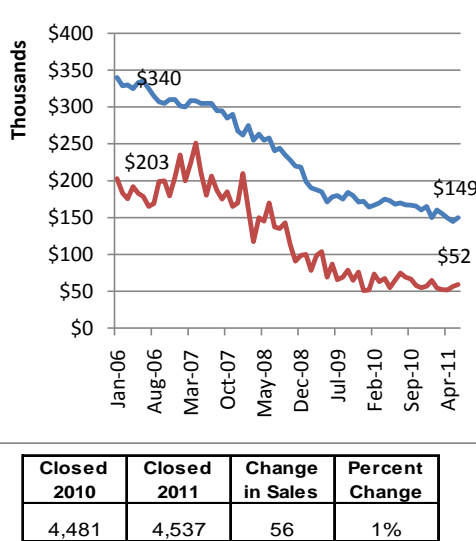
CITY	SUPPLY ON MARKET	DEMAND SOLD MONTH	EXPIRE WITHDRAW MONTH	PERCENT SELLING	IN ESCROW	WEEKS SUPPLY GIVEN DEMAND	DAYS ON MARKET SOLD	MARKET SPEED INDEX	MEDIAN LIST PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Reno	2,244	306	144	68%	227	35	132	27	\$196	\$160	\$155
Sparks	946	159	54	75%	90	28	115	34	\$155	\$150	\$148
WASHOE COUNTY TOTAL	3,190	465	197	70%	317	33	126	29	\$182	\$156	\$153
Fernley	226	42	13	76%	32	27	102	37	\$95	\$85	\$86
Dayton	178	25	12	68%	14	33	108	28	\$121	\$120	\$115
Yerington	53	7	5	59%	1	36	196	25	\$135	\$55	\$54
LYON COUNTY TOTAL	457	74	30	71%	47	30	112	32	\$107	\$95	\$93
Gardnerville	259	28	18	61%	15	43	178	21	\$240	\$200	\$199
Minden	126	10	4	73%	5	60	165	15	\$283	\$275	\$263
DOUGLAS COUNTY TOTAL	385	37	21	64%	20	47	175	19	\$251	\$219	\$215
Fallon (Churchill County)	171	19	12	61%	4	40	165	22	\$160	\$110	\$110
Carson City (Carson County)	427	46	27	63%	29	43	140	22	\$190	\$159	\$150
TOTAL	4,630	641	286	69%	417	34	130	28	\$182	\$152	\$148

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).

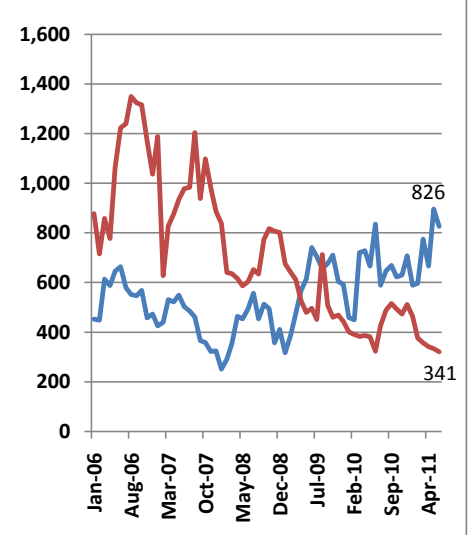
PERCENT SELLING MARKET EFFICIENCY



HISTORY OF MEDIAN SALE PRICES SFR AND CONDO



HISTORY OF CLOSE AND EXPIRE WITHDRAW



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	395	70	28	71%	42	27	102	35	\$70	\$59	\$57
Sparks	98	21	5	80%	4	22	111	42	\$53	\$57	\$56
WASHOE TOTAL	493	91	33	73%	46	26	104	37	\$66	\$58	\$57
Carson City	32	3	2	60%	2	49	72	19	\$81	\$65	\$65
TOTAL	525	94	35	73%	48	27	103	36	\$67	\$58	\$57

MARKET CONDITION REPORT

Reno-Sparks Area

June 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 with both SFR and Condo posting increases. 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. This report is much the same as last month.
- **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 but will only be significant as part of trend.
- **MARKET SPEED INDEX:** Market speed (the conversion of listings to closings) has remained relatively constant for the last several months. Now it seems to be picking up marginally. 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.
- **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 line shows a definite decline. Notice also that the above mentioned erratic nature of the price curve is less pronounced and more predictable in the latter time periods.

Market Condition Report Tip: As an agent, when you see high absorption rates, this should raise a red flag. Taking listings in high absorption rate areas implies increased levels of competition for any one given listing.

The agent's listing management approach should be adjusted to:

- Stricter price management.
- Longer listing contracts.
- Shorter price evaluation periods.
- Increased evaluation of current active competitors. Because there is more relative competition, these competitors are more likely to discount their price and undercut your listing, leaving it "hanging" in the market.
- An unwillingness to discount the commission schedule. Because of the increased competition, failure is more likely, especially with unresponsive or unmotivated sellers.

