

September, 2008

The Greater Reno-Tahoe Real Estate Report

*Housing Market Trends for:
Reno, Sparks, Carson City, Carson Valley, Lake Tahoe, Dayton, and Fernley*

SAMPLE DATA

CALNEVA
REALTY

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Introduction

Report Overview

This report is published monthly by Mitch Argon, Broker/Owner of CalNeva Realty. This report is published and distributed for free.

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CalNeva Realty Overview

CalNeva Realty provides professional real estate services to clients throughout Greater Reno-Tahoe. We represent clients who are selling or buying real estate and operate a full-service licensed brokerage as members of Sierra Nevada Association of REALTORS (SNAR) and Northern Nevada Regional Multiple Listing Service (NNRMLS).

For Further Information

For further insight into the Greater Reno-Tahoe real estate market, visit our blog at www.FreeNevadaMove.com/blog. There are frequent entries with additional market comparisons, recent homes sold, and other useful information.

If you have a need for Greater Reno-Tahoe real estate market data not contained in this report, please feel free to contact Mitch Argon (775-315-4424 or Mitch.Argon@FreeNevadaMove.com) for further assistance.

Annual Trends

About the Charts

Annual Median Home Price Trend (page 5)

This chart shows the annual median home price from 2002 to the present year for each city/area in the region. For the current year, the chart will display the median price on a "year to date" or "YTD" basis. The YTD median price will be from January 1st of the current year to the last day of the month prior to the current issues of this report. The median price in this chart will be more stable than the median home prices for each month (see Monthly Reports) due to the increased number of homes that are used to compute the median price on an annual basis. In the Lake Tahoe market, there are significantly fewer homes sold each month so the YTD median price may be more volatile until April or May for the current year.

The median price rose dramatically (about 24% annually across the region) from 2002 to late 2005 when the real estate markets began the transition into a Buyer's Market. Bucking this trend is the Lake Tahoe market, which has continued to increase, largely due to limited supply and a worldwide audience of home buyers who are buying second homes/vacation homes and whose financial resources are less sensitive to interest rates and other factors.

Annual Number of Homes Sold (page 6)

This chart shows the annual number of homes sold from 2002 to the present year for each city/area in the region. For the current year, the chart will display the number of homes sold on a "year to date" or "YTD" basis. As a result, the current year will be substantially lower in January and increase each month until you will be able to approximate how many homes will be sold during the current year.

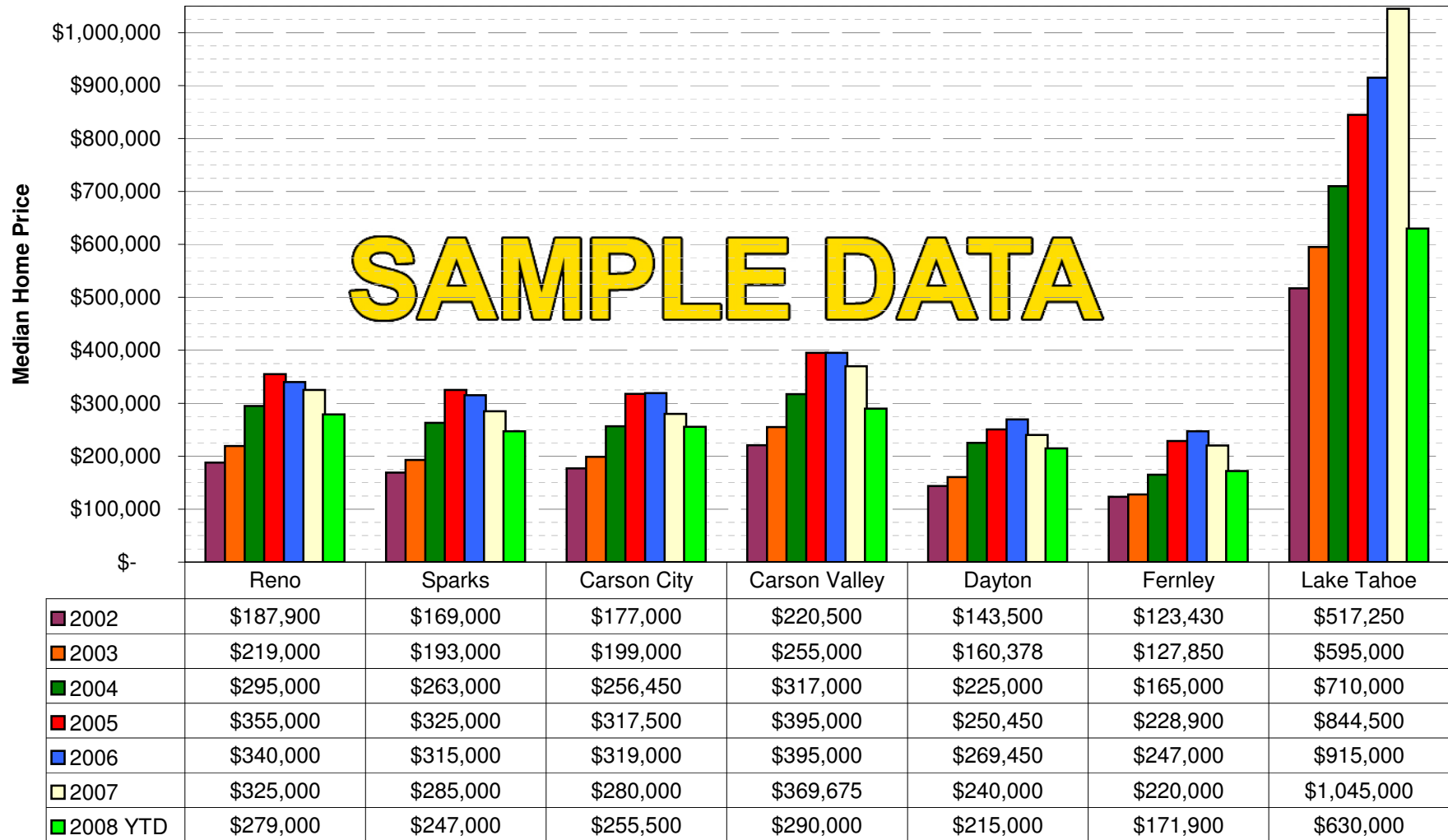
The number of homes sold increased steadily from 2002 to 2005, which was a recent peak. The sharp decline in the number of homes sold in 2006 and 2007 will likely continue at least through 2008 and is due to a sudden drop in home buying from speculative real estate investors, tighter credit standards for home lenders, and a slower California real estate market.

Annual Sold Price to List Price % (page 7)

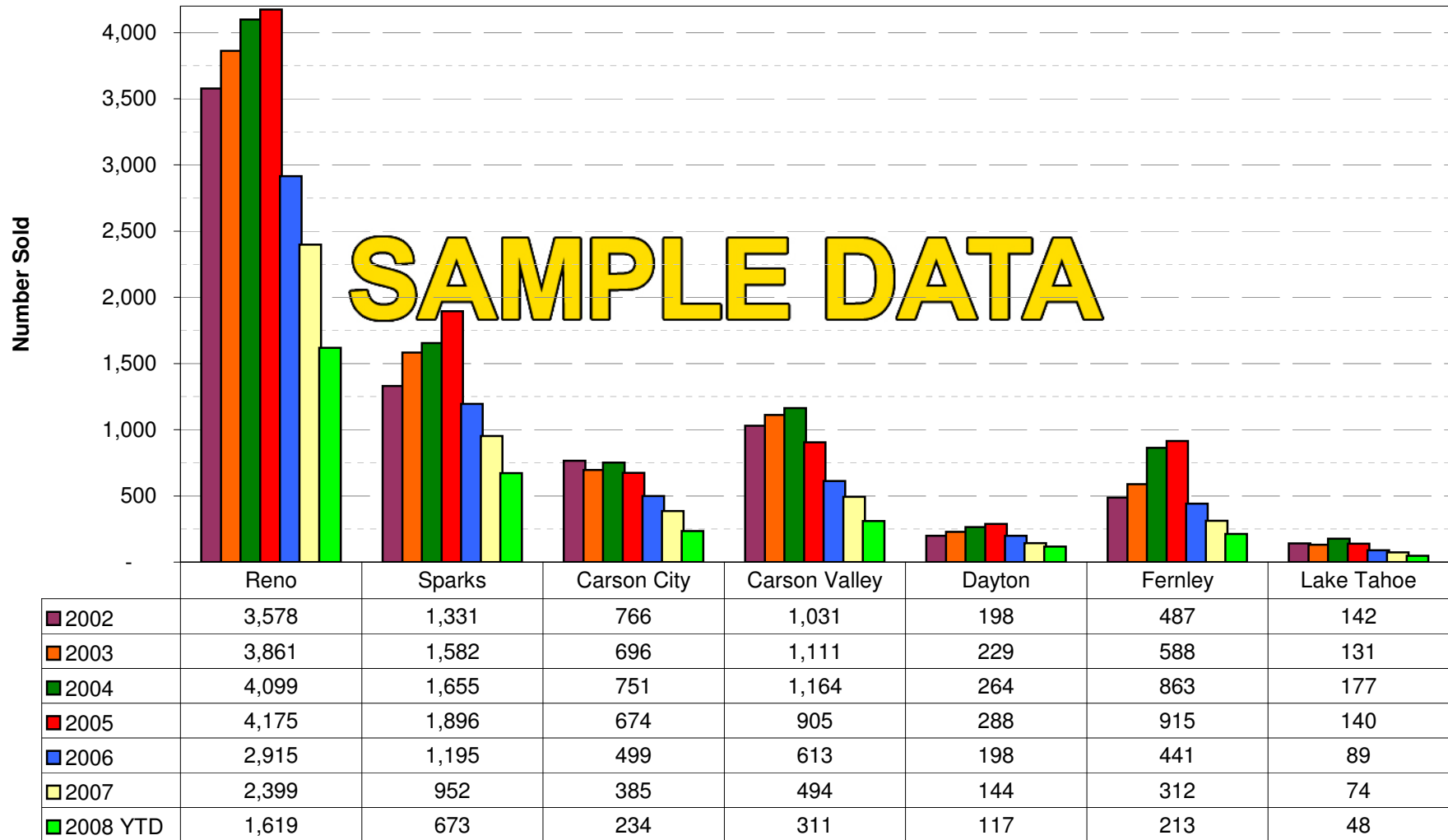
This chart shows what buyers are "actually paying" for homes relative to the "list price" from 2002 to the current year. Year to Date (YTD) for the current year reflects this measurement from January 1st to the last day of the month prior to the current issue.

Not surprisingly, you will see this percentage decrease during a Buyer's market and increase during a Seller's market and the trendline closely corresponds to median price increase trends.

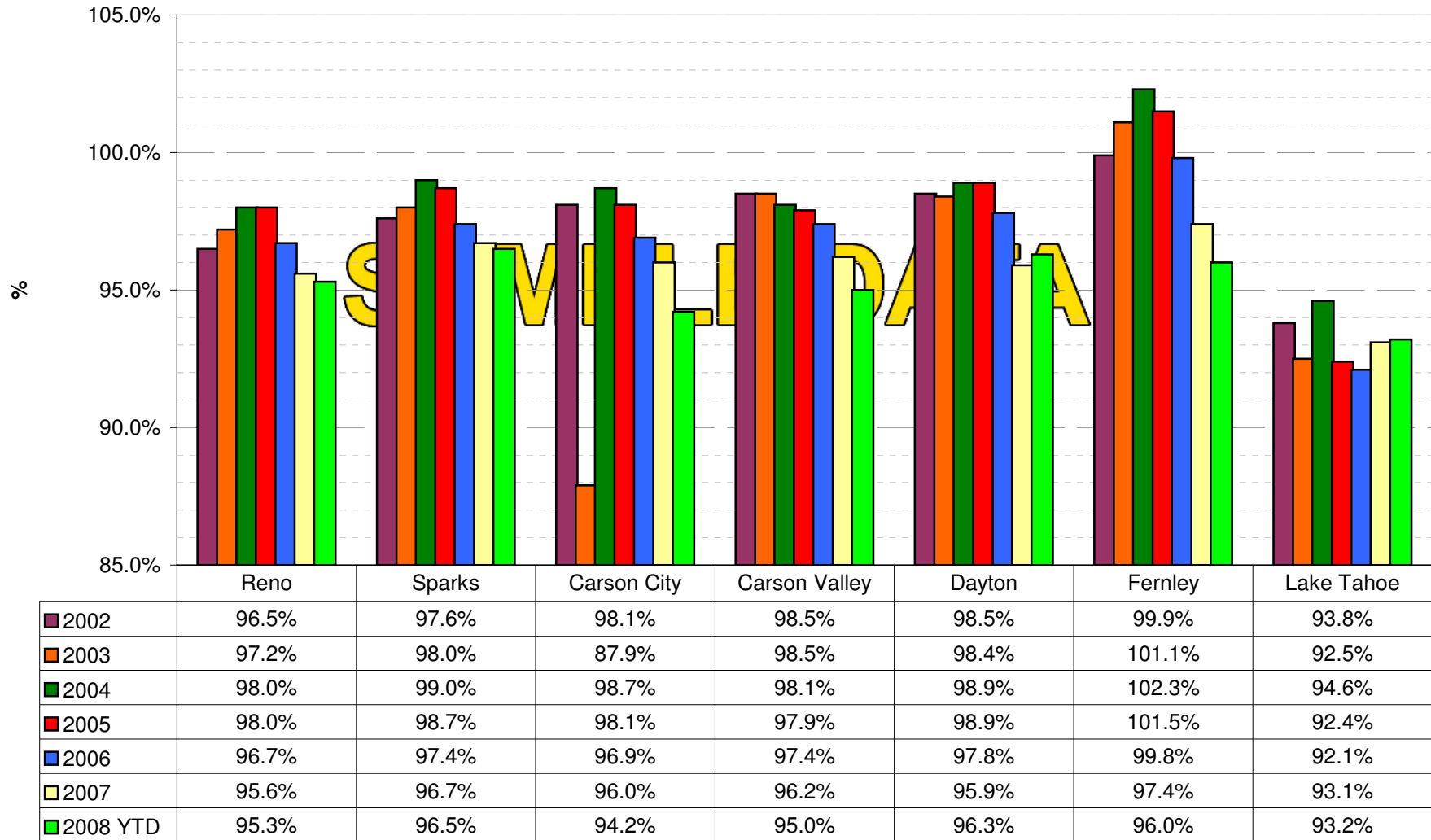
Greater Reno-Tahoe Annual - Median Home Price Trend



Greater Reno-Tahoe Annual - Number of Homes Sold



Greater Reno-Tahoe Annual - Sold Price to List Price Ratio (as %)



Monthly Trends

About the Charts

Median Home Prices by City (page 9)

This chart shows the monthly median price over the last 24 months for each city in the region. The table below the chart displays the median price (rounded up to the nearest thousand) for each month.

You will notice that the median price can fluctuate from month to month. As a result, you will want to look at the 'trendline' for a specific city over a period of 4-6 months or more. Also, the Lake Tahoe area is omitted from this report due to the substantially higher median price over other areas in the region; by including Lake Tahoe, the increased scale renders the other market's trend lines extremely difficult to reasonably view. You can see the Lake Tahoe median price trend (over the last 24 months) on a later chart dedicated to Lake Tahoe real estate.

You will notice that all markets are slowly depreciating as reflected in the chart showing annual median home price trends.

Months of Inventory by City (page 10)

This chart shows "Months of Inventory" (see page 19 for definitions) over the last 24 months for each market in the region. Just like any other open market system, an increase in inventory provides more choices for a "buyer" which leads to a Buyer's market where the home buyer will generally have more negotiating leverage. Conversely, when inventory levels are lower, home sellers have less competition (buyers have fewer choices), the home seller will have an advantage in setting and realizing a higher price. While there is no single rule regarding how much inventory defines a Buyer or Seller market, the inventory range of 4-6 months is generally regarded as a neutral market.

As the chart reflects, all markets are currently a Buyer's market. This market condition will likely last at least through 2008 and into 2009 before the markets may begin to move towards a neutral market.

Local Market Summaries (pages 11-17)

These charts (one for each local market) show the relationship between "supply" (homes on the market), recent "demand" (homes sold), and median price. In addition, the table below the chart shows months of inventory by month as well as the % change for each month over the same month in the prior year. Note that inventory and homes sold are measured on the left axis while median price is measured on the right axis.

The current markets have unusually high inventories and unusually low numbers of homes being sold - this is a 180 degree turn of events from the 2002 to 2005 real estate markets.

All Monthly Trend reports show 24 months of market data.

Data Sources & Definitions

Term	Definition
Home	A Home in this report is defined as a single family residential property that is "stick built" constructed. Condominiums, townhomes, multi-family properties, manufactured homes, and vacant land are not included in the definition of a "Home" in this report.
Median Price	The SOLD price of the Home in the middle of all Homes sold during that month. For example, if Homes in a given month sold for \$330,000, \$333,000, \$342,000, \$355,000, \$670,000, the median Home price is \$342,000. Since housing data has extreme values, the median is a better representation of the general level of the housing market than the average (which would be \$406,000 in this example - the sum of all values divided by 5). Prices are displayed in "thousand dollars": 500 = 500,000; 1,235 = 1,235,000 and rounded to the nearest thousand dollars for display purposes.
Price Change	% change in Median Home sale price compared to the same month in the prior year.
Home Inventory	Number of Homes listed for sale including homes that are currently in escrow.
Inventory Change	% change in the Home Inventory compared to the same month in the prior year.
Homes Sold	The number of Homes that closed escrow during the specified calendar month.
Homes Sold Change	% change in the Homes Sold compared to the same month in the prior year.
Months Inventory Definition	The number of months to <u>fully deplete</u> the Home Inventory based on the rate of Homes Sold. This is calculated by dividing the current month's Home Inventory by the average of the Total Homes Sold in the prior 12 months. (Home Inventory) / [(Total Homes Sold in prior 12 months) /12]
Information Source	The data supporting the charts in this report is obtained from the Northern Nevada Regional Multiple Listing Service (NNRMLS). This data is deemed reliable but not guaranteed. Lake Tahoe - All Lake Tahoe (NV) (MLS area 650) - Does Not Include Incline Village, Nv Reno - All Reno (MLS area 101) Sparks - All Sparks (MLS area 108) Carson City - All Carson City (MLS area 200) Carson Valley - Gardnerville/Minden/Genoa/Topaz (MLS area 300) Dayton - Dayton (MLS area 420) Fernley - All Fernley (MLS area 450)
Scope of Data	The data used in this report is based on information from the Northern Nevada Regional Multiple Listing Service® (NNRMLS) for the time period identified on this report. This data will not include homes sold outside of the NNRMLS such as For Sale By Owner homes and new homes from builders that were not listed in NNRMLS.