

Total Inventory Falls Below Prior Year Levels for First Time in 2011

According to the Greater Las Vegas Association of Realtors' Multiple Listing Service (MLS), total resale home inventory continued to decline in August, falling below prior year levels for the first time in 2011. The number of contracted homes also fell this month, attributable to declines in both the number of contingent homes and the number of pending homes sales. Meanwhile, the count of distressed properties declined, but they continue to represent the majority share of resale home inventory. Although total inventory is below prior year levels, the resale home market remains somewhat fragile.

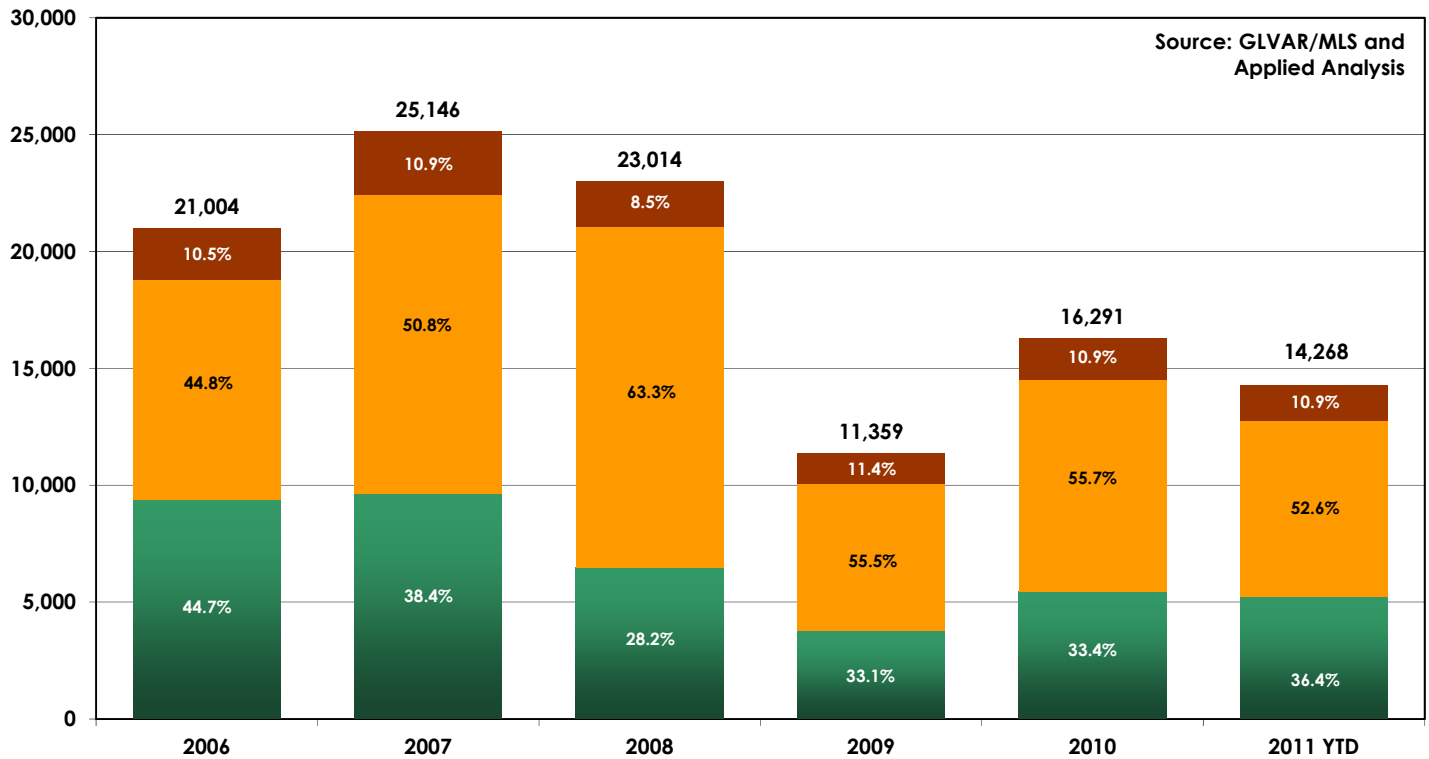
- Total inventory is continuing to decline, while share of owner occupied homes is increasing slightly.** After reporting increases in July, the number of owner occupied homes fell to 5,211 in August. Owner occupied homes now account for 36.5 percent of total inventory, which is a 2.2-percentage point increase over last year. Tenant occupied homes accounted for 10.7 percent of total resale home inventory by the end of August with 1,522 properties. The share is down 0.2-percentage points from August 2010. The number of vacant homes fell to 7,535 in August 2011. Vacant homes now account for 52.8 percent of total inventory, which is a 2.0-percentage point decrease from last year. Total inventory was 14,268 by the end of August 2011, down 3.9 percent when compared to last year. Compared to the preceding month (July 2011), availability remains down 3.0 percent, with owner-occupied, tenant-occupied and vacant homes all reporting declines.
- The number of contracted homes is declining.** The number of contracted homes (contingent and pending) fell to 13,284 by the close of August 2011, which is 4.3 percent less than August 2010. Contingent homes, properties in which a contract is in place, but closing depends on certain factors, totaled 10,724 by the end of the month. The total is down 5.1 percent when compared to last year. Meanwhile, there were 2,560 pending homes in August 2011. Pending homes are those that have completed all significant hurdles and are awaiting customary closing procedures. Compared with last month, the number of pending homes declined a significant 9.5 percent. However, when compared with last year, the decline was a less dramatic 0.7 percent.
- The number of distressed properties is declining, but they continue to account for the majority of total inventory.** There were 3,249 bank owned properties listed as available at the end of August, which accounts for 22.8 percent of total inventory. The number of bank owned properties has increased 11.5 percent since last year, while as a share of total listings, REOs have increased 3.2-percentage points. Short sale listings totaled 6,334 at the end of August, representing 44.4 percent of total availability. The number of short sales listings has declined 5.6 percent since last year, while the relative share has fallen a modest 0.8-percentage point. Although the number of distressed properties (bank owned and short sale) has declined 0.4 percent since last year, they accounted for 67.2 percent of total inventory in August, representing a 2.4-percentage point increase from the 64.8 percent share reported in August 2010.

Trends of "Available" Homes by Occupancy Status

	Owner-Occupied			Tenant-Occupied			Vacant			Total Availability		
	Value	Share	Trend	Value	Share	Trend	Value	Share	Trend	Value	Share	Trend
2006	9,383	44.7%		2,202	10.5%		9,419	44.8%		21,004	100.0%	
2007	9,651	38.4%		2,730	10.9%		12,765	50.8%		25,146	100.0%	
2008	6,485	28.2%		1,965	8.5%		14,564	63.3%		23,014	100.0%	
2009	3,759	33.1%		1,296	11.4%		6,304	55.5%		11,359	100.0%	
2010	5,443	33.4%		1,768	10.9%		9,080	55.7%		16,291	100.0%	
2011 YTD	5,211	36.5%		1,522	10.7%		7,535	52.8%		14,268	100.0%	

Greater Las Vegas Area
Number of Homes Listed as "Available" by Type (End of Period)

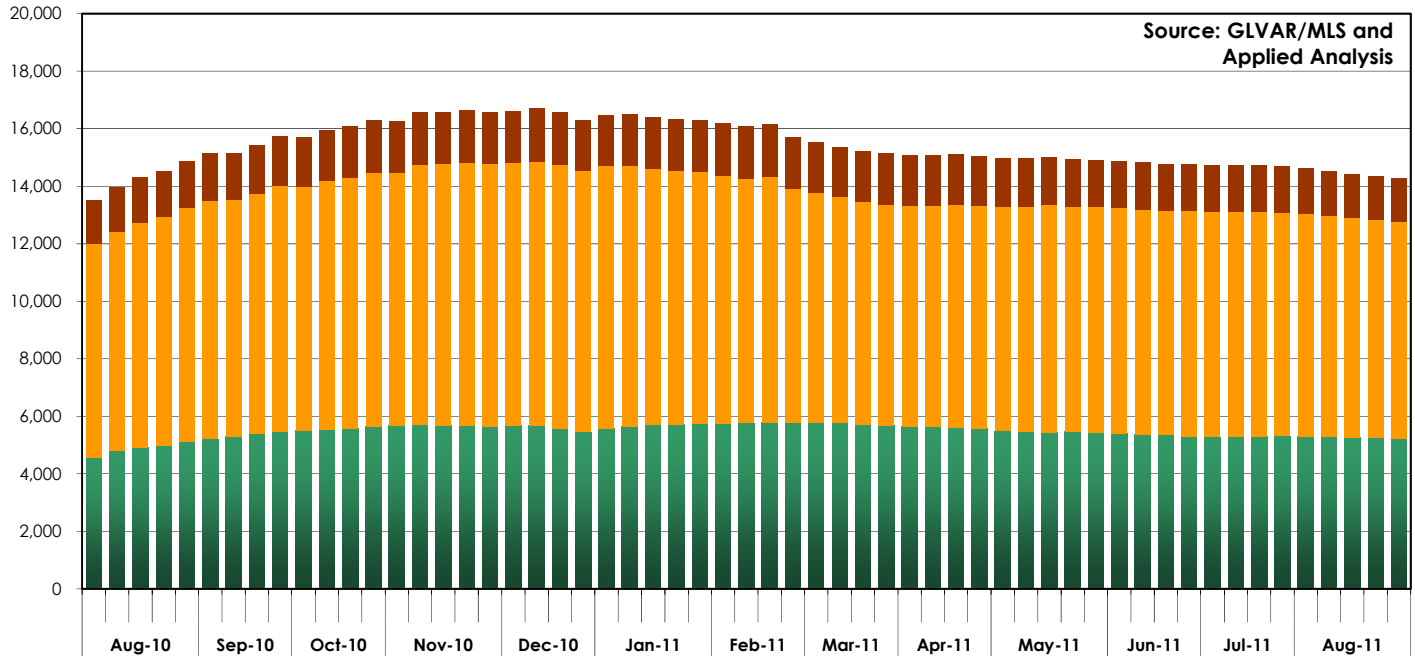
■ Owner-Occupied ■ Vacant ■ Tenant-Occupied



	Owner Occupied		Tenant Occupied		Vacant		Tenant & Vacant Share	Total	
	Units	Share	Units	Share	Units	Share		Units	Change
5/2/2011	5,488	36.6%	1,682	11.2%	7,809	52.1%	63.4%	14,979	(66) ▼
5/9/2011	5,462	36.5%	1,679	11.2%	7,823	52.3%	63.5%	14,964	(15) ▼
5/16/2011	5,447	36.3%	1,673	11.1%	7,887	52.6%	63.7%	15,007	43 ▲
5/23/2011	5,466	36.6%	1,638	11.0%	7,844	52.5%	63.4%	14,948	(59) ▼
5/30/2011	5,435	36.4%	1,632	10.9%	7,847	52.6%	63.6%	14,914	(34) ▼
6/6/2011	5,398	36.3%	1,626	10.9%	7,850	52.8%	63.7%	14,874	(40) ▼
6/13/2011	5,366	36.2%	1,630	11.0%	7,831	52.8%	63.8%	14,827	(47) ▼
6/20/2011	5,337	36.1%	1,634	11.1%	7,811	52.8%	63.9%	14,782	(45) ▼
6/27/2011	5,305	35.9%	1,625	11.0%	7,858	53.1%	64.1%	14,788	6 ▲
7/4/2011	5,277	35.8%	1,617	11.0%	7,846	53.2%	64.2%	14,740	(48) ▼
7/11/2011	5,281	35.8%	1,618	11.0%	7,833	53.2%	64.2%	14,732	(8) ▼
7/18/2011	5,284	35.9%	1,617	11.0%	7,816	53.1%	64.1%	14,717	(15) ▼
7/25/2011	5,316	36.1%	1,622	11.0%	7,769	52.8%	63.9%	14,707	(10) ▼
8/1/2011	5,302	36.2%	1,601	10.9%	7,733	52.8%	63.8%	14,636	(71) ▼
8/8/2011	5,278	36.3%	1,564	10.8%	7,697	52.9%	63.7%	14,539	(97) ▼
8/15/2011	5,245	36.4%	1,524	10.6%	7,660	53.1%	63.6%	14,429	(110) ▼
8/22/2011	5,233	36.4%	1,523	10.6%	7,605	53.0%	63.6%	14,361	(68) ▼
8/31/2011	5,211	36.5%	1,522	10.7%	7,535	52.8%	63.5%	14,268	(93) ▼

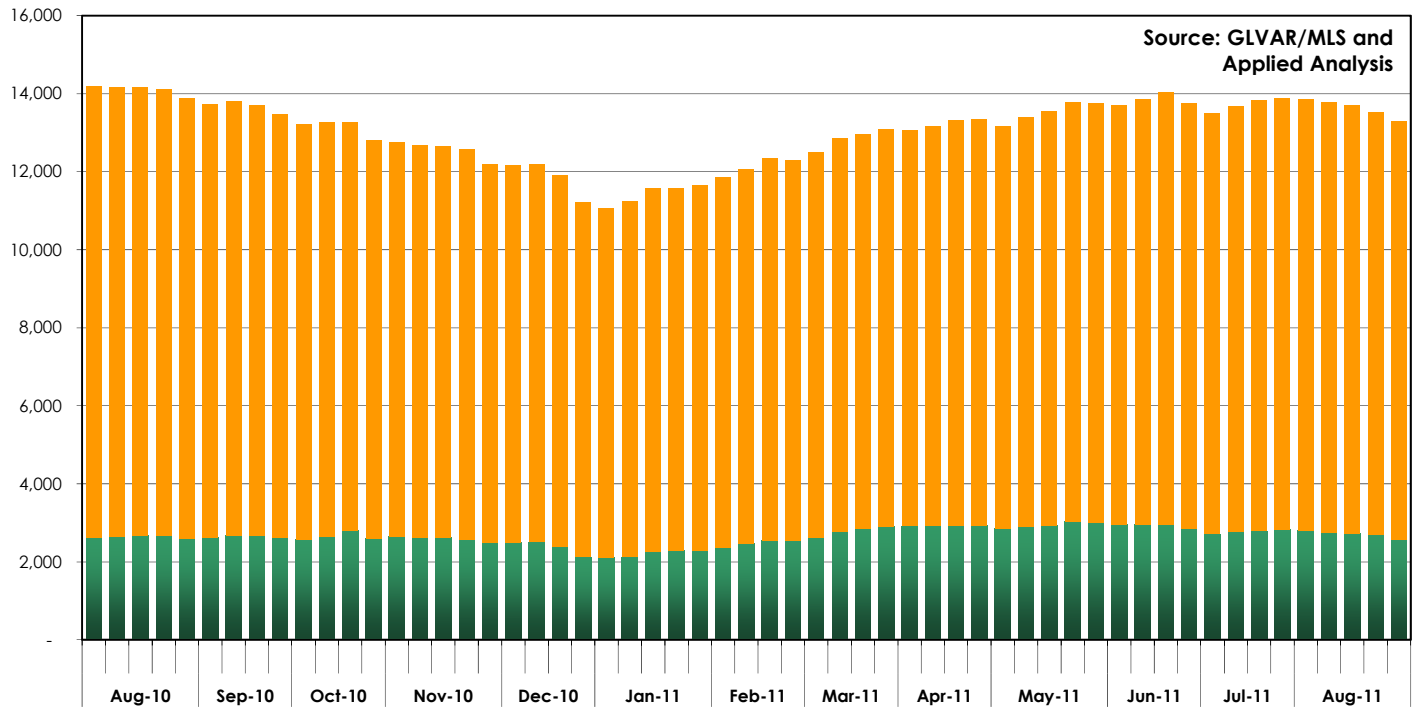
Greater Las Vegas Area
Weekly Number of Homes Listed as "Available" by Type

■ Owner-Occupied ■ Vacant ■ Tenant-Occupied

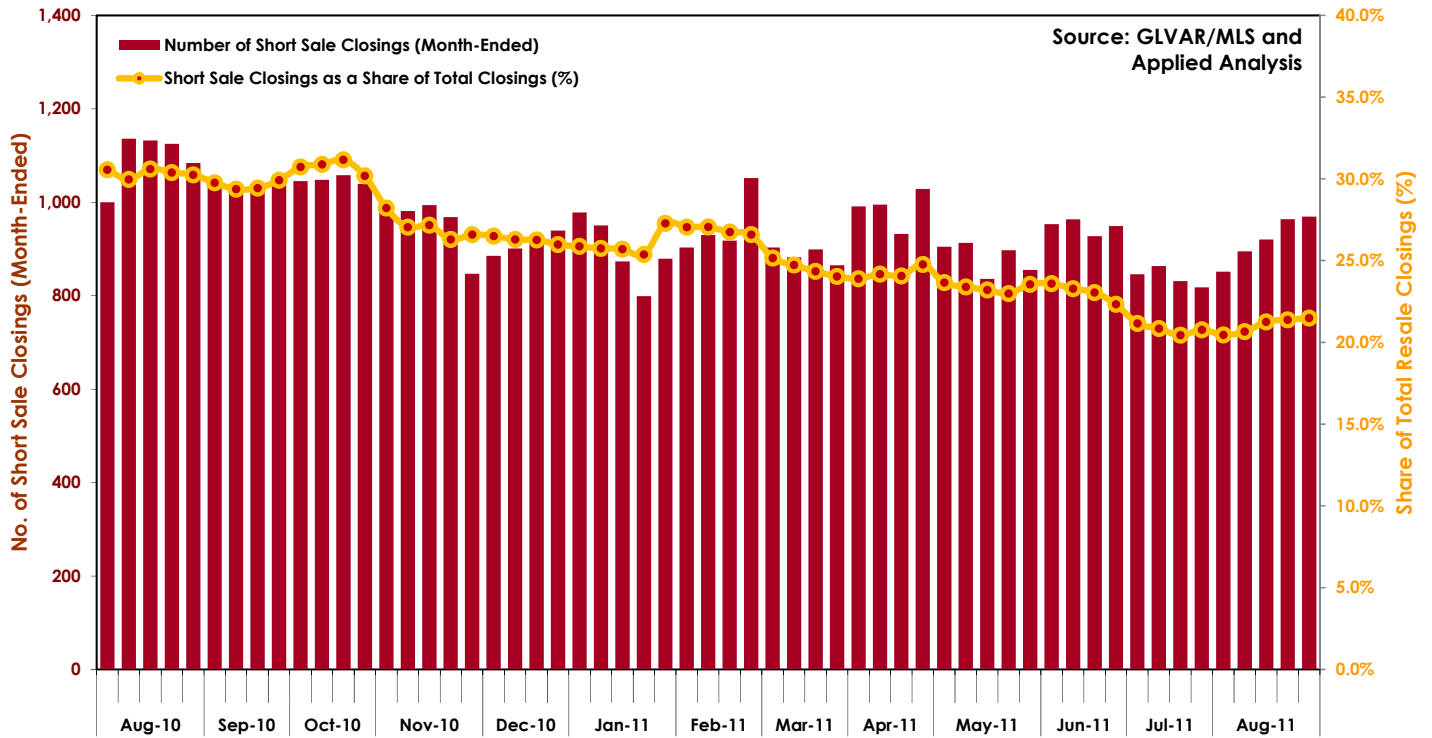


Greater Las Vegas Area
Weekly Number of Homes Listed as "Pending" or "Contingent"

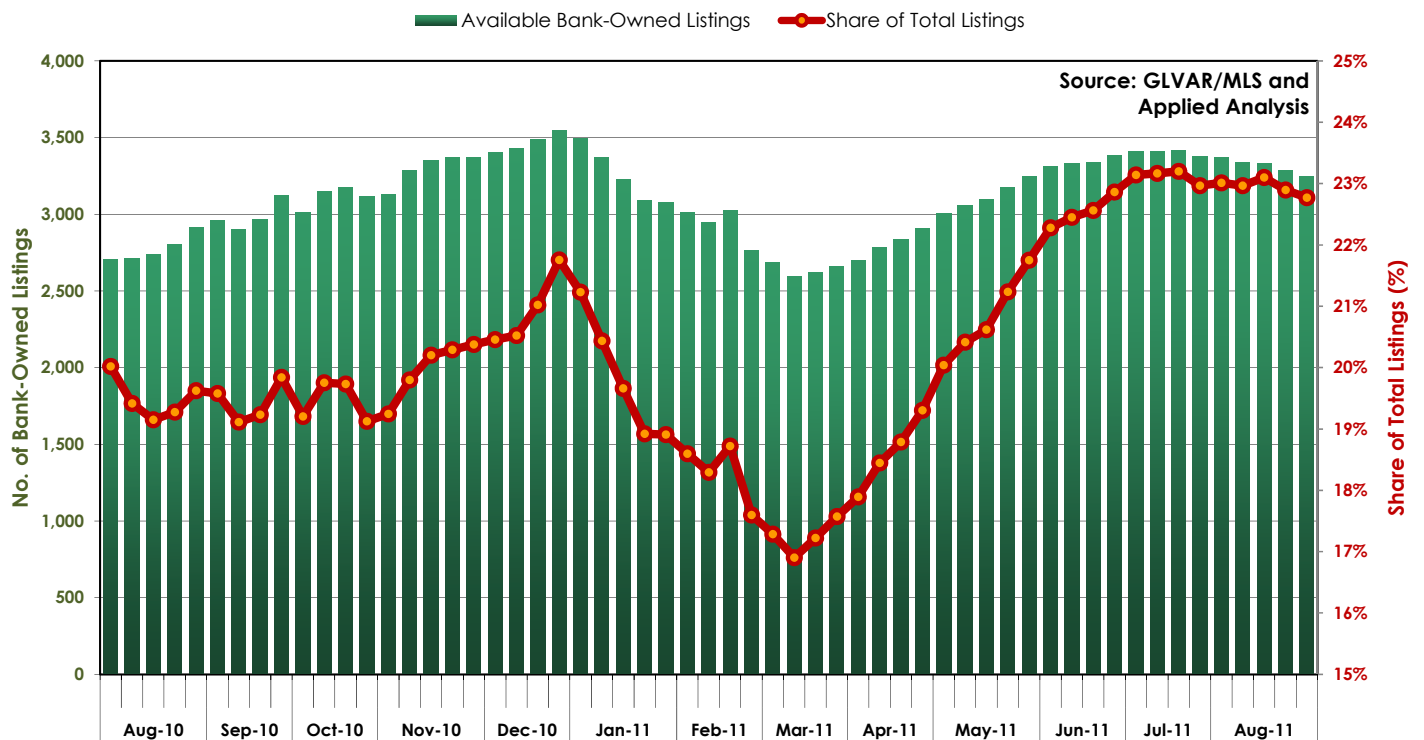
■ Pending ■ Contingent



Greater Las Vegas Area Short Sale Closings and Share of Total (Month-Ended)



Greater Las Vegas Area Weekly Number of Bank-Owned Homes Listed as "Available"



What is Market Watch: Resale Home Inventory?

The Applied Analysis team updates over 350 market variables and economic indicators on a monthly basis. One set of those indicators is the number of resale homes on the market (those listed with Realtors in the Greater Las Vegas Association of Realtors' Multiple Listing Service) in the Las Vegas valley. Inventory levels provide some insight into the market's likely performance. The Market Watch includes data points on the number of units available and further delineates the data by occupancy status, which includes owner-occupied, vacant and tenant-occupied.

Who is Applied Analysis?

Applied Analysis is a Nevada-based advisory services firm founded in 1997. We are an information and analysis resource for both the public and private sectors. Our team has extensive experience in economics, information technology and finance. We apply this knowledge in an effort to develop creative solutions to our client's challenges.

Our team has performed analyses in Nevada, California, Mississippi, Colorado and Illinois. We have serviced a broad spectrum of business clients, from gaming operators to healthcare providers. Our public sector practice has analyzed the fiscal and economic impact of developments from five to 23,000 acres, and handled policy issues spanning business tax initiatives to the cost of air quality programs.

Our vision and goals have been the same since our inception. We strive to provide superior advisory services through a better understanding of our clients and their issues. We obtain this superior understanding through listening closely to our clients' needs and designing solutions that take into account their unique nature, circumstances and requirements.

To put it simply, we are a solutions resource. Our future is branded by the success of our clients and the quality of our professionals. Our commitment lies therein.

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