

TAHOE-TRUCKEE REGION

A market overview of single-family detached home sales

Q2
2010

TAHOE MEDIAN PRICE**



TRUCKEE MEDIAN PRICE**



Homes Sales Improve Year Over Year Despite Tighter Inventory, Continued Price Uncertainty

Favorable home prices and mortgage interest rates and the April 30 deadline for buyers to take advantage of federal tax incentives fueled a sharp increase in sales of existing, single-family detached homes across the Tahoe-Truckee region during the second quarter of 2010, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

Sales of homes in the Truckee area improved by 21 percent from the second quarter of 2009 and were up 15 percent from the first quarter. Tahoe Donner® led the pace with 51 sales for the quarter, followed by Truckee with 44 closed sales and Golf Course Communities with 24 sales. In a sign the market is stabilizing, the median sales price of a home sold in the Truckee area declined a modest 1 percent from \$535,594 in the first quarter and \$532,349 in the second quarter of last year to \$529,275 in this year's second quarter.

For the quarter, 67 existing detached homes changed hands in the greater Lake Tahoe area, a 63 percent increase over the same period a year ago and a 24 percent increase from the first quarter. North Shore led the pace with 34 sales for the quarter, followed by West Shore (19 sales) and Tahoe City (8 sales). Homebuyers continue to take advantage of value pricing across all markets as the median sales price of a home sold in the Lake Tahoe area

during the second quarter fell to \$478,358, down 9 percent from the first quarter, when it stood at \$550,797, and 27 percent below last year's second quarter median price, which stood at \$657,683.

Observers say two factors are influencing home sales and prices across both areas. First, two-thirds of home sales in the second quarter involved traditional, non-distressed transactions, while the remaining one-third involved bank-owned or short sale purchases. Second, sellers are pricing properties more competitively, and that is attracting offers from buyers and reducing the average number of days a home is on the market before sale. The exception was in the Golf Course Communities area of Lake Tahoe, where the average number of days a home was on the market rose by 96 days for the quarter.

With the expiration of federal tax incentives, summer-season homebuyers who plan to occupy a home after purchase may want to inquire about the HUD/FHA 203k loan, which offers a low down payment bundled with a home renovation program and also is available on qualified homes over \$700,000. Fewer bargain-priced bank REO properties on the market should continue to help stabilize home prices and may coax additional buyers off the sidelines.

M A R K E T C O M P A R I S O N

Area	Homes Sold Q2/10	Homes Sold Q2/09	% Change	Avg DOM* Q2/10	Avg DOM* Q2/09	Change '10/'09 (days)	Median Price Q2/10	Median Price Q2/09	% Change
Tahoe Area									
Alpine Meadows	4	5	-20	109	150	-41	\$722,250	\$821,000	-12
North Shore	34	18	89	116	112	4	\$382,000	\$475,000	-20
Squaw Valley	2	0	200	87	-	-	\$737,500	-	-
Tahoe City Area	8	2	300	78	296	-218	\$578,500	\$1,615,000	-64
West Shore	19	16	19	119	190	-71	\$530,000	\$692,500	-23
Truckee Area									
Donner Lake	2	6	-67	126	172	-46	\$421,500	\$502,450	-16
Glenshire Area+	15	9	67	136	158	-22	\$310,000	\$365,000	-15
Golf Course Communities++	24	22	9	222	126	96	\$658,625	\$624,500	5
Northstar	4	3	33	307	329	-22	\$1,540,000	\$710,000	117
Tahoe Donner®	51	48	6	104	133	-29	\$543,500	\$574,500	-5
Truckee	44	28	57	164	152	12	\$430,000	\$428,850	.3

* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.

**The median home price for the entire county is the mean of median home prices of areas within the Tahoe and Truckee areas.

+ Glenshire Area includes communities of Glenshire, Cambridge Estates, Devonshire Estates and Rolling Hills Ranchos.

++ Some listings in Golf Course Communities overlap with Tahoe Donner® and Truckee.

Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number. Produced by the Prudential California Realty Research Division.