

TAHOE-TRUCKEE REGION

A market overview of single-family detached home sales

Q4
2009

TAHOE AREA
MEDIAN PRICE



TRUCKEE AREA
MEDIAN PRICE



Attractive Prices, Mortgage Rates Drive Sharp Increase in Home Sales During Fourth Quarter

Homebuyers seeking a second home or investment property took advantage of low interest rates and favorably priced bank-owned and short-sale properties across the Lake Tahoe-Truckee region during the fourth quarter of 2009, fueling a sharp increase in sales of existing single-family detached homes compared with earlier quarters, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

In the Lake Tahoe area, fourth-quarter home sales jumped 107 percent from the same period of 2008 and improved by 147 percent on an annualized basis in the West Shore community, 125 percent in Tahoe City and 91 percent in the North Shore area. All told, 95 Lake Tahoe-area homes changed hands in the fourth quarter compared with 77 home sales recorded in the third quarter and 46 in the fourth quarter of 2008. In the Truckee area, detached home sales increased by 80 percent from the fourth quarter of 2008 behind sharply higher year-over-year sales in Donner Lake (+1,100%), the Glenshire Area (+211%), Northstar (+100%) and Truckee (+77%). For the quarter, 212 homes were sold in the Truckee area, up from 169 in the third quarter and 118 a year ago.

Across the region, bank-owned properties and short-sale offerings continued to dominate sales and dilute home prices. For the quarter, approximately 8 percent of completed transactions in Tahoe City and about 7 percent of transactions in

Truckee involved a short sale. Sales of bank-owned properties were more pervasive: Around the greater North Lake Tahoe area, 23 percent of closings involved REO properties, while 16 percent of all closed sales in the Truckee area were bank-owned.

The result? The median price of a home sold in the Lake Tahoe area during the fourth quarter tumbled 21 percent from \$637,772 a year ago to \$503,379. In the Truckee area, the median sales price slid 8 percent from \$619,644 a year ago to \$570,132 in this year's fourth quarter. The most active properties were those priced in the \$300,000 to \$500,000 range, where multiple offers were common. Activity in the higher price ranges was extremely limited as potential buyers retreated to the sidelines.

For the foreseeable future, the Tahoe-Truckee region will continue to offer a wide range of properties to homebuyers in the position to take advantage of some of the best prices in years on owner-occupied, vacation or investment properties. Sellers will continue to experience stiff price competition in the form of bank-owned homes. First-time buyers seeking a primary residence will benefit from the federal government's extension of the \$8,000 tax credit for sales contracts initiated before April 30, 2010, and qualified homeowners may be motivated to trade up by a \$6,500 credit now available to them.

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

Area	Homes Sold Q4/09	Homes Sold Q4/08	% Change	Avg DOM* Q4/09	Avg DOM* Q4/08	Change 09/08 (days)	Median** Price Q4/09	Median** Price Q4/08	% Change
TAHOE AREA									
Alpine Meadows	4	3	33	163	81	82	\$1,016,500	\$1,572,500	-35
North Shore	44	23	91	138	139	-1	\$450,000	\$515,000	-13
Squaw Valley	1	1	0	6	249	-243	\$963,000	\$795,000	21
Tahoe City Area	9	4	125	152	141	11	\$565,000	\$557,500	1
West Shore	37	15	147	143	172	-29	\$510,000	\$650,000	-22
Tahoe Area Total	95	46	107	120	156	-36	\$503,379	\$637,772	-21
TRUCKEE AREA									
Donner Lake	12	1	1,100	146	168	-22	\$815,000	\$396,000	106
Glenshire Area+	28	9	211	114	131	-17	\$437,050	\$375,000	17
Golf Course Communities++	31	22	41	96	76	20	\$638,000	\$618,000	3
Northstar	6	3	100	128	119	9	\$887,500	\$2,875,000	-70
Tahoe Donner®	80	52	54	101	106	-5	\$610,750	\$638,000	-4
Truckee	55	31	77	109	97	12	\$452,500	\$450,000	1
Truckee Area Total	212	118	80	116	116	0	\$570,132	\$619,644	-8

*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 aggregate median home price for Tahoe and Truckee represent the weighted mean of median home prices for each area.

++ 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.