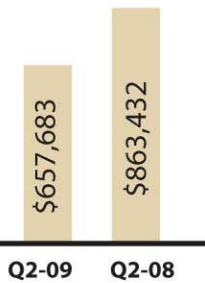


TAHOE-TRUCKEE REGION

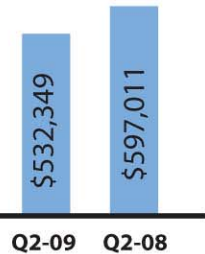
A market overview of single-family detached home sales

Q2
2009

TAHOE AREA MEDIAN PRICE



TRUCKEE AREA MEDIAN PRICE



Favorable Conditions Entice Lake Tahoe, Truckee Homebuyers; Second Quarter Trends Expected to Continue

Homebuyers are returning to the market in growing numbers to take advantage of continued low interest rates, a new homebuyer's tax credit, extremely favorable pricing and a large inventory of homes on the market throughout the Tahoe-Truckee region, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

First-time buyers seeking a primary home are being enticed by an \$8,000 federal income tax credit available on purchases made before December 1, 2009. More experienced buyers and investors, meanwhile, are finding unheard-of pricing on one-of-a-kind vacation properties. And sellers and banks are breathing at least a temporary sigh of relief as prices showed some signs of stability from the first to second quarters of 2009.

In the communities that comprise the Lake Tahoe area, second quarter 2009 home sales climbed 11 percent from the same period a year ago. The majority of the 41 sales of existing single-family detached homes that closed during the quarter occurred in the North Shore (18 transactions) and West Shore (16 transactions) areas.

The median price of a Lake Tahoe-area home sold in the second quarter fell by 24 percent compared with the same quarter of 2008, declining from \$863,432 a year ago

to \$657,683 in the second quarter as the share of homes sold in the highest price ranges fell to almost zero. More significantly, the median sales price actually increased in three of the five most active Tahoe-area communities between the first and second quarters of 2009 – an early signal that the market may be stabilizing.

In the Truckee area, the number of homes sold during the first quarter of 2009 declined by a slight 2 percent as lower home prices helped encourage buyers to consider a purchase. The three most active sales markets were Tahoe Donner®, with 48 homes sold (down only 2 percent from a year ago); Truckee, with 28 home sales (down 15 percent from last year); and Golf Course Communities, where 22 homes changed hands (an increase of 37 percent).

Compared with the second quarter of 2008, the median sales price in the Truckee area fell by 11 percent across the board. Even so, the median sales price increased in Tahoe Donner®, the Glenshire Area and Donner Lake between the first and second quarters of 2009, reflecting more realistic pricing by sellers and a lack of inventory that pushed some prices higher.

Area-wide, extremely favorable interest rates on construction loans are encouraging renewed interest in sales of undeveloped lots.

M A R K E T C O M P A R I S O N									
Area	Homes Sold Q2/09	Homes Sold Q2/08	% Change	Avg DOM* Q2/09	Avg DOM* Q2/08	Change 09/08 (days)	Median** Price Q2/09	Median** Price Q2/08	% Change
TAHOE AREA									
Alpine Meadows	5	3	67	150	104	46	\$821,000	\$890,000	-8
North Shore	18	11	64	112	100	12	\$475,000	\$650,000	-27
Squaw Valley	0	2	-100	-	9	-	-	\$3,400,000	-
Tahoe City Area	2	4	-50	296	108	188	\$1,615,000	\$691,000	134
West Shore	16	17	-6	190	134	56	\$692,500	\$739,000	-6
Tahoe Area Total	41	37	11	187	91	76	\$657,683	\$863,432	-24
TRUCKEE AREA									
Donner Lake	6	2	200	172	209	-37	\$502,450	\$629,000	-20
Glenshire Area+	9	14	-36	158	102	56	\$365,000	\$439,450	-17
Golf Course Communities++	22	16	37	126	130	-4	\$624,500	\$752,000	-17
Northstar	3	4	-25	329	146	183	\$710,000	\$1,095,000	-35
Tahoe Donner®	48	49	-2	133	112	21	\$574,500	\$635,000	-10
Truckee	28	33	-15	152	157	-5	\$428,850	\$470,000	-9
Truckee Area Total	116	118	-2	178	143	36	\$532,349	\$597,011	-11

* 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 weighted 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.



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