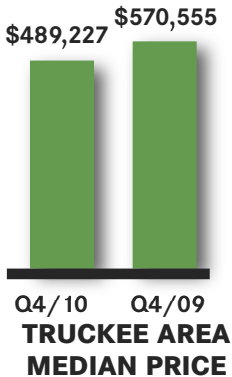


Homebuyers Hit the Slopes

As Favorable Prices, Interest Rates Stimulate Year-End Sales

FOURTH QUARTER 2010



TAHOE/TRUCKEE REGION

The best snow conditions in years, favorable home prices and interest rates and a good selection of homes for sale in most price ranges helped soften the typical seasonal slowdown in sales of existing, single-family detached homes across the Lake Tahoe/Truckee region during the fourth quarter of 2010, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

In the Lake Tahoe area, fourth quarter home sales kept pace with third quarter and fourth quarter of 2009 figures in North Shore and West Shore, while previously sleepy Alpine Meadows and Squaw Valley both registered sharp increases in sales compared with the previous quarter and year-ago periods as buyers and sellers sought to close transactions by the end of the tax year. Ninety-one homes changed hands in the fourth quarter, down from 93 in the third quarter and 99 homes sale in the final quarter of 2009.

Stronger than usual homebuyer interest and a higher percentage of sales in the middle and upper price ranges helped maintain the median sales price of homes sold in the Lake Tahoe area at \$503,407 in the fourth quarter, down 2 percent from \$516,054 in the third quarter but up a percentage point from \$497,111 in the fourth quarter of 2009. Tahoe City registered both quarter-over-quarter and year-over-year improvement in its median sales price, while the area's most active markets, North Shore and West Shore, experienced fairly sharp declines in the median sales price

as homebuyers took advantage of bank short sales.

In the adjacent Truckee area, 165 home sales closed during the fourth quarter, up 11 percent from 149 in the third quarter but down 21 percent from 208 sales in the previous year's fourth quarter. Tahoe Donner® experienced a bump in home sales compared with the third quarter, as did Northstar and Donner Lake, while the Glenshire Area, Golf Course Communities and Truckee sales held steady at their prior-quarter pace. Even so, home sales declined in all six Truckee-area communities on an annualized basis, a slowdown that may reflect the absence of the federal income tax credit that lured homebuyers during last year's fourth quarter.

The median sales price of a Truckee-area home was \$489,227 in the fourth quarter, down just 2 percent from \$499,262 in the third quarter and 14 percent from \$570,555 in the last quarter of 2009. Northstar registered the lone year-over-year increase in median sales price with a 62 percent jump, although its rise was driven more by the mix of properties sold than by any lasting price appreciation trend.

Looking ahead, winter homebuyers should find a wide variety of attractive properties and prices with bank short sales continuing to play a significant role across the two real estate markets. Conventional home sellers will face strong competition from these value-priced properties, necessitating a realistic pricing strategy and increasing the likelihood that it may take longer to sell a home.

TAHOE/TRUCKEE REGION YEAR-TO-YEAR MARKET COMPARISON

City	Homes Sold Q4/10	Homes Sold Q4/09	% Change	Avg DOM* Q4/10	Avg DOM* Q4/09	Change (days)	Median Price Q4/10	Median Price Q4/09	% Change
TAHOE AREA									
Alpine Meadows	8	4	100	218	163	55	\$620,000	\$1,016,500	-39
North Shore	39	44	-11	157	138	19	\$380,000	\$450,000	-16
Squaw Valley	9	1	800	139	6	133	\$1,100,000	\$550,000	100
Tahoe City Area	5	13	-62	169	121	48	\$790,000	\$456,000	73
West Shore	30	37	-19	112	143	-31	\$406,000	\$510,000	-20
TRUCKEE AREA									
Donner Lake	6	12	-50	163	146	17	\$510,000	\$815,000	-37
Glenshire Area+	15	28	-46	109	114	-5	\$375,000	\$437,050	-14
Golf Course Communities++	25	31	-19	88	96	-8	\$515,000	\$638,000	-19
Northstar	5	6	-17	119	128	-9	\$1,438,500	\$887,500	62
Tahoe Donner®	71	80	-11	84	101	-17	\$520,000	\$610,750	-15
Truckee	43	51	-16	72	113	-41	\$350,000	\$445,000	-21

* 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.

+ 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.