

Short Sale Bargains Attract Late-Spring Buyers

Renewed Interest in Second or Vacation Homes

SECOND QUARTER 2011

TAHOE/TRUCKEE REGION

A record snow season and plentiful selection of real estate bargains in every price range combined to ignite a spark in Lake Tahoe and Truckee-area home sales during the second quarter of 2011, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

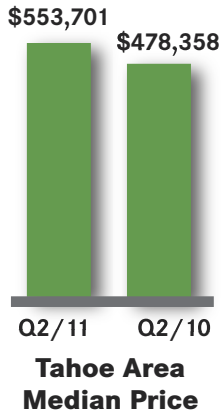
Home sales in the Lake Tahoe area were flat compared with the much drier second quarter of 2010 but climbed 18 percent from the first quarter of this year as homebuyers – including some with all-cash offers – came off the slopes long enough to snap up middle- to higher-end lakeside and lakeshore-adjacent short sale bargains. Home sales were up 30 percent for the quarter in the North Shore area and remained stable from the prior quarter in Alpine Meadows, Tahoe City and West Shore.

Increased sales of higher-end homes resulted in a commensurate increase in the median sales price. For the second quarter, Lake Tahoe's median sales price was \$553,701, up 14 percent from \$487,088 in the first quarter and 16 percent higher than last year's second-quarter median price of \$478,358. The median price was up a whopping 61 percent for the quarter and 43 percent for the year in the busy North Shore area, and jumped 90 percent from a year ago in Squaw Valley due to a change in the mix of properties sold. Where home sales were more consistent, prices dipped on both a quarter-to-quarter and year-over-year basis. A substantive increase from an average of 102 days on the market a year ago to 156 days on the market this year reflects the presence of large numbers of short sales, which can take longer to negotiate, and conventional sellers with homes priced too high for the market.

Home sales were up 17 percent for the quarter and 6 percent for the year in the Truckee area, although sales essentially were little-changed from the previous quarter in most communities. The exception was in the Town of Truckee, where home sales were up 53 percent from the first quarter behind a softening in the median sales price. Donner Lake, the Glenshire area, Northstar and Truckee all recorded strong year-over-year sales, while sales fell for both the quarter and the year in the Golf Course Communities. The number of days a home was on the market before sale declined from 177 days a year ago to 140 days in the second quarter as the Glenshire area, Northstar, Golf Course Communities, Truckee and Tahoe Donner® experienced significantly faster listing to contracted-offer timeframes.

A smaller percentage of high-end sales for the quarter caused the median sales price of Truckee-area homes to fall from \$471,984 in the first quarter to \$441,230 in the second quarter, a 7 percent decline and a 17 percent drop from \$529,275 a year ago. The exception was the Golf Course Communities area, where a mix of higher-priced sales pushed the median price 40 percent higher for the quarter and 14 percent higher for the year.

Looking ahead, the continued presence of a steady inventory of short sale offerings in all communities and price ranges and favorable interest rates provides outstanding opportunities for homebuyers looking for either a primary residence or a vacation or second home. For sellers, price is the key in what remains a buyers' market. Properties in top condition and in a prime location will continue to attract buyers and offers.



TAHOE/TRUCKEE REGION YEAR-TO-YEAR MARKET COMPARISON

City	Homes Sold Q2/11	Homes Sold Q2/10	% Change	Avg DOM* Q2/11	Avg DOM* Q2/10	Change (days)	Median Price Q2/11	Median Price Q2/10	% Change
TAHOE AREA									
Alpine Meadows	4	4	0	134	109	25	\$434,500	\$722,250	-40
North Shore	30	34	-12	191	116	75	\$547,000	\$382,000	43
Squaw Valley	4	2	100	168	87	81	\$1,400,000	\$737,500	90
Tahoe City Area	8	8	0	138	78	60	\$566,250	\$578,500	-2
West Shore	21	19	11	150	119	31	\$420,000	\$530,000	-21

TRUCKEE AREA

Donner Lake	6	2	200	285	126	159	\$270,000	\$421,500	-36
Glenshire Area+	23	15	53	93	136	-43	\$299,000	\$310,000	-4
Golf Course Communities++	17	24	-29	169	222	-53	\$750,000	\$658,625	14
Northstar	6	4	50	82	307	-225	\$739,550	\$1,540,000	-52
Tahoe Donner®	45	51	-12	80	104	-24	\$469,000	\$543,500	-14
Truckee	52	44	18	132	164	-32	\$364,500	\$430,000	-15

* 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.