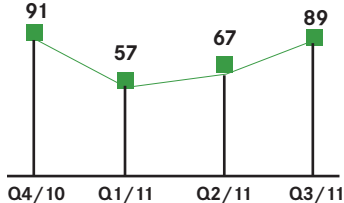


Snowy First Half Sparks Active Summer Home Market

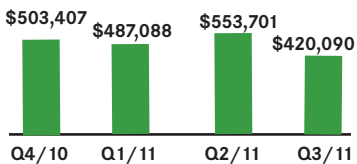
Vacation Home Buyers Attracted by Favorable Prices, Interest Rates

THIRD QUARTER 2011

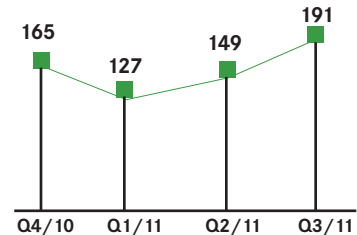
Tahoe Unit Sales



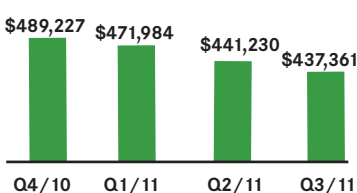
Tahoe Median Price



Truckee Unit Sales



Truckee Median Price



TAHOE/TRUCKEE REGION

Potential homebuyers distracted by record snowfall in the first two quarters of 2011 turned their attention back to the unprecedented inventory of priced-to-sell homes and favorable mortgage interest rates available throughout the Lake Tahoe and Truckee areas during the third quarter, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

Sales of existing, single-family detached homes in the Lake Tahoe area rose from 67 in the snowbound second quarter to 89, a 33 percent increase and just four sales below the 93 sales completed in the third quarter of 2010. In the Truckee area, 191 existing homes changed hands in the third quarter, up 28 percent from 149 homes sold in the second quarter and 27 percent from 150 homes sold in last year's third quarter.

Bank short sales and REOs continued to influence the performance of the resale home market, although sales involving a traditional homebuyer and home seller continue to account for the majority of transactions. In the Lake Tahoe and Truckee areas combined, nearly 25 percent of third quarter home sales involved a distressed property.

The median price of a home sold declined in both areas compared with the previous quarter and year-ago period as some home sellers adjusted pricing to be more competitive with bank-owned and short sale offerings. The median price of a home sold in the Lake Tahoe area during the third quarter fell 24 percent from \$553,701 in the second quarter to \$420,090, a 19 percent decline from \$516,054 a year ago. In the Truckee area, the median sales price slipped slightly from \$441,230 in the second quarter to \$437,361 in the third quarter.

– 12 percent below last year's third quarter median price of \$498,867.

In the Lake Tahoe area, the West Shore and North Shore communities led the third quarter pace with 35 and 32 home sales, respectively. Home sales remained unchanged or were up from the previous quarter in all five Lake Tahoe-area communities included in the report and in three of the five on an annualized basis. Home prices, meanwhile, were down on both a quarterly and annualized basis in four of five Lake Tahoe-area communities, the exception being a 9 percent quarter-over-quarter increase in the median price of homes sold in West Shore.

Similarly, third quarter home sales were unchanged or slightly higher on a quarterly basis in all six Truckee-area communities and on an annualized basis in all but Golf Course Communities, where home sales declined by 8 percent. Tahoe Donner® led the way with 67 sales, up sharply from 45 in the second quarter, followed by Truckee with 52 home sales in both the second and third quarters. The median home price, meanwhile, rose on a quarterly basis in four of six Truckee-area communities but declined in all six markets compared with the year-ago period.

Looking ahead, a steady inventory of short sale offerings in all communities and many price ranges and favorable interest rates provide outstanding opportunities for homebuyers looking for either a primary residence or a second or vacation home. For sellers, price remains the key in a market that continues to favor buyers. Properties in top condition and in a prime location will attract both buyers and, in some cases, multiple offers.

TAHOE/TRUCKEE REGION YEAR-TO-YEAR MARKET COMPARISON

City	Homes Sold Q3/11	Homes Sold Q3/10	% Change	Avg DOM* Q3/11	Avg DOM* Q3/10	Change (days)	Median Price Q3/11	Median Price Q3/10	% Change
TAHOE AREA									
Alpine Meadows	4	3	33	242	172	70	\$405,000	\$480,000	-16
North Shore	32	38	-16	99	78	21	\$363,000	\$411,500	-12
Squaw Valley	5	6	-17	248	168	80	\$638,000	\$1,545,000	-59
Tahoe City Area	13	13	0	126	96	30	\$374,000	\$472,000	-21
West Shore	35	33	6	99	113	-14	\$460,000	\$470,000	-2
TRUCKEE AREA									
Donner Lake	15	2	650	101	155	-54	\$280,000	\$427,500	-35
Glenshire Area+	26	15	73	68	87	-19	\$299,500	\$335,000	-11
Golf Course Communities++	23	25	-8	66	105	-39	\$567,000	\$575,000	-1
Northstar	8	2	300	140	374	-234	\$916,000	\$2,150,000	-57
Tahoe Donner®	67	63	6	56	73	-17	\$500,000	\$525,000	-5
Truckee	52	43	21	106	108	-2	\$340,000	\$400,000	-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.



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