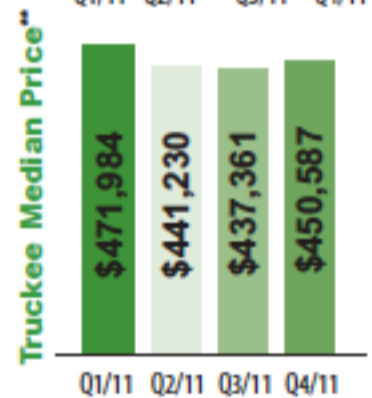
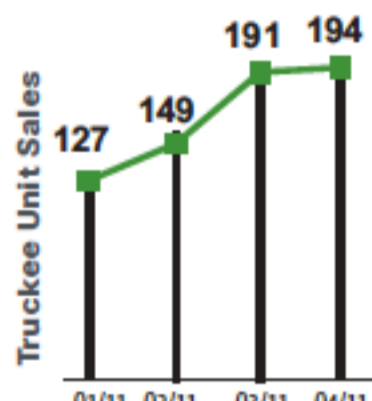
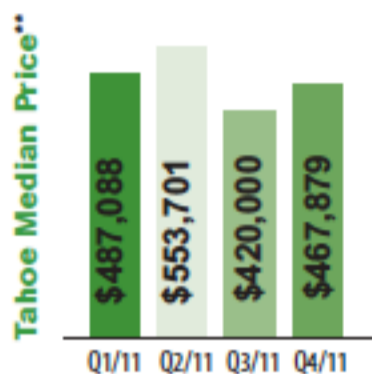
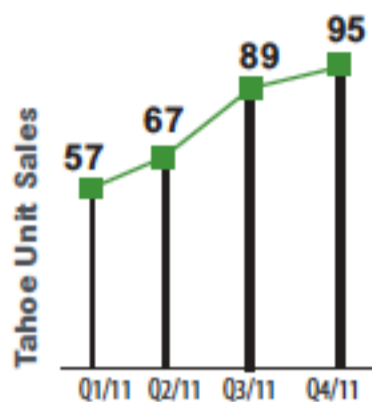


Home Sales, Prices Improve Despite No-Show Snow

End-of-Year Trends Suggest Further Improvement in 2012

FOURTH QUARTER 2011



TAHOE/TRUCKEE REGION

Anticipating a sequel to last year's early snowfall and record snowpack, potential homebuyers flocked to the Lake Tahoe and Truckee areas in the fourth quarter of 2011. While they didn't find much of "the white stuff," many did discover that home sales prices are on an upward trend in several communities – a sign that the worst of the real estate downturn may be over, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

The result was a modest overall improvement in both the number of homes sold and the closing sales price of those homes compared with the previous quarter and – in the case of home sales – compared with the previous year.

In the Lake Tahoe area, 95 existing, single-family detached homes changed hands in the fourth quarter of 2011, up 6 percent from 89 in the third quarter and 3 percent higher than in the fourth quarter of 2010. Three of five Lake Tahoe-area communities registered quarter-over-quarter increases in the number of homes sold, led by West Shore and North Shore, while Tahoe City and West Shore both recorded significant year-over-year improvement.

The median price of an existing, single-family detached home declined from the year-ago period in the Lake Tahoe area but climbed 11 percent from \$420,090 in the third quarter to \$467,879 in the fourth quarter of this year. Four of the five communities experienced substantive quarter-over-quarter median price increases but saw fairly significant annualized declines as homebuyers focused on bargain-priced properties. West Shore was the only community to experience increases over both periods.

In the Truckee area, 194 existing homes were sold in the fourth quarter, up just 2 percent from the third quarter total but

15 percent higher than the 168 homes sold during 2010's final quarter. Four of six Truckee-area communities saw the number of home sales decline on a quarter-over-quarter basis, while five of the six showed significant year-over-year improvement. Sales doubled in Donner Lake and were up by double-digits in the Glenshire, Northstar and Truckee areas.

In the Truckee area, the median sales price increased 3 percent from \$437,361 in the third quarter to \$450,587 in the fourth quarter but was down 8 percent from \$490,164 in the last quarter of 2010. Median sales prices rose on a quarterly and annualized basis in both the Golf Course Communities and Tahoe Donner® communities.

Overall, there were fewer sales of bank-owned homes. In the fourth quarter of 2011, banks sold 50 single-family detached homes, down 25 percent from 67 during the same period a year ago. Over the same period, banks negotiated a total of 59 short sale transactions, a 68 percent increase from 35 short sale transactions closed in the final quarter of 2010.

The inventory of homes on the market, as measured by the average number of days it took for a home to attract a contracted offer, averaged 156 days in Lake Tahoe, compared with 154 days a year ago. In Truckee, the average home was on the market for 165 days in the fourth quarter, up slightly from the third quarter and fairly significantly from 111 days a year ago.

Looking ahead, the combination of favorable interest rates and prices provides outstanding opportunities for homebuyers seeking a primary residence or a second or vacation home. Price and property condition remain the key factors for home sellers. Prime locations in top condition will attract both buyers and, in a growing number of cases, multiple offers.

TAHOE/TRUCKEE REGION YEAR-TO-YEAR MARKET COMPARISON

City	Homes Sold Q4/11	Homes Sold Q4/10	% Change	Avg DOM* Q4/11	Avg DOM* Q4/10	Change (days)	Median Price Q4/11	Median Price Q4/10	% Change
TAHOE AREA									
Alpine Meadows	6	8	-25	175	218	-43	\$576,250	\$620,000	-7
North Shore	31	39	-21	115	157	-42	\$375,000	\$380,000	-1
Squaw Valley	7	9	-22	168	139	29	\$875,000	\$1,100,000	-20
Tahoe City Area	10	6	67	223	143	80	\$372,500	\$782,500	-52
West Shore	41	30	37	99	112	-13	\$476,000	\$406,000	17
TRUCKEE AREA									
Donner Lake	12	6	100	190	163	27	\$327,500	\$510,000	-36
Glenshire Area+	23	15	53	66	109	-43	\$308,000	\$375,000	-18
Golf Course Communities++	30	25	20	161	88	73	\$607,500	\$515,000	18
Northstar	7	5	40	350	119	231	\$977,130	\$1,438,500	-32
Tahoe Donner®	58	71	-18	102	84	18	\$537,500	\$520,000	3
Truckee	64	46	39	118	101	17	\$315,000	\$362,500	-13

* 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.

Produced by the Research Division at Better Homes and Gardens Mason-McDuffie Real Estate.

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