

NEWS



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Lake Tahoe, Truckee-Area Homebuyers Continue to Benefit from Slower Real Estate Market in First Quarter 2009

Lake Tahoe, CA – April 23, 2009 -- Continued economic worries kept many Tahoe-Truckee vacation-home buyers on the sidelines during the first quarter of 2009 while those seeking to purchase a single-family detached home for year-round living took advantage of low interest rates, extremely favorable pricing and a sizeable inventory of pre-foreclosure and bank-owned homes on the market, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

In the communities that comprise the Truckee area, the number of homes sold during the first quarter of 2009 declined by a slight 5 percent as motivated sellers responded to the slowing economy by reducing prices. The three most active sales markets were Tahoe Donner[®], with 34 homes sold (down 11 percent from a year ago); Truckee, with 26 home sales (down 13 percent from last year); and Golf Course Communities, where 20 homes changed hands (an increase of 18 percent). Average days on market fell dramatically in the same three markets as motivated sellers lowered prices to compete with bank-owned homes or re-listed homes previously on the market at a reduced price.

With the exception of Northstar (+105%) and Truckee (+14%), area median home prices dipped by double-digits in the first quarter compared with the same quarter of 2008, led by Donner Lake (-79%), Glenshire Area (-42%), Golf Course Communities (-34%) and Tahoe Donner[®] (-22%).

In the communities that comprise the Lake Tahoe Area, first quarter 2009 home sales were down 40 percent from the first quarter of 2008 – a clear sign of the toll stock market losses have taken on vacation home communities. Only 26 homes sold during the quarter, with the

majority of those sales in the North Shore (12 transactions) and West Shore (10 transactions) areas.

The median price of a Lake Tahoe-area home sold in the first quarter fell by 15 percent compared with the same quarter of 2008, declining from \$728,391 a year ago to \$620,442 – a drop of roughly \$108,000. Homes were on the market an average of 117 days in the first quarter compared with 165 days in the previous year’s quarter as sellers aligned their pricing to be more in tune with the marketplace.

“As the peak home-buying season unfolds, the primary home market is expected to improve in response to low interest rates and a new \$8,000 federal tax credit for first-time homebuyers,” said Cathy Harry, branch manager for Prudential California Realty’s Tahoe and Truckee offices. “Second-home buyers should continue to see favorable pricing through the Spring and Summer.”

First Quarter 2009 Housing Market Survey – Lake Tahoe Area

Lake Tahoe Area	Homes Sold Q1/09	Homes Sold Q1/08	% Change	Avg. DOM* Q1/09	Avg. DOM Q1/08	Change 09/08 (Days)	Median Price** Q1/09	Median Price Q1/08	% Change
Single-Family Detached Homes	26	43	-40	117	165	-48	\$620,442	\$728,391	-15

First Quarter 2009 Housing Market Survey – Truckee Area

Truckee Area	Homes Sold Q1/09	Homes Sold Q1/08	% Change	Avg. DOM* Q1/09	Avg. DOM Q1/08	Change 09/08 (Days)	Median Price** Q1/09	Median Price Q1/08	% Change
Single-Family Detached Homes	91	96	-5	148	169	-21	\$642,440	\$749,198	-14

First Quarter 2009 Housing Market Survey – Cities in Lake Tahoe Area

Single-Family Detached Homes

Area	Homes Sold Q1/09	Homes Sold Q1/08	% Change	Avg. DOM* Q1/09	Avg. DOM Q1/08	Change 09/08 (Days)	Median Price** Q1/09	Median Price Q1/08	% Change
Alpine Meadows	2	3	-33	182	178	4	\$545,750	\$890,000	-39
North Shore	12	19	-37	103	78	25	\$512,500	\$442,200	16

Area	Homes Sold Q1/09	Homes Sold Q1/08	% Change	Avg. DOM* Q1/09	Avg. DOM Q1/08	Change 09/08 (Days)	Median Price** Q1/09	Median Price Q1/08	% Change
Squaw Valley	1	3	-67	195	209	-14	\$1,700,000	\$2,750,000	-38
Tahoe City Area	1	4	-75	4	172	-168	\$585,000	\$870,000	-33
West Shore	10	14	-29	101	189	-88	\$660,500	\$608,500	9

First Quarter 2009 Housing Market Survey – Cities in Truckee Area

Single-Family Detached Homes

Area	Homes Sold Q1/09	Homes Sold Q1/08	% Change	Avg. DOM* Q1/09	Avg. DOM Q1/08	Change 09/08 (Days)	Median Price** Q1/09	Median Price Q1/08	% Change
Donner Lake	2	1	100	44	241	-197	\$435,000	\$2,050,000	-79
Glenshire Area+	6	8	-25	202	147	55	\$290,500	\$502,500	-42
Golf Course Communities++	20	17	18	155	201	-46	\$847,500	\$1,277,000	-34
Northstar	3	2	50	232	122	110	\$1,565,000	\$762,000	105
Tahoe Donner®	34	38	-11	130	131	-1	\$557,500	\$715,000	-22
Truckee	26	30	-13	123	170	-47	\$586,500	\$515,000	14

* 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.

Prudential Real Estate is ranked “Highest in Satisfaction for Home Sellers Among National Full Service Real Estate Firms,” in J.D. Power and Associates’ 2008 Home Buyer/Seller StudySM.

About Prudential California Realty

Part of the tri-state affiliation owned by David Cobo and Ed Krafchow that includes Prudential California Realty and Prudential Nevada Realty, the organization cumulatively has more than 1700 agents and in 40 offices. Founded in 1887 as Mason-McDuffie Real Estate and transitioning to the Prudential name in 1997, Prudential California Realty (PCR) and its sister affiliation in Nevada are a leading innovator of real estate technology solutions to its agents and clients. Prudential CA/NV provides comprehensive real estate solutions when buying, selling and owning a home with more than 6,500 transactions and \$3 billion in annual sales for 2008. The company offers consumers full MLS access to home listings through its website www.PruRealty.com. Prudential California Realty is an independently owned and operated member of the Prudential Real Estate Affiliates.