

## LAKE TAHOE REPORT

Spring has sprung at Lake Tahoe, a little earlier than usual as we had a disappointing winter season. What started off with a bang became a sluggish expression of Father Winter's ability to produce copious amounts of snow...something I remember with awe in the late '60s and '70s when living in Squaw Valley, sliding on my fanny to the front door of my house above the Lodge.

So, we are off again to a drier summer with lake levels receding. However, 2012 produced the greatest number of lakefront sales on the north and west shores in history. Prices became realistic in the minds of buyers, so a lot of property changed hands. In addition, there were two sales over \$20 million on the Nevada side – the first since 2008.

The November election results have produced an influx of buyers to the Nevada side of our beautiful Lake Tahoe. The rules are strict, so if one is moving a primary residency, there are hoops to leap in order to qualify. Those with income continuing to come from California might as well relax and enjoy the Golden Bear offerings unless the long range goal is to sell out and move.

Inventory across the board is the lowest it's been in years....same story in most places across the country. However, the madness of the Bay Area real estate market is not happening here...with the exception of some multiple offers for lower priced properties (under \$500,000). The discretionary buyers, so far, continue to be very mindful of their purchases, challenging the asking prices. If something comes on the market perceived to be well priced/well presented, it will sell quickly. However, the challenge is counseling our sellers not to get caught up in the media and real estate reporting of Bay Area competitions for properties. In the past, when the Bay Area market heats up, we get the roll about 6 month later. After the 'jolt' of 2007/8, I'm not so sure that's realistic this time. The economy is in the tank globally, the stock market is off the charts, pundits pull on every slim slice of retail/employment encouragement, and the astrological predictions for the end of this year and into 2014 are not wonderful. As the discretionary buyer is being mindful, we also need to be as we plan going forward.

Good news is Lake Tahoe is not going away. It continues to be absolutely one of, if not the, most beautiful places in the world and offers fabulous amenities and soulful experiences for all who are attracted to high places. The Tahoe experience can be had for fractional ownerships of modest complexes to grand estates for multi-millions. Our most active luxury market so far this year has been in the Truckee area - Martis Camp and the new products in Northstar – Ritz-Carlton Lake Tahoe condominiums, new on-mountain homes and lots, Constellation (adjoins the Ritz-Carlton). Re-sales in Lahontan are also going great guns, with buyers being able to purchase beautiful homes well below original costs. Also in Truckee, Tahoe Donner sale are at a high pace. Good pricing and good value are driving the train, also resulting in prices going up.

The jury is out for predicting results of the Lake Tahoe/Truckee luxury real estate market this year. With interest rates low and realistic sellers, now continues to be a great time to purchase a vacation or retirement home in this beautiful destination resort area.