

# Lake Tahoe real estate in stabilization mode

By Susan Wood

Lake Tahoe real estate agents and sellers hope to spring into a new season of renewal in this hard-hit industry. But most admit in this economy, it will take a lot of special treatment and unique touches to get buyers through the door and on the deed.

“Consumer confidence is a little down affecting house sales in general. But the median price has stayed steady for 16 months now, and the inventory is a little low, but the buyer could be coming to the mindset that maybe now’s the time to buy,” said longtime real estate agent Deb Howard, who runs her own company in South Lake Tahoe. “The stabilization is huge.”

The median price of a single family home on the South Shore in March was \$310,000, the South Tahoe Association of Realtors reported in its multiple listing service. The median was \$7,500 more at this time last year. Over the year, the prices have hovered between this price and \$328,000, making many wonder if this housing market recession has reached its bottom at least in Tahoe.

Howard believes it has. Her company has logged recent sales – with a \$2 million home in escrow – that have prompted her to raise her eyebrows at the prospect of seeing the end of a true market correction from Tahoe’s heyday between 1999 and 2002 when buyers were in bidding wars over homes. Some bought without even stepping inside.

Gone may be those days. However, Howard has seen the international buyers poking around recently and activity is picking up. She’s placed more effort and energy into Internet marketing and learned catch phrases to use such as “getaway,”

“exclusive” and “lifestyle” that tap into the desire for prospects to have a world-renowned mountain lake experience.

First-time homebuyers and even those with bad credit buying with cash have come around since “financing may not be possible” for the latter, Howard indicated.

Timing is everything. South Lake Tahoe announced last week it received approval for \$800,000 in first-time homebuyer assistance awarded in California Housing and Community Development Department grant funds. The South Lake Tahoe Redevelopment Agency covers a portion of the administration costs, enabling a greater percentage of the funds to go toward the homebuyers.

Overall, the hope is spring will launch a new year of an upward swing. Month after month, national and statewide reports declaring drops in home prices and sales as well as billions tied up in banks with tight lending practices have prompted some to ponder the future of buying a home as the all-American dream. These reports don't necessarily represent the case for Tahoe, contends Howard, who serves on a resort community committee she once chaired for the National Association of Realtors. There are trends at work – and sellers at work doing the extras.

For one thing, Lake Tahoe has two peak real estate markets. They run from 4th of July to mid-October and New Year's to Easter. Baby boomers may either want to retire here with their recreational enthusiast war paint or transfer wealth at an astonishing rate to their children. Some of these so called “kids” got into the world of technology and are driving a new age of commerce, so they may not need daddy's money.

But nothing worth having comes easy. That's why, if sellers want to move their homes, they need to be creative like Mike and Sue Zanetell. To show their four-bedroom home at 927 Candlewood in South Tahoe that he built from the ground up,

she makes cookies and lets a pot of minestrone soup simmer in the kitchen.

“See, you come here and get fed,” Howard said, while Zanetell pulled out some pastries.

One unique selling feature has become a picture board of the home. One stood next to the traditional fliers and compact discs of more photographs.

“It’s critical to let the buyer know what it looks like in all four seasons,” Howard said. Zanetell’s back yard that’s good enough to be on the local garden tour was on display. For that, they’ve added Forget Me Not wildflower seeds into a baggie as an added touch for those who view the home.

Signs are put up telling viewers they can “leave their shoes on.”



Sue Zanetell shows the cabinetry in her home. Photo/Susan Wood

Zanetell’s persona envelops the Craftsman home, which comes with impeccable detail that only a builder may insist on. They’re selling the home to move to Mendocino County to care for aging parents and plan to keep their cabin at Fallen Leaf Lake.

Listed at \$529,000, Howard admits the price is higher than the average. But she's confident the high end buyer is back in the saddle. Those with money know to be the first to set the trends, and they're waited for the bottom.

### **Not your average seller or house**

Entrepreneur and builder Chuck Bluth apparently got that same message. He's listed his 9,530-square-foot lakefront home in Incline Village with Chase International for \$15.998 million.

To Bluth, the European home speaks for itself – with a bathroom that won an international award for the use of marble and a wood finish with five layers. More than 15,000 hours and 18,000 hours were placed in the masonry work and painting, respectively. If the privacy isn't enough to think of living in a resort, try owning a personal waterfall.

“Tahoe couldn't produce a house like this under \$20 million,” Bluth told *Lake Tahoe News*. “But someone coming from the Bay Area is used to this quality.”

What's Bluth's reason for selling? He calls the Logan Shoals area house in Glenbrook the place he hangs his hat. To sell the Incline Village home, the former owner of the Cal Neva Resort and developer may assist as a lender to the ideal party.

“Basically, I sort of held off on marketing to some degree because the market had been so bad. There was no doubt the real estate market was hit hard, but what hit the wealthy especially hard was the stock market (plunge). But the market is back, and I believe this year's market coming into spring and summer is going to be a good market,” he said.

Homes circling the Lake Tahoe Basin saw a 14 percent jump in the average price, according to Chase's last quarterly report comparing 2011's figures with the prior year. The median sales price increased 1 percent from \$417,500 to \$422,500.

“The Lake Tahoe market is showing definite signs of stabilization,” Chase Vice President Sue Lowe said, echoing Howard’s statements.

Even the U.S. real estate market has economists noticing recently.

The National Association of Realtors reported a 2.1 percent increase in pending home sales about a week ago.

“Pending home sales have trended up very nicely since bottoming out last June, even with periodic monthly declines,” NAR Chief Economist Lawrence Yun said.