

Signs of recovery in South Tahoe real estate market

By Dan Spano

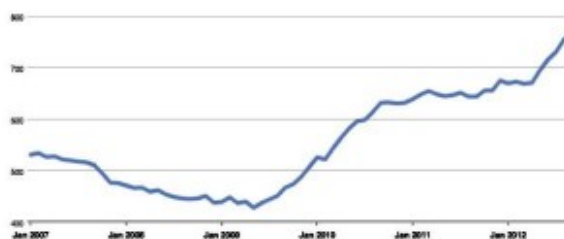
In Lake Tahoe real estate, each month brings better news than the month before. When comparing September to the month and year before there were more closed sales, fewer homes on the market, fewer new listings, and a new category – increasing median sales price.

Even when the real estate market was showing recovery in the number of homes sold and number of homes for sale, median sales prices weren't recovering. That may have just turned the bend in September. In 2011, the median price of homes sold in September was \$230,000. Last month that figure was \$262,500 – a 14.1 percent increase.

September was the third month in a row that had median sales prices on the rise in South Lake Tahoe.

August's median price was \$236,250 and July's was \$227,500. The lowest median sales price in the last five years in the area was in February when the price was \$197,500.

Homes sold at the highest rate in more than five years in September. The 84 homes that closed escrow brought the total for the last 12 months to 766. Comparing that to 643 during the previous 12 months it shows a 19.1 percent increase.



This graph shows closed

sales of homes in Lake Tahoe
from January 2007 to
September 2012.

We've been seeing fewer homes enter the market for months now. There was a high of 203 new listings in May 2007. The low this last month was 43 new listings. To put that low figure into perspective, there were 90 new listings in August 2012 and 115 in May 2012.

In September, seven homes sold that were priced at \$650,000 and above. This is a 133 percent increase over September of 2011 when there were three homes sold in that price range. There are currently 79 homes for sale in Lake Tahoe in this range, the highest asking price being \$5.25 million.

We continue to see more people interested in owning a home in Lake Tahoe. Their perception is that this may be the last time they can afford to own a home in one of the most beautiful areas in the world. Interest rates may be increasing, so combine this with fewer homes for sale and increasing sales, we could see a seller's market soon. Homes over \$400,000 will still be in a buyer's market, but those homes under this are starting to sell for at, or above, their asking price, thus creating a seller's market.

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