

South Tahoe homes sales, median prices rising

By Dan Spano

We are still seeing a lot of action in the South Lake Tahoe real estate market. The July figures were just released and they continue to show that interest in buying a home in Lake Tahoe is still growing.

During the last year we saw homebuyers flock to Lake Tahoe for a few reasons: low interest rates and an increased interest to buy something before they felt it was too late. When we saw more home listings enter the market this summer we saw the sales frenzy subside a bit.

The chart shows sales figures:

	July 2013	July 2012	July 2011
Closed sales	80	68	53
Median sales price	\$297,000	\$234,050	\$235,000
No. of homes for sale	363	422	693
No. of new listings	120	93	126

The month's supply of homes for sale in Lake Tahoe has started to increase. The ideal balance between buyers and sellers is a six-month inventory of homes to get a balanced market between buyers and sellers. Our current month's supply is 5.8 so this is the closest to a balanced market we've seen in months.

The future

Demand for homes in South Lake Tahoe has started to slow down, but we won't see those figures for another two to three months once escrows start to slow. I continue see a lot of clients from Northern California who really want to own a vacation home in Lake Tahoe. This is a great place to own a vacation home and/or a vacation rental.

I see the number of closed sales starting to level off and the interest rates starting to climb slightly. The 3 percent interest rates are now gone and we're seeing rate up to 4.7 percent. For the future I see a more balanced real estate market in Lake Tahoe, more inventory available, the median prices continue to increase and still more good opportunities for buyers.

Many cities are already back to where home values were before the slump of the last few years but that isn't the case in Lake Tahoe. Since we're still below our high price point of pre-2007 there is still room to grow and home buyers realize this.

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