

# EXCEPTIONAL RESULTS. AND MORE.

## LAKE TAHOE-TRUCKEE HOME SALES SURGE THANKS TO BAY AREA BUYERS

By Pete Carey

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The Bay Area's economic recovery is sparking a surge of vacation home sales in the Lake Tahoe-Truckee mountain playground.

"Two or three years ago, nobody was buying houses, period," said Patience Lewis, a Coldwell Banker agent in the Tahoe-Truckee area. "Now it's like the floodgates have opened."

In the first half of the year, Bay Area buyers helped drive second-home sales in the region to their highest level since 2005, according to the real estate company DataQuick. About a third of the region's vacation-home buyers this year live in the Bay Area, a DataQuick analysis for this newspaper shows.

Fueled by tech's spreading wealth and lured by the region's pristine summer and winter beauty, the buyers range from families with young children snapping up condominiums in ski resorts at bargain prices to multimillionaires from Silicon Valley acquiring expensive lakefront estates.

Lewis, who recently helped a Danville couple buy a second home on Meeks

Bay, said a big percentage of the scores of buyers she and two other agents are working with are from the Bay Area.

Median sales prices for all types of homes in the Tahoe basin and Truckee rose by double digits in the first half of the year compared with last year, according to DataQuick.

Stateline saw median sales prices double, from \$160,000 in the first half of last year to \$329,000 in the first half of this year, DataQuick said. The median price in Tahoma was \$365,000 over the past six months, a gain of 57 percent.

Sensing a market bottom nearing last year, and with interest rates still low, Alan Johnson and wife Katrina, of Danville, began looking for a vacation home for themselves, their three grown children, two dogs and a cat.

"We felt that if we weren't at the bottom we could at least see the bottom of the market, with things beginning to pick up," he said. "And a 30-year mortgage at 3.5 percent is not free money, but it's the closest you can get to it."



Alan and Katrina Johnson proudly stand on the third-level deck of their vacation home overlooking Lake Tahoe in Meeks Bay, Calif. on Friday, Aug. 2, 2013. The Johnson's moved into the home just north of Lake Tahoe about a month ago. High-end home sales on the California side of the lake have been steadily creeping upward. Sales of Tahoe homes of more than \$1 million in the first half of the year are up 133 percent from the same period in 2012 according to Chase International. (Gary Reyes/Bay Area News Group) ( Gary Reyes )

About month ago, Johnson spotted a newly listed older, three-story, four-bedroom house on Meeks Bay with a commanding view of Lake Tahoe.

"I canceled all my meetings for the day, quickly drove up and put in an offer," he said. "Our timing was terrific, we knew the market, we had good Realtor, and we got it done."

The Tahoe region typically lags behind the Bay Area real estate market by a year or two, agents say. Now, thanks



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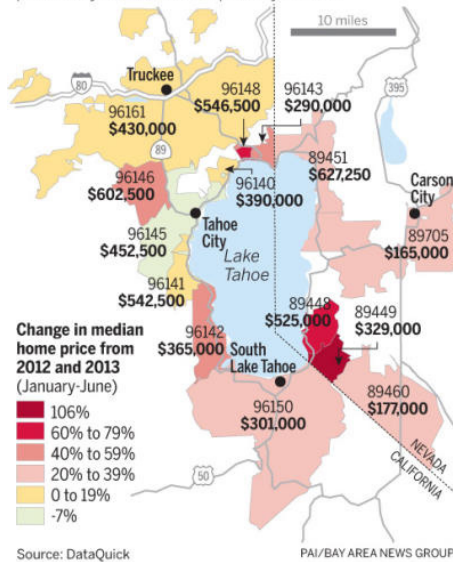
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to a robust housing market powered by Silicon Valley tech companies, “Bay Area residents are starting to purchase vacation homes again,” said Sue Lowe, vice president at Tahoe luxury home broker Chase International.

The median time it takes to sell a home in the Lake Tahoe-Truckee area has dropped from last year by a full month, from 67 days to 37 days, according to Coldwell Banker.

### Tahoe real estate boom

Median home prices for all types of homes sold in the Lake Tahoe region have jumped by double digits compared with the same period last year. Median home prices by ZIP code:



Source: DataQuick

PAI/BAY AREA NEWS GROUP

“We’re definitely off the bottom, activity is still brisk, and we’re starting to see more multiple offers,” said Michael Lombardi, branch manager for Coldwell Banker’s Tahoe-Truckee offices.

A low inventory of Tahoe-area homes on the market is still a constraint on sales, and while some communities saw increases in the first half of the year, others didn’t. The number of sales was up 12.5 percent compared with the first half of 2012 in Homewood; 21 percent in Tahoma and 10 percent in Truckee. But sales were down 2 percent in South Lake Tahoe.

Sarah Cornwell, marketing director for a Palo Alto startup, said she and her husband, Trevor, bought a condo at Northstar’s Gold Bend development in February after their 6-year-old daughter announced she wants to be a professional skier when she grows up and they acquired a second dog, making renting there a challenge.

“We paid under \$300,000 and that seems tough to do nowadays,” she said. The condo had been on the market for 11 months. “We definitely plan to be in it for the next 20 years, and I think we’re going to be looking back on it really happy that we acted when we did.”

The Cornwell’s agent, Alison Elder of Elder Group Tahoe Real Estate in Truckee, said condos in Gold Bend “have probably gone up a good 10-15 percent since they bought it.”

Expensive lakefront properties also are beginning to sell, said Lexi Cerretti of Sierra Sotheby’s International Realty at pricey Incline Village.

“People are stepping up for \$12 million to \$19 million sales,” Cerretti said.

A custom homebuilder who lives in Los Altos recently bought a lakefront property for \$5 million and plans to tear down the existing home and rebuild, she said. “He’s going to pump a lot of money into a nice new home there,” Cerretti said.

Martis Camp in Truckee is another hot spot.

San Jose tech executive Bill Lenihan has just finished building a four-bedroom, 3,250-square-foot retreat in the gated resort community on a lot he bought in 2011.

“We waited because we wanted to feel confident the development was on firm footing” before building, he said. “Now, you’d be amazed at how many homes are under construction.”

\*The Cornwell’s are clients of Alison Elder of Elder Group Tahoe Real Estate



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