

TAHOE BUSINESS Monitor



South Lake Tahoe, Calif.

January 1 – 15, 2011

FREE

OPPORTUNITY KNOCKS

Changing home market increases affordability

By Elaine Goodman
TAHOE BUSINESS MONITOR

Someone looking for a single-family home for under \$250,000 in South Lake Tahoe in 2005-06 was simply out of luck.

From May 2005 to April 2006, no homes were listed in that price range at South Tahoe, according to data from the South Tahoe Association of Realtors.

And for the next two years, the number of listings in the under-\$250,000 price range stayed at zero or in the single digits, until increasing to 11 in June 2008.

That number has been on the rise since then, and in November 2010, reached 81 — the highest seen since June 2003, the farthest back that STAOR's online data goes.

The increase in the number of under-\$250,000 homes comes as the overall sale of single-family homes is rising as well.

Preliminary data indicate 507 homes sold in 2010 in the city of South Lake Tahoe and unincorporated areas of El Dorado County within the Tahoe basin, according to Richard Bolen of laketahoerealestateblog.com and with McCall Realty.

That number could increase due to additional sales in 2010 that had not been recorded as of Dec. 31. But it is already higher than the 436 sales in 2009; and the 354 sales in 2008.

In 2010, 58 of the single-family homes sold by late December were under \$200,000, according to data provided by Bolen. That is in contrast to 2006, when only one out of 438 single-family homes sold was under \$200,000.

HOMES

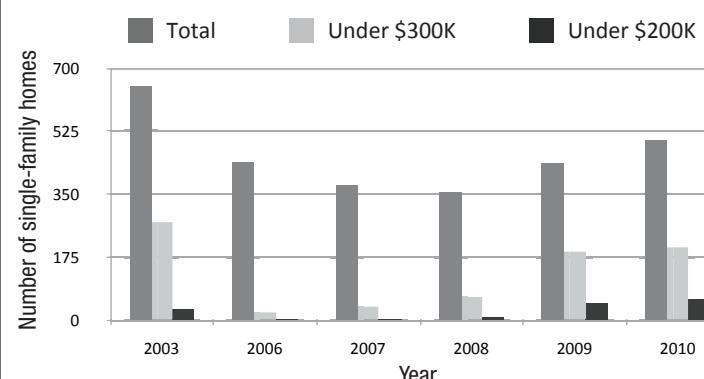
Continued on page 6



Photo by Dan Thrift,
danthriftphotography.com

This three-bedroom home on Elwood Avenue sold last month for \$229,900. Real estate Web sites identify it as a foreclosure.

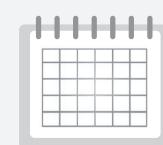
South Tahoe home sales



Data provided by Richard Bolen of laketahoerealestateblog.com

INSIDE

What's Going On?



Page 2

Lights out

Holiday season power outage was poorly timed.

Page 3

People



Do you recognize this city official?

Page 4



Changes ahead for boat inspection program.

Page 8

HOMES**Continued from cover**

"(There's) more home demand than last year, and increasingly home buyers are buying at a lower price point," Bolen wrote in his blog.

While the surge in the number of lower-priced homes for sale is undoubtedly distressing for South Shore home owners whose property value has plummeted, an those who are in a foreclosure or short-sale situation, it is creating opportunity for many buyers who had been priced out of the market.

And although South Lake Tahoe remains primarily a second-home market, real estate agents report that year-round residents are buying homes, too.

At Realty World Lake Tahoe, which handles both rentals and sales, broker Mike Phillips sees renters crunching the numbers and deciding that buying a home makes financial sense.

Lower-priced homes can mean monthly payments that aren't much more than what someone is paying in rent — along with the tax benefits of owning a home, Phillips noted.

Although the number of homes listed for less than \$250,000 has increased — including an occasional listing for under \$100,000 — it's not necessarily the lowest-priced homes that are getting the most attention from buyers.

Theresa Souers of Pinnacle Real Estate Group said buyers are looking at homes across the price spec-

trum, with perhaps more interest in homes priced around \$320,000, the South Tahoe median sales price for November 2010 reported by STAOR.

Buyers are able to spend a little more because interest rates are relatively low, Souers said.

Homes that need a lot of work are less appealing to buyers, said Tom King of Coldwell Banker McKinney & Associates.

"Most people are wowed by something that's turn-key," King said.

In his blog, Bolen compares what \$300,000 can buy in the South Tahoe real estate market today versus years past.

An average \$300,000 house in 2010 was 1,726 square feet and 31 years old as of late October, when Bolen wrote the blog entry. That's

a size increase of 777 square feet, or 82 percent, from the average \$300,000 house in 2006, which was 45 years old.

"There is more to looking at market decline than price alone. You get far more house — for less of a monthly payment than at any time in the last decade," Bolen wrote.

According to Bolen, almost one out of every two South Tahoe home buyers this year has purchased a distressed property — either a bank-owned home or a short sale. Short sales are those in which the home is selling for less than is owed on the mortgage.

Linda Szendrey of Sotheby's International Realty said distressed sales are infecting the entire market, by forcing down prices on even those homes that aren't distressed.

"To me it's like a virus — everybody is caught," Szendrey said.

Competitively priced homes are sparking what some agents said they haven't seen in awhile: bidding wars.

In those instances, Pamela Francis of Century 21 at Tahoe Paradise said she's happy to write a letter to the seller — whether it's an individual or a bank — vouching for the buyer she represents, for example, detailing their ties to the Tahoe area.

Home buyers seeking to finance their purchase may find themselves competing against cash buyers, who agents say they are seeing more often.

And with lenders looking for pristine credit, being well-prepared with loan preapprovals and down payments will give buyers the best chance to take advantage of a good opportunity, agents say.

THEME CROSSWORD**GIMME SHELTER**

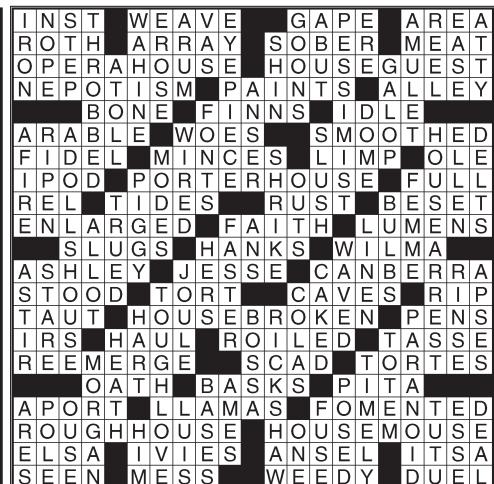
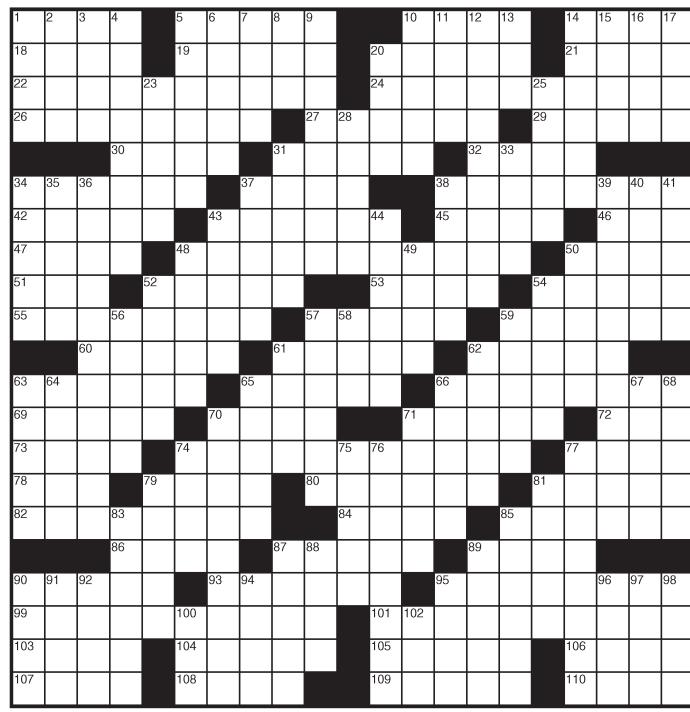
By James Barrick

ACROSS

- Think tank: abbr.
- Follow a winding path
- Yawn
- Nevada's -- 51
- IRA name
- Dress royally
- Like teetotalers
- Venison
- Theater: 2 wds.
- Visitor
- Policy of playing favorites
- Watercolors
- Passageway
- Off-white color
- Esopo natives
- Groundless
- Fit for cropland
- Sorrows
- Sanded
- Alejandro Castro Ruz
- Chops
- Hobble
- Cry of approval
- Apple device
- Cut of beef
- Parking-lot sign
- Kinsman: abbr.
- Coastal phenomena
- Plant disease
- Assail
- Blew up
- Kind of healing
- Photometric units
- Wallop
- "Forrest Gump" actor
- Mrs. Flintstone
- Actress -- Judd
- James or Jackson
- Down Under capital
- Rose
- Legal wrong
- Grottoes
- Rend
- Stretched to the limit
- Like many cats and dogs
- Writes
- Govt. org.
- Trucking distance
- Made turbid
- Suit-of-armor piece
- Come back
- Tropical fish
- Sacher and Linzer
- Swearword
- Revels (with "in")
- Flatbread
- On the left, on shipboard
- Pack animals
- Incited
- Play hard
- Common pest: 2 wds.
- Schiaparelli
- Creeping plants
- Photographer -- Adams
- "--- Wonderful Life"
- Witnessed
- Jumble
- Like unsightly lawns
- Fight of a kind

DOWN

- Niblick or mashie
- Uh-uh
- Footfall
- Pulsed
- Surfer's girl
- Notched, as a leaf
- Plant genus
- Anatomical duct
- Ocular
- Hood's thugs
- Touch on
- Doomsayer
- Sooner than
- Good-luck charm
- Stagger
- Relieve
- Part of DA or AG: abbr.
- Climb
- Island
- 19th-century dance
- Goose genus
- Sets of type
- Sports stadium
- Like a flambeau
- Mellow
- Ibsen play:
- Keyed up
- Kind of fund
- Kind of confinement: 2 wds.
- Barkin or Burstin
- Muscles, for short
- Ways
- Predatory bird
- Muppet Miss
- On the -- (quarreling)
- fatale
- Straightened
- Plants-to-be
- Assign
- More presto than allegro
- Reply: abbr.
- Napery
- A pronoun
- Signaled, in a way
- Moving about
- Intense look
- Energy unit
- Became a hardened mass
- Mouthwash
- Vaulted areas
- Disciplinary method: 2 wds.
- Plants-to-be
- Assign
- More presto than allegro
- Reply: abbr.
- Napery
- Apron
- Wasteland
- Tribal emblem
- le Fay
- Seasonable
- Command posts
- City in Iowa
- Set forth
- War, personified
- Northernmost place
- River in England
- San -- Obispo
- Melt
- Garment for a performer
- est percipi
- Bargain
- Apron
- off

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www.recreationintahoe.com