

In my [First Quarter Report](#) of two years ago, I wrote “Condominium sales, as in past cycles, typically reflect the leading edge of a recession, as well as the trailing edge of a recovery”. Two years later we continue to see year-on-year strengthening of the number of condominiums sold, and now this year, strengthening prices too, albeit based on relatively thin data to date. This trend also extends to our lower priced single family homes, which appear to have established a firm market bottom, validated by the fact that more and more agents, including me, are reporting multiple offer situations. The number of homes, condos, and lots currently under contract, as well as successfully closed YTD, is particularly encouraging for our property owners. Unsold home, condo, and even lot inventory also remains historically very low. It’s a good time too for Buyers, with just about all properties on the market still priced lower than their replacement cost, and evermore easing from lenders plus great interest rates, but keep a watchful eye on rate trends. The number of new building permits applied for this year remains very low, and will remain so for at least the rest of the year.

Short sales and bank owned properties continue to be absorbed by our market at a healthy rate, and if they show well, aren’t staying on the market for long. It’s also getting easier (at last!) to close some of these transactions. Best value for Buyers remains at the middle and upper end of the price-point chain, and we will see market price compression as the lower end firming trend moves up, while higher end prices continue to soften. Well priced upper-end homes are now commanding more attention from those fortunate and savvy Buyers who are able to take advantage of these current opportunities, and compelling interest rates.

In my year-end report, I advised that there were 30 homes on the rise in the successful luxury Martis Camp Resort community – let me now add that hard construction costs for these magnificent homes are coming in at \$800 to \$1,000 per sq. ft., but even at these lofty prices, I am reliably informed that these builders are still working on very thin margins... Bottom line: building costs have not gone down that much – at any price point.



David Hipkins

Property Owners – It’s now time to open those crawl space and foundation vents.

The data below can be viewed in graph format on the next page – call me for clarification of other local market trends. My assistant, Jessica, can be contacted at 530-550 5152 during business hours should I be out on appointments.

TAHOE DONNER (bellwether for Greater Truckee) Year-End & 2010 1st Quarter Activity Snapshots & Trends

SINGLE FAMILY HOMES

<u>Year End</u>	Unsold▶	Under Contract▶	Sold▶	AvgSoldPrice	Median
2006	84	12	179	\$817.9k	\$710.0k
2007	117	7	177	\$740.6k ▼ 9% from prior year	\$675.0k ▼ 5%
2008	120	17	193	\$742.4k ▲ <1%	\$660.0k ▼ 2%
2009	73	24	227▲	\$610.2k ▼ 18%	\$565.0k ▼ 14%
Q1 10	67	38	YTD▶ 38	\$554.8k ▼ 9% YTD	\$502.0k ▼ 11%
Q1 09	128	23	34	\$614.9k	\$557.5k

CONDOMINIUMS

<u>Year End</u>	Unsold▶	Under Contract▶	Sold▶	AvgSoldPrice	Median
2006	34	1	30	\$432.5k	\$419.9k
2007	31	0	32	\$372.8k ▼ 14% from prior year	\$414.5k ▼ 1%
2008	24	1	19	\$370.4k ▼ 1%	\$379.0k ▼ 9%
2009	22	9	34▲	\$293.7k ▼ 21%	\$310.5k ▼ 18%
Q1 10	23	9	YTD▶ 11	\$357.5k ▲ 22% YTD	\$405.0k ▲ 30%
Q1 09	25	4	6	\$284.8k	\$322.5k

LOTS

<u>Year End</u>	Unsold▶	Under Contract▶	Sold▶	AvgSoldPrice	Median
2006	46	3	38	\$353.3k	\$335.0k
2007	44	2	23	\$282.8k ▼ 20% from prior year	\$285.0k ▼ 15%
2008	51	1	17	\$260.3k ▼ 8%	\$250.0k ▼ 12%
2009	36	2	8▼	\$207.2k ▼ 20%	\$185.0k ▼ 26%
Q1 10	41	2	YTD▶ 6	\$132.7k ▼ 36% YTD	\$133.1k ▼ 28%
Q1 09	65	0	2	\$158.3k	\$158.3

DATA SOURCE: Tahoe Sierra Board of Realtors MLS - Data is deemed reliable but not guaranteed.

All of the latest Greater Truckee/Donner/Tahoe MLS Listings are available to you at www.davidhipkins.com

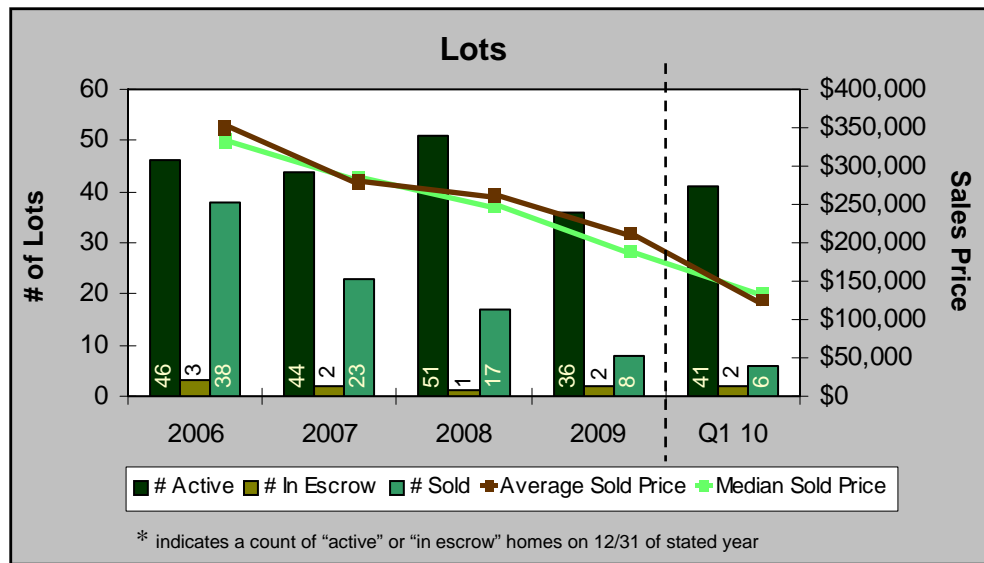
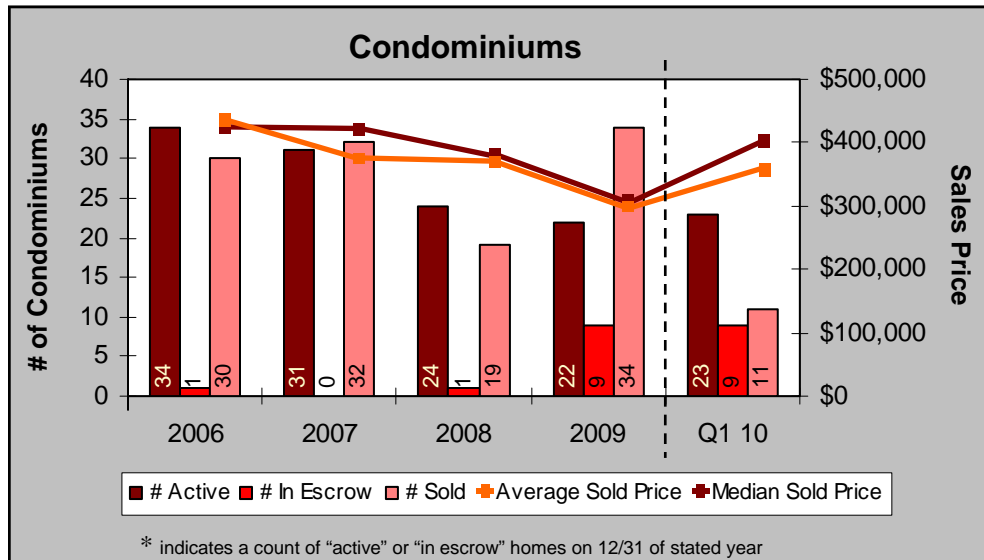
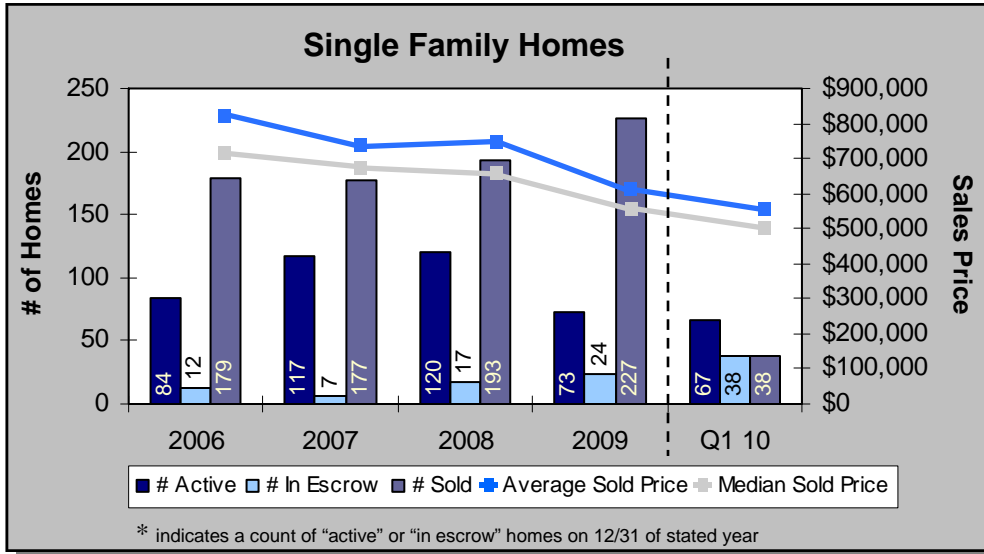
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Tahoe Donner® Year-End & 2010 1st Quarter Activity Snapshots & Trends*

*Tahoe Donner, consisting of about 6,000 properties, is chosen as an indicator for the Greater Truckee market as it historically generates over 50% of dollar volume and over 50% of unit sales annually. Note that in a community of about 5,000 homes, the percentage of available properties is remarkably low.



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