

TAHOE-TRUCKEE REGION

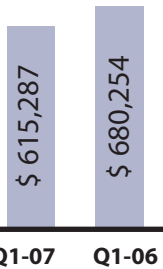
Q1 2007

A market overview of single family home sales

TAHOE MEDIAN PRICE



TRUCKEE MEDIAN PRICE



Tahoe Market Offering Plenty of Choice for Buyers in Q1

Single-family home sales in Tahoe fell 27 percent, year-over-year, according to a first quarter report released by Prudential California Realty based on an analysis of MLS data. However, the median price softened only slightly by two percent. Active listings continued to increase, growing 23 percent over the same period last year.

Primarily a second home market, sellers are not typically under the same pressure to sell their homes as in a primary market and will often withdraw their properties rather than reduce or accept a lower price. Sellers who did make price reductions were attracting strong interest from buyers, who were more frequently making offers than in the last few quarters. Buyers were attracted in homes that offered good value. Most homeowners who sold in the first quarter held strong equity positions and took a healthy profit from their sale.

The luxury market in Tahoe continued to do well, with sales remaining stable for lakefront properties, year-over-year. The average price for lakefront properties rose substantially, from \$5.3 million to \$6.5 million, over the first quarter of 2006.

Sales Activity Began Strong in Truckee in First Quarter 2007

Single family homes sales rose 47 percent, year-over-year, in Truckee during the first quarter of 2007. Median prices softened by ten percent. Buyers were active in both the primary residence and vacation home markets during the quarter, and buyers and sellers were well aligned in terms of pricing expectations. Sellers became much more attuned to pricing for the current market, making appropriate price reductions which resulted in a slight swell of sales activity for single family homes.

In the vacation home market, most of the sales occurred in the Tahoe Donner area. Buyers were typically from Sacramento or the Bay Area. Tahoe Donner attracts a broad range of buyers who increasingly use it as a year-round destination because of its all-season amenities.

Properties took longer to sell over the same period last year, with single-family homes averaging eight more days on the market in the first quarter. Listings were up 22 percent which kept a healthy supply of inventory on the market as the number of buyers also grew.

Truckee is insulated from many of the negative trends occurring in other markets. Because the majority of the area's buyers are well qualified, short sales are extremely rare and the collapse of the subprime lending market had little effect on activity.

M A R K E T C O M P A R I S O N

City	Homes Sold Q1/07	Homes Sold Q1/06	% Change	Avg DOM Q1/07	Avg DOM Q1/06	Change 07/06 (days)	Median Price Q1/07	Median Price Q1/06	% Change
TAHOE									
Alpine Meadows	0	3	-100	n/a	155	n/a	n/a	\$1,220,000	n/a
Golf Course Comm	3	1	200	n/a	n/a	n/a	\$1,850,000	\$3,650,000	-49
North Shore	16	19	-16	84	71	13	\$674,500	\$ 665,000	1
Northstar	8	6	33	206	108	98	\$1,396,000	\$1,112,500	25
Squaw Valley	1	4	-75	258	112	146	\$1,275,000	\$2,365,000	-46
Tahoe Area	6	7	-14	134	91	43	\$1,162,500	\$1,049,000	11
West Shore	12	23	-48	213	83	130	\$810,000	\$ 875,000	-7
TRUCKEE									
Donner Lake	4	6	-33	79	67	12	\$ 430,000	\$ 810,000	-47
Tahoe Donner	49	32	53	116	73	43	\$ 700,000	\$ 725,000	-3
Truckee	34	21	62	133	165	-32	\$515,000	\$ 575,000	-10

Days on market (DOM) is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings. Data are sourced from multiple listing services and are deemed reliable but not guaranteed.

All percentages rounded to nearest whole number.

Produced by the Prudential California Realty Research Division