

tahoe luxury properties



2013 YEAR END

LAKE TAHOE REAL ESTATE REPORT

- YEAR-OVER-YEAR SALES TREND ANALYSES
- EIGHT-YEAR TREND OF MEDIAN SALES PRICE RELATIVE TO UNITS SOLD
- REPORTED REGIONS INCLUDE:
 1. LAKEFRONTS – CA & NV
 2. ENTIRE TAHOE SIERRA MLS
 3. INCLINE VILLAGE & CRYSTAL BAY, NV
 4. SQUAW VALLEY & ALPINE MEADOWS, CA
 5. NORTHSTAR, CA
 6. TRUCKEE, CA

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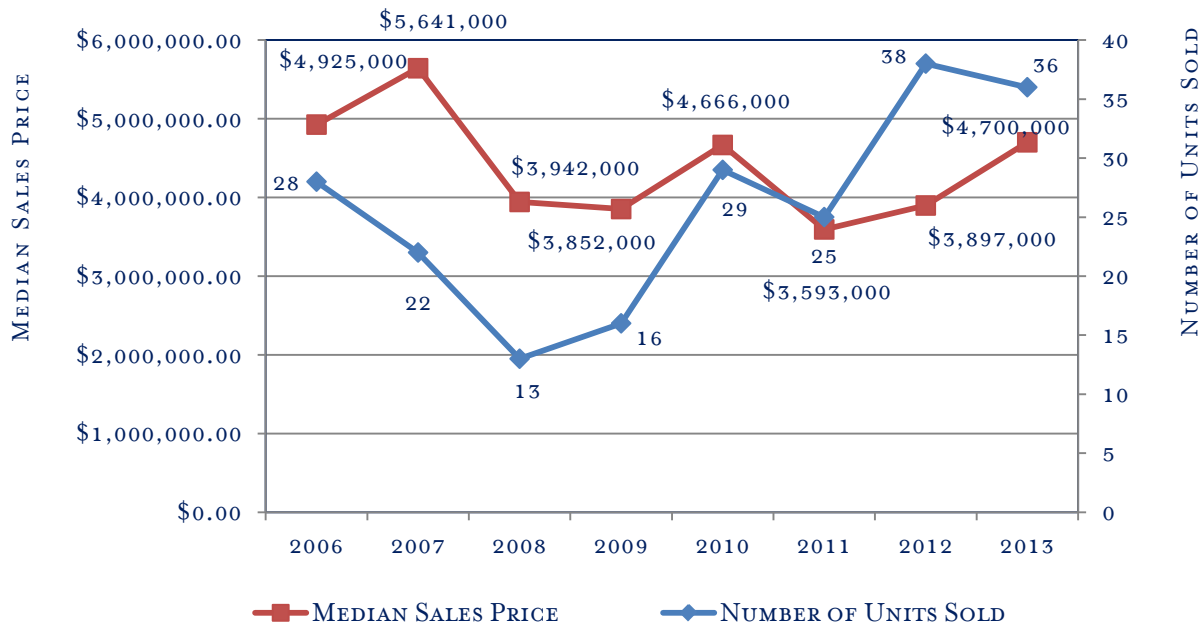
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LAKEFRONTS

SINGLE-FAMILY TAHOE LAKEFRONT HOMES AND ESTATES LOCATED AT CALIFORNIA'S NORTH AND WEST SHORES AND NEVADA'S INCLINE VILLAGE AND CRYSTAL BAY

EIGHT-YEAR TREND OF MEDIAN SALES PRICE RELATIVE TO UNITS SOLD



SOURCES: TAHOE LUXURY PROPERTIES, TAHOE SIERRA MLS, INCLINE VILLAGE MLS

WANT A LAKEFRONT, BUT WAITING TO MAKE SURE THE MARKET IS HEADING IN THE RIGHT DIRECTION? THE DATA DEMONSTRATES A CLEAR TREND OF POSITIVE GAINS. THE MEDIAN LAKEFRONT PRICE IN 2013 CLIMBED WITHIN 83% OF THE HIGH-WATER MARK FOR LAKEFRONT VALUES IN 2007. LAKEFRONTS SAW A 20.6% YEAR-OVER-YEAR INCREASE IN MEDIAN PRICE. UNITS SOLD (36) IN 2013 NEARLY TRIPLED THE LOW VOLUME YEARS OF 2008 AND 2009.

THE TAHOE LAKEFRONT MARKET TENDS TO CORRELATE WITH THE PERFORMANCE OF THE EQUITY MARKETS, WITH PURCHASE MONEY OFTEN SOURCED FROM A BUYER'S INVESTMENT ACCOUNTS. AS THOSE INVESTMENTS DO WELL, THE MONEY FLOWS TO THE LAKE. WITH 25%+ GAINS IN THE MAJOR STOCK INDICES IN 2013, BUYERS CASHED OUT AND INVESTED IN LAKEFRONT PROPERTY. CASH IS ALSO KING ON THE LAKE, WITH 24 OF THE 36 SALES IN 2013 AS ALL-CASH PURCHASES.

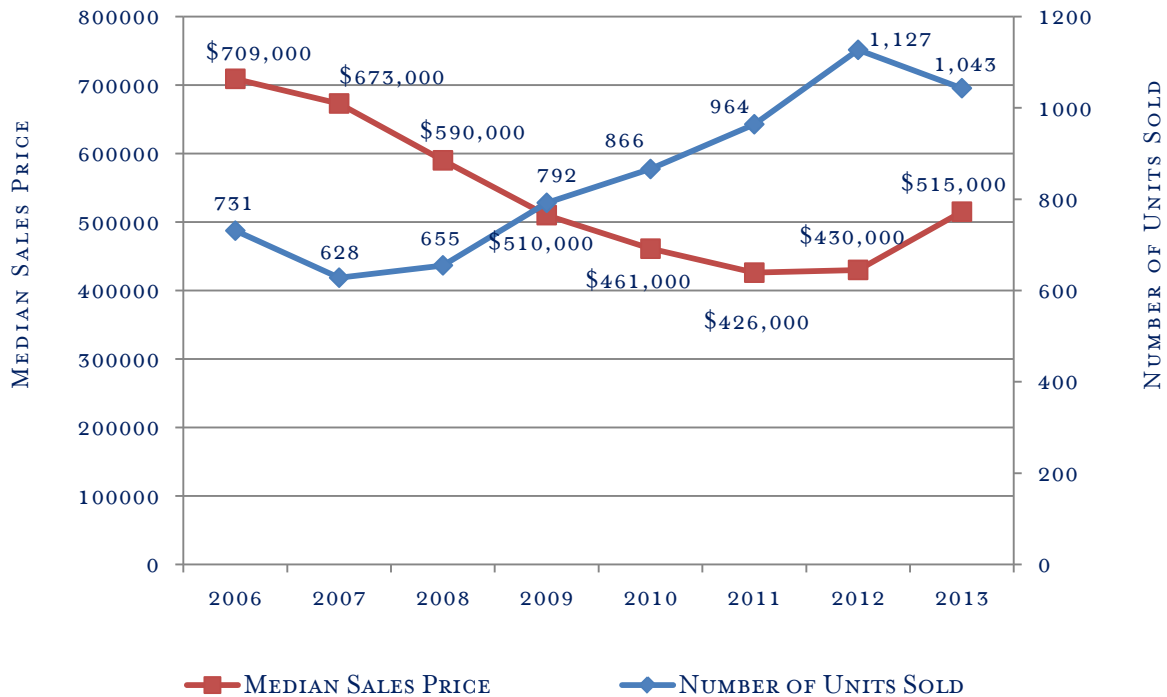
THE LAKEFRONT MARKET APPEARS TO BE ON SOLID FOOTING MOVING FORWARD INTO 2014, WITH LIMITED SUPPLY AND STRONG DEMAND. IN JANUARY, 881 LAKESHORE IN INCLINE VILLAGE CLOSED FOR \$13M (BILL DIETZ OF TLUXP REPRESENTED BUYER), SO 2014 IS OFF TO A GOOD START.



ENTIRE TAHOE & TRUCKEE AREA, CA

SINGLE-FAMILY HOMES AT LAKE TAHOE, CA'S NORTH AND WEST SHORES
TRUCKEE AND DONNER LAKE, CA
SKI RESORT COMMUNITIES IN THE NORTH LAKE TAHOE, CA AREA

EIGHT-YEAR TREND OF MEDIAN SALES PRICE RELATIVE TO UNITS SOLD



SOURCES: TAHOE LUXURY PROPERTIES, TAHOE SIERRA MLS

THE TREND LINES DEMONSTRATE THAT THE TAHOE REAL ESTATE MARKET IS CLEARLY ON THE RIGHT PATH. 2013 SAW A 19.8% GAIN IN MEDIAN PRICE. THAT RISE IN PRICE WAS GREATER THAN ANY SINGLE-YEAR MEDIAN PRICE DECLINE WE SAW DURING THE RECENT 5-YEAR DOWNTURN. IF THIS TREND CONTINUES, ALL THE LOSSES FROM THE DOWNTURN WILL BE RECOVERED IN LESS THAN TWO MORE YEARS. ALL SIGNS POINT TO SOLID APPRECIATION FOR CONTINUING 2014, WHEREBY I EXPECT SIMILAR APPRECIATION RATES TO 2013. WITH PRICES IN THE REGION STILL ROUGHLY 25% OFF THE PEAK IN 2006, BUYERS CAN STILL TAKE ADVANTAGE OF VALUES AND MAKE GOOD TAHOE REAL ESTATE INVESTMENTS.

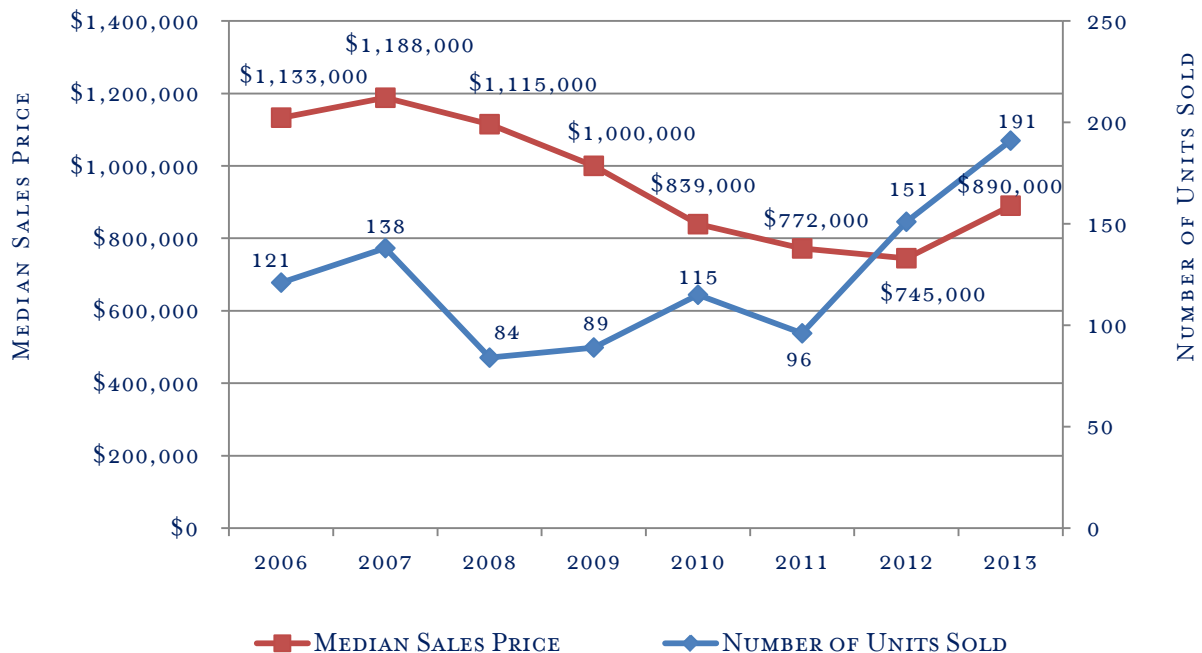
THE TAHOE MARKET TRADITIONALLY MIMICS, YET LAGS BEHIND, THE REAL ESTATE MARKET IN THE AFFLUENT REGIONS OF THE BAY AREA BY ABOUT 8 MONTHS. THEREFORE WE ANTICIPATE THE HOT MARKET IN SAN FRANCISCO AND SILICON VALLEY TO TRANSLATE TO GOOD THINGS TO COME FOR TAHOE IN 2014.



INCLINE VILLAGE & CRYSTAL BAY, NV

SINGLE-FAMILY HOMES IN INCLINE VILLAGE & CRYSTAL BAY, NV, WHICH INCLUDE LAKEFRONT AND NON-LAKEFRONT HOMES

EIGHT-YEAR TREND OF MEDIAN SALES PRICE RELATIVE TO UNITS SOLD



SOURCES: TAHOE LUXURY PROPERTIES, INCLINE VILLAGE MLS

2013 WAS A VERY SOLID YEAR FOR THE NEVADA SIDE OF THE NORTH SHORE. 19.5% APPRECIATION YEAR-OVER-YEAR WAS PARTIALLY FUELED BY HIGH-NET-WORTH CALIFORNIANS DEFECTING TO NEVADA TO ENJOY THE FAVORABLE TAX CLIMATE, INCLUDING NO STATE INCOME TAX IN NEVADA AMONG OTHER TAX ADVANTAGES. BUYER BEWARE, THE PROOF OF CITIZENSHIP REQUIREMENTS ARE STRINGENT AND HIGHLY SCRUTINIZED BY THE VACATING STATE.

Q1 WAS THE BEST PERFORMING QUARTER OF THE YEAR, WITH A NEARLY 40% INCREASE IN THE MEDIAN PRICE. THAT METEORIC GROWTH WAS TEMPERED LATER IN THE YEAR BY LEAN INVENTORY, AS THE SELECTION OF AVAILABLE HOMES BECAME SCARCE.

THE TOP END OF THE MARKET WAS A BIG PART OF THE STORY FOR THE NEVADA SIDE IN 2013. THERE WERE 11 SALES TO RECORD ABOVE \$5M IN 2013, COMPARED WITH JUST 4 SALES ABOVE \$5M IN 2012.

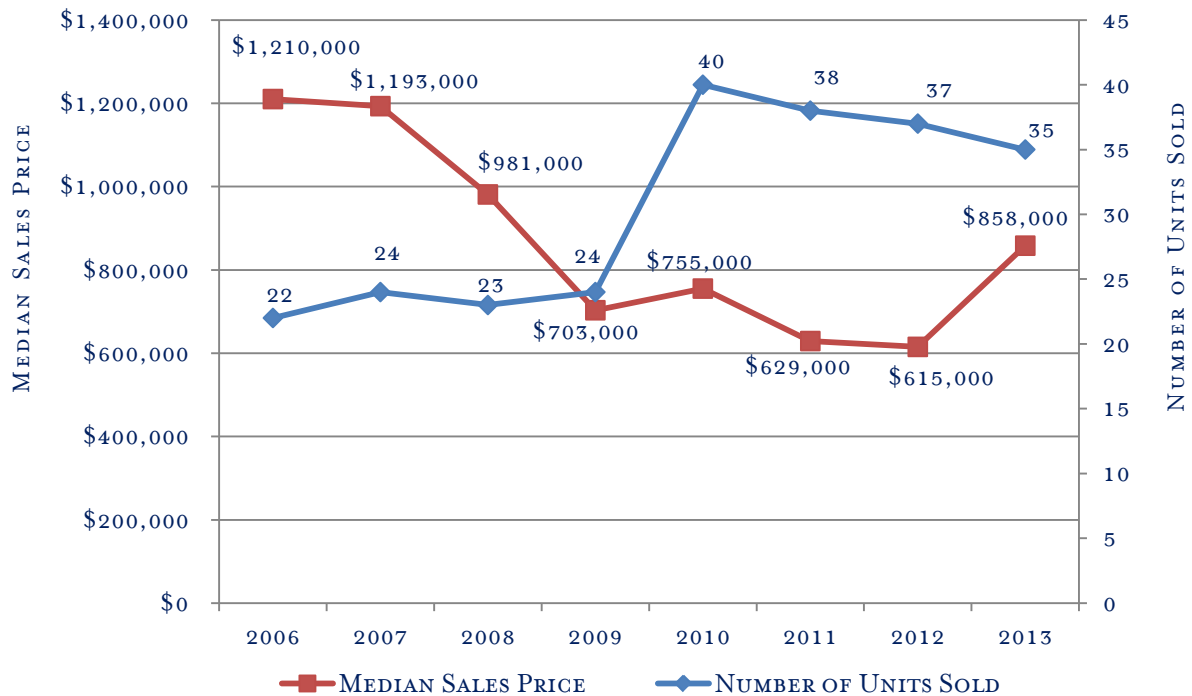
I EXPECT TO SEE THE MID-TEEN APPRECIATION RATES TO CONTINUE IN INCLINE/CRYSTAL BAY IN 2014. LIMITED SUPPLY MAY KEEP SALES VOLUME TEMPERED, BUT WILL PLACE UPWARD PRESSURE ON PRICES.



SQUAW VALLEY & ALPINE MEADOWS

SINGLE-FAMILY HOMES IN SQUAW VALLEY & ALPINE MEADOWS

EIGHT-YEAR TREND OF MEDIAN SALES PRICE RELATIVE TO UNITS SOLD



SOURCES: TAHOE LUXURY PROPERTIES, TAHOE SIERRA MLS

WHEN THE WELL-RESOURCED PRIVATE EQUITY FIRM KSL ACQUIRED SQUAW VALLEY BACK IN 2010 AND SUBSEQUENTLY MERGED WITH ALPINE MEADOWS TO FORM ONE OF THE LARGEST SKI AREAS IN NORTH AMERICA, THE REAL ESTATE COMMUNITY EXPECTED A BIG BUMP IN HOME VALUES. SURPRISINGLY, WE HAD TO WAIT UNTIL 2013 TO SEE KSL'S EFFORTS TRANSLATE TO APPRECIATION IN THE SQUAW AND ALPINE MEADOWS REAL ESTATE MARKETS. THIS GOES TO SHOW THAT THE POWERFUL FORCES IN THE ECONOMY AND BROADER REAL ESTATE MARKET WERE MUCH GREATER THAN ONE PRIVATE EQUITY FIRM COULD OVERCOME.

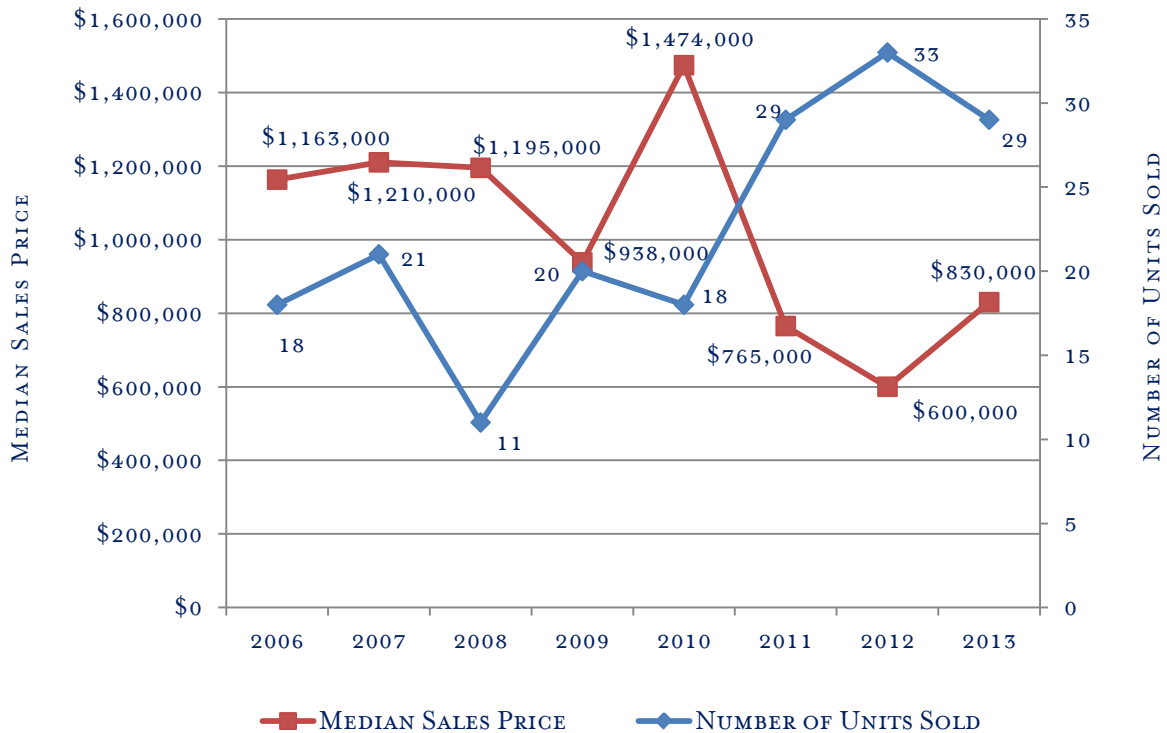
THINGS ARE LOOKING UP AS THE SQUAW/ALPINE MARKET POSTED A 39.5% GAIN IN THE MEDIAN HOME PRICE FOR 2013. KSL'S PLANS TO INVEST HEAVILY IN SQUAW WITH NEW LIFT SYSTEMS AND AN EXPANDED VILLAGE AND RECREATION EXPERIENCE SHOULD CONTINUE TO ATTRACT BUYERS TO THE AREA AND KEEP HOME PRICES MOVING IN A POSITIVE DIRECTION. KSL ASTUTELY RECOGNIZES THAT PROFITS IN THE SKI BUSINESS DO NOT COME FROM DAY SKIERS, BUT REAL ESTATE DEVELOPMENT IN THE SURROUNDING AREA. KSL HAS PLANS TO DEVELOP MANY MORE UNITS IN THE VALLEY AND ADD TO THE OVERALL INVENTORY.



NORTHSTAR

SINGLE-FAMILY HOMES IN NORTHSTAR, CA

EIGHT-YEAR TREND OF MEDIAN SALES PRICE RELATIVE TO UNITS SOLD



SOURCES: TAHOE LUXURY PROPERTIES, TAHOE SIERRA MLS

AFTER PRICES ERODED 50% IN NORTHSTAR THROUGH THE DOWNTURN, THE MARKET REBOUNDED NICELY IN 2013, POSTING A 38.3% INCREASE YEAR-OVER-YEAR IN THE MEDIAN PRICE. VAIL ASSOCIATES (OWNER OF NORTHSTAR RESORT) IS INVESTING HEAVILY IN THE ON-MOUNTAIN INFRASTRUCTURE AND VILLAGE EXPERIENCE AND IS DEAD-SET ON CREATING A WORLD-CLASS YEAR-ROUND DESTINATION IN THE TAHOE AREA.

BUYERS HAVE BEEN ATTRACTED TO NORTHSTAR FOR ITS ONE-STOP-SHOP ENVIRONMENT, WHEREBY VISITORS HAVE THE CHANCE TO PULL UP FOR A VACATION AND LEAVE THE CAR IN THE GARAGE. THIS LEVEL OF CONVENIENCE AND CENTRAL VACATION EXPERIENCE HAS BROAD APPEAL FOR VISITORS.

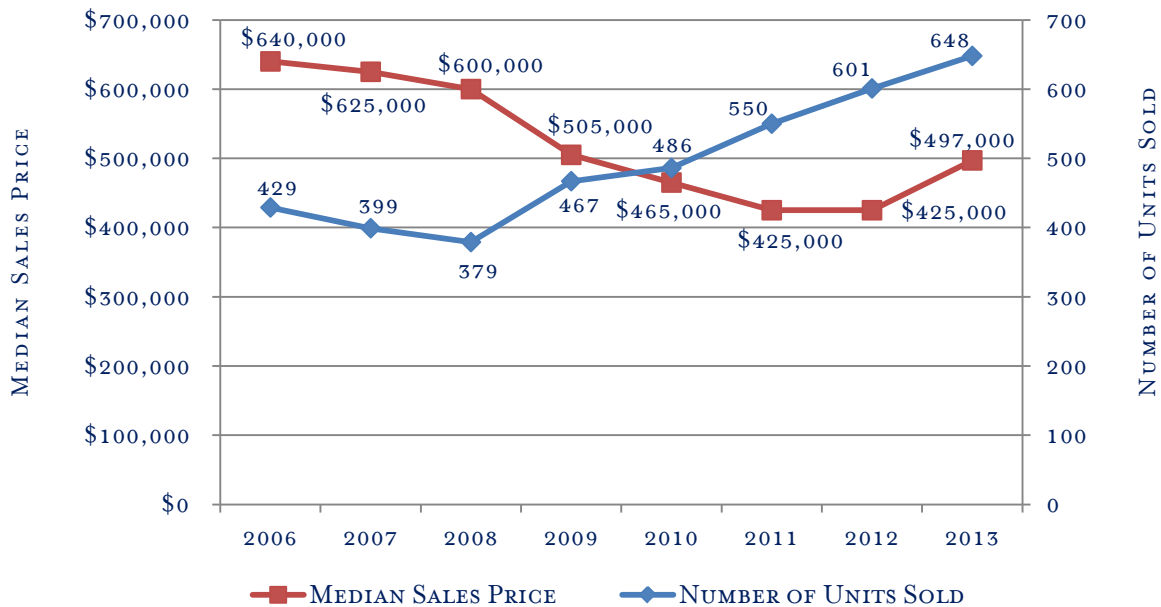
THE BIG QUESTION IN NORTHSTAR IS HOW MUCH GROWTH IT CAN SUSTAIN. THERE ARE SEVERAL REAL ESTATE DEVELOPMENTS UNDER WAY IN NORTHSTAR (HOME RUN, MARTIS 25, ETC) AS WELL AS MANY OTHER UNITS BEING BUILT JUST OUTSIDE NORTHSTAR IN THE MARTIS VALLEY, LIKE MARTIS CAMP, LAHONTAN, AND SHAFFER'S MILL. WHILE THE VISITORS CONTINUE TO FLOCK TO NORTHSTAR FOR ITS CONVENIENCE, IS THERE ENOUGH DEMAND TO SUSTAIN ALL THIS BUILDING ACTIVITY? THE GAINS OF 2013 SUGGEST THE DEMAND IS NOT SLOWING ANYTIME SOON.



TRUCKEE

SINGLE-FAMILY HOMES IN VARIOUS REGIONS OF TRUCKEE, CA
INCLUDING DOWNTOWN TRUCKEE, GLENSHIRE, PROSSER, TAHOE DONNER, DONNER LAKE,
DONNER SUMMIT, SIERRA MEADOWS, LAHONTAN, OLD GREENWOOD, AND MARTIS CAMP

EIGHT-YEAR TREND OF MEDIAN SALES PRICE RELATIVE TO UNITS SOLD



SOURCES: TAHOE LUXURY PROPERTIES, TAHOE SIERRA MLS

WE SAW SOLID GAINS IN TRUCKEE IN BOTH MEDIAN PRICE AND UNITS SOLD IN 2013. THE MEDIAN PRICE ROSE 16.9%, HELPED UPWARD BY THE INCREASING SALES VOLUME. THE SUPPLY OF HOMES IN TRUCKEE IS LARGER THAN OTHER AREAS IN TAHOE, WHICH KEEPS A LID ON THE RUNAWAY GAINS THAT WE SAW IN SOME OF THE OTHER MICRO-MARKETS IN THE REGION. BUYERS ARE STILL ABLE TO FIND GOOD VALUES IN THE TRUCKEE MARKET, ESPECIALLY IN THE AREAS THAT WERE HIT HARDEST DURING THE DOWNTURN, LIKE GRAY'S CROSSING AND OLD GREENWOOD.

THE UBER-LUXURY FAIRYTALE PLAYGROUND OF MARTIS CAMP IS STILL TURNING HEADS AND RACKING UP SALES. WITH DIRECT ACCESS TO THE NORTHSTAR SKI RESORT, A WORLD-CLASS TOM FAZIO DESIGNED GOLF COURSE, AND A STERLING MEMBER AMENITY PACKAGE, MARTIS CAMP CONTINUES TO BE THE DARLING OF THE TRUCKEE REAL ESTATE MARKET, COMMANDING PRICES THAT RIVAL THE UPPER REACHES OF TAHOE'S LAKEFRONT MARKET. LOT PRICES START IN THE \$700KS AND GO ABOVE \$3M. FINISHED HOMES IN MARTIS CAMP START IN THE HIGH \$2MS AND GO ABOVE \$7M.

ABOUT US

TAHOE LUXURY PROPERTIES IS A FULL-SERVICE REAL ESTATE COMPANY SPECIALIZING IN REAL ESTATE SALES AND PREMIER VACATION RENTALS AT LAKE TAHOE'S NORTH SHORE, TRUCKEE AND NORTHSTAR, CALIFORNIA AND INCLINE VILLAGE, NEVADA. SINCE 2004, BILL DIETZ HAS CLOSED MORE THAN \$300 MILLION IN RESIDENTIAL REAL ESTATE SALES IN THE TAHOE AREA. THESE RESULTS REFLECT OUR COMMITMENT TO OUR CLIENTS.

TAHOE LUXURY PROPERTIES IS BEST POSITIONED TO MARKET AND SELL PREMIER REAL ESTATE THROUGHOUT LAKE TAHOE AND ITS SPECTACULAR SURROUNDING COMMUNITIES. OUR BROKERS AND AGENTS COMPREHENSIVELY UNDERSTAND THE REAL ESTATE DYNAMIC AT LAKE TAHOE, INCLUDING THE RENTAL AND INVESTMENT ANGLE. WHETHER YOU ARE LOOKING FOR A TAHOE FAMILY VACATION HOME TO ENJOY FOR GENERATIONS OR AN INVESTMENT PROPERTY TO PROVIDE A SOUND RETURN, TAHOE LUXURY PROPERTIES' EXPERIENCED STAFF IS HERE TO HELP. WHETHER YOU ARE READY TO BUY OR SIMPLY INITIALLY EXPLORING THE OPTIONS IN LAKE TAHOE REAL ESTATE, LET US SHOW YOU TAHOE LUXURY PROPERTIES.

FOR MORE INFORMATION, PLEASE CONTACT US AT 1.800.581.8228 OR VISIT TLUXP.COM.



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