Median home price in Tahoe going up

By Dan Spano

We have had a strong start to 2013 in Lake Tahoe real estate. Homes continue to sell at a strong pace and now the median price is starting to rise.

Even with the reducing inventory of homes on the market and the interest rates still at an all-time low, I believe we'll continue to see strong sales. As of Feb. 20, on the Nevada side of the South Shore, there was just one foreclosure and one short sale on the market. The rest of Nevada is still seeing enough foreclosures to keep them as the No. 2 state in the U.S. in the number of foreclosed homes, but that isn't the case in Lake Tahoe. The California side has seven foreclosures and four short sale homes for sale, a large drop from the last two years.

People want a piece of Tahoe real estate.

There has been more activity on the higher-end market of homes for sale. One home just sold in Cave Rock for almost $25 million and another in Skyland for $12 million. There is much more trust in the economy and it shows in these large purchases. Buyers are willing to pay for the kind of home they desire.

South Shore, Nevada market summary

On the Nevada side of South Lake Tahoe there were nine closed sales in January, and very interestingly, the exact same number as January 2012. With 30 homes currently in escrow, I expect to see a larger number when February's figures are in. There were 167 homes sold on the Nevada side in the last 12 months, from Feb. 1, 2012, to Jn. 31, 2013. During the previous 12-month period there were 127 homes sold. There are currently 68 condos and 84 houses on the market, with almost 40 percent (60 properties) priced above $1 million.

Low inventory of homes for sale

The No. 1 conversation among Realtors nationwide is the low inventory of homes for sale, and it is no exception in Lake Tahoe. Larry Sabo, of Paradise Real Estate, says, "In the last six months, the median price of homes for sale in South Lake Tahoe has shown improvement every month, closed sales have been increasing since early in 2009 with a fast increase recently, and the time it takes to sell a home is at its lowest since March of 2007, long before the recession started. We are also seeing the percent of list price received has gone above a six-year high. The month's supply of homes for sale, otherwise known as the inventory, is at a level lower than it's been in more than six years. The number of homes for sale is also at a six-year low, with buyers out there frantically looking because they just can't find the home they're looking for. "

With very low inventory left we really don't know how sales figures will look in the next 12 months in Lake Tahoe.

I had been expecting a slow growth of recovery in Lake Tahoe but we've taken an accelerated pace, faster than ever expected. I'll be keeping an eye on the situation and keep my readers updated.

Dan Spano is with Paradise Real Estate.