

Top Ten Reasons to Invest in Lake Tahoe Real Estate

A Leading Lake Tahoe Real Estate Expert Explains the Most Important Benefits of Owning Lake Tahoe Real Estate

By Theresa Souers, Partner, Pinnacle Real Estate Group Lake Tahoe, <http://www.homeintahoe.com>

Even in a challenging real estate market, there are substantial benefits and reasons to invest in Lake Tahoe real estate, especially in the South Lake Tahoe area.

10. Ideal Weather Conditions

Ever wonder why the tourist crowds are even greater in the summer than they are in the much sought-after Lake Tahoe winters or ski season? While summer finds nearby Sacramento and Reno experiencing temperatures in the 100's and the Bay Area is socked in with fog, Lake Tahoe generally enjoys highs in the low 80's. And, don't let the fact that Lake Tahoe is known as a world-class ski destination fool you into thinking that the winters are uncomfortable. An average January day ranges from 15 – 41 degrees with brilliant sunshine compared to Vail (0 – 31,) Jackson Hole (5 – 28,) and Stow (1 – 25.) Most winter days, a good sweater will do the job. A storm will come in, drop the snow and leave us basking in sunlight. And to the joy of sun worshipers, the sun shines approximately 275 days a year.

9. Year Round Recreation

Consumers in the second home/retirement age group are more physically fit and healthier than ever before. These people are on a quest for a variety of outdoor activities. Unlike most ski or golf resorts, Lake Tahoe has something for everyone. The pristine blue waters and sandy beaches provide swimming, fishing and sun bathing. Boating enthusiasts range from kayaks to sailing to motors. The forest and mountain trails draw the hikers, bikers, rock-climbers, snow mobiles, snow shoes, cross country skiing and campers. Golf resorts range from lakeside to high desert. Photographers, painters and artists of all mediums flock to the area. Lake Tahoe offers the complete selection of recreational activities of virtually every variety, and Lake Tahoe offers them year round.

8. The Relaxed Atmosphere

Those people who are seeking relief from long hours inhaling exhaust fumes, long lines at restaurants, long lines at gas stations and pushing through sidewalk traffic, find themselves reveling in the joy of a 10 minute commute to nearly every destination. The average population of the entire Lake Tahoe area, including the South Lake Tahoe Stateline area, is approximately 34,000 and on most given days, "peaceful" replaces "hustle/bustle" when describing the overall atmosphere.

7. Real Estate's Rolling Boom Effect

Whenever the real estate market begins a trend, it is important for real estate investors in particular to study the rolling boom effect. Generally speaking, when an area is experiencing high real estate activity, one should look to the surrounding areas for the next wave of activity. This is especially true of resort market real estate investing. Thus, the Lake Tahoe real estate market benefits from the surrounding Reno, Sacramento, and overall San Francisco Bay communities. As of February 1, 2008, we are receiving reports from colleagues within these cities that values are beginning to stabilize and that there has been increased real estate activity. Based upon the number of online inquiries for the Lake Tahoe real estate market, it appears to be just a matter of time before we are back on track. With today's inventory surplus, low interest rates and the news blasting daily "doom and gloom" reports, sellers are more willing to negotiate than we have seen in a decade.

6. Baby Boomer Buyers

Baby boomers who are in their peak earning years, are investing actively in second homes and retirement homes. At the same time, many baby boomers are finding themselves inheriting various levels of wealth from senior family members. This generation is choosing to work longer while playing harder. These people continue to search for second homes near beaches, lakes, ski resorts and golf courses. Lake Tahoe is one of the few second home destinations that can offer all three. The word must be out – 75% of our current homebuyers are from out of the area. The Baby Boomers are the driving force behind the resort market industry and they have only just begun to invest.

5. Affordability

Reasonable pricing is one of the key reasons to invest in Lake Tahoe real estate. According to the South Lake Tahoe Association of Realtors MLS, the median price (based on the previous 12 months' sales) for a single family home within Lake Tahoe's South Shore is \$449,950, less than half (and in some cases, a third) that of Vail, Aspen and Jackson Hole.

4. Superior Real Estate Values

While the current home values in Lake Tahoe are down from the peak of early 2006, the decrease does not come close to what we are seeing in other parts of the country. According to the National Association of Realtors' third quarter report for 2007, the hardest hit states were: Utah, down 21.4%, New Mexico down 23.7%, Nevada down 35.3%, Maryland down 28.6%, Florida down 32%, California down 27.8% and Arizona down 30.9%. Across the nation, the average median home price is down 13.7%. Where does South Lake Tahoe real estate stand? *During the same period, third quarter of 2007, the median home price was down only 4.6%.* Upon the release of data on January 31, 2008, within the South Lake Tahoe neighborhoods, The Y, Tahoe Paradise, Tahoe Island Park, Stateline, Pioneer Trail, North Upper Truckee, Country Club/Elk's Club and Black Bart areas have all reported increases in value as compared to the same time last year.

3. Opportunities for Supplemental Income & Vacation "House Swapping"

Lake Tahoe is a world-class vacation destination. Not only does the winter snow bring visitors from around the globe, but to the surprise of many, summer brings an even greater number of tourists. Vacation rentals bring in subsidized income which can help cover the costs of your Lake Tahoe real estate investment. When a home offers the "Tahoe Look," dwells within a desirable location (near outdoor recreation) and includes amenities such as a hot tub or pool table, the demand increases. Many of these homes average bookings 100+ nights a year. Typically, the more bedrooms and baths a home has, the higher the income. One of our current listings, a 6 bedroom contemporary home has averaged an income over \$125,000 for five years now. With today's technology, many homeowners are choosing to manage their own rentals with a great deal of success.

Another advantage of owning a vacation home in Lake Tahoe involves the current trend of "house swapping." Websites are available which unite homeowners around the world that are interested in trading homes for their vacations. We have clients that have swapped homes in Paris, Hawaii, and Thailand.

2. Strictly Limited Supply

In a nutshell, there is no chance of real estate over-development having a negative impact on the value of Lake Tahoe homes. Generally, supply is low and demand is high. Today's current housing crisis is having its greatest negative impact in areas where endless housing tracts were developed in short periods of time. Areas like Bakersfield, CA, Phoenix, AZ and Las Vegas, NV are examples of over-development. During the 2004-2005 "boom," investors and developers were throwing up houses at break-neck speed in hopes of huge profits. When this market came to a screeching halt, these areas were the first to see the foreclosures and will take the longest to recover. On the other hand, Lake Tahoe real estate is an environmentally protected area and as a result, growth is strictly limited. In Lake Tahoe, supply will always be in the favor of the investor, especially those able to hold tight through more challenging real estate markets, like the current one.

And, # 1. Your Quality of Life: Would You Rather Watch Your Investments or Live Them?

Everyday, we hear those who have invested in Lake Tahoe real estate praise the benefits gained through living a less stressful and more joyful life. These

benefits include better health, longer life, better relationships, and so forth. How does this relate to investing? Think about it. If you are addicted to watching your investments grow, (and most of us are in one way or another) how much more pleasant would it be to do so relaxing on the beaches of Lake Tahoe rather than pulling your hair out in front of your computer. You can watch arrows going up and down or you could ride the chair lift up and swish your way down. You can listen to computer chimes or you can listen to the wind in the pines. What could be better than wrapping "quality of life" and long term investments into one "full benefits" package? Robert Frost inspired us to unite vocation with avocation. Investing in Lake Tahoe real estate is just such a venture. The pay offs can be huge.

About Theresa Souers

Theresa Souers is a partner in the Lake Tahoe real estate company, Pinnacle Real Estate Group, Lake Tahoe. She was named by the Tahoe Daily Tribune to be one of Lake Tahoe's "Ten Most Influential Women" and in 2006 Theresa was named "Realtor of the Year" by the South Tahoe Association of Realtors. For more information about Ms. Souers and Pinnacle Real Estate Group, please visit <http://www.homeintahoe.com> or call 877-SOUERS 5 (877-768-3775)