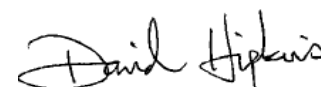


Our markets are going through their normal annual rhythm, manifested by the increasing number of properties now going into escrow - Fall historically is our heaviest selling Season, and this year is no exception. The savvy Buyers have spent the Summer looking and getting grounded in values, and post Labor Day, are getting off the fence to take advantage of current interest rates and are flushing out the more motivated sellers. The dearth of new construction has resulted in unsold home inventory peaking earlier than usual in Tahoe Donner (23rd of August this year at 174 unsold homes), as our climate always ensures that new construction isn't ready for the market until later in the year.



With just about every property priced lower than replacement cost, there are still great values to be found everywhere. However, given that jumbo loans still remain relatively unattractive when compared to their conforming cousins, Buyers generally are still focused on the lower priced properties, and we are now seeing a concomitant firming of prices sub \$650,000. For those with cash and great credit, even better values are to be found higher up the price point chain. I do not expect this to change for a while to come.



The market absorption of short sales and foreclosed properties remains relatively healthy, but the former still requires tremendous patience of all parties, with inconsistencies to be found throughout the lending industry. Foreclosures are generally a much more efficient and relatively smooth process for Buyers.

Condominium sales have picked up noticeably, and like the less expensive homes to be found in our local neighborhoods, are being helped by the first time home Buyer tax credit of \$8,000, still currently set to expire at the end of November.

**Property Owners – It's time now to think about closing those crawl space and foundation vents.
... also Winter is typically the best time to get better bids for all interior work & improvements.**

The data below can be viewed in graph format on the next page – call me for clarification of local market trends.

TAHOE DONNER (bellwether for Greater Truckee) Year-End & 2009 3rd Quarter Activity Snapshots & Trends

SINGLE FAMILY HOMES

Year End	Unsold ▶	In Escrow ▶	Sold ▶	AvgSoldPrice	Median
2005	79	13	258	\$811.9k	\$765.0k
2006	84	12	179	\$817.9k ▲ 1% from prior year	\$710.0k ▼ 7%
2007	117	7	177	\$740.6k ▼ 9%	\$675.0k ▼ 5%
2008	120	17	193 ▲	\$742.4k ▲ <1%	\$660.0k ▼ 2%
Q3 09	146	42	YTD ▶ 147	\$596.5k ▼ 20% YTD	\$545.0k ▼ 17%
(Q308)	155	39	141	\$757.9k	\$664.5k

CONDOMINIUMS

Year End	Unsold ▶	In Escrow ▶	Sold ▶	AvgSoldPrice	Median
2005	14	3	61	\$413.7k	\$445.0k
2006	34	1	30	\$432.5k ▲ 5% from prior year	\$419.9k ▼ 6%
2007	31	0	32	\$372.8k ▼ 14%	\$414.5k ▼ 1%
2008	24	1	19 ▼	\$370.4k ▼ 1%	\$379.0k ▼ 9%
Q3 09	29	10	YTD ▶ 22	\$298.7k ▼ 19% YTD	\$322.5k ▼ 15%
(Q308)	27	4	14	\$368.0k	\$382.0k

LOTS

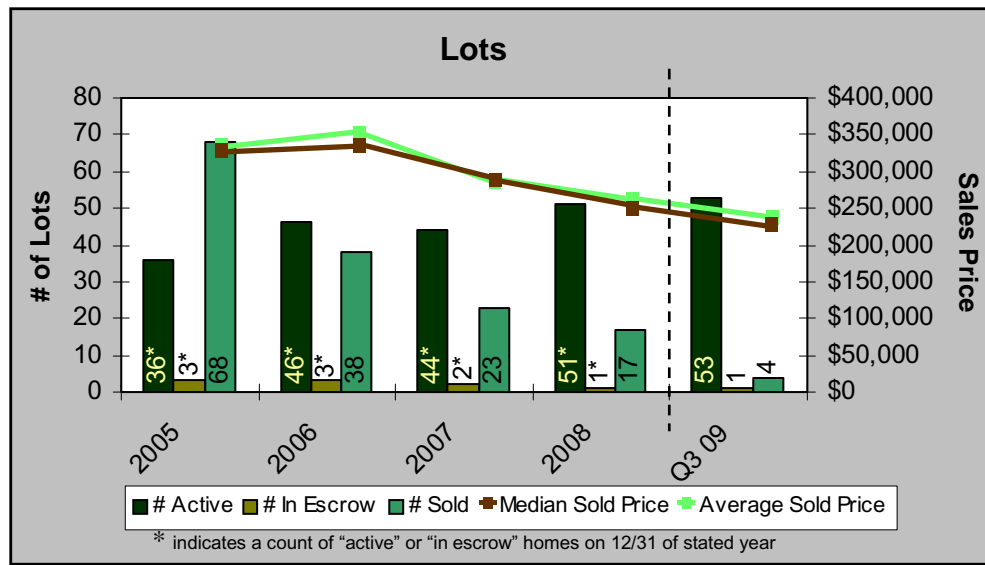
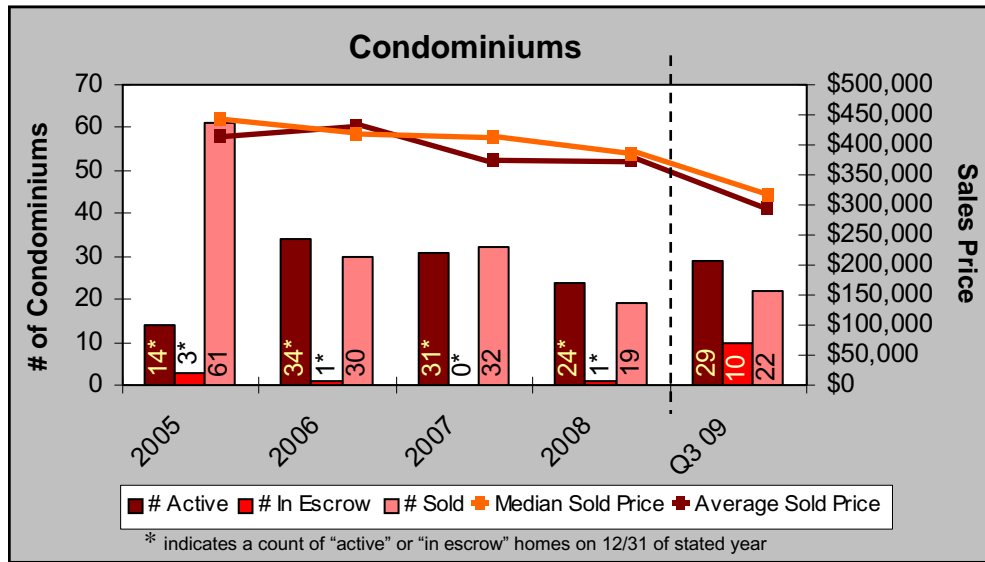
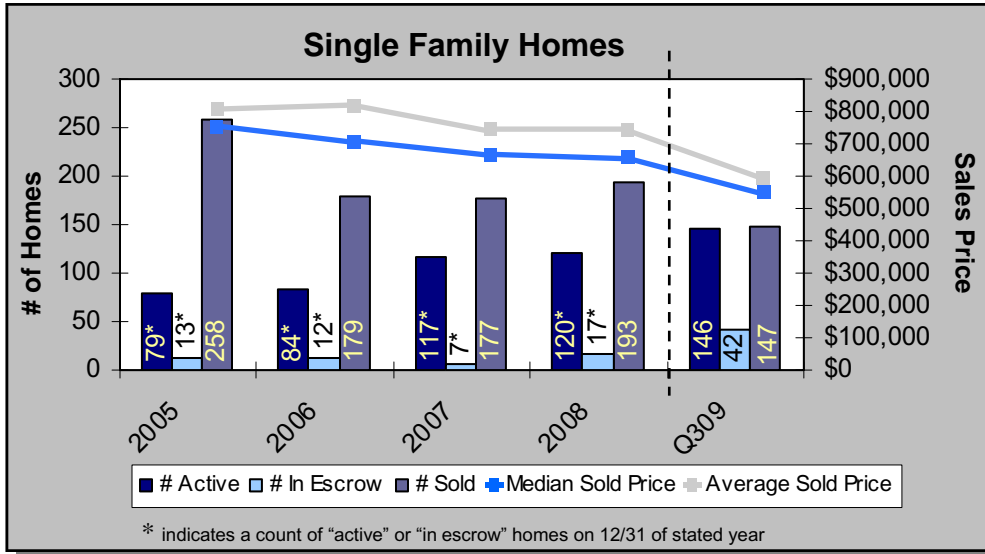
Year End	Unsold ▶	In Escrow ▶	Sold ▶	AvgSoldPrice	Median
2005	36	3	68	\$341.3k	\$327.0k
2006	46	3	38	\$353.3k ▲ 4% from prior year	\$335.0k ▲ 2%
2007	44	2	23	\$282.8k ▼ 20%	\$285.0k ▼ 15%
2008	51	1	17 ▼	\$260.3k ▼ 8%	\$250.0k ▼ 12%
Q3 09	53	1	YTD ▶ 4	\$238.8k ▼ 8% YTD	\$227.5k ▼ 9%
(Q308)	71	0	14	\$259.1k	\$267.5k

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.tdhomes.com

Tahoe Donner® Year-End & 2009 3rd 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.



DATA SOURCE: Tahoe Sierra Board of Realtors MLS—Data is deemed reliable but not guaranteed. All of the latest Greater Truckee/Donner MLS Listings are available to you at www.tdhomes.com