

# **“Tahoe is always going to be a winner”**

Tahoe Daily Tribune | January 15, 2022

Kayla Anderson  
Special to the Tribune

Two years into pandemic, Tahoe real estate market holds strong

If you are waiting for the real estate market to cool down a bit before you buy a home in Lake Tahoe, then keep in mind that it may never happen. Home sales on the East Shore/Nevada side of Lake Tahoe have quadrupled since the pandemic began in March 2020 and two years later, while the pandemic rages on, the market shows no signs of slowing down. With the lack of inventory and high demand, the average price of a home has doubled since 2008.



According to a Chase International Real Estate report, there was a 13% increase in single-family homes sold in the third quarter of 2021 compared to 2021 and a 14% decrease in the number of units available. With the lack of inventory and huge demand, average home prices shot up in both 2020 and 2021 at least 30% more.

On the East Shore alone (Incline Village to Stateline), 158 homes were sold, most of them costing in the \$1-\$1.5 million range. Looking at yearly home sales reports going back to 2008, one sees a visible jump in homes that sold for over one million dollars from when the pandemic began. In 2019 there were 61 homes that sold at that sticker price while in 2020 and 2021 there were at least 118 homes that sold for over a million.

Chase Realtor Ken Bednar, who manages [laketahoecommunities.com](http://laketahoecommunities.com), is seeing the demand stay strong due to a shift in buyer demographics.

“I’ve been selling real estate for 32 years in destination places and my primary market has mostly been baby boomers,” said Bednar. “But now the work-from-home market has flipped it all upside down.”

He says that his current buyers are in their early 30s to late 40s, working remotely and moving to the Nevada side from California for its tax breaks and lifestyle. Consequently, older buyers in their 60s and 70s are getting pushed out of the market as they are sitting on the sidelines waiting for the market to correct.

But Bednar doesn’t see that happening for a while.

“The new Tahoe younger buyers are creating a much higher demand than we have supply,” Bednar says. Bednar sold two homes to clients last Friday (Jan. 7) and had quick closes on both. He has nine in escrow this week, all to clients in their thirties.

“That’s never happened before, but I think it’s refreshing to see people in their thirties and forties come in and raise their families here,” said Bednar. “These are take-action people; they know the market is moving in a certain direction and they go for it while potential buyers in their sixties and seventies wonder what’s happening. Prices are going up and inventory is going down, and they’re sitting there saying, ‘Shoulda woulda coulda’.”

And he doesn’t see the demand for Tahoe going away.

“This thing is changing and I’m seeing it big time. People moving here want an active lifestyle, they can work from home, and a lot are business owners,” Bednar adds.

For instance, one of his recent clients — Bill Lyons — bought a home in Incline Village on Nov. 19, 2021, with the goal to spend his summers up here.

“My company was headquartered in San Diego, and I lived in a high rise in Little Italy. During the pandemic, it became very hard to work out of a 1500-square foot box with two dogs and a wife. We thought it would be two weeks to a month of reducing the curve [in early 2020 when the COVID-19 lockdowns occurred] so we decided to go down to Palm Springs and rent an Airbnb for 60 days,” Lyons says.

Sixty days turned into four months and being the CEO of his company, Lyons realized that he could still run it efficiently working remotely. Therefore, they bought a house in La Quinta to split their time between San Diego and the desert. But then summer came around, and the Lyons’s were not fans of the scorching 120-degree heat. The couple went back to San Diego, but it felt too busy, too crowded with people and buildings.

“So, we looked for the opposite weather of La Quinta; we wanted perfect weather in both places,” Lyons says. They found Lake Tahoe, looked at places, and fell in love with Incline Village.

“People are super friendly; I was surprised to find that coming up from Southern California. And it’s an 8.5-hour drive to San Diego or a 1-hour direct flight out of the Reno airport. It’s one of the most amazing places I’ve ever been,” says Lyons.

And contrary to talk around town about extreme weather driving people away, it’s just not happening.

“During that crazy storm in December, our driveway still got plowed. We lost power for one day and it wasn’t that big of a deal,” he adds.

Bednar is seeing a similar trend in his work.

“During the fires [last summer’s Caldor Fire] I stopped my marketing efforts that I focus on in high income areas. Usually, I get around 115 leads or buyers in a week’s time, and that was cut in half to 60 during the fires. But then once I resumed my marketing, it was right back to normal,” Bednar adds.

“If you’re going to live in the West, people understand that you’re going to deal with wildfires. And honestly, more people living here means that more money is going towards fire protection.

“In the winter, younger people can shovel; they like it. They’re outdoor people, they’re healthy. Even the people who were older and were going to sell their home, they’re not going to do it anymore because where would they go that’s better than Tahoe? They’re not interested in living in a high rise in a high-density population area,” Bednar adds.

Bednar said there is a lack of inventory — on the East Shore there are only 21 active listings (as of Jan. 11) and on the California side there are only 66. But there’s a higher demand on the Nevada side because of the tax benefits here ... people save 13%.

“This is not just a bunch of rich baby boomers coming up to buy a second home anymore; it is all people in their thirties and forties who want a primary home in Lake Tahoe,” Bednar says. He believes that the real estate market is at the point where “Tahoe has left behind” the older, more conservative folks.

“They are waiting for the next market downturn, and I don’t think that’s going to happen. I explain to people that Tahoe is like the Apple stock of real estate; buy it now for the future. Average prices will continue to rise because of the limited supply of houses. Eighty-seven percent of Tahoe is National Forest land which only leaves 13% for building. I always say there are two types of houses — One, those that have been remodeled; and two, those that need to be remodeled.

“There’s less supply, more demand, and prices go up. Overall, I’m excited. I’m a lifer and I think it’s healthy for the community and the new demographic moving in; Tahoe is a great place to raise kids. What I see happening during COVID has continued and what’s kept it going is the tax breaks.

“Tahoe appeals to successful people who have the ability to move out; it’s a tax-friendly place, and you can get in a car and drive to Tahoe. Nothing is changing. I don’t see anything that’s going to cause this market to crash; like Apple stock, Tahoe is always going to be a winner,” he says.