

LUXURY TRENDS

The Market Report from the Market Leader

- Highlight on the Reserve at Monte Rosa
- 2009 2nd Quarter Report of Luxury Sales
- The Changing Face of Luxury Real Estate
- Luxury Market Share Report

*Reno - Sparks - Truckee
South Tahoe, NV
South Tahoe, CA
Incline Village*

DICKSON
LUXURY

Your Own Little Slice of Heaven.

This is not just another pretty place. This is as close to pure, unadulterated bliss as a luxury-home community can get. This is The Reserve at Monte Rosa, by HomeCrafters, award-winning builder of great living experiences. Elegance lives here in three distinctive architectural visions, seamlessly situated amidst interpretive walking trails and unequalled views of both the Sierra and the lights of downtown Reno.

Close to top-drawer shopping, dining and the majestic wonders of Lake Tahoe, life at Monte Rosa is far from ordinary. Every home in



this gated wonder place boasts a menu of standard and optional features that raise the bar for the building industry. Explore this. Enjoy this. Live in this. This place of enduring values known as The Reserve at Monte Rosa.

The Reserve at Monte Rosa offers rustic elegance, enduring values and an unwavering commitment to doing the details better. Each home here is a unique blend of location, architecture and quality-crafted features, an expression of you that stands beautifully apart from comparably-priced homes in the market. A refreshing new level of sophistication is yours for the choosing, the freedom and flexibility to create a home that truly suits your lifestyle.



The Sales Center is open from 11am-5pm daily. For more information call 775.853.0866 or contact Mary Corcoran at mcorcoran@dicksonrealty.com or Debbie Stolpman at dstolpman@dicksonrealty.com. MonteRosaReno.com

2nd Quarter 2009 Report of Luxury Sales

Since 1973, Dickson Realty has led the market in luxury home sales; that is how we judge our success... on closed sales, not listings. Each luxury market that is part of our region is a "micro market"; unique with variations in the price range, amenities and market conditions. In order to be successful in these markets, it requires an expert in


those markets to know and understand what is actually happening. With national press detailing grim news about the housing market, those statistics cannot be applied across the board in our region. We hope this exclusive report gives you greater insight in what is happening in our region and in each of our luxury markets.

Evaluating Luxury Real Estate at Year End

In these challenging economic times the luxury home market is experiencing change - not just in value but in many other ways. The definition of luxury is changing as consumers accept that what they want may be different than what they can truly afford. Things that were important to consumers as recent as six months ago are now going to the bottom of their wish lists. For example, luxury home buyers are downsizing their need for space - maybe 5,000s.f will work rather than 6,000s.f. They seem to be less focused on quality and amenities and more concerned about long term appreciation. Historically there was a dividing line between the "investor" who considers price per square foot as the deciding factor and the "consumer" who weighs appliance upgrades, finish quality and the bells and whistles, over dollar-for-dollar value. That line has started to fade and the investor and consumer agendas have become very similar. What consumers don't seem to be willing to compromise about is the essence of a luxury home. Whether it is the special setting overlooking the city lights or the fabulous architecture that sets the home apart from all others. It can be smaller and a little less "fancy" but it still has to be unique.

In the traditional way we evaluate our stock portfolios and "rebalance", Sellers are now faced with a major rebalance of the equity in their homes. The decision to retire and downsize may have to be put off longer than expected. As with many owners of luxury homes, a considerable portion of their net worth is the equity of their home. With market values changing daily it is difficult to assess what that value will be a year from now. Frankly, it is a challenge to assess what the value is today. The stock market has signs-of-life which is encouraging to many buyers looking for an opportunity in the real estate market. Of course the Buyer's dilemma is whether to buy now or wait?

continued on next page

Market	Active Listings	Number of Solds			Median Sales Price			Average Days On Market	
		2nd Qtr 2008	2nd Qtr 2009	Percent Change	2nd Qtr 2008	2nd Qtr 2009	Percent Change	2nd Qtr 2008	2nd Qtr 2009
 <p>Truckee, California The Truckee/North Lake Tahoe luxury market starts at \$1,500,000, with this segment of the market still comprising approx. 20% of the "active" inventory. The 72 luxury homes sold in 2008 represented just 9% of the total sales for the year, as buyers scrambled for the incredible values under \$600,000 that comprised 52% of the 2008 total sales. Although total luxury sales were down over 2007, the median price increased. The current attractive mortgage interest rates present a welcome incentive for qualified borrowers to step up to the plate. And for those with cash and a long-term horizon, many economists predict 2009 will be an excellent year to buy.</p>	323	24	13	-46%	\$1,787,500	\$1,350,000	-24%	230	259
<small>All information above is through June 30, 2009.</small>									
 <p>Reno/Sparks, Nevada The luxury market begins in the Reno area at \$1,000,000. For the 2nd quarter of 2009, the number of units sold in the luxury market gained by 15% compared to the 2nd quarter of 2008. While the median price dropped and the days on market went up compared to 2008, the number of active listings for the quarter grew.</p>	179	13	15	15%	\$1,615,000	\$1,330,000	-18%	254	308
<small>All information above is through June 30, 2009.</small>									
 <p>South Lake Tahoe, California In South Lake Tahoe, California, the luxury market starts at \$1,000,000. The number of Solds continues to decrease dramatically, with only one luxury home being sold in the 2nd quarter of 2009. Though the median price went up by 80%, this number is skewed considering this is based on a single sale. Days on market has more than tripled since last year.</p>	84	5	1	-80%	\$1,300,000	\$1,820,000	40%	139	518
<small>All information above is through June 30, 2009.</small>									
 <p>Zephyr Cove, Nevada The luxury market begins at \$1,500,000 in Zephyr Cove. This market continues to decrease in sales from 13 in the 2nd quarter of 2007, 7 sales in 2008 and now only 3 in 2009. The median price went up which could indicate that buyers are willing to purchase if they find what they're looking for...and the deals are still out there and motivated sellers are achieving their goals.</p>	73	7	3	-57%	\$1,725,000	\$3,300,000	91.3%	284	338
<small>All information above is through June 30, 2009.</small>									
 <p>Incline Village, Nevada Luxury sales in Incline Village start at a \$2,000,000 home price. Listings are up but the number of sales is what is was in the 2nd quarter of 2008. So with that much inventory on the market, nothing is really moving. The good news is that those properties that are selling, are selling faster. With prices dropping, there are deals to be made.</p>	127	6	6	0%	\$3,225,000	\$2,912,500	-10%	148	130
<small>All information above is through June 30, 2009.</small>									

Information is deemed reliable but is not guaranteed by Broker.

The Changing Face of Luxury Real Estate cont'd

Here is a good reason not to wait. The current interest rates are phenomenal. From the last quarter of 2008 to August of 2009 jumbo interest rates have stayed within a quarter point of 6%. This myth that jumbo loans are not happening is just a myth. The loans are there and attractive. It may take an extra week or two to do the loan as lenders are evaluating loan commitments with more scrutiny than the last five years but they are lending. Here's another myth: consumers are only buying distressed properties. Not true, distressed properties are just that, DISTRESSED. There are a multitude of issues and some risks associated with a distressed property and it goes without saying a larger distressed property may have larger issues to address. Buyers are buying distressed AND non-distressed properties so don't assume you won't sell because you don't happen to be in trouble with your mortgage. If you are in trouble don't wait until it is too late to begin a dialogue with your lender. Foreclosures are a part of the luxury market in 2009 and will likely continue into 2010.

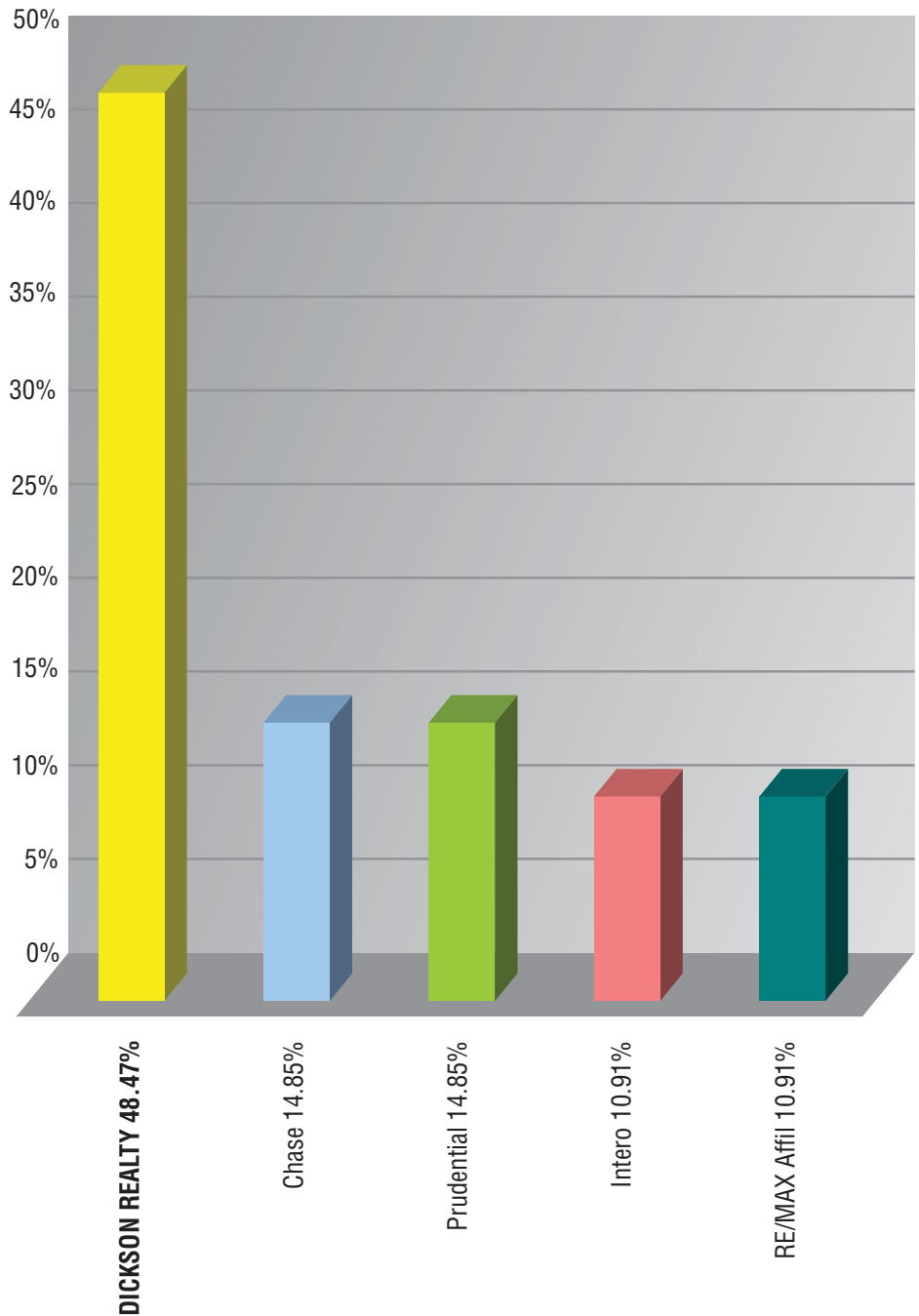
Of the sales that have occurred over \$2,000,000, in 2009, it might surprise you to learn that half of those sales involved a trade. Keep that in mind as a possibility if you are selling or buying a luxury home. With gratitude to our hardworking agents and clients, Dickson Realty remains the luxury market leader in 2009.

Rebecca Dickson
Vice President of Dickson Luxury

LUXURY MARKET SHARE

RESIDENTIAL SALES - RENO/SPARKS OVER \$1,500,000

January 1, 2009 to June 30, 2009



Source: Northern Nevada Regional Multiple Listing Service (NRMMLS). Information is deemed reliable but is not guaranteed by Broker.

DICKSON

LUXURY

EXTRAORDINARY EXPERIENCE.™

CAUGHLIN RANCH
(775) 746-7000

DAMONTE RANCH
(775) 850-7000

MONTRÉUX
(775) 849-9444

SPARK
(775) 685-8800

TRUCKEE
(530) 587-7444



LUXURY
PORTFOLIO™
FINE PROPERTY COLLECTION



WHO'S WHO IN
LUXURY REAL ESTATE™

