Pacaso Reveals California's Hottest Second Home Markets

Lake Tahoe's nearby town of Truckee tops Pacaso's 'Second Home Heat Index" list of 10 cities

SAN FRANCISCO, May 27, 2021 /PRNewswire/ -- Pacaso, a service that helps people buy and co-own second homes, today announced its inaugural Second Home Heat Index, revealing California's hottest second home markets. Pacaso determined the 10 top second home markets across California by creating a proprietary composite measure that weighs several key metrics. The analysis looked at California cities where at least 25% of homes were not primary residences, and weighed annual home value appreciation, inventory levels, price reductions and time on market to determine the comparative "heat" of a given real estate market.

The Second Home Heat Index reveals a list of California cities that, in addition to a high percentage of second home inventory, have seen increased buyer demand, fierce competition and bidding wars, and spikes in home values.

Pacaso Second Home Heat Index: California				
Rank	**City**	**Nearby Cities**	**Median Home Value**	**YoY Increase**
1	Truckee	Lake Tahoe	$875,300	+27%
2	Paso Robles	Santa Barbara	$594,700	+12%
3	Cathedral City	Palm Springs	$394,100	+18%
4	Lucerne Valley	Big Bear	$225,000	+13%
5	Joshua Tree	Palm Springs	$309,500	+30%
6	Mammoth Lakes	Reno, NV	$533,300	+7%
7	La Quinta	Palm Springs	$552,800	+17%
8	Carpinteria	Santa Barbara	$1,029,400	+11%
9	Morro Bay	San Jose	$772,500	+11%
10	Malibu	Los Angeles	$3,559,000	+7%

Markets topping the list border well-known destinations: Truckee (Lake Tahoe), Cathedral City (Palm Springs) and Lucerne Valley (Big Bear). The top 10 destinations tend to feature visitor-friendly amenities and are within a three-hour drive of major cities, and a majority are comparatively less costly than neighboring markets. Six of the 10 markets have a median home value well below California's $655,000 median home value. More expensive markets like Malibu and Carpinteria, while still hot, saw somewhat smaller gains in home price appreciation.

"A crucial pandemic-driven shift in the freedom to live anywhere has permanently altered the U.S. housing market, and has made second home ownership more desirable than ever," said Pacaso CEO and Co-founder Austin Allison. "Aspiring buyers are shopping for second homes that are within driving distance to their home base, and they are searching for less expensive second home markets." Adds Allison: "Two key examples of this are Lucerne Valley and Joshua Tree. These sunny desert cities have median home values that are less than half of California's average home value, and second home buyers are flocking to places like this in order to avoid the already-high price tags found elsewhere."

Last year, Pacaso surveyed homebuyers and determined that more than half of Americans with a household income of $150,000 or more desire to own a second home. Motivating factors including work flexibility, low mortgage rates and accrued expendable income have encouraged many aspiring buyers to purchase second homes. According to a recent Redfin report, the number of people locking in mortgage rates to purchase a second home in April was up a whopping 178% year over year.

To learn more, please visit the [Pacaso blog](#).

About Pacaso
Pacaso™ (pronounced like "Picasso") modernizes the decades-old practice of co-ownership by creating a marketplace that makes buying, owning and selling a second home easy. From curating the best listings in top second home markets to offering integrated financing, upscale interior design, professional property management and proprietary technology to make scheduling stays simple, Pacaso provides owners with all the benefits of owning a second home without the hassle. After purchase, Pacaso manages the home on an ongoing basis and supports a frictionless resale process in partnership with a licensed real estate professional.

Pacaso was founded by former Zillow executives Austin Allison and Spencer Rascoff.

Disclaimer: Pacaso does not currently operate in all of the markets listed above.

About the Methodology
Relevant data was compiled from various sources including the U.S. Census Bureau, NHGIS, Zillow, Redfin, Realtor.com, and the regional MLS.

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