



1402 Noyac Path, Bridgehampton, N.Y.
\$5.8 Million
Lewis Apito / Corcoran

20 Best Places For Second Homes

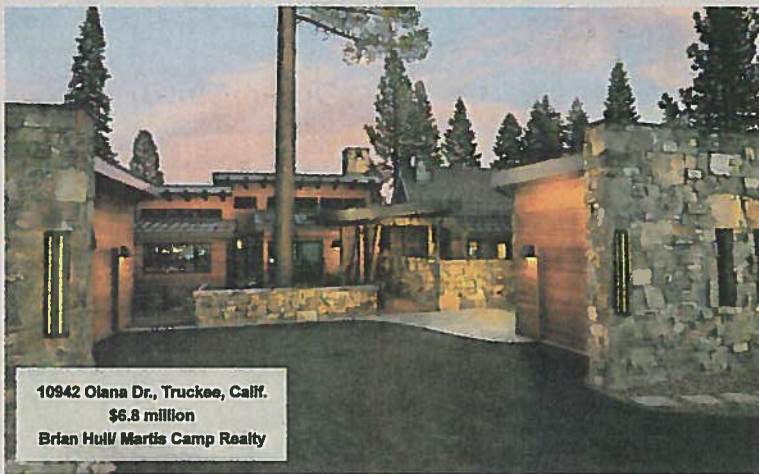
By Steven Sears, Mark Veverka and Sandra Ward

FOR SECOND HOMES IN AMERICA'S MOST AFFLUENT LOCATIONS, THE PAST YEAR WAS UGLY. NO way else to describe it. Median home prices were down 50% in North Lake Tahoe, and 44% on Martha's Vineyard, to cite two examples.

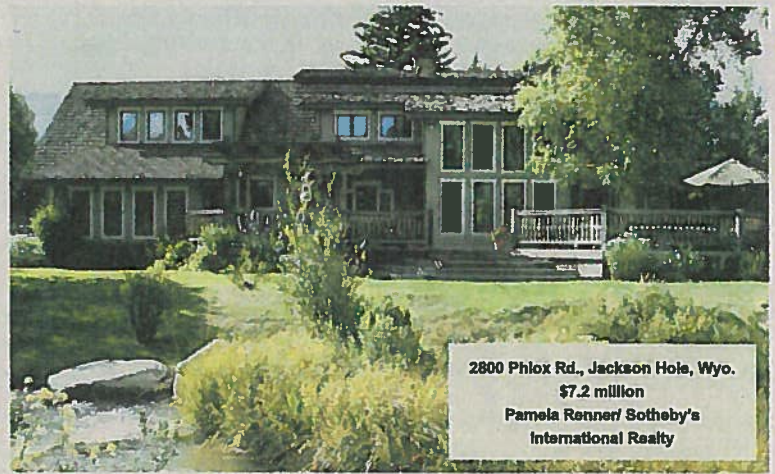
One year's price change is an indicator, of course, rather than an accurate measurement of the value of a community's entire housing stock. Median prices on Martha's Vineyard, an island hard to reach and with little real-estate inventory, can swing widely when only a few homes at the top trade hands. A one-year dip doesn't wipe out the essential beauty and attraction of the island established over time.

But still. With prices in 70% of our top markets for second homes either flat or in decline last year, it's hard to find a positive spin to all this. We've been as surprised as anyone: We wrote last year that the market for high-end second homes was on the rise. But that was before the European debt crisis spun out of control.

"Europe hurt the buying psyche of the luxury-home market, because it was the wealthy who got hammered this time around," says Aubrey Ferrao, chief executive of the tony development Fiddler's Creek in Naples, Fla. "They didn't expect it. But they were invested in the hedge funds and credit swaps that got hit."



10942 Olana Dr., Truckee, Calif.
\$6.8 million
Brian Hull/ Martis Camp Realty



2800 Phlox Rd., Jackson Hole, Wyo.
\$7.2 million
Pamela Renner/ Sotheby's International Realty

ful that Condé Nast Traveler gave Williams' spa its top honors in 2010. Real estate here seems soft, but elevation and views, such as Ravenel Ridge and Bowery Road, hold their own. Properties like Wolf Ridge, not for sale, get a steady stream of unsolicited bids. Shop McCulley's for Scottish cashmere sweaters and Bascom Art Center for Moulthrop wooden bowls. Highland Hiker, owned by Mayor David Wilkes, caters to naturalists and fly fishermen heading into the surrounding mountains. Another draw is the Highlands Country Club golf course, built in 1928 and responsible for honing the skills of the most successful amateur golfer ever, Bobby Jones.

Median Prices 2010: \$550,000
Median Prices 2011: \$440,000

15. PALM BEACH, FLORIDA

Residents joke that you never realize how young you are, or how poor, until you visit Palm Beach. Proof abounds in the Chanel and Graff Diamonds shops on Worth Avenue or while lunching at Testa, where out on the sidewalk a skin-tucked elderly woman models for a local shop. The Colony Hotel cabaret books acts like Chita Rivera, but aging rocker-residents such as Rod Stewart and Jimmy Buffett are often seen bopping around town. The restaurants Buccan and Cha Cha's are for the slightly younger set. The tight space of Palm Beach, a heavily developed barrier island, tends to support real estate prices. But folk near retirement eventually trade down. In 2011, Jimmy Buffett bought a \$4.95 million house, paying slightly less than the \$5.2 million asking price, after selling his \$18.2 million

oceanfront estate. Home hunters will find valuable market data at www.lrevanspa.com in reports prepared by local real-estate attorney Les Evans.

Median Price 2010: \$2.7 million
Median Price 2011: \$2.58 million

16. SUN VALLEY, IDAHO

In June, Sun Valley and Ketchum are overrun with media moguls, bankers, Internet whizzes and traditional publishers during Allen & Co.'s annual media conference. But normally Sun Valley is just another star-studded, out-of-the-way ski town. This area, America's first destination ski resort, was made famous by Ernest Hemingway, who spent his final years here. "Papa" used to throw back a few at Whiskey Jacques', a Ketchum saloon that retains its country charm and following. The Casino Club is still a favorite haunt even though the slots have long been banished. Sun Valley has a ski-circuit rep as a hard-partying town after an equally busy day on Bald Mountain (known as Baldy). The new kid on the block is the Cellar Club, where actor Bruce Willis has been spotted toward closing time.

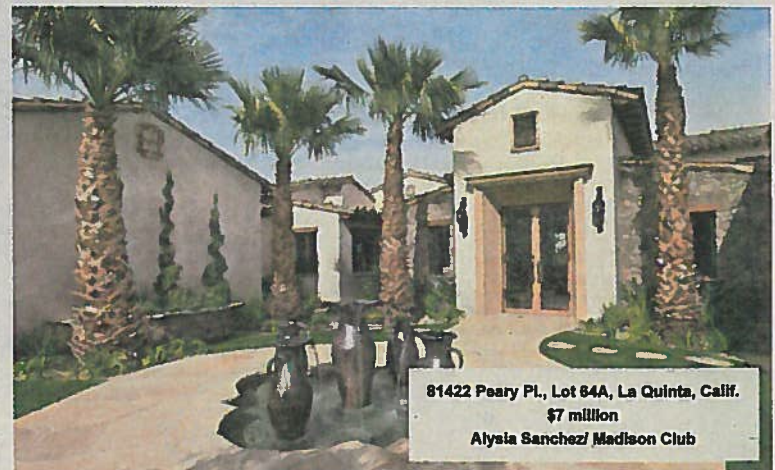
Median Price 2010: \$1 million
Median Price 2011: \$875,000

17. PALM SPRINGS, CALIFORNIA

After years of decline, Palm Springs is enjoying a genuine revival that would have cheered its late mayor, singer and congressman, Sonny Bono. Gay and lesbian real-estate



11468 East Carol Way, Scottsdale, Ariz.
\$1.1 million
Carol Nord/ Sotheby's International Realty



81422 Peary Pl., Lot 64A, La Quinta, Calif.
\$7 million
Alysa Sanchez/ Madison Club