

Lamorinda Real Estate Still Holding Its Own

By Conrad Bassett CRP, GMS

Foreclosures, short sales, and REOs (lender owned properties) are at record highs nationally and statewide, however many communities have remained relatively immune...Lafayette, Moraga, and Orinda fit this description.

The most obvious reason is that the supply of available homes is limited. There has been and is currently very little competition from new home builders which has plagued areas like Oakley, Brentwood, Antioch, and to a relative degree, San Ramon and Danville.

On the demand side, the Lamorinda communities (especially those that are in the three elementary school districts that feed the Acalanes Union High School District) remain very desirable. Many local home purchasers are moving up to larger homes for their growing families and want to remain in the area. If they are current homeowners in Lamorinda they have had significant appreciation over the last several years and are able to move that equity into their next home.

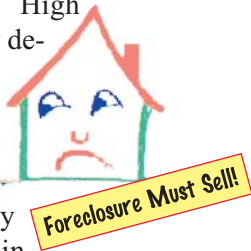
Relocation sellers are also fueling the market. Many families who are leaving the area have the support of their employers in the payment of their sale closing costs including commissions, or the purchase of their homes if they cannot sell them on the open market. The relocation companies do not want to hold the homes vacant and in their inventory so they make sure the homes are in good condition and priced fairly.

Relocation buyers have always found Lamorinda a great location. The outstanding schools are always a lure but the proximity to BART or freeways and the nearness of San Francisco, Oakland, and Walnut Creek make for much appeal. Many relocating transferees come to the Bay Area and look at San Mateo and Marin County or San Francisco and find that the East Bay is a relative bargain...more home on a bigger lot and better weather and at a more reasonable price. And they purchase here. As gas prices continue to rise, the closer in locations will become even more desired and when the housing situation improves areas like Lamorinda will recover the quickest.

Another factor is that the number of speculators who pur-

chased homes in Lamorinda is much lower than other areas. Many of the foreclosures in surrounding communities are investor owned properties where the buyer leveraged the home with a small down payment and then rented the homes with a negative cashflow, hoping that the appreciation would offset the monthly cash loss. When the market turned, many of these investors just walked away from the properties because they had little money tied up in them. In Lamorinda prices have been higher than in other communities so the investors usually went elsewhere. This was especially true of first time individual investors who borrowed equity from their own homes to buy others and when values fell, they not only lost their investment properties, they lost their own homes.

The old adage, location, location, location still applies but today perhaps more so than at any other time.



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