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Published November 11th, 2009

The Real Estate Quarter in Review

By Conrad Bassett CRP, GMS

The third quarter of 2009 showed some ups and downs in the Lamorinda real estate markets.

Per Contra Costa Association of Realtors statistics reported from July 1 through September 30th, 67 single-family homes closed in Lafayette, up from 44 the previous quarter. Sales prices ranged from \$309,000 to \$3,655,000 and the average days on market was 70 days (up from 44 during the previous 90 days.) The average sales price increased from \$992,497 to \$1,085,962.

In Moraga the number of single-family closings increased from 17 to 28 with the prices ranging from \$550,000 to \$1,450,000. The average sale price dropped from \$999,023 to \$935,107. Days on market increased from 38 to 54.

In Orinda the number of single family closings increased slightly from 45 to 50 with a range of sales prices of \$475,000 to \$2,775,000 and an average price of \$1,148,974-up from last quarter's \$1,033,933. The days on market increased slightly from 46 to 54.

On an average price per square foot basis, Lafayette homes sold at \$451 per square foot, Moraga homes sold for \$410 and Orinda was at \$420.

In the condominium/town home category, Lafayette again had three closings ranging from \$255,000 to \$420,000; Moraga had 13 ranging from \$230,000 to \$745,000 and Orinda had one that sold for \$731,391.

As of October 12, there were 94 homes under contract per the Multiple Listing Service (MLS) in the three communities combined with asking prices of \$99,000 to \$4,550,000. It should be pointed out that there are several "Potential Short Sales" that are currently pending and were subject to lender approval. For example, the one listed at \$99,000 is a one bedroom condominium in Moraga and the accepted offer price is above the list price-however, the lender has yet to approve of the offer that has been presented to them.

Inventory has decreased and much of this is due to sellers taking their homes off the market to wait for better conditions, as well as to seasonal variations. Typically the biggest inventory is in the spring and early summer. There are 84 properties on the market in Lafayette with asking prices of \$420,000 to \$6,750,000. In Moraga, buyers have their choice of 50 homes listed between \$149,000 and \$1,975,000. In Orinda there are 72 on the market priced from \$374,995 to \$7,500,000.

As was the case last quarter, the most active price range is the more "affordable" price range. The high end saw significant improvement as 12 homes sold above \$2,000,000 during the quarter compared with only three in the first six months of the year. It still appears that the total number of homes that close in Lamorinda above \$2,000,000 will be less than the 30 that closed a year ago or the 50 in 2007.

Interest rates have remained relatively stable and attractive, and corporations continue to relocate families. These out of town buyers seeking outstanding public schools and the close distance to San Francisco and other employment centers help fuel our market. That, and the very minimal amount of new construction, helps keep supply and demand within a better balance than a lot of other neighboring communities. Alamo, by contrast, has 112 single-family detached homes currently on the market and only 34 closed in the last quarter. Alamo has a smaller population than either Orinda or Moraga.

The other change that many have seen is the time it takes to close a loan. Governmental restrictions and reduced staffing levels in the underwriting and processing departments of many lenders have forced many sales to be delayed by as much as a couple of weeks. One recent transaction, in which a buyer had a down payment of \$700,000 on a sale price of \$1,550,000, was delayed for nearly two weeks because the underwriter did not like two line items where an appraiser had made adjustments. The appraisal price was acceptable but the adjusted lines were not acceptable. It was sent back to the appraiser twice for changes. This frustrated both the buyers and the sellers.

Reach the reporter at: info@lamorindaweekly.com

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