The Real Estate Quarter in Review

By Conrad Bassett, CRP, GMS

The first quarter of 2011 showed mixed activity on the residential side of Lamorinda real estate with supply down, pending sales down, closings up and the average sales price down versus the same period a year ago.

Per Contra Costa Association of Realtors statistics reported from January 1 through March 31, 2011, 36 single-family homes closed in Lafayette which was the same as one year ago and in 2009. Sales prices ranged from $399,000 to $2,500,000 and the average number of days on market was 70 days. It was 65 days a year ago. The average sales price was $973,341, which was down significantly from 2010's first quarter average of $1,065,859.

In Moraga the number of single-family closings was 22 which was a significant increase from the 14 that closed in the first quarter of 2010. Prices ranged from $615,000 to $1,175,000. The average sale price was $823,931 versus a year ago when the average was $894,892. The average marketing time was 85 days – much higher than the 46 days for the first quarter of 2010.

In Orinda the number of single-family closings was up to 35 from 23 a year ago. Sales prices ranged from $250,000 to $1,580,000 with an average price of $894,857. It took an average of 58 days on the market to sell a home versus a year ago when the 23 sales averaged $1,009,260 after 68 days on the market.

So far this year, on an average price per square foot basis, Lafayette detached single-family homes sold at $384 per square foot, Moraga homes sold for $374 and Orinda was at $366. In the year ago quarter these amounts were $432, $372, and $417 respectively.

In the condominium/town home category, Lafayette had one closing at $555,100; Moraga had 15 ranging from $121,800 to $639,900 and Orinda had three—a low of $560,000 and a high of $895,000. They were all in Orinda Woods.

As of April 5, 2011, there were 92 homes under contract per the MLS in the three communities combined with asking prices of $99,900 to $5,800,000. It should be pointed out that there are 19 "Potential Short Sales" that are currently pending and were subject to lender approval. The time for short sales to be approved has shortened in some cases, but the waiting time often remains several months. Eight of the pending sales are REOs (bank owned properties.)

Inventory, however, has decreased to the current supply of 180 homes from 215 at this same time in 2010.

There are "only" 80 properties on the market in Lafayette versus 114 properties on the market at this time a year ago. In 2009 there were 84 in April. Asking prices in Lafayette currently range from $350,000 to $10,750,000. Of these, ten are distressed sales—attempted short sales or REOs. In Moraga, buyers have their choice of 45 homes or condominiums listed between $199,500 and $1,995,000. A year ago at this time there were 50. A telling sign of what other communities have experienced is that 11 of the currently available properties are short sales or REOs. This is the highest percentage in some time.

In Orinda there are 55 on the market down from 75 a year ago. The list prices range from $249,900 to $4,250,000. Two are short sales and six are bank-owned properties.

As is the case nearly every quarter, the most active price range is in the more "affordable" price ranges. At the high end, only one home sold above $2,000,000 in the three communities combined. It was in Lafayette. A year ago there were four sales in the $2 million plus range in the first quarter—all in Lafayette. There are 21 currently available above this amount—all in Lafayette or Orinda.

Interest rates continue to be attractive and many corporations continue to relocate families both in to and out of the area. However, this third piece of the real estate market—the corporate owned property segment–is appearing more often.

Corporations often buy homes from their transferring employees if the employee cannot sell the home prior to a corporate "buy out." As the properties are vacant and cost significant sums of money to hold for mortgage payments, taxes, maintenance, utilities and other factors, often the larger corporations would rather sell them at lower prices quickly, rather than holding them for extended periods of time. The relocation management companies do not give away the properties, but their competitive prices often can affect the rest of the market, much like REOs.

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