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The Real Estate Quarter in Review

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The second quarter of 2013 showed a continued increase in activity on the residential side of Lamorinda real estate with supply continuing to be low, pending sales down, and closings up with the average sales price higher in Lafayette, Moraga and Orinda - much higher than the same period a year ago.

Per Contra Costa Association of Realtors statistics reported from April 1 through June 30, 105 single-family homes closed in Lafayette, an increase from 95 a year ago. Sales prices ranged from \$420,000 to \$3.2 million, averaging 18 days on market versus 29 days on the market during the second quarter of last year, and 44 days in 2011. The average sales price was \$1,226,216 which was a significantly higher number than \$1,053,173 in the second quarter of 2012. It should be noted that there was one sale of a home in excess of \$2 million that was not reported to the MLS with a sales price.

In Moraga there were 36 single-family closings, down from 51 in the second quarter of 2012, 40 in 2011 and 34 in 2010. The drop in the number of closings is attributable to the lack of available homes. Prices ranged from \$665,000 to \$1.85 million. The average sale price was \$1,144,668, an increase from the \$983,785 a year ago. The average marketing time was 18 days, the same as the second quarter a year ago. In 2011 it was 72 days and 85 days in 2010.

In Orinda, there were 83 single-family closings, up dramatically from 65 a year ago and 44 in 2Q2011. Sales prices ranged from \$260,000 to \$3 million with an average price of \$1,282,236. In the year ago period it was \$1,132,702. In 2Q2011 it was \$1,073,694. It took an average of just 20 days on the market to sell a home versus 36 in the identical quarter in 2012.

So far this year, on an average price per square foot basis, Lafayette detached single-family homes sold at \$495 per square foot, up from \$433 in 2Q2012. Moraga homes sold for \$458 and Orinda was at \$498. In 2012, in the same calendar quarter, these amounts were \$402, and \$421 respectively.

In Lafayette, the average sales price was 103.4 percent of the final asking price. In Moraga it was 104.1 percent and in Orinda it was 102 percent.

In the condominium/town home category, Lafayette had six closings between \$513,000 and \$750,000, Moraga had 16 ranging from \$269,000 to \$899,000 and Orinda had one - in Orindawoods - for \$920,000.

As of July 9, there were 102 homes under contract per the MLS in the three communities combined with asking prices of \$407,900 to \$3.595 million. A year ago at this same time there were 141 pending properties. It should be noted that there are nine "Potential Short Sales" currently pending and were subject to lender approval. At this same time a year ago there were 29! Two of the pending sales are REOs (bank owned properties.)

This is due to property values increasing versus a year ago and many of those sellers are no longer "under water" or have been able to refinance their homes and are no longer at the point of foreclosure.

Inventory, however, has plummeted from a year ago with a current supply of 96 properties, down from 129 properties in early July, 2012 and 219 homes in early July, 2011.

There are "only" 49 properties on the market in Lafayette - about the same as the 52 reported a year ago during this quarter. In July, 2011 there were 102. Asking prices in Lafayette currently range from \$679,500 to \$7.75 million. Of these, only one is a distressed sale - attempted short sale or REO. In Moraga, buyers have their choice of only 20 homes or condominiums listed between \$299,000 and \$3.65 million. A year ago at this time there were 24 and in July, 2011 there were 54. There are only two short sales or REOs currently on the market in Moraga.

In Orinda there are 36 on the market, down from 53 in July, 2012. The list prices range from \$599,000 to \$5.8 million. There are no bank owned or short sales currently in the MLS.

At the high end, 12 homes sold above \$2 million in the three communities combined. A year ago there were seven sales in the \$2 million-plus range in the second quarter. There are 27 currently available above this amount in the three communities combined.

Interest rates continue to be at very attractive levels and many corporations have expanded their activity and continue to relocate families both into and out of the area.

Lastly, it is important to look at what homes are selling for versus their list prices. Often homes come on the market at unrealistic prices, and they do not sell, but in the second quarter of this year many homes have had multiple offers and have sold at or above the list price.

Of the 105 single family sales that closed in Lafayette in the second quarter of 2013, 74 sold at or above the list price. All six of the non single-family homes in Lafayette sold at or above the asking price.

In Moraga, 26 of the 36 sales were at or above the asking price and in Orinda, 53 of the 83 sold at or above the final listing price.

One issue that has come up recently is having a property appraised for loan purposes. As appraisers use closed sales in establishing their values, they can trail a rapidly increasing market. In these situations, purchasers have often had to come up with the difference between sales price and appraised value in additional down payment or attempt to negotiate a lower sales price with a seller.

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