

The Real Estate Year in Review

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There were two reported sales in Canyon in 2013. One was at \$390,000 and the other at \$725,000.

On an average price per square foot basis for reported sales in 2013, Lafayette homes sold for \$488.60 per square foot, an increase from \$431.45 in 2012. Moraga homes sold for \$455.90 per square foot, up from \$398.99 in 2012. And in Orinda it was \$489.85 in 2013, an increase from \$422.68 in 2012. In 2011, Lafayette homes sold for \$402.15 per square foot, Moraga homes for \$381.61, and \$423.17 in Orinda. In 2010, Lafayette homes sold for \$432 per square foot, Moraga homes for \$385 per square foot and Orinda was at \$408.

In the condominium/town home category, Lafayette had 16 closings including two short sales. They had 14 closings a year ago and six closings in 2011. Prices ranged in 2013 from \$375,000 to \$750,000. Moraga had 70, up a little from 65 a year ago. Sales ranged from \$235,000 to \$899,000. This includes attached homes in Moraga Country Club. Orinda had only three sold, down from nine last year and 12 in 2011. They sold from \$850,000 to \$930,000.

It should be noted that there are also a few direct sales that do not go through the MLS and they are not reported here. These include some foreclosures that were sold at the courthouse as well as some sales between private individuals.

As of Dec. 31, there were 45 dwellings under contract per the MLS in the three communities combined, with asking prices of \$295,000 to \$3.15 million. There are eight "Potential Short Sales" that are currently pending. In each case, the anticipated closing date may be several months into the future as the sellers await approval of their particular lender or lenders. A year ago at this same time there were 17 short sales that were pending. As prices have risen over the last 12 months, more owners now have equity in their homes and have not had to go through the short-sale process.

A comparison of year-end inventory in the three communities combined versus a year ago shows 51 homes on the market versus 36 a year ago. At the end of

2011 there were 78 and on Dec. 31, 2010 there were 133 that were available. Typically the biggest inventory is in the spring and early summer, however this current number may point to another year with a combination of qualified buyers vying for a continued limited supply. There were only 24 homes on the market in Lafayette at year-end while 12 months ago there were 15. On Dec. 31, 2011 there were 34. The current asking prices range from \$550,000 to \$7.75 million.

In Moraga, buyers had a year-end selection of 11 homes and condos versus five at the end of 2012. List prices ranged between \$399,000 and \$3.5 million. In Orinda there were 16, similar to the 15 at the same time a year ago. Asking prices as of Dec. 31 ranged from \$799,000 to \$6.5 million.

As has been the recent story, the most active price ranges are the more "affordable" ones. However, 2013 showed that 40 homes sold above \$2 million in Lamorinda, up from 28 in 2012 and 17 in 2011.

Interest rates have crept up a little but are still relatively attractive to those with down payments of at least 20 percent. Corporations continue to expand and contract and also to relocate families – families who find the Lamorinda area attractive because of outstanding public schools, BART, and the close distance to San Francisco. The minimal amount of new construction helped keep supply and demand within a better balance than a lot of other neighboring communities. That will continue to change somewhat in 2014 as Orinda Grove and Wilder come further online as new construction alternatives in Orinda and condominium and townhome developments are built in Lafayette, such as the Taylor Morrison community at Pleasant Hill Road and Mt. Diablo Boulevard.

The trend in the three Lamorinda cities that began in 2011 continues today: sellers are receiving multiple offers and homes are being sold for above the list price. This, when coupled with an extremely low supply and a willingness by sellers to be realistic in their pricing, should continue to fuel a strong market.

What to expect in 2014

By Andi Peterson Brown

The 2013 Lamorinda real estate market came in like a lion and out like a lion, with the median sales price up almost 20% as compared to 2012. As the market emerges from winter hibernation and we gear up for the 2014 spring selling season, we expect to see this momentum continue.

In addition, we can expect:

- **Buyers.** In 2013, there were buyers. Lots and lots of buyers. And believe it or not, there are still plenty of them ready to buy in 2014. The Bay Area economy is thriving, and the pool of well-capitalized buyers is growing every day.
- **Competition.** Like 2013, there is a high likelihood that buyers will find themselves in multiple offer situations. While many sellers have gotten the news that prices are up and their equity positions are improved, there still might not be enough inventory to meet the demand.
- **Interest Rates.** Interest rates are still historically low, but they are rising. Some economists are forecasting mortgage rates could rise a full percentage point before the year is over. We can expect the possibility of higher rates coming down the pike to push many buyers off the fence and into a home.
- **Quick Sales.** Sellers of properly priced and marketed homes should expect to see their homes sell quickly. Why? See the three bullet points above.

In addition, I'm happy to talk in more detail about the market if you have further questions.



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