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## The Real Estate year in review

By Conrad Bassett



2016 was another extremely strong year for sellers of residential real estate in Lamorinda. Sales volume was down due to a lack of supply and prices moderated a little in Lafayette and Moraga, but not in Orinda, where the average continued to climb.

Homes stayed on the market for a similar limited time like a year ago and prices stayed high as supply remained quite low throughout the year.

Per Contra Costa Association of Realtors statistics reported for closings Jan. 1 through Dec. 31, 2016, 263 single family homes closed in Lafayette versus 338 in 2015. There were 302 in 2014, 314 in 2013, 302 in 2012 and 245 in 2011. For the 263 reported closings, sales prices ranged from \$635,000 to \$3,700,000 and the average time on market was 28 days, almost the same as 24 days in 2015. The average sale price was

\$1,506,811, down slightly from the \$1,531,604 in 2015 but still up from \$1,339,303 in 2014, \$1,248,532 in 2013, \$1,042,921 in 2012 and \$1,040,014 in 2011. The average sales price was 101.5 percent of the final list price. There was only one short sale reported in the MLS for the year in Lafayette as well as two foreclosures sold on the MLS.

In Moraga there were 108 single family closings down from 135 in 2015. There were 150 in 2014, 136 in 2013, 150 in 2012 and 124 in 2011. Prices ranged from \$685,000 to \$2,254,000. The average sale price was \$1,272,179. This was a slight drop from the 2015 average of \$1,290,804. It was \$1,205,576 in 2014 and \$1,147,207 in 2013. In 2012, it was \$991,469 and in 2011 it was \$894,768. The number of days on market in 2015 was 26, up from 17 in 2015 and 2014 when it was 21. The average home sold for 101.6 percent of its last list price.

In Orinda the number of single-family closings was 229, down from 256 in 2015 and 276 in 2014. There were 262 in 2013, 219 in 2012 and 164 in 2011. The reported sales ranged in price from \$750,000 to \$4,650,000 with an average price of \$1,577,727. In 2015 it was \$1,481,443. In 2014 it was \$1,370,088. In 2013 it was \$1,240,158 and in 2012 it was \$1,068,303. The average was \$1,021,751 in 2011. The average market time was 23 days, about the same as a year ago when it was 26. The average sales price was an average of just under 102 percent the final list price for the reported sales. There were no short sales or REO (bank owned) sales in Orinda in 2016.

There was one reported sale in the MLS in Canyon in 2016 but none in 2014 or 2015.

On an average price per square foot basis for reported sales in 2016, Lafayette homes sold for \$589.47 essentially the same as in 2015 when it was \$585.87 and an increase from 2014 when it was \$546.87. In 2016, Moraga homes sold for \$558.02 per square foot, an increase from the \$532.90 in 2015. In Orinda last year it was \$594.37 which was up from \$560.79 in 2015 and continuing the trend that started in 2012. It was \$520.77 in 2014 and \$489.85 in 2013 and \$422.68 in 2012.

In the condominium/town home category, Lafayette had 16 closings in both 2016 and in 2015. As new developments of condominiums and townhomes are being developed in Lafayette, some new construction sales will not go through the MLS. The actual sales if the new homes are included would increase the total. Prices ranged in 2016 from \$525,000 to \$2 million. Moraga had 79 closed units staying consistent with 81 in 2015 and 86 in 2014. Sales ranged from \$305,000 to \$1.1 million. This includes attached homes in Moraga Country Club. Orinda had four closings while they had seven in 2015. They sold from \$319,000 for a one bedroom on Brookwood to \$1,466,500 in Orindawoods.

It should always 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 Jan. 9, there were 24 dwellings under contract per the MLS in the three communities combined, with asking prices of \$514,500 to \$5 million. It should be pointed out that there are no "Potential Short Sales" that are currently pending and no REOs. Prices have continued to rise over the last few years and more owners now have equity in their homes and have not had to go the short-sale process or faced foreclosures.

A comparison of year-end inventory in the three communities combined shows 45 homes on the market. A year ago there were only 34 homes on the market. Typically the biggest inventory is in the spring and early

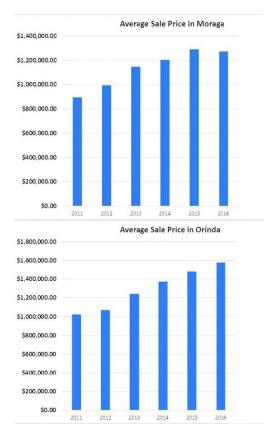
summer, however this current number may point to another year with a combination of qualified buyers vying for a continued limited supply. The current asking prices range from \$399,000 to \$4,999,000 in the three communities combined.

In Lamorinda in 2016, 82 homes sold for more than \$2,000,000. In 2015, 102 homes sold for \$2,000,000 or more. In 2014, 81 homes sold for \$2,000,000 or more.

Interest rates have remained historically low although there has been some increase the last several weeks but they are still very attractive to those with down payments of at least 20 percent. Corporations continue to expand and contract and also to relocate families. The minimal amount of single family new construction has helped keep supply and demand within a better balance than a lot of other neighboring communities. The east bay and closer to San Francisco communities like Lafayette, Moraga, and Orinda as well as Piedmont and several neighborhoods in Oakland and Berkeley continue to benefit from their proximity to San Francisco where prices remain very high. The East Bay is a "bargain."

The trend that began in 2011 continues today are the situations in the three communities where the seller received multiple offers and homes 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 in 2017.

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