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The Real Estate Quarter in Review

By Conrad Bassett

The third quarter of 2017 showed solid activity on the residential side of Lamorinda real estate versus the quarter a year ago. This activity continues to be based more upon a short supply of available properties than on a significant change in the market.

Per Contra Costa Association of Realtors statistics reported from July 1 through Sept. 30, 85 single-family homes closed in Lafayette, which was an increase from the 71 that closed in the third quarter of 2016. Sales prices ranged from \$800,000 to \$6.5 million. The average number of days on market was 26 versus 30 for the same period in 2016. The average sales price was \$1,713,249 versus \$1,565,394 in the same period a year ago. In 2015 it was \$1,462,872 versus \$1,310,790 in 2014. The average 3Q2013 sale price was \$1,204,739. In 3Q2012 the average was \$1,001,291. Average prices have increased over 70 percent in the last five years.

In Moraga, the number of single-family closings was 39, almost twice what closed in the same quarter a year ago when there were 21. It was near the 49 in the third quarter of 2015 and 50 in 2014. Prices ranged from \$890,000 to \$2.265 million. The average sale price was \$1,386,634, a \$140,000 increase from 3Q16 when it was \$1,245,605, which was actually below the \$1,281,936 in the third quarter of 2015. It was \$1,178,956 in the same quarter in 2014. In 3Q2012 the average was \$1,049,408. The average marketing time was 19 days, down from 25 days a year ago.

In Orinda, the number of single-family closings was exactly the same as the same period a year ago: 73. It was 69 two years ago, down from 90 in 3Q2014. Sales prices ranged from \$750,000 to \$3.495 million with an average price of \$1,601,869, a minor increase from 2016 when it was \$1,558,244. In 3Q2015 it was \$1,520,904. In 2014, it was \$1,420,663. In 3Q2012, the average was \$1,109,094. It took an average of 26 days to expose a home to the market this last quarter. A year ago, that number was 24.

In the third quarter of this year, on an average price per square foot basis, Lafayette detached single-family homes sold at \$640.73. A year ago it was \$585.96. Two years ago it was \$573.91. Moraga homes sold for \$551.21 up a bit from a year ago's \$540.27 and \$526.77 in 3Q2015. In Orinda it was \$603.07, a slight increase from \$599.67 a year ago - again, an increase over the 2015 third quarter of \$566.29.

In Lafayette, the average sales price was right at 102.2 percent of the final asking price. In Moraga it was a fraction above 100 percent and in Orinda it was 101 percent. In many cases, there were multiple offers on homes and the result was a closing price above the asking price.

In Lafayette, 58 of the 85 closings sold at the list price or above. In Moraga, 22 of the 39 sold at or above asking and in Orinda it was 38 of 73.

In the condominium/town home category, Lafayette had seven resale closings. They were priced from \$795,000 to \$965,000; Moraga had 19, down from 25 a year ago and from 40 in the same period two years ago. Sales prices ranged from \$435,000 to \$1.195 million. Moraga Country Club had five attached home sales - \$775,000 to \$1.05 million. Orinda had one townhome in Orindawoods at \$1.48 million.

As of Oct. 13, there were 87 pending sales in the three communities combined. A year ago there were 65 pending sales per the MLS. The asking prices for the pending single-family detached homes range from \$719,000 to \$13.25 million. It should be pointed out that there are no "Potential Short Sales" that are currently pending and subject to lender approval.

It is interesting to point out that of the 87 pending sales in the area, 21 have received acceptable offers since Oct. 1. That is an average of over one per day. Usually, many of the sales are completed prior to the start of school. Depending upon how many of the homes are being purchased by families with children who are new to Lamorinda, it may impact certain grades at the elementary level. Inventory, however, continues to remain low although increasing when looking at the available homes. In Lafayette there are 42 on the market as of Oct. 13 and there were 45 at this time one year ago.

In Moraga buyers have their choice of only 28 properties, up from 25 properties a year ago.

Orinda inventory has slightly decreased from 46 to 43.

Current asking prices range from \$515,000 for a condominium in Moraga to \$25 million for a Lafayette property.

At the high end, 31 homes closed above \$2 million in the three communities combined during the quarter. In the year ago period there were 26.

There are 47 currently available above this amount: 11 in Lafayette, 24 in Orinda, and three in Moraga. Going forward through the end of the year, activity will likely remain strong. Low interest rates and continued office building in the East Bay and a low supply and high demand should continue to push the market higher.

We may also see some effect from the fires in the North Bay as there are hundreds of families who need housing and, although our prices are higher, a lot of high-end homes were lost and those people may need places to live until they can rebuild, which may take a few years.

This may affect our rental markets and the residential market for sales.

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