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## The Real Estate Quarter in Review

By Conrad Bassett

The second quarter of 2018 was again seasonally strong with an increase in year over year closed sale activity on the residential side of Lamorinda real estate. Supply continued to be low, pending sales up, and with the average sales price remaining high in Lafayette, Moraga and Orinda.

Per Contra Costa Association of Realtors statistics reported from April 1 through June 30, 97 single family homes closed in Lafayette. This was a decrease from the 114 single family homes closed in the same period one year ago. Sales prices ranged from \$910,000 to \$4.35 million and the average number of days on market was 19, versus 17 days in the year ago second quarter. The average sales price was \$1,818,687 up from a year ago when it was \$1,684,206 and in 2016 when it was \$1,548,262 ... in 2Q2015 it was \$1,670,209. In 2Q2014 it was \$1,396,941.

In Moraga the number of single-family closings was 47, an increase of five from the year ago period. Prices ranged from \$828,000 to \$2.8 million. The average sale price was \$1,508,591 which was a solid increase from the \$1,401,392 in 2Q17 - an increase from \$1,316,655 in 2Q2016. The average marketing time was down significantly to 14 days from 27 days a year ago.

In Orinda, the number of single-family closings was at 97, an increase from 2Q17 when it was 84. Sales prices ranged from \$706,500 to \$4.25 million with an average price of \$1,705,473. A year ago it was \$1,723,552. It took an average of 24 days to have a house go pending, a slight increase from the 18 days in the same period a year ago.

In the quarter ending June 30, on an average price per square foot basis, Lafayette detached single-family homes sold at \$693.66 per square foot versus \$660 per square foot a year ago. It was \$598 per square foot in 2016 and was \$594 in 2015. Moraga homes sold for \$577.39 per square foot, a slight drop from a year ago when it was \$588 per square foot. Orinda was at \$672.90, up a lot from the \$626.18 in 2Q2017.

In Lafayette, the average sales price was 102.3 percent of the final asking price ... the same as last spring. In Moraga it was 102.1 percent and in Orinda it was 104.1 percent.

In the condominium/town home category, Lafayette had four resale closings between \$600,000 and \$1.03 million, Moraga had 34 (twice the 17 in the same quarter a year ago) ranging from \$407,000 to \$1.24 million and Orinda had two - \$1.245 million and \$1.295 million.

As of July 7, 2017, there were 72 homes under contract in the MLS in the three communities combined with asking prices of \$695,000 to \$1.65 million. A year ago there were 97 homes under contract per the MLS in the three communities combined with asking prices of \$419,000 to \$4.995 million. It should be pointed out that there is only one "Potential Short Sale" that is currently pending and subject to lender approval. At this same time a year ago there was also none. There are two pending bank owned sales.

This is due to property values continuing to increase versus the low point 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, remains low. There are 100 properties on the market and a year ago there were 118 available properties in the three communities combined.

There are only 45 properties on the market in Lafayette - about the same as the 50 at this same time a year ago. Asking prices in Lafayette currently range from \$995,000 to \$5.695 million. In Moraga, buyers have their choice of only 14 homes or condominiums listed between \$399,000 and \$3.05 million. A year ago at this time there were 27. So supply is way down in Moraga.

In Orinda there are 43, nearly the same as the 41 on the market at the same time a year ago. The list prices range from \$789,000 to \$4.7 million.

There are two bank-owned or short sales currently in the MLS available in the three communities.

At the high end, 62 homes sold above \$2 million in the three communities combined. A year ago there were 54. There are also 54 currently available above this amount in Lamorinda.

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

We are also seeing an influx of buyers from San Francisco and even the Silicon Valley who find the local prices reasonable versus those areas and they are willing to make the commutes.

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.

We are also seeing many buyers having to make offers without the traditional contingencies of obtaining financing or having a home appraised or even having the home inspected. Many sellers are now opting to obtain pre-sale inspections in order to understand the condition of their homes and to also prevent a buyer from trying to renegotiate a lower price or repairs.

Of the 97 single-family sales that closed in Lafayette in the second quarter of 2018, 59 sold at or above the final list price.

In Moraga, 32 of the 47 sales were at or above the asking price and in Orinda, 76 of the 97 sold at or above the final listing price.

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