The Real Estate Quarter in Review

By Conrad Bassett, CRP, GMS-T

The third quarter of 2018 showed solid activity on the residential side of Lamorinda real estate versus the year ago quarter. 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, 76 single-family homes closed in Lafayette, a decrease from the 85 that closed in the third quarter of 2017. Sales prices ranged from $776,000 to $4.97 million. The average number of days on market was 22 versus 26 for the same period in 2017. The average sales price was $1,696,918. In the same period a year ago it was $1,713,249. In 2016 it was $1,565,394, in 2015 it was $1,462,872 versus $1,310,790 in 2014.

In Moraga, the number of single-family closings was 31, slightly below the 39 in 3Q 2017, Prices ranged from $800,000 to $3.5 million. The average sales price was $1,509,248, which is the highest quarterly average ever. A year ago it was $1,386,634, a $140,000 increase from 3Q 2016 when it was $1,245,605, which was actually below the $1,281,936 in the third quarter of 2015. The average marketing time was 16 days, down from 19 days a year ago.

In Orinda, the number of single-family closings was 83, a slight increase from the same period a year ago: 73. It was also 73 two years ago in the third quarter. Sales prices ranged from $760,000 to $12.25 million with an average price of $1,777,666 – a large increase from $1,601,869 a year ago and an increase from 2016 when it was $1,558,244. It took an average of 33 days to expose a home to the market this last quarter. A year ago it was 26.

In the third quarter of this year, on an average price per square foot basis, Lafayette detached single-family homes sold at $688.12. A year ago it was $640.73. Moraga homes sold for $607.47 up a bit from a year ago's $551.21. In Orinda it was $622.76 – a slight increase from $603.07 a year ago.

In Lafayette, the average sales price was right at 101.3 percent of the final asking price. In Moraga, for the first time in several years, it was under 100 percent of asking – 99.6 percent – and in Orinda it was 102 percent. In many cases, there were still multiple offers on homes and the result was a closing price above the asking price.

In Lafayette, 46 of the 76 closings sold at the list price or above. In Moraga, 19 of the 31 sold at or above asking and in Orinda it was 48 of 83.

In the condominium/town home category, Lafayette had three resale closings. They were priced from $780,000 to $1.2 million; Moraga had 25, up from 19 a year ago and from 25 in the same period two years ago. Sales prices ranged from $350,000 to $1.127 million. Moraga Country Club had three attached home sales – $770,000 to $1.068 million. Orinda had one condominium and two townhomes at prices from $520,000 on Brookwood to $975,000 in Orindawoods.

As of Oct. 10 there were 78 pending sales in the three communities combined. A year ago there were 87 pending sales per the MLS. The asking prices for the pending single-family detached homes range from $589,000 to $4.395 million. It should be noted that there are no "Potential Short Sales" that are currently pending and subject to lender approval. There is one pending foreclosure.

It is interesting to point out that of the 78 pending sales in the area, 24 have received acceptable offers since Oct. 1. That is an average of over two 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 it is increasing when looking at the available homes in Lafayette where there are 61 on the market as of Oct. 10 and there were 42 at this time one year ago.

In Moraga buyers have their choice of only 21 properties, down from 28 properties a year ago.

Orinda inventory has increased to 48 currently available from 43 one year ago.

Current asking prices range from $439,000 for a condominium in Moraga to $9.975 million for a Lafayette property.

At the high end, 36 homes closed above $2 million in the three communities combined during the quarter. In the year ago period there were 31.

There are 42 currently available above this amount – 24 in Lafayette, 18 in Orinda, and none in Moraga.

Interest rates have crept up a little, but for those who can afford Lamorinda, it does not seem to have been much of a deterrent. Activity will likely remain strong going forward through the end of the year. Continued office building in the East Bay and a low supply and high demand should continue to push the market higher.