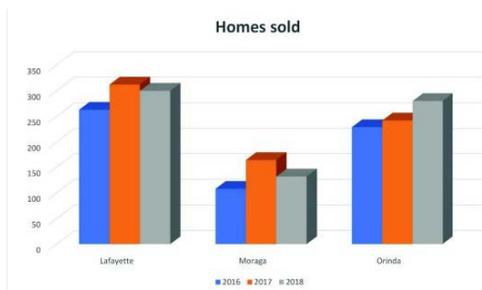




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The Real Estate Year in Review

By Conrad Bassett



2018 was another extremely strong year for sellers of residential real estate in Lamorinda. Sales volume was solid with a minimal increase in supply matched by continued strong demand and average price increases in Lafayette, Moraga and Orinda.

As in 2017, homes stayed on the market for a similar limited time and the majority of homes sold at or above their asking price.

Per Contra Costa Association of Realtors, statistics reported for closings Jan. 1 through Dec. 31, 2018, 300 single-family homes closed in Lafayette versus 312 in 2017. There were 263 in 2016 and 338 in 2015. For the 300 reported closings, sales prices ranged from \$450,000 to \$7.8 million and the average time on market was 20 days, a slight decrease from the 23 days in 2017. The average sale price was \$1,736,519, up

from \$1,625,636 in 2017. It was \$1,506,811 in 2016. The average sales price was 102.1 percent of the final list price. There was one Lafayette foreclosure sold on the MLS.

In Moraga there were 132 single-family closings, which was down from the 164 in 2017. There were 108 in 2016 and 135 in 2015. Prices ranged from \$800,000 to \$3.5 million. The average sale price was \$1,485,713. It was another solid rise from the \$1,388,287 in 2017 and \$1,272,179 in 2016. The number of days on market in 2017 was 16, far below the 28 in 2017. The average home sold for 101.3 percent of its last list price. There were no REO properties that closed on the MLS and no short sales.

In Orinda the number of single-family closings was at 280, a continued climb from 242 a year ago and the 229 in 2016. The reported sales ranged in price from \$706,500 to \$12.25 million with an average price of \$1,729,306. In 2017 it was \$1,614,279 and in 2016 it was \$1,577,727. The average market time was 31 days, just above a year ago when it was 24. The average sales price was an average of just over 101.3 percent the final list price for the reported sales. The same as Moraga. There was one short sale and three REO (bank owned) sales in Orinda in 2018.

There was one reported sale in the MLS in Canyon in 2018 for \$571,000.

On an average price per square foot basis for reported sales in 2018, Lafayette homes sold for \$687.13, again up from 2017's \$642.46 and 2016 when it was \$589.47. In 2015 it was \$585.87 and in 2014 when it was \$546.87. In 2018, Moraga homes sold for \$589.93 per foot also up from \$565.37 in 2017, \$558.02 in 2016, and \$532.90 in 2015. In Orinda last year it was \$638.12. It was \$609.13 in 2017, \$594.37 in 2016, and \$560.79 in 2015, continuing the trend that started in 2012.

In the condominium/town home category, Lafayette had 36 closings in 2018, which was an increase from 30 closings in 2017, and a big increase from the 16 closings in both 2016 and in 2015. As new developments of condominiums and town homes are being added in Lafayette, some new construction sales will not go through the MLS. If the actual sales of all of the new homes are included, this would increase the total. Prices ranged in 2018 from \$600,000 to \$2.45 million. Moraga had 85 closed units, up from 65 in 2017 and 79 in 2016. Sales ranged from \$350,000 to \$1.24 million. This includes attached homes in Moraga Country Club. Orinda had nine closings while they had eight in 2017. They sold from \$520,000 for a one on Brookwood to \$1.295 million 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 may include some foreclosures that were sold at the courthouse as well as some sales between private individuals.

As of Jan. 11, there were 28 dwellings under contract per the MLS in the three communities combined, with asking prices of \$599,000 to \$3.995 million. There are two 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 face foreclosure.

A comparison of year-end inventory in the three communities combined shows 47 homes on the market, versus 40 homes on the market last January. 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 \$750,000 to \$4.175 million in the three communities combined.

In Lamorinda in 2018, 163 homes sold for more than \$2 million. In 2017 there were 115 and in 2016, 82 homes sold for more than \$2 million.

Interest rates have remained historically low, although there has been some increase in the last few months, 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 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. Comparably speaking, the East Bay is a bargain.

The tax laws changing the amounts that can be deducted may affect the higher end market, but this has yet to be seen. The trend that began in 2011 continues today where in many situations in the three communities, the seller receives multiple offers and homes sell for above the list price. This, when coupled with an relatively low supply and a willingness by sellers to be realistic in their pricing, should continue to fuel a strong market in 2019.

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[back](#)

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