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## The Real Estate Quarter in Review

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The first quarter of 2019 showed a continued fast pace in activity on the residential side of Lamorinda real estate. Supply remains low, so the resulting sales quantities remain low. The average sales price continues to increase in Lafayette versus a year ago, while in Moraga and Orinda it eased; in the first quarter of 2018 it was the opposite. The days on market remain short, however, and the homes that have multiple offers are increasing.

Per Contra Costa Association of Realtors statistics reported from Jan. 1 through March 31, 40 single-family homes closed in Lafayette down from the 48 that closed in the same quarter in 2018. Thirty-four closed in the first quarter of 2017. Sales prices ranged from \$995,000 to \$3.848 million, with an average of 24 days on the market. The average sales price was \$1,984,125, far exceeding the \$1,469,744 in the year ago period. In

2017 first quarter it was \$1,622,848 and in 2016, \$1,570,712. This change in percentage with a small sample size is due to very few homes selling at the low end of the range and more at the high range.

The median sales price was \$1,855,000.

In Moraga there were 15 single-family closings . again down from the year ago period when 26 closed. Twenty-eight closed in Q1 2017 and 20 in the first quarter of 2016. Prices so far this year have ranged from \$980,000 to \$2.225 million. The average sale price was \$1,436,733 down from a year ago when it was \$1,534,007. In 2017 it was \$1,381,452, and in Q1 2016 it was \$1,278,575. The average marketing time was 23 days, versus 16 days a year ago.

In Orinda, there were 49 single-family closings, versus 40 in 2018 and 28 in 2017. Sales prices ranged from \$570,000 to \$2.525 million with an average price of \$1,587,598. This was a drop from the \$1,673,088 in 2018. In 2017 it was \$1,523,767. In the 2016 first quarter it was \$1,634,327. It took an average of 40 days on the market to sell a home in Orinda versus 43 days on the market a year ago.

In the first quarter of 2018, Lafayette homes sold at an average of \$690.74, close to the \$683.73 per square foot in Q1 2018 and the \$645.43 per square foot up in 2017. Moraga came in at \$599.38. Orinda was consistent at \$617.12 - almost identical to the year ago quarter of \$616.89 compared with \$625.23 in he first quarter of 2017.

In the condominium/town home category, Lafayette had four closings reported to the MLS and all were resales. They ranged from \$619,000 to \$795,000. Moraga had 12 ranging from \$390,000 to \$1.120 million with the highest one being on Alta Mesa. Orinda had one-on Ravenhill Road that sold at \$1.1 million.

As of April 7, there were 76 homes under contract per the MLS in the three combined communities (a year ago and in 2017 they were both at 95) with asking prices of \$749,000 to \$3.995 million.

Inventory is at 103, consistent with the 95 as of April 9, 2018, and 96 on the same date in 2017.

There are 42 Lafayette properties currently on the market versus 34 properties on the market in April 2018. Asking prices in Lafayette currently range from \$599,000 to \$13.5 million. In Moraga, buyers have their choice of 21 homes, up from 18 homes at this time in 2018. The price range is \$875,000 to \$1.39 million.

In Orinda there are 40 homes on the market. A year ago there were 43. The list prices range from \$649,000 to \$3.75 million.

There is only one Lamorinda distressed (bank-owned or a short sale) sale available, located in Lafayette.

As is the case nearly every quarter, the most active price range is in the more "affordable" price ranges. At the high end, 27 homes sold above \$2 million in the three communities combined, versus 21 a year ago and 13 in 2017. There are 39 currently available above this amount in Lamorinda.

Interest rates have dropped slightly and the "news" that several large local companies are having IPOs (like Lyft) and the "instant millionaires" will be buying high-end homes have put a continued positive spin on home prices continuing to rise. And this has increased the migration of families to the area. Lamorinda continues to be attractive with BART access and highly rated schools.

The real estate markets in San Francisco, the peninsula, and the other side of the hill in Oakland, Berkeley and Piedmont have been even more active so there has been some spillover effect where buyers are willing to make longer commutes in order to find more "affordable housing." Of course, Lamorinda and affordable housing are seldom mentioned in the same breath.

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. We also are seeing more homes listed well below true values so that it may encourage bidding wars that sellers hope might generate a higher overall sales price. In the first quarter of this year many homes have had multiple offers and have sold at or above the list price.

Of the 40 single-family home sales that closed in Lafayette in the first quarter of 2019, 28 sold at or above the list price. In Moraga, nine of the 15 sales were at or above the asking price and in Orinda, 29 of the 49 sold at or above the final listing price.

This will typically happen when a house goes pending in the first two weeks on the market. Of the 76 currently pending sales in the three Lamorinda communities combined, 48 went pending in 21 days or less. The actual average days on the market would be markedly lower but many agents are setting up marketing plans where they hold the home open to the public and to brokers and follow with an offer date in a week or so after exposing the property to the market - pointing to a high likelihood of a continued trend in homes selling above the asking price.

In the detached home category in the first quarter of 2019, the average sale price in Lafayette was 102.5 percent of the asking price. In Moraga it was 101.2 percent and in Orinda it was 100.1 percent of the final asking price.

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