

The Real Estate Quarter in Review



... continued from Page D4

This makes the second year in a row that the average price has fallen during the second quarter. It took an average of 23 days to have a house go pending, about the same as the 24 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 \$708.33, slightly up from \$693.66 per square foot in 2018. It was \$660 per square foot in 2017, \$598 per square foot in 2016 and \$594 in 2015. Moraga homes sold for \$620.42 up from \$577.39 per square foot in 2018. Orinda was down from \$672.90 a year ago to \$635.35 in this most recent quarter. It was \$626.18 in 2Q2017.

In Lafayette, the average sales price was 102.6% of the final asking price, almost identical to a year ago. In Moraga it was 102.2% and in Orinda it was 103.3%.

In the condominium/town home category, Lafayette had five resale closings between \$627,000 and \$1.039 million, Moraga had 20, down from a year ago when there were 34. They ranged from \$400,000 to \$1.12 million and Orinda had one at \$1.125 million.

As of July 5 there were 78 homes under contract in the MLS in the three communities combined with asking prices of \$799,000 to \$3.995 million. A year ago, there were 72 homes under contract per the MLS in the three communities combined. 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 one. There are no pending REO (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, is increasing. There are 146 properties on the market and a year ago there were 100 available properties in the three communities combined. That is the largest year over year increase in several years.

There are "only" 42 properties on the market in Lafayette—about the same as the 45 at this same time a year ago. Asking prices in Lafayette currently range from \$829,000 for a townhome to \$13.5 million. In Moraga, buyers have their choice of 34 homes or condominiums listed between \$545,000 and \$2.528 million. A year ago at this time, there were 14. Supply is way up in Moraga but this does include the newly constructed homes off Rheem Boulevard.

In Orinda there are 70 – again a huge increase from 43 on the market at the same time a year ago. The list prices range from \$785,000 to \$5.25 million, with a few being new construction in Wilder.

At the high end, 56 homes sold above \$2 million in the three communities combined. A year ago, there were 62. There are also 51 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 appraise 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 105 single family sales that closed in Lafayette in the second quarter of 2019, 78 sold at or above the final list price.

In Moraga, 36 of the 52 sales were at or above the asking price and in Orinda, 52 of the 77 sold at or above the final listing price.