



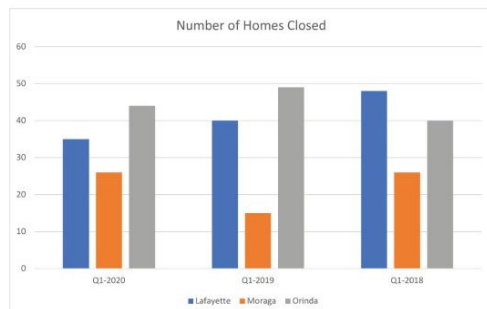
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## The Real Estate Quarter in Review

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The first quarter of 2020 began with a continued fast pace in activity on the residential side of Lamorinda real estate. The closings that occurred, for the most part, came from properties that went under contract in late November to late February, before the COVID-19 pandemic changed the market.

Supply decreased as many people took their homes off the market so we will likely see significantly reduced numbers in the second quarter moving forward. The average sales price decreased in Lafayette versus the year ago period while in Moraga and Orinda it increased. The days on market remained short and the homes that have multiple offers are increasing.

Per Contra Costa Association of Realtors statistics reported from Jan. 1 through March 31, 35 single-family homes closed in Lafayette down from the 40 that closed

in the same quarter in 2019, and 48 in the first quarter of 2018. Sales prices ranged from \$890,000 to \$3.805 million and the average number of days on market was 26. The average sales price was \$1,825,127 down from the year ago price of \$1,984,125 but still exceeding the \$1,469,744 in 1Q2018. This change can be due to a smaller sample size and very few homes selling at the high end of the range.

The median sales price was \$1.65 million.

In Moraga the number of single-family closings was 26, a huge increase from the 15 in the year ago quarter. It was back to the 26 closed in 1Q2018. Prices so far this year have ranged from \$1.01 million to \$2.3 million. The five highest prices for sales were all new construction homes off Rheem Boulevard. No resales sold for more than \$2 million. The average sale price was \$1,578,476 up from \$1,436,733 a year ago. It was \$1,534,007 in 2018. The average marketing time was 37 days, versus 26 days a year ago.

No single-family homes sold below \$1 million in Moraga.

In Orinda, the number of single-family closings was 44, versus 49 in 2019 and 40 in 2018. Sales prices ranged from \$995,000 to \$5.6 million with an average price of \$1,783,674. This was also an increase from a year ago first quarter when it was \$1,587,598 and also above the \$1,673,088 in 2018. It took an average of 37 days on the market to sell a home in Orinda where a year ago it was 40 days on the market.

In the first quarter of 2020, Lafayette homes sold at an average of \$648.43 per square foot, down from the \$690.74 in 2019 and below the \$683.73 in 1Q2018 and the \$645.43 in 2017. Moraga came in at \$594.37 - pretty close to the year ago of \$599.38. Orinda was at \$635.02, up slightly from a year ago when it was \$617.12 - almost identical to 1Q2018 at \$616.89 compared with \$625.23 in the first quarter of 2017.

In the condominium/town home category, Lafayette had 10 closings reported to the MLS. They ranged from \$834,000 to \$2.36 million. Moraga again had 12 like a year ago, ranging from \$502,000 to \$1.03 million. Orinda had one on Wovenwood that traded at the asking price of \$1.495 million.

As of April 22, there were 53 homes under contract per the MLS in the three combined communities (a year ago it was 76 and in 2017 and 2018 they were both at 95) with asking prices of \$350,000 to \$4.395 million. Again, this is because of the limited supply of available properties as many have taken their homes off the market during the pandemic.

Inventory is at 89 - less than the 103 a year ago. This number is really inflated by new construction inventory in Moraga, Lafayette and Orinda; there are 21 new single family and townhomes in the MLS that were not available a year ago.

There are 30 Lafayette properties currently on the market versus 42 properties on the market in April 2019. Asking prices in Lafayette currently range from \$929,000 to \$3.995 million. In Moraga, buyers have their choice of 27 homes, up from 21 homes at this time in 2019 - again the majority are new construction. The price range is \$465,000 to \$2.45 million.

In Orinda there are 32 homes on the market including several new construction homes in Wilder. A year ago there were 40. The list prices range from \$849,900 to \$4.995 million.

There are no distressed (bank-owned or a short sale) sales available in Lamorinda.

As is the case nearly every quarter, the most active price range is in the more "affordable" price ranges. At the high end, 28 homes sold above \$2 million in the three communities combined. One year ago there were 27 and in 2018 there were 21. There are 41 currently available above this amount in Lamorinda.

Interest rates have bounced a lot in the last few weeks but have seemingly settled at very competitive rates. Relocation from the corporate side has slowed as many companies are having their people work remotely and as such, many of those buyers are on the sidelines at their departure locations before making housing decisions.

Lamorinda continues to be attractive with BART access and highly-rated schools. The real estate markets in Oakland, Berkeley and Piedmont have continued to be 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 is somewhat of an oxymoron.

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 35 single-family home sales that closed in Lafayette in the first quarter of 2020, 22 sold at or above the list price. In Moraga, 11 of the 26 sales were at or above the asking price and in Orinda, 29 of the 44 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 53 currently pending sales in the three Lamorinda communities combined, 32 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 2020, the average sale price in Lafayette was 101.7% of the asking price. In Moraga it was 100.5% and in Orinda it was 102.3% of the final asking price.

Of course, the ability to market homes at this time has changed as Open Houses are not allowed and there are limitations on how homes can be shown other than "virtually." Local real estate boards as well as state groups have put limitations on the number of people who can be in a home to see it at one time as well as how the agent can show the house.

The second quarter statistics will likely show drastically changing numbers in volume although prices appear to remain strong.

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