

The Real Estate Quarter in Review

By Conrad Bassett, CRP, GMS-T

The second quarter of 2020 was surprisingly strong although with a smaller volume of closed sales on the residential side of Lamorinda real estate. The closings that occurred were those that mostly went under contract from mid-February to late May – the beginning several weeks were in flux because of the restrictions on showing homes that were in place and then increased once agents understood the allowable parameters of how to show houses.

Agents have not been able to hold physical broker or public open houses for several weeks, but homes could and can be shown either virtually or through appointments with listing agents.

Supply started the quarter with less than a typical amount of inventory, but that increased through especially May and June.

Per Contra Costa Association of Realtors statistics reported from April 1 through June 30, 65 single family homes closed in Lafayette. This was a sharp decrease from the 105 single family homes closed in the same period one year ago. Sales prices ranged from \$950,000 to \$3.338 million and the average number of days on market was 15. In the year ago second quarter it was 22 days. The average sales price was \$1,794,912 – nearly the same as a year ago when it was \$1,779,112.

In Moraga there were 41 single-family closings, which was down from 52 in the year ago period. Prices ranged from \$900,000 to \$2.265 million. The average sale price was \$1,548,585, again almost identical to 2019 when it was \$1,542,888 and 2018's \$1,508,591. The average marketing time was down slightly to 13 days from 17 days a year ago.

In Orinda, the number of single-family closings was down to 60 from 77 a year ago and 97 in 2Q18. Sales prices ranged from \$785,000 to \$3.8 million with an average price of \$1,808,271, a substantial increase

from \$1,623,995 in this quarter in 2019. In 2018 it was \$1,705,473 and \$1,723,552 in 2017. It took an average of 25 days to have a house go pending, about the same as the 23 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 \$683.27. One year ago it was \$708.33. It was \$693.66 per square foot in 2018. Moraga homes sold for \$651.11 – a continued increase from the \$620.42 in 2019 and up from \$577.39 per square foot in 2018. Orinda was down again to \$657.88 this quarter from \$672.90 a year ago and up from \$635.35 in 2Q2018.

In Lafayette, the average sales price was 99.6% of the final asking price. In Moraga it was 100.5% and in Orinda it was 99.6%. This is the first time in several quarters where the average sales price was actually below the average list price.

In the condominium/town home category, Lafayette had three closings between \$815,000 and \$1.825 million, Moraga had 10, down from 20 a year ago and in 2018 when there were 34. They ranged from \$329,000 to \$1.31 million. Orinda had none.

As of July 16, there were 100 homes under contract in the MLS in the three communities combined. A year ago, there were 78 homes under contract per the MLS in the three communities combined. It should be pointed out that there is only one foreclosure. This increase can be partially explained by more homes coming on the market in May and June and early July that were withheld at the beginning of the pandemic.

Inventory remains relatively low. There are 127 properties on the market and a year ago there were 146 available properties in the three communities combined.

There are “only” 45 properties on the market in Lafayette – about the same as the 42 at this same time a year ago. Asking prices in Lafayette currently range from \$795,000 to \$5.495 million. In Moraga, buy-

ers have their choice of 37 homes or condominiums listed between \$440,888 and \$3.2 million. A year ago at this time there were 34.

In Orinda there are 45 – again a huge decrease from 70 on the market at the same time a year ago. The list prices range from \$1.165 million to \$8.995 million. And a few are new construction in Wilder. There are no bank-owned or short sales currently in the MLS available in the three communities.

At the high end, 40 homes sold above \$2 million in the three communities combined. A year ago, there were 56. There are also 29 currently available above this amount in Lamorinda.

Interest rates continue to fall making for more affordability, and we are seeing some buyers come to the area because they feel they will likely not be commuting as much (especially on the tech side) and feel that to live further distances from San Francisco or Silicon Valley is now more manageable.

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 still many homes have had multiple offers and have sold at or above the list price.

We are still 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 65 single family sales that closed in Lafayette in the second quarter of 2020, 33 sold at or above the final list price.

In Moraga, 27 of the 41 sales were at or above the asking price and in Orinda, 38 of the 60 sold at or above the final listing price.