

The Real Estate Quarter in Review

By Conrad Bassett, CRP, GMS-T

The second quarter of 2021 was extremely strong with a much higher year over year 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 before restrictions on the showing of houses had been eased.

Agents were still not able to hold physical broker or public open houses until early June and most homes were shown either virtually or through appointments through listing agents.

Per Contra Costa Association of Realtors statistics reported from April 1 through June 30, 141 single family homes closed in Lafayette. This was a sharp increase from the 65 single family homes closed in the same period one year ago. Sales prices ranged from \$1.075 million to \$5.35 million and the average number of days on market was 12. In the year ago second quarter it was 15 days. The average sales price was \$2,180,240, far exceeding the 1,794,912 in 2Q2020. In 2019 it was \$1,779,112.

In Moraga the number of single-family closings was 57 which was up from 41 a year ago. Prices ranged from \$1,225,000 to \$3.25 million. The average sales price was \$1,936,316 ... a huge increase from 2Q2020 when it was \$1,548,585. In 2019 it was \$1,542,888 and in 2018 it was \$1,508,591. The average marketing time was again 13 days like a year ago.

In Orinda, the number of single-family closings was 136, more than double over a year ago when there were 60. Sales prices ranged from \$1.1 million to \$8 million with an average price of \$2,317,982 ... again a huge increase from 2Q2020 when it was \$1,808,271, and from \$1,623,995 in this quarter in 2019. It took an average of 12 days to

have a house go pending – half as long as the 25 days in the same period a year ago.

This is the first quarter ever when there were no sales reported at less than \$1 million in the three communities combined.

In the quarter ending June 30, on an average price per square foot basis, Lafayette detached single-family homes sold at \$825.38. A year ago it was \$683.27. In Moraga homes sold for \$814.16, far above the \$651.11 in 2Q2020. Orinda was \$804.11 ... up again from \$657.88 in this quarter a year ago.

Again, this is the first quarter ever where all homes sold for an average of over \$800 per square foot in each community.

In Lafayette, the average sales price was 109.1% of the final asking price. In Moraga it was 109.9% and in Orinda it was 107.8%. The reasons for this can be attributed to agents listing properties well below true value so that they can hopefully receive multiple offers where buyers would compete.

In the condominium/town home category, Lafayette had 18 closings versus the year ago quarter when there were only three. They sold between \$720,000 and \$1.835 million. Moraga had 37 when a year ago there were only 10. Sale prices ranged from \$392,000 to \$1.455 million. Orinda had four that ranged from \$581,000 to \$1.5 million.

As of July 7, there were 118 homes under contract in the MLS in the three communities combined with asking prices of \$419,900 to \$3.89 million. A year ago, there were 100 homes under contract per the MLS in the three communities.

Inventory remains low. There are 83 properties on the market and a year ago there were 127 available properties in the three communities combined.

There are “only” 40 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 \$628,828 to \$25 million. In Moraga, buyers have their choice of 23 homes or condominiums listed between \$410,000 and \$4.495 million. A year ago there were 37.

In Orinda there are 20 – again a huge decrease from 45 on the market at the same time a year ago. The list prices range from \$1.495 million to \$6.25 million.

There are no bank-owned or short sales currently in the MLS available in the three communities.

Interest rates continue to be attractive, making for more affordability, and we are seeing many 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 most 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 appraised or even having the home inspected. Many sellers continue 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 141 single-family sales that closed in Lafayette in the second quarter of 2021, only 14 sold below the final list price.

In Moraga, 7 of the 51 sales were below the asking price and in Orinda, only 16 of the 136 sold below the final listing price.