

Is Contra Costa's Real Estate Market in a Bubble?

Simple answer – YES. However, an RE Bubble does not always burst resulting in a reduction in home prices. Many economists believe our Bubble will result in a soft landing and continued increase in home values, just not as rapid as the last 17 months.

If there is an expectation that today's Real Estate Bubble will result in a reduction in prices, like the market of 2008, those buyers will be disappointed. A Housing Bubble, by definition, **occurs when housing prices rises rapidly, driven by high demand, limited supply, and emotional buying.** That defines the market of 2004 – 2007 as well as 2021 and YTD 2022. However, today's market or Bubble is quite different.

The Housing Bubble of 2004 to 2008 burst because of cheap debt, predatory and unregulated lending, and buyers often financing 100% of their home purchase, without verifiable income. When home values started dropping rapidly, homeowners were "underwater" and either walked away from their homes, did short sales (selling for less than their mortgage) or ended up in foreclosure. This flooded the market of available homes.

Today's purchases are subject to stricter lending regs, require good credit, sufficient & verifiable income and typically a down payment of 20% or more. Other economic factors affecting our market include historically low unemployment, a region of highly paid white collar wage earners, strong buyer demand and low, but growing inventory.

Rising mortgage rates are slowing down the rapid rise in home values. Also, our active inventory is creeping up as is the Days on Market and there are smaller numbers of competitive bids. To see a chart by city that will give you a glimpse of our changing market, Inventory and Days on Market, go to www.YourContraCostaRealtor.com



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Lamorinda home sales recorded

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LAFAYETTE .. continued

1065 Via Baja, \$2,195,000, 4 Bdrms, 3344 SqFt, 1957 YrBlt, 05-19-22,

Previous Sale: \$583,000, 04-28-98

1086 Via Media, \$4,000,000, 5 Bdrms, 3594 SqFt, 1966 YrBlt, 05-16-22,

Previous Sale: \$1,616,000, 12-26-12

MORAGA

118 Ascot Court #8, \$450,000, 1 Bdrms, 858 SqFt, 1970 YrBlt, 05-24-22,

Previous Sale: \$500,000, 07-16-19

1919 Ascot Drive, \$1,200,000, 2 Bdrms, 1455 SqFt, 1973 YrBlt, 05-27-22,

Previous Sale: \$750,000, 12-20-18

772 Augusta Drive, \$1,400,000, 3 Bdrms, 1908 SqFt, 1974 YrBlt, 05-26-22

783 Augusta Drive, \$2,700,000, 3 Bdrms, 1728 SqFt, 1974 YrBlt, 05-20-22,

Previous Sale: \$799,000, 02-24-11

296 Birchwood Drive, \$2,500,000, 4 Bdrms, 2431 SqFt, 1971 YrBlt, 05-18-22

10 Corte Azul, \$2,850,000, 5 Bdrms, 2644 SqFt, 1966 YrBlt, 05-27-22,

Previous Sale: \$1,125,000, 08-16-04

89 Greenfield Drive, \$2,150,000, 5 Bdrms, 2598 SqFt, 1969 YrBlt, 05-20-22,

Previous Sale: \$1,258,000, 11-18-21

4 Kendall Circle, \$1,630,000, 4 Bdrms, 2147 SqFt, 2016 YrBlt, 05-20-22,

Previous Sale: \$1,259,500, 02-02-17

6 Miramonte Drive, \$890,000, 3 Bdrms, 1248 SqFt, 1964 YrBlt, 05-18-22,

Previous Sale: \$585,000, 03-26-18

67 Miramonte Drive, \$1,175,000, 4 Bdrms, 1762 SqFt, 1964 YrBlt, 05-23-22

1541 Moraga Way, \$945,000, 2 Bdrms, 1548 SqFt, 1974 YrBlt, 05-20-22,

Previous Sale: \$510,000, 06-26-08

2 Paseo Linares, \$2,650,000, 4 Bdrms, 4048 SqFt, 1986 YrBlt, 05-17-22,

Previous Sale: \$1,460,000, 12-27-16

500 Rheem Boulevard, \$3,487,000, 3996 SqFt, 2004 YrBlt, 05-24-22,

Previous Sale: \$1,904,000, 07-08-14

1294 Rimer Drive, \$2,100,000, 4 Bdrms, 2092 SqFt, 1964 YrBlt, 05-25-22

47 Sanders Ranch Road, \$3,175,000, 4 Bdrms, 3463 SqFt, 1984 YrBlt, 05-18-22,

Previous Sale: \$1,396,000, 06-19-12

801 Villa Lane #2, \$585,000, 2 Bdrms, 942 SqFt, 1968 YrBlt, 05-23-22,

Previous Sale: \$365,000, 10-01-15

ORINDA

25 Altamont Drive, \$2,410,000, 4 Bdrms, 2572 SqFt, 1950 YrBlt, 05-20-22,

Previous Sale: \$220,000, 07-01-87

42 Ardilla Road, \$3,300,000, 5 Bdrms, 3479 SqFt, 1960 YrBlt, 05-25-22,

Previous Sale: \$635,000, 03-20-03

41 Claremont Avenue, \$2,000,000, 4 Bdrms, 2690 SqFt, 1946 YrBlt, 05-16-22

163 Crestview Drive, \$2,155,000, 4 Bdrms, 2247 SqFt, 1950 YrBlt, 05-20-22,

Previous Sale: \$999,000, 03-10-14

34 Descanso Drive, \$2,750,000, 4 Bdrms, 2340 SqFt, 1961 YrBlt, 05-20-22,

Previous Sale: \$925,000, 04-24-09

25 Frogs Leap Way, \$3,850,000, 5 Bdrms, 4127 SqFt, 2014 YrBlt, 05-27-22,

Previous Sale: \$2,545,000, 03-15-16

38 Los Altos Road, \$3,525,000, 4 Bdrms, 4467 SqFt, 1970 YrBlt, 05-16-22,

Previous Sale: \$2,110,000, 01-17-14

25 Marston Road, \$1,880,500, 3 Bdrms, 2326 SqFt, 1968 YrBlt, 05-20-22

5 Muth Drive, \$1,710,000, 3 Bdrms, 1736 SqFt, 1956 YrBlt, 05-23-22

121 Overhill Road, \$2,600,000, 3 Bdrms, 2044 SqFt, 1948 YrBlt, 05-18-22,

Previous Sale: \$350,000, 06-01-90

15 Parkway Court, \$1,960,000, 3 Bdrms, 1816 SqFt, 1954 YrBlt, 05-20-22,

Previous Sale: \$1,124,000, 11-14-18

33 Valley Drive, \$1,350,000, 3 Bdrms, 1666 SqFt, 1952 YrBlt, 05-23-22

17 Vista Del Mar, \$2,632,000, 4 Bdrms, 2894 SqFt, 1964 YrBlt, 05-18-22