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The Real Estate Quarter in Review

By Conrad Bassett, CRP, GMS-T

The third quarter of 2021 continued to show significant activity on the residential side of Lamorinda real estate. This activity continues to be based upon low interest rates and limited supply coupled with an exodus of people moving from San Francisco and the Peninsula to the East Bay.

Per Contra Costa Association of Realtors statistics reported from July 1 through Sept. 30, 120 single-family homes closed in Lafayette which was a decrease from the 136 that closed in the third quarter of 2020. Sales prices ranged from \$840,000 to \$11.5 million. The average number of days on market was 12 versus 19 for the same period in 2020. The average sales price was \$2,067,747. In this same quarter in 2020 it was \$1,972,380. In 2019 it was \$1,716,517. In 2018 it was \$1,696,918; in 2017 it was \$1,713,249.

In Moraga, the number of single-family closings was 53, similar to the 55 in 3Q2020. Prices ranged from \$1.135 million to \$4.3 million. The average sales price was \$1,993,792, far exceeding the \$1,588,132 in the year ago three-month period. In 2019 it was \$1,443,253. In 2018 it was \$1,509,248. In 2017 it was \$1,386,634. The average marketing time was 9 days, down from 17 days a year ago.

In Orinda, the number of single-family closings was 111, an increase from the 102 during the same period a year ago. Sales prices ranged from \$925,000 to \$6.125 million with an average price of \$2,147,497, continuing to rise from the \$1,900,069 in the same quarter one year ago. It was \$1,651,117 in 3Q2019. In 2018 it was \$1,777,666 in the third quarter. In 2017 it was \$1,601,869 and in 2016 it was \$1,558,244. It took an average of 12 days to expose a home to the market this last quarter. One year ago, it took 24 days. There was one closing in Canyon, listed at \$1,095,000 and closing at \$1,325,000.

In the third quarter of this year, on an average price per square foot basis, Lafayette detached single-family homes sold at \$846.43, versus \$719.40 per square foot a year ago. In the 2019 summer quarter it was \$607.09. Moraga homes sold for \$768.54, up from the summer period a year ago when it was \$637.23. In Orinda it was \$823.39 - an increase from the \$684.33 a year ago.

In Lafayette, the average sales price was right at 107.2% of the final asking price. In Moraga, it was 107.1% of asking and in Orinda it was just over 109.6%. In many cases, there were multiple offers on homes and the result was a closing price above the asking price.

On the Oakland/Berkeley side of the hills, agents have been asking far below the market value of homes for several years in order to generate multiple offers and sales prices well above asking. This phenomenon (sometimes known as "Teaser Pricing") has now spilled over and that is why we see those nearly 10% above asking prices as the ultimate sales prices.

In Lafayette, 103 of the 120 closings sold at the list price or above. In Moraga, 44 of the 53 sold at or above asking and in Orinda it was 94 of 111. In the third quarter, one house in Orinda actually sold for \$1.1 million above the asking price!

In the condominium/town home category, Lafayette had six resale closings. They were priced from \$628,000 to \$1.8 million. Moraga had 38, up from 25 a year ago and from 17 in the same period two years ago. Sales prices ranged from \$390,000 to \$1.375 million. Moraga Country Club had seven attached home sales: \$1 million to \$1.48 million. Orinda had five condos sell on Brookwood at prices of \$420,000 to \$540,000.

As of Oct. 6 there were 91 pending sales in the three communities combined. A year ago there were 96 pending sales per the MLS. The asking prices for the pending single family detached homes range from \$899,000 to \$4.395 million. It should be pointed out that there are no "Potential Short Sales" or foreclosures that are currently pending.

It is interesting to note that of the 91 pending sales in the area, 16 received acceptable offers in the first five days of October. That is an average of about three per day. Usually many of the sales are completed prior to the start of school. Depending upon how many of the homes are being purchased by families with children who are new to Lamorinda, it may impact certain grades at the elementary level, now that children are back on campuses.

Inventory, however, continues to remain low when looking at the available homes in Lafayette where there are 28 on the market as of Oct. 6 and there were 60 at this time one year ago.

In Moraga buyers have their choice of only 19 properties down from 27 properties a year ago.

Orinda inventory has decreased to 20 currently available from 43 one year ago.

Current asking prices range from \$395,000 for a condominium in Moraga to \$12.8 million for a Lafayette property.

At the high end, 30 homes closed above \$3 million in the three communities combined during the quarter; there are 11 currently available above this amount.

Interest rates are at historical lows and during the pandemic a lot of people have relocated further from their jobs as they have not had to and may not have to commute as often.

There has been a large increase in Oakland, San Francisco and Peninsula agents representing buyers in their purchase of Lamorinda homes. Going forward through the end of the year, activity will likely remain strong and a low supply and high demand should continue to push the market higher.

Reach the reporter at: info@lamorindaweekly.com

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