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Published January 6th, 2010

The Real Estate Year in Review

By Conrad Bassett

2009 was quite a year for residential real estate in Lamorinda, just as it was throughout the country.

Homes still sold but the time they stayed on the market was longer than in previous years and prices softened although supply remained relatively low throughout the year. Also, the Lamorinda communities started seeing a few more short sales and REOs (bank owned properties.) These properties have plagued other nearby communities on a much grander scale.

Per Contra Costa Association of Realtors statistics reported for closings January 1 through December 31, 2009 (note that some sales that closed at the very end of 2009 may not be reported for a few days), 198 single-family homes closed in Lafayette. Sales prices ranged from $309,000 to $3,655,000 and the average time on market was 63 days. The average sale price was $1,045,217. The average sales price was 93.8% of the final list price.

In Moraga there were 59 single-family closings with the prices ranging from $550,000 to $2,170,000. The average sale price was $961,872. The number of days on market was 59 and the average home sold 94.4% of its last list price.

In Orinda the number of single-family closings was 162 with sales prices of $262,500 to $2,775,000 and an average price of $1,029,915. The average market time was 68 days. The average sales price was 92.3% of the final list price.

On an average price per square foot basis, Lafayette homes sold at $434 per square foot, Moraga homes sold for $408 and Orinda was at $426.

In the condominium/town home category, Lafayette had six closings ranging from $355,000 to $565,000; Moraga had 50 ranging from $155,000 to $745,000 and Orinda had three that sold from $675,000 to $875,000.

Note that there was one home each in Lafayette, Moraga and Orinda where the sales price was not reported to the MLS (Multiple Listing Service). The one in Orinda had been last listed at $4,450,000. There are also a few direct sales that do not go through the MLS and are not reported here.

As of December 31, there were 60 homes under contract per the MLS in the three communities combined, with asking prices of $99,000 to $2,095,000. Thirteen "Potential Short Sales" are currently pending and are subject to lender approval; for example, one listed at $99,000 is a one bedroom condominium in Moraga and the accepted offer price is above the list price-however, it has been pending since September 9.

Inventory has decreased drastically from the end of September and much of this is due to either a seller taking a home off the market to wait for better conditions, seasonal variations. Typically the biggest inventory is in the spring and early summer. There are 48 properties on the market in Lafayette with asking prices of $406,000 to $6,750,000. Only 90 days ago there were 84. In Moraga, buyers have their choice of only 30 homes and condos listed between $130,000 and $1,975,000. At the end of September there were 50 available. In Orinda there are 32 on the market priced from $360,000 to $4,400,000. This is down from an inventory of 72 on September 30.

Of the 110 properties currently available in Lamorinda, 14 are REOs and eight are Potential Short Sales.

As has been the recent story, the most active price range is in the more "affordable" price ranges. The high end remained slow as six sold above $2,000,000 during the quarter compared with only three in the first six months of the year. The total number of homes that closed in Lamorinda in 2009 above $2,000,000 was 23, down from 30 that closed a year ago and 50 in 2007.

Interest rates continue to remain relatively stable and attractive, and corporations continue to relocate families... families who find the Lamorinda area attractive because of outstanding public schools, BART, and the close distance to San Francisco. That, and the very minimal amount of new construction, helps keep supply and demand within a better balance than a lot of other neighboring communities.

The period of time a home is in escrow continues to lengthen. Governmental restrictions and reduced staffing levels in the underwriting and processing departments of many lenders has forced many sales to not close on time but be delayed by as much as a couple of weeks. Contingency periods are now often extended as appraisals and their review are taking longer.

Reach the reporter at: info@lamorindaweekly.com