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The Real Estate Quarter in Review

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The second quarter of 2010 continued to show increased activity on the residential side of Lamorinda real estate. Per Contra Costa Association of Realtors statistics reported from April 1 through June 30, 85 single-family homes closed in Lafayette. Sales prices ranged from \$450,000 to \$3,000,000 and the average number of days on market was 37 days. The average sales price was \$1,125,428. In the same quarter for 2009, there were only 44 closings and an average sales price of \$992,497. This is a significant increase in both volume and sales price.

In Moraga the number of single-family closings was 34, with the prices ranging from \$650,000 to \$1,525,000. The average sale price was \$911,544. The average marketing time was 28 days. Looking back over the same quarter in 2009, there were only 17 closings although the average sales price was \$999,023. In Moraga this was a 100% increase in sales volume "year over year."

In Orinda the number of single-family closings was 43 with a range of sales prices of \$440,000 to \$2,950,000 and an average price of \$1,140,414. It took an average of 65 days on the market to sell a home. In the second quarter a year ago, there were 45 sales at an average sales price of \$1,033,933 in Orinda.

On an average price per square foot basis, Lafayette homes sold at \$460 per square foot, Moraga homes sold for \$396 and Orinda was at \$437. In the year ago quarter these amounts were \$451, \$410, and \$421 respectively.

In the condominium/town home category, Lafayette had two closings at \$375,000 and \$379,000; Moraga had 18 ranging from \$180,500 to \$682,000 and Orinda had its first two of the year, one condominium for \$240,000 and one townhouse at \$682,500.

As of July 2, 2010, there were 103 homes under contract per the MLS in the three communities combined, with asking prices of \$130,000 to \$3,500,000. There are 18 "Potential Short Sales" that are currently pending and were subject to lender approval. The time for short sales to be approved has shortened in some cases, but the waiting time can still be several months.

Activity has increased in the last several weeks as well. Of the 103 pending properties, 72 received acceptable offers since the first of June so between the three communities we continue to see two to three homes headed towards closing each day.

Inventory, however, has steadily increased since the first quarter and versus a year ago.

There are 123 properties on the market in Lafayette (a year ago at this time there were 84) with asking prices of \$349,000 to \$12,000,000. In Moraga, buyers have their choice of 64 homes or condominiums listed between \$194,500 and \$2,950,000. A year ago at this time there were 50. In Orinda there are 98 on the market priced from \$241,900 to \$3,695,000, while last year at this time there were 72 available.

Based upon current inventory, if no other homes were to come on the market, there is an eight month supply of homes available in Lamorinda. At the end of the first quarter of 2010, there was around a seven month supply. However, homes that are priced competitively and in good condition are seeing very short marketing times and often multiple offers. One recent pending sale in Moraga had three offers at the list price and above and the seller countered all three. At least two of the buyers countered again above the seller's counter offer and it is pending for an even higher price.

As was the case last quarter, the most active price range is the more "affordable" price range. The high end has improved, however, with eight homes selling above \$2,000,000 in the second quarter in Lamorinda. Two closed above \$2,000,000 in the three communities in the comparable quarter in 2009. Five are currently pending that are listed over \$2,000,000, four in Lafayette and one in Orinda.

Interest rates continue to fall and are very attractive and corporations continue to relocate families both into and out of the area. As prices start to level out and even increase on the average, appraisals are still an issue. The lack of new construction in Lamorinda has also helped keep supply and demand in balance.

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