

Compass Bridge Loan Program

In many instances our clients selling their home are faced with the challenge of being able to purchase their new home before they sell their existing home. Often Sellers need the equity out of their existing home as down payment on their new purchase or lenders will count both mortgages against their income making qualifying for a new loan challenging before they close on the sale of their existing home. While too often the case, Sellers would prefer not to hassle with finding a short-term rental while searching for their dream home. Contingent offers are a potential solution to this problem but are challenging and often unsuccessful in competitive situations. Very few commercial lenders offer bridge loan financing and for the private lenders that do it is often cost prohibitive. Compass understands the difficult situation that Sellers are often faced with and will soon introduce a short-term loan program to bridge the time period of your new purchase and the sale of your existing home. Similar to how the Compass Concierge program removed the constraint of financing pre-sale home improvements, Compass's new bridge loan program will once again transform the real estate industry. Compass will be the first real estate brokerage firm to offer this product to their clients. Martin Homes Team was selected to participate in the beta testing for the new program and we are excited to continue to share details as this program rolls out in the coming months. We

look forward to hearing from you with your real estate questions.



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The Real Estate Quarter in Review

By Conrad Bassett, CRP, GMS-T

The third quarter of 2019 showed solid activity on the residential side of Lamorinda real estate versus the year ago quarter. This activity continues to be based more upon a short supply of available properties than on a significant change in the market.

Per Contra Costa Association of Realtors statistics reported from July 1 through Sept. 30, 73 single-family homes closed in Lafayette which was a small decrease from the 76 that closed in the third quarter of 2018. Sales prices ranged from \$818,000 to \$4.475 million. The average number of days on market was 30 versus 22 for the same period in 2018. The average sales price was \$1,716,517. In the same period a year ago it was \$1,696,918. In 2017 it was \$1,713,249, in 2016 it was \$1,565,394 and in 2015 it was \$1,462,872.

In Moraga, there were 38 single-family closings, slightly above the 31 in 3Q 2018. Prices ranged from \$1.04 million to \$1.969 million. The average sales price was \$1,443,253 – down from one year ago when it was \$1,509,248. In 2017 it was \$1,386,634, and in 3Q 2016 it was \$1,245,605, which was actually below the \$1,281,936 in the third quarter of 2015. The average marketing time was 25 days, up from 16 days a year ago.

In Orinda, the number of single-family closings was 74, a slight decrease from the same period a year ago of 83. Sales prices ranged from \$715,000 to \$4.85 million with an average price of \$1,651,117 – a decrease from \$1,777,666 in the year ago third quarter. In 2017 it was \$1,601,869 and in 2016 it was \$1,558,244. It took an average of 37 days to expose a home to the market this last quarter. A year ago it was 33.

In the third quarter of this year, on an average price per square foot basis, Lafayette detached single-family homes sold at \$607.09. A year ago it was \$638.11. Moraga homes sold for \$607.47. In Orinda it was \$617.98 – about the same as \$622.76 a year ago.

In Lafayette, the average sales price was right at 101.1% of the final asking price. In Moraga, it was just under 101% of asking and in Orinda it was just over 100%. In many cases, there were still multiple offers on homes and the result was a closing price above the asking price.

In Lafayette, 42 of the 73 closings sold at the list price or above. In Moraga, 23 of the 38 sold at or above asking and in Orinda it was 38 of 74.

In the condominium/town home category, Lafayette had five resale closings. They were priced from \$719,000 to \$925,000; Moraga had 17, down from 25 a year ago and from 19 in the

same period two years ago. Sales prices ranged from \$512,000 to \$1.035 million. Moraga Country Club had five attached home sales from \$845,000 to \$1.035 million. Orinda had one townhome sell at \$1.1 million in Orindawoods and one BMR (Below Market Rate) property sell on Citron Knoll for \$459,941.

As of October 10, 2018, there were 69 pending sales in the three communities combined. A year ago there were 78 pending sales per the MLS. The asking prices for the pending single-family detached homes range from \$780,000 to \$3.495 million. It should be pointed out that there are no "Potential Short Sales" that are currently pending and subject to lender approval. There is one pending foreclosure.

It is interesting to point out that of the 69 pending sales in the area, 12 received acceptable offers in the first week of October. That is an average of nearly two 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.

Inventory, however, continues to remain low when looking at the available homes in Lafayette where there were 53 on the market as of Oct. 7 and there were 61 at this time one year ago.

In Moraga buyers have their choice of only 24 properties, up from 21 properties a year ago.

Orinda inventory has increased to 56 currently available from 48 one year ago.

Current asking prices range from \$398,000 for a condominium in Moraga to \$18 million for a Lafayette property.

At the high end, 36 homes closed above \$2 million in the three communities combined during the quarter. In the year ago period there were 31.

There are 56 currently available above this amount – 21 in Lafayette, 31 in Orinda, and four in Moraga – and these four are new construction.

Interest rates have crept up a little but for those who can afford Lamorinda, it does not seem to have been much of a deterrent. Going forward through the end of the year, activity will likely remain strong. Continued office building in the East Bay and a low supply and high demand should continue to push the market higher.

One other factor will be to see how well the two new developments in Moraga sell and how that affects values. There are the 36 townhomes on Moraga Way that start at just over \$1.2 million and the others on Rheem Boulevard that are for the most part over \$2 million.