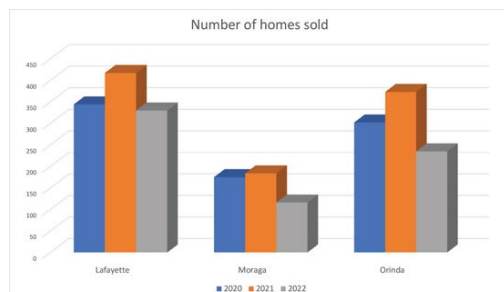




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The Real Estate Year in Review

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This past year was an interesting year for buyers and sellers of residential real estate in Lamorinda. The first half of 2022 started very strong and then changes came as interest rates increased steadily throughout the last half of the year.

Sales volume was much lower in each community and average prices increased in Lafayette, Moraga and Orinda.

Homes stayed on the market for a similar limited time like in 2021 and the majority of homes still sold at or above their final asking price.

Per Contra Costa Association of Realtors statistics reported for closings Jan. 1 through Dec. 31, 2022, 330 single family homes closed in Lafayette versus 417 in 2021. There were 344 in 2020. For the 330 reported

closings, sales prices ranged from \$655,000 to \$12 million and the average time on market was 17 days, similar to the 16 days in 2021 and 19 days in 2020.

The average sales price was \$2,456,834. This was a large increase from the \$2,124,266 in 2021. It was \$1,916,042 in 2020, \$1,789,012 in 2019, \$1,736,519 in 2018. The average price has more than doubled in the last decade.

The average sales price was about 107% of the final list price which in 2022 was \$2,293,809. This comes from a combination of properties being listed well below their actual value and in some cases "bidding wars" that pushed up prices. There was one Lafayette foreclosure sold on the MLS.

Only seven homes closed below \$1 million . the same as in 2021.

In Moraga there were 116 single family closings in 2022. There were 184 single family closings in 2021 and 175 single family closings in 2020. Prices ranged from \$1,350,000 to \$3,625,000. The average sales price was \$2,214,037. This was the first year that the average price in Moraga exceeded \$2 million. In 2021 it was \$1,926,353. In 2020 it was \$1,590,853, \$1,486,327 in 2019 and \$1,485,713 in 2018. As in Lafayette, the average home price has more than doubled in the last decade.

The average number of days on market in 2021 was 12. In 2021 it was 14. As in 2021, the average home sold for 109% of its asking price. The average list price was \$2,013,167 so the average home sold for about \$200,000 above asking. There were no REO properties that closed on the MLS and no short sales.

In Orinda the number of single-family closings was 235 versus 373 a year ago. The reported sales ranged in price from \$875,000 to \$6.75 million with an average price of \$2,291,847. In 2021 it was \$2,187,385. In 2020 it was \$1,889,942. In 2019 it was \$1,629,030 and in 2018 it was \$1,729,306. Again, the average sales price has more than doubled in the last 10 years. The average market time was 22 days - up from 17 days a year ago.

The average sales price was an average of 106.4% of the final list price. A year ago it was 107% of the final list price for the reported sales. There were no REO (bank owned) sales in Orinda in 2021.

There were no reported sales in Canyon in the MLS in 2022.

On an average price per square foot basis for reported sales in 2022, Lafayette homes sold for \$945.10, well above the \$823.60 in 2021.

In 2022, Moraga homes sold for \$872.73 per square foot. In 2021 it was \$775.04 per square foot. It was \$644.18 in 2020.

In Orinda last year it was \$862.26. In 2021 it was \$797.26.

In the condominium/town home category, Lafayette had 34 closings - down from 36 closings in 2021. Sales prices ranged in 2022 from \$623,485 to \$2.6 million. Moraga had 81 closed units - down from the 118 in 2021. Sales ranged from \$340,000 to \$2.1 million. This includes "attached" homes in Moraga Country Club. Orinda had 16 closings up from 13 in 2021. Four of these were in the complexes on Brookwood Road and the others in Orindawoods. They sold from \$460,000 to \$2.25 million.

It should always be noted that there are also a few direct sales that do not go through the MLS and they are not reported here. These are usually sales between private individuals.

As of Jan. 7, there were only 17 dwellings under contract per the MLS in the three communities combined, with asking prices of \$599,000 to \$3.925 million. It should be pointed out that there are no REOs and no short sales. Prices have continued to rise over the last few years and more owners now have equity in their homes and have not had to go the short-sale process or face foreclosure.

A comparison of year-end inventory in the three communities combined shows 38 homes on the market. Last January there were 18 homes on the market. Seasonally the biggest inventory is in the spring and early summer, however this current number may point to a year with additional buying opportunities. The current asking prices range from \$575,000 to \$9.995 million in the three communities combined.

In Lamorinda in 2022, 118 homes sold for over \$3 million! In Lafayette alone 63 sold for \$3 million or more in 2022.

Mortgage rates have been steadily climbing since they reached historic lows. Corporate relocations have increased as many companies want their staff to be in their destination offices rather than working remotely from their departure locations. We have not seen many outbound relocations for people working for companies who have announced that their corporate headquarters will be moving out of the state.

One other factor that is and will affect the markets will be the reluctance of those who financed or refinanced at rates below 3% to want to make discretionary moves and pay rates of twice as much as they have today. This will limit supply.

The East Bay communities like Lafayette, Moraga, and Orinda as well as Piedmont and several neighborhoods in Oakland and Berkeley continue to benefit from their proximity to San Francisco where prices remain very high. Comparably speaking, the East Bay is still relatively more affordable and many of the buyers in the East Bay have come from the peninsula and Silicon Valley and San Francisco.

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