

The Real Estate Quarter in Review



By Conrad Bassett, CRP, GMS-T

The second quarter of 2022 remained extremely strong on the residential side of Lamorinda real estate. The total number of sales was down but the average price was much higher in both Lafayette and Moraga. The closings that occurred were those that mostly went under contract from mid-February to late May prior to the significant uptick in mortgage rates.

Per Contra Costa Association of Realtors statistics reported from April 1 through June 30, 115 single family homes closed in Lafayette. This was a decrease from the 141 single family homes closed in the same period one year ago. Sales prices ranged from \$1.1 million to \$5.8 million and the average number of days on market was nine. In the year ago second quarter it was 12 days. The average sales price was \$2,479,025, far exceeding the \$2,180,240 in 2Q2021 and the \$1,794,912 in 2Q2020. In 2019 it was \$1,779,112. In 2018 it was \$1,818,600.

In Moraga the number of single-family closings was 43 which was down from 57 a year ago. Prices ranged from \$1.485 million to \$3.487 million. The average sales price was \$2,376,836, a huge increase from \$1,936,316 in 2Q2021 and 2Q2020 when it was \$1,548,585. In 2019 it was \$1,542,888 and in 2018 it was \$1,508,591. The average marketing time was seven days where a year ago it was 13.

In Orinda, the number of single-family closings was 97, again substantially lower than 2Q2021 when there were 136. Sales prices ranged from \$875,000 to \$4.65 million with an average price of \$2,198,041. This was lower than the \$2,317,982 in the same quarter a year ago, but still above 2Q2020 when it was \$1,808,271, and from \$1,623,995 in this quarter in 2019. In 2018 it was \$1,705,473. It took an average of 14 days to have a house go pending – similar to the 12 days in the same period a year ago.

There were only two single-family sales below \$1 million in the three communities combined.

In the quarter ending June 30, on an average price per square foot basis, Lafayette detached single-family homes sold at \$1,029.97, significantly above the \$825.38 a year ago. In Moraga homes sold for \$935.79,

far above the \$814.16 in 2Q2021. Orinda was \$915.40 – up again from \$804.11 a year ago.

Again, this is the first quarter ever where all homes sold for an average of over \$900 per square foot in each community.

In Lafayette, the average sales price was 113.6% of the final asking price. In Moraga it was 115.3% and in Orinda it was 111.8%. The reasons for this can be attributed to agents listing properties well below true value so that they can hopefully receive multiple offers where buyers would compete.

In the condominium/townhome category, Lafayette had 10 closings versus the year ago quarter when there were 18. They sold between \$623,485 for one below market rate sale and \$2.555 million. Moraga had 36 when a year ago there were 37. Sale prices ranged from \$415,000 to \$2.01 million. Orinda had six that ranged from \$510,000 to \$1.85 million.

As of July 9, there were 70 homes under contract in the MLS in the three communities combined. One year ago there were 118! The current pending homes have asking prices of \$515,000 to \$4.25 million.

Inventory has increased. There are 109 properties on the market and a year ago there were 83 available properties in the three communities combined.

There are 52 properties on the market in Lafayette – an increase from the 40 at this same time a year ago. Asking prices in Lafayette currently range from \$895,000 to \$9.995 million. In Moraga, buyers have their choice of 22 homes or condominiums listed between \$515,000 and \$3.895 million. A year ago there were 23.

In Orinda there are 35 – again an increase from 20 on the market at the same time a year ago. The list prices range from \$989,000 to \$5.75 million.

There are no bank-owned or short sales currently in the MLS available in the three communities.

It is interesting to note that of the 109 dwellings on the market, 13 have lowered their asking prices in the last seven days.

Interest rates have increased dramatically and this has affected the market. We are still seeing many buyers come to the area from across the bay and Oakland because they feel they will likely not be commuting as much (especially on the tech side) and feel that to live further distances from San Francisco or Silicon Valley is manageable.

Lastly, it is important to look at what homes are selling for versus their list prices. Often homes come on the market at unrealistic prices, and they do not sell, but in the second quarter of this year most homes have had multiple offers and have sold at or above the list price.

Of the 115 single-family sales that closed in Lafayette in the second quarter of 2022, only six sold below the final list price.

In Moraga, only one of the 43 sales was below the asking price and in Orinda, only eight of the 97 sold below the final listing price.

We are still seeing many buyers having to make offers without the traditional contingencies of obtaining financing or having a home appraise or even having the home inspected. Many sellers continue to obtain pre-sale inspections in order to understand the condition of their homes and to also prevent a buyer from trying to renegotiate a lower price or repairs.

The combination of higher interest rates and higher supply will affect the third quarter numbers in Lamorinda.