

WINE COUNTRY'S NEW BUILDS ARE ATTRACTING HOME BUYERS

Sotheby's International Realty



Contemporary ranch house at 19180 Orange Ave. in Sonoma

“We’ve seen investors come in and buy multiple lots on the same street, or within a couple of streets, to build spec homes. This creates more inventory for home buyers, a good thing for our market.”

LISA SHEPPARD

Associate Broker
Sotheby's International Realty, Sonoma

A wave of modern new builds have flooded the market in California wine country, two years after the North Bay wildfires burned down 5,300 homes and prompted a boom in reconstruction and new development.

Many owners who lost their homes to the fire are building anew with the intent to sell, and real estate companies have seized the opportunity to buy several fire-damaged lots in the same neighborhood to redevelop. It’s created a tremendous opportunity for buyers, who can either snap up one of these new builds or use the abundance of fresh, amenity-rich homes to negotiate with resellers of older houses, agents have found.

Napa and Sonoma counties have been drawing second-home buyers from the Bay Area, Silicon Valley, and Los Angeles for more than a decade, and during that time, high demand and low supply have meant multiple offers and high prices on luxury estates there.

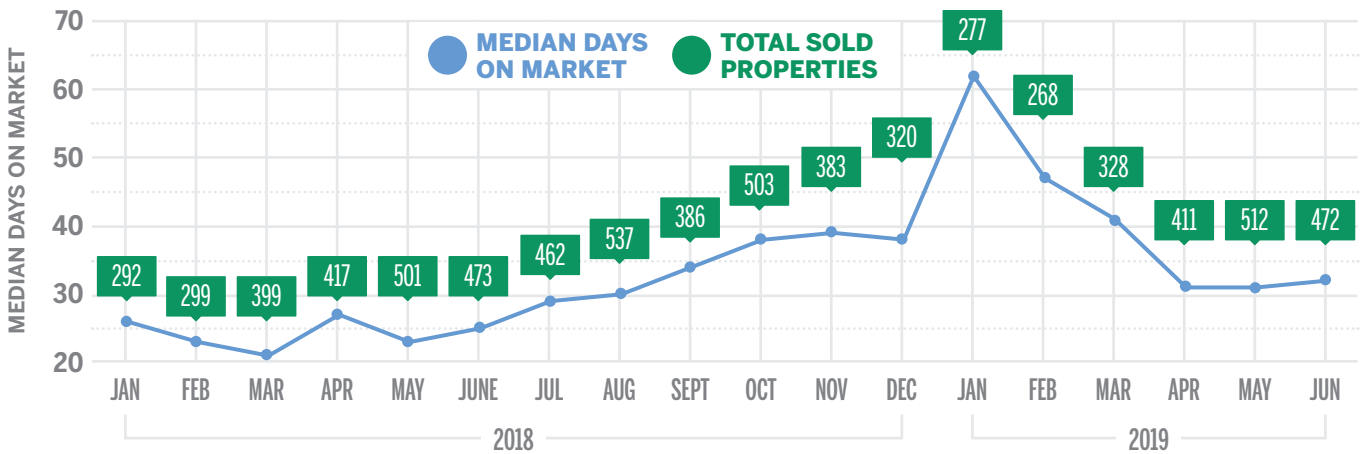
But the abundance of new inventory has eased the once white-hot pace of sales. The time between listing a home and when the sale closed rose in Sonoma County, from a little over three weeks in the first half of 2018—a phenomenally rapid pace—to about 41 days in the first half of this year.

When they do close, sellers are a little more likely these days to negotiate on price. The median home price in Sonoma County declined about 4.5% in June, to \$635,000, compared with \$665,000 a year ago.

Newly built or renovated properties, many of which incorporate solar and smart technologies that appeal to the California buyer, certainly have the upper hand. They come with trendy extras like saltwater pools and heated floors.

To compete, successful sellers of older homes are entering the market with carefully considered asking prices. They’re also stepping up with renovations, whether cosmetic or big repairs, ahead of listing; and they’re complementing the sprucing-up with contemporary staging. ▣

PACE OF SALES IN SONOMA COUNTY



Source: Bay Area Real Estate Information Services, Inc. MLS from 1/1/2018 through 6/30/2019