



THE GATTI REPORT: YOUR GREATER DANVILLE AREA REAL ESTATE UPDATE

By Joe Gatti

The Greater Danville Area is in the heart of summer. It took a little longer for the hot weather to return this year, but it's definitely back, much like our local real estate market! The June consumer price index (CPI) was released on Wednesday July 12th and it was lower than expected. The Federal Reserve will meet on July 26th, and their rate decision will dominate economic news until their follow up meeting on September 20th. In this month's article, we'll look at higher priced listing activity in our local market, focusing on detached properties closing at or above \$2,500,000. Buyers for these properties have more cash reserves for their down payments, which can provide more flexibility with mortgage interest rates, but their choices for homes to buy are few. Low housing inventory first caused pricing to stabilize at the year's beginning, and then prices gradually went up from the spring period to now. The median price of these homes have actually increased slightly when compared to this same point last year.

The June CPI report was released on July 12th and it provided obvious evidence that inflation is cooling to a much more sustainable level. US inflation dropped to 3%, which was 1% lower than May, and 2% lower than the April reading. The Federal Reserve's next meeting will be July 25-26th (after the submission of this article). The prevailing view is that the Fed will raise their base rate again, which many economists think will be their last. With the inflation fight winding down after a year of rate increases, homes closing at or above \$2,500,000 have maintained a surprising level of price stability in our market.

From January 1st through July 19th this year, 139 detached properties have sold at or above \$2,500,000 in the greater Danville area, which includes Alamo, Blackhawk, Danville, Diablo, and San Ramon. During the same period in 2022, 333 detached properties of this type closed escrow.* That's a staggering 58.2% drop in 2023. When comparing the median price, it is evident that the fewer number of homes available to buyers this year has kept prices stable. In 2022, the median price for a property above \$2,500,000 was \$3,000,000. This year, the median has actually increased slightly to \$3,069,000*, a statistic not many were anticipating at the beginning of the year. The higher priced listings that do reach the market have less competition from other similarly priced homes, but the average days-on-market resemble pre-pandemic time frames.

Through the pandemic we became accustomed to news stories of properties staying on the market for little over a week. For homes selling at \$2,500,000 and above from January to July 2022, the average time on market was 13 days. This year, it has been 26 days. A little more time on market during a period with higher mortgage interest rates is a small price to pay when the value of your sold home will be equal to, or a little better than, a year ago!

If you have any questions or are looking to sell and would like a professional price valuation for your local home, please reach out to the Gatti Team for a private consultation. Our services and full time local experience will help price, market, and promote your home on all levels so you receive the best possible outcome in our current market.

I hope you found this article helpful. I've been serving our real estate community for 11 years. Ron Gatti, my business partner and father, has been a full-time real estate professional for over 40 years, all in the greater Danville area. We both are Associate Brokers with Compass out of the 760 Camino Ramon (Suite 200) office in Danville. If you have any real estate questions during this extraordinary time or have questions about this article, please email GattiRealEstate@gmail.com or call Joe Gatti at 925-588-3590. Our services are here for you!

*Data taken from the MLS during specific dates and under the criteria mentioned within the article.



JOE & RON GATTI

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DANVILLE AND THE SAN RAMON VALLEY**

COMPASS



56 DANVILLE OAK PLACE | WESTSIDE DANVILLE
2 BED | 2 BATH | 1,002 SF | \$875,000



44 DANVILLE OAK PLACE | WESTSIDE DANVILLE
3 BED | 2.5 BATH | 1,678 SF | \$1,175,000

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