



THE GATTI REPORT: YOUR GREATER DANVILLE AREA REAL ESTATE UPDATE

By Joe Gatti

Happy 4th of July! The fireworks are out! The time of year for summer gatherings with family and friends is upon us. As we celebrate America's Independence we can take a look back at our local real estate market during the first half of 2023. The main theme has focused on low housing inventory, which has resulted in higher buyer competition and an uptick in local prices when compared to the fall of 2022. In June, we also received two economic points of good news. First, inflation continues to go down. Second, the Federal Reserve paused their rate increases for the first time in over a year! With this as our summer backdrop, low inventory has favored sellers, but more available housing is needed. The "More Homes on the Market Act" has been reintroduced as legislation to help address low national home inventory and would especially benefit California homeowners if passed in the future.

On June 13th, we received positive inflation news! The latest consumer price index was released showing that inflation had cooled to 4%, which was 1% lower from the 5% May reading. The next day, the Federal Reserve decided to pause their rate increase cycle for the first time in 15 months. Mortgage interest rates have stayed level in the higher 6% range since that decision.* The Fed's next meeting will be July 27-28th, which will be interesting to see if they continue with another rate pause. If they do, look for mortgage markets to react favorably.

Our spring selling season ended with 468 detached properties closing escrow in the greater Danville area, which includes Alamo, Blackhawk, Danville, Diablo, and San Ramon. During the same period, from January 1st to June 21st 2022, 732 detached properties sold.** There is no question that we are now in a cycle where buyers have considerably less to choose from. The first half of this year passed with 264 fewer homes being sold, exactly 36% less than a year ago. Less homes for sale has been advantageous for sellers capable of selling now. The current market has 124** detached active listings, about a month and a half worth of inventory, so the listings that do reach the market have the full attention of buyers starved for home options.

In an attempt to address the low inventory issue, legislation has been reintroduced in Congress titled the "More Homes on the Market Act." Representatives Panetta (CA) and Kelly (PA) introduced the bill which would amend the tax code to free up more homeowners to sell their houses due to less capital gains tax implications. The bill would increase the sales tax exclusion to \$500,000 for individuals and 1 million for joint filers. The current setup allows individual homeowners to exclude \$250,000 and joint filers \$500,000.*** This would greatly help local homeowners who have lived in their homes for many years and have decided to stay instead of sell because the final tax payment would not make financial sense for them. It's definitely an issue to reach out to your local representatives asking them to support. If you have any questions or are looking to sell and would like a professional price valuation for your 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 local market. We wish you a happy 4th of July!

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!

*www.cnbc.com/quotes/US30YFRM?qsearchterm=30%20year, **Data taken from the MLS during specific dates and under the criteria mentioned within the article. ***www.housingwire.com/articles/house-bill-would-incentivize-home-selling-in-effort-to-boost-supply



JOE & RON GATTI

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