



## THE GATTI REPORT: YOUR GREATER DANVILLE AREA REAL ESTATE UPDATE

By Joe Gatti

As we near Labor Day, the summer real estate season has been reminiscent of past cycles, pre-Covid. People are discussing vacations and last chance travel opportunities before the autumn season kicks in, and schools reopening bringing a calm smile to parents faces. On August 10<sup>th</sup>, the July consumer price index (CPI) was released and inflation ticked up slightly from June's 3% reading to 3.2%. The next CPI report will come out on September 13<sup>th</sup>. Its results will weigh heavily for the Federal Reserve at their next meeting on September 20<sup>th</sup>. As of this writing, the 30 year fixed mortgage rate reached 7.09%, the highest level of 2023.\* We will look at how this higher rate environment is affecting the market for active, pending, and sold detached properties in our local area. The combination of rates and low inventory have actually been more favorable to sellers, but the buyers out looking for homes are savvy and have been patient this summer.

On August 16<sup>th</sup>, there were 132 detached properties listed as active in the greater Danville area, which includes Alamo, Blackhawk, Danville, Diablo, and San Ramon. Listings priced very competitively, having pre-market listing preparation (with little to no maintenance work for a future owner) have moved faster in this market. As we will see, active properties are priced higher than those reaching the pending and sold columns. The median price for current active detached properties is \$2,398,650 and the average days on market is 41.\*\* Buyer's currently looking are juggling two factors, inventory is low limiting properties to view, and interest rates are fluctuating higher, creating a more complex and deliberative decision making process for them.

When we look at properties that buyers entered into contract on, we see a difference in original median list price when compared to the active properties above. There were 93 pending detached properties with a median price of \$1,899,000.\*\* The current properties going pending have a more enticing market entry price point for potential buyers who are weary of mortgage rate levels. The average time on market for these properties is 19 days which is half as long as the current active category. There are 29.5% fewer pending properties than active ones, further showing buyers are taking more time and being more selective than when interest rates were considerably lower just a year ago.

A lower price point for properties going pending doesn't mean the final sold price will be at that same level. When looking at sold detached properties for one calendar month, July 16<sup>th</sup> through August 16<sup>th</sup>, 111 detached properties closed escrow. The median sold price for these properties was \$2,005,000.\*\* The average time on market continued to go down to 14 days. Our takeaway is that professional pricing, and home preparation prior to placing a home on the market, are more important than ever. Buyer demand is still widely present in our area. Higher interest rates and low inventory are making their decision making more thought out and careful than in previous months, but buyer presence is there when pricing and home characteristics combine to meet their needs.

If you would like to sell and receive a professional price valuation for your home or buy in our current market, please reach out to the Gatti Team for a private consultation. Our services and full time local experience will help create a personalized market strategy for achieving your selling and buying goals in our Greater Danville Area.

***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](mailto:GattiRealEstate@gmail.com) or call Joe Gatti at 925-588-3590. Our services are here for you!***

\*[www.nytimes.com/2023/08/17/business/mortgage-rates-housing-market.html](http://www.nytimes.com/2023/08/17/business/mortgage-rates-housing-market.html) \*\*Data taken from the MLS during specific dates and under the criteria mentioned within the article.



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