



THE GATTI REPORT: YOUR GREATER DANVILLE AREA REAL ESTATE UPDATE

By Joe Gatti

October has arrived. Pumpkin sightings were very early this year, starting in September, and kicking off the beginning of our fall market and holiday season. On September 13th, the August consumer price index (CPI) was released and inflation ticked up again from July's 3.2% reading to 3.7%. This was largely due to the increase in oil and gasoline prices at the end of summer. On September 20th, the Federal Reserve reviewed economic data and decided to keep rates unchanged, but left the door open to one more rate increase during their final two meetings of 2023. With this backdrop, the prevailing topic in our local real estate market, along with national news coverage, is low home inventory. Buyer demand is persistent despite 7+% mortgage interest rates, and our local home prices have remained elevated and stable largely due to this inventory shortage. Anticipate local sellers to continue benefiting from low inventory as we move into the last part of 2023 and beyond.

As of September 20th, there were 111 detached properties listed as active in the greater Danville area, which includes Alamo, Blackhawk, Danville, Diablo, and San Ramon. This is a 15% decrease in active listings from the previous month (132 properties).* The current inventory level in our local market is roughly at a one month supply. For context, the consensus defining a normal market is an inventory level of four to five months. Local housing supply at this much higher level would be considered a balanced market with no obvious advantage for either sellers or buyers. The current one month supply is keeping prices stable, at a higher price level, and more favorable to sellers, even if the average time on the market has become longer. A month ago the average days-on-market for active listings was 41, while this month it has increased to 51.* It might be taking buyers longer to pull the trigger on entering into contract for a home, but prices as a whole have remained elevated, regardless.

When we look at properties that have gone pending, we see further evidence of our inventory issues. As of this writing, there were 73 pending detached properties for the entire greater Danville area, a decrease of 20 properties from the previous month's level of 93. The median list price for these homes reached \$1,920,000 compared to \$1,899,000 last month.* The average time on market increased to 21 days, which is slightly higher than August's amount of 19. Additionally, there are 34% fewer pending detached properties than active ones, further showing buyers are taking more time and being more selective due to higher mortgage interest rates and the trade-off of finding a home that checks all of their boxes.

Our conclusion is that sellers who are in a position to sell have a distinct opportunity going forward. An owner who prices their home professionally while deploying a premarket preparation strategy including inspections, new paint upgrades, and interior staging, will set themselves up well in this market. Buyer demand is more thoughtful, but still widely present. Low inventory will be a continual theme in the next 6 to 12 months, and sellers in a position to place their home on the market will have a noticeable set of buyers ready to engage.

If you would like to sell and receive a professional price valuation for your home during this period of low inventory, please reach out to the Gatti Team for a private consultation. Our services and full time local experience are here to help you maximize your selling and buying goals in the 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 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

AS DANVILLE NATIVES, WE KNOW DANVILLE AND THE SAN RAMON VALLEY

COMPASS

PENDING

44 DANVILLE OAK PLACE | WESTSIDE DANVILLE
3 BED | 2.5 BATH | 1,678 SF | \$1,149,000

SOLD

56 DANVILLE OAK PLACE | HIGHEST PRICE FOR MODEL
2 BED | 2 BATH | 1,002 SF | \$875,000

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