



THE GATTI REPORT: YOUR GREATER DANVILLE AREA REAL ESTATE UPDATE

By Joe Gatti

Happy Halloween! The first holiday on our fall/winter calendar is here. I hope everyone got their fill of scary movies, candy, and pumpkins. We will be seeing turkeys everywhere soon! October news was filled with sad and frightening geopolitical concerns. On Saturday October 7th, Hamas attacked Israel and Israel promptly declared war and began preparations for a ground assault of Northern Gaza. With two theaters of war, first with Russia and Ukraine and now a second in the Middle East, geopolitical uncertainty adds confusion to global economic conditions and makes the Federal Reserve's rate decision on November 1st and after more complicated. With these new global realities, what we know is that when the world becomes violent, people invest in America and particularly assets like real estate in communities like ours.

When I studied for my Political Science degree at UC Davis in the early 2000's and did an internship at the Woodrow Wilson Center in Washington DC, a theory that was used for describing a country's long term economic success was "Geography is Destiny." With Hamas attacking Israel and a war in Ukraine, the communities in these countries are being devastated and those around them economically cut off. The geographical separation

the United States possesses is one of the greatest historical blessings our country possesses. It provides economic safety, and our local market's position of being on the opposite side of the world from these conflict zones epitomizes why our local real estate is so sought after: it provides stability and security. The next months going into winter will be a wait-and-see for how the Federal Reserve interprets new economic inflation data and whether these geopolitical warzones stabilize or escalate.

On October 12th, the September consumer price index (CPI) was released and US inflation came in at the same level as the month prior: 3.7%. The Federal Reserve will meet on November 1st and the current market anticipation is that their rate levels are high enough and the new global realities unpredictable enough to result in a Federal Reserve pause, but that's not a guarantee. Higher, mid-7% to 8%, mortgage interest rates have limited the buyer pool across the US, but with housing inventory so low, prices have remained higher in our local market because there are more than enough ready and willing buyers to place multiple offers for well-tended homes that are priced accurately.

Our takeaway is much the same from recent articles but with the new caveat of geopolitical uncertainty. Inventory will remain extremely low in the months ahead and into 2024. Buyer demand remains at a robust level for what is available in our local market, regardless of mortgage interest rate levels. Ready and willing buyers will have more time to choose and sellers who can sell are in a beneficial position because this buyer pool has done their homework and are hungry for homes. The new war between Hamas and Israel, and the two year war between Russia and Ukraine, illustrate why America's geographical separation is an undervalued component to our country's success. When wars break out, global companies, investors, and citizens the world over return to the fundamentals, investing in assets in economically stable and safe communities. Our local market within the greater Bay Area is one of the best locations in the world in respect to these current global conditions.

If you would like a proactive price valuation for your home during this period, 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. We wish you a Happy Halloween!

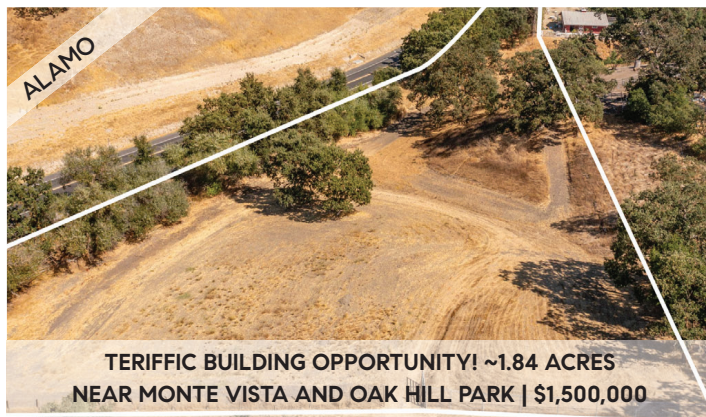
I hope you found this article helpful. I've been serving our real estate community for 11 years. Ron Gatti, my business partner and father, has been a full-time real estate professional for over 40 years, all in the greater Danville area. We both are Associate Brokers with Compass out of the 760 Camino 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!



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