



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

By Joe Gatti

Happy Halloween! The first holiday on our fall/winter calendar has arrived, and the presidential election is less than a week away. I hope everyone is ready to vote and are getting their fill of scary movies, candy, and pumpkins! Despite the Federal Reserve's half point rate cut in late September, October was filled with stronger than expected US economic news, showing a resilient US economy, but also sending mortgage rates up slightly to the mid-6% range. With the election at our doorstep, we will look at possible market expectations after Election Day. If you're considering selling or buying post-election or creating a plan to make a move early next year, please reach out to the Gatti team. Our team with Compass, combines 60+ years of Greater Danville Area experience with the #1 Real Estate Brokerage in the United States. We strive for personalized, local, and proven real estate expertise tailored just for you.

On October 10<sup>th</sup>, we saw the Consumer Price Index (CPI) drop for the sixth consecutive month but at a smaller amount than anticipated. The official CPI number came in at 2.4%, .1% below the previous month's reading of 2.5%. When combined with a very strong September jobs report (around 100,000 more jobs than anticipated),\* mortgage rates inched back up to the mid-6% range from a low of 6.11%. At the time of this writing, the national 30 year fixed rate was at 6.62%. With this current rate environment just before the general election, let's see how the dual factors of consumer confidence and improved affordability factor into our post election real estate world.

The first factor to watch is consumer confidence towards real estate. Our local market and the East Bay Area as a whole, has historically done favorably the year after US general elections. This uptick is driven by policy clarity on issues like taxes and local economic initiatives making financial decisions like selling and buying homes more straightforward. Fannie Mae forecasts a 3% home price appreciation for the whole of the US in 2025.\*\* With the Greater Danville Area's location near Silicon Valley and San Francisco, our market is more affordable to a greater number of buyers that require a safe community and excellent local schools. If interest rates continue to go down, which markets anticipate next year, look for more buyers to enter the purchase market because mortgage affordability will have noticeably improved when compared to the past two years.

The possibility of improved affordability will be driven by lower rates and the potential for more housing inventory. Lower mortgage rates will provide two positives for our local market. First, it will allow sellers who have held off on moving because of the lower rate on their current home to eventually do so as rates reach a level where selling makes future financial sense, unlocking more potential homes to come on the market in our local area than have been available in the past 24 months. Second, as mortgage rates decline, homeownership will become more palatable for more buyers, reducing monthly payments, increasing purchasing power, and fostering a greater sense of competition. With these scenarios as our backdrop, the culmination of two years of campaigning will conclude on Tuesday, November 5<sup>th</sup>, 2024. I hope everyone who can vote, does. It's the greatest privilege we have as US citizens and the best way to participate on the issues with the purpose of bettering our local community!

If you're thinking of selling and have any questions on real estate, please contact us for a **FREE** no obligation estimate of the value of your home. We are here to help!

I hope you found this article helpful. I've been serving our real estate community for 12 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!

\*<https://www.cnbc.com/2024/10/04/september-2024-us-jobs-report.html>

\*\*<https://www.fanniemae.com/media/53226/display>



## HAPPY HALLOWEEN FROM THE GATTI TEAM

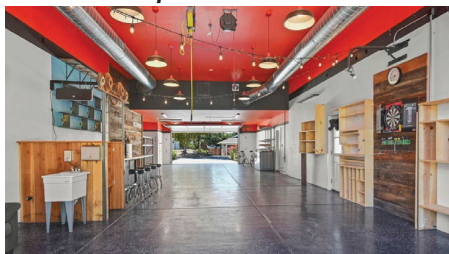


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