



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

By Joe Gatti

October is here, pumpkin sightings are everywhere and football season is in full swing. The month kicks off the beginning of our fall market and initiates our local holiday season. Thankfully, fall began with the Federal Reserve making their first interest rate cut since March 2020. An aggressive half point move was made on September 18<sup>th</sup>, setting the stage for a more favorable home financing environment going into the final months of 2024. If you're considering selling or buying in the near term, 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 September 11<sup>th</sup>, we saw the fifth consecutive month of cooling inflation news and a more significant Consumer Price Index (CPI) drop than we've seen all year. The CPI for August came in at its lowest level since February 2021. Solidifying market anticipation that the Federal Reserve would begin cutting rates. The official CPI number came in at 2.5%, .4% below the previous month's reading of 2.9%.\* On September 18<sup>th</sup>, the Federal Reserve lowered their base rate by .50 basis points. This was the first rate cut in four years. Look for this downward rate trend to continue going into next year, with home buyers seeing the first significant relief in mortgage payment levels in more than two years.

The move downward in rates was visible in buyer mortgage applications just before the Federal Reserve made their lowering decision. With rates at their lowest level since September 2022, mortgage applications increased 14.2% in mid-September. The biggest increase was in refinancing applications with a 24% uptick and a 127% increase from this same time last year.\* The loosening in real estate financing has been a long-time coming and as rates soften in the months ahead look for higher levels of buyer activity in our local market.

Buyers spent the summer cautious with anticipation that interest rate policy would eventually head lower. This was most visible in active and pending properties during the last month of summer. On September 19<sup>th</sup>, there were 171 detached properties available for sale in the greater Danville area, which includes Alamo, Danville, Diablo, and San Ramon. In contrast, pending properties were at a significantly lower level, at just 64.\*\* This is a 62.5% difference from what was active for buyers to choose from and what properties had gone into contract during the same period. This shows how the slower summer season, combined with buyers waiting for significant market signs that interest rates would head lower, lead to less activity. The Federal Reserve answered the call with lowering rates on September 18<sup>th</sup>, initiating a new financing cycle that will eventually have buyers seeing more favorable mortgage payment levels for future purchases. With the fall market here, inflation is close to being over and interest rates are moving downwards. Look for positive buyer movement in the months ahead which will be beneficial to future sellers as we move into next year!

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!*

\*[www.cnn.com/2024/09/18/weekly-mortgage-demand-surges-as-interest-rates-hit-two-year-low.html?qsearchterm=weekly%20mortgage%20demand](http://www.cnn.com/2024/09/18/weekly-mortgage-demand-surges-as-interest-rates-hit-two-year-low.html?qsearchterm=weekly%20mortgage%20demand)

\*\*Data taken from the MLS during specific dates and under the criteria mentioned.

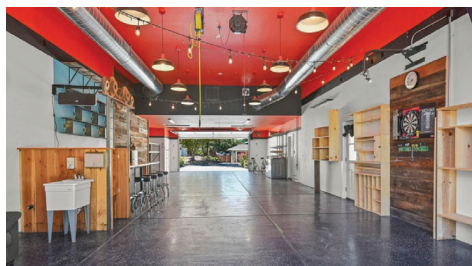


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