



THE SUMMER REAL ESTATE MARKET AND PREPARING FOR THE AUTUMN *By Joe Gatti*

On August 10th, the consumer price index was released with news many had been hoping for. The inflation number for June-July had decreased from 9.1% to 8.5% for July-August. The next inflation reading will be September 13th and if that number is below the latest inflation reading, then markets will be able to say inflation has peaked and all eyes will be on what the Federal Reserve will do at their next meeting on September 20th. As a result, our local real estate market is currently in a cautious pattern where homes are going pending only if they're priced correctly.

As of this writing 241 detached properties were for sale in the greater Danville area, which includes Alamo, Blackhawk, Danville, Diablo, and San Ramon. The difference in pricing from properties that are active from those that are pending will provide us evidence with how conservative buyers have been in the last couple months due to inflation news and the fluctuation in interest rates from May to late July. In the two largest areas of our community (Danville and San Ramon), there are 90 active detached properties in Danville and 91 in San Ramon. The median price for active properties in Danville is \$2,195,000 and \$1,925,000 for San Ramon (see chart for Alamo, Blackhawk, and Diablo)*. Active prices represent the initial price setting feature of our market, where sellers are looking at comparable sales and testing the current buyers' appetite for price levels.

Greater Danville Area	Active #	Active Median Price	Pending #	Pending Median Price
Alamo	36	\$3,062,000	13	\$2,550,000
Blackhawk	20	\$2,999,900	8	\$2,725,000
Danville	90	\$2,195,000	31	\$1,998,900
Diablo	4	\$5,169,500	2	\$3,678,900
San Ramon	91	\$1,925,000	68	\$1,799,500
	241 Total Detached Active Properties		122 Total Detached Pending Properties	

When we look at the pending properties on our chart, the story of buyers becoming more patient and cautious with their decisions becomes obvious. There are a total of 122 pending properties in our area. A 49% difference from what is currently active and on the market. A neutral market is when active and pending properties are close to equal levels. Where active properties entering the market replace properties that go pending at a roughly equal percentage. Thirty-one properties are currently pending in Danville, with a median price of \$1,998,900. In San Ramon, 68 properties are pending with a median price of \$1,799,500*. A \$200,000 price difference from current active properties to pendings, shows buyers as a whole are placing offers at lower price levels to account for larger mortgage payments and current uncertainty regarding the stock market, inflation data, and how these might affect their potential job stability and future outlook.

How long will this continue? First, this summer is reminiscent of our customary real estate cycle. Buyers went on vacation and prepared for the new school year, which began August 10th. Add to that economic concerns of inflation, and interest rates quickly going up to 6% mid-summer. Interest rates are now back down to 5%, with jumbo-loan rates down lower to the mid 4% range. The fall market, starting in September, has always brought more buyer activity. If inflation recedes further on September 13th, look for an uptick of buyers placing offers. The amount of equity accumulated over the past two years in the homes we live in shows it is still a great time to sell. The market characteristics are different, but if you have questions on how much equity is in your home, please reach out for a private consultation. Our services, and daily first hand experience in our local real estate market will help price your home correctly, so you can make the best decision regarding the value of your home!

I hope you found this article helpful. I've been serving our real estate community for 10 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 15 Railroad office in downtown 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



10 DANVILLE OAK PLACE | WESTSIDE DANVILLE | \$1,499,000
3 BED | 2.5 BATH | 1,678 SF



3201 STONE VALLEY ROAD | ALAMO | \$2,335,000
5 BED | 3 BATH | 2,906 SF | 0.48 AC

JOE GATTI Broker Associate 925.588.3590 DRE 01914487
RON GATTI Broker Associate 925.596.1972 DRE 00623995
JULIE CYGAN REALTOR® 510.501.5160 DRE 02059093
CHELSEY RUIZ REALTOR® 925.575.1358 DRE 02157574
gattirealestate@gmail.com



GattiRealEstate.com

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