

GLEN ECHO HEIGHTS

REAL ESTATE NEWS

by

Robert Jenets

MARKET NEWS

The first several months of this year have been a positive time for real estate in Bethesda. Activity ebbed and flowed in a familiar pattern, with good buyer demand in the winter rewarding those brave sellers who put their homes up for sale before things turned green outdoors. Sales were pretty brisk and the intensity level grew through March and early April, hitting full stride as the beginning of May approached.



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As one would expect the number of listings increased dramatically at the end of April. For my own part, I listed eight homes right around that time, four coming in one very busy week before Open House on May 1st!

Naturally, a big influx of listings is bound to slow things down a bit as potential buyers have more homes to view before making a decision. Indeed, the rate of sales in May slowed, but exceptional homes are still selling in short order.

What makes an exceptional listing that sells quickly? More than ever it is condition. Since the mortgage crisis caused new rules in the lending industry, many buyers are required to make a bigger cash down payment, which leaves less money for upgrading and renovation. So the listings with new kitchens and baths have definitely flourished. Another winner is a home with good “bones” and spacious rooms in a good location. At the right price, there are plenty of buyers who can handle some cosmetic repairs for a home that offers good basics. And, of course, there is always a strong demand for any home that is offered at the right price.

Since the beginning of the year, 116 detached single family homes have been listed in the 20816 Zip Code and 70 of them are “under contract” or “sold”! That is a 60% sales rate which is really good, especially when you consider that 26 of those homes have only been on the market a short time since being listed in May. The homes that are “under contract” or “sold” had an average marketing time of 40 days and sold for 98% of list, at an average sale price of \$1,026,456.

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NEIGHBORHOOD NEWS

Another year of home sale activity in Glen Echo Heights (the legal subdivision which includes Mohican Hills) has begun in fine form, with 12 closings already completed in 2011. Those **12 homes sold** in an average of only 41 days, far fewer than the 69 day average for 2010, at an **average sale price of \$1,004,500**. With a low sale of \$700,000 and a high of \$2,150,000, this is the typical wide range that we are used to seeing in the neighborhood. Considering the fact that there were only three sales over a million dollars this is a good solid number.

There are also 8 homes under contract, pending settlement. Added to the 12 settled cases, those 20 transactions represent a very active market indeed, especially when you consider that only 26 homes sold during the entirety of 2010. More about the homes under contract on page two.

It bears mentioning that the average marketing time of 41 days belies the actual intensity of the spring market. That number is only as high as it is because of one home that took 319 days to get a contract and two others that took a couple of months to sell. The longest marketing time among the other nine listings was only 11 days.

The “award” for shortest marketing time this spring goes to **my listing at 6100 Walhonding Road**. The owners of this spacious rambler worked very hard to get it ready for the market and it showed beautifully. Their diligence and willingness to spend the time and money necessary for proper preparation was rewarded by a contract at full price, \$850,000, in only 3 days.



One of the early encouraging signs of a healthy spring market came with the sale of a newly built home at **6217 Walhonding Road**. This Nantucket-influenced home was listed on January 15th for \$2,250,000 and went under contract after only nine days! That was exciting enough but when it came out that the home sold near the full price, at \$2,150,000, it certainly sent a message of renewed confidence in the market and that the demand for a fabulous home in a great, close-in location persists.



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At this time last year, the average sale price for a detached home in the 20816 Zip Code was \$954,435. This year's average is approximately 8% higher than that and definitely reflects the healthy Spring market that we have experienced.

The price range up to \$900,000 has been very healthy, in part because of the temporary "agency jumbo" loan limit of \$729,750. For a purchase up to \$912,187, a buyer with 20% down payment can take advantage of the very reasonably priced loan rates that apply to that level. For a sale price greater than that, a buyer would either have to pay a higher interest rate for a true jumbo loan (about three quarters of a percent) or use more cash down payment. When the temporary limit falls back to \$625,500, as it is scheduled to do on September 30th, that \$912,187 price level will drop all the way to \$781,875! With most of the homes around here having a higher value than that, it will be interesting to see how this change affects sales in that range.

A segment of our market that has been difficult for buyers, due to a shortage of inventory, is the range from \$950,000 to \$1,250,000. Since the beginning of the year, only 26 homes have been listed in this price range in our Zip Code, and 16 of those are sold. That leaves only 10 homes available in a very important "move-up" range for which there is a strong demand. Because much of the demand is from local residents who already own a nice home, this potential move is a discretionary upgrade that only makes sense for just the right house. Thus, the competition is intense for a home of this caliber that offers what these "move-up" buyers want.

One real estate study recently reported that many areas of the country are experiencing a second dip in value but that the Washington metropolitan area was the *only* major market to post a year-over-year gain for the first quarter of 2011. Housing prices in our area rose by 4.3% while nationally, prices declined by 5.1% during 2010. It is hard not to take our good fortune for granted but we should always be aware of the special nature of our local housing market.

What is fueling such a healthy market for this area when things are supposed to be so bad? Simply put, our healthy real estate market is a result of our healthy job market. The national unemployment rate is over 9%, while metropolitan DC has a rate of 5.1%. In this blessed area where we live, there are many people with real estate needs and desires who have the means to fulfill them. There is a good measure of renewed confidence in the market that is motivating people to take advantage of low interest rates that no one could have predicted would still be available after such a long time. (And how much longer is anyone's guess!) Despite the depressing national news, what we see around us everyday is a thriving beehive of activity that says "things are okay here."

Neighborhood News...

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Two other homes listed by Stuart & Maury associates sold during the first few months of this year. One was a nicely renovated cottage at **5115 Wissoming Road** that was listed for \$749,000 and sold in only 6 days for \$755,000. This home has been completely renovated with a bright updated kitchen and sharply redone baths. Perhaps the most desirable feature of the home is the open floor plan. Walls have been removed to create large open spaces that give the feeling of a much larger home.



The other Stuart & Maury sale was the home at **5316 Waneta Road** which is a four bedroom colonial on a very nice level lot that listed for \$869,000. This is a listing that struggled during the fall market and was taken out of the MRIS over the winter. It was returned to the market on April 5th at this revised price and eventually sold for \$845,000.



Space limitations preclude a detailed discussion of every home on the "sold" list but if you would like further information about any of all of them, please feel free to contact me.

Moving now to homes that are under contract but not yet settled, there is another encouraging sign to be found in the sale of the new home that I represented at **6212 Wiscasset Road**.

The original home on this excellent 12,840 square foot walk-out lot was a contemporary rambler that had fallen to severe disrepair. Marketed quietly as a potential building lot, I found the eventual buyer/builder, Rasevic Homes, who purchased the property last summer. The new construction that now occupies this wonderful site is a cleverly designed home that combines tasteful formal rooms with practical family spaces that lend themselves to comfortable everyday living. With four generous bedrooms, all with en-suite baths and a huge finished daylight basement, this home offers the features that make a home of this caliber special, including a large, comfortable screened porch overlooking the backyard. Priced at \$1,975,000, this sale reinforces the evidence that our local market is remarkably resilient.



I know we all feel the concern for our national and global economies, but it is somewhat comforting to see the real estate activity of this fine neighborhood boosting one of our most important economic indicators.

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