

# SPRINGFIELD!

## Westwood/Beacon Hill

*A Real Estate Letter from Matthew Maury of Stuart and Maury Realtors*

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August, 2002

Dear Springfield/Westwood/Beacon Hill Area Resident,

It's been an amazing year. Sales in our community have been brisk and impressive, in some cases almost jaw dropping. And we are not alone. Communities throughout the Bethesda/Chevy Chase area have witnessed astounding increases in prices and the demand seems to keep coming. It is fair to say that the period of time between February and late May was certainly the most frenzied, but there have been numerous fabulous sales in June and July as well. Interest rates continue to fuel this positive environment, as rates dipped into the mid 6% range for 30 year loans or even into the high 5% range for 15 year loans with a point or two. The real estate market in this area last saw rates at these levels in the late 1960's.

As prices go up, up, up, the percentage of disposable income buyers must allocate to housing costs rises as well. Incomes in the Washington Metropolitan Area have been surprisingly resilient. A lot of folks are doing quite well in that department. But sooner or later, many buyers are priced out of the market. Where is the breaking point? Obviously, that's impossible to say, but the "smoking gun" will be apparent when houses don't sell right away in our community. Hundreds of buyers and agents descend upon a home in the first two weeks it is for sale. We cram more activity into those 14 days than used to take place in 90 days back in the eighties. Great prices occur during this window. Houses that survive the initial rush *may* sell at a good price, but the great prices happen early, even in the first few days.

The number of for sale offerings in the 20816 zip code continues to be sparse, with about 25 homes for sale at this writing. Remove the new home speculation market, busy roads, and homes over a million dollars and there are only 15 offerings for sale. It's not hard to understand why demand exceeds supply.

When prices rise as fast as they have in the last few years, buyers, sellers and agents all lose a firm grip on what things are worth. Every new weekend brings a delightful surprise if you are seller and a shock to the system if you are a buyer. In 1989, the real estate environment in Bethesda was sensational, although nothing like the last two years. Back then, houses sold immediately at the full price on many occasions. Today, some sellers are *disappointed* if they only get one offer and have to sell their home for full price. Where does such a market inevitably lead us? Sellers must guard against overpricing. They must recognize that buyers will pay huge sums for homes that have been well cared for and updated in today's style. They will pay for quality, even if the home is older and needs updating, if the location is stellar and the home has received common sense maintenance over the years.

Buyers are beginning to show a resistance that is subtle but important. Partly, this is indicative of the summer months of July and August, when it seems like half of Washington has left town. Last summer, it really looked like the "fire" of our market had been doused, but it re-ignited in November and has burned brightly since. As waves of new listings at ever higher prices surface on the market this summer, some homes continue to garner great attention, receiving multiple offers and selling at or over the asking price. But others are languishing, burdened by extraordinary prices and questionable condition.

When an agent specializes in a certain area, it becomes somewhat easier to

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**Stuart &  
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discern a subtle shift in the market. One day a buyer asks you, “how much do we have to bid over the asking price to buy this home?” Two weeks later the buyer says, “we have decided that these prices are just ridiculous and we are going to sit it out for awhile.” Or, they say, “we like the house, but not at this price.” An experienced agent listens and reacts. We will not know the full strength of our current market until the end of September. Summer pauses are common to the Washington real estate market. If rates stay down at historically low levels, and sellers don’t keep piling more and more dollars on their asking prices, the market will remain healthy.

The following is a complete list of sales that have taken place in the Springfield/Westwood/Beacon Hill community since January 1st of this year:

	<u>List Price</u>	<u>Sold Price</u>
1. 5804 Marengo Rd. *	\$995,000	\$950,000
2. 5507 Parkston Rd.	\$825,000	\$934,000
3. 5500 Pollard Rd.	\$750,000	\$750,000
4. 5602 Newington Rd. *	\$725,000	\$725,000
5. 5514 Ridgefield Rd.	\$649,000	\$703,500
6. 5409 Kirkwood Dr. *	\$679,000	pending
7. 5606 Marengo Rd.	\$595,000	\$632,000
8. 5700 Newington Rd. *	\$630,000	\$634,060
9. 5604 Ridgefield Rd.	\$630,000	\$630,000
10. 5704 Ridgefield Rd.	\$589,000	\$631,000
11. 5300 Brookeway Dr.	\$649,000	\$600,000
12. 5607 Springfield Dr. *	\$560,000	\$560,000
13. 5609 Parkston Rd. *	\$540,000	pending
14. 5613 Knollwood Rd.	\$530,000	\$541,000
15. 5631 Knollwood Rd. *	\$539,000	\$535,000
16. 5300 Cromwell Dr.	\$549,000	\$520,000
17. 5804 Ogden Court *	\$524,500	\$515,000
18. 5608 Chesterbrook Rd.	\$449,000	\$462,000
19. 5300 Briley Place *	\$465,000	\$450,000

**\* Matthew Maury/Stuart and Maury sales**

Yes, I have been busy. Stuart and Maury and I have sold nine of the nineteen homes sold in your community in 2002. The list above includes 10 homes that sold at or over the asking price. A few of the sales involve homes that sold for dramatically more than their asking price. A discussion is warranted:

- The home at 5507 Parkston Rd., sold \$109,000 over the asking price at \$934,000. Call it Frank Bell magic. This sellers purchased the home in 2000, in a state of some disrepair, for \$475,000. It was renovated top to bottom, with wonderful moldings, recessed lighting, granite, stainless steel appliances, and the legendary Bell Builders quality. The house was only expanded by a few hundred square feet however. It is a spacious, superbly conditioned five level split on one of the great blocks in Springfield. There were three offers, two of which soared over \$900,000. I had buyers that offered on this home but lost. Needless to say, this sale sent quite a ripple through the community. It is by far the highest split level sale ever in Springfield.
- The sale on Pollard at \$750,000 never went on the market and sold to an out of town buyer. This home is an attractive Kettler built cape cod style with three bedrooms and two baths on the second floor and a bedroom (or office) and bath on the first floor. The home was purchased in 1997 for \$438,000. That’s about an 11.5% return per year on the sales price, let alone the return on equity!
- The sale at 5602 Newington Rd. for \$725,000 never went on the market. The home was purchased in 2000 for \$460,000 and had a few nice updates, including a maple

and granite kitchen. It had a pool. I sold this home to a couple planning a dramatic new home at this location. When finished, it will be one of Springfield's most fabulous residences. The presence of the soon to be completed Bell masterpiece next door and the enhanced home behind on Lamar helped provide a comfort level for the buyers of this home. It was a matter of the right buyer for the right house at the right time. Does this unusual sale define and clarify a marketplace? Probably not.

- The sale at 5704 Ridgefield Rd. at \$631,000 is remarkable in that the home sold five years ago for \$332,000. That's a return approaching 14% per year. (Did your stocks perform as well over the past five years?) Of course, most of these homes received updating and money was spent, but the increases are still staggering. This home had multiple offers and sold \$42,000 over the asking price. The home down the street at 5604 Ridgefield, in need of full scale restoration and renovation, sold for the full price of \$630,000.
- Interestingly, three homes immediately adjacent to Massachusetts Ave. in our community sold in the last seven months.. They had Brookeway Dr., Briley Place and Cromwell Dr. addresses but they sat next to busy Mass. Ave. The \$600,000 sale on Brookeway, down from its optimistic asking price of \$650,000, but nonetheless a great, great price. This house used to be a doctor's office and sprawls all over the lot with abundant space. Doctors don't seem to work out of their homes much anymore, but a small private home business seemed perfect for this house. The Cromwell sale at \$520,000 for a quality four level split occurred after an intially high asking price of \$549,000. My Stuart and Maury Briley Place sale at \$450,000, the lowest sale in our community in 2002, reflects a hilltop location and an unusual circular staircase to the basement. The Briley owner was thrilled to sell and start her new life in Italy!
- I sold two homes quietly at the corners of Springfield Dr. and Newington Rd. In both cases, the owners desired a private sale. Matching the right buyer with the right house at the right time is an art, practiced by agents with their finger on the pulse of the market. In the case of the Springfield Dr. home, the buyers were willing to wait 10 months for the house, living with their parents as they waited for the seller's retirement residence to be built. Sometimes you just have to be resourceful! In the case of the Newington sale, the owners were not interested in an army of buyers marching through their home and were pleased to sell the home for \$241,000 more than they paid for it in 1997.

At this early August writing there are four homes offered for sale in our community:

**List Price**

1. 5612 Marengo Rd.	\$750,000	5 Bedroom split
2. 5804 Searl Terrace	\$745,000	6 Bedroom split
3. 5618 Jordan Rd. *	\$669,000	4 Bedroom split
4. 5509 Chesterbrook Rd. *	\$449,900	3 Bedroom rambler

**\*Stuart and Maury listings.**

My listing above on Jordan Rd., as well as the homes on Searl and Marengo, are all being sold as part of the liquidation of an estate. You can see a virtual tour of my Jordan listing by visiting my web site and clicking on "my listings." This tour includes ten 360 degree "movies" of different parts of the home. Isn't technology great?

I have already sold over \$27,000,000 worth of real estate in 2002, my best year ever in what is now a 22 year career. I strive everyday to strike a balance between sellers and purchasers. The best real estate transaction takes place when both buyer and seller "win." Selling a home at a fair market price to educated, aware, knowledgeable buyers that fully understand the condition of the home they are buying involves a million details

and a working knowledge about houses, financing, contracts and human psychology. When it is done well, it *looks* easy. Most real estate deals involve a great deal of ‘hand holding’ and educating, on both sides of the equation. I will say this: no two days are alike and the challenges never cease.

Please remember to access my web site at [www.matthewmaury.com](http://www.matthewmaury.com), register your name, obtain a password and surf the Multiple Listing database with addresses and pictures in “real” time. It’s a great way to stay educated on the market. Take note of my new Verizon cell phone number below, after 11 years with Sprint, I could take it no longer. And I can tell you that Verizon cellular service is better in Bethesda. As always, I am here to help, long term, when you need me. I have sold over 110 Springfield homes and another 250+ in Wood Acres next door over the last 22 years. I endeavor to provide professional guidance at the highest level. And every day is an adventure.

Sincerely,

**Matthew Maury**  
**Principal Broker**  
**Stuart and Maury Inc. Realtors**  
**301-928-8686– 24 hours (new #)**

**P.S.** This Springfield/Westwood/Beacon Hill newsletter, past newsletters, a 2001 year end recap of sales activity in the community and a history of Springfield sales going back to 1983, can be accessed at my web site [www.matthewmaury.com](http://www.matthewmaury.com). Click on “Community Profiles” and then “Springfield”. You can also find similar data on the subdivision of Wood Acres.

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Main Office: 4833 Bethesda Avenue, #200, Bethesda , Maryland 20814 301-654-3200  
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