

SPRINGFIELD!

Westwood/Beacon Hill

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

January, 2002

Dear Springfield/Westwood/Beacon Hill Area Resident,

For the 19th straight year, this newsletter will serve to provide the Springfield/Westwood/Beacon Hill community with comprehensive information on the real estate market during the past year. By any measure, it was another terrific year for real estate in your community. **Prices bolted forward, with the average price in your community jumping from \$511,386 in 2000 to an impressive average sales price of \$570,112 in 2001.** During the past year, I would sometimes encounter the following conversation from buyers: "These prices are too high. We could have bought this house for tens of thousands less just a year ago or so. We're going to wait until things calm down a bit. These prices can't last!" I heard the same kind of comments in 1987 too, when prices rose a stunning 26.5% to an average sales price of \$312,560.

The parallel to today's environment is revealing. Prices rose again in 2001. The lesson learned is that we cannot know the future. The old bromide "past performance does not guarantee future results" may protect stockbrokers from liability, but we can draw some conclusions from the quantifiable 19 year trend upwards in the value of Springfield/Westwood real estate. In the long term, housing will cost more, not less. Prices have dropped more than 2% only three times in the last 19 years, 1989, 1992 and 1994, and each time the downturn was gentle and followed by sustained growth.

2001 will be a year remembered for events far more important than the rise in real estate values. Hopefully, the past year will be remembered as a year in which we reaffirmed our values and beliefs as a nation and a people. Certainly, each of us values our freedom more than we did at this time last year. It is remarkable that, given the blow we received in September of 2001, the real estate market has bounced back strong and healthy. Activity paused in September and October, understandably. But November was an excellent month and while December is seasonally slow, the turnouts at open houses and the sales that have taken place since the first of the year indicate that the market remains vibrant. The word that comes to mind is "resilient." Interest rates remain very attractive. My friend, fellow basketball player and resident Wood Acres loan officer Steve Jacobs on Cranston Rd., informs me that rates have moved back down a bit and that refinancing continues to be a favorite pastime among wise homeowners. Fixed rate money for "jumbo" loans over \$300,000 is resting at around 7.125%. Rates below this are obtainable in a variety of loan products. I am noticing that many "boomers" entering their fifties are considering 15 year mortgages with an eye on the future.

I expect 2002 to be another great year for real estate in our area. I am asked all the time, "How's the market?" My answer, for a long time, has been, "Great...since 1982!" Who could have imagined when we came out of the days of 18% interest rates that our values would triple over the next 19 years?

My real estate career started in 1980. During these 21 years, the real estate business has changed dramatically, aided by computers and access to information in a way we could never have imagined. But fundamentally my job remains the same as when I started in 1981. Help people buy and sell their homes by providing as much accurate information as possible. I try to know as much as I possibly can about value, market trends, financing and the "emotional temperature" of the market on any given

Stuart &
Maury, Inc.
Realtors

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

Results since 1956

E-Mail: @matthewmaury.com

day. After 21 years and over 100 sales in your community, this can be said to qualify as “expertise.”

At my web site, www.matthewmaury.com, a prospective buyer or seller can click on “Community Profiles” then click on “Springfield” and obtain a 20 year history of property value trends in our community. There are numerous past newsletters to be read, a chart of the past year’s sales and details on every single home sold. And in 2002, with the help of the technology aide I have hired in my office, visitors will be able to see a picture of every home sold in Springfield in the past year and a personal description and observation from me about that home. I hope to post movies of the community Fourth of July Parade, one of our most intriguing institutions. I want every potential buyer of a Springfield/Westwood area home to understand all the aspects that go into the truly wise investment of owning a home in our area.

Let’s take a look at the interesting results that took place in 2001:

- Only 19 homes sold in your community in 2001, about 3% of the 600 or so homes in the Springfield area. This is the lowest number of sales since 1995 and certainly in line with the lack of inventory that pervaded the market throughout the Washington Area in 2001. When very few homes are for sale and many people are looking to buy one, prices would be expected to rise, especially when interest rates remain attractive.
- The average price in the Springfield area **rose 11.5% to \$570,112**. I made a tough decision with respect to the averages this year and decided to include the three new homes on Ridgefield in the data. While new homes don’t get built in our market very often, we are now seeing major, substantial renovations and even tear downs of existing properties. Of course, these homes are not coming up for sale as those owners are investing long term in the community. It IS indicative of the “vibrancy” of our market and it seemed fair to include the new homes. **Springfield area values have now increased more than \$100,000 in just the last two years.**
- The high sale for the year took place on Searl Terrace, a home that had three contracts the first day on the market and sold for \$953,600, more than \$58,000 above the asking price. This sale was just a bit under the highest sale ever on Searl, which took place a few years ago at \$965,000. I was pleased to be the agent that sold this home, and the highest sale ever and the pending sale of my listing on Marengo, which was also built by Searl. This record puts me in the middle of all three of the highest sales ever on Searl Terrace.
- The top seven highest sales last year were all in the Colonial style. In addition to the Searl sale and the three new homes on Ridgefield, three quality colonials, all with the same floor plan, were sold on Parkston, Marengo and Wiltshire. I sold two of these homes and would have sold the third one if I had had about 24 more hours!
- The low sale in the Springfield area was a rambler on Cromwell Drive which sold for \$415,000. This is the first year **ever** in which every home in our area sold for more than \$400,000. This sale on Cromwell sold for \$16,000 more than the original asking price of \$399,000. The home was a pleasant three bedroom, two bath home with a carport and was located not too far from Mass. Ave.
- Springfield area homes sold for **99.08%** of the asking price last year. This is a dramatic improvement over past years. In 2000, the homes, despite a very good market, sold for only 93% of their original asking price. This spread was way too much and indicative of seller optimism that perhaps exceeded realistic expectations. For comparison, homes in Wood Acres this past year sold for 100.69% of their asking price. Pricing is a delicate art. When a home, especially in this red hot market, is overpriced, the most serious buyers pass on the home and then the next wave wonders “how come it hasn’t sold?” This strategy results in a lower price for a seller, not a higher one.

Sometimes, sellers will say, "I can always come down in my price later." And often they have to, more than they would have if they had gotten it right at the beginning. Take a look in the provided chart at the spread between the original asking price and the final sales price on the resale home on Ridgefield this year. And notice how long it took to sell. That was a fine home and I think it could have sold for more if the price was right at the beginning.

- Eight **colonial** homes were sold in 2001. The average price was **\$681,867**. This figure is **up 4.2%** from last year's average. The high colonial sale was on Searl, as mentioned for \$953,000. The low colonial sale was the resale on Ridgefield for \$542,500.

- Four **split level** style homes sold in 2000. Once again, given the enormous number of homes with this style in the community, it is surprising that so few of them sold. There were eight split sales in 2000 at an average price of \$474,750. This year the average was UP to **\$516,250, an 8.7% increase**. The high split sale took place on Newington for \$550,000. That home was then taken down to the garage level and is being rebuilt as a million dollar plus home. You might say someone paid \$550,000 for the lot, a basement and a two car garage. The low sale was the split sale on Newington for \$470,000. That home, settled in June, is still awaiting a major renovation.

- Just five **ramblers** were sold in 2001. The average price was **\$455,439**. That number is a bit lower than last year's average for ramblers of \$474,750. The sample is tiny however. The high rambler sale was on Parkston Rd. for \$500,696 and the low sale was the previously mentioned home on Cromwell for \$415,000.

- The average marketing time for a home in your community in 2001 was 15 days. This figure does not include the new homes on Ridgefield which were for sale for what seemed like forever. The Ridgefield new home on the corner was "on the market" for 384 days and the last two on the market for 122 and 118 days. 15 of the 16 resales in your community sold in less than 10 days in 2001. Nothing illustrates the strength of the market more than this statistic.

- There were 228 single family homes sold in the **20816 zip code** in 2001. Almost 10% more than the previous year. The average sales price was **\$579,049**, an increase of **16%** over the averages in 2000. It's not hard to see that the Springfield/Westwood area closely matches these averages. We did not rise quite as much as the homes of the surrounding zip code, but that can be attributed to a general lack of inventory and the random aspect of which homes happen to come up for sale. You might find it interesting to learn that the average price in the 20814 zip code was \$548,326, up 20%, and that the 20817 zip code averaged \$597,641, up 9%. We're right in between!

- Area homeowners recently received an Assessment Notice regarding the New Market Value of your home for the purpose of real property taxes. You may know that houses in Montgomery County are reassessed every three years in an attempt to reflect actual market value. The reality is that most houses are under assessed. Our homes are worth more than the assessed value, especially in view of the rapidly escalating sales climate we have seen in the last few years.

In Montgomery County, we still have the Homestead Tax Credit in effect. This law, passed in 1990, limits assessment increases to no more than 10% annually for your primary residence. The Credit only applies to people who lived in their homes for at least one year. Homeowners who purchased their homes within the last year should expect to see the New Market Value listed in Box 4 to be very close to their actual purchase price.

The method for calculating your tax bill has been simplified. In the past, you were taxed on 40% of the assessed market value, at a rate of \$2.824 per \$100. Now, you are taxed on the full market value, but the rate has been adjusted to \$1.105 per \$100 to compensate for the higher value, thus keeping your tax bill approximately the same as it would have been under the old system.

your market value is too high or in error. Our sources, familiar with the process, suggest that you pursue Option #2, a personal hearing with an assessor. In general, you should focus on objective facts pertaining to your property. Avoid comparisons to other assessments (like a neighbor's), or subjective criteria (like a floor plan layout.) Avoid criticizing the process or complaining. Try to obtain the actual comparables used by the assessor in assessing your home. Look carefully for inaccuracies. You can use them to plead your case. Call me to discuss the comparable properties the assessor used. I may well have sold those houses and certainly will have seen those homes. I have been in every house to sell in Springfield/Westwood/Beacon Hill since 1980. If you need help obtaining comparable sales information, or more details on the process, I will be glad to assist.

- In 2001 I generated real estate sales exceeding \$26,000,000. My career sales now exceed \$250,000,000 and I have been involved in the sale of over 100 Springfield area homes and 251 Wood Acres homes. I value the referrals that the good homeowners of these communities send me. I believe that I offer an expertise and specialization that can truly help sellers and purchasers in our community. On a personal note, I coached my 36th and final season of BCC Baseball this year (spring and fall, two teams, nine years!). I finally won a championship. I didn't need to win one to validate the terrific experience of coaching young kids, but it was a sweet moment. I treasure my position as self-appointed Commissioner of WAMBA, the Wood Acres Men's Basketball Association that many fine men participate in every Monday and Wednesday night. We indeed are a fellowship. The joy in this business is seeing people that I have introduced become friends and their kids become friends. It's what makes a *community*. Our community is indeed a special place.

Sincerely,

**Matthew Maury
Principal Broker
Stuart and Maury Inc. Realtors
301-996-2626- 24 hours**

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. Click on "Community Profiles" and then "Springfield". You can also find similar data on the subdivision of Wood Acres.

The following homes have either sold recently or are pending settlement in our neighborhood:

	Original Price	Final Sales Price
1)5804 Marengo Rd.*	\$995,000	pending
2)5804 Ogden Ct.*	\$524,500	\$515,000
3)5608 Chesterbrook Rd..	\$550,000	\$550,000

***Stuart and Maury sales!**

Stuart &
Maury, Inc.
Realtors

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