

# SPRINGFIELD!

## Westwood/Beacon Hill

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

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January, 2005

Dear Springfield/Westwood/Beacon Hill Area Resident,

I know what you're thinking. The tax man just pounded on your door, so to speak, and said, "ah hah, pay up!" The good news is your house continues to soar ever higher in value. **The average sales price in your community rose more than \$89,000** in the last year, **up an impressive 12.1%**, but a bit less than the 2003 rise of 18.7%. Your home is the best investment you ever made. Good news abounds in many directions, interest rates remain stable and low, inventory is very thin, each new offering garners huge attention and consumer confidence continues to be very high. The bad news is that the tax man knows all this. The assessments that arrived in the mail throughout the 20816 zip code in the first days of January have been met with shock and outrage by many owners. In this letter you will find a comprehensive set of facts that may be applied to make your case. I will be glad to help with anything you need. In fact, I have created a "link" that will provide you with superior detail on 22 of the 27 home sales in your community in 2004, all at your fingertips on the computer. The link is as follows:



<http://matrix.mris.com/Matrix/Public/Email.aspx?ID=4490859641>

Sorry for the long string, but it's the only way to provide this information in a detailed format for you. This link does **not** include five sales that were unreported to the Realtor database last year in our area, including the two highest sales in your community. You can refer to the chart in this letter for the details on these five sales.

I have spoken to many owners in the last few days and my observation is that the tax assessment department pretty much got it right. I know it's not exactly what you want to hear, but most of the assessments being reported to me are still a bit under what the home is worth. To be sure, they are *way up* from the last assessment cycle, but then again, so are prices. I spoke to the owner of one of the finest homes in the Springfield/Westwood community, a newer Frank Bell home. Their assessment was up dramatically but is still way under what the home is worth. On the other hand, I spoke to an owner of a more modest three bedroom home with an assessment over \$900,000, so it is quite possible that some of you have an assessment that is out of whack.

Focusing on the percentage increase over the old assessment is an exercise in futility. Bethesda home values have risen dramatically since the last round of assessments three years ago. My recommendation would be to obtain the worksheet on your particular home and seek to find errors, such as inaccurate bedroom and bath information or square footage

estimates on your addition that are inaccurate. This letter does report a few lower sales in the community that the tax man may or may not have been aware of. Try to use them. The silver lining here is that, regardless of your assessment, if you are an owner occupant, your actual tax bill will only go up 10% a year. This means the Springfield area owner with a previous \$6000 tax bill, might pay \$6600 next year, and \$7260 the year after that, and finally \$7986 in year three. This is a worst case scenario. If you are an investor, you do not have these safeguards in place and your tax bill will jump dramatically. At least take heart that the value of the home soared, resulting in these increases. It's worth pointing out that the new crop of Springfield area buyers will inevitably be burdened with substantially larger property tax bills, as the 10% limit controls expire when a new buyer purchases. How this will affect home sales remains to be seen.

Higher property tax bills can be a burden on senior citizens with a fixed income. It's all well and good that the home is way up in value, but it still takes cash to make the higher tax payments. There are several programs that can help and any owner that needs guidance should call the County at 1-800-944-7403.

A pivotal decision must be reached in the coming weeks by your elected representatives on the County Council. Existing law limits increases in property tax revenue to the increase in the Consumer Price Index, *unless* a super majority of 7 or more Council members votes to override the limits. Apparently in each of the last three years, the Council *has* done just that. A large infusion of cash may be headed toward the County's coffers.

On the other hand, it can be argued that the services provided by Montgomery County have a lot to do with the intense interest in living here. School construction and class sizes along with a myriad of social services are affected by the decision as to how much revenue is raised. Warring factions are lining up on both sides. These decisions will ultimately affect your long term tax bill. Any homeowner wishing to discuss your own personal tax assessment with me is welcome to give me a call, I'm here to help.

Now let's move on to a more enjoyable conversation about the terrific real estate events that took place in your community in 2004:

- 27 homes sold in the Springfield area in 2004, up 35% from the 20 sales posted in 2003. Still, only 4.5% of the 600 or so homes in your community transferred ownership in 2004. Our community has averaged 25 sales a year over the last 22 years.
- The average price in the Springfield area rose a **12.1%** during the past year to **\$821,325**, up from the 2003 average of \$723,150.. The average price has risen every year since 1997. Average Springfield area values have now increased more than **\$345,080** in just the last five years, including a **\$204,513** rise in the past two years.
- The high sale for the year was a private sale on Albia Rd. for \$1,240,000 followed closely by a sale on Searl Terrace for \$1,210,000. These two sales become the two highest sales in the history of Springfield/Westwood/Beacon Hill. It can also be noted that five homes sold at or over \$1,000,000 in our community in 2004.
- There were seven colonial style home sales last year, at an average sales price of

\$1,074,833. That's right, the colonial style home *averaged* over a million dollars last year! The high colonial sale was of course the home on Albia at \$1,240,000 and the low was a Cooley built colonial selling for \$814,000 on Ridgefield Rd.

- In 2002 the low sale in our area was on Marengo for \$410,000. In 2003 it was a sale on Brookeway for \$529,000. Last year, the low sale occurred on Pollard Rd. for \$615,000, a substantial jump. It is very interesting to point out that the next lowest sale at \$625,000 **WAS** a home on Ridgefield Rd. This home was torn down a few weeks ago and my understanding is that Mendich Builders will be building a new home at that location in the coming year. There have been very few speculative knockdown/rebuilds in the Springfield area during this amazing era of rebuilding. The Bell renovations have almost exclusively been commissioned by an existing owner or a new buyer. In other words, a purchaser was already in place before the home was built. It should be interesting to see how the speculative endeavors unfold.

There is also a very large rebuild reaching the final stage of completion at 5606 Newington Rd. This home, given its size, is likely to be sold at the highest price ever in our community. The home that used to be there sold for \$656,000 in late 2003.

- For the first time ever, Springfield area homes, on average, sold for more than their asking price. The "escalation clause" phenomenon was in full bloom in our area last year. As more and more buyers chased a small supply of homes, buyers would add in a clause agreeing to pay a certain amount above any other bonafide offer, capping their offering at a certain figure. A home on Ogden had nine offers and sold \$110,100 over the initial asking price. A home on Pollard sold for \$75,000 over the asking price. A home on Christy Dr. sold \$57,500 over the asking price.

There were several homes that sold for less than their initial asking price, including the high sale in the community on Aliba which sold for \$155,000 less than the optimistic initial asking price of \$1,395,000. Another residence on Albia sold for \$149,000 less than their initial asking price of \$1,149,000.

- Twelve split-level style homes sold in 2004 at an average sales price of \$773,566, up 3.1% from last year's average of \$749,800. The price swings in this style of home were wide. The high sale was on Lamar Rd. for \$968,500 and the low split sale was on Pollard for \$615,000. Three Springfield area splits sold for over \$900,000 in 2004.
- There were eight ramblers sold in our community in 2004, at an average sales price of \$683,625. This represented a 9.1% rise in rambler sales price over the 2003 average of \$626,285. The high rambler was a Stuart and Maury sale on Ogden at \$820,000 and the low were two \$625,000 sales, one on Ridgefield and one on Pollard.
- It took about a week for most of the homes in the Springfield/Westwood area to sell in 2004. Nine of the 27 sales took place without coming full on the market. There are circumstances, especially for seniors, in which a quiet, calm sale to one special buyer is an appropriate course of action. I sold four of these nine homes, including a home on Albia Rd., two on Ogden Rd. and one on Pollard Rd.

- **Stuart and Maury** and I sold 12 Springfield/Westwood area homes in 2004. Having just commenced my 25th year in the real estate business, I have now sold over 135 Springfield area homes.
- These Springfield area homes have sold since my last letter in the fall:

	<b>Original/List Price</b>	<b>Final Price</b>
1) 5416 Albia Rd.	\$1,395,000	\$1,240,000
2) 5605 Chesterbrook Rd.	\$1,075,000	\$1,100,000
3) 5611 Lamar Rd.**	\$825,000	\$825,000
4) 5401 Kirkwood Dr.	\$799,000	\$775,000
5) 5312 Briley Place**	\$749,000	\$765,000
6) 5404 Brookeway Dr.	\$639,000	\$746,000
7) 5315 Briley Place*	\$738,000	pending
8) 5603 Pollard Rd.*	\$749,000/\$719,000	pending

**\*Matthew Maury sale of a fully listed home.**

**\*\*Matthew Maury sale of a home that was not fully on the market.**

In the list above, I sold four of the eight homes. I have also sold two homes that are pending settlement and cannot yet be reported. I have recently sold several homes by matching perfect buyers to the seller's needs and timetable. In the case of the Lamar Rd. home, my wonderful original owner moved to Asbury Village, a retirement home. She received an excellent price with no hassles and was on her way very quickly. The Briley Place home was sold to a perfect couple that met the terms of the estate and snatched the home up before it came fully on the market.

Now let's take a quick look at the bigger picture of the entire 20816 zip code and the real estate activity that took place in 2004:

- There were **279** single family detached homes sold in **20816** zip code in 2004. The average sold price was **\$822,471**. The Springfield average sales price of \$821,325 almost perfectly mirrored the zip code average. 20816 homes once again sold on average OVER the asking price in the past year. The high sale in the zip code was an unusual sale. At the end of Sangamore Rd., adjacent to the Mapping Service, a large piece of ground with an old mansion previously owned by broadcaster Howard K. Smith, sold for \$3,300,000. There's a zoning application pending right now to allow the purchaser, a builder, to retain the mansion and build 11 residences on that land. We'll see how that process evolves. The highest sale of a typical single family home in 2004 took place on Wapakoneta Rd. in Glen Echo Heights for \$1,715,000. This was a new home built by builder Adam Prill. The low sale for the zip code was a private sale on Mass. Ave. for what appears to be a sales price of \$320,000. Beyond that, a teardown was sold on Marlyn Dr. in Glen Mar Park for \$400,000.
- There were 51 sales over \$1,000,000 in the 20816 zip code in 2004, a 60% increase over the previous number sold in 2003. 13 of those million dollar sales took place in Glen Echo Heights, where the knockdown craze is in full bloom. It took on average 36 days for a home in the 20816 zip code to go under contract, quite a bit longer than the 6 days in Springfield!
- The cost of single family housing in the 20816 rose a more modest **7.0%** in 2004, quite a

bit less than the rocket-like rise of 19.9% the previous year. Double digit average gains are hard to achieve when the number of sales rises and there were many lower priced sales this year in which sellers took advantage of the intense interest in modest homes which were candidates for renovations or knockdowns. Still, the average sales price soaring well into the \$800,000's is a true milestone.

- This year, for the first time, I did an exhaustive public record analysis and unearthed 47 sales that flew “under the radar” of public marketing in 2004. Those 47 sales averaged a remarkably similar and almost identical average of \$824,819, just dollars off the \$822,471 average of the homes that were made fully available to the public. Most of these sales were no doubt completed with the help of a Realtor who connected the right buyer with the right seller. I choose to enter all my quiet sales into the MLS when they settle so that the comparable information for Wood Acres is as accurate as possible. Many agents obviously don't bother in other parts of the zip code and I was fascinated to find so much “under the radar” activity.
- When homes that sold for more than \$1,000,000 are factored out of the 20816 sales stats for the past year, the average single family home sold for **\$722,250**, a **10%** increase over the 2003 average of \$680,936 for non-million dollar homes. That's very consistent with a 2003 increase of 11% for homes that sold under \$1,000,000.
- Once again, as of this January writing, there are very few homes for sale throughout Bethesda and Chevy Chase under a million dollars. Selection improves as the price range rises to \$1,500,000, but not much. It's a great time to be a seller. A home on Cromwell Dr. in Wood Acres came on the market in the second week of January this year for \$745,000. I was pleased to sell this home and it is pending settlement to a purchaser who is currently renting in Wood Acres. I also have sold two Springfield homes quietly and the details of those sales will be reported in my next newsletter.
- I thought you might be interested to see some 2004 year-end stats on surrounding communities in the 20816 zip code and out in River Falls:

	<b># Sales</b>	<b>Average Sales Price</b>	<b>High Sale</b>	<b>Low Sale</b>
Brookmont	8	\$733,893	\$1,195,000	\$440,000
Fort Sumner	4	\$933,600	\$1,207,000	\$637,000
Glen Echo Hts.	55	\$856,417	\$1,715,000	\$420,000
Glen Mar Park	15	\$727,446	\$1,305,000	\$400,000
Greenacres	10	\$603,809	\$849,000	\$475,000
River Falls	30	\$1,200,166	\$1,795,000	\$910,000
Springfield	27	\$821,325	\$1,240,000	\$615,000
Sumner	26	\$936,764	\$1,175,000	\$695,000
Westgate	16	\$780,712	\$1,005,000	\$620,000
Westmoreland	27	\$1,054,703	\$1,675,000	\$865,000
Wood Acres	28	\$745,664	\$1,135,000	\$545,000

It's not hard to see where the action has been in 2004. The Glen Echo Heights area, with 55 sales, leads the way by far. There is a large stock of housing in Glen Echo Heights that falls into the potential knockdown category and the builders are swarming over the community. The low sales, now well into the \$500's and \$600's are balanced there by the 13 sales over a million dollars in 2004.

- There were 279 single family homes sold in the 20816 zip code in 2004, about an 18% increase over the previous year. The following chart tells an interesting story:

# of sales In 2004	Ave. Price in 2004	% increase from 2003	Ave. Days on market	Hi sale in 2004	Low Sale in 2004	# Sales over Million
<b>20814 Zip Code</b>						
231	\$755,282	+14.4%	37	\$2,700,000	\$363,500	33
<b>20815 Zip Code</b>						
274	\$994,501	+22.4%	36	\$3,675,000	\$375,000	98
<b>20816 Zip Code</b>						
279	\$822,471	+7.0%	36	\$3,300,000	\$320,000	51
<b>20817 Zip Code</b>						
515	\$878,320	+14.0%	39	\$3,900,000	\$370,000	120

So what jumps out at you? How about 302 sales over a million dollars in these zip codes last year? The Gazette recently wrote an article about the County issuing over 500 permits to knock down houses in the Bethesda/Chevy Chase area in the last few years. This is certainly part of the phenomenon outlined above.

Further, note the strong appreciation rates, particularly in 20815 (22.4%) and 20817 (14.0%). These dwarf the 7.0% rate posted by 20816. The number of days on the market before a home sold was uniformly in the mid 30's for all zip codes. It was also next to impossible to buy anything in Bethesda or Chevy Chase for less than \$400,000 last year.

- **My web site has surpassed the 14,000 visitor total.** Obviously, Springfield area homeowners use the site to access past newsletters, virtual tours of offered listings, service providers, a school district locator system and a variety of other information detail. Interestingly, more and more *buyers* are visiting the site to gain knowledge about our Springfield/Westwood community. Knowledge is power and an educated buyer and seller make a real estate transaction more efficient and pleasant. My commitment to providing the kind of information that just can't be found anywhere else will continue into the years ahead.
- **In 2004 I sold over \$40,000,000 worth of real estate,** far and away my best year ever. I already have over \$8,000,000 in the pipeline for 2005. The parameters of a red hot market drove the sales total to this level. I recognize that not every year will soar to this level, but it is an indication of how 25 years in the business and advancing technological tools such as web sites and virtual tours can expand a real estate business. I am enormously appreciative of all those homeowners who have sent me business over the years. I value your trust and confidence.
- On a personal note, 2004 was the year I sent my oldest off to college (Newhouse School of Communication at Syracuse University). We miss him, of course, and I especially miss the guitar blasting out of his room and all those long-haired musician friends wandering

through our house. My 15 year-old seems to be perfecting his poker skills, look for him on ESPN any day now. My wife takes loving care of us all but especially the 100-pound golden retriever, Cody.

My creation and love, WAMBA (Wood Acres Mens Basketball Assoc.) is 10 years old now. The first game that took place on the hardwood at Woodacres Elementary in 1994 had 14 players. Only two of us are left from the original group. I now have a stock of 58 potential candidates for four different games played at Westland, Woodacres, and Whitman on Monday and Wednesday nights. It's a modern day Lions Club and the fellowship is great.

WAMBA recently competed in a Holiday Tournament for the first time ever and we came within eight points of the Title after winning our first two games. Stellar Springfield area community athletes such as Brian Donnellan, Keller Staley, and Bruce Lesley almost brought home the Title! Maybe next year.

**Sincerely,**

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**P.S.** This Springfield/Westwood/Beacon Hill newsletter, past newsletters, a 2004 year end recap of sales activity in the Springfield area and a history of Springfield area sales going back to 1983, can be accessed at my web site **[www.matthewmaury.com](http://www.matthewmaury.com)**. Click on Springfield. You can also find similar data on the subdivision of Wood Acres.

## Springfield Area Sales Recap 2004

Address Original homes	Original price	Final price	Style of home	Total Bedrms	Full Baths	Half Baths	List Month	Days on market	Settlement Date
1. 5416 Albia Rd.	\$1,395,000	\$1,240,000	Colonial	6	4	1	Unk	Unk	Dec 04
2. 5920 Searl Terrace	\$1,210,000	\$1,210,000	Colonial	Unk	Unk	Unk	Unk	Unk	July 04
3. 5605 Chesterbrook Rd.	\$1,075,000	\$1,100,000	Colonial	5	4	1	Oct 04	5	Dec 04
4. 5604 Albia Rd.*	\$1,075,000	\$1,085,000	Colonial	4	3	1	Apr 04	1	Sep 04
5. 5507 Albia Rd.	\$1,149,000	\$1,000,000	Colonial	5	3	2	Mar 04	18	May 04
6. 5805 Searl Terrace*	\$849,000	\$975,000	Colonial	4	2	2	Sep 04	1	Nov 04
7. 5607 Lamar Rd.	\$889,000	\$968,500	Split level	4	4	1	May 04	5	July 04
8. 5501 Pollard Rd.	\$850,000	\$925,000	Split level	4	2	1	May 04	5	July 04
9. 5706 Ogden Rd.*	\$799,000	\$909,100	Split level	5	3	0	Mar 04	6	May 04
10. 5709 Ogden Rd.*	\$799,000	\$820,000	Rambler	4	2	2	Jul 04	1	Sep 04
11. 5301 Ridgefield Rd.*	\$769,000	\$814,000	Colonial	4	2	2	Mar 04	5	Apr 04
12. 5401 Kirkwood Dr.	\$799,000	\$775,000	Rambler	5	3	1	Sep 04	20	Dec 04
13. 5711 Ogden Rd.*	\$755,000	\$755,000	Split level	4	2	1	Feb 04	1	July 04
14. 5611 Springfield Dr.	\$752,700	\$752,700	Split level	4	2	1	Unk	1	Nov 04
15. 5509 Cromwell Dr.	\$699,000	\$750,000	Split level	4	3	1	Jun 04	8	Aug 04
16. 5618 Ogden Rd.	\$750,000	\$750,000	Split level	Unk	Unk	Unk	Unk	1	Sep 04
17. 5404 Brookeway Dr.	\$639,000	\$746,000	Split level	4	2	0	Nov 04	12	Dec 04
18. 5707 Kirkwood Dr.	\$739,000	\$745,000	Split level	4	4	0	Apr 04	6	Jun 04
19. 5407 Christy Dr.	\$650,000	\$707,500	Split level	4	2	1	Feb 04	7	Mar 04
20. 5714 Springfield Dr.*	\$699,000	\$699,000	Rambler	3	3	0	May 04	9	Mar 04
21. 5813 Ogden Ct.*	\$649,000	\$659,000	Split level	4	2	0	Jan 04	5	Mar 04
22. 5603 Parkston Rd.*	\$625,000	\$655,000	Rambler	3	2	0	Apr 04	1	Jun 04
23. 5631 Mass. Ave.	\$599,000	\$640,000	Rambler	3	3	0	Apr 04	4	Jun 04
24. 5611 Chesterbrook Rd.*	\$599,000	\$630,000	Rambler	2	2	1	Jun 04	7	Jul 04
25. 5604 Pollard Rd.*	\$625,000	\$625,000	Rambler	3	2	0	Jun 04	3	Jun 04
26. 5711 Ridgefield Rd.	\$625,000	\$625,000	Rambler	3	2	1	Unk	1	Oct 04
27. 5605 Pollard Rd.*	\$599,000	\$615,000	Split level	3	2	0	Oct 04	3	Nov 04
Unk: Unkknown data									
Average:	\$803,210	\$821,325					Average		
		102.2%	Of list price				Days on market	6	

Source: Metropolitan Regional Information System, exhaustive public record research & careful memory.

\*Stuart and Maury & Matthew Maury participated in the sale of these homes (Eleven!)

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## Springfield area sales history through the years!

YEAR	AVG. SALES PRICE	HOUSES SOLD	GAIN/LOSS
1983	\$194,511	22	**
1984	\$202,464	28	+4.0%
1985	\$221,315	29	+9.3%
1986	\$247,090	22	+11.6%
1987	\$312,560	33	+26.5%
1988	\$404,444	45	+28.1%
1989	\$391,091	19	-3.3%
1990	\$453,300	20	+15.9%
1991	\$383,591	28	-15.4%
1992	\$372,950	16	-2.8%
1993	\$421,695	22	+13.0%
1994	\$404,260	23	-4.1%
1995	\$393,294	17	-2.7%
1996	\$387,227	26	-1.5%
1997	\$382,227	36	-1.3%
1998	\$409,821	31	+7.2%
1999	\$476,245	31	+16.2%
2000	\$511,386	22	+7.4%
2001	\$570,112	19	+11.5%
2002	\$616,812	32	+8.2%
2003	\$732,150	20	+18.7%
2004	\$821,325	27	+12.1%

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