

SPRINGFIELD!

Westwood/Beacon Hill

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

January, 2007

Dear Springfield, Westwood Beacon Hill Area Resident,

So you take your kids to Busch Gardens and they beg you to go on the biggest, fastest, scariest rollercoaster. You figure, what the heck, I can handle it. About seven minutes later you stagger off the thing, more than a little wobbly, thinking, "well, I survived but I don't need to do that again any time soon."

Somehow, I see parallels to the real estate market during the last few years. What a breathtaking ride. **The average sales price in the Springfield area more than doubled in the last six years.** In 2004-2005, prices in the Springfield area rose more than one hundred forty thousand dollars in two years. Now, after surviving "Mr. Toad's Wild Ride" we come to a plateau. We have staggered off the rollercoaster, a bit wobbly, but upright. Indeed, a "soft-landing" of sorts appears to be unfolding. Certainly, as stated before, the media continues to peddle the notion that the "bubble burst." This is not the case. Prices have not taken a drastic turn downward in our area. It would appear that the gains posted in the first half of 2006 were enough to result in an overall up-tick in the sale of the average single family house in the 20816 zip code. It is fair to say that during the second half of the year, we experienced a retreat in prices to a degree, but nothing approaching a "bubble." And, most impressively, the total number of homes sold in our zip code in the last year just about equaled the numbers posted in 2005.

How could this be in light of the drum beat of negativity coming at us from every direction every day? My view would be the following. Numbers rarely lie. Buried inside the mountain of information in this letter is a story. The market is fine. It is not what it was, but then again, how long could double digit appreciation sustain itself? What we can be thrilled about is that your investment held value during a natural leveling process. Interest rates retreated in late 2006 and remain at historic lows. The Washington economy and the continuing infusion of government spending in our area insulates us from some of the deeper economic problems experienced by other regions of the country.

You can scan this letter and get the gist of what is going on in the real estate market pretty quickly. This may well be the appropriate usage of the letter by those of you who are not planning on selling anytime soon, or for those of you who just don't care how much your home is now worth. However, after writing this letter for 27 years, if I have learned anything, it is that EVERYONE seems to care about the value of their house. So much of the bottom line of our personal wealth is tied up in our primary residence. It's natural that homeowners would be interested in the ups and downs taking place around them. And in order to understand why your house is worth what it is, you need to understand what is



happening around you. I pride myself on the fact that Springfield area homeowners are extremely knowledgeable about value. Very, very few real estate mistakes are made in our community. This helps everyone. Houses are rarely under-priced in our area. It has become easier to over-price a home in the last year and we have seen some of that during the past six months, even in Springfield/Westwood. The market has a very clear way of speaking. If a listing is out of step with public perception, it will become evident over time.

When I dive into the research necessary to write a letter like this, I always learn things. I start by running our MLS computer systems to account for every sale that took place in 2006. Realtors are involved in over 90% of what takes place, but there is always an undercurrent of activity that must be discovered. By running public records, I am able to cross check for sales that took place outside of multiple listing. This year there were 21 of them in the 20816 zip code, including the second highest sale in the zip code for \$3,850,000. Almost half of the 21 “quiet” sales were to builders who would appear to be planning to knock down the existing house and build a new one. The number of new homes built and sold in our zip code in the last few years has increased and the phenomenon is driving the average sales price up. When a modest two bedroom bungalow without a basement in Glen Echo Heights sells for \$600,000 and then becomes a six bedroom, 7000 square foot \$2,400,000 house, the entire zip code average goes up. Ten homes sold over TWO MILLION dollars in the 20816 zip code in 2006. That’s a part of the market that did not exist a few years ago.

It might be pointed out that other agents who collate data for community sales info and zip code analysis don’t bother to do this extra research. While their numbers may be close, they are not as comprehensive as the information you will find in this newsletter. An extra amount of time, effort and care goes into my analysis and I consider it unmatched.

In the last couple of years, I have provided you with a long “string” link to complete information on the sale of homes in your community. This year, to make it easier, I decided to post that information and pictures of each home at my web site. Go to www.matthewmaury.com and **click on “2006 Springfield Area sales”** which you will find on the intro page. There you will get a picture and detail on every sale in the Springfield area in 2006. It is my plan to drive buyers and agents to the site in 2007 to help defend value. If you find yourself refinancing in 2007, send your appraiser to the site as well. Information is power.

Here we go again, for the 27th year in a row, here are the details of another solid year for Springfield/Westwood Beacon Hill area real estate. The format is the same because it works!:

- After double digit increases of 18%, 12% and 17% in the years 2003-2005, Springfield eased off the accelerator last year as **prices rose a more modest 8.71%**. Eight homes were sold in your community for over \$1,000,000 last year, including a couple of recently built homes. For perspective, the community of Wood Acres did not rise in value, on average, last year. While the 8.71% increase is just half of what it was the year before, the performance of Springfield homes was nonetheless quite impressive.
- The average price in the Springfield area **rose to the highest average sales price of all time: \$1,056,909**. There were 22 sales in the area, eight of them over the average, 14 under. The median sales price (half over, half under) for Springfield in 2006 was

\$877,000. It is true that one superb sale on Newington Rd. at \$2,349,000 influenced the community average upward \$60,000 all by itself, but the community had several terrific high sales last year, so that one home hardly accounted for all of the rise in values.

- 22 homes sold in the Springfield area in 2006, 10 less than the previous year. We've been averaging about 25 home sales a year since 1999 so this year's figures are only slightly below the average. Springfield has averaged 26 homes sales a year over the last 24 years.
- The high sale for the year took place on Newington Rd., a home I sold for \$2,349,500. This Frank Bell built beauty was three years old and a truly exceptional home, featuring over 7000 square feet of living space. The home being built next door at the corner of Newington and Kirkwood is not a speculative build. It has been commissioned by a family who will occupy the home upon completion. It is said that the home will be over 8000 square feet when finished. Prior to this year, the high sale in our community took place in 2005, also on Newington Rd. for \$2,055,000. I sold Frank Bell's own personal residence in the fall for \$1,850,000 and a new home on Ridgefield Rd. was sold in the winter of 2005 for \$1,710,000. Two Searl Terrace sales took place this year, settling at prices of \$1,302,000 and \$1,245,000.
- The low sale for the year took place on Mass. Ave. for \$690,000. The low sale in 2005 was also right around \$690,000. **That means that in the last two years, no home sale in our community has sold for less than the very high \$600's.** That's pretty impressive.
- Inside the community, there were only three sales under \$800,000. A split backing to River Rd. sold for \$695,000, a rambler on Chesterbrook sold for \$750,000, and a four-level split on Newington Rd. was sold for the equivalent of \$750,000. That home is being renovated and will be coming back up for sale shortly!
- Nine of the 22 sales in the Springfield area last year were sold at the asking price or above. Seven homes sold over the asking price and two at the listed price. In an era in which that phenomenon was supposed to have abated, it's an impressive stat for our community and an indication that a home well-priced can still attract multiple offers occasionally. Let it be noted that the time necessary to sell a Springfield area home in 2006 was 31 days, quite a bit longer than the year before..
- In 2005, Springfield area homes sold for 102.92% of asking price, paralleling the "multiple contract bidding war" environment of that overheated market. In 2006, during the past year, area homes sold for 97.3% of asking price. This was largely attributable to a few homes that had wildly too high ambitions when they first came on the market. A home on Newington was listed with an out-of-area Realtor for \$975,000 and eventually sold for \$770,000. That home needed a great deal of work and in fact, is being renovated now. It is expected to come back on the market soon. The new home built on Cromwell Dr. was originally listed at \$1,450,000 and sold for \$1,325,000. Finally, a home on Lamar was listed originally for \$1,200,000 and sold for \$110,000 less. It has never been more critical for sellers to carefully price the home at the beginning of the listing period.

- Twelve Colonial style homes sold in the Springfield area last year at an astounding average of \$1,475,208. You might say, “well, of course, that one big sale dragged up the average.” And you would be right. But only a bit. The “median” sales price (half above, half below) for the colonials last year was about \$1,275,000. The high colonial sale took place on Newington Rd. for \$2,349,000 and the low colonial sale was a home sold directly to a purchaser by an out of town owner on Cromwell Dr. for \$800,000.
- There were only four splits sold in the Springfield area last year, two on Ogden Ct., one of Christy Dr. and the Newington Rd. property now being renovated. This is a very, very small sample and not at all indicative of the hundreds of high quality Kettler and Bell built splits in the center of the community. For what it’s worth, the average price on the four splits sold last year was \$787,500. The high split sale was on Ogden Ct. for \$860,000 and the low was on Ogden Ct. for \$695,000. The split average last year was \$787,500, up a bit from the \$773,566 average the year before. I have said this before and I will say it again. There are hundreds of splits in our area that are extremely valuable, they just don’t come up for sale too often.
- Five rambler style homes were sold in the Springfield area in 2006, with the high sale on Ogden Rd. for \$854,000. That home sold an impressive \$54,500 over the asking price with multiple offers in the Spring. The low rambler sale was on Mass. Ave. for \$690,000, the lowest sale in the community last year. The average price on the five rambler style homes last year was \$793,800, almost exactly the same as the 2005 average of \$798,500.
- The number of days it took to sell a home in the Springfield area ballooned up in 2006. The year before, the average number of days to sell a home was a scant 14. This year that figure more than doubled to 31. Still, that’s about a month, which is completely consistent with the marketing time we used to see throughout the ‘80’s and the ‘90’s.

Let’s step back now and take a wider look at the market in the **20816 zip code** in 2006:

- 227 single family homes were sold in the 20816 zip code in 2006, a slight drop of 3% from the previous year but a 19% drop from the 279 homes sold in 2004. **Homes in the 20816 zip code increased in value in 2006 by 6.3%, to an average price of \$1,016,248.** This is the first time the average price has ever gone over the million dollar mark. This is also a case in which the numbers can be shaped in several ways. Of the 227 sales in 20816, only 77 were over a million dollars. The median sales price (half the sales are under, half the sales are over) in the zip code in 20816 was \$900,000. It can be fairly said that the infusion of new home multi-million dollar sales at the top end absolutely contributed to the rising average above \$1,000,000. Older, smaller housing stock is being systematically replaced by more expensive housing. Our location just a mile or so to the DC line, coupled with superb schools, is a recipe for renovation and investment.

- 77 homes were sold over \$1,000,000 in the 20816 zip code in 2006. That's four more than last year and about one in every three sales. **More noteworthy would be the fact that 10 homes sold over \$2,000,000 in the zip code last year.** Nine of those homes were built in the last three years. The highest sale for a piece of property in the 20816 zip code in 2006 was a home on MacArthur Blvd on almost two acres of gorgeous land overlooking the Potomac River. It's an astounding piece of property although the home itself, a 50's style contemporary, had limited appeal. That home and surrounding land sold for \$4,100,000! As best we can tell, it was purchased to be used as a single family residence, although with that much land, the possibility of a potential subdivision is probably always lurking.
- For the second year in a row, Westmoreland Hills posted the most million dollar home sales, with 15. Glen Echo Heights had 13 million+ sales, followed by Sumner with 10 and the Springfield/Beacon Hill area with seven. The Brookmont area posted six homes sales exceeding \$1,000,000 in 2006. In total, 403 homes in Bethesda and Chevy Chase sold for over a million dollars in the last 12 months, slightly lower than the 415 that sold in 2005. Still, it is readily apparent that the market continued to support home sales in this price range.
- The chart below reveals a number of valuable pieces of information. The average sales price in all four major Bethesda/Chevy Chase zip codes ***increased in value in 2006***. Now you just won't read that anywhere but the stats don't lie. The average sales prices are almost certainly pulled up by the continuing knock-down/rebuild trend. The stats below are strictly for single family detached housing, it does not include any condo or townhome sales. All four zip codes experience double digit appreciation in 2005, so the rate of appreciation slowed substantially in 2006, which is what I expected to find. The total number of homes sold in these four zip codes fell from 1206 to 1092, a 9.5% decrease in sales volume. This sounds about right too, fewer homes were sold in the last 12 months as the market cooled.

# of sales in 2006	Ave. Price in 2006	% increase from 2005	Ave. Days on market	Hi sale in 2006	Low Sale in 2006	# Sales over Million
20814 Zip Code						
197	\$921,272	+7.3%	39	\$4,000,000	\$385,000	51
20815 Zip Code						
248	\$1,256,417	+9.4%	42	\$4,500,000	\$515,000	135
20816 Zip Code						
227	\$1,016,243	+6.3%	36	\$4,100,000	\$530,000	78
20817 Zip Code						
442	\$1,039,543	+1.0%	47	\$5,500,000	\$463,000	139

- Inside the numbers, the 20814 zip code, along Old Georgetown Rd. predominantly, experienced a drop in the volume of sales that was substantial. The total number dropped from 254 to 197, a 23% decrease. I have no explanation for that. Our 20816 zip code sales volume only dropped 4%. Note as well that appreciation in the 20817 zip code, found mostly along Bradley Blvd and out River Rd., dropped from 17.1% in 2005 to only 1.0% in 2006. Given the solid postings for the other three zip codes, this was also a surprising result.
- Take note as well of the number of ‘days on market’ until a home received a ratified and agreed upon contract. That number has been rising in the last two years. In our 20816 zip code, the number rose 75% in 2006, from 21 to 36 days. Having experienced the heady pace of 2004-05, 36 days can now feel like an eternity, but it’s only a bit more than a month, and very much consistent with the way the market used to be throughout the ‘80’s and ‘90’s.
- Once again, the chart below will give you a snapshot of real estate activity in the communities of interest to Springfield/Westwood area residents:

	# Sales	‘04 prices	‘05 prices	‘06 prices	High Sale	Low Sale
	2006					
Brookmont	7	\$733,893	\$829,916	\$1,047,143	\$1,475,000	\$810,000
Glen Echo Hts.	26	\$856,417	\$1,051,206	\$1,155,303	\$2,275,000	\$600,000
Glen Mar Park	17	\$727,446	\$800,353	\$819,794	\$1,599,000	\$535,000
Greenacres	10	\$603,809	\$789,717	\$771,660	\$1,320,000	\$555,000
River Falls	14	\$1,200,166	\$1,413,167	\$1,319,438	\$1,800,000	\$1,130,625
Springfield	22	\$828,781	\$972,153	\$1,056,909	\$2,349,000	\$690,000
Sumner	13	\$936,764	\$1,012,626	\$1,156,027	\$1,650,000	\$730,000
Tulip Hill	5	no sales	\$1,126,667	\$1,255,800	\$1,940,000	\$910,000
Westgate	23	\$780,712	\$890,094	\$921,374	\$1,425,000	\$695,000
Westmoreland	19	\$1,054,703	\$1,295,500	\$1,365,053	\$3,850,000	\$750,000
Wood Acres	22	\$745,664	\$856,876	\$856,658	\$1,275,000	\$675,000

- It’s worth noting that most of the communities above posted an increase in the average sale of a single family home in 2006. The exceptions were Wood Acres (just barely), Greenacres (a mild 2.5%) and River Falls (a more substantial 7.1% fall). In the case of Brookmont, Glen Echo Heights, Springfield, and Glen Mar Park, the increases are attributable to new home sales. Covenant protection in Wood Acres has isolated the community from that economic engine. We can also look at that as a very good thing as well, the streetscape that makes up so much of Wood Acres charm is being preserved and can be counted on into the future. This cannot be said of other communities, who are experiencing the pain of changing housing patterns. Some see the construction patterns as a positive sign of confidence in the area and the marketplace. Others see the new homes as an unsightly intrusion on existing neighbors and an architectural blight. In a community such as Wood Acres, where every home fits and the character is so consistent, knock-downs would seem to me to be completely inappropriate. In communities such as Glen Echo Heights, where the housing stock is already extremely varied and many of the existing homes would be considered sub-standard by today’s market, I can see the case for such activity.

- These Springfield area homes have sold since my last letter in November:

		Original/List Price	Final Price
1)	5303 Cromwell Dr.	\$1,450,000	\$1,325,000
2)	5503 Newington Rd.*	\$979,000	pending
3)	5602 Ridgefield Rd.	\$800,000	\$810,000
4)	5503 Newington Rd.	\$975,000	\$770,000
5)	5809 Ogden Ct.*	\$774,000	\$695,000

***Stuart and Maury listing.**

- I sold 11 of the 22 homes sold in the Springfield/Westwood area in 2006, bringing my career total to 163 Springfield area homes sold. **My career sales total now exceed \$450,000,000.** In 2006, I sold over **\$40,412,000** worth of houses, almost all of them within a few miles of your community. I was involved in the sale of 24 home sales in the 20816 zip code in 2006, the **22nd year in a row** in which I was the leading real estate agent in the zip code.

I was surprised to crack open the January "The Best Of" issue of the Bethesda magazine and find my name as a Reader's Choice for one of the Top Favorite Realtors. The thought that some of you would take the trouble to fill out the ballot and write my name was really rewarding. Knowing my industry as I do, next year there will be agents hiring assistants to buy up the magazine and write their names down. It'll never be pure again. So thanks Springfield and Westwood, I'm not going to lobby for such a thing again, but it was appreciated.

During the past year, in addition to selling real estate, I completed my 10th year as the Tournament Director for BCC Baseball's annual tournament. We had 28 teams from four states competing. I wasn't exactly thrilled that rain wiped out the third day of the tourney, but it has been a blast watching 12 year old baseball play all these years. When my kids stopped playing years ago, the joy never completely left me.

The basketball phenomenon known as WAMBA (Wood Acres Mens Basketball) continues to attract close to 50 participants each week from a pool approaching 70 players. We dropped three games in the annual Jelleff League Tourney this year, after solid .500 play in past years. We lost two games by a total of five points so I guess we aren't that far off. Wood Acres resident Joe Payne's Championship tournament team has whupped us a couple of times now, so we are going to have to do something about that!

The joy of watching my alma mater Whitman finally win a State basketball championship at the Comcast Center in March was enough to make 2006 a great year all by itself. I've been to a Super Bowl, NBA playoff games, a couple of NFC Championship games; nothing approached the fun and excitement of last year's Viking playoff run. If you missed it, you really missed something special.

Every year presents me with new challenges and mountains to climb. It's what makes it fun to get up and keep doing it.

Sincerely,

Matthew Maury
301-928-8686 24 hours
Principal Broker
Stuart & Maury Inc. Realtors

P.S. This Springfield area newsletter, past newsletters, a 2006 year end recap of sales activity in your community and a history of Springfield area sales going back to 1983, can be accessed at my web site **www.matthewmaury.com**. Click on Springfield. You can also find similar data on the subdivision of Wood Acres.

Springfield Area Sales Recap 2006

Address Original homes	Original price	Final price	Style of home	Total Bedrms	Full Baths	Half Baths	List Month	Days on market	Settlement Date
1. 5602 Newington Rd.*	\$2,349,000	\$2,349,000	Colonial	4	4	1	Jan 06	1	Apr 06
2. 5500 Parkston Rd.*	\$1,895,000	\$1,850,000	Colonial	5	3	2	May 06	37	Sept 06
3. 5711 Ridgefield Rd.	\$1,825,000	\$1,710,000	Colonial	5	4	1	Jul 06	112	Jan 06
4. 5303 Cromwell Dr.	\$1,450,000	\$1,325,000	Colonial	5	4	1	Jan 06	172	Oct 06
5. 5977 Searl Terrace	\$1,295,000	\$1,302,000	Colonial	4	4	0	Apr 06	7	Jun 06
6. 5901 Searl Terrace*	\$1,225,000	\$1,245,000	Colonial	5	3	1	May 06	2	Jun 06
7. 5400 Albia Rd.*	\$1,195,000	\$1,125,000	Colonial	4	3	2	Jun 06	23	Aug 06
8. 5608 Lamar Rd.	\$1,200,000	\$1,090,000	Colonial	4	3	1	Mar 06	64	Jul 06
9. 5312 Briley Place	\$895,000	\$877,500	Colonial	3	2	2	Jun 06	28	Aug 06
10. 5810 Cromwell Dr.*	\$895,000	\$870,000	Colonial	4	2	2	Dec 05	1	Feb 06
11. 5822 Ogden Ct.	\$849,000	\$860,000	Split level	4	3	0	Oct 05	2	Jan 06
12. 5716 Ogden Rd.	\$799,500	\$854,000	Rambler	4	3	0	Mar 06	7	Mar 06
13. 5803 Ogden Rd.*	\$829,000	\$845,000	Rambler	4	2	1	May 06	1	Jun 06
14. 5702 Marengo Rd.*	\$830,000	\$830,000	Rambler	3	2	1	Oct 06	1	Nov 06
15. 5400 Christy Dr.*	\$819,000	\$825,000	Split level	4	2	1	Jan 06	2	Jan 06
16. 5602 Ridgefield Dr.*	\$800,000	\$810,000	Colonial	4	2	0	Jun 06	1	Sept 06
17. 5502 Cromwell Dr.	Unk	\$800,000	Colonial	4	2	1	Unk	1	Apr 06
18. 5606 Parkston Rd.*	\$779,000	\$779,000	Cape	4	2	0	May 06	1	Jul 06
19. 5503 Newington Rd.	\$975,000	\$770,000	Split level	4	2	1	Jul 06	92	Nov 06
20. 5606 Chesterbrook Rd.	\$799,000	\$750,000	Rambler	3	2	0	Jul 06	41	Nov 06
21. 5809 Ogden Ct.*	\$773,000	\$695,000	Split level	4	3	0	Jul 06	73	Nov 06
22. 5631 Mass. Ave.	\$699,000	\$690,000	Rambler	3	3	0	Jun 06	16	Aug 06
Average:	\$1,080,745	\$1,056,909	97.3% of asking price					31	

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

*Stuart and Maury & Matthew Maury participated in the sale of these homes (11 of 22)

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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%
2005	\$964,430	32	+17.4%
2006	\$1,056,909	22	+8.7%

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