

SUMNER REAL ESTATE NEWS

by

Robert Jenets

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2001 REVIEW

I think most people gauge the health of the real estate market by the relative ease or difficulty of selling your home. By that measure the real estate market in Bethesda continued to thrive during the past year. The small number of homes offered for sale compared with strong buyer demand for those homes kept the sales pace brisk. In general, marketing times were short and prices were high.

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The availability of mortgage loans at near historic low interest rates was also a factor. Buying a home was hard work during 2001, but those who persevered were rewarded with payments based on the lowest rates we have seen in years. It was good for sellers and it was good for buyers—that is a healthy market.

We were all stunned by the tragedy of September 11th and I could only guess at the effect it would have on real estate sales. We did indeed have a “pause,” reflecting the uncertain economic climate around the attack. Fewer people put their homes on the market and buyers were tentative. However, any concern that the Bethesda housing market would suffer long-term damage is gone. The “slingshot” effect of a more concentrated supply of buyers returning to the market in November with fewer homes than ever available,

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NEIGHBORHOOD SALES UPDATE

There were 18 home sales in Sumner during 2001 which is two more than the total for 2000. **The average sale price was \$669,389** which represents approximately a **7.5% increase** over 2000's average of \$622,756. You will find enclosed a list of the 2001 sales for the LEGAL subdivision, Sumner, as reported by the Metropolitan Regional Information System and the county public record. (Do not be confused by other statistics you may have seen which included nearby sales that are not Sumner.)

An increase of 7.5% seems modest compared the double digit increase for most of Bethesda. The change in average price can be misrepresentative of a neighborhood's appreciation. With the small sample of homes, Sumner's average is more of a coincidence of the size homes that happened to sell this past year. There is no reason to doubt that Sumner prices have kept pace with sales throughout the Bethesda area.

There are four homes in the neighborhood presently under contract, awaiting settlement:

ADDRESS	LIST PRICE
4912 Brookeway Dr.	\$679,000
5609 Wood Way*	749,500
5112 Westpath Ct.	775,000
5117 Scarsdale Rd.	779,000

***Stuart & Maury sale**

At this writing, there is only one home offered for sale in the neighborhood:

6022 Overlea Road, for \$1,250,000

If you would like specific information about your home and/or our local market, contact me at 301-257-3200, or robertjenets@hotmail.com.

2001 REVIEW...

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produced a surge in sales activity at the end of the year that caused prices to increase even further.

So far, it would appear that 2002 is going to see an excellent real estate market in our area. There have been numerous media reports about the Washington area benefiting from a wartime economy. (It is difficult to relate to the news reports about our economy being in a recession when you observe the vitality of the Bethesda business district.) Unemployment decreased during November and December and consumer confidence is growing. While I believe some people are being more cautious than they may have been before September 11th, in general, our area seems to be conducting business as usual. The first crop of homes to be offered for sale since the New Year have sold quickly, at great prices. Hang on to your hats; this "ride" is not over!

BETHESDA STATISTICS

There were 228 single family homes sold in the 20816 zip code during calendar year 2001 – almost 10% more than the prior year's 208 sales. **The average sale price was \$579,049.** That represents approximately a **16% increase** over the 2000 average of \$498,244. The average marketing time was 36 days. The following chart compares the average prices in Bethesda from 2000 with 2001, by zip code:

	20814	20816	20817
2000	\$455,810	\$498,244	\$549,714
2001	\$548,326	\$579,049	\$597,641
% Change	+20%	+16%	+9%

Keep in mind that zip code 20817 includes the highest number of sales over one million dollars—46 to be exact! It is more difficult to sustain these type of gains in that high range.

PROPERTY TAX UPDATE

You have 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 have 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.

There is an appeal process described in your Assessment Notice if you feel that your market value is too high or in error. My 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 floor plan layout.) If you need help obtaining comparable sales information, or more details on the process, I will be glad to assist you.

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