

SUMNER

REAL ESTATE NEWS

by

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October 2004

MARKET NEWS

My last newsletter, covering the first five months of the year, illustrated the super-hot spring market and described the techniques being used by buyers in an effort to prevail over other offers in extremely competitive circumstances. The period beginning in June was less intense and more varied. There were a couple sluggish weeks



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in June when several homes became available simultaneously, and the homes sold during that time did not generate the strong interest or prices we saw in May. July was strong and some houses which sold during the summer did receive multiple offers, but it was usually two or three offers, not the eight or ten that were prevalent in the spring. Other homes took a little longer to sell and a solitary contract produced a good, fair price and terms. In those cases, the sale price was typically the listed price.

August was more active than usual, except for the last week or so. Once people returned from summer vacations, there was the expected surge of activity after Labor Day and the pace was good through September.

Here in October, things seem to have slowed again, although it is not totally clear what is causing the slowdown. There are not particular market conditions or indicators that would explain the unpredictable sales climate right now. To the contrary, interest rates remain attractive (around 6%) and the local employment situation is positive. The Washington area is expected to add thousands of jobs in the

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NEIGHBORHOOD UPDATE

During the time period from May 1 through September 30, 2004, eight Sumner home sales were finalized. The **average** sale price was **\$917,800**, which represents 104% of the average *list* price. That is up 6% over the average for the first five months of the year. Compared with the same time period last year, when the average price was \$825,607, values have risen by \$92,193, or approximately 11%. Five of the eight sale prices were greater than the asking price, with the greatest escalation exceeding the list price by \$160,000!

There were fewer sales this period than during the corresponding period last year—eight vs. eleven. The small number of homes to be offered for sale has been a major part of what has driven the real estate market to be so strong in the last few years. This year is no exception. Also, it is worth noting that only one of the eight sales this period took longer than 30 days to get a contract. One other took three weeks, and the rest sold in less than 10 days.

There was an unusually wide range of prices during this period, with a low sale of \$695,000 at 5806 Madawaska Road. This is one of the smaller homes in the neighborhood, with three bedrooms and one bathroom on the second level. The high sale was 5007 Rockmere Court which closed at \$1,155,000. This handsome colonial with its cul-de-sac setting boasts six bedrooms, three full baths and two half baths on four finished levels.

The sales for this period included two other closings above a million dollars. The home located at 5116 Baltan Road sold for \$1,038,000, featuring five bedrooms, three and a half baths and a 14,810 square foot lot. The record also shows 5104 Scarsdale Road

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MARKET NEWS...

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coming year and the long term demand for housing should be strong.

The only obvious factor contributing to this slower market is the greater number of homes available. During the wild spring sales climate, homes were sold “one at a time” with little or no competition from other homes. There is more housing inventory now, giving buyers more choices and less sense of urgency.

The most significant issue facing the real estate community during the fall has been sellers’ inflated expectations. After reading the incredible news reports and hearing the amazing stories from the spring, sellers have come to expect that every house is going to attract multiple offers and sell in the first few days for much more than the, already high, asking price. Those expectations are certainly understandable, but nonetheless problematic in this different sales climate.

News about real estate and the public perception are usually about three months behind the current situation, which is time enough for startling differences in a market that sometimes changes weekly. The fickle nature of the sales environment at this time requires a home to be priced very carefully to ensure a successful sale. Asking a “May price” in October will cause a house to sit on the market, unsold, which is extremely detrimental to the eventual sale price.

There continues to be a negative stigma associated with any house that does not sell quickly. That is unfair, in a way. There are many examples of excellent homes, unluckily hitting a slow week, without any warning that would have signaled the need for a more conservative price. For that reason, it still makes sense to err on the low side of pricing. It is a difficult task to accurately assess the value of a home in this market, yet nothing is more important to the marketing effectiveness. Ultimately the buying public determines the value of a home. It should not be overlooked that, even without a bidding war, home values have risen to a level which, as recently as six months ago, would have exceeded any reasonable expectation.

Neighborhood Update...

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closing at a price of \$1,148,500. This unique tudor-style home had been totally redesigned and expanded with a modern kitchen/family room arrangement and a first floor bedroom suite included in the total of six bedrooms and five baths.

At this writing the MRIS multiple listing service shows seven homes “under contract”, awaiting settlement. The average list price for these homes is \$927,571 with a range of price from \$750,000 to \$1,150,000. Among these is **my listing at 4908 Scarsdale Road**, listed at \$859,000. Many of you came to one of the open houses and saw the nicely updated kitchen with its “pickled” cabinetry and top quality appliances, and the spacious first floor family room, added off the library on the side of the house. Upstairs, the original four bedroom arrangement had been modified to include the fourth bedroom into the master suite as a dressing closet and office. One of its greatest assets is its location on a wide, little-traveled block of Scarsdale Road. (If you missed it, you can see the “virtual tour” at my website, referenced below.) The new buyers are planning to settle in the middle of November and I know the neighborhood will make them welcome.

You are invited to visit my website for useful and interesting information about real estate in our area. The address is:

www.robertjenets.com

You can see “virtual tours” of my listings over the past year or so as well as detailed information about the homes. There is a link to the Montgomery County Public Schools site which includes a locator program where you can find the school assignments for a particular address. If you have a question or need some information about real estate, you can email me at:

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I remain dedicated to serving the real estate interests of this community and its residents.

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