

SUMNER

REAL ESTATE NEWS

by

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MARKET NEWS

The market update for the fall newsletter is usually the most difficult to write because this time period starts during the spring frenzy and includes the inevitable fluctuations of the summer market as well as a description of the current sales conditions. Real estate has been a hot topic in every news medium this year, and many of the



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articles have been accurate in capturing the essence of what has been happening in our market. Keep in mind, some of the articles have been focused nationally and therefore do not necessarily reflect our local situation. Also, the information on which the articles are based is usually from sales which happened in the two or three months previous to the writing and, as such, is already outdated. All that said, I will give you my summary of the real estate market during the last several months.

Following the long-established pattern of the past six years, the heat of the early spring market cooled a degree or two as May slid into June. Homes still sold in a timely fashion but there were fewer offers in the multiple presentations and the escalations were not as far over the list price as they may have been in March or April. As I described in my last newsletter, the pre-emptive offer to purchase a home before the competition of the open house weekend was increasingly prevalent. Buyers were sometimes disappointed to find that they had missed the opportunity to see certain houses because they thought they could just wait until Sunday and go to the open house, only to find the home under contract by Saturday.

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NEIGHBORHOOD UPDATE

During the time period from May 1 through August 31, 2005, seven Sumner home sales were finalized, with an **average sale price of \$1,071,578**. That is less than the average price for the first four months of the year, but considering that only two homes settled from January through April, it holds no great significance. A more meaningful comparison, with the same four-month time period last year (when the average price was \$917,800), shows an **increase in value of approximately 7.5%**.

Typically for the neighborhood, there was a wide range of prices, with a low sale of \$755,000 for the home located at 5113 Sangamore Road. That home is a rambler with a semi-circular driveway that has been nicely updated. The high sale was the home at 4802 Ft. Sumner Drive which sold for \$1,312,500. That is a sizable brick colonial with a master bedroom on the main level and three more bedrooms on the second floor and a basement which opens to a very private backyard. Both of these sale prices were approximately 9% over their listed prices of \$695,000 and \$1,200,000 respectively.

Keep in mind that these are the homes that *settled* from May through August but some of the sales were accomplished earlier, during the spring frenzy. Notwithstanding that, it is noteworthy that ***each of the seven homes sold during this time period, sold for more than its listed price—in less than a week!*** That is a remarkable statistic—every one of them over the list price! In 2004, for instance, only 15 of the 26 total sales were in excess of the asking price. As good as the real estate market has been for the past several years, I cannot remember ever writing a sales report where *every* sale was above the asking price. What a special time.

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MARKET NEWS...

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Agents also had to adjust to this situation and a conscientious buyer's agent could not relax and tell his client to visit the open house. A serious buyer needed to get out during the week to see the new listings or risk not seeing them at all. Still, a good number of the new listings did wait until after the weekend before considering contracts, and so there were some chances for people cruising the open house circuit.

July and August were spotty, as usual. There were some great listings that sold well and others that drew a cooler reaction from buyers. Personally, I was very busy through most of August, only taking a little breather during the week of Labor Day. That always happens and then the listing and sales activity resumes the next weekend.

As expected, a large number of homes were listed by the middle of September and it should be no surprise that, with buyers having more choices, the pace of the market slowed. Still, the most desirable homes were snapped-up, but there were (and are) many good listings unsold after a couple weeks of marketing. The multiple listing service shows that 162 single family homes were offered for sale in Bethesda and Chevy Chase since September 1st. At this writing, 64 of those homes are shown as being under contract. It is also interesting to note that the rate of sales is fairly consistent among the different price ranges.

We saw a round of price reductions towards the end of September as sellers adjusted to the change of market conditions. It was to be expected that there would be many new listings after Labor Day, however, it is noteworthy that the market did not absorb those new listings as quickly as one might have predicted.

Accordingly, sellers must price their homes a little more conservatively at the moment, if they want a timely sale. An "April price" here in October will cause a home to sit on the market unsold. That being said, at this writing, the logjam is showing signs of breaking up. I will be noting the sales trends through the end of the year and let you know how it all worked out in my January letter.

Neighborhood Update...

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As I write this letter, there are two homes in the neighborhood that are under contract, pending settlement. It is normal real estate procedure to withhold the contract price until after settlement, but both homes are listed in the high 900 thousands. The home at 5001 Rockmere Court "falls through the cracks" of this newsletter. It was listed in August for \$1,285,000 and sold after the first weekend for \$1,410,000. However, it settled in September, so I have not included it in the math for this newsletter's statistics.

There are only two homes currently available in the neighborhood, which is different from the situation in the greater Bethesda/Chevy Chase area. As I stated in the Market Update, the big story there is the saturation of the market with too many homes. The sales climate to which we have become accustomed, where there is a sense of urgency on the part of the buyers, producing timely sales at high prices, is dependent upon a relatively short supply of homes for a greater demand. To the extent that you want to see that condition sustained, you are happy to have only two homes available at this moment. The other factors fostering a healthy market, namely low mortgage rates and strong employment, are still positive and there is no reason to be anything but optimistic about the Sumner real estate market in the near future.

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

robertjenets.com

You can see "virtual tours" of my listings over the past year, as well as detailed information about the homes. You can also register with your email address and gain access to the MRIS website which offers the same information about real estate listings as that used by real estate agents. There is no time lag like you might experience on other websites offering similar information—this is as up-to-date as it gets.

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

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