

SUMNER

REAL ESTATE NEWS

by

Robert Jenets

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MARKET NEWS

During the last couple of months, when people have asked me, "how is the real estate market?" I have sensed a tone in their voices that suggests that they believe it is significantly worse than last year and they are expecting me to confirm that belief. Suspicion about the health of the market could hardly be avoided in light of the way the media has been painting a "doomsday picture" for the past year or so. In truth, the market is not quite as robust as it was last year. That is not to say it is unhealthy, but it is a different market. There *are* more homes for sale and the marketing time *is* a bit longer.

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I believe that some of the homes that have stayed on the market a little longer this year likely would have sold immediately last year. However, in many cases, it is simply the result of an overly ambitious initial asking price. Often, after an appropriate price adjustment, the home promptly attracts a buyer and is sold.

In a changing market, it is important to have current and accurate information on which to base marketing decisions. Sellers wanting to maintain last year's enthusiasm may be tempted to ignore some of the signs indicating that a measure of caution is advisable, particularly with regard to pricing.

For instance, mortgage interest rates are approximately one percent higher than they were last year. On a \$750,000 loan, that results in a payment that is \$488 per month higher than the payment would have been a year ago! The statistics show that prices have not fallen in our area, but the

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NEIGHBORHOOD NEWS

The first four months of this year were more active than usual for real estate in Sumner. During that time there were nine homes listed for sale. Four of them sold and settled, one is under contract and there are four active listings at this writing. Those numbers illustrate this year's market, which has a greater inventory of homes as compared with 2005. A year ago there were only two settled sales, two homes under contract and there was nothing for sale!

The **average price** of the four sales was **\$1,252,837**, with an average marketing time of six days. The high sale was 5001 Baltan Road which had an incredible addition of a super-gourmet kitchen adjoining a terrific family room. There were four bedrooms on the second level and the master bathroom was spacious and updated. The house showed beautifully and sold for its full price of \$1,575,000.

The house at 5005 Scarsdale Road was a stone front colonial that had a two-story addition giving it a first-floor family room and a fourth bedroom upstairs. The addition was done many years ago and so the kitchen had not been opened up, but had a pass-thru to the family room and the extra bedroom was not today's fancy master suite. The list price was \$1,150,000 and multiple offers yielded a final price of \$1,277,000.

My listing at 5106 Randall Lane sold before I could even have open house. This property was highly desirable because of its private cul-de-sac location and the proximity to the Crescent Trail. Built in 1983, the room sizes were excellent and it was in great condition. Listed at \$1,195,000, the final sale price was \$1,250,000.

The remaining sale was a smaller three-bedroom rambler at 5110 Lawton Drive. Not your typical Sumner home, it listed for \$869,000 and sold for \$909,350.

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increased cost of money cannot be overlooked. More than ever, a list price should represent a good value.

Last year sellers could get away with being a little lax about the presentation of their homes because the lack of inventory left buyers with few choices. So, even the homes with poor market preparation managed to get sold. This year, it is important to take advantage of all the techniques for helping a house to look its best. With more homes from which to choose, most buyers prefer the ones in excellent condition. Fewer people are comfortable moving AND renovating.

Another difference in the market is the return of the home inspection. We all know that it was common last year for buyers to omit the home inspection contingency in an effort to prevail over competing offers. The sales climate this year has allowed buyers to include that contingency and still succeed in buying the house. There have been numerous instances of multiple offer scenarios where *all* the competing offers had provisions for a home inspection. There is a case to be made for that being a good thing.

Notwithstanding the differences in the market this year as compared with last year, there are similarities as well. Right along with the sellers who have struggled to adjust to this year's market, there have been many impressive seller success stories. Homes with broad market appeal are still in high demand and there have been many competitions that ended with a sale price much higher than the listed price. For example, there are many people in the Massachusetts Avenue corridor with smaller three-bedroom homes who are looking for more space. Therefore, a home in this area that has already been expanded to include the gourmet kitchen and family room on the first level and four bedrooms with a luxurious master suite upstairs has a good chance of attracting simultaneous offers.

Bethesda is a prime location with desirable features that help it resist some of the fluctuations that affect other places. The real estate market in our area is still quite good and it does not take long to find a buyer for a home that offers a good value.

Neighborhood News...

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There is one home in the neighborhood under contract at this time. It is the home at 5813 Rockmere Drive which is listed at \$1,195,000. This Dutch colonial features an expanded kitchen with a vaulted ceiling breakfast room. It has a versatile floor plan and there is a fourth room on the second level, although access is through one of the three bedrooms. This home was listed on Monday, and by Tuesday evening, one of two offers was ratified.

As you can see by the sale stories of 5813 Rockmere and my listing on Randall Lane, a serious buyer needs to be extremely well-aware of the inventory and timely about responding to it. Anyone who thinks that the market is slowing down and that they have time to wait for the open house, risks losing the opportunity to purchase, or even to *see*, a good new listing. The flip side of this scenario is that sellers often have to decide whether to look at an offer (or offers) prior to the open house. There is no easy answer to the question but it helps to think it through in advance so that if the situation arises you are prepared to handle it.

I mentioned that there are four homes actively for sale at this writing and the range of prices is astounding. There is a two-bedroom rambler on Sangamore Road listed at \$699,000 contrasted with a listing on Ft. Sumner Drive that originally asked \$2,500,000 and is now priced at \$1,995,000. In between is a rambler on the corner of Westpath and Sangamore for \$859,000 and a split-level on Westpath Court for \$1,325,000.

Sumner continues to be one of the most desirable destinations in Bethesda. The close proximity to downtown DC, a prime school district and a fine collection of well-constructed homes with a strong feeling of community is an unbeatable combination that makes Sumner real estate an excellent value.

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