

SUMNER REAL ESTATE NEWS

by

Robert Jenets

MARKET NEWS

The first several months of this year have been a positive time for real estate in Bethesda. Activity ebbed and flowed in a familiar pattern, with good buyer demand in the winter rewarding those brave sellers who put their homes up for sale before things turned green outdoors. Sales were pretty brisk and the intensity level grew through March and early April, hitting full stride as the beginning of May approached.



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As one would expect the number of listings increased dramatically at the end of April. For my own part, I listed eight homes right around that time, four coming in one very busy week before Open House on May 1st!

Naturally, a big influx of listings is bound to slow things down a bit as potential buyers have more homes to view before making a decision.

Indeed, the rate of sales in May slowed, but exceptional homes are still selling in short order.

What makes an exceptional listing that sells quickly? More than ever it is condition. Since the mortgage crisis caused new rules in the lending industry, many buyers are required to make a bigger cash down payment, which leaves less money for upgrading and renovation. So the listings with new kitchens and baths have definitely flourished. Another winner is a home with good “bones” and spacious rooms in a good location. At the right price, there are plenty of buyers who can handle some cosmetic repairs for a home that offers good basics. And, of course, there is always a strong demand for any home that is offered at the right price.

Since the beginning of the year, 116 detached single family homes have been listed in the 20816 Zip Code and 70 of them are “under contract” or “sold”! That is a 60% sales rate which is really good, especially when you consider that 26 of those homes have only been on the market a short time since being listed in May. The homes that are “under contract” or “sold” had an average marketing time of 40 days and sold for 98% of list, at an average sale price of \$1,026,456.

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NEIGHBORHOOD NEWS

Another year of Sumner home sale activity has begun in fine form, with six closings already completed in 2011. Those **six homes sold** in an average of only 31 days, even fewer than the 38 day average for 2010, at an **average sale price of \$1,023,417**. With a low sale of \$769,000 and a high of \$1,250,000, this is not an eye-catching number, but it is consistent with the average price for the 20816 Zip Code. Considering the fact that the data sample does not include a sale in the top range of the neighborhood, this is a good solid number.

The sale for \$1,250,000 was **my listing at 5106 Nahant Street**. Originally, a smaller colonial

with a one-car garage, the former owners expanded the home in 2003. Adding three stories to the left side and two stories across most of the back, the resulting floor plan



offers a very large family room above the two-car garage, adjoining a fabulous table sized kitchen. Expanding to the rear also allowed for a spacious laundry room on the main level. Above the family room and kitchen is an expansive master suite with two walk-in closets and the bathroom we all want! Totalling four bedrooms and three baths on the second level, this home offers all the elements that are so much in demand among today’s buyers, and helped the home to sell in only seven days.

A week before I listed 5106 Nahant Street, a similar sized home came on the market at **5140 Westpath Way** (with

a different broker) for \$1,225,000. This is an attractive Cape Cod style home on a large corner lot with a total of six bedrooms and



five baths. The first floor master suite is very nice and there is also a high quality family room on the main level, albeit, not adjacent to the kitchen. This home had not been updated as extensively or recently as the house on Nahant Street. It did have a wonderfully bright recreation room in the basement and showed very well. Notwithstanding an older style floor plan and kitchen, this fine home sold in only 13 days for \$1,170,000.

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At this time last year, the average sale price for a detached home in the 20816 Zip Code was \$954,435. This year's average is approximately 8% higher than that and definitely reflects the healthy Spring market that we have experienced.

The price range up to \$900,000 has been very healthy, in part because of the temporary "agency jumbo" loan limit of \$729,750. For a purchase up to \$912,187, a buyer with 20% down payment can take advantage of the very reasonably priced loan rates that apply to that level. For a sale price greater than that, a buyer would either have to pay a higher interest rate for a true jumbo loan (about three quarters of a percent) or use more cash down payment. When the temporary limit falls back to \$625,500, as it is scheduled to do on September 30th, that \$912,187 price level will drop all the way to \$781,875! With most of the homes around here having a higher value than that, it will be interesting to see how this change affects sales in that range.

A segment of our market that has been difficult for buyers, due to a shortage of inventory, is the range from \$950,000 to \$1,250,000. Since the beginning of the year, only 26 homes have been listed in this price range in our Zip Code, and 16 of those are sold. That leaves only 10 homes available in a very important "move-up" range for which there is a strong demand. Because much of the demand is from local residents who already own a nice home, this potential move is a discretionary upgrade that only makes sense for just the right house. Thus, the competition is intense for a home of this caliber that offers what these "move-up" buyers want.

One real estate study recently reported that many areas of the country are experiencing a second dip in value but that the Washington metropolitan area was the *only* major market to post a year-over-year gain for the first quarter of 2011. Housing prices in our area rose by 4.3% while nationally, prices declined by 5.1% during 2010. It is hard not to take our good fortune for granted but we should always be aware of the special nature of our local housing market.

What is fueling such a healthy market for this area when things are supposed to be so bad? Simply put, our healthy real estate market is a result of our healthy job market. The national unemployment rate is over 9%, while metropolitan DC has a rate of 5.1%. In this blessed area where we live, there are many people with real estate needs and desires who have the means to fulfill them. There is a good measure of renewed confidence in the market that is motivating people to take advantage of low interest rates that no one could have predicted would still be available after such a long time. (And how much longer is anyone's guess!) Despite the depressing national news, what we see around us everyday is a thriving beehive of activity that says "things are okay here."

Neighborhood News...

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The home at **5010 Nahant Street** settled in early January and so, is included here, but was actually a 2010 sale. The property was listed in September at \$1,275,000. You may remember that last fall was not a particularly good time for home sales and this home did not sell right away. Eventually, the list price was reduced to \$1,175,000 and it finally got a contract in December—which was still only 90 days of marketing. This handsome home has three bedrooms on the second level and two more above that for a total of five bedrooms and four and a half baths. The final sale price was \$1,150,000.



The split level at **5120 Westpath Way** came on the market in February at \$999,000. This home is designed with two bedrooms and a bath on each of two upper levels—a floor plan that is not for everyone. But after a price adjustment to \$949,000, it went under contract (56 days) and settled in May for \$931,500.



Another Sumner home to sell early this year is the

home at **5004 Fort Sumner Drive**, listed in February for \$899,000. Four bedrooms and two baths on the second level were complimented by a newer kitchen with a breakfast area and family space next to it. Another strong feature of this property is an exceptional backyard that lends itself to kid play. This house sold in only 14 days for \$870,000.



The low sale from this group was the house at **5021 Sangamore Road**, which was also the quickest sale, attracting a contract in only four days. This deceptively spacious home offers a dining room larger than one could hope to find at this price level. It has three bedrooms on the main level and an enormous walk-out basement with a fourth bedroom and third bath. It was very attractively priced at \$769,000 and sold at full price.



At this writing, there is only one sale pending settlement, the handsome colonial at 4829 Fort Sumner Drive, listed at \$1,210,000.

Actively for sale at this writing is the four bedroom colonial at 5012 Fort Sumner Drive for \$959,000 as well as a two year old home on Rockmere Court (5008), priced at \$2,100,000. The Rockmere Court home was built in place of the original home at that address during the tough market of late 2008 and early 2009. That was not a market that favored a two million dollar sale, so the property was rented for a while to wait for a better time to sell. That time is now!

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