

WOOD ACRES!

A Real Estate Letter from Matthew Maury of Stuart and Maury Realtors

Dear Wood Acres Resident,

May, 2001

I wrote my first newsletter to the Wood Acres community in 1980. I've probably written close to a hundred of them over the years. I've never written a letter to you quite like this one. The events of the last four months are unprecedented. Wood Acres values, like many quality, close-in communities across the Washington area, have exploded upwards. The sheer ferocity of the market is almost overwhelming. I have often said that when times are good, Wood Acres is right at the cutting edge of accelerating appreciation. The classic three bedroom, two bath colonial (or four bedrooms up in the case of at least 80 of our special homes) is at the very center of what buyers are looking for in our area. All the ingredients that make Wood Acres a special place to live; the consistency of the architecture, the quality materials, the great tall trees and lush landscaping, the superior, well thought out improvements, the schools, the Park, the commute, the shopping access; all these factors come into play in a breathtaking market. Of course Wood Acres values are exploding, today's buyers recognize the same things you recognized when you bought years ago.

The difference over the last few years, and especially the last few months is that there is not enough inventory to satisfy demand and that is when prices rise, sometimes beyond what could have been imagined just a few short months ago. Here's an illustration. Prior to 2001, only one home out of 400 in Wood Acres had ever sold for over \$600,000. That terrific home on Cromwell sold for \$650,000 in 1999. A few others came close, such as a home on Ramsgate in 2000 at \$595,000 and a home later last year on Cromwell for \$577,000. I had been telling anyone who would listen for a while that there were *many* homes in Wood Acres worth over \$600,000, perhaps even \$700,000. The stunning additions and expansions in Wood Acres that have taken place over the past 15 years are everywhere. I like to say that there are always a few dumpsters in the neighborhood! But for years, those owners that expanded their homes didn't move, so the intrinsic value resting in the community was speculation, not fact.

Now the evidence is pouring in. In the last two months, four homes in Wood Acres sold near or over \$650,000. Here is the tale of the tape on these remarkable sales:

- 1) **5904 Ramsgate Road** sold for \$720,000. An artful and skillful job of representation by Stuart and Maury agent Bob Jenets resulted in this home, listed at \$699,000, selling for \$720,000 because of multiple offers. A sweeping, open family room/kitchen addition on the first floor, plus a fourth bedroom and third bath on the second floor made for an irresistible offering. This is the highest sale ever in Wood Acres. It was a great house. But it is fair to say there are even more valuable homes in Wood Acres awaiting the market one day!
- 2) **6113 Massachusetts Ave.** is remembered by many as the home that was purchased in 1989 for \$290,000, expanded by a builder who literally doubled the size of the home, but then tried to ask \$615,000 for it when the renovation was completed. The market turned slower in mid 1990. The home was subsequently rented to an embassy for four years and sold in 1994 for \$460,000. It was the highest sale ever in Wood Acres at the time and held that distinction for years. The current owner improved the home with excellent landscaping and thoughtful interior amenities. I sold this home in March of this year. We were asking \$685,000 and it sold on the first weekend. It is pending settlement in June. It is an impressive sale, and the highest sale of a property on Massachusetts Ave. in Montgomery County *ever*.
- 3) **6111 Ramsgate Rd.**, featuring a three story addition, first floor, upstairs and basement, went under contract in March with multiple offers and an asking price of \$649,900. I am told it sold well over the original price. This home sold for \$515,000 just two years before. The home had four bedrooms and three baths upstairs and an open, inviting family room/kitchen arrangement. A June settlement is pending.

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4) **5916 Harwick Rd.** went under contract at the end of March, at an asking price of \$649,900. This is a three bedroom, two bath home upstairs, original in its design and not modified on the second floor. However, the first floor is one of the most explosive, astounding expansions ever seen in Wood Acres. You may remember this home from the House Tour in the mid '90's. This home sold in mid 1998, just three years ago, for \$499,500. At the time, it was the highest three bedroom sale ever in Wood Acres and the price was considered jaw dropping. Now it holds the distinction of being the highest three bedroom (upstairs) sale ever in the community again. It is pending a late May settlement.

These four sales all took place in March of this year. There have been a number of other important sales in 2001. Let's take a look at the list in full:

	Original/List Price	Sales Price
1) 5904 Ramsgate Rd.*	\$699,000	\$720,000
2) 6113 Mass. Ave.*	\$685,000	pending
3) 6111 Ramsgate Rd.	\$649,900	pending
4) 5916 Harwick Rd.	\$649,900	pending
5) 5919 Welborn Dr.**	\$559,000	pending
6) 6001 Gloster Rd.*	\$545,000	pending
7) 5811 Devonshire Dr.	\$515,000	\$520,000
8) 6202 Avalon Dr.	\$520,000	pending
9) 6019 Woodacres Dr.	?	\$522,500
10) 5602 Gloster Rd.	\$529,000	\$509,000
11) 5914 Gloster Rd.	?	\$463,000
12) #4 Ardmere Ct.*	\$460,000	\$460,000
13) 6205 Mass. Ave.^	\$410,000	pending
14) 5904 Harwick Rd.	?	\$400,000

*Matthew Maury/Stuart and Maury sales.

*Bob Jenets/Stuart and Maury sale.

^Brian Maury/Stuart and Maury sale

**Matthew Maury sold another company's listing.

Yes, yes, yes there are a lot of sales in the above list you may never have heard of. Many are interesting and a few will raise an eyebrow. I recently sold the home at 5919 Welborn Dr. in a multiple contract presentation. The home was listed by my good friend/fellow Realtor and Wood Acres resident John Schoenfeld. This home was the home of Will Worland, the original architect that designed every home built by Albert Walker in Wood Acres. I sold this home for Mr. Worland in 1986. The home is unique in that it has *two* one car garages! It also features extra interior moldings and one of the finest, useful backyards in the entire neighborhood. My buyers were thrilled to get this fine house.

My superb listing at 6001 Gloster sold in a few days. This home featured a terrific breakfast room, den and sun room on the first floor. The owners are moving to a rambler in Sumner that I was able to find for them before it came on the market. The home that sold on upper Gloster for \$509,000 was the sale that reset the market for all of us this year. It came on the market in January and went under contract in a few weeks. This pretty home had a garage conversion to den and a porch conversion to den. It's kitchen, lot size and basement finishing were all modest. Past comparable data would have suggested a sales price in the high \$400,000's but the buyers came out in droves after the holidays and when this home sold for \$509,000, the real estate community revised our thinking about what was possible in Wood Acres and adjusted. This sale set the stage for the appreciation growth that has taken place this year.

A few of the sales above were sold by owners themselves. In all but one instance, the homes were sold for less than they turned out to be worth. Realtors are not magicians and it is fair to say that professional real estate service is not cheap. But the system that Realtors put in place is valuable. With full marketing, a staging of the property for maximum exposure, an orchestration of potential multiple offers (invaluable in the sale of both homes on Ramsgate), and overcoming buyer concerns about price values, the real estate industry insures that a home gets a chance to sell at the highest possible price.

I will tell one small story that illustrates the point. I was called in March by an owner that said they had bought their next home! The agent for that house had told them that their Wood Acres home was worth a certain figure. Based on that information they were calling just to let me know that they were coming on the market at a certain price. The price was at least \$50,000 **under what the home could command given the current market.** I pleaded with the owners to ask more money and they did. The home sold for close to \$60,000 more than

they were going to ask for the house. I was certain of my opinion because I spend considerable time paying attention to trends and values on a daily basis. I take the “emotional” temperature of the market every day. This kind of expertise and up to the second information could have put another \$100,000 in the pocket of another Wood Acres owner that sold their own home this year. I appraised the home a year and a half ago. They never called back to check with me again before concluding a private sale. I understand that not every owner feels he needs professional real estate services. But a great deal of the magic of Wood Acres values over the years has been developed by almost never having a home sell for dramatically less than it is worth.

I’m pleased to say that Stuart and Maury has participated in six of the 14 sales this year. As of this May writing, I have sold over **\$13,000,000** in 2001. The market is strong and active. **But the market is not invincible.** We must guard against overpricing as well as under pricing. Financial markets seem fragile and interest rates have actually bumped up slightly since the surprise Fed rate drop in April. Don’t ask me why, the lenders start talking about unemployment figures and durable goods and ...whatever. Incidentally, Wood Acres has a resident lending expert in our midst. My friend and basketball cohort Steve Jacobs lives on Cranston and represents a fine lender called First Savings Mortgage. A knowledgeable lender who lives in Wood Acres can be an asset when considering a refinance or purchase loan. Steve can be reached on his cell anytime 202-491-7601. I recommend him highly. In any event, the market remains remarkable and this moment in time is certainly a magical one for sellers.

On the flip side, being a purchaser has been tough. Enduring multiple contract bidding wars on a house is no fun. Agents must speak frankly with buyers about the pros and cons of home inspection contingencies, radon contingencies, financing contingencies, offering prices in excess of the asking price, escalation clauses, huge deposits, flexible settlement dates. The works! Many buyers lose numerous homes before they get one. My research suggests that 52% of the homes sold in the 20816 zip code in the last nine months sold at or above the asking price. Still, about 25% sold for at least \$25,000 less than the asking price, suggesting that knowledgeable professional advice has never been more valuable to a buyer than right now. Recognizing what a home is worth and what the competing public may think of a home is a difficult and daunting task. This is what good real estate agents do. And it is done best by agents that specialize in a relatively small geographic area so that their database of intimate information is focused tightly.

I put together the following information as random examples of settled sales in 2001 close to Wood Acres in what we will call the “next” price range. You might enjoy a drive in the car some nice Spring evening, checking out close-by Whitman communities and their sales between \$600,000 and a bit over a million dollars:

	Original/List Price	Sales Price
1) 5229 Westpath Way/Ft. Sumner	\$598,000	\$625,000
2) 4833 Ft. Sumner Dr./Sumner	\$679,000	\$660,000
3) 5001 Ft. Sumner/Sumner.	\$729,000	\$675,000
4) 6809 Tulip Hill Terr./Tulip Hill	\$749,000	\$740,000
5) 5926 Overlea Rd./Sumner	\$720,000	\$762,000
6) 6601 Tulip Hill Terr./Tulip Hill	\$795,000	\$775,000
7) 5205 Wyoming Rd./Glen Echo Hts.	\$849,000	\$825,000
8) 6008 Corewood Rd./Sumner	\$825,000	\$825,000
9) 5118 Wapakoneta Rd./Glen Echo Hts.	\$839,900	\$839,900
10) 5203 Wyoming Rd./Glen Echo Hts.	\$849,000	\$849,000
11) 5204 Wissioming Rd./Glen Echo Hts.	\$850,000	\$850,000
12) #7 Wyoming Ct./Glen Echo Hts.	\$825,000	\$860,000
13) 6004 Onondaga Rd./Glen Echo Hts.	\$935,000	\$879,000
14) 5028 Westpath Terr./Ft. Sumner	\$900,000	\$924,000
15) 5102 River Hill Rd./Glen Echo Hts.	\$1,300,000	\$1,060,000

Finally, my web site, now in its permanent home at **www.matthewmaury.com**, can provide you with useful information to navigate the real estate waters around you. There are some useful links to schools in our area. You can also find a copy of this newsletter to fax or email to friends and relatives. More and more, this newsletter is ending up in the hands of not only Wood Acres owners but buyers as well. The more informed a buyer is about value, the less likely they are to be disappointed or unrealistic.

Sincerely,

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