

# WOOD ACRES!

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

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**January, 2002**

**Dear Wood Acres Area Resident,**

“Wood Acres prices are too high! It’s ridiculous how much they have gone up in just the last year. We could have bought this house for tens of thousands less just last spring. We’re going to wait until things calm down a bit. This rise in prices can’t last.” Sound familiar? I have sold 251 Wood Acres homes in the last 21 years and many of you probably gave me that little speech at one time or another. The irony of the above quote is that it was spoken in late 1987 by a frustrated Wood Acres buyer. I took the trouble of writing it down and saving it because I just knew one day it would prove useful. The average price in Wood Acres had risen from \$209,543 in 1986 to \$276,972 by the end of 1987. Many buyers that had delayed their decision were now priced out of the market.

The parallel to today’s environment is revealing. Prices rose again in 2001. The lesson learned is that we cannot know the future. The old bromide “past performance does not guarantee future results” may protect stockbrokers from liability, but we can draw some conclusions from the quantifiable 20 year trend upwards in the value of Wood Acres real estate. In the long term, housing will cost more, not less. Prices have dropped more than 2% only twice in the last 21 years, 1981-82 and 1990-92, and each time the downturn was gentle and followed by sustained growth.

2001 will be a year remembered for events far more important than the rise in real estate values. Hopefully, the past year will be remembered as a year in which we reaffirmed our values and beliefs as a nation and a people. Certainly, each of us values our freedom more than we did at this time last year. It is remarkable that, given the blow we received in September of 2001, the real estate market has bounced back strong and healthy. Activity paused in September and October, understandably. But November was an excellent month and while December seasonally is slow, the turnouts at open houses and the sales that have taken place since the first of the year indicate that the market remains vibrant. The word that comes to mind is “resilient.”

Interest rates remain very attractive. My friend, fellow basketball player and resident Wood Acres loan officer Steve Jacobs on Cranston Rd., informs me that rates have moved back down a bit and that refinancing continues to be a favorite pastime among wise homeowners. Fixed rate money for “jumbo” loans over \$300,000 is resting at around 7.125%. Rates below this are obtainable in a variety of loan products. I am noticing that many “boomers” entering their fifties are considering 15 year mortgages with an eye on the future.

I expect 2002 to be another great year for real estate in our area. I am asked all the time, “How’s the market?” My answer, for a long time, has been, “Great...since 1982!” Who could have imagined when we came out of the days of 18% interest rates that our values would triple over the next 19 years?

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**Stuart &  
Maury, Inc.  
Realtors**

Main Office: 4833 Bethesda Avenue, #200, Bethesda, Maryland 20814 301-654-3200

*Results since 1956 E-Mail: [Matthew@MatthewMaury.com](mailto:Matthew@MatthewMaury.com)*

This is the 21st year I have published this newsletter. The real estate business has changed dramatically, aided by computers and access to information in a way we could never have imagined. But fundamentally my job remains the same as when I started in 1981. Help people buy and sell their Wood Acres homes by providing as much accurate information as possible. I try to know as much as I possibly can about value, market trends, financing and the “emotional temperature” of the market on any given day. After 21 years and 251 Wood Acres sales, this can be said to qualify as “expertise.”

At my web site, [www.matthewmaury.com](http://www.matthewmaury.com), a prospective buyer or seller can click on “Wood Acres” and obtain a 20 year history of property value trends in our community. There are numerous past newsletters to be read, a chart of the past year’s sales and details on every single home sold. And in 2002, with the help of the technology aide I have hired in my office, visitors will be able to see a picture of every home sold in Wood Acres in the past year and a personal description and observation from me about that home. I hope to post movies of the Fourth of July Parade, one of Wood Acres most intriguing institutions. Visitors can also review a history of the community and Wood Acres covenants and guidelines. I want every potential buyer of a Wood Acres home to understand all the aspects that go into the truly wise investment of owning a Wood Acres home.

Let’s take a look back at the year 2001, and real estate activity in Wood Acres:

- 24 homes sold in Wood Acres in 2001, about 6% of the community. The average number of Wood Acres sales over the past 10 years has been 23 a year, so last year was consistent with the long term averages. In light of the shockingly low inventory that existed throughout the Washington Area in 2001, it is a bit surprising that Wood Acres inventory remained consistent. Still, the number of potential buyers far outweighed sellers in the past year.
- The average price in Wood Acres **rose 15.4%** in 2001 from an average price of \$470,800 in 2000 to an impressive average sales price of **\$543,312** in 2001! This increase is the largest yearly rise in Wood Acres since 1988 and ties the second highest one year gain of all time. **The average home in Wood Acres has gained an astounding \$147,000 in value in just the last three years!** The sample is very representative too. Sometimes, a very high sale or two skews our numbers in a small sample. But in 2001, a number of high sales were balanced by a couple of surprisingly low sales. The median sales price in the community, at \$537,500, falls right in line with the average price of \$543,312.
- The high sale for the year took place on Ramsgate Rd at \$720,000, the second year in a row that Ramsgate has captured the prize. Ramsgate also recorded the second highest sales price at \$677,000. These were both homes with large two story additions, as was the third highest sale at \$675,000 on Massachusetts Ave. Last year in this recap I said that I thought there might be as many as 10 to 20 homes in Wood Acres worth more than \$600,000 and a few that could be sold over \$700,000. Now I might venture a guess that 60-70 homes could be worth more than \$600,000 and dozens worth more than \$700,000. I have had more than a few homeowners contact me in the past few months speculating about spending upwards of \$400,000 to \$500,000 on their existing homes. As demonstrated by recent additions and enhancements on Woodacres Dr. and Welborn Dr., the confidence homeowners are exhibiting in the community helps protect and enhance long term value.

- The low sale for the year took place on Harwick Rd. for \$400,000, which was a private sale. Two homes sold on Mass. Ave. at \$405,000 and \$440,000. There were seven sales under \$500,000 last year. I have my doubts about how many homes on the interior of the community will be sold under \$500,000 in the coming year. Two of the homes that sold at or under \$500,000 in the past year are now receiving major two story additions. The cost of such improvements starts at \$200,000 and soars upwards. There is a market for the basic Wood Acres home, gently lived in but not added onto. The buyer for this home obtains a “construction to permanent” loan and then adds large, valuable space onto the home. Former Wood Acres resident Ned Hengerer of Home Stretchers and Mario Roca of Vanguard are the two builders creating these terrific residences on Cromwell and Upper Harwick.

- Wood Acres homes sold for **100.69%** of their asking price in 2001. Needless to say, **that** has never happened before! The two highest sales sold well over their asking prices, which were listed at higher than any home had ever sold for before. The \$720,000 Ramsgate sale had multiple offers and sold \$21,000 over the asking price and the \$677,000 Ramsgate sale, also with multiple offers, sold \$28,000 above the list price. Wood Acres was hardly alone in this phenomenon in 2001. Homes all over the place were receiving multiple offers, which can drive the price up. Sixteen of twenty four sales in Wood Acres last year sold at or above the list price in the last year. Finally, seventeen of the twenty four sales took place at or over \$500,000.

- Wood Acres homes were on the market an average of eight days last year. This kind of liquidity is part of what makes Wood Acres such a valuable place to live. The competition to buy a “next” house is fierce in the higher price ranges too. *Knowing* that you can sell your house and use the equity to buy the next one is a comforting factor.

- For over 20 years, I have tried to report on exactly where departing Wood Acres owners have moved to. Interestingly, five Wood Acres rentals were sold in 2001, further depleting their numbers to 18 homes by my count. As prices move ever higher, many landlords cannot resist the remarkable gains of the past few years. Three owners moved out of town and the homes they sold were three of the four highest for the year. They moved to Florida, and San Diego, the kinds of places that make you think, “Well, I can understand **that**!” I will often explain to buyers that few of the truly spectacular homes in Wood Acres come up for sale because those owners made a decision to stay and add onto their homes. Only a job change or a crying need for more space lead these owners into selling.

Two owners moved to Westmoreland Hills, one to Sumner, one to Bannockburn and one to Kenwood Park. Another moved to Kenwood and three Wood Acres sellers moved to Potomac with River Falls being one of those destinations. In all, nine of the 24 sales involved sellers buying a larger home. Four homeowners retired to smaller quarters or moved from the area and finally, two sellers moved to a smaller home.

- These Wood Acres homes have sold or are pending since my last letter:

**Original/List Price    Final Sales Price**

1)	6015 Woodacres Dr.*	\$599,500	\$599,500
2)	6203 Newburn Dr.**	\$589,000	\$589,500
3)	5906 Devonshire Dr.	\$589,000	\$582,000
4)	6105 Wynnwood Rd.	\$539,500	pending
5)	6308 Avalon Dr.*.	\$549,000	\$500,000

\*Matthew Maury sale. \*\*Bob Jenets/Stuart and Maury sale.

- Wood Acres homeowners recently received an Assessment Notice regarding the New Market Value of your home for the purpose of real property taxes. You may know that houses in Montgomery County are reassessed every three years in an attempt to reflect actual market value. The reality is that most houses are under assessed. Our homes are worth more than the assessed value, especially in view of the rapidly escalating sales climate we have seen in the last few years.

In Montgomery County, we still have the Homestead Tax Credit in effect. This law, passed in 1990, limits assessment increases to no more than 10% annually for your primary residence. The Credit only applies to people who lived in their homes for at least one year. Homeowners who purchased their homes within the last year should expect to see the New Market Value listed in Box 4 to be very close to their actual purchase price.

The method for calculating your tax bill has been simplified. In the past, you were taxed on 40% of the assessed market value, at a rate of \$2.824 per \$100. Now, you are taxed on the full market value, but the rate has been adjusted to \$1.105 per \$100 to compensate for the higher value, thus keeping your tax bill approximately the same as it would have been under the old system.

There is an appeal process described in your Assessment Notice if you feel that your market value is too high or in error. Our sources, familiar with the process, suggest that you pursue Option #2, a personal hearing with an assessor. In general, you should focus on objective facts pertaining to your property. Avoid comparisons to other assessments (like a neighbor's), or subjective criteria (like a floor plan layout.) Avoid criticizing the process or complaining. Try to obtain the actual comparables used by the assessor in assessing your home. Look carefully for inaccuracies. You can use them to plead your case. Call me to discuss the comparable properties the assessor used. I may well have sold those houses and certainly will have seen those homes. I have been in every house to sell in Wood Acres since 1980. If you need help obtaining comparable sales information, or more details on the process, I will be glad to assist.

- In 2001 I generated real estate sales exceeding \$26,000,000. My career sales now exceed \$250,000,000 and I have been involved in the sale of 251 Wood Acres homes. I value the referrals that the good homeowners of Wood Acres send me. I believe that I offer an expertise and specialization that can truly help sellers and purchasers in our community. On a personal note, I coached my 36th (spring and fall, two teams, nine years!) and final season of BCC Baseball this Spring. I finally won a championship. I didn't need to win one to validate the terrific experience of coaching young kids, but it was a sweet moment. I treasure my position as self-appointed Commissioner of WAMBA, the Wood Acres Men's Basketball Association that many fine men participate in every Monday and Wednesday night. We indeed a fellowship. The joy in this business is seeing people that I have introduced become friends and their kids become friends. It's what makes a *community*. Wood Acres is indeed a special place.

**Matthew Maury**

**P.S.** This Wood Acres newsletter, past newsletters, a 2001 year end recap of sales activity in Wood Acres and a history of Wood Acres sales going back to 1980, can be accessed at my web site [www.matthewmaury.com](http://www.matthewmaury.com). Click on Wood Acres. You can also find similar data on the subdivision of Springfield.

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Realtors

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## Wood Acres Sales History through the Years!

<b>YEAR</b>	<b>AVG. SALES PRICE</b>	<b>HOUSES SOLD</b>	<b>GAIN/LOSS</b>
1979	\$136,120	11	**
1980	\$149,300	11	+9.6%
1981	\$153,785	12	+3.0%
1982	\$148,456	20	+3.2%
1983	\$159,808	23	+7.0%
1984	\$179,280	29	+12.2%
1985	\$194,000	26	+8.2%
1986	\$209,543	31	+7.5%
1987	\$276,972	22	+32.1%
1988	\$319,808	25	+15.4%
1989	\$358,000	19	+12.1%
1990	\$328,626	19	-8.2%
1991	\$335,810	29	+2.2%
1992	\$323,795	22	-3.6%
1993	\$343,366	29	+6.0%
1994	\$354,481	27	+3.2%
1995	\$355,411	18	+.02%
1996	\$347,846	13	-2.1%
1997	\$351,105	19	+1.0%
1998	\$396,528	17	+12.9%
1999	\$436,842	38	+10.1%
2000	\$470,800	20	+7.8%
2001	\$543,312	24	+15.4%

Prepared by  
Matthew Maury of  
Stuart and Maury Inc. Realtors  
301-996-2626  
E-mail: [matthew@matthewmaury.com](mailto:matthew@matthewmaury.com)