

WOOD ACRES!

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

January, 2004

Dear Wood Acres Area Resident,

How much more can be said? If you owned a house in 2003, it's worth more than it was last year. It's worth a lot more than it was a few years ago. We all should have bought a bunch of houses in the last few years. Who knew? In our hearts, we all knew the answer to that question. We knew that if we owned classic colonial architecture inside the Beltway, beneath magnificent tall trees and near superb, renovated schools, we were going to experience excellent appreciation in the long term. A very wise Realtor with 50+ years of experience (William C. Stuart III) said to me recently, "Never, ever, doubt the value of Bethesda real estate." Sounds simple, but remarkably true. Buyers in the today's market place seem vaguely worried about "buying at the top of the market." I hear this a lot. A long-term view of value obviously reveals that quality houses go up in value. This is indisputable.

For the 23rd consecutive year, this letter will review and discuss what happened in your community with respect to real estate values and trends in 2003. The recap on the last page provides complete and comprehensive data on each sale in Wood Acres during the past year and the "Through the Years" page will continue to demonstrate the amazing course of Wood Acres prices since I started this letter in 1980.

Five years ago the average sales price of a Wood Acres home in 1998 was \$396,528. **In 2003, the average price of a Wood Acres home soared to \$638,465.** That's a 61% increase in value in the last five years. A very large and detailed article in the Washington Post appeared on Saturday January 3rd, 2004. The article was stunningly positive on the future of real estate and values. The Post is often cautious and pessimistic about the future when it comes to real estate. This article was a bit of a revelation to me. Page after page extolled the virtues of the coming year and the apparent certainty of reasonable interest rates, brisk sales and rising values. National real estate experts expect appreciation in the range of 4-5% in the coming year, but commented that the D.C. area could perform even better. Let's take a look at the 'wider' picture happening in the immediate area nearby:

- There were **236** single family detached homes sold in **20816** zip code in 2003. The average sold price was **\$768,327**. 20816 homes sold on average **OVER** the asking price in the past year. The high sale in the zip code was the \$2,350,000 sale in Fort Sumner and the low sale was \$388,000 on River Rd. in Greenacres. There were 30 sales over \$1,000,000 in the 20816 zip code in 2003, including two sales over \$2,000,000 (the other sale was in Westmoreland Hills). It took on average 40 days for a home in the 20816 zip code to go under contract, quite a bit longer than the 12 days in Wood Acres!
- The cost of single family housing in the 20816 rocketed up **19.9%** from the 2002 average of \$640,650 to an astounding average in 2003 of **\$768,327**. This is largely attributable to the creation of new housing stock over \$1,000,000. Throughout many communities, new homes are springing up where small, outdated homes used to be.

When homes that sold for more than \$1,000,00 are factored out of the 20816 sales stats for the past year, the average single family home sold for **\$680,936**, an **11%** increase over the 2002 average of \$614,738. Now let's look at the past year and the strength of the market in Wood Acres:

- For the first time, the average sale of a Wood Acres home bolted over the \$600,000 level, coming to rest at **\$638,465**. The median sale was \$650,000, with nine sales above that figure and nine sales below. The average price was remarkable in light of the fact that no homes with four bedrooms on the second floor were sold in Wood Acres last year. By my careful count, there are over 80 such homes in the community, accounting for more than 20% of the housing stock. The last four bedroom offering to come on the market in Wood Acres took place in 21 months ago. It can confidently be asserted that these 80 homes are all worth at or near \$850,000 and many of them are worth \$900,000 to, dare I say, \$1,000,000. These homes rarely come on the market, however, as the homeowners that built such additions made a decision to stay in Wood Acres long term.
- The average price of a Wood Acres home rose **7.0%** in the last year, up from \$596,541 in 2002 to this year's \$638,465. The appreciation rate of 7.0% was less than the previous year's 9.8% increase. In fact, last year's appreciation rate was the lowest since 1997. During the last five years, appreciation rates between 7.8% and 15.4% were posted. As prices rise up and up, it gets harder to keep posting double digit gains. If you consider the actual amount of dollar increase posted last year, the number is about \$42,000. This amount is the equal of four of the last five years. It would be reasonable to expect appreciation rates to slow somewhat as prices continue to rise.
- Only 19 homes were sold in Wood Acres in 2003, down from 25 sales in 2002 and 24 sales in 2001. This trend is evident throughout the Bethesda/Chevy Chase areas. We just don't have enough houses to sell. I would expect this trend to continue. Lack of inventory continues to fuel price increases. When buyers have very little to choose from, each home receives intense interest. Historically, the average number of homes sold in Wood Acres has hovered around 24 a year.
- The high sale in Wood Acres in 2003 was a home on Corbin Rd. which sold for **\$734,000**. This home was in excellent condition and had the classic three bedrooms and two baths upstairs. It was enhanced by a Home Stretchers family room addition on the back built in the 1980's. A first floor den and a finished lower level, plus the larger bedrooms which come with a Wood Acres homes built after 1950 were also present. The high sale this past year is \$104,000 *less* than the high sale in 2002 when a four bedroom home sold for \$838,833.
- The low sale for the year was on Mass. Ave. for **\$513,000**. Four Mass. Ave. homes were sold in the past year at prices of \$513,000, \$528,000, \$572,000 and \$580,577. When these Mass. Ave. sales are factored out of the equations for 2003, the average price of a Wood Acres home in the interior of the community rises to **\$662,450**. The performance of the four Mass. Ave. sales this year at an average sales price of close to \$550,000 was very impressive.
- Only two of the nineteen sales this year were sold before the home went "on the market", an indication of an increasing trend in which sellers want to be assured that the entire market gets a good long look at the property for about four or five days. If a seller

receives multiple offers, the price can soar to another level. It should be pointed out however that while nine of the nineteen sales sold over the asking price, five of those sold for less than \$5,000 over the price. Only two homes sold for significantly more than the asking price. A home on Newburn, listed for \$669,000, had three offers and sold \$41,000 over the price at \$710,000. Additionally, a home on Cromwell was sold for \$46,000 over the asking price. Interestingly, there was only one offer on that property, but the buyers enticed the seller to sell the property prior to the open house.

Of the two homes that sold quietly in 2003, one sale was to a tenant that had lived in the home for four years and the other sale was by an owner that had committed to the building of a new home and the buyers waited six months for the Wood Acres home to be vacated.

- Wood Acres homes sold for **99.99%** of their asking price last year, an impressive number but less than the 100.41% rate posted the previous year. In light of the fact that nine of the nineteen homes sold over the price last year, it becomes apparent that a few Wood Acres homeowners overreached in their asking prices in 2003. A home on Welborn sold for \$25,250 less than the asking price, a home on Harwick sold for \$30,000 less than asking price, a home on Gloster sold for \$49,000 less than the original asking price and a home on Cobalt sold for \$20,000 less than the asking price. This illustrates the point that you just can't ask *anything* for a home and expect it to sell. Even in a very healthy, hot market, there is a tolerance level that can be pushed only so far. Buyers are extremely educated these days. The internet has seen to that. Buyers recognize that homes are selling for more, that there has been appreciation and that there is intense competition for good houses. They can also recognize when an overpriced home is not selling quickly.
- The period of time to sell a home in Wood Acres rose a bit during the past year from 7 days in 2002 to about 12 days in 2003. The four homes that were initially overpriced took on average 35 days to sell, the other 15 sales took about six days to sell. Liquidity is one of the great real estate attributes of owning a Wood Acres home. Buyers from other areas, even areas that have hot markets, comment to me that homes still take quite a bit longer to sell in other cities. The ability to *know* that you can get your home sold and move on in life is a wonderful thing.
- For the 23rd year, I will try to reassemble where the departing 19 owners moved to in 2003. It's not always possible to know where everybody went, but I can report that two more rentals were sold in Wood Acres in the past year, reducing the rental stock one step more. Four homeowners moved to the Potomac area (none of which went to River Falls.) Four owners moved for the ease and convenience of condo living without the yard maintenance. Two owners moved out of town and two moved to the Chevy Chase area, including one to Kenwood. Finally, five owners in Wood Acres sold their homes and moved to other parts of Bethesda, including Glen Echo Heights, Bannockburn and Fort Sumner.
- As of this mid January writing, there are very few homes for sale in the entire 20816 zip code under \$1,000,000. It's a truly exceptional time to be a seller. We all tend to think about selling our homes in the spring with the birds chirping, the grass green and the azaleas blooming. But every year a lack of inventory results in

remarkable sales and intense buyer interest in the few homes offered at this time of year. It's never too early to start talking if you are contemplating a real estate transaction in 2004. I'm here to help.

- I thought you might be interested to see some 2003 year-end stats on surrounding communities in the 20816 zip code:

	# Sales	Average Sales Price	High Sale	Low Sale
Brookmont	9	\$744,022	\$1,095,000	\$539,000
Fort Sumner	6	\$1,012,127	\$2,350,000	\$699,900
Glen Echo Hts.	35	\$803,315	\$1,500,000	\$450,000
Glen Mar Park	14	\$668,282	\$1,275,000	\$425,000
Greenacres	12	\$584,988	\$637,750	\$388,000
Springfield	19	\$712,789	\$1,000,000	\$529,000
Sumner	21	\$817,027	\$1,450,000	\$575,000
Tulip Hill	5	\$849,000	\$995,000	\$700,000
Westgate	26	\$772,634	\$947,500	\$390,000
Westmoreland	19	\$1,086,726	\$2,060,000	\$690,000

- A few caveats are in order. In Fort Sumner, the sale of one spectacular home at \$2,350,000 skewed a very small sample. The average drops to \$789,149 when the big sale is dropped out. The Glen Echo Heights average is skewed by several very large knockdown-rebuilds. Only eleven of the thirty-five sales were over the \$828,294 average in Glen Echo Heights. It is interesting to note that almost twice as many homes sold in Glen Echo Heights in the last year compared to Wood Acres. The Glen Mar Park average drops to \$574,245 when the two new home sales over \$1,000,000 are taken out of the equation.

It is fascinating to point out how many of the above communities had sales over \$1,000,000. The phenomenon of homes being knocked down and rebuilt into today's larger 4500 square foot plus homes has not touched Wood Acres. Given the covenant restrictions and the harmony of the architecture, this is not likely to happen in the future either. Therefore, our average sales price lags behind many communities, but this is not to be seen as a negative. The following illustrates the point.

Many residents have asked about the lot for sale on Wiltshire Dr. As best as I can piece together, the lot is not everything you are looking at. The offered lot is a triangle, not a rectangle, with the lot extending across the front footage but angling to the back left hand corner. The lot is only 5515 square feet and zoning appears to require 6000 square feet in order to build a home. The price has plunged from an original asking price of \$399,000 to \$125,000. That's because no builder can figure out how to get permission to build there. Additionally, your community leaders have made clear to the agent and the seller that any new home would have to pass muster with the Wood Acres community and our covenants. It's a difficult mountain to climb. The other part of the triangle is owned by the Springfield neighbor next door and they appear to have no interest in selling. This lot has been pursued by potential builders and would-be homeowners since the '60's, without resolution. Stay tuned!

- These Wood Acres homes have sold since my last letter in October:

	Original/List Price	Final Price
1) 6201 Newburn Dr.*	\$669,000	\$710,000
2) 6011 Cobalt Rd.	\$729,000	\$709,000
3) 6111 Cromwell Dr.	\$669,000	\$670,000
4) 5602 Gloster Rd.	\$699,000	\$650,000

***Stuart & Maury Realtors sale.**

- My web site at www.matthewmaury.com continues to expand. For the last two years, I have arranged for a professional photographer to take a virtual tour of each Wood Acres listing I have. These Wood Acres past sales can be accessed at “Wood Acres” on my site. Over time, the comparable information and the ability for real estate appraisers to access not only the data but also actually *see* the home inside and out has proven quite useful. If you refinance in 2003, feel free to direct your appraiser to my site for accurate and comprehensive information. I plan to maintain and keep these virtual tours for years to come, so they will be there accumulating weight and value. The tours also prove valuable for buyers with out of town parents or relatives that want to get a look at the home the buyers are considering.

Additionally, the new Wood Acres covenants, guidelines, application forms, a community history, my “Wood Acres Stories” piece and a description of community events are all posted at the site. Ain’t technology grand!

- In 2003, I was fortunate enough to sell over **\$27,000,000** worth of real estate, bringing my career totals to over **\$325,000,000**. Stuart and Maury Inc. Realtors completed its 48th year in business serving the Bethesda area. It was our very best year ever. It is an honor and a privilege to be able to go to work each day and share my career with my associate and fellow Realtor Bob Jenets. Many of you know that Bob and I performed in a rock and roll band for eight years in the ‘70’s, traveling the country and playing music. When we were playing the music of Chicago, Tower of Power, Zeppelin, Queen, and the dreaded Disco we never dreamed we would end up together in real estate. Friends for life are hard to come by. I am most fortunate.

Sincerely,

Matthew Maury
Principal Broker
Stuart & Maury Inc. Realtors

**Stuart &
Maury, Inc.
Realtors**

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

E- Mail: matthew@matthewmaury.com

Web Site: www.matthewmaury.com

Results since 1956

Wood Acres Sales History through the Years!

YEAR	AVG. SALES PRICE	HOUSES SOLD	GAIN/LOSS
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%
2002	\$596,541	25	+9.8%
2003	\$638,465	19	7.0%

Prepared by
Matthew Maury of
Stuart and Maury Inc. Realtors
301-928-8686
E-mail: matthew@matthewmaury.com
www.matthewmaury.com

Wood Acres Sales Recap 2003

	Address	Original price	Final price	BR Up	Full Baths	Half Baths	List Month	Days on market	Settlement Date
1.	6002 Corbin Rd.	\$739,000	\$734,000	3	2	2	Mar-03	14	30-Jun-03
2.	5606 Harwick Rd.*	\$755,000	\$725,000	3	2	2	Aug-03	21	30-Sep-03
3.	6000 Cromwell Dr.*	\$719,000	\$722,000	3	2	1	Apr-03	5	1-Jul-03
4.	6201 Newburn Dr.*	\$669,000	\$710,000	3	2	1	Sep-03	4	14-Nov-03
5.	6011 Cobalt Rd.	\$729,000	\$709,000	3	2	1	Aug-03	44	22-Oct-03
6.	5705 Gloster Rd.*	\$699,500	\$700,000	3	3	0	Jul-03	6	2-Sep-03
7.	6303 Newburn Dr.*	\$695,000	\$700,000	3	2	1	Jan-03	1	3-Sep-03
8.	6111 Cromwell Dr.	\$669,000	\$670,000	3	2	0	Oct-03	1	31-Oct-03
9.	5913 Welborn Dr.*	\$695,000	\$669,750	3	2	1	Apr-03	26	27-Jun-03
10.	5602 Gloster Rd.	\$699,000	\$650,000	3	2	1	Aug-03	41	14-Oct-03
11.	5903 Harwick Rd.*	\$629,000	\$629,000	3	3	0	May-03	4	27-Jun-03
12.	6112 Cromwell Dr.*	\$579,000	\$625,000	3	2	1	Apr-03	3	30-May-03
13.	6115 Mass. Ave.	\$549,900	\$580,577	3	3	0	Jan-03	5	30-May-03
14.	6102 Welborn Dr.*	\$579,000	\$580,000	3	2	0	Aug-03	3	30-Sep-03
15.	6004 Cobalt Rd.	\$549,000	\$573,000	3	2	1	Dec-02	5	21-Feb-03
16.	6203 Mass. Ave.*	\$575,000	\$572,000	3	3	1	May-03	30	15-Aug-03
17.	6008 Welborn Dr.*	\$540,000	\$540,000	3	2	0	May-03	1	27-Jun-03
18.	6117 Mass. Ave.	\$549,500	\$528,500	3	3	1	Jun-02	12	29-Apr-03
19.	6111 Mass. Ave.	<u>\$513,000</u>	<u>\$513,000</u>	3	2	0	Apr-03	1	30-Jun-03
	Average:	\$638,521	\$638,465				Average Days	12	
		99.99%					on market		

Source: Metropolitan Regional Information System, Public Records & careful memory

*Stuart and Maury & Matthew Maury participated in the sale of these homes

Prepared by
Matthew Maury of
Stuart and Maury Inc. Realtors
301-928-8686
E-mail: matthew@matthewmaury.com
www.matthewmaury.com