

SPRINGFIELD

Westwood/Beacon Hill

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

Dear Springfield Area Resident,

Sept, 2012

Real estate activity in our community in 2012 has been sporadic. On one hand, those homes that have come up for sale have, for the most part, sold quickly and for excellent prices. But there have been only 12 sales this year so far. Upon reflection, this may be the new normal. There were only 16 sales in our community in 2011, 14 in 2010 and a low of 11 in 2008. The new average appears to be hovering in the 14 range based on data from the past five years. For perspective, from 2002-2007, our community averaged 22 sales a year. Stand back in awe and distantly remember 1988, when 45 homes sold in the Springfield area. In one year!



Why is it that we are seeing fewer sales and less mobility? Why is it that the astounding, historically low interest rates hovering in the 3-4% range are not low enough to spur housing activity in our area? I think for many owners, they recognize that their home lost value during the downturn. They remember what it might have sold for in 2005 or 2006. They see their clearly erroneous tax assessment and how low it is and think “we’ll just stay here until our home value recovers.” In neighboring Wood Acres, many homeowners face a decision as to whether to expand dramatically or buy a bigger house. The Springfield area has never particularly been a community where owners moved out to obtain a *larger* home. For the most part, our homes are big enough to accommodate growth, especially the splits and big colonials on Searl Terrace and Albia Rd.

In general, many sellers still seem hunkered down. If you own a tech stock that has never fully recovered from the tech bubble at the turn of the century, perhaps you have held it, figuring “I don’t truly sustain that loss until I sell.” Many homeowners appear to approach a potential home sale in the same way. Yet, two homes that I sold this year were a case of owners moving to another city as part of a retirement strategy. I sold their homes for an excellent price, quickly, with little difficulty or fanfare. And both homes brought about what they would have sold for in 2006.

The Fed’s recent announcement that they intend to promote an economic environment with low interest rates for many more *years* may provide the “certainty” that the market has been waiting for. We’ll see. I know that many buyers and sellers have put their housing decisions on hold over the past five years. Many buyers for *your* home are still concerned about the value of *their* homes and their ability to get them sold in coordination with buying yours. The challenges of obtaining financing are surprisingly easy for buyers unencumbered by a home with a current mortgage, but far more difficult when a buyer has not yet sold and settled their current residence.

Still, the Washington DC metropolitan area has an unemployment rate stunningly lower than the rest of the nation. There is money here and our real estate market is much healthier than most of the country, for that we can be grateful. Frankly, we could use more inventory to sell. I think better choices would spur a lot of fence sitters. There are buyers for your home out there, if only they were provided with a wider selection.

After 32 years selling Bethesda area homes, I often know what is coming in the pipeline far before it reaches the market. Sellers will contact me, sometimes a year in advance of a move, just for a preliminary discussion. This info gets stashed away and I will often tell them, "I'm going to call you up eventually with the perfect buyer, on your terms and your time table." Other times, I get a call from buyers. It goes something like this: "we love the Springfield area and we're thinking about buying a home next year." I tell them, "I'm going to call you up eventually with a lead on a great house." And then there is the third way these things unfold. Agents from other companies, knowing that I've sold hundreds and hundreds of Wood Acres/Springfield area houses will call or email saying, "my buyers love the area that you work, can you get us into anything?" These are opportunities. For buyers, they get to see something no one knows about. For sellers, they can sometimes avoid the stress and hassle of being "on the market." Buyers are not wracked with the indecision that comes from deciding on a home that others have rejected. These "quiet" opportunities happen a few times a year, and this year the tumblers clicked into place on a unique sale. I don't always know the perfect buyer, or have the perfect house, but I am a repository of deep background information because I know so many of you, I live in the community, owning a home on Ogden Rd, and I stay extremely aware of the activities and concerns of our area. If I were hunting for a home in River Falls for a buyer, I might call Anne Killeen of Washington Fine Properties. She has been extremely active in that community for decades. I might call Mary Lou Shannon in Carderock. You get the idea, there are pockets where agents have expertise. And it matters.

I was standing in an open house on Springfield Dr. in May when a potential buyer came in. She explained that they had lost out on several homes to multiple offers. Ding..ding..ding. She had an agent and I told her, "have your agent call me." When that agent called, I explained that the



owners of **5712 Newington Rd.**, a 5-level split, were contemplating a move to South Carolina. I explained that I had met with them and was authorized to quietly show the home with a price of \$899,000. The house turned out to be perfect for the buyers and the deal was put together within 48 hours. What a win/win. The buyers purchased a wonderful family home, the sellers sold their home without the hassle of being "for sale" and all that goes with that. Everybody was happy. This sort of transaction *can* take place in today's market. The home settled for the full price of **\$899,000**.



I listed **5908 Springfield Dr.** in early April for **\$839,000**. This three bedroom, three bath cape cod had been renovated extensively and showed beautifully. The owners, moving to New Mexico, had spent months preparing the home for sale. I could never have asked for more wise and committed sellers. Within eight days we had two offers and, eventually, a full price contract. The home settled in June. Win/win all around. By the way, this Springfield Dr. home is ridiculously assessed at only \$678,300. Throughout Springfield many of you should say, "thank you Mr. Tax Man."

Stuart and Maury and my associate, Bob Jenets, sold an important home this year at **5403 Brookeway Dr.** for **\$1,900,000**. This brand new



home, built by Rasevic Construction, featured over 6000 sq. ft. of today's living space. The builder bought the original existing home on that lot in April of 2011 for \$650,000. The property was fully constructed and sold 14 months later. During the "go/go" years, our area witnessed eleven sales over \$1,850,000. This Brookeway sale matches the last "new home" sale on Jordan Rd. in 2010, which also sold for \$1,900,000. This sort of new home sale has been rare in our area the last few years, although I will say that builders are starting to more

aggressively consider tearing down older modest houses, not only in 20816, but throughout Bethesda. Builders are exceedingly cautious about the price that they pay for the house they are going to tear down. It is often said that the "buy" makes all the difference when it comes to the final bottom line. Now, let's take a look at the several other sales that have taken place in 2011:



5312 Briley Place, a 3 bedroom, 2 bath colonial with an open kitchen and 1st floor powder room, was sold in March and settled in May for **\$800,000**. What makes this sale interesting is that the home was sold in 2006 for \$877,500. That's a nasty drop in value, explained in part by the sellers being a RELO company with less emotional stake in the sale. I consider the home a great buy at the 800K price. This home has a larger footprint than Wood Acres homes and, in my opinion, is worth more than the 800K final sales price.



5620 Knollwood Rd., a 4 bedroom, 2 bath split, was sold in July for **\$817,000**. The sellers had installed a granite/maple kitchen shortly before it came on the market. This home was purchased in 2005 for \$787,000, illustrating quite well the meandering value journey that homes in our area have experienced over the past seven years. In some cases, homes have gone up in value since 2005, in other cases, they are worth a touch less. Of course, there are places in the country that would die to have posted a track record of "holding value" over the past seven years. Stuart and Maury agent Bob Jenets also sold this home.

Take note of the chart below, which outlines all 12 of the area sales this year. There are three sales, which took place in the late spring that sold over the asking price. Kirkwood Dr. sold for 35K over the asking price (I hear there were five offers!), The home on Pollard Rd. is a truly exceptional Cape Cod on one of the very best blocks in the entire community. The 3/4 BR home at 5606 Knollwood, a split, had been superbly prepared for the market and showed beautifully. It also had multiple offers. The point here being that very good homes have attracted excellent buyer attention in 2012. Incidentally, the low sale on the board this year, on Ogden Ct. for \$720,000, was influenced by the traffic noise of River Rd. behind the home.

Here's the full tale of the tape for 2012 so far:

		<u>Orig Price / Last price</u>	<u>Final Sales Price</u>
1)	5403 Brookeway Dr. **	\$2,095,000/\$1,995,000	\$1,900,000
2)	5630 Newington Rd.	\$1,099,999	\$1,000,000
3)	5503 Kirkwood Dr.	\$915,000	\$950,000
4)	5518 Pollard Rd.	\$939,000	\$940,000
5)	5606 Knollwood Rd.	\$919,500	\$920,000
6)	5712 Newington Rd.*	\$899,000	\$899,000
7)	5511 Westbard Ave.	\$985,000/848,900	Under contract
8)	5908 Springfield Dr.*	\$839,000	\$839,000
9)	5612 Jordan Rd.	\$829,999	\$825,000
10)	5620 Knollwood Rd.**	\$824,000	\$820,000
11)	5312 Briley Place	\$849,000	\$800,000
12)	5805 Ogden Ct.	\$750,000	\$720,000
	*Matthew Maury sales	**Bob Jenets sale	

A quick heads up: two years ago I had **SHREDDER DAY** in front of Wood Acres Elementary. The company that brought the professional shredding truck told me it was the biggest community shred he had ever attended. I will be doing it again on Sat. Nov 3rd from 10am to Noon. Look for a card in your mail in October with more details!

Sincerely,

Matthew Maury
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P.S. This newsletter, and over 100 newsletters sent to Wood Acres and Springfield over the past 10 years, can be accessed by visiting www.matthewmaury.com. Click on Wood Acres or Springfield.