

WOOD ACRES!

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

May, 2006

Dear Wood Acres Area Resident,

If Bob Ryan, the Channel 4 weatherman, tells you that it might rain in the Shenandoah Valley this weekend, your reaction may well be, “doesn’t much matter to me.” Bob’s broadcast area has expanded greatly because of cable in the last decade. Similarly, when USA Today tells you that housing starts are down in California, or The Washington Post tells you that forfeiture of deposit rates are up for Toll Bros. new home developments in Florida, you should refrain from drawing conclusions about the Bethesda/Chevy Chase real estate market. The Post ran a major article on the glut of housing on the market in Loudoun County recently and also ran an article on the high volume of new condos coming on the market in Arlington. AOL said online this week that the real estate market appears to have “a slow leak.” My goodness, enough already. I understand that it makes for good copy. The real estate market has been great for so long. Any sense that the “bubble” might be bursting gets people excited. However, let’s focus on what the true facts are for **our** area.



The real estate market in Bethesda/Chevy Chase and Northwest Washington remains vibrant. 2005 was an astounding year by any measure. Many, many homes sold over the asking price with multiple offers. Prices appreciated dramatically. Everybody got wealthier, at least on paper. It was a miserable time to be a buyer and a great time to be a seller. Not every year is going to be the greatest year in the history of recorded real estate. 2006 will not set records for sales, nor will we post double digit appreciation figures in the Bethesda/Chevy Chase area, although it is conceivable that Wood Acres might still post double digit appreciation. A lot of that depends on what kind of homes come up for sale between now and the end of the year.

Good homes are still selling fast, sometimes over the asking price, and often in the first few days *or hours* of coming on the market. While inventory is certainly higher across the board this year and selection is wider for buyers, the number of truly excellent homes, well priced and in good condition, continues to be extremely thin. These are the homes that garner the most attention. The following statements would now be considered by most in the real estate field to be accurate:

- There are more homes on the market in Bethesda and Chevy Chase than last year.
- Interest rates are about a percent higher than in 2005.
- It's harder to sell a house on a busy road in 2006.
- More contracts are including home and radon contingencies than last year.
- The condition of an offering is more important than last year.
- The marketability of a home can more easily be harmed by overpricing it in 2006.
- Real estate agents are working harder and smarter in 2006 to get their listings sold.
- There are *way* too many speculative new homes for sale between \$1,500,000 and \$3,000,000 in the Bethesda/Chevy Chase area.
- Fewer knockdowns will take place in the next few years, although the backlog of knockdowns in the pipeline might appear to make this statement untrue.

I pride myself on being frank in this newsletter. I'd like to think after writing 125+ newsletters over 26 years that I have earned your trust to "tell it like it is." Therefore, having outlined some tempering of the market, I want to be emphatic about a few things. ***The market is much healthier than the media is telling you, at least here in the Bethesda/Chevy Chase area.*** I have sold over **\$20,000,000** worth of real estate, right here in your backyard, in the first four and half months of this year. There are dozens of great success stories happening all around us. Let's take a look at all the good news sprouting up:

- I sold the Stuart & Maury/Bob Jenets listing at **6106 Cromwell Dr.** listed at **\$995,000** to an out of town couple from Pittsburgh. Settlement is pending. When the home sold in April, it was the highest pure three bedroom sale ever in the community. I showed this couple over 40 homes all over Bethesda. I am positive they will love Wood Acres. They could have bought more space somewhere else, but the pull of a true community and a neighborhood elementary school and park brought them home to Wood Acres.
- A few weeks later in May, I broke the above three bedroom sales record when my listing at **5703 Gloster Rd.**, listed at **\$925,000**, sold over the asking price with three offers after marketing on the first weekend. This home had a spectacular backyard backing to the Park and tennis courts. It also had a wonderful family room addition on the first floor built by Homestretchers in 1985.
- In April, I sold a recently renovated home at **5922 Welborn Dr.**, also backing to the Park. This home had been a rental since 1966 and was purchased by a remodeling team last year for \$719,000. It sold \$5,000 over the

asking price this time around at **\$854,000**. The home was updated with a new kitchen, a garage conversion with powder room and a general sprucing everywhere. The home sold before the open house to a great young couple with three kids.

- My listing at **5911 Cobalt Rd.** was sold in May and is pending settlement. The list price was **\$849,000**. The home had several clever and appealing modifications and a magnificent backyard. The owners are moving to a gorgeous newly built Pat Keating home in Glen Echo Heights. The Cobalt home appreciated close to \$100,000 while the owners were building their new residence during the past 14 months or so.
- I have quietly sold a home in Wood Acres for the highest sales price in Wood Acres history. The details will have to wait until settlement in July, but at this point let's just say that the previous high sale took place in 2005 at \$1,180,000 on Ramsgate Rd. and this sale far exceeds that number. The Wood Acres community now has 102 homes with two, or three story additions. The true value of these homes is elusive because so few of them come on the market. The Wood Acres homeowner who builds such an addition has made a commitment to stay in Wood Acres. In quietly pursuing a buyer for this special home, I had the pleasure of intersecting with about a dozen Wood Acres homeowners struggling with the decision as to whether to substantially add on to their existing house or move. *No one wants to move.* The desire to stay in Wood Acres is strong and understandable. But the needs for more space, the limitations of lot size, the size of the original footprint of their existing Wood Acres home, all weigh on the decision. Two substantial additions are nearing completion on Upper Gloster/Osceola this summer. They are representative of the next phase of Wood Acres modifications. In the '60's my parents enclosed their garage into a den on Newburn Dr. Albert Walker, the legendary builder of Wood Acres, administered the covenants with an iron hand and didn't much like it. My dad described him as being a bit "offended." But he ultimately came around and allowed Wood Acres residents a minor expansion of their homes. This was often our parent's idea of creating more space. In the '80's, we had a run of two-story additions adding about 1000 square feet to the original home. Today, additions in excess of \$600,000 are being built and contemplated, adding 1500-2000 square feet and doubling the size of the basement. Times change. It's worth noting that the tireless and somewhat thankless job performed by the Wood Acres covenant committee should not go unnoticed. The superior quality of these additions is *adding value* to the community.

- Over in Springfield, my new listing a few weeks ago at **5901 Searl Terrace** was priced at **\$1,225,000**. It received three offers in 72 hours and sold well above the asking price to a Wood Acres resident. A few weeks before that, another Searl Terrace home, priced at \$1,295,000 was sold to a Wood Acres resident. I would speculate that, over the years, about a third of the homes on Searl Terrace have been owned at one point or another by a previous Wood Acres owner! It's a logical progression; same schools, same commute, same friends, same shopping, same Park. And they are bigger homes with a bigger footprint, although most of them are missing the elusive family room that is so desired by today's families.
- I quietly sold **5810 Cromwell Dr.** at the corner of Wiltshire and Cromwell in Springfield for **\$870,000** in February. The home had been owned for 30+ years by a wonderful senior couple who decided to move to retirement living. The home was gently lived in but needed a cosmetic infusion. The owners were not thrilled with the idea of a mob of people marching through their home and I was able to produce a buyer who treated them gently and completed a pleasant, dignified transaction. This home was a classic center hall Cooley-built four bedroom colonial with a modest kitchen on the front.
- A new listing of mine at **5803 Ogden Rd.**, two doors off River Rd and priced at **\$829,000**, sold the first day on the market. The buyers had been working with a new agent in my office for months. This sparkling rambler with renovated baths and a deep backyard appealed to the buyers because it was dead level from the street into the house and had a carport right next to the kitchen door. It made it very easy for the senior couple to get in and out of the home. When a buyer entices an owner into selling before the weekend, the tools that buyer might use include making their offer contingent upon nothing, a perfect settlement date, strong financial disclosure and, not surprisingly, an offer over the asking price. Sellers are sometimes conflicted as to whether to accept an offer prior to the weekend. There's no completely right course of action. However, in an era in which it is possible for good houses to struggle to find a buyer, the wise seller examines all the evidence and makes a decision recognizing that a perfect contract well over the asking price is a blessing and that greed is probably not a good strategy in this more challenging market.
- My new listing at **#2 Avalon Court**, with a list price of **\$925,000**, was sold in three days in May. The home was built in 1983 and I recently supervised painting, floor refinishing, installation of hardwood flooring in the kitchen, landscaping improvement, and new carpet in the lower level. The

home has a ton of space and four bedrooms on the second floor, plus a two-car garage. The Avalon Ct. house next door sold last summer for \$870,000. My listing sold over the \$925,000 asking price and had two offers. It settles in early June.

- Finally, and perhaps most rewardingly, I sold **5602 Newington Rd.** in Springfield this Spring at a history setting price of **\$2,349,000**. It's the highest sale in the 20816 zip code this year. This home was created by the incomparable Frank Bell just three years ago. The owners decided to move to the Somerset House condominium. The Newington residence features over 7000 square feet of living space and sits adjacent to several other newly built homes. It's the first "Bell" to be resold since Frank started doing major renovations in the mid '90's. The buyers, empty nesters with an eye for superior design and style, came from a wonderful home in Sumner. In fact, their home went on to become the highest sale in the history of Sumner at \$1,575,000 when it sold this March.

All of this has taken place in just the last couple of weeks. Does any of this sound like a "slow" market? Does any of this activity suggest a bubble bursting? When I use the word "vibrant" I'm referring to multiple buyers, serious buyers, motivated buyers.

Of course sellers must be more cautious about their pricing. The home must present itself well, and agents are working harder and longer to help owners get their houses in the proper condition prior to coming on the market. There are many buyers out there who will buy a home if the price does not seem abusive. The five gas stations on River Rd. near Whole Foods can get away with gouging us all, we need that gas in our tanks and realistically we are going to pay whatever they put up on the big board out front. We might be outraged and complain, but what else can we do? The subtle solutions of giving up the SUV for a Hybrid, driving less, carpooling, using a lower grade of gasoline, are all viable ones, but not ideal.

Home buyers have a choice. In almost all cases, they can simply not buy at all. If I only had a dollar for every time I heard someone say, "I'm not in a hurry" or "we don't have to buy." This is very apparent. Even an out-of-towner could choose to rent for awhile and in fact, many of them have rented in the last few years. Well now, that hasn't worked out too well, has it! Hundreds of thousands of dollars have been made by owning in the Bethesda/Chevy Chase area in the last few years. Still, the point is that buyers need to be properly motivated to make a decision. This requires quality property, well priced, with reasonable, motivated sellers. So much of the work of a real estate agent takes place in educating and guiding clients. The public sees us as the poor guys standing there with a tie on at open house on Sunday. It's really just a small part of what we do. More importantly, we help buyers and

sellers understand what is required to successfully buy and sell a home. That requires an intimate knowledge of current market conditions, day to day. I spend a considerable amount of time seeing homes in other communities so that I can understand what kind of competition exists for the homes in Wood Acres and Springfield. In order to price a rambler on Ogden Rd., it helps enormously to have been inside the rambler that just sold on Namakagan Rd. in Sumner, or the competing rambler on Bannockburn Dr. In order to price a home on Welborn Dr., it helps to have seen the competition in Westgate or Battery Park or Glen Mar Park or AU Park. I don't believe in pricing a home solely based on the asking prices of the competition available in the marketplace at that moment. Occasionally, just about *everything* is overpriced. Combining a keen sense of what has recently **sold** with a sharp sense of what is currently for sale is the proper recipe for guiding seller pricing. It is absolutely a key ingredient to a successful real estate sale now.

Let's take a quick look at just what has transpired in Wood Acres since my last letter in January: I've been involved in five recent community sales:

	<u>Original/List Price</u>	<u>Final Sales Price</u>
1) 6106 Cromwell Dr.**	\$949,000	pending
2) 5703 Gloster Rd.*	\$925,000	pending
3) #2 Avalon Court*	\$925,000	pending
4) 6000 Woodacres Dr.	\$869,000	pending
5) 5922 Welborn Dr.*	\$849,000	\$854,000
6) 5911 Cobalt Rd.*	\$849,000	pending
7) 5803 Gloster Rd.	\$829,500	pending
8) 6205 Newburn Dr.~	\$800,000	\$810,000
9) 6205 Mass. Ave.+	\$725,000	pending

***Matthew Maury sale**

** Matthew Maury /Bob Jenets sale

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+Stuart & Maury/Scott Matejik listing.

~Stuart & Maury/Bob Jenets listing

- The following homes are currently for sale in Wood Acres and nearby communities:

	<u>List Price</u>	<u>Community</u>
1) 6105 Walhonding Rd.	\$2,250,000	Glen Echo Hts.
2) 4809 Ft. Sumner Dr.	\$1,995,000	Sumner
3) 5035 Westpath Terr.	\$1,850,000	Ft. Sumner
4) 5303 Cromwell Dr.	\$1,399,900	Springfield
5) 5308 Wriley Rd.	\$1,395,000	Westgate
6) 5108 Westpath Ct.	\$1,325,000	Ft. Sumner
7) 5608 Lamar Rd.	\$1,200,000	Springfield
8) 5908 Wiltshire Dr.	\$1,200,000	Wood Acres
9) 6835 Tulip Hill Terr.	\$1,095,000	Tulip Hill
10) 6007 Welborn Dr.	\$919,000	Wood Acres

11) **6103 Mass. Ave.** **\$779,000** **Wood Acres**

The home offered for sale on Wiltshire in Wood Acres for \$1,200,000 includes a potentially “buildable” lot next door, backing to the driveway of the elementary school. The idea in this offering is that someone could either buy the existing house and then build a new home next door, or tear them both down and build two new houses. The Wood Acres community and the covenant committee are, of course, going to have plenty to say about this process. Builders have been wary of getting involved with a protracted “negotiation” with the community. I recently spoke at a community meeting in which I advanced the opinion that Wood Acres was an “oasis” in a sea of controversy involving knockdowns and their impact on communities in Bethesda and Chevy Chase. I consider it a virtue to tell a buyer, “the streetscape you see is the streetscape that will be here decades from now.” Every single other community up and down the Mass. Ave. corridor has knockdowns and rebuilds. Many of these new homes are quite spectacular. However, few communities have the consistency and harmony of architecture that exists in Wood Acres. Wood Acres is, in my opinion, unique in its successful resistance to such development. I don’t think it has hurt community value at all, in fact it may well be helping value in Wood Acres to be able to tout that no knockdowns are present. I will be following the unfolding events on Wiltshire with interest.

The demands of the real estate business are relentless. It is with great satisfaction that 26 years down the road and with 320 Wood Acres sales under my belt, I still earn my stripes everyday. **I have been the #1 real estate agent in the 20816 zip code, every year, for the past 20 years.** I welcome the challenges and enjoy the process of “connecting” people and families. Our community basketball group (WAMBA) is a wonderful outlet for over 65 guys in the area. I love seeing the pregnant mom at the grocery store tell me how much she loves the neighborhood. It makes the work on long weeknights and Sunday afternoons (with that damn tie on) worth it.

Sincerely,

Matthew Maury
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Principal Broker
Stuart & Maury Inc. Realtors

P.S. This Wood Acres newsletter, past newsletters, a 2005 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**. Click on Wood Acres. You can also find similar data on the subdivision of Springfield.