

SPRINGFIELD

Westwood/Beacon Hill

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

August, 2013

Dear Springfield/Westwood/Beacon Hill Resident,

With apologies to the musician Prince, “tonight we’re gonna party like it’s....2004” I’ve sold nine Springfield area homes in the first 7 months of this year, and Stuart & Maury sold 12 of the remarkable TWENTY TWO homes sold in your community in 2013.

The market over the past five months in the Bethesda area has pretty much exploded, taking on characteristics of the frenzy and excitement we saw back in 2004 when many homes sold in a few days, often over the asking price, with intense competition between buyers for hot properties. Inventory is low and there are more buyers chasing fewer houses thus prices are rising. Why is this happening? My sense is that historically low mortgage rates finally drove into the marketplace all those buyers who have been sitting on the sidelines since 2009. Couple that with rising (although cautious) consumer confidence and a general sense that the economy is indeed recovering.

I talk often about the fact that life marches on. Kids get older...and bigger...and families grow. Lots of potential buyers moved to the DC area in the last four years in part because the job market was healthier here than just about anywhere else. Maybe they couldn’t sell their home in Topeka, Kansas. Or they sold it but took a substantial loss and needed to recover financially. Lots of young buyers were scared to death, with good reason, in 2009 and parked themselves in rentals, figuring that they would wait out the storm. An entire up and coming generation of young buyers were introduced to the specter of real estate ownership at the exact moment that home prices were tumbling for the first time in forever and the media was full of foreclosure and short sale stories every day.

That our Bethesda area real estate market weathered that storm with such resilience was remarkable. Indeed, prices dropped ever so slightly in our area, unlike the devastation that took place in vast portions of the country. However, time does indeed seem to heal all wounds. While the political uncertainties of the 2012 election seemed to freeze many would be buyers for a large part of the year, slowly but surely, in late 2012, our market started to respond to low mortgage rates. And then, seemingly all at once, in January and February of this year, the dam broke, and hundreds of buyers flooded out into the marketplace, seemingly all at once.

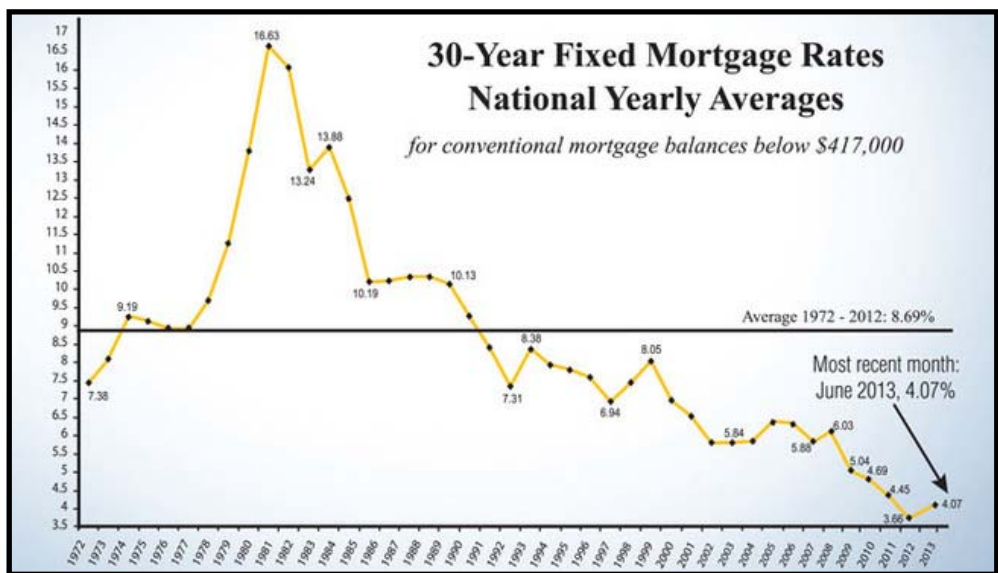
If you are a seller, this is a very good thing. If you are a buyer, you are suddenly faced with competition that just didn’t exist in 2009-2012. All those skills I honed back in 2002-2006 have come back into play: multiple contracts and how to deal with them; pricing in a rising market; how to help buyers actually WIN a multiple contract scenario...all these aspects are on the table again. It takes me back to Prince again: “ I was dreaming when I wrote this....” Sometimes as a real estate agent, you just shake your head and say “again?”

Looking back on it, buying a house in 2009-2010, when the market was struggling and prices were a bit soft, was a wise move...IF...you had the stomach for it. Whatever the



rates were then, a refinance to a truly exceptionally low rate in early 2013 fixed that issue. The same could be said of buying in 1981-1982 or 1990-1991. Down markets offer opportunities for those who have the patience and confidence to ride out the downturns. I suppose a stock broker would make the same argument, although THAT ride requires a steely eyed resolve that can be difficult to muster. As an example of the benefits of a 2008 purchase, the home at 5606 Jordan Rd. recently sold 26K over the asking price at \$955,000 this spring. It sold in 2008 for \$837,000.

With any rising market comes potential storm clouds. Mortgage rates hit the bottom in April and, have risen the past few months. A fixed 30 year loan of \$417,000 in April might have cost you 3.125%. Today that rate rests more than an entire percent higher. This is real money and rising rates are likely to restore a bit of balance in the market. As prices rise and owners test the edges of what they can get away with there is an inevitable push back from the buying public. The timing of this potential push back seems to be coinciding with the slower hot summer months of July and August when half this city seems to be out of town. Sellers don't give up their gains easily though and buyers should expect to deal with paying more for properties in our area than they would have in 2012. I do wonder sometimes just how many buyers are out there in the pipeline. It's not an inexhaustible supply and we may be approaching the day when we have run through the backlog that sat on the fence for so long. We can take comfort in judging that rates are rising for the right reasons. They are not rising because the world is spinning out of control, but rather that we are recovering nicely and there is less need to artificially hold down rates. In the long run, if the economy is healthy, it will be better for everybody. And...for perspective, while rates have risen a bit, look at how they stack up over the past 30 years!:



On the next page is a list of sales in your community this year so far. It has been a very good year for Stuart & Maury Inc. and a very good year for me personally. I have sold 9 homes in your community in the first seven months of this year. The highest sale this year, my listing on Albia Rd., is a sensational classic colonial with a gorgeous pool and a stunning 1999 family room/kitchen addition. It had two offers and is pending settlement, at a price over the asking price. I quietly matched a buyer with the seller of 5502 Christy Dr. this spring, which sold for \$875,000. Stuart & Maury also quietly sold 5703 Cromwell Dr., a 5-level split pending settlement. I sold three homes on Jordan Rd., all over a million dollars. And I also sold two homes on Ogden Rd., one of which attracted a certain amount of media attention which was kind of silly as I pride myself on discretion.

I am very excited to announce my brand new listing at 5957 Searl Terrace for \$1,399,000. This 5BR/4.5BA center hall colonial features a large kitchen extension and a family room plus den on the 1st floor. I often refer to Searl Terrace as the "gold standard" of the 20816 zip code, these special homes rarely come on the market and are highly sought after. Call me if you have friends who might be interested in this special house.

	2013 Springfield area sales	<u>Orig Price / Last price</u>	<u>Final Sales Price</u>
1)	5606 Albia Rd.*	\$1,450,000	Pending
2)	5611 Ogden Rd.	\$1,195,000	\$1,195,000
3)	5609 Jordan Rd.*	\$1,225,000	\$1,175,000
4)	5506 Jordan Rd.*	\$1,159,000	\$1,159,000
5)	5613 Newington Rd.*	\$1,150,000	\$1,150,000
6)	5507 Jordan Rd.*	\$1,125,000(1,099,000)	Pending
7)	5705A Ridgefield Rd.***	\$1,099,000	Pending
8)	5709 Ogden Rd.*	\$995,000	\$995,000
9)	5606 Jordan Rd.	\$929,000	\$955,000
10)	5712 Cromwell Dr.*	\$899,000	\$905,000
11)	5719 Ogden Rd.*	\$894,000	\$889,000
12)	5715 Ogden Rd.	\$929,000	\$880,000
13)	5502 Christy Dr. *+	\$875,000	\$875,000
14)	5410 Christy Dr.	\$849,000	\$874,000
15)	5703 Cromwell Dr.**+	\$899,000	\$870,000
16)	5819 Ogden Ct.	\$874,900	\$870,000
17)	5808 Ridgefield Rd.	\$849,000	\$865,000
18)	5517 Westbard Ave.	\$869,000	\$840,000
19)	6000 Springfield Dr.	\$849,000	\$840,000
20)	5321 Ridgefield Rd.	\$925,000(819,000)	\$790,000
21)	5813 Marengo Rd.+	\$700,000	\$700,000
22)	5405 Brookeway Dr.**	\$725,000	\$700,000
	*Matthew Maury sales (9)	**Bob Jenets sales	+Sold "quietly"
	***Bob Goldfinger/S&M sale		

First, take note of the fact that 22 homes have been sold this year already. We have averaged only 20 sales a year over the past six years. We sold more than that in the first half of the year. The pace will slow a bit in the remaining months of 2013, but we may well end up with over 30 sales in the community in 2013, about DOUBLE the number of homes (16) sold each of the past two years. And there are a few more in the pipeline coming soon. My new listing at 5957 Searl Terrace for \$1,399,000 is the first home on this legendary street to come fully on the open market in more than three years.

I am privy to the final sales prices of all of the pending transactions above as Stuart & Maury is involved in all four of them. The average sales price this year is \$961,181, remarkably similar to the 2012 average of \$961,000. It is an achievement that the database is much larger and the value has held up, although the average is held down by the number of more modest

homes that have come on the market this year. Two lower sales on Brookeway and Marengo above involve builders. The Brookeway home is being torn down. A renovator bought Marengo but apparently may have “flipped” the home again to a builder. Stay tuned, that location very close to Searl Terrace is a prime candidate for a new home. The lesson to be learned from the resurgent market of 2013 is that patience is almost always rewarded. In the depths of 2009, few would have believed that we would see the day that neighborhood homes received one, two, three, four offers again. Not every home can command that kind of attention but the liquidity of your investment is once again stellar. For this we can be thankful.

MATTHEW MAURY SALES in 2013 in the Springfield area:



5606 Jordan Rd \$1,175,000



5613 Newington Rd \$1,150,000



5719 Ogden Rd \$889,000



5506 Jordan Rd \$1,159,000



5709 Ogden Rd \$995,000



5712 Cromwell Dr \$905,000



**Pending
5507 Jordan Rd. listed \$1,099K**



**Pending
5606 Albia Rd. listed 1,450K**



**Pending
5502 Christy Dr. \$875,000**

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