

WOOD ACRES

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

September, 2021

Dear Wood Acres Area Resident,

It's not over. The Great Housing Rush that started in the Spring of 2020 continues to roar, unabated. That's a remarkably long time for this kind of explosive real estate growth. The sheer volume of jaw-dropping transactions in the Bethesda/Chevy Chase area is staggering. The story is best told through the individual homes that have come up for sale in Wood Acres and a few nearby surrounding neighborhoods. This letter will examine what has transpired, attempt to explain why this gale force wind is still blowing, and take a quick peak down the road of where we might be headed.

First, let's take a quick "bullet point" look at where we are stand at the moment:

- 14 original Albert Walker built Wood Acres homes have been sold and settled in 2021 at an astounding average price of **\$1,310,428**.
- That's a **24%** average increase over the record setting average price set in 2020, which was \$1,056,826.
- 13 of the 14 Wood Acres homes sold this year so far were sold over the asking price.
- On average, a home in Wood Acres took less than a week to sell.



Let's start at with the highest Wood Acres sale of the year, and not surprisingly, also the highest sale **ever** in the history of Wood Acres, Story #1:



6109 Cromwell Drive
Listed at \$1,399,000, sold for \$1,714,000

I listed this home on Thursday morning, May 6th. Agents sometimes put a home in a "Coming Soon" status a few days in advance. There are technical reasons for this approach. The mission is to get as many people wildly interested in looking at a home the first day or two it's on the market. A heads up to agents a few days in advance allows them to contact buyers and make arrangements for the buyer to be available to go see the home the minute it hits the market. We now use an online portal called "Showing Time" that allows agents to book a time to show the home in advance. I placed this home in a "Coming Soon" status on Tuesday May 4th to allow agents time to set things up for the explosion on Thursday. I also managed to cajole the owners and their two kids into simply leaving town and going to North Carolina to stay with family Thursday through Sunday. While homes are sold all the time with the family in them, the pandemic has made it more difficult and worrisome to have dozens and dozens of strangers in and out of a home. And trying to keep a home in literally perfect showing condition is hard when the family is living and working in the home.

To the owners credit, they understood and cleared out early Thursday morning. Just in time, as there were THIRTEEN scheduled showings for Thursday alone. In this extremely competitive environment, the most serious buyers are coming right away. To further ease the process, I recently started having an open house on a Thursday for a couple of hours this Spring. If I had done this in the past no one would have showed up, but

technology through MLS allows this to be broadcast to buyers across the region. It's been a successful idea and while I won't claim I "invented" the idea of Thursday afternoon open house, I'd like to think I refined its use to great effect. Within three hours of coming on the market, the home had four offers. And they were all "blood and guts" /fighting to win offers too. Let's step back; this home was sold in January of 2019, just 30 months ago for \$1,173,000, struggling it's way down from an original asking price of \$1,330,000. It was for sale for over three months. This home has a spectacular George Myers inspired 2003 two story addition with all the elements a great Wood Acres house should have. But the home was going through a "domestic situation" shall we say, and it was vacant, and it wasn't "staged" initially and it was a touch forlorn. When it was purchased in 2019, the final price was in my opinion, disappointing. (I wasn't involved).

Enter young talented new owners who painted today's colors, refinished floors, furnished and decorated the home with a flair and style that was very appealing. And they redid three baths superbly, spending close to 100K. Presentation is everything and the house shimmered. We listed it at \$1,399,000 because there wasn't sufficient evidence above that number. Only one Wood Acres home had ever sold for more. We were hopeful that the rocket ship would take us above \$1,399,000 but we weren't expecting what transpired. All four offers were well above the price, and there were still tons of buyers coming and going throughout the day. And there was the Thursday open house looming as well at 4pm. This is called seller "leverage."

I called the owners who were still driving to N.C. When I told them that three of the offers escalated over \$1,700,000, there was a stunned silence. I next heard: "Let me put the phone on speaker....could you say that again?" Not only did the winning bid escalate to \$1,714,000, it would have gone farther if pushed. I laid out the options for the seller: wait to see what else surfaces, see how the open house goes, or jump at \$315K over the price right now. Oh, and the buyer had offered a two week settlement, zero contingencies and a free rent back for six weeks. The seller's seized the moment and sold the house right then and there.

Sounds easy, right? What you don't see is the three months of decisions and advice leading up to this glorious moment. The sellers and I meticulously refined the appearance of the home preparing for our day in the sun. There is an arms race of preparation in today's market. Together, we made it irresistible. Navigating the critical moment the first day on the market brought to bear everything I have learned over the past four decades. This is an example of when experience really matters and I was very excited for the owners. They had purchased a larger home in N.C. for less than half of what Cromwell sold for. What a great real estate story.

It ended with me having to explain to three losing agents that their bids hundreds of thousands of dollars over the price within hours of the house coming on the market were not quite good enough. That isn't fun. And I stood at the open house 4-6 pm (after all people were invited and they all needed to see this house for their education if nothing else). Telling each of them the house was sold was also not fun. The look of amazement and daunting concern in their eyes is seared in my memory. By the way, the winning agent was the incomparable Bob Jenets of Stuart & Maury. He was given no advantage by me, we play it straight and fair. He had the right buyer with the right motivation at the right moment. And he wasn't afraid to tell them what was required to win.

Story #2:



5925 Gloster Rd.

Listed \$1,495,000, sold **\$1,560,000**

This house, listed in mid-July, with a two-story addition and a large previous detached two car garage which was made into a great home office, had extraordinary style. It had sold for \$875K in 2009 and was of course upgraded dramatically over the years since then, although not increased in size. That's an 80% increase in value in just 12 years. I lived next door from 1965-1968 at 5923 Gloster. 5925 had a great open kitchen across the back and four bedrooms and three baths. Were it not for the Cromwell sale this home would have been the highest sale ever in Wood Acres.

Story #3:



6104 Welborn Dr.

Ned Hengerer of Home Stretchers worked his magic on this home a few years ago. The two-story addition created four bedrooms and three baths upstairs and a sweeping open family room kitchen on the first floor. It's the template for creating value. Ned has transformed literally 60+ homes in Wood Acres over the years. He used to live on Cranston Rd. and has a uniquely keen eye for lasting quality. He's just really good at what he does. Combine that with an owner who had great decorating skills and this offering was a stone cold winner. The home sold early in this 2021 wave, contracting in December of 2020 and settling in January. When it settled many eyebrows were raised. Is that what these homes are now worth? Well, it turns out to be one of the great buys of 2021, it's worth more than what they paid already! I think this is an exceptional home.

Story #4:



6002 Cobalt Rd.

Listed \$1,295,000, sold **\$1,475,000**

I sold this home in 2006 for \$925K. It has a modest late '80s two story addition that added a fourth bedroom upstairs and what was a den/kitchen on the back of the home. But the new owners then reimagined that first floor space and with the help of Case Design created a very special open kitchen/dining area that was very appealing. The home is also one of only two homes in the entire Wood Acres neighborhood with a detached two-car garage. The owners and I worked for several months to lift their well used family home up to the demanding standards of the most motivated buyers in today's market. Landscaping, purging the home of clutter and the accumulated stuff that comes with years and years of ownership, paint, flooring improvements, basement spruce up, and on and on. Many of my trusted improvement contacts were called into the fray. When we listed the home on May 12th, just a week after the breathtaking developments on Cromwell Dr., I knew we were riding the crest of an appreciation wave and that the home would generate heat. Keep in mind as settled sales reveal themselves, seller expectations rise. And as listing prices rise, there is the possibility of buyer resistance. Was one incredible sale really "the market?" It is a safer approach to ask as much as you dare without overshooting the mark. This requires intense and hyper focused market knowledge and experience. We had ten showings the first day and great interest. The owners, again, cleared out and went to the beach.

In this case we got what is called a "pre-emptive offer." It used to be that agents would announce "Contracts to be considered on Monday" or something of that ilk. But there are buyers ready to win immediately and they started ignoring that and making early offers anyway. And sellers started saying "well, I'll TAKE that!" And so, all bets are off these days. A home might still wait several days before making a decision, but in other cases a pre-emptive offer might be accepted. The buyers who got this house bid 180K over the price to get it immediately, and they did. The sellers were pleased and enjoyed the rest of their days down at the beach! Immensely!

Story #5:



6208 Newburn Dr.

Listed \$1,395,000, sold **\$1,400,000**

I sold this home in 2002 for \$559K. Those owners then added a sharp two-story addition on the back of the home, creating the four bedrooms/three bath upstairs combo and the open kitchen family room across the back of the home. The home was sold for \$1,095,000 in 2010, at the time one of the highest sales ever in the community. This time around, the home was listed with a discount brokerage and the owners were pretty much selling it themselves. It was expected that there would be multiple offers and the sellers waited the weekend for that eventuality. When the buyers that Bob Jenets had made an offer 5K over the price, they were braced for the

the possibility that they would lose. No other offer materialized and they got the house, much to their surprise and delight. It was February and a better house on Welborn had just settled at \$1,500,000. Buyers were still sorting out exactly where the market was headed. Just a few months later, this sale looked like one of the great buys in Wood Acres in 2021. The home could never be replicated for 1.4 at this point. The two story addition on the back of this home would cost at least 600K or more today.

Story #6:



5900 Ramsgate Rd.
Listed at \$1,199,000, Sold **\$1,380,000**

This home sold in 2016 for \$910,000, 21K over the asking price. It was a nice home then but the new owners then infused the home with “youth.” Kitchen and bath updating, paint colors, style. It makes a huge difference. But the home was not expanded in any way since it’s purchase in 2016. This home came on the market in early February. It was the “canary in the mineshaft.” It just blew up to \$1,380,000. I remember a discussion at our Tuesday office Zoom meeting in which we were dumbfounded at the price. It was the highest three bedroom sale ever in Wood Acres. The home has 2045 square feet above grade. It’s not one of the 3000 square foot houses that you see with two-story additions. \$1,380,000 was a spectacular price. And yet, within months, while extraordinary, the price no longer looked ridiculous. It was a case of the buying public being out ahead of real estate agents. We had no idea where we were headed!

Story #7:



5900 Harwick Rd..
Listed at \$1,150,000, Sold **\$1,300,000**

As if to say, “ oh yeah, watch this!”, this home went up for sale a few weeks after the above Ramsgate sale in late February. At 1980 square feet it’s a touch smaller than the Ramsgate sale at \$1,380,000. The kitchen is not as open, but the family room on this home is substantial and the house is a great looking house. It also had a basement built under that side addition, a very valuable thing for extra storage. I had sold this home in 2014 for \$860K. It was not expanded although of course, it was significantly updated. It went up in value 540K in less than seven years. Wow. Both of these sale at Ramsgate and Harwick were on corner lots with limited backyards. It doesn’t seem to matter these days; they were both incredible sales.

Story #8:



6120 Wynnwood Rd..
Listed originally at \$1,450,000, Sold **\$1,250,000**

In 2012 I suggested to this owner that she could use a little known technique to change her address from a Mass. Ave. address to a Wynnwood Rd. address. Because of the orientation on the corner lot, owners have the option to choose and she changed it. Mass. Ave. itself is a prestigious address but it does come along with a suggestion of more traffic and road noise. The home was put up for sale at \$1,200,000 but did not sell. It came back on the market in 2017 and sold for \$1,250,000. In May this

year, just a week after my Cromwell listing blew up, this home came on the market for \$1,425,000. They had just seen my 2588 square foot listing command 1.7+ and calculated that while their 2844 square foot offering with a two-story side addition and a two car garage was fronting to Mass. Ave., it could command that much. It was an understandable choice. We have often speculated in our industry whether it is possible to over price a house in this astounding market. We have said often that it is impossible to UNDERPRICE a house because buyers will just bid it up. It turned out that this home is the only in Wood Acres to sell for less than the listing price in 2021. In fact, the home was reduced twice, to \$1,375,000, then \$1,299,000. It was for sale for 72 days, the only home to not sell in the first week. It was finally sold for \$1,250,000. 50K more than the owners paid for it four years ago. It's a big house with many wonderful features, but it sold for 130K less than a couple of three bedrooms sold for that were located in the interior of the community.

Story #9



5912 Harwick Rd.
Listed for \$950,000, Sold **\$1,150,000**

This is a wow. Listed in June for an obvious teaser price of \$950,000, this owner and her agent did a wonderful job of renovating and presenting this home. It's the classic center entry floor plan. Of the 400 home in Wood Acres, this floor plan is often the most sought after. It's original configuration has a great circular flow. It's the floor plan I purchased in 1982 on Wood Acres Dr. I once drove the community and calculated that there are 56 of them. The living room across the front of the home is by far the most common floor plan, about half the community features that.

This home glowed but it faced some headwinds. It is 1472 square feet above grade. It did not have expansions and additions and it did not have a finished basement. By the way, I recently heard of a Wood Acres finished lower level with a full bath that cost 58K and there were competing bids from contractors at 75K. The days in which I blurted out that you could nicely finish a lower level in Wood Acres for 30K are gone! Finishing a lower level is labor intensive and a quality bath adds significant expense. The other challenge this home faced was that the same weekend they came up for sale at 950K, a competing home came up for sale on Cromwell for 934K. When buyers have choices that can reduce the "heat" on a listing.

None of it mattered, this home roared to multiple offers and a final price 200K over the listing price. This is Exhibit A of what fabulous condition meticulously prepared can do. It's a very pretty house on a great private block, it has a great backyard, and it was beautifully painted and staged with today's look. However, the kitchen and baths, while nice and presentable, were not renovated "to the nines" like so many houses these days. At \$1,150,000, this was an extraordinary sale.

Story #10



5602 Gloster Rd.
Listed for \$1,099,000, Sold **\$1,125,000**

This home came on the market in late March and sold for 26K over the price. It is 1596 square feet above grade and was well presented. That "gray and white" color scheme was in full bloom at this home. It had a finished lower level and a nice backyard and it was a level lot, something not always easy to find in Wood Acres. The kitchen and baths were similarly not renovated but well appointed. It's also a very impressive sale at \$1,125,000 given that kitchen and bath renovation at the higher levels could easily cost 100K to achieve. This home sold in 2006 before the Great Recession at \$840K and dropped to a sales price of \$795K the next time around in the middle of that mess in 2010.

Story #11



5900 Wynnwood Rd.
Listed for \$1,000,000, Sold **\$1,087,000**

Is the market slowing down? It's on the tongue of everyone in the industry and the public at large. In 2020 during the first year of the pandemic (It's awful to write those words), there was no summer slow down because the spring market got pushed back a month or so as the world adjusted in March/April. In 2021, it felt like July and August were cooling a bit, typical of the market in a normal year. People go away on vacation, they are distracted by other things, and a lot of them bought a house in the Spring, settled in summer, and are getting ready for school in the Fall.

However, if this Pandemic Land Rush has taught us anything, ...“not so fast.” This home on Wynnwood Rd. at the entrance to the park was listed by Stuart & Maury in late July. The owners prepared the home well, including removing a lot of foliage in the front that blocked the view of what is a very pretty house. It has expansions and additions that enhance the home. The kitchen is on the front of the home. I know this house well. In 1961, I was on the back porch watching the Yankees take down Frank Robinson and the Cincinnati Reds in the World Series. I kid you not! One of my best friends at the time, Chris Sonnenberg and his family lived in the home.

It's a well founded rumor at this point, but the home appears to have been bought by a renovator/remodeler. We are guessing they have their eye on a grand renovation and putting it back on the market. Whoa. Is that where we are now? A speculator buys a Wood Acres home for \$1,087,000 to resell? If so, wow.

Story #12



6121 Wynnwood Rd..
Listed for \$925,000, Sold **\$1,035,000**

The home sold in March, with multiple offers, for 110K over the listing price. Stuart & Maury spent considerable time guiding the owners as to presentation. I have joked to many that our jobs seem to have become as much “decorators, home remodelers, stagers, repair consultants” as we are real estate sales people! It's the changing nature of the business.

Story #12



5908 Cromwell Dr.
Listed for \$934,000, Sold **\$985,000**

It's the only house to settle for under a million dollars in Wood Acres this year so far. In my opinion, it was underpriced and while it sold for 51K over the price, I'm at a loss to explain why it didn't bring even more. It had the misfortune to come up for sale the same weekend that 5912 Harwick did and I'm sure Harwick siphoned a lot of the heat this home would have had. The buyers got a wonderful home at a great price.

Remarkable 20816 sales in 2021-these are the 12 homes that sold the most over the list price this year so far.



**5301 Westpath Terrace.
Fort Sumner
List Price: \$1,000,000
Sold Price: \$1,826,667
*826K over, Just a silly list price**



**5010 Rockmnere Ct.
Sumner
List Price: \$875,000
Sold Price: \$1,236,000
Apparently a tear down
361K over**



**5700 Marengo Rd.
Springfield
List Price: \$1,249,000
Sold Price: \$1,608,000
359K over**



**5400 Albia Rd.
Springfield
List Price: \$1,299,000
Sold Price: \$1,650,000
351K over**



**5500 Pollard Rd.
Springfield
List Price: \$1,395,000
Sold Price: \$1,741,000
346K over**



**4514 Jamestown Rd.
Westmoreland Hills
List Price: \$1,995,000
Sold Price: \$2,325,000
330K over**



**5210 Carlton St.
Glen Mar Park
List Price: \$1,995,000
Sold Price: \$2,310,000
315K over**



**6100 Namakagan Rd.
Glen Echo Heights
List Price: \$1,295,000
Sold Price: \$1,610,000
315K over**



**6109 Cromwell Dr.
Wood Acres
List Price: \$1,399,000
Sold Price: \$1,714,000
315K over**



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It's fair to say that this will all calm down eventually. But it would be a mistake to think that this will occur anytime soon. There are two recent pending sales in Wood Acres, on Upper Harwick and Ramsgate that occurred in the past two weeks. While each was a more modest house priced below a million dollars, they both sold very quickly and there's an excellent chance they both reached the seven figure mark. As long as interest rates stay in the remarkable 3% range and as long as Millennials, who were late to the party purchasing real estate after the Great Recession, continue to flood into the marketplace, this market will have surprising resilience. It's never been more difficult to be a buyer and it's never been a better time, period, to be a seller. I've been doing this a long time; this run tops them all.

Sincerely,

Matthew Maury

Over a BILLION dollars in career sales

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