

WOOD ACRES

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

July, 2023

Dear Wood Acres Area Resident,

There are a few basics when it comes to real estate. Demand and interest rates drive a normal market. There is nothing normal about what has taken place since the onset of the Pandemic in March of 2020. Ok, so demand skyrocketed as buyers fled the congestion of apartments, condos and townhouses in DC for the safety of the suburbs. Because so many of us were spending inordinate amounts of our time at home, the environment of where we live became more and more important. More space, more amenities and more ability to enjoy the outdoors where it felt safer were important aspects that buyers sought, not only in the DC area but throughout the U.S.

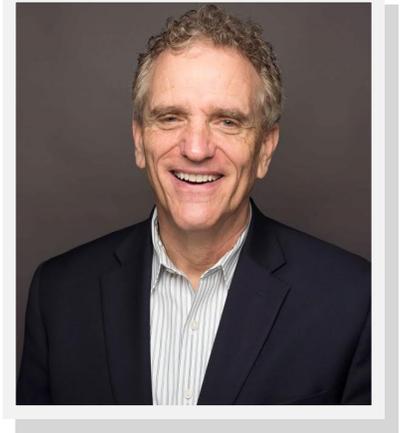
Interestingly, on top of all this, the Millennial generation started buying houses. En masse. These young people were faced with the Great Recession of 2008-2012 just as they were entering the work force. They endured layoffs, employment disappointments, transient work opportunities and witnessed first hand for the first time in forever that real estate prices could go down. As a generation they were slow to buy real estate and I can remember vividly speculating in this forum from about 2013 to 2018 whether they just weren't all that into home ownership like previous generations. I said often that the jury was still out.

These young people with little kids realized early on in the Pandemic that "now" was the time and they exploded into the marketplace. We had an incredible run up in prices from March of 2020 to the summer of 2022. Then, very quickly interest rates rose significantly from a low of about 2.65% to over 6.0% during the summer of 2022. Very little happened in our real estate market from July 2022 through December 2022. You may recall that I said in my 2023 January newsletter that the rubber would hit the road in the early spring of 2023 when we would find out if we still had a market.

Take note that I said above that the other pillar of real estate is demand. Well darn if the demand has simply overwhelmed the supply where we live. With a vengeance, the market has bounced back superbly after a pause last year. And while some areas of the country have experienced a drop in prices, our 20816 area price drop has been mild despite the affordability of housing being significantly affected by rising interest rates above 7% **now**. There remain way more interested buyers than sellers. There were 101 homes sold in the 20816 zip code in the first half of 2022. There have been only 80 sold in 2023. That's a 20% drop. And yet prices from January through June have averaged \$1,369,000 for the average single family house in the zip code. That's down from an all time high of \$1,475,000 last year, but it's still the second highest number ever.

There is so little to choose from if you are a buyer. There are currently only nine single family houses for sale in the entire 20816 zip code and a few weeks ago that number was down to 4. Thus, every new listing gets a flood of interest immediately. Assuming a home is not mispriced (and that's not hard to do), homes have sold in only six days in our zip code this year. It is very true that there is a summer slowdown every year and we'll have to see how July and August unfold, but we can continue to conclude that demand has overwhelmed the downside of rising rates. Many buyers are dealing with the rate increases by opting for adjustable rate mortgages, especially the seven year product at about a 1/4% percent less a year for seven years. This approach guarantees nearly a 2% savings. That could be \$20,000 on a million dollar loan. These buyers are counting on an improving rate environment down the road and will refinance when the time feels right. Meanwhile, they have bought into one of the great places to live in the area, their kids are in the schools, the 4th of July Celebration blew their minds, and an evening walk in the neighborhood reminds them of the wisdom of their decision.

It's an interesting phenomenon that "now" always feels like a peak. "Prices can't possibly go higher, right?" I've heard this since 1980. And I've felt that way too over the years. Looking back, I'm probably not alone in thinking that I should have bought at least one Wood Acres house a year for investment for the past 40 years. But that house that sold for the most in Wood Acres in 1985 for \$240K seemed to come with an astronomical price tag at the time. I thought I did well when I sold my home on Woodacres Dr. in 1998 for \$410,000. Uh, ...it's worth close to a *million dollars* more than that today. It's time to accept that the long arc of



real estate history bends upward. Your friends who would love to join you in Wood Acres that think maybe prices will come back to earth need to take the plunge and realize that it's a long term investment for the ages.

Let's take a look at the **seven** homes to sell in Wood Acres in the past 6+ plus months:



5917 Ramsgate Rd.
Listed \$1,295,000
Settled May: \$1,375,000
80K over asking



5910 Woodacres Dr.
Listed \$1,275,000
Settled June: \$1,363,000
88K over asking



5900 Wynnwood Rd.**
Listed \$1,350,000
Settled April: \$1,350,000
Never on the market



6100 Gloster Rd.*
Listed \$1,329,000
Settled April: \$1,329,000
Never on the market



5611 Gloster Rd.*
Listed \$1,120,000
Settled April: \$1,120,000
Never on the market



6115 Mass. Ave.
Listed \$965,000
Settled June \$1,000,000
For sale for 3.5 years



6110 Welborn Dr.
Listed \$945,000
Settled July: \$945,000

*Matthew Maury sales
** Bob Jenets sale

Stuart and Maury Inc. Realtors sold three of the seven above. Knowing the right person at the right moment can happen when agents deeply committed to the area for decades are involved. Year after year, decade after decade, we are here to help. And experience matters enormously in our profession. There are a few interesting stories about the homes sold above this year. Take note that 7 sales is a very small sample size. There were 11 sales in the first half of 2021. My listing at 6100 Gloster was sold by one of the great Wood Acres residents of all time. Bob Hebda lived there for 49 years, took beautiful care of the home and enhanced it in marvelous ways over the decades. Bob moved to more manageable quarters in Summer Village nearby and while we will miss him in the neighborhood it was great to see him back at the 4th of July party this year. I sold the home to a great young couple. The wife's dad rented a home from me in Wood Acres in the 90s or so. And that's the way this business works. I play the long game.

The home I sold at 5611 Gloster Rd. was owned by Pam Falge since the mid 1960s. I babysat her kids when I was about 15 years old. Over the years, I would hear from Pam as she would call for a recommendation on a roofer or a gutter cleaner etc. I always enjoyed our chats. Pam passed away early this year and the family was kind enough to remember the connection that Pam and I had over the years. Hers was (and is) a special house with a lot of character and lots of people at the 4th were raving about the great young couple and kids that have moved in. The Circle of Life indeed.

The sale above on Ramsgate is breathtaking. That home has some of the finest hardscape in the community, a killer kitchen and has sold exceptionally well both times it has sold recently, in 2018 and this year. At \$1,375,000 it is the highest sale per square foot ever in Wood Acres at \$834/sq. ft. But our profession always reminds buyers and sellers that "square footage" is only one part of the equation as to value. That landscaping and hardscape both in the front and back of Ramsgate are fantastic and would cost hundreds of thousands of dollars today. Our industry didn't spend much time on interior "square footage" until Zillow surfaced a while back. Their "Zestimate" algorithm is intertwined with public record square footage. Zillow has never been in your house. They don't know if your kitchen is "harvest gold/avocado green" or brand new! It's a starting point, not the definitive arbiter of value.

The home sold this year by Stuart and Maury/Bob Jenets on Wynnwood Rd. at the entrance to the park is about to undergo a major transformation. I remember watching the Yankees beat Frank Robinson's Cincinnati Reds in the 1962 World Series in that house. One of my closet friends at Wood Acres Elementary moved away in middle school and I never saw him again, until I was 21. I was in a band out in College Park in 1973. In through the door to audition on guitar for the band was Chris Sonenberg. Wow. He got the gig too! When I walk around the neighborhood there are countless memories such as this!

Take note that there have been no large two/three story additions homes sold in Wood Acres this year. There were five last year. But these homes rarely come up for sale and I think last year was an aberration. With delight, I had a Wood Acres owner describe to me the other day that when they went to do a 600K addition on their home (they bought it under 350K), the bank told them they were nuts and that they would never get their money back putting that much into a "Wood Acres" house. Today their home is worth more than two million dollars. Bankers! Sheesh.

Let's examine the sale of 6115 Mass Ave. After 3.5 YEARS on the market, it settled in late June for \$1,000,000. The home came on the market in 2019 for 865K. The listing designated that it was a "potential short sale." Meaning that the owners might owe more than the home could be sold for. The house went under contract at least four times over the years but each time the deal blew up. The bank was said to be an out of town institution that had their heels dug in to avoid taking a loss. Time heals all wounds, the Pandemic years drove the value of the home to \$1,000,000, which was apparently enough for the bank to finally approve the sale of the property. An amazing story.

The sale of a home on Welborn Dr. took place recently with a list price of \$950,000. It settled on July 12th. It's been my optimistic contention lately that there might be very few houses left in the community worth less than \$1,000,000 so it is interesting to see this final sales price. The home went through some basic renovations before coming on the market and has a good level lot in back. By the way, the home I sold a year ago on Welborn next door, finally broke ground on their major addition in June. It's remarkable how long it can take to get the necessary permit approvals, plans drawn and approved both by the County and the Wood Acres Covenant committee, lineup a contractor and get going.

You might ask yourself, why are there so few houses for sale in Wood Acres, Bethesda/Chevy Chase, the DC area and nationwide as well? The expression "**The Golden Handcuffs**" has been bandied about recently. The following stats explain a lot. 93% of DC area owners have a mortgage with an interest rate less than 6%. The number is above 90% nationwide too. 26% of owners have an interest rate under 3%. 40% of owners have a rate between 3-4%. These owners might have ambitions for a different kind of housing, perhaps a larger home, a smaller home or live in a different part of the country. Their interest rate is "golden" however, and they are thus "handcuffed" to their current housing situation. It's a great thing that their rate is so low. It's a frustrating thing that they are locked into where they are. Homes that might have been put up for sale by sellers moving on are just not coming up for sale. Many homeowners that I have spoken to say "well, my current rate is 2.75%. I'd like a bigger house but paying 6%+ is not feasible." THIS is the biggest reason why little is for sale. This drives the disparity between supply and demand. Until rates fall back under 5% we are likely to be in this challenging environment in which very few houses are for sale.

As always, it's interesting to take a look at neighboring Springfield/Westwood and observe the real estate activity next door:



5703 Newington Rd.
Listed at \$2,495,000
Sold \$2,725,000
\$230k over asking
4565 sq. ft. above grade



5610 Newington Rd.
Listed at \$2,500,000
Sold \$2,525,000
3501 sq. ft. above grade



5610 Ogden Rd.
Listed \$1,595,000
Pending Settlement



5613 Ridgefield Rd.
Listed \$1,398,000
Sold \$1,470,000*

*Bob Jenets/Stuart & Maury sale

The sale on the previous page at 5703 Newington Rd. is a wow. That home was created out of a tired five level split that I sold to a young couple that previously lived on Cobalt Rd. They purchased the home in 2016 for \$895,000 and through extremely clever and brilliant planning, created a magnificent five level, 4565 sq. ft. home above grade with all of the modern features that make it very desirable and sought after by the buying public. The marketplace went nuts for this house and it sold with multiple offers for 230K over the list price.

The highest sale ever in Springfield/Westwood took place last year when a home at the corner of Marengo and Cromwell quietly sold for \$2,750,000. But there is a big test coming. A new home is nearing completion on Pollard Rd. When I spoke to the builder representatives about 8 months ago they told their ambitions were \$3.8 million for that home! That would be a cool **MILLION** more than anything has ever sold in our community. Stay tuned.

The home that sold at 5610 Newington this spring for \$2,525,000 was designed by renowned area architect Jim Rill a number of years ago. That home is 3501 sq. ft. above grade but is utterly unique in its style and character. The community has now had 23 homes sell over \$2,000,000 in its history. Four of these sold over \$2,500,000, all occurring in the past 14 months.

The home that sold on Ogden Rd. which is now pending settlement was listed at \$1,595,000. It's a four bedroom/2 bath colonial upstairs in very solid condition but ready for cosmetic upgrades and a new kitchen, perhaps open to the DR. I live across the street and (with bias!) think this block is one of the finest in the community. We look forward to new neighbors as the buyers are the children of a dad I have known several years. He also has a child now living in Wood Acres. We see it often, kids who grew up in the area are often drawn back to our communities as they reach the child bearing years!

Finally, Stuart and Maury sold an impressive center hall colonial on Ridgfield for 72K over the list price with a final price of \$1,470,000. That home sold during the blisteringly hot market of April this year.

Let's swing over to Sumner for a moment and acknowledge that the highest sale ever in that community took place this spring when the home at 4900 Rockmere Ct. sold (photo on next page) for 305K over the list price at a final price of \$3,200,000. That's the first house to sell over three million dollars in Sumner and is 350K more than the second highest sale ever in Sumner last summer. Sumner has had ten sales over \$2,000,000 in their history, all of which have occurred since the beginning of the Pandemic in March of 2020.

Part of the reason you see more 2 million plus sales in Springfield/Westwood than Sumner has to do with tear downs. The original housing stock of Sumner was more substantial in stature. Over the years there have been only rare tear down opportunities although we are now starting see a few such as the new home being constructed as we speak at 6010 Corewood Lane. There is a new home being built on the other side of Rockmere Ct., and a new home at the corner of Randall Lane and Ft. Sumner too. It's starting to happen a bit although I think the existing rambler and split stock in Springfield will always provide more builder opportunities than the classic colonial style often seen in Sumner.

If we step back and look at all of Bethesda and Chevy Chase zip codes and analyze the first 6.5 months of the year, it becomes clear that the number of detached homes sold has dropped 26.7% from 583 last year to 460 this year. No one who has been paying close attention can be surprised. There are just fewer opportunities to buy something and interest rates that are now over *seven per cent* have to take an inevitable toll. But the astounding parallel piece of information is that the average sold price of a single family house this year is \$1,637,000. I could be an alarmist and say "it's down, it's down!..." but it's only down a gentle 2.6% from 2022 average of \$1,675,000. And \$1,637,000 is an incredible number. I am truly stunned that a rise in interest rates from 2.65% to over 7.0% hasn't dented home values significantly. Stand in awe at the resilience of our real estate market and where we live! The average detached home sold for 101.6% of its asking price in the first half of this year, it was a scorching 104.3% during the first half of 2022. So yes, there are fewer multiple offers and homes selling way over the asking price but all you have to do is study the sales on the next page to see that if someone with money really, really wants something, price is no object. Apparently.

More Remarkable 20816 sales in 2023:



**4900 Rockmere Ct.
Sumner
List Price: \$2,895,000
Sold Price: \$3,200,000
305k over asking**



**5411 Albemarle St.
Westmoreland Hills
List Price: \$2,595,000
Sold Price: \$2,829,110
\$234K over asking**



**5703 Newington Rd.
Springfield
List Price \$2,495,000
Sold Price: \$2,725,000
230K over asking**



**5220 Nahant St.
Glen Mar Park
List Price: \$2,425,000
Sold Price: \$2,726,000
301K over asking**



**6002 Corewood Lane
Sumner
List Price: \$1,849,000
Sold Price: \$2,050,000
201k over asking**



**6014 Corewood Lane
Sumner
List Price: \$1,725,000
Sold Price: \$2,000,000
275k over asking**



**5108 Wehawken Rd.
Glen Echo Heights
List Price: \$1,550,000
Sold Price: \$1,725,000
175K over asking**



**4802 Jamestown Rd.
Westgate
List Price: \$1,495,000
Sold Price: \$1,770,000
275k over asking**



**4601 Overbrook Rd.
Brookdale
List Price: \$1,399,000
Sold Price: \$1,725,000
321k over asking**

It's time for a deep dive on the emerging Westbard Square and the reimagining of the shopping center many have known for 60+ years. My family moved into Wood Acres in 1956. My memory is that we often went to Spring Valley in DC for groceries in the '50s. The Westwood Shopping center was built around 1960 when I was 8 years old. We were "free range kids" back then and lots of us would wander over to the shopping center by ourselves during our formative years to get a cherry coke at the Drug Fair or hang out at the just built bowling alley. Were there undesirables in there? Probably! We also loved going to the yoyo store next to what is now Starbucks. I kid you not, yoyos were a thing back then. Baskin Robbins soon went into the shopping center and that was a big deal too. We always had a Giant Food grocery store growing up as well.

I remember attending a civic meeting at a meeting hall on Landy Ln. across from McDonald's to meet the design team and executives from Equity One in 2014, nine years ago. They were there to learn what kind of a new shopping center the community wanted. I thought to myself, "this isn't going to go well for them." I chuckled a bit as attendee after attendee got up on the mic and said "we want it the same as it is only nicer." Free above ground parking (ain't gonna happen), no high rises (ain't gonna happen), and several neighborhood reasonably priced local restaurants (doubtful).

It was obvious that the shopping center had seen it's better days. It was ready for a complete renaissance. A year turned into two and I think Equity One just got worn down at the lack of progress as intense community input slowed down their plans. They sold the entire company to Regency Centers in 2017/18, a company controlling 404 shopping centers across the country accounting for 54 million square feet of space.

Regency quickly realized, in my estimation, that the most contentious topic was not the rebuilding of a new shopping center, most people seemed onboard for that. But what might happen on the **other** side of Westbard has lots of us worried. Equity One had been pretty loud about a series of high rise apartment buildings in place of the bowling alley, the gas stations and even cramming a high rise in front of and behind the current high rise to the left of the bowling alley. The community rightly questioned the density, the impact on schools and traffic. Swanky new high rise apartments are all the rage these days, just take a drive to downtown Bethesda. It's obviously where the money is. And Regency spent about 200 million bucks to acquire all these assets.

It can be said that community resistance on this topic was wise, valuable and influential. So Regency did a smart thing. They broke the whole idea into two parts. They said "let's table the entire discussion on the other side of the road and get the shopping center built." That got the project going again in my estimation. One significant achievement was community input that insisted that The Giant never close. Give Regency credit, they made this happen. Somewhere in December '23/January '24, the new Giant is going to open for business and then they will take down the old Giant and the rest of the shopping center. The "Westbard Square" website (Google it!), has some good information if you are interested. A project of this size has a fluid time table, but the demo of the old remaining part of the shopping center is slated in early 2024 with completion of the next phase estimated to occur in late 2025. We'll see how that goes. The drawings are of course exciting and look terrific, but sometimes these things are a bit optimistic.

I've sold over a billion dollars of real estate. But I'm not a commercial agent. I have no special knowledge about this kind of stuff. I'm just following along as a somewhat informed citizen of the community.

I get asked a lot, "so what impact will the new Westbard have on our community?" I think folks think I have some deeper insight into these sort of things. All I know is that as it comes out of the ground area residents are starting to cautiously get excited about it. I have had owners in Wood Acres say to me, we'd love to live on the side of Springfield/Westwood where we could easily walk to the new Westbard." That is interesting. It's happened repeatedly. Many are worried about traffic. It seems to me that when the massive intersection at Westbard and River is completed, there will be little reason for drivers outside our neighborhood to drive on our residential streets. It's just going to be easier to drive down River and make a right onto that wide open four lane road to get to the shopping center. If you live in Sumner or Glen Echo Heights, the normal traffic pattern of driving down Mass to Westbard and entering that way is going to be the easiest way to access the center. If you live on the other side of Mass and want to get out to River, you won't need to cut through Cromwell, Springfield and Ogden to get to River, you'll have the natural pathway you used to use up Westbard. I hope I am right because the current situation is a burden for Springfield with a lot of cut through traffic.



On the Westbard Square website, they tout the “demographics” of our community and it is quite an impressive array of data:

Westbard Square	1-Mile Radius	3-Mile Radius	5-Mile Radius	± 10-Min Drive
👤 Population	22,070	145,990	469,993	129,078
🕒 Daytime Population	22,832	232,521	666,471	201,075
💰 Average Household Income	264,698	264,951	211,840	260,897
🏠 Average Home Value	1,504,790	1,536,147	1,303,495	1,525,614
🎓 Bachelor's Degree or Higher	87.4 %	88.0 %	78.9 %	88.5 %
🚗 Vehicles Per Day: 34,307				

It’s interesting to note that the website is reporting that in addition to Giant, two other mainstay businesses of the current shopping center have signed up to remain with us at the new digs. The Westwood barber shop is reported to have leased one of the storefronts in the new Giant that faces the bowling alley. Voorthuis Opticians is said to have leased space as well. That’s good news. We all want the new center to retain a degree of “local.” This is especially true

when it comes to restaurants. I have a close community friend hoping for a neighborhood gathering dining experience where he can enjoy a beer and a ball game. That would be pretty cool. But it’s going to be a very expensive place to open a business and I wouldn’t be shocked to see a chain restaurant with deep pockets emerge. Again, we will see.

I think it was a big win when it was announced that the Kensington Senior Living facility would be built on the site of the old Westwood II shopping center site. Zero impact on schools, and a much lighter impact on traffic. Win/win. Yes, there will be townhouses. While the site doesn’t exactly say how many they will populate a large part of what is now the parking lot in front of the Giant and wrapping around the right side of the new Giant and then a bunch where the old Manor Care facility used to be. Expect them to be priced near 1.8 million, and very similar in design to the townhouses that were built on Little Falls Parkway a few years ago. That design is quite popular. Again, an educated guess.

Yes, we will get a little park adjacent to the back yards of the houses at the bottom of Ridgefield Rd. I don’t expect much but hopefully it’s some green space that will allow the community to gather with the kids or walk the dog. Whatever it is will be better than the parking lot that is there now. I have to admit to being optimistic that this enormous project, while not completed for many years, will be a plus for our community. But we must stay ever vigilant and involved.

When I first had the idea to do a **SHREDDER DAY** about 10-15 years ago, there were very few events like it in the area. I got the idea from a Bethesda title company and ran with it. Now, the shredding companies are so busy I have to book them six months in advance and not surprisingly it costs twice what it once did. But I’m cool with that, it’s a wonderful way to keep your house cleared out and it’s fun to see so many of you every year. The free event will be held on **September 23rd, 2023** in front of Wood Acres Elementary from 10am to 1 pm. I’ll remind you in several ways as we get closer but put it on your calendar if you wish!



This is fun, after trying to get placement in The Bethesda Urban Partnership Outdoor Concert Series for many, many years, The VI-Kings were selected to appear this year. We were rained out for our Friday June 23rd date but have been rescheduled for Friday August 4th at the corner of St. Elmo and Norfolk. It’s a great scene with hundreds of people, the shade of tall buildings makes the block very appealing as well. I hope to see many of you and share with you the 60s/70s music we love.

Sincerely,

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