

GLEN ECHO HEIGHTS

MOHICAN HILLS

REAL ESTATE NEWS FROM

Robert Jenets

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Annual Market Review



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BETHESDA (20814, 20816, 20817)

To say that 2016 was a memorable year is an understatement. With the constant distraction of the presidential election dominating the news, it is a wonder that we got anything done! Nevertheless, Bethesda homeowners and their Realtors teamed up to transact **858 home sales** during the year (excluding condos and townhomes), which is 21 more than the year before.

When the real estate industry was able to get a word in edgewise, it was mostly positive. Nationally, it was reported that many areas of the country were experiencing booming sales and increasing prices. The market was said to be the best it had been in years! Places like Nevada and Florida that had plummeted during the recession were storming back.

The recurring themes locally were lack of inventory making it difficult for homebuyers who wished there were more choices, interest rates holding at historic lows (but always the threat of rising!) and an increase in the number of homes being sold. November saw more sales than any November since 2004 and the market stayed busy right on through most of December. There was a two week lull around the holidays and now my sense is that it is ready to pick up where it left off and zoom into 2017.

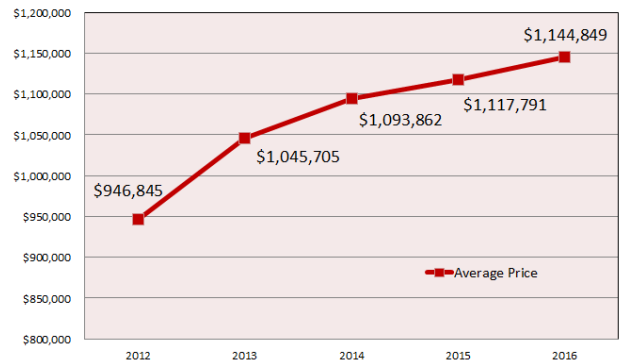
According to MRIS, **the average price for Bethesda single family detached home sales in 2016 was \$1,144,849**—an increase of 2.4% over 2015's average price. The time it took for a home to get a contract increased from 58 days in 2015 to last year's **65 days on the market**.

ZIP CODE 20816

In compiling the data for our Zip Code analysis, I use the information provided by our multiple listing service, the MRIS, and add to it the home sales that never made it to the MRIS which can be found in the public record for the county. This year I found 21 such transfers which, when added to the 198 sales listed in the MRIS, brings the **total sales for the year to 219 homes**—29 more than the previous year.

For a year-over-year comparison, I will remind you that 2015's average price was \$1,102,508. Last year, the **average detached home in Zip Code 20816 sold for 97% of the list price at the time of contract at a sale price of \$1,087,312**, which represents a **2.8% decrease** compared with 2015. Let's not get too excited about a slight decrease in value according to the statistics. The other Bethesda Zip Codes showed increases of 6.4% (20814) and 3% (20817), primarily driven by the high prices commanded by new construction which is more prevalent in those Zip Codes. That does not mean that every home in those areas appreciated by those amounts. Homes that have been well-maintained and wisely improved over the years have enjoyed some significant appreciation but in general, values in our area have been only gently rising for several years.

AVERAGE PRICE of BETHESDA HOME SALES



... NEIGHBORHOOD REVIEW ...

THE NEIGHBORHOOD

The number of home sold in Glen Echo Heights and Mohican Hills was the same in 2016 as it was the year before—**33 sales**. Thirty of those were through the MRIS, to which I added the three private transfers from the public record. The neighborhood has seen a turnover rate of about 4.5% for the past several years now. I have long thought it odd that the statistic that is talked about most in the news is the *number* of sales. From an individual homeowner's perspective, one would think that the relative *value* is the more important data point.

The **average sale price in Glen Echo Heights and Mohican Hills** for 2016 was **\$1,155,388**. That represents a statistical *decrease* of about 3.5%. A glance at the list of sale prices last year clearly explains the downward trend— more lower priced homes and fewer high priced homes changed hands. There were seven sales below \$800,000 and another eight sales between \$800K and \$900K. There was one sale at \$950,000 which brings the total to 16 for the number of homes to sell for less than \$1M. Balance that against only one sale at or above \$2M and you can easily see why the average is lower.

With the wide range of prices found in Glen Echo Heights, the average price may not be the best way to judge value. The average price is more susceptible to giving a skewed impression of value if the data sample includes some radically higher or lower sales. A more representative measure of value may be the MEDIAN SALE PRICE which is the midpoint of the data, with half of the sales above and half of the sales below the median price. It is considered to be a more accurate barometer of real estate activity, particularly for a small sample of prices. Including the non-MRIS sales, the median price for homes for Glen Echo Heights in 2015 was \$918,000 as compared with the **2016 median price of \$1,025,000**. Statistically that is an increase of 11.6% but remember a year ago, that price of \$918,000 was down 14.4% from the year before that.

The **average marketing time** rose from 73 days in 2015 to **100 days on the market in 2016** from listing to contract. It is the usual story here that the average was driven up by a few new homes where the extraordinarily long marketing effort reflects the construction period. Most new homes do not sell until they are finished, or pretty close to it. But it is not only that—once those homes were completed, they remained unsold for a long time, leading one to surmise that the demand for homes like that may have waned somewhat. Another factor that probably contributed to those long marketing times is the overabundance of such new homes available for sale all over Bethesda and Chevy Chase. The buyers have a lot of choices and feel no urgency when it comes to making a \$2M purchase. All that being said, 14 of the 33 homes sold last year had single digit marketing times.

Lest it seem that all is gloomy for new homes and high prices, it should be noted that the **high sale** in the neighborhood last year was a spectacular home built by Bethesda Builders at **6309 Dahlonga Road** which sold in only 40 days for **\$2,298,750**. The high quality of materials and finishes in this elegant home was a level or two above the rest and it is good to see that excellence rewarded. In my family, when a discussion would come up about something highly competitive, my father had a favorite saying that I think applies here. If one of us was discouraged at thinking the field was too crowded to enter, he would say, "There's always room for a *good one*." In this case, there was room for a GREAT ONE.



2016 GLEN ECHO HEIGHTS SALES

6 Wyoming Ct	\$510,000	6310 Walhonding Rd	\$1,075,000
5404 Wehawken Rd	\$720,000	6429 Wiscasset Rd	\$1,095,000
6112 Winnebago Rd	\$725,000	6102 Namakagan Rd	\$1,199,500
6313 Dahlonge Rd	\$755,000	5707 Mohican Rd	\$1,340,000
6412 Dahlonge Rd	\$785,000	6207 Winnebago Rd	\$1,349,000
5517 Mohican Rd	\$795,000	5317 Tuscarawas Rd	\$1,350,000
5313 Wapakoneta Rd	\$795,000	6316 Wiscasset Rd	\$1,367,500
5424 Mohican Rd	\$800,000	5102 Wyoming Rd	\$1,400,000*
6225 Madawaska Rd	\$800,000	6114 Madawaska Rd	\$1,400,000
6115 Wiscasset Rd	\$813,900	5 Wyoming Ct	\$1,437,500
5336 Wapakoneta Rd	\$830,000	6304 Walhonding Rd	\$1,480,000
5115 Wehawken Rd	\$840,000*	6415 Dahlonge Rd	\$1,772,000
5410 Tuscarawas Rd	\$875,000	5302 Iroquois Rd	\$1,875,000
6312 Wiscasset Rd	\$878,126	6024 Walhonding Rd	\$1,940,000
5303 Waneta Rd	\$890,000	6412 Dahlonge Rd	\$1,961,533
6308 Walhonding Rd	\$950,000	6309 Dahlonge Rd	\$2,298,750
5023 Wissioming Rd	\$1,025,000		

* Robert Jenets Sales

UNDER CONTRACT

At this writing, there are two houses under contract, pending settlement. One of them is **6216 Winnebago Road** (pictured at right) which was built in 2004 by Chase Construction. This is an impressive home situated well above the street with six bedrooms and five and a half baths included in more than 6,000 square feet of finished living space. The terraced back “yard” is mostly devoted to a swimming pool and patio. The home was listed for \$1,590,000.

The other home under contract is located at **6001 Walhonding Road**, at the corner of Sangamore Road. The house was listed for \$689,000 and the online remarks state that the value is primarily in the land.



AVAILABLE

At the moment, there are **nine listings** in the neighborhood but one is a new home to be built and one address appears twice. That is because the builder selling one of the properties has it listed for sale as a vacant lot and as the house he would build there. That leaves six currently existing homes for sale with prices of \$924,900 and \$949,999, then jumping to \$2,275,000, \$2,300,000, \$2,495,000 and \$3,999,000. That is pretty top heavy!

The \$3,999,000 listing is **5415 Mohican Road**, the **Baltzley “castle”**, now renovated and expanded. I was fortunate to have had the opportunity to walk through the home when it was for sale before the renovation and it was a memorable experience. I couldn’t help but imagine carriages pulling up under the massive porte-cochere to discharge sophisticated guests in fancy attire. The custom made chestnut staircase and abundant chestnut trim throughout the house lent a richness to the spaces that shone through despite the deplorable condition. The fine 19th century craftsmanship was apparent in the solid stone construction and heavy wood beams but that made seeing it in such a state of deterioration sadder still. I was left with the feeling that I had just stolen a moment from the past that was uniquely mine. I greatly admire Mr. McNair for taking on the



intimidating task of restoring this local legend and wish him success in passing it on to its next lucky owner.

COMING SOON

There is a good chance that the local real estate market will catch fire earlier than usual in 2017 due to the strong demand that still exists and a subtle recognition that it may be to one's advantage to capitalize on the good buying and selling conditions that we have now. Fueling that activity will require new inventory and, to that end, I want to announce a couple of homes that I will be bringing to the market very soon:



6202 Madawaska Road



5223 Wyoming Road

Please contact me directly for more information about either of these exciting new offerings. And don't hesitate to reach out to me for a confidential consultation about your upcoming real estate plans and/or questions—I will be happy to help. Thank you for your support!



SHRED-IT DAY 2017

*The annual opportunity for you to have your important papers shredded before your eyes is coming up on **April 8th**. Just like last year, the truck will be available in the parking lot of the **Washington Waldorf School** on Sangamore Road from **11:00 AM to 1:00 PM**. Be aware that they will probably empty your container into the shredding bin and give you back the container itself. There is no need to remove paper clips or file fasteners but they do not take three ring binders. I hope to see you on the 8th of April!*

Information deemed to be reliable but not guaranteed. This is not meant to solicit the listings of another broker.



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