

# Glen Echo Heights / Mohican Hills Real Estate Report

January  
2019

## ALL BETHESDA (20814, 20816, 20817)

I have good news—Bethesda property values do *not* behave like the stock market! Can you imagine if they did? Wow, what a stressful ride that would be. Luckily for us, the price of housing in this area is generally stable and the market has been cruising at 35,000 feet for several years now. Of course, homeowners would love for values to appreciate more quickly but this steady ride certainly beats the alternative. You can see in the chart below that statistically, there has been an increase in the average price but for an individual house, it feels more like maintaining and sustaining than climbing.

The big news for Realtors in 2018 was our involuntary conversion to a new multiple listing service—Bright MLS. While it is similar to the previous MRIS, we are still adjusting to the different ways it presents the information and sometimes we struggle to get the data we are used to using. While we would prefer not having to learn a new system, I must admit that it offers some enhanced features that will be useful going forward.

According to Bright MLS, the three Bethesda Zip Codes posted **793 closed sales** of single family detached homes last year, about 6% fewer than the 844 sales from 2017. The average **marketing time** was down from 61 days in 2017 to last year's average of **55 days** for a purchase contract to be ratified.

The combined value for all 793 home sales last year was \$943,896,553—less than the \$970M from 2017 but still almost a billion dollars of real estate. The final sale price was about 98% of the original list price which is 2% higher than the percentage for 2017. Doing the math results in an **average price** calculation for all Bethesda single family home sales of **\$1,190,286**, which represents an increase of approximately 3.5% over the previous average.

## ZIP CODE 20816

In compiling the data for our Zip Code analysis, I use the information provided by our multiple listing service, Bright MLS, and add to it the home sales that never made it to that database. Those sales are discovered through a painstaking comparison of the MLS sales with all of the transactions listed in the public record for Montgomery County. That exercise turned up 21 private sales last year which, when added to the 177 sales reported in Bright MLS brings the total to **198 single family detached home sales in Zip Code 20816**. For those of you keeping score, that is *17 fewer sales* than we saw in 2017.

Once again this past year, the pace of sales in our Zip Code was a little faster than the other two Bethesda Zips by eleven and twelve days respectively. The length of marketing time ranged from pre-market sales of zero days to a lengthy 438 day stretch for the longest listing. The **average listing period was 46 days on the market** before getting a contract. Once again, it is worth noting that 58 homes sold within the first two weeks. That is not as impressive as the 2017 stat which showed 108 homes selling in that short time. It is fair to say that the 2018 real estate market in our area did not have quite as much energy as the 2017 market.

The **average price** of the 198 sales last year was **\$1,143,592**, only **\$971 less than the previous year's average!** Talk about stability. There were eight sales at or above \$2M in 2017 which differs from the list for 2018 that includes only three sales at that price level. There were nine sales between \$1,800,000 and \$1,999,000 but overall, the upper range was not as active last year. The lower range was also different. Whereas 2017 had 23 sales below \$750,000, 2018's list only includes 12 home sales in that lower range. The most active segment of the market was from \$900,000—\$1,200,000, representing 39% of the transactions—77 sales.



### MLS STATISTICS by ZIP CODE—2018

(Does not include OFF MARKET sales from the Public Record)

	# of Sales	Days for Sale	Average Price	%Change from '17
20814	191	57	\$ 1,216,530	+ 4.68%
20816	177	46	1,164,635	+ 1.75%
20817	425	58	1,185,170	+ 4.61%

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When it comes time to write the annual review of real estate activity for the neighborhood, I find it interesting to look back at some of the milestone years of the past. This annual review comes exactly ten years after the financial fiasco of 2008 when, in September of that year, Lehman Brothers went bankrupt. You undoubtedly remember the domino effect that their failure initiated and we cringed as one financial giant after another became insolvent.

You may also remember that two years before that the financial markets were rocked by the avalanche of risky mortgage foreclosures which had a detrimental effect on the 2007 real estate market. Thus, my newsletter of January 2009 began like this: *“As I prepare to describe the real estate market of 2008, I am struck by the remarkable similarity it bears to the market of 2007.”*

On a larger scale, that is true for the years 2018 and 2017 as well, but fortunately for us, the similarity of real estate reports for the last two years is not the result of any financial disaster. And while the statistics for Zip Code 20816 are remarkably similar for those years, the metrics for the neighborhood do not follow suit. We’ll get to that on the next page but let’s take a look at where we are ten years after the meltdown of 2008 and the resulting recession.

Glen Echo Heights and Mohican Hills only saw 16 home sales in 2008 and 14 of those were closed by July 11th. There were only two transactions that took place in the later part of that fateful year. We obviously have a much healthier market now because in **2018** there were **38 home sales** finalized during the year. (Bright MLS shows 34 sales and I found four private transfers in the public record, bringing the annual tally to 38.)

Homes sold more quickly in 2018 than they did in 2008. The average number of **days on the market** then was 89 as opposed to the **77 days** it took for the average home to sell last year. Of particular interest is the fact that the quickest sale from 2008 took 20 days to get a contract. There were seven sales in 2018 that had single digit marketing times.

The last piece of the puzzle is the average price and here is where it gets complicated. The list of 16 sales in 2008 ranged from \$700,000 to \$6,600,000! The market was flush with high priced homes and a handful of very low priced homes with little in between. There were five sales in the \$700’s, one in the \$800’s, one in the \$900’s and everything else over \$1.2M. Of those higher priced sales there were four between \$1.6M and \$1.935M, a couple at \$2M and the \$6.6M sale! Needless to say with such a small data

sample, the average price was a whopping \$1,646,469! Even removing the outlier high sale only dropped the average to \$1,316,233.

With a much more representative data sample last year, the **2018 average price** was **\$1,214,998**. All the price ranges were accounted for as you can see on the opposing page and it was a particularly good year for the upper range, at least in terms of achieving a sale. As for the final sale price, though it was high, I imagine several sellers were disappointed in having to lower their expectations to accomplish the task.

In assessing where we are now as compared with 2008, one must remember that the fallout of the meltdown was not immediate. The market essentially put itself on hold for the last part of 2008 and then, when people realized that the world had not ended, there was a slingshot effect in 2009 when the number of sales in the neighborhood doubled. This is a pattern I have seen repeated many times over the years. For whatever reason people hesitate to put their homes on the market during a certain period of time, that lull is usually followed by an exaggeratedly high number of sales in the next season. We have a transient area and people have to come and go.

But what about value? What effect did the beginning of the recession have on prices? Well, the average price for 2009 was only \$1,052,158. Now that is an artificially low number resulting from an odd list of home sales that year that included 16 sales under \$800K! And one of those was at a price of \$450,000! OK, so maybe it is random that so many low priced homes decided to sell that year but maybe their prices wouldn’t have been so low if not for the recession.

It could be fair to say that the 2008 average is too high and the 2009 average is too low and that the truth of where values were after the meltdown is somewhere in between—perhaps right around our average price for 2018. My hyper-local real estate experience of 35 years leads me to the conclusion—and I have been saying this for a few years now—that if you have kept up with necessary maintenance and improvements to your house, your value is probably back in the range it was before the meltdown.

That being said, it is important to know that buyers today are less willing to make improvements to the house they buy and want a serious discount if they have to do the work. As such, a home that was bought at the peak of the market which has not been upgraded and maintained, now ten years later is probably not worth as much as it was then. It is best keep up with required home maintenance and improvements regularly rather than rushing to make them before a sale.



**BRIGHT-MLS SALES 2018 GLEN ECHO HGHTS / MOHICAN HILLS**

Address	Beds	Baths	Original List Price	Price
5312 Tuscarawas Road	3	3/0	\$719,000	\$705,000
6416 Wiscasset Road	4	1/1	\$820,000	\$780,000
5308 Waneta Road	4	2/0	\$835,000	\$795,000
5216 Wyoming Road	4	2/0	\$849,000	\$799,000
5106 Wehawken Road	4	2/1	\$799,000	\$799,000
6012 Namakagan Road	4	3/0	\$795,000	\$830,090
5412 Waneta Road	5	4/0	\$889,000	\$835,000
5205 Wapakoneta Road	6	4/0	\$899,000	\$850,000
6216 Madawaska Road	5	3/1	\$1,049,000	\$865,000
5508 Mohican Road	4	2/1	\$839,000	\$895,000
6004 Osceola Road	3	2/1	\$929,000	\$915,000
6111 Wiscasset Road	3	4/0	\$969,000	\$950,000
5704 Mohican Place	3	2/1	\$925,000	\$950,000
5313 Tuscarawas Road	5	2/1	\$849,000	\$955,000
5025 Wissioming Road	5	2/1	\$889,000	\$955,000
5321 Tuscarawas Road	6	3/1	\$999,999	\$999,999
5704 Mohican Road	5	4/0	\$1,125,000	\$1,015,000
6104 Namakagan Road	4	2/1	\$990,000	\$1,070,000
5309 Mohican Road	5	3/0	\$1,095,000	\$1,100,000
5109 River Hill Road	5	2/2	\$1,249,000	\$1,237,500
5319 Wapakoneta Road	5	3/1	\$1,375,000	\$1,270,000
5125 Wissioming Road	4	3/1	\$1,499,000	\$1,325,000
6 Wyoming Court	5	4/1	\$1,495,000	\$1,350,000
5128 Wissioming Road	6	4/2	\$1,465,000	\$1,480,000
6530 Wiscasset Road	4	3/1	\$1,500,000	\$1,500,000
5014 River Hill Road	5	3/1	\$2,125,000	\$1,735,000
5309 Iroquois Road	5	6/0	\$1,999,000	\$1,860,000
6217 Winnebago Road	6	5/1	\$1,949,000	\$1,868,000
6112 Winnebago Road	5	5/1	\$2,099,000	\$1,902,500
5313 Wapakoneta Road	6	5/1	\$1,995,000	\$1,904,000
6213 Madawaska Road	5	4/1	\$1,995,000	\$1,945,000
5409 Wehawken Road	6	6/2	\$2,065,000	\$2,065,000
6351 Walhonding Road	6	6/1	\$2,190,000	\$2,100,000
6303 Dahlonaga Road	5	5/2	\$2,455,000	\$2,445,822

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So much for the history lesson! Now let's take a look at **how the statistics for 2018 compare with 2017**. The number of sales for the two years differed only slightly—**2018 had one more sale**. The average time it took to get a purchase contract was longer in 2018. The average marketing time was **77 days on the market** versus only 63 days in 2017.

The **average price** for Glen Echo Heights and Mohican Hills sales in 2018 was \$1,214,998—that is **up 13.7%** over 2017. As Frank Sinatra sang... "It was a very good year"

**UNDER CONTRACT**

At the time I wrote this newsletter, the MLS showed two homes in the neighborhood as being under contract, pending settlement:

**5300 Tuscarawas Road** is an "almost new" home at the intersection of Tuscarawas and Walhonding Roads. I say almost new because the developer kept a small portion of the original house and tied it in with the



new construction. I have been told that the advantage to such an approach lies in the permitting process being easier and faster for what is technically considered to be a renovation as opposed to a new home permit. The original list price of \$1,895,000 appears to have been optimistic because the house did not get a contract at that list price. Eventually, the asking price was reduced to \$1,795,000, then reduced again to \$1,745,000, and ultimately down to \$1,699,000 at which point it has now gone under contract.

**5316 Wapakoneta Road** is the other home under contract awaiting settlement. I originally sold this address as a lot to Tulacro



Construction in 2007 and it became an impressive new home with an elevator and a three car garage that I sold in 2008 for \$2,230,000. The current listing price is \$2,125,000 which is actually good considering that the home is now 10 years old. Many of these resales show a greater differential from the price they commanded as a brand new home.

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

**SHRED-IT DAY 2019**

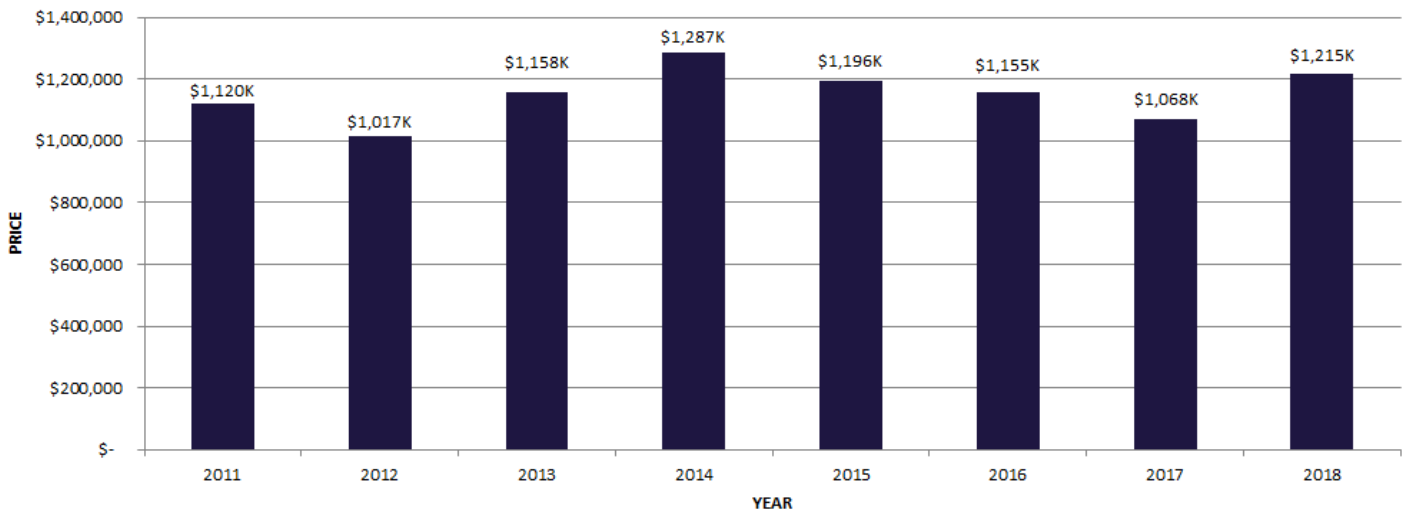
*The annual opportunity for you to have your important papers shredded before your eyes is coming on **April 7th**. Just like last year, the truck will be available in the parking lot of the Washington Waldorf School on Sangamore Road from 11:00 AM to 1:00 PM. There is no need to remove paper clips or file fasteners but they do not take three ring binders. **If you would like to receive Shred-It Day notices by email, simply send me your email address and I will be happy to keep you informed. I look forward to seeing you on the 7th of April!***



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«City/State/Zip»

### Glen Echo Heights / Mohican Hills Average Price



I have mentioned in the past that the normal pattern of the real estate market in our area has been for the buying public to be ready for action sooner than most sellers are prepared to offer their homes for sale. Most often that creates a favorable climate for sellers who do come on the market early in the year. The only question is when will it take off. Everything I have seen already this year points to strong buyer demand and portends a robust spring market.

To that end I want to mention two properties that I will be representing for sale in the next few months. The home at **6405 Walhonding Road** is a contemporary that



was built in 1977 which offers dramatic living spaces and wooded views along with five bedrooms and three and a half baths. This updated home may be purchased

with an adjacent out lot that effectively gives you a personal forest—or maybe a future building lot? Watch for it!

The other property that will be available is equally intriguing. It is a mid-century modern home designed by a student of the famous Frank Lloyd Wright. Sited on a lush third acre lot in Mohican Hills, **6528 Wiscasset Road** is an

architectural gem that is sure to warm your heart. With the many windows and skylights you would expect in this type of home and an updated granite kitchen, this unique property blends nostalgia with modern convenience. If you or someone you know may be interested in either of these exciting properties, please contact me and I may be able to arrange a private showing. As always, thank you for your support!

