

Glen Echo Heights / Mohican Hills

Real Estate Report from ROBERT JENETS

January
2022

ALL BETHESDA (20814, 20816, 20817)

It turns out life is like a box of chocolates and you never know what you're going to get. We got hit without warning by a raging pandemic but we could never have known we would also get a raging real estate market. For anything in which you are personally involved you have a keener focus and deeper understanding than others who are not. Therefore, people who bought or sold a home last year know tangibly that the term "raging" is not an exaggeration when describing the market. Only those who were prepared to compete at the highest level emerged as winners.

According to Bright MLS, the three Bethesda Zip Codes accounted for **951 closed sales** of single family detached homes last year, a **15% increase in the number of sales** (828) posted in 2020. The shortage of available homes for sale has been widely publicized so it is no surprise that the time it took to sell a home was shorter last year. What is startling is the dramatic **decrease in the Average Marketing Time** from 51 days in 2020 to **only 21 days** in 2021! Lightning fast.

The combined value for all 951 home sales last year was \$1,367,305,362, surpassing the 2020 total by more than \$286M. As good as 2020 was, the average home only sold for 99.2% of the *original* list price. Consistent with how stellar sales were last year, the average home sold for 102% of its original list price! Those impressive statistics lead us to the highest ever **average price of \$1,437,755** for a single family home in Bethesda—an impressive **10.37% increase** over the previous average which was \$1,302,700.

I think everyone took a much needed break from the action over the holidays but hang on to your hats; from all indications, the market is about to resume its breakneck pace as those of us actively involved in real estate are about to be swept back into the vortex.

ZIP CODE 20816

As the focus is narrowed from all of Bethesda to only the 20816 Zip Code, I like to include off-market sales found in the public record that are not represented in the MLS statistics. This is an effort to present a truer picture of our local sales activity. A careful examination of the public record turned up 29 private sales last year which ranged in price from \$755,000 to \$3.4M. Only ten of those sales were under a million dollars and ten were greater than \$1.5M. Six of those were over \$2M. Adding the 29 private transactions to the 204 sales reported in Bright MLS brings the total to **233 single family detached home sales in Zip Code 20816**. In 2020, the total was 205. Considering the pause in sales during March and April of 2020 due to the onset of the pandemic, the pace of sales last year was about the same. That statistic, taken in light of the fact that the market was even more intense in 2021, results from an even shallower pool of available homes.

The average number of days a listing took to sell decreased again from 26 days the previous year to **only 15 days on market for 2021**. As a result, the number of sales that happened within the first 7 days rose from 108 in 2020 to 140 quick sales last year. Sales closing at a price greater than the list price numbered 80 in 2020, and that number increased to 134 such sales in 2021.

The **average price of the 233 sales in Zip Code 20816 last year was \$1,442,451**, an increase of 5.41% over 2020's average of \$1,368,373. You may wonder why the appreciation in 20816 did not match the higher increase for all of Bethesda. One factor that could be considered is that the 2020 appreciation in 20816 was 15.3% compared with greater Bethesda's 9.6%. As such, the starting point for 2021 was much higher than for the other Zip Codes. And, you can see below that Zip Code 20814 had an unusually great statistical jump in price which skewed the overall number higher.

MLS STATISTICS by ZIP CODE—2021

	# of Sales	Days for Sale	Average Price	%Change from '20
20814	234	18	\$ 1,465,114	+ 17.13%
20816	204	15	1,446,962	+ 5.14%
20817	513	24	1,421,615	+ 9.66%



Robert Jenets

PRESIDENT & PRINCIPAL BROKER

(301) 257-3200 (cell)
(301) 654-3200 (office)

 Robert@RobertJenets.com
 RobertJenets.com



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Neighborhood Review (Homes Sold by All Brokers – per MLS)

2021

Address	Beds	Baths	List Price	DOM	Sold Price	Date	SQFT
5308 Wapakoneta Rd	4	2	\$900,000	1	\$900,000	01/29/21	1,568
6530 Walhonding Rd	4	3/0	\$917,500	5	\$970,000	12/09/21	2,464
5320 Sangamore Rd	3	3	\$950,000	12	\$980,000	03/19/21	2,533
6522 Walhonding Rd	4	3/1	\$849,000	8	\$1,000,000	06/18/21	2,242
6213 Dahlonga Rd	4	3	\$850,000	7	\$1,035,000	02/10/21	3,778
5452 Mohican Rd	5	2	\$1,175,000	2	\$1,150,000	05/24/21	2,080
5220 Wapakoneta Rd	4	3	\$935,000	7	\$1,155,000	05/07/21	3,144
6304 Massachusetts Ave	4	2/1	\$1,079,000	3	\$1,160,000	06/24/21	2,922
5136 Wissioming Rd	4	3/1	\$1,149,000	10	\$1,175,000	11/30/21	2,790
5106 River Hill Rd	4	3	\$1,150,000	6	\$1,200,000	06/21/21	2,872
5207 Wyoming Rd	4	3/1	\$1,295,000	37	\$1,243,000	07/15/21	3,848
5416 Waneta Rd	5	4/1	\$1,195,000	4	\$1,250,000	04/02/21	4,430
5025 Wissioming Rd	5	3	\$1,295,000	29	\$1,250,000	05/18/21	2,624
6002 Winnebago Rd	4	3/1	\$1,275,000	13	\$1,253,000	10/08/21	2,809
6300 Dahlonga Rd	5	4/0	\$1,260,000	4	\$1,275,000	03/22/21	3,039
8 Wyoming Ct	4	3/1	\$1,250,000	5	\$1,300,000	06/04/21	3,240
6405 Walhonding Rd	5	3/1	\$1,330,000	15	\$1,330,000	07/21/21	3,582
6425 Wiscasset Rd	5	5	\$1,369,000	6	\$1,369,000	05/27/21	3,644
5217 Wapakoneta Rd	4	3	\$1,450,000	8	\$1,450,000	12/10/21	3,900
5309 Mohican Rd	5	3/0	\$1,399,900	8	\$1,502,745	11/22/21	2,865
6406 Wiscasset Rd	6	4	\$1,635,000	11	\$1,575,000	12/08/21	4,460
6517 Wiscasset Rd	5	3/1	\$1,499,000	6	\$1,600,000	06/30/21	5,805
6100 Namakagan Rd	5	3/1	\$1,295,000	6	\$1,610,000	07/16/21	3,203
5015 River Hill Rd	6	5	\$1,625,000	3	\$1,625,000	12/02/21	5,105
5412 Waneta Rd	5	4/1	\$1,675,000	6	\$1,745,000	12/13/21	4,548
6003 Winnebago Rd	5	4/2	\$1,575,000	5	\$1,750,000	06/29/21	4,374
5308 Wehawken Rd	5	4/1	\$1,589,000	1	\$1,800,000	03/31/21	5,080
6200 Walhonding Rd	6	5/1	\$1,750,000	5	\$1,925,000	04/29/21	5,234
6314 Walhonding Rd	6	5/1	\$1,699,000	3	\$1,930,000	10/19/21	6,436
6215 Dahlonga Rd	5	5/1	\$2,195,000	42	\$2,100,000	04/09/21	7,256
6440 Wiscasset Rd	6	5/1	\$2,200,000	22	\$2,210,000	07/14/21	7,380
5119 Waukesha Rd	6	6	\$2,145,000	4	\$2,300,000	05/14/21	8,176
5409 Tuscarawas Rd	6	5/1	\$2,225,000	2	\$2,350,000	07/06/21	6,829
5109 Wehawken Rd	6	4/1	\$2,495,000	13	\$2,550,000	06/08/21	8,142
6027 Walhonding	5	5/1	\$2,399,000	5	\$2,575,000	10/01/21	6,050
5405 Wehawken Rd	7	7/1	\$2,695,000	0	\$2,697,270	12/14/21	7,026
6224 Winnebago Rd	6	5/2	\$3,249,000	44	\$3,050,000	12/08/21	6,801
6415 Dahlonga Rd	5	6/1	\$3,295,000	5	\$3,300,000	11/04/21	5,034
5202 Wyoming Rd	4	3/1	\$3,595,000	139	\$3,595,000	05/14/21	5,889

The graph at the bottom of this page makes the emphatic statement that homes in Glen Echo Heights/Mohican Hills sold for an **average price of \$1,698,334** last year. That is the highest average price for the neighborhood—ever. It is a huge increase over 2020's average price of \$1,222,303—almost 39%. But 2020 was unusual with the pandemic having an impact so let's compare it with the year 2019 when the average price was \$1,398,354. Even then last year's average price is up more than 21%. The previous high of \$1,646,469 was recorded in 2008 but I want to make the case that 2021's average carries much more weight than the average from 2008.

You may remember that 2008 was a volatile year when the real estate “bubble burst” as a result of the subprime mortgage meltdown. The first half of the year was very strong but the market crashed that summer as the foreclosures began to mount. For that reason, there were only 16 sales in 2008, but one of them was for a price of \$6,600,000! Well, you can imagine what an outlier like that does to the average of such a small data sample. I remember writing that the average price of the other 15 sales, without the outlier, was \$1,316,233.

Last year's average price is based on a healthy sample (taken from the MLS) of **39 sales** ranging in price from \$900K to about \$3.6M. The average price is further legitimized by the fact that the **median price came in at \$1,502,745**—even with ten sales above \$2M. Sometimes the average can be skewed by a few high priced sales but the median is far lower. That was not the case for the 2021 sales which were pretty evenly distributed over the entire range.

Stories of bidding wars causing asking prices to escalate by hundreds of thousands of dollars have been widely reported and you can spot a few of them in the list on the previous page. It takes a special house to generate that kind of excitement and I am

proud to have represented the sellers in the sale of 6314 Walhonding Road which is one such example.

The home was built in 2015 so it has the open floor plan and modern features of a new home but at a little lower price. With new homes having become so much more costly a home like this is in high demand.

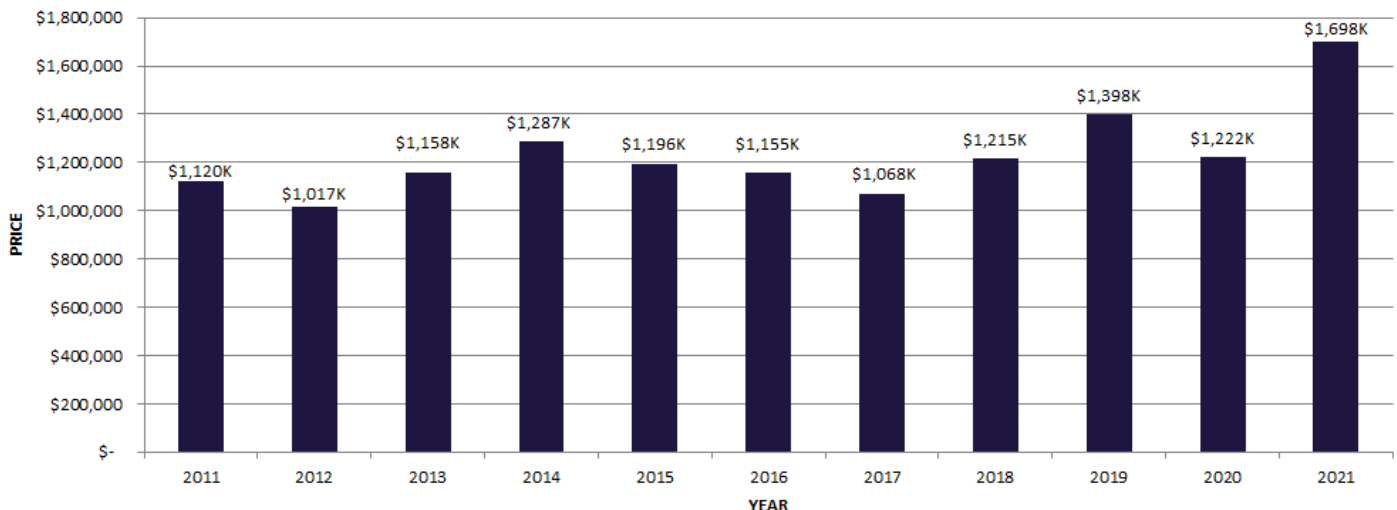


I have written about another technique buyers are using in this competitive market to get a house. I call it the pre-emptive offer where the buyer makes a super compelling offer the first day on the market as a way to beat the competition. That was the case on another of my listings—5308 Wehawken Road. This is a Sandy Spring Builders home from 1992 that offers many of those same new home elements that resonate with many buyers. This home sits on a terrific lot with the kind of level, grassy back yard that is hard to find.

Keep in mind that when a seller decides to accept a pre-emptive offer, it precludes the possibility that waiting to review offers a few days later may have resulted in competition which may have pushed the price even higher. In a hot market where competition is almost a certainty, that can be a difficult decision for a seller to make which is why a pre-emptive offer must be VERY compelling.



Glen Echo Heights / Mohican Hills Average Price



«AddressBlock»

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I represented buyers who used that same technique to purchase a similar “newish” home at 5119 Waukesha Road last year. It is a stately, spacious



home built in 2010 that would have been quite a challenge to get in competition. As such, the pre-emptive offer strategy allowed them to avoid the possibility of losing the house to a more competitive offer. Over the last couple of years, many house-buying hopefuls have submitted offers that seemed like a sure bet to be the winning bid, only to fall victim to a more motivated buyer. That is a disappointment one can only hope *not* to experience.

Comparing the List Price with the Sold Price in the chart on page 2 shows that 26 of the 39 sales last year closed at a price greater than the asking price. While a few of those were only a small margin above the asking price, the fact of so many escalations

screams in all caps that 2021 was a real estate year to remember. Not surprisingly, the percentage of Sold Price compared to List Price increased from 100.1% in 2020 to 104.7% in 2021.

In a sales climate like that, it follows that the time needed to sell a house should decrease, and indeed it did. From 41 days on the market in 2020, **the average marketing time last year for GEH/MH home sales dropped to only 13 days.** Wow.

As 2022 gets underway, there is no sign that the inventory will improve, so at this point, it would seem that the market will continue to be as competitive as it was last year. At this writing, there is nothing available for sale in the neighborhood but one can assume there will be soon. There is no shortage of potential buyers and with nothing for sale at the moment, the homes that come on the market early will clearly attract a great deal of attention. There is some worry of interest rates rising which could slow things down eventually but at this point, it is more of a motivating factor for buyers to get something before that happens. Be well. - Bob Jenets

As always, thank you for your support and I welcome your questions or comments.

SHRED-IT DAY 2022

The annual opportunity for you to have your important papers shredded before your eyes is coming on **March 19th**. 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 19th of March!



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Robert Jenets
Stuart & Maury, Inc.

(301) 257-3200 (cell)
(301) 654-3200 (office)

✉ Robert@RobertJenets.com
RobertJenets.com

