

### ALL BETHESDA (20814, 20816, 20817)

Jim Croce had a hit song in which he sang, *“If I could save time in a bottle, the first thing that I’d like to do...”* Well, if I was to finish that line today, I would say, *“...is to save everyday in May of 2004, when 175 homes were listed for sale in Bethesda, as opposed to the mere 97 detached homes that came up for sale in May of 2023!”*

The sentiment expressed facetiously above is the headline for my review of last year’s real estate market in Bethesda. Even that headline belies the dearth of inventory that was available to homebuyers during 2023. There were times throughout the year when a search for detached homes in Bethesda would return about 50 choices, as opposed to the pre-pandemic level one could expect of about 250 available homes.

Why are there so few homes on the market? There are several factors that come into play. During the early days of the pandemic, many sellers were afraid to have their homes on the market for fear of being exposed to COVID-19. That suppressed inventory for most of 2020 and part of 2021 and caused a number of homeowners to modify their existing home rather than move. There is also a trend among older owners to make changes to their homes which allow them to age in place rather than move to senior housing, thereby depriving the market of those potential sales as well.

More recently, the sharp rise in interest rates compounded the problem by imposing the concept we call the “golden handcuffs”. Multitudes of homeowners financed their homes during the ten years when interest rates were around 3%. The thought of selling their home to buy a new one with a mortgage rate around 7% was not appealing, to say the least. With interest rates abating over the last couple of months and the economy improving, we are hopeful of seeing more homes on the market in the first half of this year.

Another factor that deters people from selling their home is the fear that they won’t be able to find a

home they want to buy. In this market, it is easier (and faster) to sell a home than it is to buy one, which can intimidate people to inaction. Admittedly, it is a coordination challenge, but I have successfully solved the buy/sell equation for many people over the last few years. It requires some patience, but it can be done.

In this environment of reduced inventory, it follows that the total number of sales is lower than it would have been if there were more homes to sell. This is considered to be a difficult market and it causes an interesting side effect that is sometimes called the “flight to quality”. Buyers and sellers know they need the best guidance they can get to be successful, and naturally gravitate to the agents they trust to deliver it. I am proud (and blessed!) to say that my numbers for 2023 were excellent and I am grateful to all of my clients for allowing me the privilege of serving them.

According to Bright MLS, the three **Bethesda** Zip Codes accounted for **622 closed sales** of single family detached homes last year, a **20% decrease in the number of sales** (775) posted in 2022. And that is after a drop of 18.5% from 2021 to 2022! In my 39 years long career I have never experienced a tighter market.

The time it took for homes to go under contract became less in each year of the pandemic—55 to 21 to 19 days on the market in 2022. That number *increased* in 2023 to an **average of 28 days on the market**, although the median was only 7 days. I attribute the increase to the difficulty of pricing homes as interest rates continued to climb throughout the year. Many initial asking prices turned out to be too high and had to be reduced, thereby lengthening the sale process.

In 2023, the average Bethesda home sold for 101.6% of its original list price, down from 103.2% the year before. That statistic is obviously the result of higher interest rates increasing the cost of buying a home and thus, causing buyers to be more reserved in their escalations. Notwithstanding the challenging market conditions of 2023, the **average sale price** rose again to a new high—**\$1,611,633**.



### MLS STATISTICS by ZIP CODE—2023

	# of Sales	Days for Sale	Average Price	%Change from '22
20814	130	35	\$ 1,505,017	- 4.9%
20816	140	20	\$ 1,579,913	+ 4.8%
20817	352	29	\$ 1,663,625	+ 5.2%

## Robert Jenets

PRESIDENT & PRINCIPAL BROKER

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

✉ Robert@RobertJenets.com  
👉 RobertJenets.com



**Stuart & Maury**  
REALTORS®

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

# 2023



4917 Fort Sumner Dr  
\$950,000



4909 Fort Sumner Dr  
\$1,100,000



5703 Overlea Rd  
\$1,285,000



5618 Wood Way  
\$1,355,000



5607 Pioneer La  
\$1,420,000



5602 Pioneer La  
\$1,500,000



5005 Rockmere Ct  
\$1,520,000



5011 Nahant St  
\$1,595,000



5004 Overlea Ct  
\$1,725,000



5110 Westpath Way \*  
\$1,750,000



4709 Fort Sumner Dr  
\$1,750,000



5705 Rockmere Dr  
\$1,820,000



4809 Scarsdale Rd \*\*  
\$1,825,000



6014 Corewood La  
\$2,000,000



6002 Corewood La  
\$2,050,000



4803 Scarsdale Rd \*\*  
\$2,150,000



4700 Fort Sumner Dr  
\$2,290,000



4809 Fort Sumner Dr  
\$2,425,000



4900 Rockmere Ct  
\$3,200,000



5802 Madawaska Rd ~  
\$1,075,000  
~ Entered as a comp

\* Indicates Sale by Robert Jenets

\*\* Indicates Sale by Stuart & Maury, Inc.

Sumner real estate activity continued at a steady pace last year with a total of **20 home sales in 2023**. That happens to be the same number of sales as the year before and is just slightly above the average turnover rate for the last five years. In light of the drastic decrease in the number of home sales over the wider market, staying on pace is somewhat surprising. Not surprisingly, fourteen of the transactions came in the first half of the year.

In 2022, the neighborhood average price rose by 8.35% to the all-time high, then, of \$1,633,257. **The average price for 2023 was \$1,762,381**, which is, yet again, the highest Sumner average price ever. That gain of \$129,124 represents **appreciation of another 7.9%**.

This seller-friendly market has allowed values to rise, despite the higher interest rate environment that one would expect to exert downward pressure on prices. It is the imbalance of supply and demand that overpowers rates and keeps prices moving higher.

The statistic for the average price is what it is, but it should be noted that there was one unusually high sale last year that skews the number higher. The sale of 4900 Rockmere Court sets a new mark for the highest sale ever in the neighborhood. At \$3,200,000, it leapfrogged the prior year's high sale by \$350,000 and is \$775,000 over the next highest sale in 2023. For perspective, if the 4900 Rockmere Court sale is removed from the data sample, the average price of the remaining 19 is \$1,662,368—still higher than the previous year, but not by much.

Some people think the *median price* is a more accurate barometer of appreciation, and it is usually lower than the average price. Indeed, in 2022, the median price was \$1,520,000 compared with the average of \$1,633,257. But for 2023, the **median price was \$1,737,500**—only slightly below the average. That says something.

2021 was a stellar year in real estate and homes stayed on the market an average of only 14 days, with a median average of 7 days. For 2022, the average time from listing to contract was 17 days on the market, with a median of 7 days. Last year's marketing time statistic is better than both of those, with an **average of 10 days on the market and a median of only 5 days**. That average is considerably shorter than the average marketing time for the greater Bethesda area—by a long shot!

There were six sales at \$2M or more last year as compared with only two such sales in 2022. Those high sales have much to do with the average price rise and show clearly how real estate has rocketed over the past few years. It wasn't too long ago that a two million dollar sale was eye-popping. As prices have increased so dramatically, we see sales at that level frequently

enough now that they no longer cause much of a stir.

There are two sales from last year at prices that seem unusually low for what the houses are. I am referring to 4917 Fort Sumner Drive for \$950,000 and 5005 Rockmere Court which sold for \$1,520,000. Both of those houses had two things working against them that resulted in their disappointing final prices. They were on the market in the Fall of 2022 which was not a great time for real estate activity and sold during the Holidays. Unfortunate market timing combined with the need for much renovation was a detrimental combination that explains why they sold for what they did. Though they closed in 2023, they are not entirely representative of last year's market.

Key takeaways from 2023 are that it continued to be a good market for sellers. You can see by the graph below that Sumner home prices have continued to rise and are well above pre-pandemic levels. With low inventory predicted to be the norm for the next few years, it would seem that the value gains from the last few years are safe.

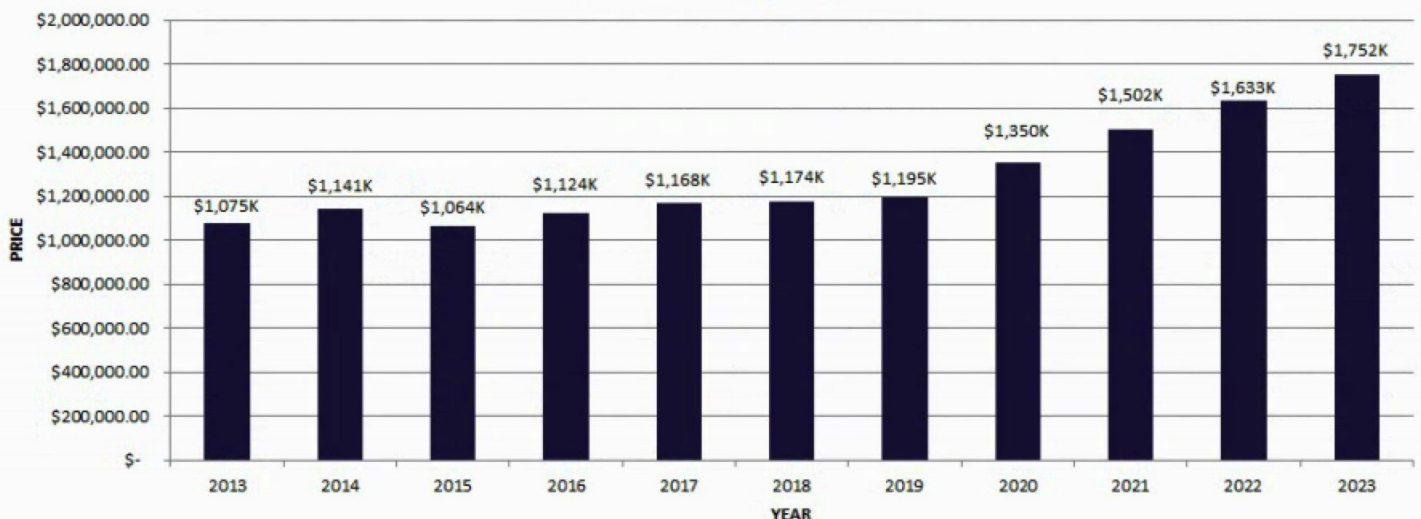
Another point that comes across as no surprise is that pre-sale preparation and proper pricing pay dividends. The most impressive sales were the ones that had recent renovations and/or showed really well. Or they were carefully priced to reflect the lack thereof. A big part of my job is to advise and help people make cost-effective upgrades that lead to a maximum price or to guide those who do not want to make improvements to an informed pricing strategy that will produce the best results.

The 2023 market sagged a little during the second half of the year but even as you read this, the pace of sales is shifting into high gear. I listed a house in Wood Acres in early January that attracted multiple offers and sold \$113,000 over the list price.

That result has me feeling optimistic about the Sumner house I just put on the market at **4907 Sangamore Road**. This deceptively gracious home has almost 4,000 sq. ft. of beautifully finished living area in excellent condition. The bedrooms are HUGE! And the bathrooms have recently been stylishly updated. The private backyard has a soothing water feature and lots of level green grass. At \$1,335,000, it is a terrific value and I am hopeful for good results. Fasten your seat belts!



Sumner Average Prices



## ZIP CODE 20816

As it has been my practice for many years now, when calculating the average price for 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 10 private sales last year which ranged in price from \$825,000 to \$2.3M. Only four of those sales were under a million dollars and two went for more than \$2M.

Adding the 10 private transactions to the 140 sales reported in Bright MLS brings the total to **150 single family detached home sales in Zip Code 20816**. So, even with the private transactions included in the calculation, the **number of sales** in the Zip Code was **down by 27.2%** from the 206 sales of 2022!

Here are some other statistics to ponder. The average number of days a listing took to sell increased from 13 days in 2022 to **20 days on market in 2023**, although the median was 6 days on the market. The number of sales that happened within 7 days of marketing decreased from 126 in 2022 to 93 quick sales last year. As a percentage of

the total sales, that is only 8% fewer quick sales than the year before.

Sales closing at a price greater than the list price numbered 104 in 2022, and that number decreased to 67 such sales in 2023. That's 10% fewer escalated sales.

The **average price of the 150 sales in Zip Code 20816 last year was \$1,556,586**, an increase of about 4.1% over 2022's average of \$1,493,846, and 1% better than the appreciation for Bethesda overall. Despite higher mortgage rates making home purchases more expensive, the strong demand and scarcity of available homes has kept prices in our area moving in a positive direction.

On that note, one other comparison that is rather interesting is the average sale price as a percentage of the list price among the three Bethesda Zip Codes. Last year, homes in 20814 sold for 99.4% of the original list price. 20817 came in at 100.4%. Homes in 20816 sold last year at an average of 101.4% of the original list price. I understand the appeal other parts of Bethesda may hold for some people, but my heart is here in 20816! Thank you and be well.

- Bob Jenets

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

## SHRED-IT DAY 2024

*The annual opportunity for you to have your important papers shredded before your eyes is coming on **April 20th**. 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 **NO three ring binders, please**.*

**If you would like to receive Shred-It Day notices by email, simply send me your email address and I will be happy to notify you in advance of the event.**

*I look forward to seeing you on the 20th of April!*



**Robert Jenets**  
Stuart & Maury, Inc.

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

✉ [Robert@RobertJenets.com](mailto:Robert@RobertJenets.com)  
[RobertJenets.com](http://RobertJenets.com)

