

Summer Real Estate Report

Summer
2019

GREATER BETHESDA (20814, 20816, 20817)

At the beginning of 2019 the overwhelming opinion of economic prognosticators was that *this* would be the year that interest rates must inevitably rise to 5% or beyond. Hmm, so much for predicting the future. As I am sure you are aware, not only did mortgage interest rates not rise but they surprisingly moved in the opposite direction!

In early July of 2018 the conforming rate was 4.52%. By any measure that was an attractive rate that kept housing costs affordable for many people in our area. That same mortgage today can be had at 3.73%! Unbelievable. Rates have defied the odds for years by remaining around 4 and 5% and for someone who has been helping people buy and sell homes for 35 years (that is I) it is truly astounding. In the late 80's when interest rates dropped into the single digits, we could not write contracts fast enough to keep up with the demand. This is a "pinch me, I must be dreaming" time to buy a house.

It is contradictory then that the **number of home sales in Bethesda** for the first half of 2019 fell from last year's first half sales of 446 to only **415 sales so far this year**. It is relatively obvious to blame the decline on a dwindling inventory but more complex to try and explain why there are fewer homes for sale.

CoreLogic puts forth the theory that during the Great Recession, many homes were purchased by investors who turned them into rentals, thereby robbing the sale market of potential inventory. That makes more sense nationally than it does here. Areas of the country that were hit hardest by foreclosures and short sales may have felt that effect but Bethesda was not rife with distressed property sales. There must be other factors

affecting our inventory but I have yet to hear a definitive explanation.

Let's take a more extensive look at what the first half of the year has produced. The 415 sales represent a **total sales volume of \$479,943,868** which gives us an **average sale price of \$1,156,491**. Those corresponding statistics from the same period in 2018 showed a sales volume of \$507,631,900 and an average price of \$1,138,188. Well, that makes sense. Fewer sales reduced the total dollar volume but the lack of inventory fueled higher prices. That has been the recurrent theme for the past several years and the major market forecasters are saying there is no indication of that condition changing any time soon.

According to BrightMLS, the **average time to get a contract** for a detached home in Bethesda so far this year is up from last year's 56 days to **69 days**. That is not a huge difference and I can tell you that homes properly presented (good condition, right price) are still selling quickly, often with multiple offers, at good prices.

The distribution of sales by range shows 202 sales under \$1M—just about half the total. There were 135 sales between \$1M and \$1.499M, leaving the remainder, 78 sales, at \$1.5M or greater. The low sale is an interesting one because it is a 1915 cottage on a quarter acre lot in the Grosvenor area. It was in need of major renovation and carried restrictions stemming from its historic designation. That explains the sale price of \$399,000.

The high sale was a builder's own 12,000 sq. ft. mansion on about an acre near Woodhaven that sold for \$3,880,000. With that much space, a four car garage, an elaborate pool complex and highest end finishes, one might have expected it to sell for even more than that. Simply put, the housing market in Bethesda remains healthy and what looks to be a good year is underway.

5701 Marengo Road is COMING SOON

Hartland Development has been building some of the most exciting new homes in the area and this one at the corner of Cromwell Drive and Marengo Road promises to be one of their best! This singular home will offer five bedrooms with en-suite baths and open bright spaces having 10' ceilings, all presented in Hartland's unique new style.

Delivery is expected later this year.

\$1,995,000

Contact Bob for more information.



Real Estate News from

Robert Jenets
President & Principal Broker



301.257.3200



**Stuart &
Maury**
REALTORS®

Serving Bethesda, Chevy Chase and DC since 1956!

Sumner Sales

January — June 2019



5114 Nahant St
\$805,000



5623 Overlea Rd
\$1,050,000



5009 Fort Sumner Dr *
\$1,125,000



6006 Corewood La
\$1,430,000



4828 Fort Sumner Dr.
\$1,470,000

Pending Transactions



5620 Wood Way
LIST: \$1,199,000



4809 Scarsdale Rd *
LIST: \$1,289,000



4903 Baltan Rd
LIST: \$1,495,000

*Note: The homes pictured above were listed and sold by various brokers; * Robert Jenets Sales*

Status	Address	Beds	Baths	List Price	Close Price	Close Date	Total Finished	DOM
CLS	5114 Nahant St	3	1/1	\$799,000.00	\$805,000.00	01/04/19	1,458	44
CLS	5623 Overlea Rd	4	3	\$1,050,000.00	\$1,050,000.00	06/27/19	3,470	4
CLS	5009 Fort Sumner Dr	4	3/1	\$1,125,000.00	\$1,125,000.00	04/29/19	2,837	1
CLS	6006 Corewood Ln	5	4/2	\$1,499,000.00	\$1,430,000.00	06/12/19	3,717	18
CLS	4828 Fort Sumner Dr	6	5/0	\$1,525,000.00	\$1,470,000.00	01/14/19	4,750	83
PND	5620 Wood Way	5	4/1	\$1,199,000.00		08/06/19	2,797	27
PND	4809 Scarsdale Rd	4	3/1	\$1,289,000.00		08/15/19	2,751	1
PND	4903 Baltan Rd	5	4/1	\$1,495,000.00		09/13/19	4,184	74

SUMNER NEIGHBORHOOD NEWS

The number of Sumner home sales in the first half of this year was down from last year's nine sales to only **five settled transactions** so far. Consistent with the trend for the greater Bethesda area, fewer homes came on the market this spring and actually, only four of those homes came fully on the market. One of the sales was my listing at **5009 Fort Sumner Drive** where the owners preferred a non-MLS marketing strategy.

Marketing time for the MLS sales was an average of **39 days** which is quite a bit longer than last spring's eleven days on the market. With so little inventory available it may seem counterintuitive that a couple of these homes remained available for so long. The explanation can be found in the settlement dates. It is apparent in the chart above that 5114 Nahant Street and 4828 Fort Sumner Drive *settled* in January which means they were on the market in the later part of 2018. Sales activity late in the year is typically not as strong as it is in the first half of the year so the statistic for the average marketing time in this case is deceptive. The average time on the market for the three homes that came available in 2019 is about a week. That makes more sense.

UNDER CONTRACT

At this writing there are three homes in Sumner that are in PENDING status, awaiting settlement. **5620 Wood Way** was originally listed

at \$1,249,000 which proved to be a little too ambitious of a price because the house did not sell within the first several days of being on the market. After two weeks of availability, the price was reduced to \$1,199,000 and a contract materialized shortly thereafter.

The pending sale at **4809 Scarsdale Road** is another of my listings that was sold without coming fully on the market. In this case, the owner approached me in mid February, wisely taking advantage of the early spring market, though not intending to move until August. One of my associates at Stuart & Maury happened to have the perfect buyer whose plans aligned with that timeframe and the sale was made. The home is an impeccable four bedroom colonial with an excellent lot on a very desirable block in the neighborhood. Updated with high end finishes throughout, this home exudes elegance at every turn—a real gem!

The other pending sale is the house at **4903 Baltan Road** which you can see is listed at a price of \$1,495,000. This impressive home was originally listed at \$1,525,000 and marketed at that level for about six weeks. Then, reducing the price just a little to \$1,495,000 was successful in producing a contract just about a week later. This home features a beautiful swimming pool under a glass lanai in the rear garden. As valuable a feature as that may be, a pool is not for everyone and no doubt contributed to a little longer marketing time in this case.

FOR SALE NOW

There are currently two homes on the market for sale in the neighborhood, which may or may not be the case by the time you read this. The house at 5614 Overlea Road began marketing at \$999,000 but soon thereafter reduced to a price of \$939,000. No doubt the feedback about the need for updating, particularly in the kitchen and bathrooms, led to that reduction. It is no secret that the public prefers a house that is move-in ready but a buyer with some vision stands to benefit from their willingness to make the renovations needed here and raise the value of this home to a level exceeding that investment.

Also for sale at this time is the seven bedroom, five and a half bath home located at 4905 Scarsdale Road. This center hall colonial boasts over 4,000 square feet of living space that includes an updated kitchen adjacent to a very spacious family room. Behind the family room is a tantalizing screened porch that just beckons for you to sit down with an iced tea and relax! At first listed for \$1,750,000, the price is now \$1,689,000.

SOON TO BE FOR SALE

Coming up for sale in a month or so will be the rambler style home located at 5009 Overlea Court.

Sited on a premium cul-de-sac lot with nearly level entry (only two steps), this solid home offers three generous bedrooms and two bathrooms on the main level. The foyer entry is flanked on the left by an oversized living room with a fireplace, and on the right by a nicely proportioned dining room and a table space kitchen. Across the hall is a den/family room that could easily be a fourth bedroom. The bright walk-out basement includes a two car garage and plenty of storage space. A lushly private back yard provides outdoor space that is perfect for recreation of all sorts. If you know someone who may have an interest in this home, please contact me for a personal tour.



I want to thank those of you who attended my annual document shredding day in April and it is gratifying that so many voiced their appreciation for this convenient way to safely dispose of sensitive materials. I regret the misprint of the event date in the January newsletter and apologize to anyone who did not see the card I mailed later to clarify the date. Let me close by saying it is an honor to serve this fine community and I am ever grateful for your continuing support.

Even if you have no definite plans to sell your home but would like a confidential, no-obligation consultation about what steps you might want to consider to maximize your value, please don't feel that you would be troubling me - I am always happy to help.

THANK YOU!