

SPRINGFIELD

Westwood/Beacon Hill...

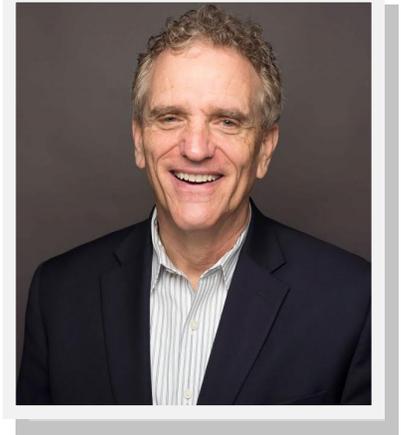
A real estate letter from Matthew Maury of Stuart & Maury Inc.

Dear Springfield/Westwood Area Resident,

For forty years I've been preaching that people buy houses when they are confident in their future. They buy when they are feeling comfortable, both personally and financially. They buy when they are optimistic about their jobs and their prospects of increased earnings going forward.

Uncertainty is the enemy of the real estate market. Turbulent times in the past have slowed real estate activity in our area. The recessions of the early 80's and early 90's, 9/11 and The Great Recession of 2009-2011 were all examples. It's not that we didn't sell houses, but things slowed down, price appreciation ebbed and transactions in general were harder.

So, you would think that a worldwide PANDEMIC and the worst civil unrest in our country since the late 1960's would have some sort of negative effect on the real estate market. Seems logical doesn't it? **Nothing could be further from the truth.** In fact, the real estate market in the 20816 zip code and in Springfield/Westwood/Wood Acres specifically is **ON FIRE**. You know me, I've been writing this newsletter since 1980. I've earned your trust and you know I am not subject to hyperbole and overstatement. Since January the market in our area has been unbelievable.



How is this possible? On the surface, it flies in the face of real estate 101. There is massive uncertainty right now. We don't know how long it might be until an effective vaccine might end this health crisis. The optimistic estimate would be early 2021. A second wave of the virus in the Fall is a distinct possibility. The speed with which social unrest has resulted in changing viewpoints and perspectives is breathtaking as well. Each of us has rightly been asked to look into our souls and question our privilege. And this is a good thing. The stock market has lurched downward 10,000 points and then back up 8000 points. Instability has been rampant.

The multiple elements of this jump forward in value in our community are lack of inventory, historically low interest rates, and most importantly, "need." There are fewer houses willing to come on the market. If you are living in your home with your family, it's pretty hard to be for sale. It's a struggle under the best of circumstances but it's now more difficult than ever. Having strangers tromp through your home right now is troubling. Thus, inventory was way down this Spring and those homes that were able to be presented without this risk element, such as vacant homes, or staged homes where the sellers have just flat out left and went somewhere else temporarily, were more easily marketed. And they were more safely visited by the public.

We've had an assortment of presentation pathways with homes that have come on the market since the pandemic surfaced. I had an incredible success story worth repeating. I sold a home on Searl Terrace in late March, at the dawn of social distancing, with the pandemic exploding all around us. That house, in an estate and vacant, came on the market on a Wednesday, listed with another company. We rushed over there, as my buyers had lost out in a multiple contract presentation on a home on Albia Rd. just two weeks previously. They were crestfallen to have lost that house (to a Wood Acres family!). We wrote an offer on Searl immediately, well over the asking price, even though the home needed work. It was our assessment that the home was under priced at \$1,100,000, perhaps purposely. Within two days there were at least three offers and others hovering if it had gone through the weekend. We wrote the quintessential great offer: no contingencies, an escalation clause well over the asking price, huge earnest money deposit. My buyers were very strong financially.

I was thrilled for my buyers when they got the house for 60K over the price at the equivalent of \$1,160,000 (\$1,185,000 final price minus a 25K closing credit). They would have gone higher if necessary in their escalation. They plan a huge addition on that wonderful street, long considered the "gold standard" of the 20816 zip code. Now, we needed to sell their house on Brite Dr. near the water towers off Bradley Blvd. in Bethesda. It was at one time a modest 1300 sq. ft. colonial, but they added a marvelous two-story addition a few years ago. It had exactly what today's buyers are looking for. A large open family room off the kitchen and breakfast room, with a great master bedroom and bath and large closets above.

Would anyone come to look at it, priced at \$1,175,000? Everyday that passed brought more and more ominous news reports. People were dying, it seemed dangerous to leave your house. The first thing my buyers did was **move out**, with their kids. They were fortunate to have parents in Potomac and moved into a guest

cottage on the grounds. This allowed the house to be shown at anytime by anybody. Visitors didn't need to worry about breathing somebody else's "air." I arranged for a fabulous interactive 3D virtual tour with professional photography and a killer fact sheet with floor plans etc. We recognized that these enhanced tools would provide buyers with the info they needed to assess whether they should leave their house. But still, would they come?

The house came on the market April 6th. In 36 hours we were shown 13 times. We had six offers, the house sold 80K over the asking price. It was breathtaking. Stephen Stills once said "there's something happening here, what it is ain't exactly clear." Never have lyrics rung so true to me. That transaction was the canary in the mineshaft. What has transpired since then in our general area bears out the impression I had that if a home could manage to safely come on the market, the public was going to trample all over themselves to buy it.

Rates are now at or below THREE percent, (which is just insane). As low as they have been in decades. This is certainly one of the driving forces resulting in a hot market. And little has been for sale. But there is a third significant reason for what is happening. That is the "need" based buyer. What they need is to get the heck out of their congested living environment. For about 15 years the market has swung towards downtown DC. Proximity to Metro has been king. The ability to walk everywhere has been king. The convenience of downtown living has appealed not only to young Millennials but also retiring Boomers seeking an alternative adventure to their suburban living experience.

But now, common laundry rooms, common hallways, lobbies, parking garages, and critically, ELEVATORS, are all seen as health risks. The flight from the congestion of downtown sidewalks and living on top of each other is real. Nationwide. Buyers with young kids are seeking safe shelter. The first stop out of DC along the Mass. Ave. corridor would be the 20816 zip code and no place better represents safe haven, community, and rock solid investment stature than our area. Period. It's a great reminder of everything that makes owning a single family home a great life building block. And a great investment too. This wave of buyers have a "need." Get thyself to the 'burbs"! Let's take a look at the remarkable tale of the tape from January through mid July of 2020:

* Let's start at the upper end of our community. Tear downs/new homes happen in Springfield/Westwood when past efforts are successful. We went through a period a year or two ago in which several new homes didn't fare so well and builders, in my estimation, lost money. But 2020 has proven to be quite kind to these endeavors. The following new or recently built homes have been sold in our community since the beginning of the year:



5519 Pollard Rd.
Listed at \$2,450,000
Sold at \$2,450,000
Settled April 1st, 2020
Brand New



5503 Albia Rd.
Listed at \$2,095,000
Sold at \$2,095,000
Settled April 14th, 2020
Built in 2007



5309 Briley Place
Listed at \$1,995,000
Pending Settlement
Brand New

In general, in the 20816 zip code, 2020 has been a banner year so far for the upper end. There have been 13 homes sold over \$1,800,000 this year, including seven new homes. Another nine homes over 1.8 million are currently listed, five of which are brand new. Our Springfield area has three new homes currently offered for sale:



5701 Marengo Rd.
Listed at \$2,295,000
Bob Jenets listing



5703 Ridgefield Rd.
Listed at \$2,095,000



5703-A Ridgefield Rd.
Listed at \$1,779,000

The next tier of 2020 activity in the Springfield/Westwood/Beacon Hill community includes the following excellent sales that have taken place in the last few months:



5422 Albia Rd.
Listed \$1,695,000
Sold \$1,750,000
Contracted Feb '20



5709 Kirkwood Dr.
Listed \$1,270,000
Sold \$1,270,000
Contracted April '20



5702 Kirkwood Dr.
Listed \$1,225,000
Pending Settlement
Contracted July '20



5622 Ogden Rd.*
Listed \$1,175,000
Sold \$1,175,000
Contracted Feb '20
***Matthew Maury sale**

All four of these homes sold immediately, with the Ogden Rd. house being sold without ever coming fully on the market. The evolution of these sales was remarkable, with three of them selling directly into the teeth of the pandemic. The Albia house was a fantastic home redesigned with a spectacular first floor by architect Jim Rill many years ago. 5709 Kirkwood is a home that was purchased in 2013 for \$1,075,000 and redone inside over the past few years. 5702 Kirkwood is pending settlement and sold in the first few days. It is the classic large split with four bedrooms on the second floor and a two car garage with no additions, but in good shape. That's a very impressive number. My 5622 Ogden Rd. listing which I sold quietly for the owners, featured superb condition and a wonderful kitchen/den addition out the back. Those owners, Bruce & Nancy Layton were much loved as neighbors on our block. We wish them well down in Arizona in their new adventures!

Our next tier, includes the sale of these fine Springfield area homes in 2020:



5944 Searl Terrace
Listed \$1,100,000
Sold equiv: \$1,160,000
Matthew Maury sale



5804 Wiltshire Dr.
Listed \$1,098,000
Sold \$1,152,000
Bob Jenets/Kevin Cullinane Sale



5804 Springfield Dr.
Listed \$1,149,000
Sold equiv: \$1,120,000
Matthew Maury sale



5705 Ridgefield Rd.
Listed \$1,100,000
Sold \$1,100,000
Bob Jenets sale

Stuart and Maury sold all four of the above neighborhood homes. The Searl house will be receiving a terrific huge addition starting any day. The Wiltshire home sold for 54K over the list price. The Springfield Dr. home was a home I sold for Eric and Trini Toumayan. I sold them the home in 1994! Eric and I went to elementary school together at Wood Acres in the early 60's, that's how long we've known each other! The Toumayan;s "next phase" includes a place in Annapolis and a small "in-town" residence in Georgetown.

The final tier of 2020 neighborhood sales I'll discuss here include the following transactions:



5705- Ridgefield Rd..
Original Price: \$1,089,000
Sold \$929,000
***Bob Jenets Sale**



5510 Jordan Rd..
Orig Price: \$1,425,000
Sold \$1,000,000



5402 Cromwell Dr.
Orig Price: \$989,900
Sold \$959,000



5801 Ogden Court
List Price: \$829,000
Sold: \$860,000
***Matthew Maury sale**

Every transaction has a story. The four home sales at the bottom of the previous page were all interesting. The 5705-A Ridgefield house is a pricing case study. I sold this house back in the 1980's. It had been built with a shared driveway which accessed abandoned State land that a clever owner on Ridgefield had purchased. Stuart and Maury sold it again in 2013 for \$1,020,000. The house was priced by another company at \$1,225,000 in the spring of 2019 and went through five price reductions before going off the market. Again, great house, difficult location. Enter Stuart & Maury and Bob Jenets who got the sellers into a proper price positioning under a million dollars and we got it done. Shared driveways might not be for everybody, but the buyers got a lot more house for the money as a result.

The Jordan Rd. sale is a cautionary tale. It demonstrated that a seller just can't any price, no matter how brisk the market might seem to be. That house came on the market in the spring of 2019 at \$1,425,000, went through multiple price reductions, went under contract a few times but fell apart, and eventually struggled it's way down to an asking price of \$1,095,000 before selling for \$1,000,000. The home features good space, it was just asking way too much for over a year.

The Cromwell sale at \$959,000 was a house that I had sold for \$870,000 in 2015. Factor in the costs of buying and selling and there was little gain achieved. Finally, the low sale in our community was a home I listed at the corner of Ogden Court and Ogden Rd., next to River Road. Attempting to be cautious regarding the impact of traffic and the impending new home construction across the street, we priced the home at an attractive \$829,000. We got five offers and the home sold for \$860,000.

We need to talk about next door Wood Acres. It's always been a popular neighborhood and those graceful Walker built colonials have stood the test of time superbly. The enhancements and improvements in the neighborhood have gone "next-level" over the past few decades. In 2020, the real estate market in Wood Acres has been scorching hot. What has been proven is that you don't have to have a big house to sell it for a big number. What is required is a truly great kitchen. Prior to this year, there had only been a handful of three bedroom Wood Acres homes ever sell over a million dollars. In the short course of a few months, in the middle of the pandemic, prices just blew up in Wood Acres. Let's look specifically at four remarkable Wood Acres sales:



5905 Gloster Rd.
Listed at \$1,150,000
Sold \$1,260,000

6003 Gloster Rd.
Listed at \$1,090,000
Sold \$1,260,000

5914 Harwick Rd.
Listed at \$1,050,000
Pending

6201 Newburn Dr.
Listed \$1,095,000
\$1,225,000

All I can say is wow. Stand back and marvel at the impact of a great kitchen with all the elements of what today's buyers are seeking. White cabinetry, hardwood flooring, marble counters, stainless steel appliances. If you want to make your house incredibly valuable, these are the elements. All of these homes were the original three bedrooms and two baths upstairs, none of them featured more than 2000 square feet of living space above grade. It didn't matter. The price barriers in Wood Acres for a great first floor are now obliterated. Wood Acres only had eight sales in 2019. They've had 12 this year, in the middle of a raging health crisis. With an average sale of a million dollars. We do indeed live in a financial bubble. Low interest rates are driving Millennials out of hiding and into homes. We have been wondering for years if that generation was going to buy or keep renting, the returns seem to be in. Nationwide, it's a trend. Millennials are buying. It's still the American Dream.

More Remarkable 20816 sales in 2020:



**4610 Overbrook Rd.
Brookdale
List Price: \$400,000*
Sold Price: \$887,250
*Just silly**



**5132 Carvel Rd.
Westmoreland Hills
List Price: \$1,060,000
Sold Price: \$1,100,000
2296 sq. ft. above grade**



**5041 Westpath Terrace
Ft. Sumner
List Price: \$1,087,000
Sold Price: \$1,160,000
1796 sq. ft. above grade**



**6009 Cobalt Rd.
Wood Acres
List Price: \$1,025,000
Sold Price: \$1,125,000
Also a terrific kitchen**



**5609 Harwick Rd.*
Wood Acres
List Price: 1,029,000
Sold Price: \$1,110,000
*Bob Jenets sale**



**5210 Worthington Rd.
Westgate
List Price \$1,595,000
Sold Price: \$1,651,000
Only 3100 sq. ft. above grade**



**5114 Brookview Dr.
Westgate
List Price: \$1,850,000
An exquisite addition-
one of the best I've seen
in a long time**



**5404 Waneta Rd.
Glen Echo Heights
List Price: \$2,195,000
Sold Price: \$2,195,000
An exceptional house and a
great setting.**



**5304 Boxwood Ct.
Westmoreland Hills
List Price: \$3,600,000
Pending
Half acre, 6700 sq. ft.....but
wow!**

On the previous page, I selected nine homes that sold in the past seven months that are remarkable in my view. The house on Overbrook Rd. in Brookdale nearly drove me crazy. A lot of you many not understand how Zillow works. You use it to look up what they think the value of your house is, and find real estate activity. The site is easy to use and attracts a lot of casual real estate lookers. I have often said that there seem to be tens of thousands of people sitting in their underwear at 2:00am in the morning looking at real estate! Real estate agents PAY to be on the screen next to listings. Oh, not necessarily their OWN listings, it could be anybody's listing. We pay for a certain amount of minutes on the screen for certain zip codes. I only pay for 20816, and it's a hefty monthly fee. Lots of people are well intentioned in their inquiries but they rarely have an interest in developing a relationship whatsoever, they just want information, or your time and effort. Most troubling, they don't understand who they are talking to, they assume they have reached the listing agent for the house. Zillow doesn't work that way. Almost every call, or text or email I get out of Zillow requires an education process and I am honest with people to explain that I am not the listing agent for the house. There is often this "computer scramble" in which they are asking about a Sumner Village condo they saw on Zillow, they assume I know all about it, and I am furiously trying to pull it up on my phone. This is where trying to see everything that comes up for sale in a tight geographic area comes in handy. There are agents who spend hundreds of thousands of dollars per year to be on Zillow, in dozens and dozens of zip codes. That just seems nuts to me, but to each his own.

The Overbrook house was an auction. It is rare in our area, but they put the house on in January and announced that the auction in front of the house would take place in late February. They put a teaser price on it of \$400,000. There hasn't been a house sell in our zip code around 400K in decades. The phone started ringing. I must have had 50 calls. I knew before even answering the text, or email or phone call why they were calling. Somehow these buyers thought they had discovered the Holy Grail of real estate and they were going to steal a Bethesda house for 400K. I gently explained over and over that it was never going to sell for anywhere near that price. Many were unconvinced but I finally took to just directing them to the Auction House handling the property. The home sold for **\$487,250 OVER** the asking price at \$887,250. Duh. If it's too good to be true....

Surprisingly, the hottest part of our market usually occurs from early March through April each year. May and June have always been very good months as well, but the air starts to come out of the balloon as summer and the end of school approaches. People go on vacation, kids go to camp, a purchase in late June may take a few months to settle, pushing up against the start of school in the Fall. Most buyers are out making decisions sooner than that. Because this year has been so unusual, the real estate industry expected that July/August was going to be the new "May/June." Serious buyers are out in force right now as some sellers who just couldn't participate during the virus dark days of March-April are now putting their homes on the market. The start of school seems less critical given the circumstances. The number of homes that came on the market in Bethesda/Chase in July was up from last year, not surprisingly, as many of those who hesitated in the early Spring finally jumped in.

We also often talk about the uncertainty surrounding Presidential elections. For decades I have had the public say to me, "Well, if the election swings the other way there will be lots of new buyers coming to town!" Not really. It just never seems to materialize in any meaningful way. Yes, we hear about a few high profile purchases, especially downtown. A high ranking Cabinet official here, a Senator there, but Bethesda in general is not populated by the elected political class the way it was when I was growing up here in the 1960's. In 1965, you could drive by Maine Senator Ed Muskie's house on Albia Rd., Michigan Senator Robert Griffin's house on Ogden, Congressman John Anderson's house and Vermont Senator Prouty's house on Ogden, Defense Secretary Melvin Laird's house on Kirkwood, Alabama Congressman Edwards on Newington Ct. All of them resided here in Bethesda. Today, it's relatively rare. The wealth required to get to the Senate or hold a Cabinet position often results in a class that can afford Kalorama or Georgetown now. And the demands on their time require elected officials to live closer to Capitol Hill.

There is of course a cadre of supporting politicians who do filter into the Bethesda/Chevy Chase area but they are often people who maybe never left the DC area from the last time around. I won't call them "Swampers", I think the vast majority are loyal public servants with their hearts in the right place to serve. In my mind, they are silent heroes that keep the wheels of government on the rails. But if they already live here, they don't need a new house. In general, Presidential Elections are a time of uncertainty and usually that causes buyers to pause to see how it plays out. None of THAT appears to be going on this year. This market is full steam ahead.

I went into this newsletter formulating a theory that the upper price ranges were not as healthy as the rest of the market. While it is true that there aren't fabulous sales well over the asking price, the hard fact is that more homes have sold this year over \$2,000,000 than last year. 67 in 2019, 79 this year as of the end of July. There are eight pending sales right now of Bethesda homes priced over 2.0 million. That price range has more than held it's own during this pandemic. And that is a testament to the nature of "work" in our area. While millions of Americans have lost their jobs or been furloughed, the "1-2%" in the DC area has been remarkably shielded for the most part. The ability to work from home is more prevalent where we live than just about anywhere. We often say we live in bubble. It's certainly being proven right now as we not only weather this storm but thrive during it...somehow.

I've sold over **\$15,000,000** worth of real estate this year, completing 15 transactions Exactly how I am not sure. I've tried to be careful and cautious, working outside the home with distancing when necessary but a lot of my work can be completed at home with good technology. My younger son Patrick and his wife Charlotte moved out of their NYC apartment in March and in and with us. They finished grad school at NYU and Columbia online. They had our first grandchild on 6/25, brought the baby home to live with us for a month and have now moved into a home around the corner. Amidst all the craziness, it has been an exciting time.

I have tried to be extra careful about where I go and the interaction that I have. But within those parameters I have sold a listing of mine in Kensington for 100K over the price. It had five offers. I sold a house on Baltan Rd. that was not on the market in Summer to the seller of the Kensington house. I sold a house in Carderock to previous tenants of mine. In the past 30 days I've sold a Potomac Falls home for \$1,680,000, a Hillmead home for \$780,000 and a Bannockburn home for \$749,000, which had five offers, almost all from builders. What you know and when you know it remains the key to real estate in this market.

It was sad that the Wood Acres 4th of July Parade was canceled this year, but it was the right decision. I feel for the young kids, they are only young once. These are moments that cannot be recaptured. Hopefully we can do something great for them later in the Fall. I feel for those young people who graduated this June as well. During a walk around the neighborhood recently it was heart warming (and wrenching) to see the banners and yard signs honoring graduates. Whether it's a Wood Acres Elementary 5th grader, a high school senior at Whitman, a Little Flower grade school grad, a Washington Episcopal School graduate, a Pyle Middle School grad, and on and on, these are rites of passage that deserve to be celebrated. It's an achievement and I salute all your kids for their hard work throughout their school years.

The younger generation has experienced a tough road. My kids have lived through 9/11, the Sniper Incident, the Great Recession, the upheaval of the election of 2016, and now a Pandemic and social unrest. I hope they notice that their community perseveres. We are fortunate to live where we do. Both in the quality of life and our economic resiliency. This too shall pass. Am I glad baseball is back, in whatever form? Absolutely. Do I miss performing music with The VI-Kings? We haven't been together since we drew 250 of our friends, family and fans on a Saturday night in mid February. We try to stay creative online with videos and recordings. Check out The VI-Kings on Facebook if you wish, and watch recent videos of us performing What's Going On and While My Gently Weeps. But it's not the same as being in front of people. We probably won't play again until 2021. But again, it's the right and safe thing to do.

Our community's average sales price on 14 sales has exploded to **\$1,278,564** this year so far. And that will soar over \$1.3 when the new home on Briley Place settles. In Wood Acres the average sales price has soared over \$1,000,000 this year as well on 12 sales. **Stuart and Maury sold seven of the fourteen homes sold in our community this year.** Bob, Kevin and I are your neighbors, we've been here forever, we care intensely about our community and believe in it fervently. I will say that Realtors in general face tough times head on, figure it out and keep going. The challenges change with every crisis, but the tenacity remains. We are in the middle of some of the most important financial decisions in people's lives. The past five months have not been easy on any of us, but the will to hang in there and find ways to persevere is emblematic of the best of our industry.

Sincerely,



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