

SUMNER REAL ESTATE NEWS

by

Robert Jenets

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MARKET NEWS

The real estate sales market in Bethesda is still thriving. From May through August of this year, 365 single family homes went under contract in the Bethesda area. That number is interesting for a couple reasons. It is greater than the 342 homes that were sold in the first four months of the year. Typically, we think of the spring market being much more active than the summer. The frantic pace of the market makes it seem that more homes are being sold from January through April. While homes did take a little longer to sell in the summer and there were fewer simultaneous bids, the statistics show that, ultimately, more homes were sold! The 365 sales figure also surpasses the 336 sales recorded for the same period in 2001. This is not surprising in light of the incredibly affordable mortgage money that is available this year.

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Aside from a statistical view, the market can be described as excellent, but not crazy. Through the summer months we saw sales slow a little with most homes selling around their asking price, or even a little below. When there were multiple offers, it was a few, not the eight or ten some sellers received in the spring. Therefore, even when prices escalated, it was only a little over the asking price.

At present, the sales pace has increased and the market is more competitive, but not quite as radical as we saw in the first third of the year.

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NEIGHBORHOOD SALES UPDATE

During the period of May 1 through August 31, 2002, ten Sumner home sales were finalized. The **average sale price was \$811,900** which is more than the average *list* price of \$796,440. Compared with my last newsletter in May, that is a jump of \$85,560 in the average sale price—an increase of approximately 12%. Compared with the average sale price for all of last year, which was \$669,389, this is a startling number! However, the average price of the homes now for sale or awaiting settlement is about \$690,000 which will pull the average down a bit when they settle. Still, if sales follow their present course for the rest of the year, I expect the year end statistics to support a double-digit appreciation figure.

The stories of “bidding wars” this spring are well-known to anyone following the real estate market, and Sumner had more than its share. Indeed, eight of the ten sales for this period sold over the listed price! The range of escalation was anywhere from \$7,000 over to as much as \$30,100 more than the asking price. It is important to note that the sales in this sample went under contract during the *first* third of the year. Though they settled during this reporting period, they reflect the spring market.

Things have cooled a bit and we are seeing homes remain available for a little longer period of time. This is a predictable circumstance during a time of rapidly increasing prices. As sellers test the limits of value, eventually, the price does not match the buyers’ value perception and there is an inevitable correction in pricing. Homes are still selling at great prices, but sales are not automatic.

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MARKET NEWS...

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We are experiencing a familiar autumn market, with some homes still attracting several offers and selling over price, while other attractive listings inexplicably struggle to get a contract. This is a time when correct pricing is especially important.

There continues to be a shortage of homes for sale as compared with the demand. Buyers are anxious to take advantage of the excellent mortgage rates which are available and are actively pursuing all reasonable possibilities, especially any home in move-in condition. Sellers can still be confident that their equity is liquid and that a quick sale and a smooth financial transition is available.

With traffic congestion as an ever-increasing concern, the focus on a close-in, convenient location is keener than ever. More and more people seem to be willing to compromise on the size and features of their home purchase in return for a shorter commute. Another important criterion for judging location is inclusion in a particular public school district. In our area, of course, the buyers are attracted to Whitman High School. The recent publication of the SAT scores showing Whitman significantly higher than any other high school in the county placed even more emphasis on this location for buyers with school-aged children.

The high rate of appreciation in real estate value has caused more people to invest in property as an alternative to the ailing stock market. Real estate is more tangible less susceptible to wild fluctuations. Whether it be a rental property or a more expensive principle residence, this market is feeling the positive effects of people capitalizing on the investment aspect of Bethesda real estate.

Finally, here is a look at Bethesda property sales statistics for the year following the tragedy of September 11, 2001. The number of homes listed for sale from 9/12/00 through 9/11/01 was 273. Of those homes, 86 sold for more than the asking price and 55 homes were on the market longer than 30 days. In the year after the terrorist attacks, 228 properties were listed. Of that smaller number, 82 sold over asking price and only 30 homes were on the market longer than 30 days. So, though the sales volume was down a little, Bethesda real estate continued to "sizzle" in the year after 9/11.

NEIGHBORHOOD...

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The following list of home sale information about is taken from the Metropolitan Regional Information System:

ADDRESS	SOLD PRICE
4709 Fort Sumner Dr	\$ 589,000
5010 Fort Sumner Dr	720,000
4903 Sangamore Rd	780,000
5117 Westpath way	799,000
5616 Wood Way	825,000
6006 Corewood Ln	830,000
5606 Ontario Cir*	875,000
4803 Scarsdale Rd	885,000
6010 Overlea Rd	901,000
5805 Rockmere Dr	915,000

***Robert Jenets sale**

UNDER CONTRACT

There are 3 homes under contract, awaiting settlement, at this time with list prices averaging \$690,000. If you would like more details on the pending sales, you may go to my website and register to access the MLS. Otherwise, I will be reporting those sales in my January recap of the year 2002.

For those of you who like to get your information on the internet, you may access my website at **www.robertjenets.com**. The site includes pictures and details about my current and recently sold listings, my recent newsletters, and various information about buying and selling real estate. Under MY LISTINGS, SOLD LISTINGS, 5115 WAUKESHA ROAD, you will find an example of a virtual tour which I offer to my sellers. You may also send me an e-mail message from the site: robert@robertjenets.com

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