

WOOD ACRES!

A Real Estate Letter from Matthew Maury of Stuart and Maury Realtors

January, 2005

Dear Wood Acres Area Resident,

I know what you're thinking. The tax man just pounded on your door, so to speak, and said, "ah hah, pay up!" The good news is your house continues to soar ever higher in value. **The average sales price in your community rose an astounding \$107,199** in the last year, by far the greatest one year increase since 1987. Your home is the best investment you ever made. Good news abounds in many directions, interest rates remain stable and low, inventory is very thin, each new offering garners huge attention and consumer confidence continues to be very high.



The bad news is that the tax man knows all this. The assessments that arrived in the mail throughout the 20816 zip code in the first days of January have been met with shock and outrage by many owners. In this letter you will find a comprehensive set of facts that may be applied to make your case. I will be glad to help with anything you need. In fact, I have created a "link" that will provide you with superior detail on just about every home sale in Wood Acres in 2004, all at your fingertips on the computer. The link is as follows:

<http://matrix.mris.com/Matrix/Public/Email.aspx?ID=4402883855>

Sorry for the long string, but it's the only way to provide this information in the detailed format for you. I have spoken to many owners in the last few days and my observation is that the tax assessment department pretty much got it right. I know it's not exactly what you want to hear, but most of the assessments being reported to me are still a bit under what the home is worth. To be sure, they are *way up* from the last assessment cycle, but then again, so are prices. I spoke to the owner of one of the finest homes in the Wood Acres community, with four bedrooms and three baths on the second floor. They were assessed in the low \$800's. Their home is worth about \$1,100,000-at least! On the other hand, I spoke to a three bedroom owner with an assessment over \$900,000, so it is quite possible that some of you have an assessment that is out of whack.

Focusing on the percentage increase over the old assessment is an exercise in futility. Bethesda home values have risen dramatically since the last round of assessments three years ago. My recommendation would be to obtain the worksheet on your particular home and seek to find errors, such as inaccurate bedroom and bath information or square footage estimates on your addition that are inaccurate. This letter does report a few lower sales in the community that the tax man may or may not have been aware of, try to use them. The silver lining here is that, regardless of your assessment, if you are an owner occupant, your

actual tax bill will only go up 10% a year. This means the Wood Acres owner with a previous \$5500 tax bill, might pay \$6050 next year, and \$6655 the year after that, and finally \$7302 in year three. This is a worst case scenario. If you are an investor, you do not have these safeguards in place and your tax bill will jump dramatically. At least take heart that the value of the home soared, resulting in these increases. It's worth pointing out that the new crop of Wood Acres buyers will inevitably be burdened with substantially larger property tax bills, as the 10% limit controls expire when a new buyer purchases. How this will affect home sales remains to be seen.

Higher property tax bills can be a burden to senior citizens on a fixed income. It's all well and good that the home is way up in value, but it still takes cash to make the higher tax payments. There are several programs that can help and any owner that needs guidance should call the County at 1-800-944-7403.

A pivotal decision must be reached in the coming weeks by your elected representatives on the County Council. Existing law limits increases in property tax revenue to the increase in the Consumer Price Index, *unless* a super majority of 7 or more Council members votes to override the limits. Apparently in each of the last three years, the Council *has* done just that. A large infusion of cash may be headed toward the County's coffers.

On the other hand, it can be argued that the services provided by Montgomery County have a lot to do with the intense interest in living here. School construction and class sizes along with a myriad of social services are affected by the decision as to how much revenue is raised. Warring factions are lining up on both sides. These decisions will ultimately affect your long term tax bill. Any homeowner wishing to discuss your own personal tax assessment with me is welcome to give me a call, I'm here to help.

On to more a enjoyable discussion of the fabulous real estate events of 2004:

- How far and how fast we have come. It's almost hard to remember that the average sales price in 2003 was **\$638,465**. Those sales prices seem like distant memories now. In 2004, **the average sales price in Wood Acres exploded to \$745,664**. This average was of course aided by the Stuart and Maury sale for \$1,135,000, the first of its kind in Wood Acres, but completely consistent with the value being poured into the neighborhood over the past several years. The median sale was right around \$730,000, with fourteen sales above that figure and fourteen sales below, proving that the high sales were balanced by four home sales on Mass. Ave. and two on Avalon Dr. across from the office building.
- Five years ago the average sales price of a Wood Acres home in 1999 was \$436,842. We have seen a **71% increase in value in the last five years**. By any measure, these increases are breathtaking and provide testimony to the enduring and continuing interest in Wood Acres as one of the great Bethesda communities.
- The average price of a Wood Acres home rose **16.8%** in the last year, up from \$638,645 in 2003 to this year's \$745,664. The appreciation rate of 16.8% blew away the previous year's 7.0% appreciation rate. **PAY ATTENTION TO THIS FACT. I have written this letter since 1980. Other than 1987, when Wood Acres homes appreciated 32.1%, Wood Acres has never experienced a higher one year appreciation rate than we did in 2004 (see chart at back of this letter.)**

- The 28 sales posted in Wood Acres in 2004 were completely consistent with the 20-year average of 24 sales a year. Only 19 homes sold in 2003. Perhaps we got a better chance to show our stuff in 2004. Additionally, for the first time in several years, a few of the truly exceptional Wood Acres homes finally came up for sale.
- The high sale in Wood Acres in 2004 was of course the big sale on Newburn Dr. for \$1,135,000, which received 10 offers and sold for \$186,000 more than the asking price. Again, it's hard to remember that the high sale in 2003 was \$734,000 on Corbin Rd. Wow!
- The low sale for the year was on Mass. Ave. for **\$545,000**. Four Mass. Ave. homes were sold in the past year at prices of \$545,000, \$600,000, \$600,000 and \$680,000. When these Mass. Ave. sales are factored out of the equations for 2004, the average price of a Wood Acres home in the interior of the community rises to **\$768,900**. The performance of the four Mass. Ave. sales this year at an average sales price *of \$606,250* is obviously very impressive as well. This is the first time that the Mass. Ave. homes have ever exceeded \$550,000 on average.
- Eight of the 28 sales in Wood Acres in the past year were sold without coming fully on the market. There are circumstances, especially for seniors, in which a quiet, calm sale to one special buyer is an appropriate course of action. Interestingly, the two highest sales of the year were sold to buyers who already lived in Wood Acres! The Newburn buyers sold their Wynnwood Rd. home and moved a few blocks away, and owners on Ramsgate Rd. sold their home and moved around the corner to Woodacres Dr.
- Wood Acres homes sold for **102.48%** of their asking price last year. The "escalation clause" phenomenon was certainly apparent in several sales. A home on Woodacres Dr. sold for \$132,000 over the asking price, driven by multiple offers. There were a few homes that sold for less than the asking price, including a Newburn Dr. home that ended up selling \$62,000 under the original asking price, but these circumstances were rare and unusual. The Newburn house needed major renovations.
- Two rentals were sold in the past year, but the rental stock in Wood Acres rose just a bit to 22 of 400 homes. I manage or help find the tenant for eleven of these homes, with rental rates ranging from \$3800 to \$2150 a month. The rental market has been weak for several years as low interest rates encourage purchases. Still, it is very rare for a Wood Acres rental to go empty for any period of time.
- For the 24th straight year, I will try to reassemble where the departing 28 owners moved to in the last year. Four owners moved out of town, three bought homes in the Springfield/Westwood/Searl Terrace area. Two Wood Acres owners moved to River Falls in Potomac, another two moved to Chevy Chase, one moved to Glen Echo Heights and one to Sumner. Two of our owners moved to large brand new

homes in the center of Bethesda, one moved to a smaller home in Glen Mar Park, and three owners sold and moved to retirement living. As mentioned, two rentals were sold and one estate home was sold. Finally, one owner sold her home and moved to a rental in Wood Acres. Of the 28 sales, 11 involved sellers moving to larger quarters locally.

- The statistics that I assemble each year do not include sales of the homes on Avalon Ct. or Devonshire that were not built by Walker. In 2004, a home was sold on Avalon Ct. for \$875,000 and a home was sold on the corner of Devonshire and River for \$630,000.

Now let's take a quick look at the bigger picture of the entire 20816 zip code and the real estate activity that took place in 2004:

- There were **279** single family detached homes sold in **20816** zip code in 2004. The average sold price was **\$822,471**. 20816 homes once again sold on average OVER the asking price in the past year. The high sale in the zip code was an unusual sale. At the end of Sangamore Rd., adjacent to the Mapping Service, a large piece of ground with an old mansion previously owned by broadcaster Howard K. Smith, sold for \$3,300,000. There's a zoning application pending right now to allow the purchaser, a builder, to retain the mansion and build 11 residences on that land. We'll see how that process evolves. The highest sale of a typical single family home in 2004 took place on Wapakoneta Rd. in Glen Echo Heights for \$1,715,000. This was a new home built by builder Adam Prill. The low sale for the zip code was a private sale on Mass. Ave. for what appears to be a sales price of \$320,000. Beyond that, a teardown was sold on Marlyn Dr. in Glen Mar Park for \$400,000.
- There were 51 sales over \$1,000,000 in the 20816 zip code in 2004, a 60% increase over the previous number sold in 2003. 13 of those million dollar sales took place in Glen Echo Heights, where the knockdown craze is in full bloom. It took on average 36 days for a home in the 20816 zip code to go under contract, quite a bit longer than the 8 days in Wood Acres!
- The cost of single family housing in the 20816 rose a more modest **7.0%** in 2004, quite a bit less than the rocket-like rise of 19.9% the previous year. Double digit average gains are hard to achieve when the number of sales rises and there were many lower priced sales this year in which sellers took advantage of the intense interest in modest homes which were candidates for renovations or knockdowns. Still, the average sales price soaring well into the \$800,000's is a true milestone. The following can also be pointed out: I often tell buyers, "when the market is hot, it's white hot in Wood Acres. That's about as much as you can ask from your real estate investment." These words stood up in 2004 as Wood Acres and our 17.2% appreciation rate more than doubled the wider 20816 average of 7.0%.
- This year, for the first time, I did an exhaustive public record analysis and unearthed 47 sales that flew "under the radar" of public marketing in 2004. Those 47 sales averaged a remarkably similar and almost identical average of \$824,819, just dollars off the \$822,471 average of the homes that were made fully available to the

public. Most of these sales were no doubt completed with the help of a Realtor who connected the right buyer with the right seller. I choose to enter all my quiet sales into the MLS when they settle so that the comparable information for Wood Acres is as accurate as possible. Many agents obviously don't bother in other parts of the zip code and I was fascinated to find so much "under the radar" activity.

- When homes that sold for more than \$1,000,000 are factored out of the 20816 sales stats for the past year, the average single family home sold for **\$722,250**, a **10%** increase over the 2003 average of \$680,936 for non-million dollar homes. That's very consistent with a 2003 increase of 11% for homes that sold under \$1,000,000.
- Once again, as of this January writing, there are very few homes for sale throughout Bethesda and Chevy Chase under a million dollars. Selection improves as the price range rises to \$1,500,000, but not much. It's a great time to be a seller. A home on Cromwell Dr. came on the market in the second week of January this year for \$745,000. I was pleased to sell this home and it is pending settlement to a purchaser who is currently renting in Wood Acres.
- I thought you might be interested to see some 2004 year-end stats on surrounding communities in the 20816 zip code and out in River Falls:

	# Sales	Average Sales Price	High Sale	Low Sale
Brookmont	8	\$733,893	\$1,195,000	\$440,000
Fort Sumner	4	\$933,600	\$1,207,000	\$637,000
Glen Echo Hts.	55	\$856,417	\$1,715,000	\$420,000
Glen Mar Park	15	\$727,446	\$1,305,000	\$400,000
Greenacres	10	\$603,809	\$849,000	\$475,000
River Falls	30	\$1,200,166	\$1,795,000	\$910,000
Springfield	27	\$828,781	\$1,240,000	\$615,000
Sumner	26	\$936,764	\$1,175,000	\$695,000
Westgate	16	\$780,712	\$1,005,000	\$620,000
Westmoreland	27	\$1,054,703	\$1,675,000	\$865,000
Wood Acres	28	\$745,664	\$1,135,000	\$545,000

It's not hard to see where the action has been in 2004. The Glen Echo Heights area, with 55 sales, leads the way by far. There is a large stock of housing in Glen Echo Heights that falls into the potential knockdown category and the builders are swarming over the community. The low sales, now well into the \$500's and \$600's are balanced there by the 13 sales over a million dollars in 2004.

- There were 279 single family homes sold in the 20816 zip code in 2004, about an 18% increase over the previous year. The following chart tells an interesting story:

# of sales In 2004	Ave. Price in 2004	% increase from 2003	Ave. Days on market	Hi sale in 2004	Low Sale in 2004	# Sales over Million
20814 Zip Code						
231	\$755,282	+14.4%	37	\$2,700,000	\$363,500	33
20815 Zip Code						
274	\$994,501	+22.4%	36	\$3,675,000	\$375,000	98
20816 Zip Code						
279	\$822,471	+7.0%	36	\$3,300,000	\$320,000	51
20817 Zip Code						
515	\$878,320	+14.0%	39	\$3,900,000	\$370,000	120

So what jumps out at you? How about 292 sales over a million dollars in these zip codes last year? The Gazette recently wrote an article about the County issuing over 500 permits to knock down houses in the Bethesda/Chevy Chase area in the last few years. This is certainly part of the phenomenon outlined above.

Further, note the strong appreciation rates, particularly in 20815 (22.4%) and 20817 (14.0%). These dwarf the 7.0% rate posted by 20816. The number of days on the market before a home sold was uniformly in the mid 30's for all zip codes. It was also next to impossible to buy anything in Bethesda or Chevy Chase for less than \$400,000 last year.

- These Wood Acres homes have sold since my last letter in November:

		Original/List Price	Final Price
1)	5921 Ramsgate Rd.*	\$878,000	\$870,000
2)	6105 Cromwell Dr.**	\$745,000	pending
3)	6103 Ramsgate Rd.	\$749,000	\$730,000
4)	6305 Mass. Ave.	\$715,000	\$680,000

***Matthew Maury sale**

** **Matthew Maury sold another company's listing**

- **Stuart and Maury sold 16 of the 28 Wood Acres homes to sell in 2004.** I sold nine of them, Bob Jenets sold six and Bill Stuart Sr. sold the other one. I have now participated in the sale of over 295 Wood Acres homes in the last 24 years.
- **My web site has surpassed the 14,000 visitor total.** Obviously, Wood Acres homeowners use the site to access past newsletters, virtual tours of offered listings, service providers, a school district locator system and a variety of other information detail. Interestingly, more and more *buyers* are visiting the site to gain knowledge about our Wood Acres community. Knowledge is power and an educated buyer and seller make a real estate transaction more efficient and pleasant. My commitment to providing the kind of information that just can't be found anywhere else will continue into the years ahead.

- **In 2004 I sold over \$40,000,000 worth of real estate**, far and away my best year ever. I already have over \$8,000,000 in the pipeline for 2005. The parameters of a red hot market drove the sales total to this level. I recognize that not every year will soar to this level, but it is an indication of how 25 years in the business and advancing technological tools such as web sites and virtual tours can expand a real estate business. I am enormously appreciative of all those Wood Acres homeowners that have sent me business over the years. I value your trust and confidence.

On a personal note, 2004 was the year I sent my oldest off to college (Newhouse School of Communication at Syracuse University). We miss him, of course, and I especially miss the guitar blasting out of his room and all those long-haired musician friends wandering through our house. My 15 year-old seems to be perfecting his poker skills, look for him on ESPN any day now. My wife takes loving care of us all but especially the 100-pound golden retriever, Cody.

My creation and love, WAMBA (Wood Acres Mens Basketball Assoc.) is almost 10 years old now. The first game that took place on the hardwood at Woodacres Elementary in 1994 had 14 players. Two of us are left from the original 14 (way to hang in there Barry Harris!). I now have a stock of 58 potential candidates for four different games played at Westland, Woodacres, and Whitman on Monday and Wednesday nights. It's a modern day Lions Club and the good times and fellowship is terrific.

WAMBA recently competed in a Holiday Tournament for the first time ever and we came within eight points of the Title after winning our first two games. Great Wood Acres community players such as Tod Tompkins, Steve Altizer and Ray Treacy almost brought home the Title! Maybe next year.

Sincerely,

Matthew Maury
301-928-8686-24 hours
Principal Broker
Stuart & Maury Inc. Realtors

P.S. This Wood Acres newsletter, past newsletters, a 2004 year end recap of sales activity in Wood Acres and a history of Wood Acres sales going back to 1980, can be accessed at my web site **www.matthewmaury.com**. Click on Wood Acres. You can also find similar data on the subdivision of Springfield.

Wood Acres Sales History through the Years!

YEAR	AVG. SALES PRICE	HOUSES SOLD	GAIN/LOSS
1979	\$136,120	11	**
1980	\$149,300	11	9.60%
1981	\$153,785	12	3.00%
1982	\$148,456	20	3.20%
1983	\$159,808	23	7.00%
1984	\$179,280	29	12.20%
1985	\$194,000	26	8.20%
1986	\$209,543	31	7.50%
1987	\$276,972	22	32.10%
1988	\$319,808	25	15.40%
1989	\$358,000	19	12.10%
1990	\$328,626	19	-8.20%
1991	\$335,810	29	2.20%
1992	\$323,795	22	-3.60%
1993	\$343,366	29	6.00%
1994	\$354,481	27	3.20%
1995	\$355,411	18	0.02%
1996	\$347,846	13	-2.10%
1997	\$351,105	19	1.00%
1998	\$396,528	17	12.90%
1999	\$436,842	38	10.10%
2000	\$470,800	20	7.80%
2001	\$543,312	24	15.40%
2002	\$596,541	25	9.80%
2003	\$638,465	19	7.00%
2004	\$745,664	28	16.80%

Prepared by
Matthew Maury of
Stuart and Maury Inc. Realtors
301-928-8686
E-mail: matthew@matthewmaury.com
www.matthewmaury.com

Wood Acres Sales Recap 2004

	Address	Original price	Final price	BR Tot	Full BA	Half Baths	List Month	Days on market	Settlement Date
1.	6204 Newburn Dr.**	\$950,000	\$1,135,000	4	3	1	Jul-04	6	27-Aug-04
2.	5915 Woodacres Dr.	\$940,000	\$940,000	4	3	1	Unk	Unk	30-Jul-04
3.	5903 Gloster Rd.*	\$879,000	\$920,000	4	3	1	Sep-04	8	1-Nov-04
4.	5900 Gloster Rd.**	\$825,000	\$891,900	4	3	0	May-04	6	1-Jul-04
5.	5910 Cranston Rd.	\$879,000	\$890,000	3	2	2	Aug-04	Unk	4-Nov-04
6.	5921 Ramsgate Rd.*	\$878,000	\$870,000	4	2	1	Sep-04	26	30-Nov-04
7.	5917 Woodacres Dr.	\$699,500	\$831,500	4	3	1	May-04	9	5-Jul-04
8.	6112 Wynnwood Rd.*	\$769,000	\$825,000	3	3	0	Nov-04	3	20-Dec-04
9.	6105 Welborn Dr.	\$775,000	\$792,000	3	2	1	Sep-04	7	29-Oct-04
10.	6119 Wynnwood Rd.**	\$775,000	\$783,000	3	2	0	Aug-04	24	15-Oct-04
11.	5908 Ramsgate Rd.*	\$765,000	\$765,000	3	2	1	May-04	1	15-Jul-04
12.	6009 Ramsgate Rd.**	\$755,000	\$755,000	3	3	1	Jun-04	6	28-Jul-04
13.	5704 Harwick Rd.**	\$699,000	\$736,204	3	3	0	Jun-04	5	31-Aug-04
14.	6103 Ramsgate Rd.	\$749,000	\$730,000	3	2	1	Oct-04	17	30-Nov-04
15.	5907 Woodacres Dr.*	\$729,000	\$729,000	3	3	2	May-04	6	28-Jul-04
16.	6006 Milo Drive*	\$700,000	\$700,000	3	2	1	Jul-04	1	3-Sep-04
17.	6201 Welborn Dr.	\$715,000	\$685,000	3	2	0	Unk	Unk	16-Sep-04
18.	6305 Mass. Ave.	\$715,000	\$680,000	3	2	2	Oct-04	20	13-Dec-04
19.	5908 Gloster Rd.	\$669,999	\$669,000	3	3	3	Apr-04	11	7-May-04
20.	6307 Newburn Dr.*	\$649,000	\$649,000	3	2	0	Mar-04	1	25-May-04
21.	5911 Welborn Dr.*	\$645,000	\$645,000	3	2	2	Jan-04	1	15-Feb-04
22.	6311 Newburn Dr.	\$699,000	\$637,000	3	2	1	Jun-04	40	30-Jul-04
23.	6314 Avalon Dr.	\$599,950	\$630,000	3	2	0	Mar-04	2	11-May-04
24.	5918 Woodacres Dr.	\$625,000	\$625,000	3	2	1	Unk	1	6-Apr-04
25.	6318 Avalon Dr.**	\$599,900	\$620,000	3	2	1	Oct-04	3	28-Oct-04
26.	6311 Mass. Ave.*	\$539,500	\$600,000	3	2	2	Jan-04	1	5-Feb-04
27.	6103 Mass. Ave.	\$600,000	\$600,000	3	2	Unk	Unk	1	23-Jul-04
28.	6219 Mass. Ave.	\$539,500	\$545,000	3	3	0	Jun-04	3	20-Jul-04

Average: \$727,262 \$745,664
102.48%

Average Days 8 days
on market

Source: Metropolitan Regional Information System, Public Records & painstaking careful memory

* Matthew Maury participated in the sale of these homes

**Stuart & Maury participated in the sale of these homes

Prepared by
Matthew Maury of
Stuart and Maury Inc. Realtors
301-928-8686
E-mail: matthew@matthewmaury.com
www.matthewmaury.com