

## GREATER BETHESDA (20814, 20816, 20817)

Consistent, steady, resilient—these are terms used to describe the real estate market in Bethesda in good times and bad. During the wild ride through the early 2000's, Bethesda certainly saw its fair share of appreciation, although not quite the staggering gains in places like Boston, Connecticut, New York and California. But when the "bubble" burst in 2008 and areas of the country saw their home values plunge 40% or more, our values dipped only about 10-15%. That is why on more than one occasion, I have referred to our real estate market as being like a blue-chip stock.

It should be no surprise then that the number of home sales in the first half of 2018 was consistent with the sales level of 2017—**446 sales** of single family detached homes, only two fewer than last year's 448.

Although it may be a surprise to some people. When the income tax revision was signed into law in late December, there was much speculation about the effect some of its provisions may have on the real estate market. The concerns focused on the reduction to \$750,000, the amount of mortgage interest eligible for deduction and the \$10,000 cap on real property taxes and state income tax which had previously been fully deductible.

Those two changes were expected to give heartburn to homebuyers in the (roughly) \$900K—\$1.5M range who might take out a mortgage greater than \$750,000. That is a range where the property taxes would exceed \$10,000 alone, not to mention the loss of the state income tax deduction.

The other concern came from the increase in the personal deduction to \$24,000 for a couple filing jointly. The thought was that the higher personal de-

duction would negate the need to itemize where one would get the advantage of the mortgage interest deduction. That deduction has always been one of the motivating forces in favor of homeownership.

So far, there is little or no evidence that those concerns have become actualities. I have not had this issue mentioned to me by my own clients nor have my associates related objections from their buyers or sellers. That is not to say that some sectors of the market won't feel the effects but the Bethesda statistics seem to indicate that the advantages of homeownership are perceived to outweigh any disadvantages resulting from the new tax law.

One could argue that the absence of vocal objection from home seekers is not irrefutable evidence that there has been no effect from the new law. The argument would be that I and my associates have not heard from people who decided against buying a home because they are not in the market. Fair point, but if that were true, would it not show in the statistics? Perhaps the other shoe has not yet dropped but for now, it would appear that buyer demand remains strong.

Speaking of statistics, let's take a look at what the first half of the year has produced. The 446 sales represent a **total sales volume of \$507,631,900** which gives us an **average sale price of \$1,138,188**. As a reminder, the 2017 average was a bit higher at \$1,155,061. The average time to get a contract for a detached home in Bethesda is a little shorter this year at **56 days on market**, compared with last year's marketing time of 59 days. The distribution of sales by range shows 217 sales under \$1M and 157 sales from \$1M—\$1.499M, leaving 72 sales at \$1.5M+ with a high sale of \$5.35M. These numbers are all consistent with their counterparts from 2017—STEADY AS SHE GOES!

## 6405 Walhonding Rd is COMING SOON

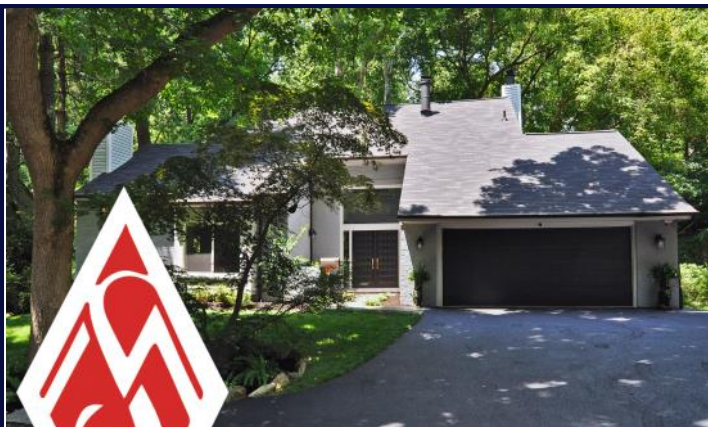
This spacious modern house features a dramatic interior design with **vaulted ceilings**, lots of architectural interest and walls of glass offering a lush green view of the wooded back yard.

There are **5 Bedrooms** along with **3 1/2 Baths**, a remodeled kitchen adjacent to a main level family room which opens to a newly rebuilt deck.

A hard-to-come-by **2-CAR GARAGE** is icing on the cake for this unique home in the Whitman Cluster.

**\$989,000**

Contact Bob for more information and a private showing.



Real Estate News from

**Robert Jenets**  
President & Principal Broker



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# Neighborhood Sales

## January – June 2018



6416 Wiscasset Rd



5106 Wehawken Rd



5412 Waneta Rd



6216 Madawaska Rd



5704 Mohican Pl



6111 Wiscasset Rd



5025 Wissioming Rd



5313 Tuscarawas Rd



5321 Tuscarawas Rd



6104 Namakagan Rd



5319 Wapakoneta Rd



5125 Wissioming Rd



6 Wyoming Ct



5014 River Hill Rd



5309 Iroquois Rd



6217 Winnebago Rd



6112 Winnebago Rd



5313 Wapakoneta Rd



6213 Madawaska Rd



6351 Walhonding Rd

*Note: The homes pictured above were listed and sold by various brokers, not necessarily Stuart & Maury, Inc.*

Address	FB	HB	BR	OrigListPrice	ListPrice	ClosePrice	CloseDate	TaxLivingArea	DOMP
6416 WISCASSET RD	1	1	4	\$820,000	\$799,000	\$780,000	28-Feb-2018	2,016	34
5106 WEHAWKEN RD	2	1	4	\$799,000	\$799,000	\$799,000	16-Jan-2018	2,112	8
5412 WANETA RD	4	0	5	\$889,000	\$849,900	\$835,000	11-Jan-2018	2,426	591
6216 MADAWASKA RD	3	1	5	\$1,049,000	\$899,000	\$865,000	29-Jun-2018	2,037	166
5508 MOHICAN RD	2	1	4	\$839,000	\$899,000	\$895,000	10-May-2018	1,302	4
5704 MOHICAN PL	2	1	3	\$925,000	\$925,000	\$950,000	23-Feb-2018	2,054	5
6111 WISCASSET RD	4	0	3	\$969,000	\$969,000	\$950,000	09-Mar-2018	1,916	7
5025 WISSIOMING RD	2	1	5	\$889,000	\$889,000	\$955,000	18-May-2018	2,624	7
5313 TUSCARAWAS RD	2	1	5	\$849,000	\$949,000	\$955,000	23-May-2018	1,558	5
5321 TUSCARAWAS RD	3	1	6	\$999,999	\$999,999	\$999,999	19-Mar-2018	3,291	291
6104 NAMAKAGAN RD	2	1	4	\$990,000	\$990,000	\$1,070,000	25-May-2018	2,690	5
5319 WAPAKONETA RD	3	1	5	\$1,375,000	\$1,275,000	\$1,270,000	25-Jun-2018	3,247	35
5125 WISSIOMING RD	3	1	4	\$1,499,000	\$1,395,000	\$1,325,000	31-May-2018	2,859	58
6 WYOMING CT	4	1	5	\$1,495,000	\$1,395,000	\$1,350,000	30-Apr-2018	3,015	173
5014 RIVER HILL RD	3	1	5	\$2,125,000	\$1,795,000	\$1,735,000	22-May-2018	2,506	298
5309 IROQUOIS RD	6	0	5	\$1,999,000	\$1,899,000	\$1,860,000	20-Feb-2018	4,812	56
6217 WINNEBAGO RD	5	1	6	\$1,949,000	\$1,949,000	\$1,868,000	18-May-2018	4,503	30
6112 WINNEBAGO RD	5	1	5	\$2,099,000	\$2,099,000	\$1,902,500	31-Jan-2018	4,553	49
5313 WAPAKONETA RD	5	1	6	\$1,995,000	\$1,949,000	\$1,904,000	12-Jan-2018	4,121	284
6213 MADAWASKA RD	4	1	5	\$1,995,000	\$1,995,000	\$1,945,000	19-Jun-2018	0	418
6351 WALHONDING RD	6	1	6	\$2,190,000	\$2,190,000	\$2,100,000	07-May-2018	5,129	30

## THE NEIGHBORHOOD

Last year at this time I noted that only 12 homes had sold in the first six months of the year and there were 21 homes available for sale. At this writing, those numbers are effectively reversed for 2018 with a robust **21 closed sales** versus only six homes on the market for sale.

The closed sales **ranged in price from \$780,000 to \$2,100,000** with most of the price levels represented. The chart above shows five sales below \$900K and five sales between \$900K and \$1M. The only gap is in the upper mid range with no sales between \$1,350,000 and \$1,735,000.

Last year's average price was \$1,015,875 but this year, the strong presence of six sales above \$1.8M results in a **first half average of \$1,300,643**. The median price (which is the midpoint of the sales list) falls at \$1,070,000.

The average time on the market from listing to contract was quite a bit longer this year than last. Scanning down the DOMP column of the chart above, you see a wild variation in the days on market. The stubborn sale of 5412 Waneta Road had an unusually long marketing period of 591 days which is clearly an outlier in the statistics, but drags the **average up to 122 days on market**. Removing that sale from the list

brings the days down to 98 but that is still more than three times longer than the 2017 first half average of only 30 days.

It is typical for higher priced homes to have a longer marketing period and that too, is apparent in the chart. Seven of the eleven sales below the median had single digit marketing times while the upper half shows an average of 143 days on market. But to be fair, six of those upper priced homes sold in less than 60 days.

In a marketplace that is clearly lacking in inventory, which should intensify the activity for each listing, why would this year's marketing time be longer? The desirability of the neighborhood has not diminished and interest rates have remained low. There are plenty of buyers out there and in general, the home sale market is considered to be healthy. The issue in most cases would seem to be overly ambitious initial pricing. Among the 14 homes that sold for less than the original list price, nine of them had reduced their asking price at least once before going to contract status.

It seems clear that buyers today are analyzing the real estate data available to them online and think they are more educated about value than ever before. (That may be true in many cases but beware the reliability of online sources other than the MRIS.)



Regardless of how or why, the buyers seem to be able to recognize when the price is too high and they will not make an offer until the asking price is within range of what they view to be the actual value.

A careful look at the sales chart on the previous page may generate another question in your mind. You may be confused in seeing that the home I sold at **5508 Mohican Road** was listed at \$839,000



and then the price was *raised* to \$899,000. That is a strategy I use to try and make things easier for the appraiser. The house attracted several offers after the first

weekend which pushed the price to \$895,000. I did not want the appraiser to have to justify a sale price significantly higher than the list price so before I changed the status to CONTRACT, I increased the price in the MRIS.

As you know, a low appraisal could cause trouble with the buyer's loan and jeopardize the contract so I consider it part of my job as the listing agent to meet the appraiser personally with helpful comps, a copy of the survey and a copy of any competing contracts to prove the value dictated by the market. I mention all the positive features of the house and provide as much information as possible to ensure that the house gets a satisfactory appraisal.

At the time I am writing this, the MRIS shows six neighborhood houses under contract pending settlement. They are:

ADDRESS	LIST PRICE
5216 Wyoming Rd	\$ 799,000
5308 Waneta Rd	\$ 828,000
5205 Wapakoneta Rd	\$ 899,000
5309 Mohican Rd	\$1,095,000
6303 Dahlonga Rd	\$2,455,000
5417 Mohican Rd	\$2,595,000

The home at 5417 Mohican Road is the smaller of the Baltzley "castles" that have been on the market for a long time. If you never had the opportunity to tour the homes since their massive renovation, you missed a true labor of love in the way each one was modernized within its historic countenance.

The six homes that are currently for sale in the neighborhood range in price from \$1,895,000 to \$2,995,000, including two "castles". You are probably aware of one, that being the main Baltzley "castle", but you may not be aware of another "castle" at 5446 Mohican Road. This too is a stone home built in the late 1800's (1883) with a rounded turret-like feature. The original structure was greatly expanded in the 1980's by a renowned DC builder who added a spacious modern section including an elevator to service the four finished levels. It sits on a half acre with winter river views and is offered at \$2,200,000.

With economic indicators being generally positive and mortgage rates still low, I expect our year in real estate to have a strong finish. We shall see!

**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!**