

# Glen Echo Heights / Mohican Hills

Real Estate Report from ROBERT JENETS

January  
2024

## ALL BETHESDA (20814, 20816, 20817)

Jim Croce had a hit song in which he sang, “*If I could save time in a bottle, the first thing that I’d like to do...*” Well, if I was to finish that line today, I would say, “*...is to save everyday in May of 2004, when 175 homes were listed for sale in Bethesda, as opposed to the mere 97 detached homes that came up for sale in May of 2023!*”

The sentiment expressed facetiously above is the headline for my review of last year’s real estate market in Bethesda. Even that headline belies the dearth of inventory that was available to homebuyers during 2023. There were times throughout the year when a search for detached homes in Bethesda would return about 50 choices, as opposed to the pre-pandemic level one could expect of about 250 available homes.

Why are there so few homes on the market? There are several factors that come into play. During the early days of the pandemic, many sellers were afraid to have their homes on the market for fear of being exposed to COVID-19. That suppressed inventory for most of 2020 and part of 2021 and caused a number of homeowners to modify their existing home rather than move. There is also a trend among older owners to make changes to their homes which allow them to age in place rather than move to senior housing, thereby depriving the market of those potential sales as well.

More recently, the sharp rise in interest rates compounded the problem by imposing the concept we call the “golden handcuffs”. Multitudes of homeowners financed their homes during the ten years when interest rates were around 3%. The thought of selling their home to buy a new one with a mortgage rate around 7% was not appealing, to say the least. With interest rates abating over the last couple of months and the economy improving, we are hopeful of seeing more homes on the market in the first half of this year.

Another factor that deters people from selling their home is the fear that they won’t be able to find a

home they want to buy. In this market, it is easier (and faster) to sell a home than it is to buy one, which can intimidate people to inaction. Admittedly, it is a coordination challenge, but I have successfully solved the buy/sell equation for many people over the last few years. It requires some patience, but it can be done.

In this environment of reduced inventory, it follows that the total number of sales is lower than it would have been if there were more homes to sell. This is considered to be a difficult market and it causes an interesting side effect that is sometimes called the “flight to quality”. Buyers and sellers know they need the best guidance they can get to be successful, and naturally gravitate to the agents they trust to deliver it. I am proud (and blessed!) to say that my numbers for 2023 were excellent and I am grateful to all of my clients for allowing me the privilege of serving them.

According to Bright MLS, the three **Bethesda** Zip Codes accounted for **622 closed sales** of single family detached homes last year, a **20% decrease in the number of sales** (775) posted in 2022. And that is after a drop of 18.5% from 2021 to 2022! In my 39 years long career I have never experienced a tighter market.

The time it took for homes to go under contract became less in each year of the pandemic—55 to 21 to 19 days on the market in 2022. That number *increased* in 2023 to an **average of 28 days on the market**, although the median was only 7 days. I attribute the increase to the difficulty of pricing homes as interest rates continued to climb throughout the year. Many initial asking prices turned out to be too high and had to be reduced, thereby lengthening the sale process.

In 2023, the average Bethesda home sold for 101.6% of its original list price, down from 103.2% the year before. That statistic is obviously the result of higher interest rates increasing the cost of buying a home and thus, causing buyers to be more reserved in their escalations. Notwithstanding the challenging market conditions of 2023, the **average sale price** rose again to a new high—**\$1,611,633**.



## MLS STATISTICS by ZIP CODE—2023

	# of Sales	Days for Sale	Average Price	%Change from '22
20814	130	35	\$ 1,505,017	- 4.9%
20816	140	20	\$ 1,579,913	+ 4.8%
20817	352	29	\$ 1,663,625	+ 5.2%

## Robert Jenets

PRESIDENT & PRINCIPAL BROKER

(301) 257-3200 (cell)  
(301) 654-3200 (office)

 Robert@RobertJenets.com  
 RobertJenets.com



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# Neighborhood Review (Homes Sold by All Brokers – per MLS)

## 2023

Address	Beds	Baths	Above Grade SQFT	List Price	DOM	Close Price↓	Close Date
5405 Tuscarawas Rd	3	2	1,066	\$829,000.00	20	\$720,000	12/08/23
5101 Wissioming Rd	2	1	765	\$747,750.00	6	\$759,500	05/15/23
5111 Waukesha Rd	3	1	1,824	\$995,000.00	0	\$850,000	01/31/23
6424 Wiscasset Rd	3	2/1	1,956	\$1,129,000.00	40	\$1,000,000	11/30/23
6018 Madawaska Rd	1	1	1,164	\$830,000.00	18	\$1,107,000	02/28/23
7205 Macarthur Blvd	4	2	1,378	\$1,250,000.00	6	\$1,250,000	12/15/23
6437 Dahlonga Rd	3	3	2,224	\$1,200,000.00	6	\$1,335,000	05/08/23
5320 Tuscarawas Rd	4	4	2,477	\$1,295,000.00	7	\$1,440,000	06/29/23
6117 Madawaska Rd	4	3/1	2,820	\$1,399,000.00	7	\$1,451,000	04/14/23
5101 Waukesha Rd	5	3/1	2,454	\$1,525,000.00	0	\$1,525,000	07/28/23
5107 Wissioming Rd	5	4	2,778	\$1,650,000.00	12	\$1,600,000	08/01/23
5208 Wapakoneta Rd	5	4/1	2,356	\$1,500,000.00	6	\$1,611,000	04/11/23
5108 Wehawken Rd	5	4	2,770	\$1,550,000.00	8	\$1,725,000	05/03/23
5408 Tuscarawas Rd	4	3/1	3,150	\$1,795,000.00	4	\$1,820,000	10/27/23
5107 Waukesha Rd	6	4/1	4,479	\$2,495,000.00	18	\$2,400,000	10/31/23
5309 Tuscarawas Rd	4	3/1	3,299	\$2,350,000.00	2	\$2,400,000	06/16/23
5133 Wissioming Rd	5	5/1	4,535	\$2,395,000.00	2	\$2,475,000	10/30/23
5504 Mohican Rd	5	4/1	4,230	\$2,495,000.00	7	\$2,495,000	05/12/23
6212 Dahlonga Rd	5	4/1	4,442	\$2,450,000.00	3	\$2,500,000	06/16/23
6405 Dahlonga Rd	5	5/1	4,827	\$2,850,000.00	79	\$2,850,000	07/13/23

Last year, 2023, was a relatively quiet year for real estate in Glen Echo Heights / Mohican Hills with regard to the number of sales. Bright MLS data for the prior five years, beginning with 2018 and progressing through 2022, shows sales of 34, 40, 29, 39 and 29—an average of about 34 homes per year. There were only **20 sales** in the neighborhood last year. That is a decrease of over 41% from the five-year average.

With the perspective of greater Bethesda's decrease of 20%, this is a startling statistic for GEH/MH. Twenty sales is the fewest we have seen in Glen Echo Heights/Mohican Hills since the disastrous year of 2008 when there were only 15 sales. Certainly, higher interest rates created a challenging market last year but nowhere near the fear and uncertainty we experienced during the financial crisis of the Great Recession. It could be just coincidence but it is noteworthy, nonetheless.

The big difference between the lean markets of 2008 and 2023 is that home values did not suffer last year as they did in the fall of 2008. The financial crisis then caused neighborhood prices to drop 17.5%, but the **average price in the neighborhood for 2023 was \$1,665,675**, a decrease of only 1.77% from the prior year's average of \$1,695,356. That is a small enough difference to

be considered within the margin of error based on the small size of last year's data sample. The shortage of inventory is the primary reason for the relative price stability of homes in our area.

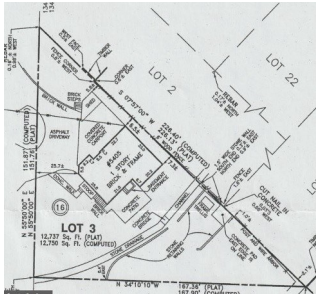
The pace of sales in 2021 was hypersonic, an average of only 13 days on the market. In that year the median was 6 days. For 2022, the average time from listing to contract was 24 days on the market, with a median of 7 days. Last year's marketing time statistic replicated the fast market of 2021 with an **average of 13 days on the market and a median of only 6 days**. That average is considerably shorter (by a week) than the average marketing time for the greater Bethesda area.

The chart above shows that there were **eleven sales above the original list price** but, unlike 2022 when the highest escalation was \$535,000, the greatest bid above list price last year was \$175,000. That seller success story happened for **5108 Wehawken Road**.





The low sale for 2023 was the house at **5405 Tuscarawas Road**, listed by Stuart & Maury agent, Kevin Cullinane. This property was in poor condition, and with a lot size of almost a third of an acre, was marketed to the renovator/builder sector. However, as you can see from the plat at left, the shape of the lot was not at all ideal for anyone trying to tear it down and build a new home.



If you look closely, you can see another obstacle which is the drainage ditch that nearly bisects the property. The engineering required to work around (or over) that wet area will be significant and costly. There have been tear down lots in the neighborhood that have sold for more, like the house I sold early in the year at **5111 Waukesha Road**, and some lots even go for more than a million dollars. Considering the particular issues involved with this lot, the price of \$720,000 seems fair.

There were six sales above \$2M last year which is proportionate with the prior year—about 30% of the sales. One that stood out to me was the cool, contemporary split level at **5309 Tuscarawas Road**. The appeal of this home lies in the precise finishes, walls of glass, open floor plan and tall, airy spaces. Those features caused the house to sell quickly for \$2,400,000, \$50K above the list price.



Further testament to the current popularity of the contemporary style is the sale of **5133 Wissioming Road**. Working with a small lot of only 5,257 sq. ft., the architect and builder erected this impressive modern home offering about 4,500 sq. ft. of beautifully finished space. The choice of mate-

rials and finishes “pressed all the right buttons” with the buying public and the house sold within 2 days of being completed for \$2,475,000. Considering that the lot was purchased for only \$700,000 this is a rare example of a “home run” for that builder.

The high sale last year was a new home built by Stuart & Maury agent/builder, Brett Tulacro of award winning Tulacro Development at **6405 Dahlonga Road**. Brett has built a few homes in GEH/MH over the years and is known for producing a solid, over-engineered, uber-substantial home that is constructed “like a tank”. Last year, I sold another home that Brett built about ten years ago in Bannockburn Estates for \$3.4M and the home inspector told the buyers that the home was built to last for hundreds of years! This one on Dahlonga sold for \$2,850,000.

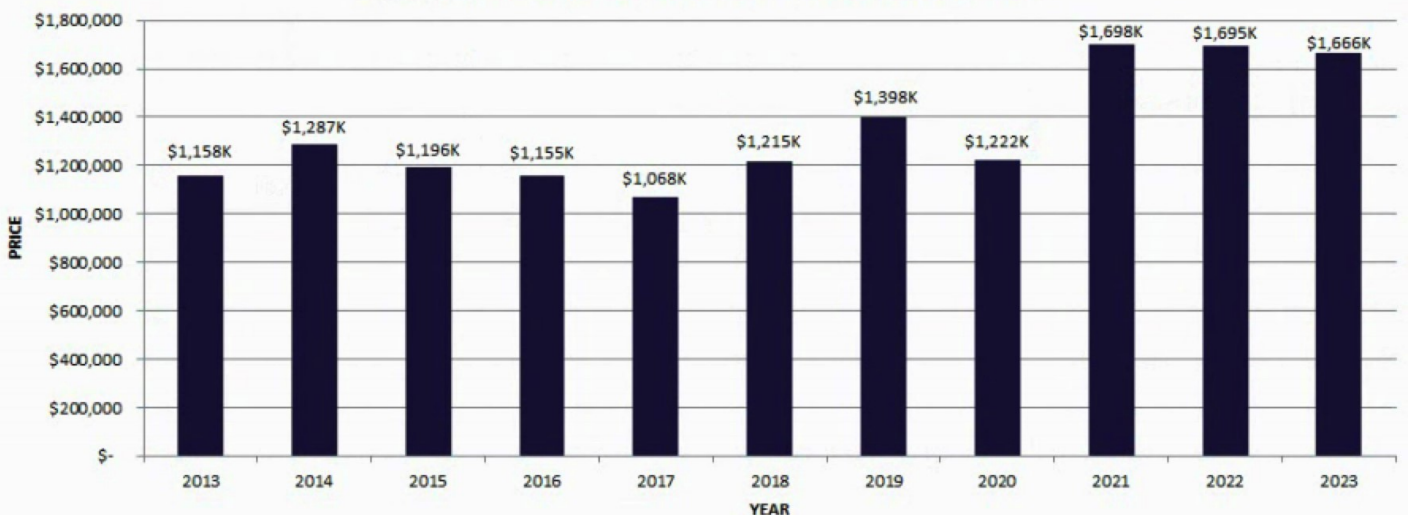


To summarize the year in real estate for GEH/MH in 2023, the key takeaways are that it continued to be a good market for sellers. I know the media makes a big deal out of the reduced number of sales and yes, that is news for the economy in general. But for an individual seller—you—all that matters is what happened to the value of *your* home. And we have seen that it has held pretty steady, well above its pre-pandemic level. With low inventory predicted to be the norm for the next few years, it would seem that values are likely to remain steady and even rise gently.

Another point that comes across as no surprise is that pre-sale preparation and proper pricing pay dividends. The most impressive sales were the ones that had recent renovations and/or showed really well, or were carefully priced to reflect the lack thereof. A big part of my job is to advise and help people make cost-effective upgrades that lead to a maximum price or to guide those who do not want to do so, to an informed pricing strategy that will produce the best results.

The 2023 market sagged a little during the second half of the year but even as you read this, the pace of sales is shifting into high gear. Fasten your seat belts!

Glen Echo Heights / Mohican Hills Average Price



## ZIP CODE 20816

As it has been my practice for many years now, when calculating the average price for the 20816 Zip Code, I like to include off-market sales found in the public record that are not represented in the MLS statistics. This is an effort to present a truer picture of our local sales activity. A careful examination of the public record turned up 10 private sales last year which ranged in price from \$825,000 to \$2.3M. Only four of those sales were under a million dollars and two went for more than \$2M.

Adding the 10 private transactions to the 140 sales reported in Bright MLS brings the total to **150 single family detached home sales in Zip Code 20816**. So, even with the private transactions included in the calculation, the **number of sales** in the Zip Code was **down by 27.2%** from the 206 sales of 2022!

Here are some other statistics to ponder. The average number of days a listing took to sell increased from 13 days in 2022 to **20 days on market in 2023**, although the median was 6 days on the market. The number of sales that happened within 7 days of marketing decreased from 126 in 2022 to 93 quick sales last year. As a percentage of

the total sales, that is only 8% fewer quick sales than the year before.

Sales closing at a price greater than the list price numbered 104 in 2022, and that number decreased to 67 such sales in 2023. That's 10% fewer escalated sales.

The **average price of the 150 sales in Zip Code 20816 last year was \$1,556,586**, an increase of about 4.1% over 2022's average of \$1,493,846, and 1% better than the appreciation for Bethesda overall. Despite higher mortgage rates making home purchases more expensive, the strong demand and scarcity of available homes has kept prices in our area moving in a positive direction.

On that note, one other comparison that is rather interesting is the average sale price as a percentage of the list price among the three Bethesda Zip Codes. Last year, homes in 20814 sold for 99.4% of the original list price. 20817 came in at 100.4%. Homes in 20816 sold last year at an average of 101.4% of the original list price. I understand the appeal other parts of Bethesda may hold for some people, but my heart is here in 20816! Thank you and be well.

- Bob Jenets

*As always, thank you for your support and I welcome your questions or comments.*

## SHRED-IT DAY 2024

*The annual opportunity for you to have your important papers shredded before your eyes is coming on **April 20th**. Just like last year, the truck will be available in the parking lot of the Washington Waldorf School on Sangamore Road from 11:00 AM to 1:00 PM. There is no need to remove paper clips or file fasteners but **NO three ring binders, please**.*

**If you would like to receive Shred-It Day notices by email, simply send me your email address and I will be happy to notify you in advance of the event.**

*I look forward to seeing you on the 20th of April!*



**Robert Jenets**  
Stuart & Maury, Inc.

(301) 257-3200 (cell)  
(301) 654-3200 (office)

✉ [Robert@RobertJenets.com](mailto:Robert@RobertJenets.com)  
[RobertJenets.com](http://RobertJenets.com)

