

Maryland Real market update

BETHESDA

Current prices for homes on the market

Trends in pricing

Current levels of supply and demand

Value metrics

Report for the week of
2007-08-31

Presented by Lynda O'Dea

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City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 1,160,400	
Average List Price	\$ 1,288,993	
Least Expensive Listing	\$ 219,000	
Most Expensive Listing	\$ 4,999,990	
Asking Price per Square Foot	\$ 308	
Average Days on Market	72	
Total Inventory	260	
Sold This Week	11	
Percent of Properties with Price Decrease	28 %	
Percent Relisted (reset DOM)	13 %	
Percent Flip (price increased)	5 %	
Median House Size (sq ft)	1,791	
Median Lot Size	8,001 - 10,000 sq ft	
Median Number of Bedrooms	4.8	
Median Number of Bathrooms	3.2	
Median Age	36	

Altos Research Value Statistics		
Market Action Index	Cool. Buyer's	23

Altos Research calculates the Market Action Index which measures available supply relative to the current level of demand. Index value above 30 indicates conditions favor the seller. See the section below for full details.

Trend Key

	Last Month's Trend		Last Quarter's		No Clear Monthly/Quarterly
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Characteristics per Quartile

Quartile	Median Price	Med. Sqft	Med. Lot Size	Beds	Baths	Med. Age	Inven.	Newly Listed	Sold	Avg. DoM
1	\$ 2,249,000	6,423	0.25 - 0.50 acre	6.0	5.5	17.5	65	2	1	87
2	\$ 1,395,000	5,000	8,001 - 10,000 sq ft	5.0	4.5	48.0	65	1	3	86
3	\$ 819,900	1,958	6,501 - 8,000 sq ft	4.0	3.0	52.0	65	7	5	58
4	\$ 412,500	1,301	6,501 - 8,000 sq ft	2.0	2.0	26.5	65	7	2	58

BETHESDA

THIS WEEK

The median single family home price in BETHESDA this week is \$1160400. The 260 homes have been on the market for an average of 72 days.

Inventory has been lightening lately and the Market Action Index has been trending up. Though days-on-market is increasing, these are mildly positive indications for the market.

QUARTILES

To get a tightly targeted understanding of homes in the market, we break each locale into quartiles. Each quartile is 25% of the homes listed.

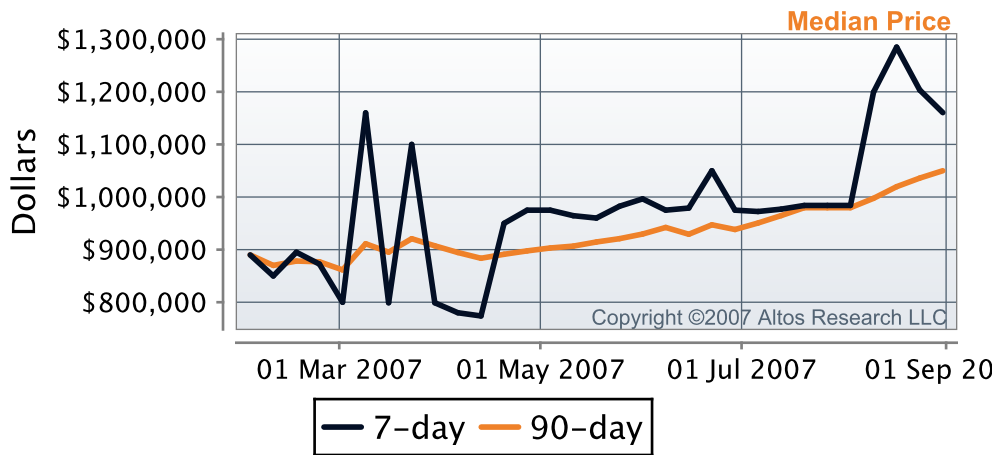
Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

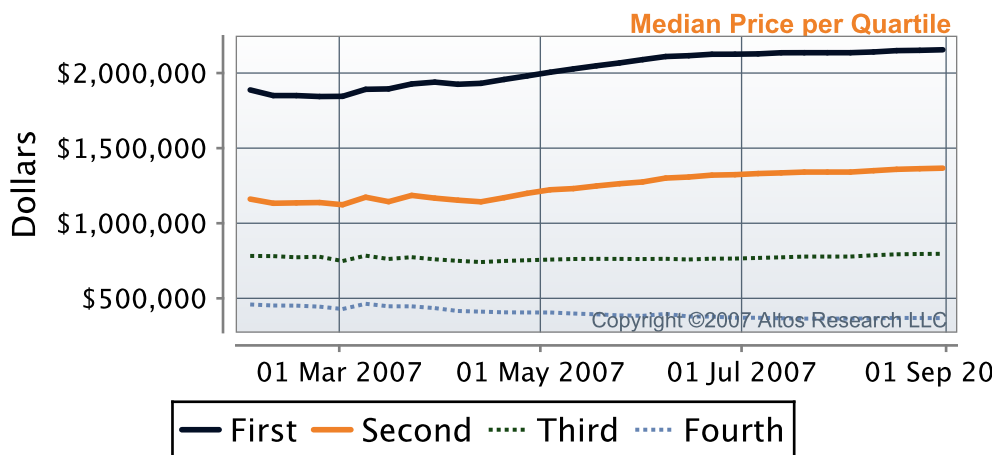
Least expensive 25% of homes

We'll refer to the quartiles in the trend graphs below.



PRICE

Despite this week's down tic, price trends have generally been moving up lately.



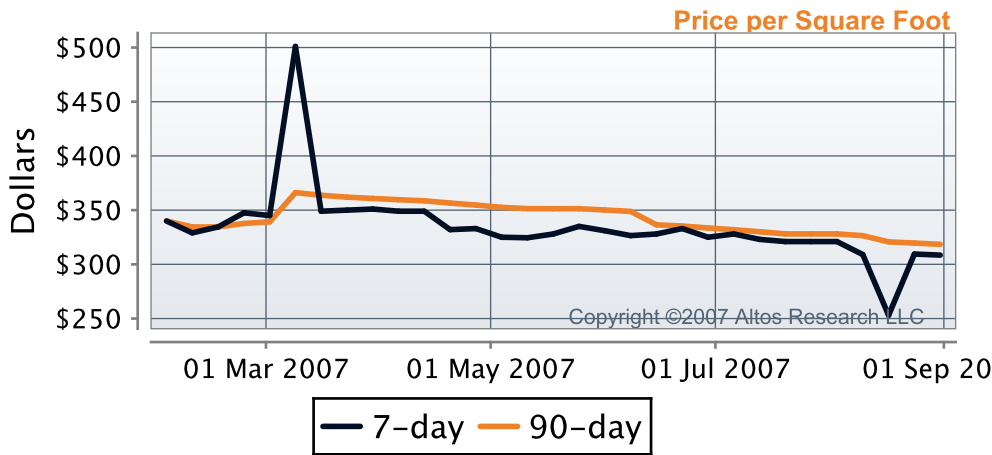
QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments.

Prices have settled at a price plateau across the board. Prices in all four quartiles are basically mixed. Look for a persistent shift (up or down) in the Market Action Index before prices move from these current levels.

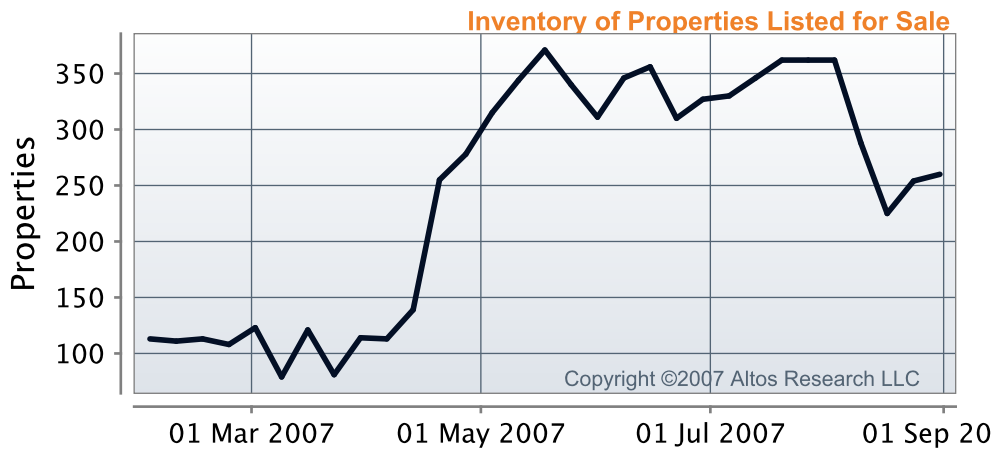
PRICE AND VALUE

This is a market where watching the value metrics (like price per square foot) can provide insight that you don't get at first glance. Despite the fact that home prices are rising fairly consistently, the price per square foot of homes listed is declining. Often this can be attributed to new and remodeled homes on the market. Buyers in the area are paying more but also getting more for their money.

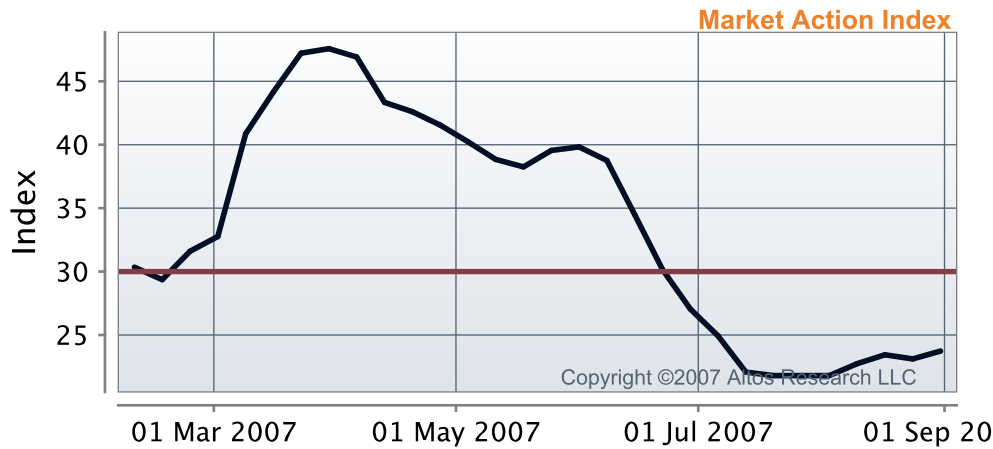


INVENTORY

Inventory has been falling in recent weeks. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is changing with the available supply.



Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Market zone for a long period, prices are likely in for a downward correction.



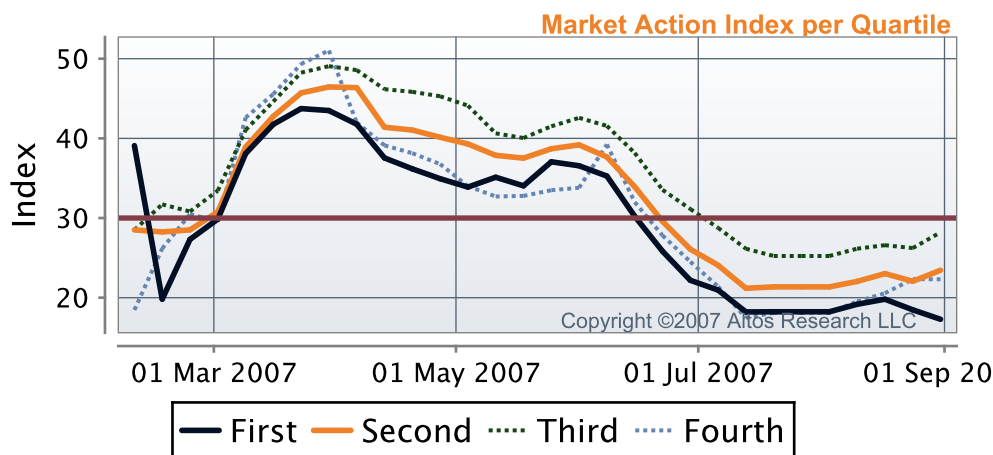
The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

An MAI value greater than 30 typically indicates a "Seller's Market" (a.k.a. "Hot Market") because demand is high enough to quickly gobble up available supply. A hot market will typically cause prices to rise. MAI values below 30 indicate a "Buyer's Market" (a.k.a. "Cold Market") where the inventory of already-listed homes is sufficient to last several months at the current rate of sales. A cold market will typically cause prices to fall.

MARKET ACTION INDEX

The BETHESDA market is currently in the Buyer's Market zone (below 30), though not strongly so. The 90-day Market Action Index stands this week at 23 so buyers should expect find reasonable levels of selection.

Home sales have begun exceeding new inventory. While still a Buyer's market, prices seem to have already started to respond. If the trend continues, expect prices to keep marching upward.



The quartiles can help you answer the question, "How hot is the market for homes in my price range?"

MARKET ACTION

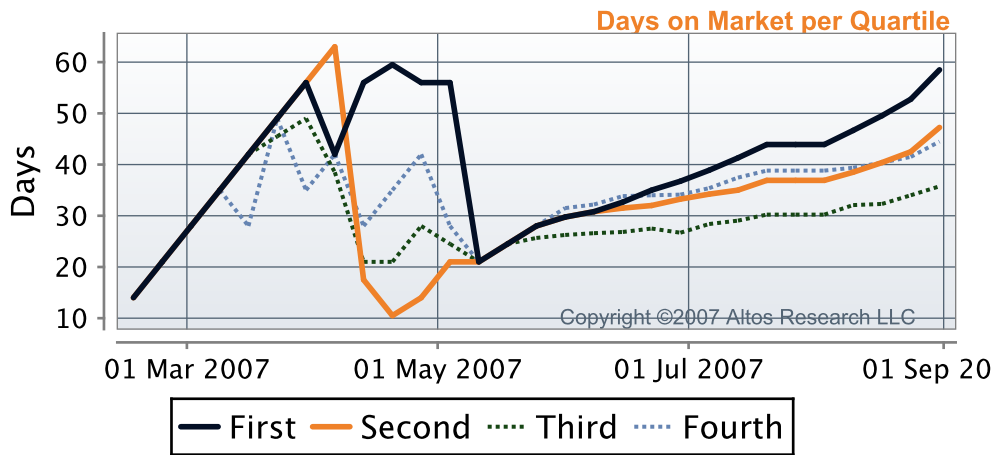
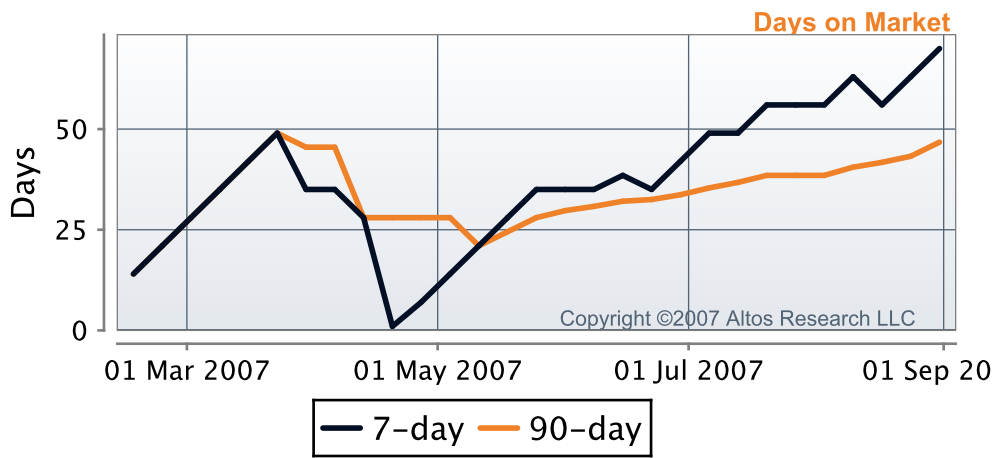
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low end) will improve and signal a strengthening market before the whole group changes.

DAYS ON MARKET (DOM)

The properties have been on the market for an average of 72 days. Half of the listings have come newly on the market in the past 70 or so days.

DOM PER QUARTILE

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.



Neighborhood Detail

BETHESDA
20817

Real-Time Market Profile		Trend
Median List Price	\$ 1,340,000	↔
Average List Price	\$ 1,491,519	
Least Expensive Listing	\$ 277,000	
Most Expensive Listing	\$ 4,999,990	
Asking Price per Square Foot	\$ 281	
Average Days on Market	66	↔
Total Inventory	143	
Sold This Week	4	
Median House Size (sq ft)	3,534	
Median Lot Size	0.25 - 0.50 acre	
Median Number of Bedrooms	5.0	
Median Number of Bathrooms	4.3	
Median Age	30	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's	19 ↑

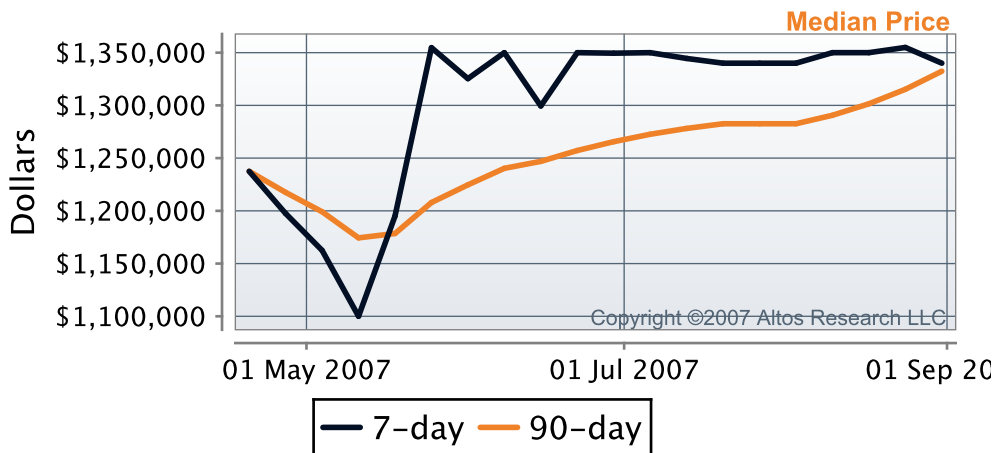
THIS WEEK

The median single family home price in BETHESDA 20817 this week is \$1340000.

With inventory and days-on-market basically unchanged and the Market Action Index increasing, the market isn't sending strong directional signal for the near-term outlook.

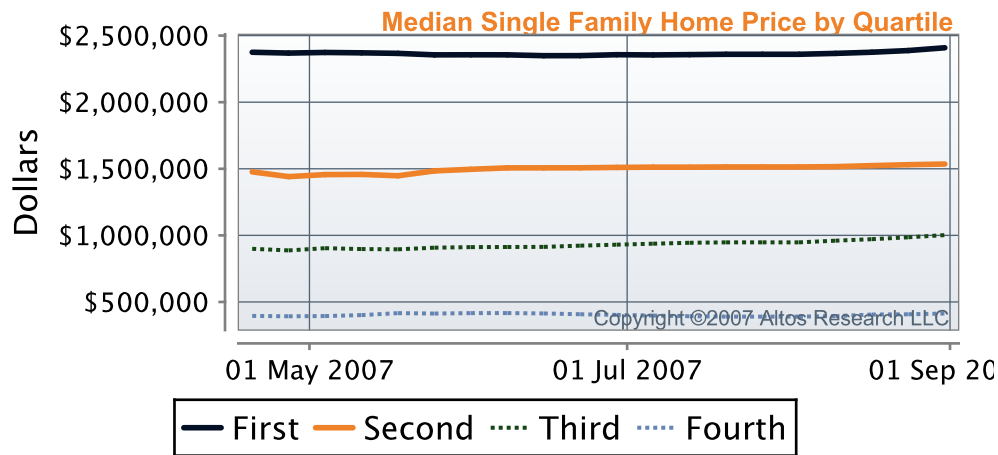
PRICE

We continue to see the market at a plateau. This week prices bumped down a bit. Look for a persistent down-shift in the Market Action Index before we see prices significantly deviate from these levels.



PRICE PER QUARTILE

In the quartile market segments, we see the upper-half of the market (Quartiles 1 and 2) in this zip code relatively flat recently while the lower-half prices have remained strong. Quartiles 3 and 4 have been increasing in the last few weeks. Look to the Market Action Index Quartile breakdown for a leading indicator on which group will lead the market in the near future.



Characteristics per

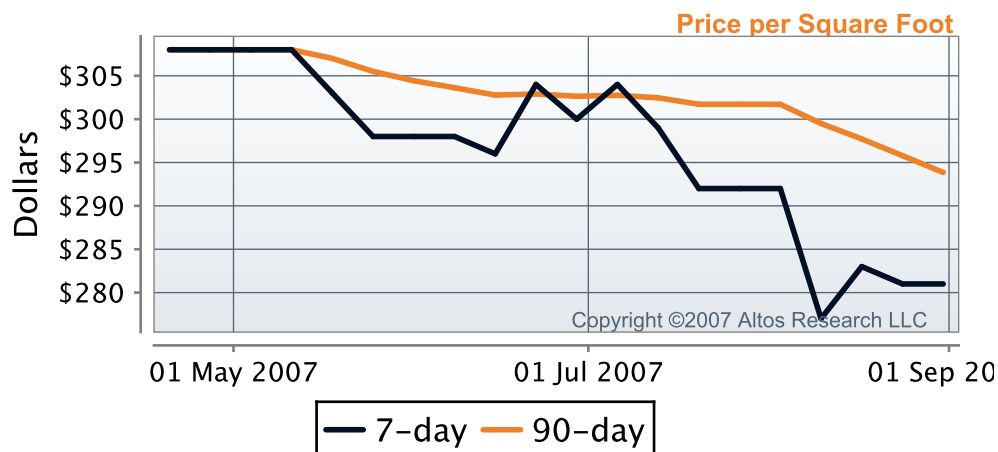
Quartile	Median Price	Med. Sqft	Med. Lot Size	Beds	Baths	Med. Age	Inven.	Newly Listed	Sold	Avg. DoM
1	\$ 2,599,000	7,950	0.50 - 1.0 acre	5.0	5.5	29.0	35	2	1	80
2	\$ 1,537,000	6,050	8,001 - 10,000 sq	5.0	4.5	48.0	36	0	1	82
3	\$ 964,250	4,049	8,001 - 10,000 sq	6.0	3.5	49.0	36	3	1	57
4	\$ 508,500	1,268	6,501 - 8,000 sq ft	3.0	2.0	48.0	36	6	1	44

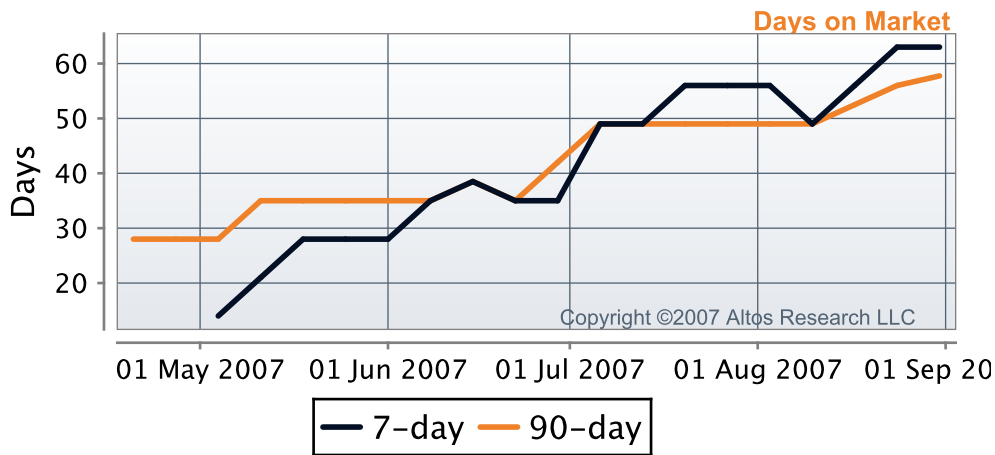
QUARTILES

- Most expensive 25% of homes
- Upper-middle 25% of homes
- Lower-middle 25% of homes
- Least expensive 25% of homes

PRICE AND VALUE

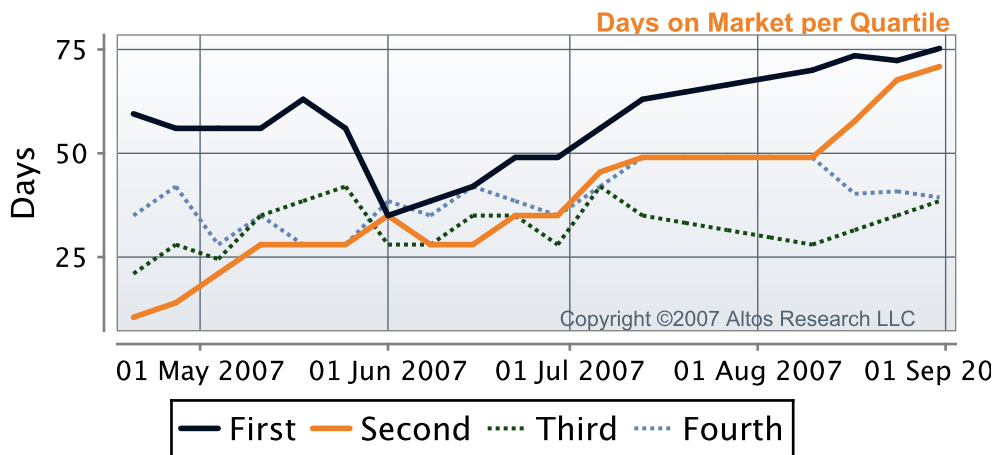
While prices have been basically flat, the price per square foot has been heading downward. While not a sign of broad strength in a market, larger homes are coming more available and buyers are tending to get more home for their money.





DAYS ON MARKET

The properties have been on the market for an average of 65 days. Half of the listings have come newly on the market in the past 63 or so days. Watch the 90-day DOM trend for signals of a changing market.



DAYS ON MARKET

It is not uncommon for the higher priced homes in an area (Quartiles 1 and 2) to take longer to sell than those in the lower quartiles.

Neighborhood Detail

BETHESDA
20816

Real-Time Market Profile		Trend
Median List Price	\$ 995,000	↑
Average List Price	\$ 1,141,577	
Least Expensive Listing	\$ 295,000	
Most Expensive Listing	\$ 2,475,000	
Asking Price per Square Foot	\$ 302	
Average Days on Market	96	↑
Total Inventory	43	
Sold This Week	2	
Median House Size (sq ft)	1,431	
Median Lot Size	8,001 - 10,000 sq ft	
Median Number of Bedrooms	4.4	
Median Number of Bathrooms	2.8	
Median Age	33	
Altos Research Value Statistics		
Market Action Index	Cold! Buyer's	19 ↔

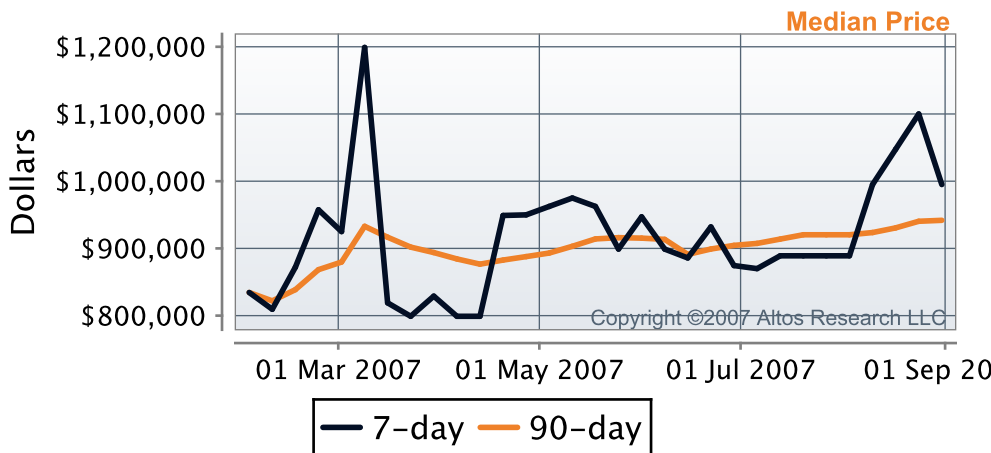
THIS WEEK

The median single family home price in BETHESDA 20816 this week is \$995000.

Inventory has been tightening and days-on-market increasing recently. The Market Action Index has been basically flat, not providing strong indication for market conditions.

PRICE

Despite this week's down tic, price trends in this zip code have generally been moving up lately. We are below the market's high point, and we'll investigate the Market Action Index later on to see if we expect this week's blip to become a downward trend.



PRICE PER QUARTILE

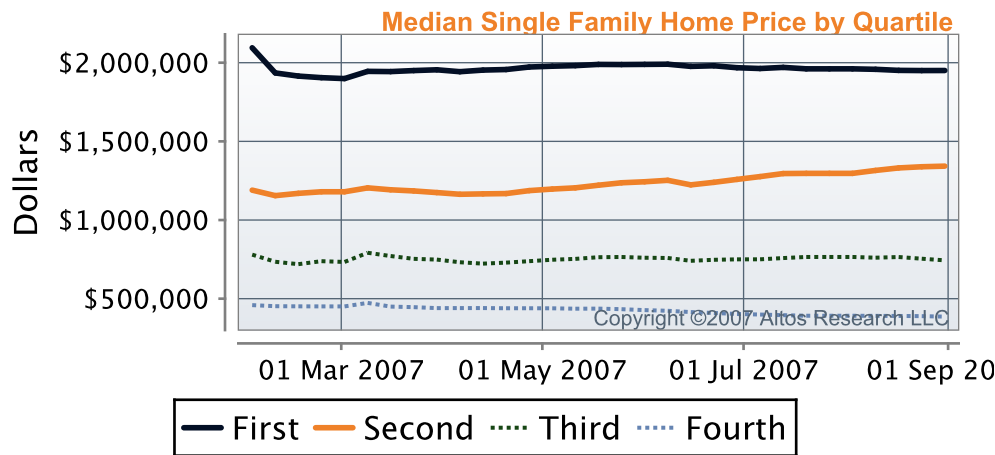
In the quartile market segments, we see prices in this zip code generally settled at a plateau, although Quartile 2 is on a bit of an up trend in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.

QUARTILES

- Most expensive 25% of homes
- Upper-middle 25% of homes
- Lower-middle 25% of homes
- Least expensive 25% of homes

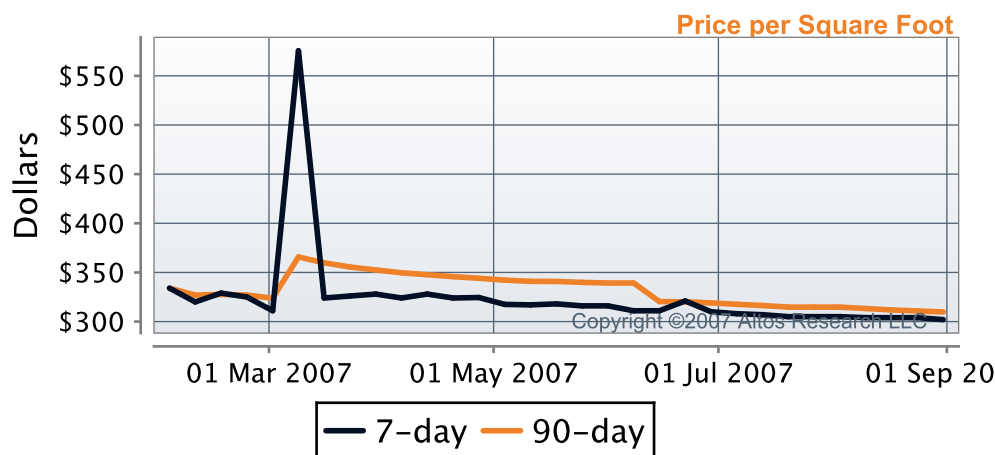
PRICE AND VALUE

In a market where prices are rising fairly consistently, price per square foot is essentially flat. This often implies that new homes coming on the market are pricier, and also larger than older homes. As a result the value one can buy stays the same.



Characteristics per

Quartile	Median Price	Med. Sqft	Med. Lot Size	Beds	Baths	Med. Age	Inven.	Newly Listed	Sold	Avg. DoM
1	\$ 2,035,000	5,658	0.25 - 0.50 acre	5.0	5.5	5.0	10	0	0	127
2	\$ 1,450,000	5,000	8,001 - 10,000 sq	5.0	4.0	39.0	11	0	1	104
3	\$ 699,000	1,723	6,501 - 8,000 sq ft	5.0	2.0	null	11	2	1	59
4	\$ 407,000	1,390		2.0	2.0	30.0	11	0	0	95



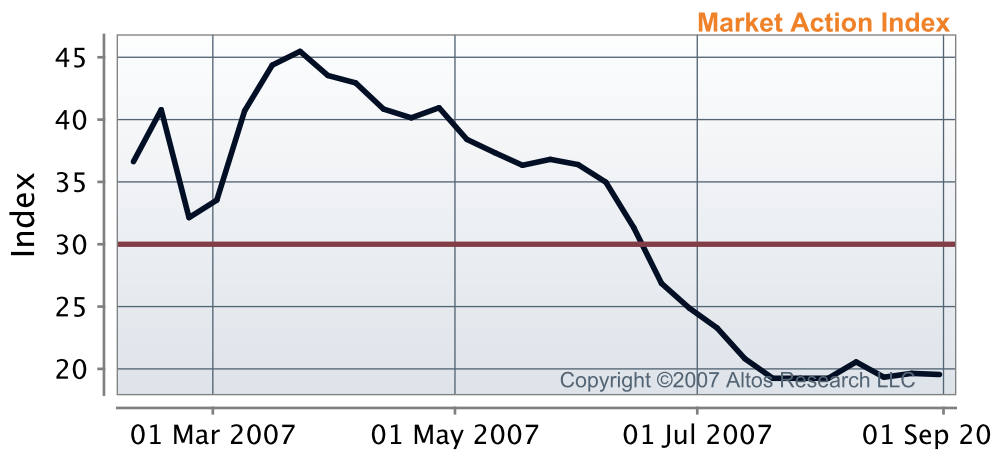
INVENTORY

Inventory has been climbing lately with 43 properties available this week. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index to gauge whether buyer interest is keeping up with available supply.



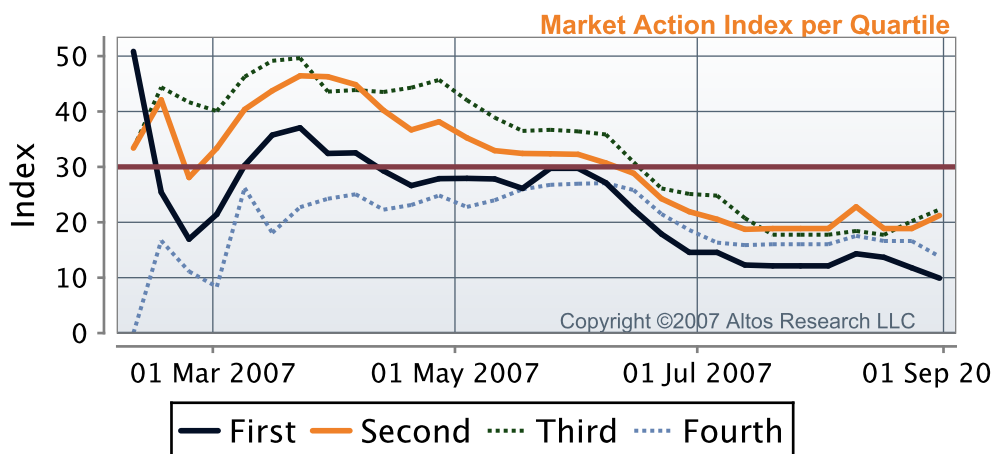
MARKET ACTION INDEX

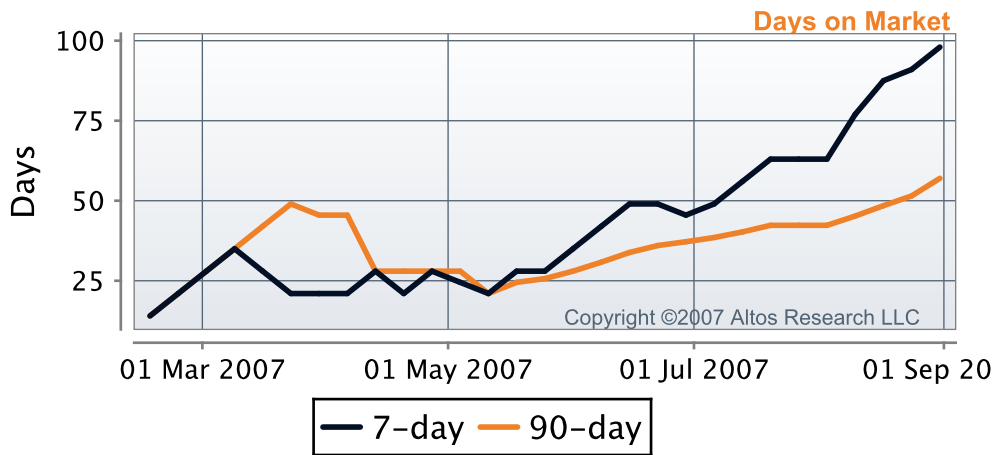
The BETHESDA 20816 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 19. With several months of inventory available at the current sales rate, buyers should find ample choice.



MARKET ACTION

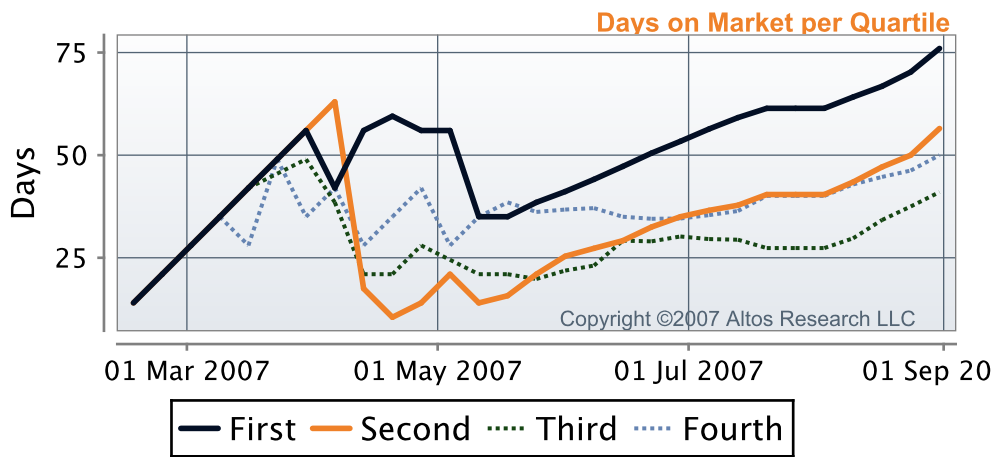
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.





DAYS ON MARKET

The properties have been on the market for an average of 95 days. Half of the listings have come newly on the market in the past 98 or so days. Watch the 90-day DOM trend for signals of a changing market.



DAYS ON MARKET

It is not uncommon for the higher priced homes in an area (Quartiles 1 and 2) to take longer to sell than those in the lower quartiles.

Neighborhood Detail

BETHESDA
20814

Real-Time Market Profile		Trend
Median List Price	\$ 806,400	↑
Average List Price	\$ 983,286	
Least Expensive Listing	\$ 219,000	
Most Expensive Listing	\$ 2,995,000	
Asking Price per Square Foot	\$ 445	
Average Days on Market	72	↑
Total Inventory	74	
Sold This Week	5	
Median House Size (sq ft)	1,756	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	4.4	
Median Number of Bathrooms	2.6	
Median Age	37	
Altos Research Value Statistics		
Market Action Index	Cool. Buyer's	23 ↑

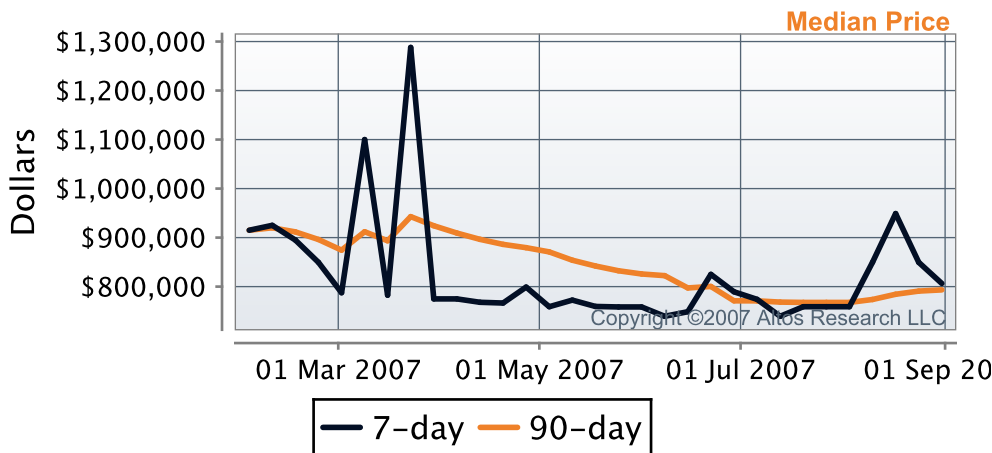
THIS WEEK

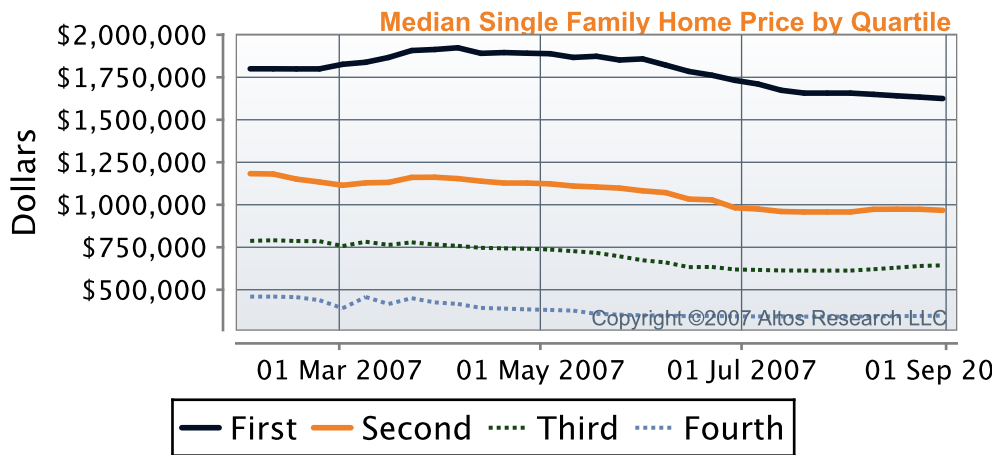
The median single family home price in BETHESDA 20814 this week is \$806400.

Inventory has been lightening lately and the Market Action Index has been trending up. Though days-on-market is increasing, these are mildly positive indications for the market.

PRICE

Despite this week's down tic, price trends in this zip code have generally been moving up lately. We are below the market's high point, and we'll investigate the Market Action Index later on to see if we expect this week's blip to become a downward trend.





PRICE PER QUARTILE

In the quartile market segments, we see prices in this zip code generally settled at a plateau, although Quartile 3 is on a bit of an up trend in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.

Characteristics per

Quartile	Median Price	Med. Sqft	Med. Lot Size	Beds	Baths	Med. Age	Inven.	Newly Listed	Sold	Avg. DoM
1	\$ 1,587,000	2,705	8,001 - 10,000 sq	6.0	4.5	null	18	0	1	96
2	\$ 1,072,000	1,695	8,001 - 10,000 sq	5.0	2.8	60.0	18	0	1	77
3	\$ 714,950	1,367	8,001 - 10,000 sq	3.0	2.5	48.0	19	2	2	54
4	\$ 354,900	1,108	4,501 - 6500 sq ft	2.0	1.5	26.0	19	2	1	64

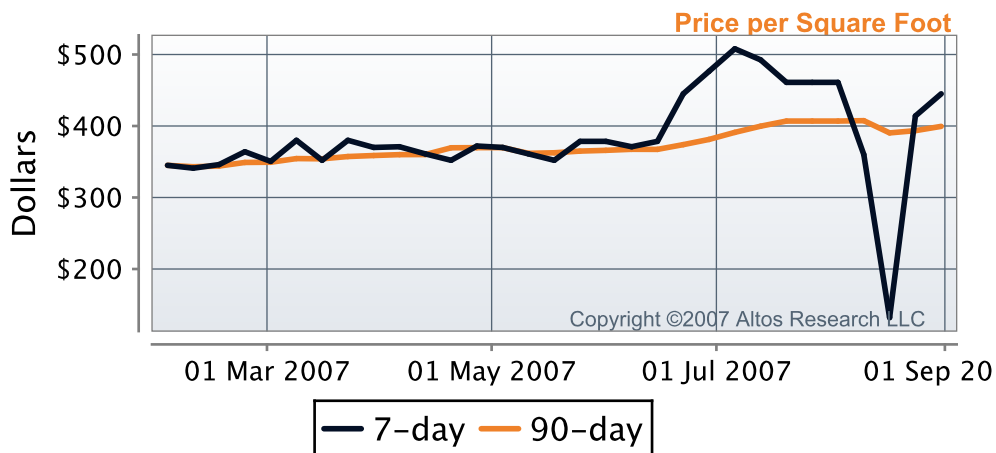
QUARTILES

Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

Least expensive 25% of homes

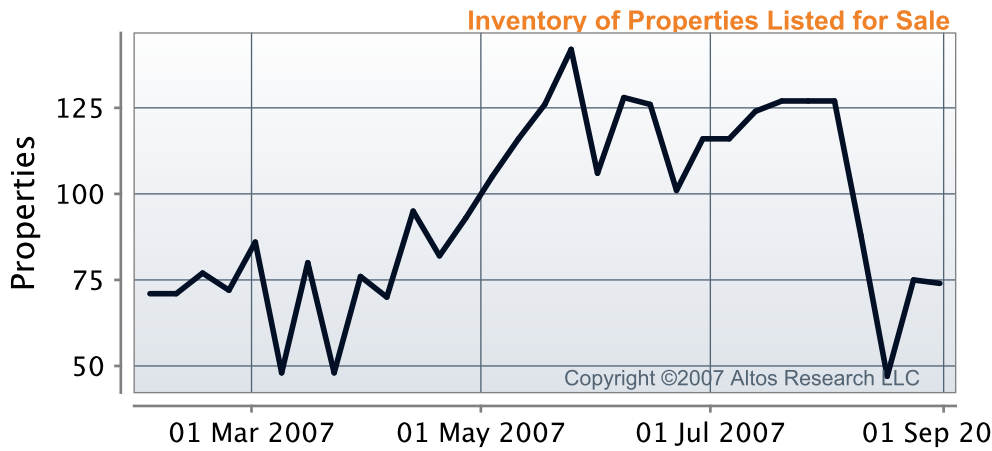


PRICE AND VALUE

This is a market where watching the value metrics (like price per square foot) can provide insight that you don't get at first glance. Despite the fact that home prices are rising fairly consistently, the price per square foot of homes listed is declining a bit. Often this can be attributed to new and remodeled homes on the market. Buyers in the area are paying more but also

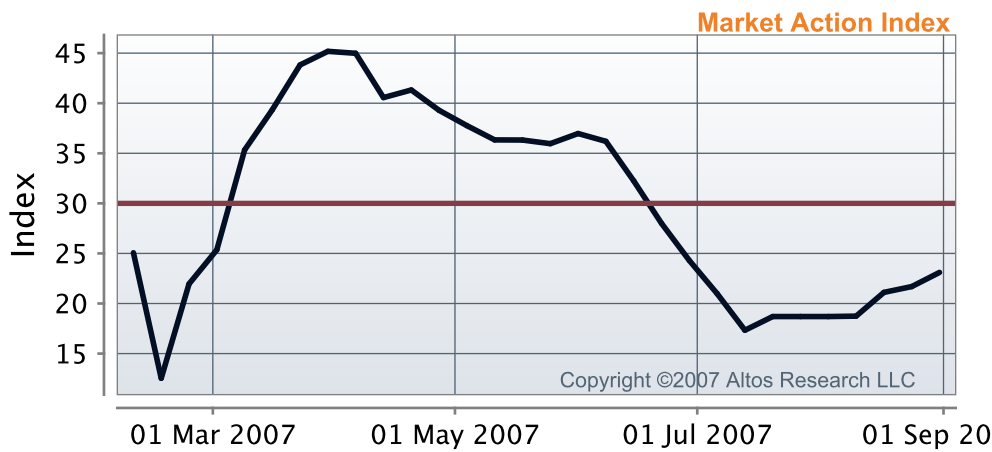
INVENTORY

Inventory has been climbing lately with 74 properties available this week. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index to gauge whether buyer interest is keeping up with available supply.



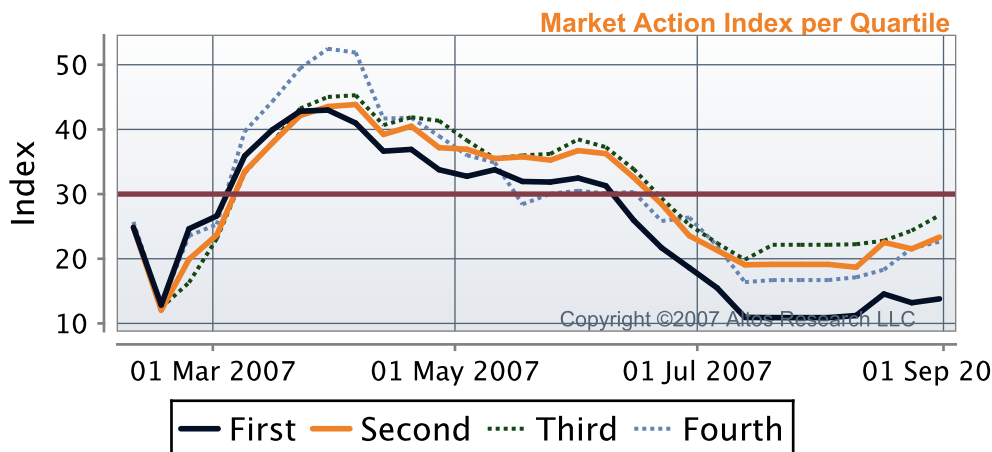
MARKET ACTION INDEX

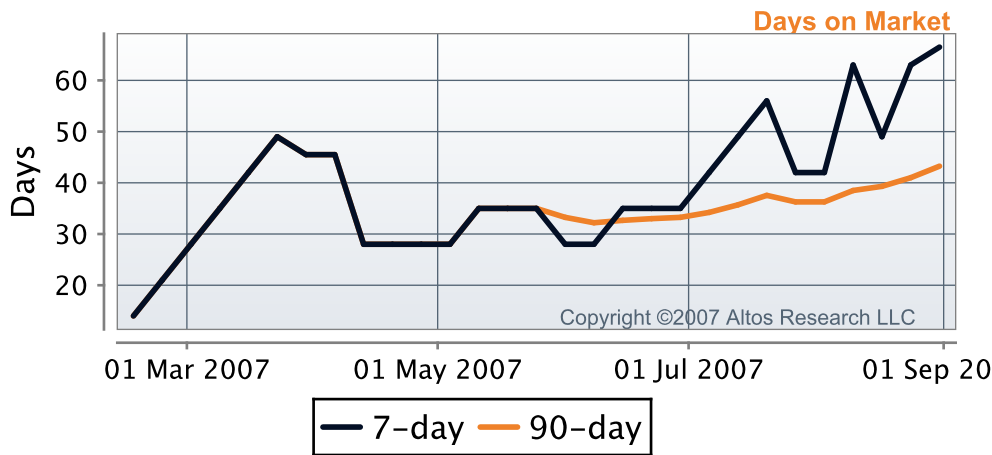
The BETHESDA 20814 market is currently in the 'Buyer's Market' zone (below 30), though not strongly so. The 90-day Market Action Index stands this week at 23 so buyers should expect find reasonable levels of selection.



MARKET ACTION

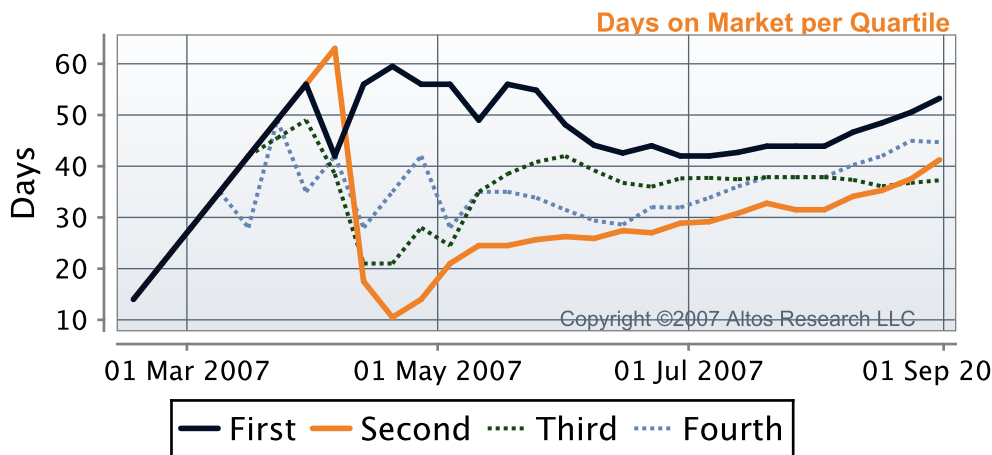
Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.





DAYS ON MARKET

The properties have been on the market for an average of 72 days. Half of the listings have come newly on the market in the past 66 or so days. Watch the 90-day DOM trend for signals of a changing market.



DAYS ON MARKET

It is not uncommon for the higher priced homes in an area (Quartiles 1 and 2) to take longer to sell than those in the lower quartiles.

About Altos Research Corporation

Altos Research Corp. reports real-time analysis of the residential real estate market in local markets across the country. All information contained herein is based on properties currently listed for sale and available publicly through services like the local multiple listing service. When evaluating a particular property, make sure you use comparable sales data in addition to the market trend information available in this report. The data presented in this report is accurate to the best of our knowledge, but cannot be guaranteed as such. Use this report as one input in the real estate decision making process, but do not rely on it for accuracy. Nothing in this report or any other Altos Research publication is a recommendation to buy or to sell real estate. We recommend you work with a licensed real estate agent or broker.