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KENSINGTON, BETHESDA, CHEVY CHASE LEAD COUNTY IN 1984 HOME RESALE VALUES

Kensington and the area outside the Beltway just north of Bethesda and Chevy Chase showed the highest home resale price gains in Montgomery County for 1984. The resale prices for homes in this area increased an average of 6% over 1983 resale prices, according to the February issue of Trends in Home Prices. This compares to about 4% for the county.

For Bethesda and Chevy Chase, the increases averaged 5 1/2%, while Potomac averages 5%. The lowest gains were in Gaithersburg, with an average annual gain of 1%.

The best 1984 gains were for homes in the highest price range (\$150,000 and up), a group in which traditional house designs predominate. This group accounted for about 18% of recent sales and made the best showing with an average gain of 7% over the last 12 months.

The next group of homes (\$100,000 to \$124,999) accounted for another 8% of resale with average price gains of 4%.

Resale of homes in the \$80,000 to \$99,999 range accounted for another 25% of resale with the past year.

In 1984, Montgomery County resales reached the highest volume levels since 1978 and 1979. The total number reported was 63% greater than the low in 1982 and 12% higher than 1983 total. Every month in 1984 showed some improvement over the corresponding 1983-month.

Improved housing sales volume could be a precursor of further growth in the overall economy. Although mortgage interest rates are still abnormally high in comparison to bond yields and to the low inflation rate, the improved sales volume indicates that the buyers are accepting the current higher interest rates.