

HOUSE & HOME

PERSPECTIVES

Found: A Petworth dream home at a reasonable price

By Dean Bartoli Smith
Special to *The Washington Examiner*

Jonathan Stahl was living in a one-bedroom Chinatown condo last spring and dreamed of one day buying a fixer-upper in the District, so he started looking at rowhouses for less than \$500,000.

He searched listings on Capitol Hill, Columbia Heights, Petworth and just north of Chinatown for a house for himself and his girlfriend. After bidding on several properties, he discovered that every one had at least one other offer competing with his own.

He had run into a Washington market that, while not booming, is short on inventory in key neighborhoods and at price points around the half-million mark.

He lost one house in a short sale because it went into foreclosure. He lost another when his final offer, which was \$20,000 under the asking price, was rejected. He saw more than 20 listings, and after six months of trying to get the stars to align, he thought about staying put.

"I was ready to give up. It took a long time to really find something under \$500,000," said Stahl, who works in sports hospitality. "Everything had already been purchased."

Then he got a call from his agent, John Nemeyer of Evers & Co., whom he'd met in the middle of his search



GRAEME JENNINGS/EXAMINER

While house hunting, Jonathan Stahl ran into a Washington market that was short on inventory in the neighborhoods he liked and at the price he wanted. He finally caught a break when a deal fell through on this brick rowhouse in Petworth.

at an open house in Glover Park. He had told Nemeyer he wanted to live farther east than Glover Park and didn't want to pay \$700,000 to \$800,000 for a rowhouse.

Nemeyer said an offer had fallen

through on a five-bedroom, semi-detached, Wardman-style end unit on New Hampshire Avenue in Petworth. Stahl saw it the same day and made an offer.

The house originally had been

listed at \$438,000, and then the price was dropped to \$405,000. Stahl went in at \$415,000, but there was another offer for the same amount. Nemeyer spoke with the listing agent, someone he'd worked

with before, and then he and Stahl agreed on a strategy.

Instead of a 14-day home inspection contingency, the owner wanted a seven-day turnaround, and Stahl agreed. Finally, the offer was accepted.

Built in 1921, the house features large rooms, five bedrooms, classic moldings, hardwood floors, a basement, a garage and a backyard. The house is more like something found in the close-in suburbs, not the city.

"I have a little bit of a yard, and that is wonderful," Stahl said.

The Petworth neighborhood, comprised of brick rowhouses, is bordered by Georgia Avenue to the west and North Capitol Street to the east. It is in high demand these days.

"It's close to the Georgia Avenue services — grocery stores, dry cleaners, nightlife, restaurants and Metro," Nemeyer said. "They could have had other smaller properties, but they tripled their space and now have a small garden. I love working with first-time buyers."

Nemeyer said it still is possible to find rowhomes in neighborhoods like Petworth and Brookland for less than \$500,000. And it helped that Stahl was upfront about what he wanted.

"They're way ahead of the game," Nemeyer said. "Today, that place is worth 15 percent more than what it listed for."

TIMELINES

Regulators move to ease short sale logjam with new Fannie, Freddie guidelines

By Jann Swanson
Special to *The Washington Examiner*

In an effort to improve a notoriously slow and complicated process, federal regulators have given Fannie Mae and Freddie Mac new guidelines for processing short sales.

Effective June 15, the companies must respond to short sale offers within 30 days and reach a final decision on the offers within another 30 days. The guidelines also mandate intermediate reporting of milestones such as

acknowledging receipt of an offer within three business days.

A short sale is one in which the lender agrees to accept less than a full mortgage payoff.

The National Association of Realtors recently reported that 11 percent of April's existing home sales were short sales and that their numbers appear to be increasing. Lenders find them less costly than foreclosures, and buyers often realize significant savings. According to NAR, the sale price on short-sale deals is lower, on average, by 14 percent.

Setting firm deadlines for the process will have the immediate benefit of increasing the lenders' accountability, said Allan S. Glass, president and CEO of ASG Real Estate Inc. in Los Angeles.

"This should also help sellers stay on top of their sales and keep buyers interested as they see their offer moving forward."

The time frame, however, is still too long, Glass said.

"Buyers usually expect a response to an offer in three to five days, and even with this change, it may be 30 days before they know

the offer package is complete and another 30 before they know if they are getting the house. This is a lot to ask of buyers who are dealing with family concerns like getting kids into a new school."

Delays are not always the lenders' fault, though, said Sep Niakan, managing broker of HB Roswell Realty in Miami.

"It is often the sellers or their agents who delay the process," he said. "The new guidelines can help, but only when the banks get all of the materials and get them in a timely fashion." He pointed out that

thousands of privately owned loans will be exempt from the new rules.

Still, any time expectations are set in advance, anxiety is reduced.

"Short sales fall through when buyers ask what is happening and their agents have only vague answers," Niakan said. "The new guidelines may help all parties keep better track of the deal."

Speeding up the process doesn't necessarily mean a sale will close more quickly, however, Niakan pointed out.

"Sometimes it just means a faster 'no.'"

Rising home prices paired with low inventory may finally entice sellers

By Dean Bartoli Smith
Special to *The Washington Examiner*

Home prices are up in the Washington area, helping to dispel lingering concerns about foreclosures again driving home prices down.

In the largest jump since 2006, the median sales price rose 11.2 percent in April to \$371,500, according to a Real Estate Business Intelligence report. Meanwhile, new foreclosures were down 40 percent over April 2011 and sales were up for the month.

The price increase was driven in part by the 11 consecutive months of declines in new listings, resulting in a lack of choices for would-be homeowners. With only a three-month supply of housing inventory available and multiple offers on properties close in to downtown, there is a long-term expectation that more sellers will enter the market.

"As the inventory continues to be drawn down, people will begin to feel more confident about selling," said Lisa Sturtevant, assistant research professor at the George Mason University Center for Regional Analysis. "The market is more normal, and prices are going up. There is still some uncertainty. If there is something to move up to, all of a sudden,

sellers may list."

The situation facing would-be homeowners depends on their price range and where they are hoping to buy. David Howell of McEneaney Associates said low inventory is a price-range issue.

"The real deficits are in the lower price ranges, especially under \$300,000. There are 45 percent fewer homes under \$300,000 on the market right now in Montgomery County than there were last year," he said.

North Arlington is hot, and new inventory is getting snapped up, Howell said. In other areas, like Mount Vernon in Fairfax County, there is plenty of inventory because demand is not as high. "Anything in Northwest D.C. has multiple offers," said local market analyst Donna Evers of Evers & Co. "Inventory is at its lowest since 2005, when everyone was clawing at each other to buy."

Suzanne Des Marais of the Keller Williams Capital Group said buyers who are focused on living in Washington are willing to push the boundaries of "hot" areas like Bloomingdale and Eckington, and expand their range of possible neighborhoods to get more space and a yard.

"Brookland, Petworth and Brightwood are on the radar of many

prospective homeowners," she said, adding buyers are adamant about being within the city "even if it means buying at the edges."

There is little concern among real estate agents about a shadow inventory of foreclosures coming on the market. Adam Gallegos of Arbour Realty in Arlington, said it never seems to happen, but if it did he would "invite it with open arms here in the Washington area" because the area needs the additional inventory.

But with investors in the market in search of deals, foreclosures are not viewed as a long-term solution to the inventory issue.

"Wherever possible, serious investors are making cash offers directly to homeowners, before these properties hit the market," Des Marais said. "If we have foreclosures enter the market in D.C., there is so much demand that I would expect rapid absorption."

Howell said rising prices are giving would-be sellers the ability and confidence to sell and buy the next house.

"Rising prices will slowly solve the inventory problems," he said. "In the hottest areas, we see enterprising agents actively seeking out homes that are not on the market to find the right house for their buyer clients."

Homeowners walk a fine line when it comes to remodeling to fit neighborhoods, trends

By Merlisa Lawrence Corbett
Special to *The Washington Examiner*

When remodeling a house to live in or to sell, a good rule of thumb is to avoid doing either too much or not enough.

Not updating enough could result in functional obsolescence, that is when a property's design is obsolete or does not adhere to neighborhood standards, such as a five-bedroom house with one bathroom.

Over improving, or superadequacy, is putting a \$200,000 kitchen renovation in a \$300,000 two-bedroom rambler.

Stephen Rockkind, chief appraiser with Area Appraisal Services Inc. in Washington, said homeowners and homebuyers should stick to basics.

"Kitchens, baths, painting and flooring are your best bets," he said. "I think dollar for dollar painting and some new flooring go a long way."

The key to remodeling to sell is to create that "wow factor," said Susan

Matus of Case Design and Remodeling. "Surfaces and the visuals are the most important and those surfaces are usually the least expensive things."

Granite remains the most sought after kitchen counter surface but quartz has emerged as a new favorite. Corian is not seen much anymore.

"If you're thinking about trends buyers are looking at there seems to be a trend toward painted finishes," Matus said. "Twenty years ago there were a lot of white kitchens installed in this area. That trended to maple and then to cherry and some exotic woods. I see now a trend back to painted wood surfaces; different tones of white."

If selling an upscale property, you may have to "rip and replace," said Mina Fies of Reston-based Synergy Design & Construction. This means keeping the existing layout and upgrading appliances and cabinets.

Homeowners walk a fine line between presenting a home that

shows well and not overspending for improvements, Rockkind said.

"With kitchens, it can be tricky," he said. "A lot of times people have their own taste in kitchens. They'd almost rather have your house with an older kitchen so they can do what they want to the kitchen, instead of being stuck with what you just did because it's new and they don't want to rip it out."

Instead of buying up, many people choose to stay put and build on. Besides additional space, people want open and flexible floor plans, Matus said. They also want less formal space and mudrooms with storage and a landing place for groceries.

When purchasing a home to remodel, planning is key, Fies said.

"You don't want to redo the basement, have it all nice and pretty and two or three years later — when you want to do the kitchen [and] now have to get access to all that electrical and plumbing in the basement — and have to tear up everything."

SMART MONEY



COURTESY MARIKA MEYER

Savvy shoppers can have plush Wilton wool carpeting in their Washington-area homes for less than \$6 per square foot by using a carpet wholesaler.

The look for less: Wilton wool carpeting

By Merlisa Lawrence Corbett
Special to *The Washington Examiner*

Wilton wool carpets cover the floors of the finest homes. Exquisite in color and design, these carpets cost as much as \$30 per square foot.

But savvy shoppers can have the same carpet in their homes for less than \$6 per square foot by using a carpet wholesaler.

One reason wholesale carpet dealers can offer Wilton wool for less is simply a matter of space.

"Carpet mills need a lot of storage space, and after a while they will get rid of smaller end rolls," said Courtney Ward, a designer with Carpet One in Alexandria, an independently owned subsidiary of CCA Floors & Interiors.

"[The carpets] are not defective. It's not like going to an outlet where the product might be bad. These are first-quality goods," Ward said.

Carpet One's warehouse is stocked with Wilton wool carpets available in Stark, Schumacher and other designer showrooms at the Washington Design Center. It purchases carpets from the manufacturers that make Stark and Schumacher.

"They just take the labels off and put their own label on it," Ward said. "It's not generic or comparable to Stark and Schumacher. It's the same carpet."

As luxurious to walk on as it is

to look at, Wilton wool carpets are produced from a machine loom, patented in England in 1741, and they appear hand-woven. Velvety to the touch, Wilton wool can include up to five colors in patterns ranging from florals and trellises to geometric patterns. It is durable, biodegradable and naturally stain-resistant.

Another way to get this look for less is to top a less expensive low pile carpet with a Wilton wool rug.

"Something we do with great frequency is to use a thin sisal to fill a room and then put a higher-end rug on top," said Marika Meyer of Marika Meyer Interiors. "You almost amplify the special qualities of the smaller rug you're putting on the top."

To pull this look off, Meyer recommends a short-strand pile carpet, such as sisal. "When you do the overlay, you want to make sure it doesn't feel too spongy."

Stanton makes a Wilton-like carpet under its Naturally Green line. Although choices in colors and designs are limited, Naturally Green is made from New Zealand wool and offers the soft feel of Wilton carpets.

"There are great finds everywhere," Meyer said. She has worked with clients on a budget who wanted the feel of an oriental or Oushak rug. Sometimes, she said, the key may be the difference between something hand-knotted versus something machine-knotted.

Area landscaping trends reflect national themes

By Dean Bartoli Smith
Special to *The Washington Examiner*

Connected indoor and outdoor spaces, colorful gardens and urban farming, with a nod to sustainability, are landscaping themes this spring around the Washington area.

People are maximizing small spaces and working to get the most for their money as the garden becomes an extension of the home, landscape experts said.

"A lot of U.S. trends fit with the D.C. area," said Sara Williams, a landscape designer at Campbell & Ferrara in Alexandria. "People are not taking grandiose vacations. They are buying more landscapes. They want to improve their quality of life and have a place to come in and chill."

Landscape architect Leslie Gignoux said a trend is to see the garden as another room in the house, a kind of sanctuary, and not just for one season. It's also a place that tells a story.

"People are very interested in showing the cycle of life in their gardens — how food comes to the table, how nature works," Gignoux said.

Crafting an outdoor space is not very different from getting home decor to work. "We treat it like a science. You need to dissect everything to determine what will really work. Many times we start over,"



Annuals such as petunias and impatiens are staples in area gardens, as are perennials such as Stella d'Oro daylilies and coral bells. THINKSTOCK

Gignoux said. "Planting the garden is the icing on the cake."

Finding ways to save money while connecting with nature is especially popular.

For example, people are growing their own fruits and vegetables, Williams said, seeking more bang for their buck.

Vertical gardening fits in nicely with this trend. Green walls, arbors and trellises feature plants that can grow upward — such as basil, thyme, oregano and sage.

"People want more reward for

their money — great foliage, color and longer bloom times," Williams said. "Knockout roses are very popular, and they'll bloom from May until November."

Annuals such as petunias and impatiens are staples in area gardens, as are perennials such as Stella d'Oro daylilies and coral bells, which have stunning red and purple flowers. Also high on area wish lists are ornamental grasses including, in particular, the spiky and visually striking Hamlin grass.

"You see more color in clothes

and a lot more in the landscape," said David Watkins, general manager of Merrifield Garden Center. "Summer blooming plants have increased tremendously. Carpet roses, catnip, hydrangeas and spirea are very popular."

Trees also have a place in small spaces, Williams said, including smaller crepe myrtles, dogwoods, redbuds, serviceberries and Japanese maples. "You don't want trees with large root systems," she said. "You won't be able to have grass or flower beds."

Find antiques like the pros

By Susan Wittman
Special to *The Washington Examiner*

Designers use antiques to enrich a home or garden space, but they take very different approaches to finding the treasures they need to achieve the look their clients want.

"I buy instinctively," said Christina Haire of Interior Design & Antiques in Bethesda. "I buy what I like, so ultimately there's a place for it."

Haire rarely shops on the Internet for a client's home, save for the occasional specific piece. She primarily collects and decorates by selecting from her own inventory.

"I use [antiques] because I love the look and warmth they add. They make a space unique," she said.

Her passion for antiques was honed initially by living in and traveling to Europe. And when her husband got a job in Singapore, she used that to help business in Maryland.

"The first thing I did was import a container of Tibetan and Chinese antiques," she said. "Tibetan pieces are very traditional, and none are oversize."

Haire starts by proposing the design basics to clients, then installs everything at once, including antique accessories. "When the client comes home, it's done. They can choose whatever they want to keep," she said.

She stores her trove in her garage and said many designers do not have the space or budget to stuff a warehouse with antiques.

Designer Katina Megas starts her quest for antiques with online research.

"The Internet has opened up a new art world," said Megas, who works with Georgetown-based Lisa Vandenburg Ltd. "There are so many different ways we buy art now."

Where Megas shops depends on the client. "If a piece needs to be very formal, we'll visit Atlanta, which has a heavily carved, European style all its own, or Pennsylvania if a client wants primitive or rustic style." To save on storage, she works with an art handler.

Whether placing a client's heirloom or shopping for a vintage French scone, Megas likes to blend old and new. "An all-antique home is not our style, and is not worth the time and energy of restoration unless a client requests an all-period design."

She would rather rewire an antique light or place a period chest in an eclectic setting. For her, there is a practical element. "Rather than reupholster a stiff, upright antique sofa, I personally want to be sitting in a super-comfy sofa watching a movie," she said.

How to choose the right remodeling professional for your needs

By Susan Wittman
Special to *The Washington Examiner*

Whom do you hire to help you fix up the home you have or determine how to address the shortcomings of a home you'd like to buy?

An architect can give homeowners an independent perspective when remodeling. An all-in-one design/build company, on the other hand, may better help homeowners stay on budget.

The choice between architects and design/build firms is a decision more people will likely be making because, as home sales strengthen, the number of home improvement projects is likely to increase as well, according to the Harvard University Joint Center for Housing Studies' Leading Indicator of Remodeling Activity.

Design/build offers convenience and savings, varying by project and firm, said Michael Denker, principal of Hopkins & Porter Construction Inc., a design/build firm in Potomac, Md.

"In design/build, No. 1, you don't work with separate entities but with

one contact point; and No. 2, you talk about budget from the get-go," Denker said. Contractors typically know more about budgets, whereas architects may underestimate construction costs, he added.

But there's no one-size-fits-all model. John Blackburn, senior principal of Blackburn Architects in Washington, counsels homeowners on how to preserve the design within budget.

He agrees that a design/build approach can save money but said in "many cases, a builder has acquired design abilities but his specialty is construction."

Plus quality-control issues may surface if a builder cuts corners to stick to a budget. "When the builder and designer are the same, no architect acts as a third party to protect clients if something's not quite right in construction," he said.

For example, a builder might substitute a lower-grade HVAC system or cheaper windows or insulation, resulting in higher utility bills and steep replacement costs.

"The owners may not know the difference," Blackburn said. "That's

the risk."

In design/build, the architect or designer works for the builder. If there's a disagreement, the architect is not required to advocate for the homeowner.

"[A stand-alone] architect makes sure the contractor follows the owners' intent as expressed in the drawings," Blackburn said. "If the kitchen cabinets need changing, the architect is there to say, 'Yes, that's an equally good cabinet' or 'No that's not as good. If you're selling at the same price, you should compensate.'"

The budget and the homeowner's relationship to the architect are just part of the equation. Small projects do not always require an architect, and some architects turn them down.

"When it gets down to cabinets and counters, it's probably not worth many architects' time and costs," Blackburn said. "I've done kitchens for well over \$100,000 with high-end design and finishes. For clients concerned about every little detail, it's worth it."

If finishes, colors and trim resolve

the issues, and people are not tearing out walls or building facades, an interior designer or contractor will do, Denker said.

"But when you get into the bones of the structure, move walls or expand the footprint of the house, then a design/build firm with an architect or a stand-alone architect is the way to go," he said.

Both Denker and Blackburn recommend a hybrid approach: a negotiated contract in which the architect and builder liaise from the project's inception. Both advise against putting out bids and picking the lowest one.

"I believe in negotiating," Blackburn said. "I try to bring in a contractor or builder as early as possible. It's the best way to preserve the design and stay on budget."

They said it is important to get referrals, ask questions, look at past projects and be mindful of compatibility.

"It's a game of human beings and money, and you have a potential for great success and also disappointments and failure," Denker said.