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Letter to the Editor

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A Question of Bust

By Malcolm Carter

Thanks to Brian Beutler for his informative, informed, and provocative piece on D.C. real estate ("Just Reduced: Saying Goodbye to D.C.'s Real-Estate Bubble," 2/10). As a Realtor, I agree with many of his insights, but there is no need to guess about what has happened to prices.

According to the organization that runs the Multiple Listing Service (MLS), condos have gone from an average of $397,442 last year to $409,880 last month. The median is now $347,000, in contrast to $340,000 in 2005. The gap between the average and the median may be widening, perhaps suggesting that the highest-priced apartments are pulling up the average.

As for single-family homes, last year they averaged $555,037, while they sold for an average last month of $627,023. At the same time, the median shows signs of decelerating, from $418,250 in 2005 to $460,000 today.

Agents are saying that they believe a lot of the inventory out there has been around a while, lacks quality, and is overpriced. The disconnect is between offering prices and sold prices. Consider this: Properties sold for 98.44 percent of their asking prices in 2004 and for just 95.7 percent last year. They are not being priced realistically, and buyers have been responding rationally.

Friendship Heights

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