

March Sales: Market getting tight

by Andy Dodge, CRA

Westmount's real estate market is getting tighter and tighter and this should have a big effect on prices as we move into the spring market, but the price range is narrowing and the big Westmount houses are not moving at all.

Last month some 15 sales were reported in Westmount, significantly below the average 24.6 in what is usually one of the busiest months of the year. This is because there is short supply, not because the interest is not there. Ten of the 15 sales were over \$1 million, but the highest price was only \$1,500,000, which was the same as February; so far this year only one property has sold over \$2 million. Then again, the lowest price was \$685,000, and so far this year only two sales of one- and two-family dwellings have been reported for less than \$600,000, both in January.

The range of markups over municipal valuation also tightened up in March, between 6.1 percent and 70.5 percent, while in the previous two months two sales reportedly brought more than double the municipal valuation and another three sold below the tax value. Only one house in March sold for more than its asking price, compared to three in February as well as two condos.

Three condominium sales were reported in March, bringing the first quarter's tally for 2008 to ten, with an average markup of 17 percent while the average for one- and two-family dwellings is 25 percent. The three ranged in price from \$260,000 to \$475,000, and again, none of the high-priced condos – those over \$1 million – appears to be attracting any attention. The highest price paid for a condo this year is \$715,000.

No houses sold in the downtown area in March, and in fact there is quite a repertoire of available merchandise. The eastern part of Notre Dame de Grâce, on the other hand, saw three sales in March which brings the total to eight this year, three of which were for full asking price or more. Another house on Victoria Avenue in the Côte des Neiges district also sold over asking, one of three March sales in the district (south of Queen Mary Road) and six in the first quarter of the year. So while interest is strong in adjacent-Westmount districts north and west of the city, it appears to be almost dead in the eastern sections, at least so far as one- and two-family dwellings are concerned.

Falling interest rates should help to push prices up as we go into the later spring. The main problem, still, is supply of houses which is keeping volume down.