

August Sales: Slow Month Even Slower

by Andy Dodge, CRA

August is generally the second-slowest month of the year for Westmount real estate sales (December is the slowest), but this August was even slower than usual, with only seven sales of one- and two-family dwellings and one condominium, and two sales in adjacent-Westmount areas.

On the other hand, two of the seven sales were for prices going up from \$2 million, so it is a good indication there are still buyers with money ready to buy into Westmount, so long as the real estate is properly priced. While those sales bring to seven the number of \$2 million-plus homes sold in Westmount this year, this is the first month that has had two of them. Below that level (in August) was one more over \$1 million, two in the \$900,000 range and two more in the \$600,000 range, with a low of \$623,500.

The top price in August of \$3.6 million was just over double the municipal evaluation, by far the highest markup of the month as none of the other sales went above 30 percent, so after the extreme sales (including that one) are removed and the rest adjusted to the average valuation for Westmount, the "typical" price plummets from the \$1.2 million level to the \$1.1 million level, accelerating the price decline which has been going on since early last spring. Because of the low volume and the typical mid-summer doldrums, we are not too concerned about the long-term implications of this drop, but it will take a busy fall to bring the market back up to its previous levels. As of last weekend two houses and two apartments in Westmount have been sold, so there are indications volume will be strong.

The one condo sale brings to five the number of sales in the third quarter of 2008, and the prices have not changed much from the second quarter but are definitely higher than the first quarter, up 13 percent from the average for last year. So far this year, Westmount has recorded 24 condo sales (including both apartments and duplex-type condos) compared to 30 in the first three quarters of 2007, which experienced the highest volume of sales since 2000. We suspect that baby boomers are downsizing into condominiums at a greater pace, especially considering the price level for homes, but the level of rentals is also increasing rapidly, with agents negotiating more than a dozen rentals in the last two months, all the way from apartments at \$950 a month to houses at \$7,500 a month.

Adjacent-Westmount was busy in July but appears to have slacked off considerably in August, with most house sales ranging in price from \$600,000 to

\$700,000 in the two-month period. A duplex on Tupper Street went for \$400,000 and a townhouse in Chelsea Place sold for more than \$1.8 million, both in late July, forming the extreme sales for that category.