

July Sales: Lower prices moving market

By Andy Dodge, CRA

Westmount's real estate market is following the world stock market trends, it appears, making a cautious comeback from the brink of depression in early spring.

Prices have been inching their way up since February, moving Westmount's "average" house toward the \$1.2 million mark, still well below the \$1.3 million levels of 18 months ago, but so far at least defying the normal mid-summer slump. But the "average" is being driven by the lower half of the market: in the past three months the highest price has been \$1,535,000, while fully half of the current listings in Westmount are asking more than \$1.5 million. Between March 26 and April 29, agents logged four sales at more than \$2 million, but except for that brief period there have been no sales that high in the rest of the year.

In July, volume was strong with a dozen sales compared to a monthly average of 11.7, and this in a year which is running about 70 percent of average volume for the year. Prices ranged from \$421,000 to \$1,525,000, and the raw average stayed below the \$1 million mark for the third month in a row, but markups over valuation were stronger, driving the prices upward. Only two of twelve sales in July were for less than tax value, while three markups topped 40 percent and one was 70 percent over valuation.

Two condominiums sold in July, one very high price and one very low. Agents logged 10 sales in the second quarter of 2009, slightly higher than any second quarter since 2004, another indication that buyers are opting for housing under the \$1.5 million level.

The same can be said for adjacent-Westmount, which recorded 7 home sales in July, five of them in the downtown area east of the city limits. Prices last month ranged from \$525,000 to \$1,550,000, only two over \$1 million. Markups in the centre-city area are down from where they were last year, while they are up in the northern (Côte des Neiges) sector and about the same in eastern Notre Dame de Grâce.

Agents say the buyers are out there, and ready to pay for homes which are properly priced, but those with houses asking more than about \$1,600,000 might have to wait a while before they can sell.