

June Sales: Only the Lowly

By Andy Dodge, C.R.A.

Buyers of \$1 million-plus Westmount homes turned tail in June, when eight houses sold through agents, but only one more than \$1 million.

Five out of the eight houses sold between \$940,000 and \$980,000; the lowest price was \$615,000 and the highest \$1,425,000, meaning all of the listings in the high \$1 million bracket and higher stagnated during the end-of-season sales period. There may still be some late reports of offer acceptances in June, but for now it looks like the lower end of the market is the only portion to be working. The average price of the eight sales was \$964,438, the first time in a year that the raw average price has been below \$1 million. With the average markup rising to almost 40 percent, on the other hand, the average adjusted price of Westmount real estate hovered around the \$1.3 million mark; it's just that houses with that kind of price tag aren't moving. Volume is still well below average but has been declining steadily over the years as prices moved higher and higher. So far this year 79 sales have been posted by agents, compared with 77 in the same six months last year, though at the time prices were in a steep slide.

The condominium market slowed down as well, with only two new sales to report, one upper duplex at \$458,000 and one apartment at \$510,000. For the second quarter (April to June), volume was strong at 13 sales, but the average markup over valuation dropped from 30 percent in the first quarter to 20 percent in the last three months. Again, for the quarter, only one condo sold for more than \$1 million, compared to three of the nine condos which sold in the first quarter of 2010. On the other hand, only three condos brought prices below \$500,000, and five of the 13 were in the range between \$510,000 and \$575,000.

Last year as the economy faltered Westmount recorded 21 house rentals in the first six months, ranging from \$2,300 to \$10,000 per month. This year the volume has dropped to only 12 between January and June, though rental rates are up to a range between \$2,800 and \$12,000 a month.

Three June house sales were announced in eastern Notre Dame de Grâce between Westmount and Decarie Boulevard for prices ranging from \$730,000 to \$950,000, and four more sold just east of Westmount in a broad range from \$355,000 to \$1,575,000. So far this year markups are higher than last year in every sector, especially in the area just east of Westmount's border.

Volume can be expected to drop during July and August as agents take the summer off, or spend their time wrapping up the sales they achieved during the spring.