

# June Sales: Easing Off

by Andy Dodge, CRA

*(NOTE: The following article relates to offers to purchase Westmount residential dwellings which were reported by the local real estate agents as having been accepted in June. Because they are not final registered sales, the addresses and prices cannot be made public, but give a good idea of current trends in local real estate activity. The graph on page xx offers a picture of these trends over time.)*

Prices and volume of Westmount real estate dropped off sharply in June this year as the fervor of the spring market subsided, giving way to the summer doldrums.

So far only eight sales of one- and two-family homes in Westmount have been reported, slightly more than half the 12-year average of 15.3, three with prices over \$1 million but none over \$1.5 million. The low figures continue to stay high, with the lowest price at \$525,000, meaning no Westmount home has sold for less than \$500,000 in the past three months. The houses that sold include at least four which had been on the market more than 100 days -- one was actively listed for over two years, another for almost a year -- which probably affected the prices and markups, but the simple fact is that fewer buyers are ready to put down deposits during the summer months.

All of the prices were over municipal valuation but the range of markups was relatively small, between 5 percent and 81 percent, while in the months before markups had ranged as high as two and a half and even three times municipal value. The average Westmount house now has a potential value just over \$1 million, bringing it back to a level it has been servicing since mid-2004.

If we look at quarterly statistics, we find that the average price is up very slightly in the second quarter of 2006 compared with the first three months of the year, but the adjusted price is still up a strong 7.8 percent from the second quarter of 2005.

Two Westmount condominium sales were reported in June bringing the total for the second quarter to seven, just one more than sold in the first quarter. The average markup of those seven sales is 56.7 percent, slightly higher than the average for one- and two-family dwellings.

Three sales were reported in the Côte des Neiges area just north of Westmount and one each in the "Golden Square Mile," Shaughnessy Village and Notre Dame de Grâce areas of adjacent-Westmount, as well as three apartments in the Ville Marie sector just east of Westmount. Average markups in those sectors are mixed, up in Côte

des Neiges, Notre Dame de Grâce and Trafalgar-Daulac sectors but down in Shaughnessy Village and the Golden Square Mile.

In general terms it is safe to say that the Westmount market is still strong but beginning to show signs of weakening.