

# August Sales: Still soft

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 August, 2007. 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.)*

Real estate prices in Westmount continued to slide in August but the average price of the “typical” Westmount house for the entire year is still 6 percent higher than it was last year. And while prices have been edging off since about March, volume is higher than it has been in the past five years.

Right now agents are complaining about lack of supply as we move into the short fall sales season, but this might help drive prices up toward the end of the year. August is generally the slowest month except for December, and this year is no exception, with agents reporting eight sales compared to an average of 10.5. Still, Westmount has seen 130 one- and two-family dwellings sold through August, more than for any year since 138 sales were reported through August, 2002.

Only one of the August sales went for more than \$1 million, perhaps indicating a hesitancy among buyers to spend what has become a commonplace price for Westmount real estate. On the other hand, the lowest price was \$551,000 and in fact no houses have sold for less than \$500,000 since May. The average price last month was \$832,625 but the adjusted price of the “typical” Westmount house with a valuation of \$998,480 would be closer to \$1,100,000, down from \$1,250,000 in March. And though the prices were on the low side, none was lower than its municipal evaluation. The highest markup was 83 percent and the lowest was 5 percent. Perhaps as an indication of the tight market, the average time on the market was only 78 days, compared with 173 days back in May.

Three condominium sales in August brought the third-quarter volume to six, with prices inching upward from the second quarter. Overall since 2005 there has been relatively little price movement among condos.

The greatest interest in adjacent-Westmount was in the Trafalgar-Daulac area which added three houses and three condominiums to its “sold” lists. In

general prices appear to be easing off both there and in the Shaughnessy Village area, slightly stronger to the west and north of Westmount, but the sample is small and it is difficult to draw firm conclusions.

Certainly Westmount is not facing the devastation of the United States market which is suffering from poorly-managed credit. While many buyers of Westmount property come from the U.S., there are not enough of them to influence the market.