

January Sales: Slow but Serious

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 January. 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.)

The normal seasonal slowdown as well as election apprehension helped keep the volume way down in January, but four Westmount sales have been reported for the month, two of them over \$1 million, and buyers seem ready and waiting to negotiate deals in the next few months.

The four sales included three homes which had been on the market for more than 11 weeks. Prices in January ranged from \$565,000 for a duplex in lower Westmount to \$1,950,000 for a large house on Cedar Avenue. One sale went for less than its 2004 municipal evaluation, while the Cedar Avenue home sold for more than twice its tax assessment. The average markup was just over 50 percent, a bit higher than normal, but when averages are adjusted to account for volume and extremes, prices have not moved much in the past 10 months. It might be expected, though, that now that the election is over and the normal spring demand has reappeared, prices could move up in the next few months.

Only one condominium sale was reported in January, so it is difficult to draw any conclusions about what will happen in that market during the next few months.

Three sales in southern Côte des Neiges were the only sales reported in adjacent-Westmount districts, including a house, a condominium and a share of a duplex, all for prices ranging from \$367,500 to \$460,000.

At this time last year prices peaked out at a level close to \$1,100,000, and now are off 10 percent from that period, but it was short-lived as news events and interest rates put a damper on both volume and prices. Westmount, of course, is a very particular market which is not quite so sensitive to interest rates, though low rates do allow buyers to worry less about that extra edge to pay the higher prices. It might take a bit longer to recover the levels Westmount achieved a year ago, but it certainly seems there are buyers ready to consider houses in the \$1 million bracket, so long as they are properly priced.