

JANUARY 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 January, 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.)

Prices remained fairly soft in January, with seven reported sales averaging only \$790,429 and the price range between \$550,000 and \$1,000,000, though some agents are suggesting that other higher-priced sales are being negotiated outside the Multiple Listing Service program. Volume is slightly below average but certainly picked up in the last 10 days of the month, when five of the seven sales agreements were signed.

Now that we are comparing prices to the 2007 assessments, it is notable that the average markup is only 2.3 percent, an indication there has not been much movement between July, 2005, the theoretical date for the valuation roll, and the current market. In January, 2004, when the last roll came into force, prices were already 19 percent above the assessment. In fact, the graph shows that prices have reverted to the level achieved in mid-2004; despite a couple of surges since then, in reality there is little improvement in the overall Westmount market. Usually prices start to move forward in December or January as buyers start to make offers on homes they will move into during the summer months; this year might just be a little late. In our view the reduced prices are simply more realistic, and there are still plenty of buyers looking for property in Westmount.

For the January 2007 market, then, two of the seven sales were for less than the new tax assessment and the highest markup was 19 percent. Still, the “typical” Westmount house’s value hovers around the \$1 million mark.

Three condominiums sold in January for prices ranging from \$428,000 to \$578,000, averaging just 3.9 percent more than their assessments, thus about the same level as for homes. The adjacent-Westmount market is starting off very slowly, with one house sale in eastern Notre Dame de Grâce and two in the “Golden Square Mile” district, none in southern Côte des Neiges or the Trafalgar-Daulac area.

December and January are generally the slowest months of the year so things should pick up as we enter the spring sales season.

