

February Sales: Hot Market

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 February, 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.)

Westmount's spring market took off with a bang last month, with seven sales of \$1 million or more and an average markup of 26 percent over the new 2007 valuations, which are based on the market of 2005. There are plenty of buyers out there, agents say, and they are eager to nail down sale prices before the provincial election, which many believe may foretell the demise of the Parti Québécois.

The Multiple Listing Service reports an even dozen sales in February as of last weekend, and more can be expected as terms and conditions are negotiated in the coming days. The highest price topped \$5 million, but this was the only sale in the multi-million category, though there was one more on Saint Sulpice Road just east of Westmount. The total of seven at or above \$1 million in one month is the highest number since March of 2006, when nine of 28 sales were in that category. The average price of the 12 sales topped \$1,434,000, the highest raw average price since February of 2005. The average markup over the new 2007 municipal evaluations was 36.9 percent but drops to 26 percent once the highest and lowest prices and markups are removed; still, it is way above the 1.8 percent recorded in January. Of course, the higher-priced properties generally have higher markups over valuation, so the average is influenced by the price range in the February sales.

Lowest price in February was \$640,000, the second-highest monthly minimum in Westmount's history. There are still a handful of properties asking less than \$600,000 in Westmount, but they are getting more and more difficult to find. Only two houses sold for less than the 2007 municipal evaluation, which tells us that the overall market is up since 2005, while in other areas of the city such as Hampstead it has actually declined. In adjacent-Westmount, sales are reasonably brisk but prices are gentle on the western and northern borders, very strong to the east of the city.

So far this year three condominiums have sold -- all in January -- for an average price of \$498,333 and an average markup of 3.9 percent, but the condos have been topped by co-operative sales, three in Westmount Square and one at 376 Redfern Avenue, which are becoming the latest vogue in local buying options.

Certainly, though, the big Westmount houses have a particular attraction and there are enough buyers with the cash to purchase them, so this spring remains a hot seller's market.