

April Sales: Back on Track

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 April. 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 federal election results appear to have restored confidence in Westmount real estate, which last month returned to price levels seen only at its peak in January last year, as the Gomery inquiry was taking over the front pages and the minority Liberal government began to crumble.

Since this January's election the value of the "typical" Westmount house has gone up some \$100,000 or 10 percent, but perhaps more importantly, five of the 17 sales so far reported for April were for prices over \$1 million, and in fact one topped \$3 million. This is not quite as hot as March when there were four sale prices over \$2 million, but in fact there was very little low end of the scale, with the lowest price \$583,000 and only three sales under \$700,000. The top price was also the highest markup over municipal evaluation, more than 2.5 times the assessment, while the lowest markup was 14.2 percent. Three of the houses sold had been on the market more than a year, helping to pull the average time on the market to 143 days, but in fact eight of the 17 sales were listed for less than 50 days.

Only two condominiums sold in April, one in a converted duplex and one a condo-townhouse, while eight of nine sales in the first three months were high-rise apartments. The average markup has been hovering around 50 percent, only slightly lower than for one- and two-family dwellings. The pattern of adjusted prices for condominiums is almost exactly the same as for homes, peaking early last year and then falling slightly, now recovering almost all of that.

All of the adjacent-Westmount areas saw some sort of activity in April, but the difference between those areas and Westmount proper appears to be growing. Two residential sales were reported in the southern Côte des Neiges area, bringing the total for the year to 12 and the average markup to 42 percent, compared with 65 percent in Westmount proper. In eastern Notre Dame de Grâce, three sales in April have brought the 2006 average to 40 percent in 10 sales. In the Trafalgar-Daulac area the average markup is 41.7 percent in nine sales, while in the "Golden Square Mile" the markup is only 32 percent in six sales.

With political confidence such an important factor in Westmount home sales, we might expect another dip as attention turns to the provincial political scene, but how soon that materializes is left open to conjecture.