

May Sales:

Prices holding despite slowdown

by Andy Dodge, CRA

(NOTE: The following article relates to offers to purchase Westmount residential dwellings which were reported by the local offices of Sutton and Royal LePage Realties 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.)

Westmount home buyers waiting to determine the political future of Canada and Quebec will not be encouraged by the weekend resignation of Bernard Landry, we suspect, since it simply adds another unknown to the political equation. Volume remained slow in May, but prices held up reasonably well even though the higher-priced properties did not move. Though much lower than prices were in January-February, they are at about the same level in May as in April, and roughly the same level as most of last year.

Agents reported 11 sales last month ranging in price from \$585,000 to \$1,175,000, a fairly tight range considering the number of houses on the market for more than \$1.5 million. Of the 11, only three were for prices over \$1 million, though on the low side only three homes sold for less than \$700,000. Two sales went just under their municipal evaluation and markups ranged up to 67 percent, while all of the previous months this year have had markups over 100 percent. The average markup was 36 percent, about the same as in March and April but much lower than January-February.

The problem, then, is volume. May is normally the highest volume of the year, averaging more than 20 sales, and though some more sales might be reported late, it seems buyers are holding back for various reasons, including both the questionable political situation and the overall level of prices. While many houses are worth more than the \$1 million plus being spent for Westmount homes, there are only a few buyers capable of spending that kind of money. So the question, as spring moves into the summer months, is, How desperate the sellers are to move? If they are desperate, this might mean the average price will decline, but if not, politics will determine where prices go from here.

No Westmount condominiums sold in May but we are beginning to see a new phenomenon, co-operative apartment sales such as those taking place at 2 and 3 Westmount Square, 435-37-39 Grosvenor Avenue and various triplexes around town.

Seven cottages and duplexes in adjacent-Westmount sold in May, six for prices ranging from \$497,000 to \$667,000, one over \$1 million, on Jean Girard Avenue just off Atwater Avenue. Again, especially to the east of Westmount there are plenty of houses worth well over \$1 million which cannot find buyers. Some 30 downtown condominiums and co-ops rounded out the list of sales.