

May Sales: Record Volume

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 May, 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.)

The Westmount real estate market had its biggest month in the past seven years in May, according to listings marked 'sold' by the Montreal Real Estate Board. A total of 28 one- and two-family dwellings were sold, more than for any single month since March of 2000, and the year's volume is closing in on heyday levels of 1998 and 1999.

The difference this time, of course, is that the market which is hovering around the \$1,250,000 average level was exactly half that in 1998-99, and moved even higher over the next five years before pausing in 2005. If the high volume -- and thus demand -- is going to push prices even higher, it may soon be the case that there is very little left in the under-\$1 million category in Westmount. In May, of the 28 house sale contracts negotiated, 13 -- almost half -- involved prices over \$1 million. The highest price was \$3,150,000, of three sales over \$2 million negotiated in the month. On the low side were four sales under \$500,000 with the lowest at \$424,000, but still the raw average price was \$1,123,700. One house sold for more than double its new municipal evaluation while seven sold under evaluation, but the average for the month was a 23-percent markup.

And while April recorded six condominium transactions, there were none in May. It would seem buyers anticipate a stronger investment market in the single-family dwellings, and apparently they have the money to be able to invest it.

Volume was soaring in adjacent-Westmount neighbourhoods, too, especially in N.D.G. where six sales were reported on Grey/Vendôme/Marlowe/Northcliffe Avenues, and the Trafalgar/Daulac area just east of the city limits where four homes were sold. Volume and prices appear to be lagging in the Shaughnessy Village area, but very positive in other adjacent-Westmount neighbourhoods.

It is difficult to say why the market has become so strong so late in the season, but there appears to be renewed confidence in the Montreal economy at least among the highest spenders. This confidence can be expected to trickle down to lower-priced houses and condominiums eventually; certainly it is encouraging to know that there are plenty of buyers willing to put down large sums of cash to get into the Westmount market.