

July Sales: Big Price Range

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 July. 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.)

Five out of 11 house transactions in Westmount in July involved prices over \$1 million, boosting the average price of 11 sales to \$1,315,455 and indicating there is still plenty of room for manoeuvre in the Westmount market. In fact, sales at \$3,500,000 and \$2,950,000 provided proof that money is available as long as the house is worth it.

On the low side were two houses which sold for less than \$500,000 (the lowest was \$410,000), the first Westmount home sales under \$500,000 since March. Among the high-priced homes, one actually sold for 4 percent less than its municipal tax valuation while another sold for 89 percent more, forming the two extremes in that regard.

The adjusted average price for July shows that the strong mid-range prices of early spring have now died off, but remain at about the same level as summer prices for 2004 and 2005. Volume is actually better than it was last year, an indication that buyers have settled into the highest price range in Westmount's history. While there are still plenty of houses available in the million-dollar-plus inventory, 25 of them have sold so far this year.

Condominium prices, on the other hand, appear to be on the move, with four sales in July, all of apartments and including two over \$1 million. The adjusted average for Westmount condos is now close to \$650,000 compared to an average for all of last year of about \$582,000.

The pace of sales in adjacent-Westmount districts appears reasonably strong, too. Three sales in eastern Notre Dame de Grâce, two just east of Westmount and one each in the "Golden Square Mile" and southern Côte des Neiges districts bring the 2006 home sale volume to 64 through July, compared to 86 for all of last year. Average markups by district range from a low of 35 percent for the "Golden Square Mile" to 93 percent for the Shaughnessy Village homes; the latter have been historically undervalued by the city tax assessors.

August is typically one of the slowest months of the year for real estate sales, so we may have to wait until much later in the fall to get an indication of where prices are headed for next year.