

August Sales: Biding Time

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 August. 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 real estate market slowed down in August but prices remained relatively static, in a mid-summer pause which is giving no indication of future market trends. While there is talk of dropping markets in the United States, Toronto is holding its own and so, it seems, is Westmount, at least for the time being.

Of five sales reported so far for August, two were over \$1 million, including one house which sold in only three days for \$1,750,000. Another Westmount house sold last month for only \$480,000; the other two sold in the \$600,000 to \$700,000 range, but involved fairly modest properties, so it is clear that the average mid-level properties still have a value in the \$800,000 to \$1 million range. In fact, despite a strong push in early spring, it seems average prices are holding at the same level they have enjoyed since about mid-2004. Rising interest rates may eventually discourage sales of lower-priced houses and this drop will eventually find its way into the Westmount market, but it will take quite some time. And it may be that by the time Westmount is ready for a real drop, there will be renewed confidence in real estate which would have a much faster effect on prices, driving them back up again.

Three more Westmount condominiums sold in August, all for prices between \$340,000 and \$440,000, but the markups ranged from 33 percent to 66 percent. The average markup for condos has stayed generally at the 50-percent level since the fourth quarter of last year, but prices are up a good 10 percent since early 2005. And co-operative apartments are becoming the latest fad in Westmount real estate, with three more sales in August including one each at 435-7-9 Grosvenor Avenue, 300 Lansdowne Avenue and 4444 Sherbrooke Street.

One sale was reported in each of the Notre Dame de Grâce, Côte des Neiges and Shaughnessy Village sectors of adjacent-Westmount, while two homes were sold in the Trafalgar-Daulac area. Prices appear to be improving especially in the Côte des Neiges and Trafalgar-Daulac sectors, but sample sizes are so small that it is difficult to draw any firm conclusions.