

September Sales: Volume Roars Back

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 Septmeber. 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.)

Real estate agents were kept busy in September as Westmount saw its highest sales volume since April and many houses which had languished for much of the year finally sold.

Prices held fairly steady as 15 homes sold for an average \$876,467, including four sales over the \$1 million mark where there had been none in August. The lowest price was \$479,500, an indication that among single-family homes there are no more “bargains” available in Westmount. On the other hand, the highest price was \$1,325,000 while there are plenty of homes in Westmount asking more than \$1.5 million, so there is still resistance in the upper stratum of prices.

The average markup over municipal valuation is 33.6 percent and the highest markup was only 59.5 percent, so prices were fairly consistent. The “typical” Westmount house with a municipal evaluation of about \$727,600 would have a value of some \$966,000, and that value has not changed much since April, though it was much higher early in the year, before the Gomery inquiry threatened to bring down the Canadian government and the United States dollar started to weaken.

Still, volume was way above average for September as many vendors became more realistic about their prices. Seven of the sales involved houses which had been on the market for more than four months, only two houses moved in less than three weeks.

Only two condominiums sold in September, bringing to five the volume for the third quarter of 2005. These days, the more popular action is co-operative apartments, with six sales in September and 10 in the third quarter, mainly apartments at Nos. 2 and 3 Westmount Square and 435-37-39 Grosvenor Avenue but including 4444 Sherbrooke Street and 300 Lansdowne Avenue. Prices of co-ops appear to be fairly similar to condos, with the large majority between \$300,000 and \$500,000, but some at Westmount Square are selling for more than that.

There is plenty of interest in Westmount real estate, though still resistance at the upper level. Prices probably will not improve until citizens get to see how the de-merger affects municipal tax bills, then next year will see a federal election. After that spring fervor will take hold; from this vantage point all signs are positive.