

November Sales: No More Hesitating

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 November. 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.)

A near-record number of sales in November pushed the "typical" Westmount house back over the \$1 million mark, offering a taste of what next spring's real estate market might look like.

If volume was particularly low in October, it may simply have been that buyers were waiting to see if prices would come down, and once they decided they should wait no longer, those buyers were ready to pay healthy prices for local real estate.

Five of 18 sales were reported at more than \$1 million, one of them more than \$3 million, in a month which experienced its highest volume since June. Only four sales were for less than \$500,000, but helped pull down the absolute average price of \$901,806; it is when that number is adjusted to reflect the value of the "typical" Westmount property that it moves up over the \$1 million mark. All of the sales were above municipal valuation, with an average markup of 47.1 percent, which reflects the climb in prices since mid-2002.

The 18 sales reported in November is matched only by a late-year flurry in 2001, when the market was staggering following the September 11 tragedy. This year's volume might have been inspired by anticipation the interest rates would be going up, or perhaps speculation the prices would be even higher in the spring market. In any event, the average number of days on the market was back up to 113, with seven properties on the market longer than that and two which had been actively marketed for more than a year.

Volume was high among cottages in adjacent-Westmount areas as well, particularly in southern Côte des Neiges where four sales were reported. In that district prices are up this year, but in other areas they are down slightly for residential dwellings, though up a bit for condominiums and co-ops.