

April Sales: Turning the Corner, by Andy Dodge, CRA

The Westmount real estate market showed real signs of hope in April, and gave us all the impression that the depressing market which had been so evident in February and March might not turn out to be as bad as we had anticipated.

Local agents reported two sales of \$2 million-plus homes, one very late in March and the other in April, showing there were buyers willing to pay prices they had not offered since last August. And while the 13 one- and two-family homes sold in April is still slightly below average, nine of the 13 were for prices over \$1 million (including the top price of \$2.9 million). This is the season when buyers who want to move in June have to commit themselves, so the trickle-down effect should be rapid: sellers who have got a commitment to unload their houses can now make their own plans to purchase more real estate.

With the top price of \$2,900,000, the lowest price was still very high, \$740,000. The former sold for 3.3 times its municipal evaluation, the first price to be over three times tax value since September, 2006; the latter represented a 28-percent markdown from municipal evaluation, one of only three of the 13 sales to be less than tax value. The average markup of 33 percent is a sharp jump from the six-percent level of March and helped to turn the graph back to positive territory. While the calculated value of the "typical" Westmount house is still well below its \$1.3 million peak, agents are starting to smile again.

Five condo sales in April doubled the volume in that category in April, though markups were much lower than the single-family category. Three of the five sold for less than municipal valuation and the average was a 0.2-percent markdown, with one sale over \$1 million and the others in a range from \$310,000 to \$560,000. Still, the fact that condos are moving again gives more hope that the market has turned the corner.

In adjacent-Westmount, five houses and a duplex in the east section of Notre Dame de Grâce indicated this market, too, is showing signs of turning around: three sales on Marlowe Avenue, one on Northcliffe, one on Vendôme and one on Notre Dame de Grâce Avenue kept agents busy. Another two houses sold just east of the city limits and one more in the "Golden Square Mile," on Redpath Street. Among all of those sales there still were none over \$1 million and there are plenty on the market in these neighbourhoods, but at least the Westmount results show that there are buyers who still are willing to commit those large sums of cash.

One month does not a market make, so the adage goes, but at least we can say that things are looking up for local real estate.