

October Sales: Still Strong

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 October. 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 year-end real estate market stayed strong in October with a \$3 million-plus sale, three more over \$1 million and nothing less than \$480,000 in 12 home transactions. All of the averages show roughly the same figures as September, confirming that we are at a new peak in terms of prices as buyers get accustomed to paying more than \$1 million for Westmount homes. We still keep hearing about the falling real estate market south of the border, but it certainly does not seem to have found its way north, neither in Westmount nor in Montreal generally.

The October sales include mainly houses which have been on the market for a long time, averaging 192 days and all but one of them had been listed for more than 100 days. Still, when originally listed they had been clearly overpriced and the asking prices had been reduced substantially over the weeks and months. Though several houses came on the market in October, none of them sold; it would appear the newer listings are more likely to sell after the new year. While November usually has a reasonably strong volume, we might look for more of the same, clearing out of long-standing stock, during the coming month.

The \$3 million-plus sale was the highest markup in October, selling for almost double its municipal assessment, while the lowest markup was a still-strong 26 percent higher than the 2004 assessment. When compared to the new 2007 assessments, three houses sold for less than the new municipal value and only three sold for more than 10 percent above the assessment. The market is up about 15 to 20 percent over averages for the spring of 2005, when prices were being established for the new valuation roll, so the fact that so few houses are selling above that 15-percent markup is an indication the new assessments could be generous, to put it mildly.

Only one condominium sold in October, but it was a luxury condo which brought its owner \$2 million, the second-highest price for a condominium this year. So far this year there have been seven condos selling for more than \$1 million; last year there were six, but the highest price was \$1,375,000, a price topped by six of the seven this year.

In the areas surrounding Westmount the market stayed strong, as well, with three homes selling in eastern Notre Dame de Grâce, including one over \$1 million, and one more just east of Westmount. Another six condominiums sold in areas surrounding Westmount, almost all for markups (over the 2004 assessment) higher than 50 percent.