

DECEMBER SALES: PRICES EASING

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 December, 2006. 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.)

Prices appear to be easing off in Westmount real estate, after the third consecutive drop in markups took place in a relatively lacklustre market in December.

Six home sales were reported last month for prices ranging from \$572,000 to \$900,000, thus no sales over \$1 million for the first time since August of 2005. Markups over the 2004 tax assessments ranged from 8 percent to 68 percent, with an average of only 33 percent, the lowest monthly figure since June. At that time the market appeared to be falling off badly from the spring market, but it rebounded into August and September before the current slide started.

The hesitancy was emphasized by the sale of three co-operative apartments, one in a duplex and two in apartment buildings, for prices between \$225,000 and \$320,000, along with one condominium apartment for \$470,000. This seems to indicate that buyers are less willing to make large cash outlays for Westmount real estate, despite sale prices earlier in the year for \$2 million, \$3 million and higher.

Usually prices tend to move up in December/January as buyers try to grab what is available before the spring market starts, but this year there does not seem to be an initial surge. The slowdown in the American market may be finding its way northward, and even the falling Canadian dollar is not helping encourage capital from south of the border. Still, the average adjusted price of a Westmount home is above the million-dollar mark and volume in 2006 is ahead of total volume for 2005, with the adjusted price of Westmount real estate for the entire year up almost 6 percent over the previous year.

December saw eight sales in adjacent-Westmount areas, including three sales of houses on Vendôme Avenue (and one more on Grey Avenue) in Notre Dame de Grâce, where the average markup was 47 percent. Overall, homes in adjacent-Westmount sold for about the same price range as those in Westmount, but they are selling much faster, perhaps because the sellers are more realistic.

The N.D.G. sales averaged only 23 days on the market, while only one of the Westmount sales was listed for anything less than about 60 days and the average was 161 days.