



Clark County Market Report



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December 2008 will be remembered for years to come as the month Clark County became a winter wonderland. As a result, it is hard to tell what the real estate market was like since all but the most essential activities got put on hold. Nevertheless, sales activity was better than might have been expected. For example, there were 266 *New Pending Residential Sales* reported, down just 6.7% from November (a much smaller decline than is typical for the season), down just 2.2% from December 2007, and down 43.9% from December 2006. One can't help but wonder what the numbers would have been like if travel had not become so difficult for such an extended period of time. It is not hard to imagine that new sales activity would have been significantly better than December 2007, but for the weather.

Closing activity was also better than might have been expected, although this was probably less affected by the weather since it is typically considered an essential activity. There were 285 *New Closed Residential Sales* reported, up 3.6% from November, down just 4.0% from December 2007, and down 43.9% from December 2006. At the end of December there were 4,900 *Solds Year To Date*, down 28.6% from December 2007, and down 41.2% from December 2006. *Solds Year To Date* were also down 23.3% from December 2000, which until now had recorded the smallest number of *Solds Year To Date* in this decade. So 2008 goes on the books as a new low benchmark for total sales.

Listing activity also followed the seasonal pattern, trending down in December. There were just 576 new residential listings submitted, down 19.0% from November but up 3.8% from December 2007. This was the seventh month in a row in which the number of new residential listings has fallen, and it was the fifth month in a row in which the total number of *Active Listings* has fallen. At the end of the year there were 6,394 *Active Listings*, up just 4.6% from December 2007, and up 33.5% from December 2006.

Interestingly, at the rate sales closed in December there were 14.8 months of available residential inventory, down from 16.9 months in November. It is worth noting again that 14.8 months of inventory is based on a relatively small number of closed sales. At the average rate of closings in other Decembers since 2000(excluding the boom year 2005), there would only be 9.8 months of available inventory. Furthermore in the lower price ranges that number is significantly smaller. So for now at least, residential inventory remains abundant but not at toxic levels.

Surprisingly, prices edged up a little in December. Reflecting this, *Median Sale Price-Residential* rose 0.8% from November to \$232,300, down 10.7% from both December 2007 and December 2006. *Average Sale Price-All MLS* rose 3.2% from November to \$277,889, down just 7.9% from December 2007 and

also down 7.6% from December 2006. Even the average residential sale price rose 1.9% from November to \$257,700, down 11.7% from December 2007, and down 15.5% from December 2006.

One of the more significant developments in December was the decline in mortgage interest rates to new record low levels. Not surprisingly refinance activity soared. But more significantly, it appears we are starting to see improvement in new sales activity as well. New pending sales reported in the first two weeks of January suggest that the market is following the seasonal bounce typical of January. So while it is too early to know for sure, this improvement is a welcome sign that the market may be poised to improve. And with good inventory at excellent prices, combined with record low rates, it should. The wild card is still the economy, but at least the local elements are in place for recovery.

	December 2008	% Change from Dec. '07
Active Listings	6,394	4.6%
Solds Year To Date	4,900	-28.6%
New Closed Residential Sales	285	-4.0%
New Pending Residential Sales	266	-2.2%
Average Days On Market-Residential Solds	173	15.3%
Average Sale Price-All MLS	\$277,889	-7.9%
Median Sale Price-Residential	\$232,300	-10.7%