



Clark County Market Report



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January was not a great month for the Clark County real estate market, but it wasn't a bad as some reports have indicated. This was best seen in new sales activity, which was weak but significantly better than it was in December. Indicative of this, there were 351 *New Pending Residential Sales* reported, up 32.0% from December, but down 16.2% from January 2008, and down 37.0% from January 2007. The good news was that the increase in new sales activity from December to January was typical of the seasonal pattern. Even better, in February new sales activity has been continuing to trend upward suggesting that sales may be reaching levels comparable to last February.

The really weak part of the market was closing activity, which was the lowest it has been this decade. There were 204 *New Closed Residential Sales* reported, down 28.4% from December, down 17.1% from January 2008, and down 42.4% from January 2007. *Solds Year To Date* reflected this weakness with only 226 *Solds* reported, down 18.1% from January 2008, and down 47.9% from January 2007. Yet despite how bad this sounds, it is important to note that this was not totally the result of a weak market. Two other non-market related factors reduced closing activity in January. The first was the dramatically increased times needed to close loans due to the large number of refinances that plugged the system in December when rates dropped below 5%. The other factor was December's inclement weather, which slowed sales activity. Consequently, judging the market solely on the basis of closed sales renders a perspective that is not entirely accurate.

Interestingly, listing activity followed the typical seasonal pattern, increasing dramatically from December. Yet even though listing activity increased from December, there were just 972 new residential listings submitted, up 68.8% from December but down 18.5% from January 2008, and down 24.4% from January 2007. At the end of the month there were 6,386 *Active Listings*, down 0.1% from December, and up just 2.4% from January 2008. Despite new listing activity being weaker than in recent Januarys, and despite the fact that the number of *Active Listings* declined from December, at the rate sales closed in January there were 21 months of available residential inventory. That number is somewhat misleading because it is based on a relatively small number of closed sales which were reduced by factors other than the market. It would be better to calculate the inventory based on new pending sales. At that rate, there would have 12.5 months of inventory available. While that still reflects oversupply, it represents a more accurate picture of the inventory.

With the relatively weak new sales activity in January, it should not be surprising that prices fell. For example, *Median Sale Price-Residential* fell 10.3% from December to \$208,400, down 16.6% from January 2008 and down 19.8% from January 2007. *Average Sale Price-All MLS* fell 16.2% from December to \$232,829, down 21.4% from January 2008 and down 24.3% from January 2007. Similarly, the average residential sale price fell 8.7% from December, down 23.8% from January 2008 and down 25.5% from January 2007.

Fortunately, the numbers suggest there is cause for at least a little optimism. Recent new sales activity indicates that the market may be returning to sales levels seen in the first half of 2008. And that would be a welcome improvement from the last quarter. Furthermore improving interest rates, the new first time home buyer credit, and great prices should help. Much will depend on employment and consumer confidence. We'll see what happens with those . . .

	January 2009	% Change from Jan. '08
Active Listings	6,386	2.4%
Solds Year To Date	226	-18.1%
New Closed Residential Sales	204	-17.1%
New Pending Residential Sales	351	-16.2%
Average Days On Market-Residential Solds	158	This data was not collected last year
Average Sale Price-All MLS	\$232,829	-21.4%
Median Sale Price-Residential	\$208,400	-16.6%