



# Clark County Market Report



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The Clark County real estate market continued to improve in May. In fact, it was the second month in a row in which new sales activity was better than it has been in any month since August 2007. This was best reflected by the 541 *New Pending Residential Sales* reported, down only 1.2% from April, but up 18.8% from May 2008. In fact, this was the fifth month in a row in which new sales activity has shown improvement compared to the last half of 2008. Moreover, if new sales activity continues at this pace, 2008 will be a significantly better year than 2008.

Interestingly, despite the improvement in new pending sales in April and May, closed sales were just starting to improve in May. This was due to the fact that pending sales were taking longer to close. Yet in spite of the delays in closings, there were 353 *New Closed Residential Sales* reported, up a strong 6.0% from April, but still down 11.8% from May 2008, and down 39.9% from May 2007. The good news was that as *New Closed Residential Sales* improved, *Solds Year To Date* also started to improve. At the end of May there were 1,651 *Solds Year To Date* reported, down 14.3% from May 2008 and down 44.9% from May 2007.

Not surprisingly, as the time required to close transactions has lengthened, the backlog of pending sales waiting to close has continued to increase. By the end of May there were 1,078 residential pending sales waiting to close, up 12.3% from April and up 26.4% from March. In fact, this was the largest backlog of pending residential sales in this market since June 2007. The good news is that as these pending sales close, the *Solds Year to Date* numbers will improve significantly.

One of the segments of the market that did not improve in May was listing activity. There were just 825 new residential listings submitted in May, down 3.4% from April, and down 37.1% from May 2008. At the end of May there were 5,852 *Active Listings*, down 2.6% from April, down 20.6% from May 2008, and down 4.6% from May 2007. This was the ninth month in a row in which the total number of *Active Listings* has fallen from the previous month.

With stronger new sales activity, and weaker listing activity, RMLS reported that at the rate sales closed in May there were 11.1 months of available residential inventory, an improvement from 11.9 months in April. But remember, this significantly overstates the inventory available. Using the number of new pending sales reported in May, there would be only 7.5 months of inventory, unchanged from April. Also remember that because many of the active short sale listings have offers on them, this further overstates the available inventory.

Average prices generally continued to fall in May, despite the apparent improvement in the market. For example, *Median Sale Price-Residential* fell 1.1% from April to \$215,000, down 14.0% from May 2008 and down 19.5% from May 2007. *Average Sale Price-All*

*MLS* fell 0.6% from April to \$241,067, down 15.0% from May 2008 and down 20.5% from May 2007. In contrast, the average residential sale price was up 0.5% from April, but it was still down 15.2% from May 2008.

*New pending sales activity continues to be the best indicator for the direction of this market. And it tells us the market is recovering, although at an uneven pace. This should not be too surprising. It will take time to dig ourselves out of this hole and there will undoubtedly be challenges along the way. One of those challenges appears be financing, with rates rising and issues developing with appraisals and mortgage insurance. Another challenge may be inventory, which if it does not grow, could lead to increasing prices. For now though, this remains a great time to buy.*

	May 2009	% Change from May '08
<b>Active Listings</b>	5,852	-20.6%
<b>Solds Year To Date</b>	1,651	-14.3%
<b>New Closed Residential Sales</b>	353	-11.8%
<b>New Pending Residential Sales</b>	541	11.8%
<b>Average Days On Market- Residential Solds</b>	191	This data was not collected last year
<b>Average Sale Price -All MLS</b>	\$241,067	-15.0%
<b>Median Sale Price- Residential</b>	\$215,000	-14.0%