

Clark County Market

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The Clark County real estate market started 2012 on a really strong note, extending its improving trend to 6 months in which every month has been the best since at least 2007. The best indication of the strength of the market was in new sales activity, which was the best it has been in January since 2007. This was reflected by the 479 *New Pending Residential Sales* reported, up 25.1% from January 2011, and up 15.5% from January 2010. And the good news is that with every month the market continues to improve, there is more energy and momentum for continued improvement.

Closing activity was also good, recording the most closings in January since 2007. Reflecting this were the 297 *New Closed Residential Sales* reported, up 6.1% from January 2011, up 8.0% from January 2010, up 45.6% from January 2009, and up 20.7% from January 2008. Even better, with the strong new sales activity, the backlog of sales waiting to close grew to 1,138 pendlings, up 31.3% from last January. This large backlog ensures that closed sales will increase significantly in February and March. Furthermore, with the good closing activity there were 339 *Solds Year To Date* reported, the best cumulative total since 2007. This was up 1.5% from January 2011, up 13.4% from January 2010, up 50.0% from January 2009, and up 22.8% from January 2008. All of which means that 2012 is off to a very good start in terms of sales activity.

The one area of weakness was in listing activity. There were only 626 new residential listings submitted in January, down 22.5% from January 2011, and down 33.6% from January 2010. More significantly, there were only 1.3 new listings submitted for every pending sale reported in January. And this was during a month when listing activity typically increases significantly. As a result, the number of *Active Listings* fell to 3,915, down 0.6% from December, down 18.6% from January 2011, and down 24.4% from January 2010. This was the smallest number of *Active Listings* available in January since 2006. Furthermore, based on the number of pending sales reported and with the decrease in the number of *Active Listings*, there were only 5.6 months of inventory available in January.

Despite the improving market, average prices have been falling for some time, and that continued in January. For example, *Average Sale Price-All MLS* fell to \$197,428, down 5.2% from December, down 3.7% from January 2011, and down 18.5% from January 2010. Similarly, *Median Sale Price-Residential* fell 5.7% from December to \$166,000, down 14.9% from January 2011, and down 30.0% from the January high in 2007. Even the average residential sale price fell again in January, down 6.5% from December to \$188,700, down 12.2% from January 2011. These changes continued to reflect strong sales in the lower price ranges, and do not indicate that prices of individual houses are falling.

	DATA FOR JANUARY 2012	Change from Jan. 2011
Active Listings	3,915	-18.6%
Solds Year To Date	339	1.5%
New Closed Residential Sales	297	6.1%
New Pending Residential Sales	479	25.1%
Average Days on Market-Res. Solds	128	-26.0%
Average Sale Price-All MLS	\$197,543	-3.7%
Median Sale Price-Residential	\$166,000	-14.9%

With all the good news, our main issue is inventory. That means buyers are facing greater challenges finding good properties. And as a result, there are more multiple offers on listings, average market times are falling, and we are seeing indications that prices may be starting to increase. So while we hear that banks will be listing more foreclosures, that could help this market by providing needed inventory. All of which suggests that the prognosis for this market, at least for the next few months, looks promising . . .