

Clark County Market Report

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Winter slowed down the Clark County real estate market significantly in January. In fact, you could argue we lost at least a week to snow and ice. You could see that in the 586 *New Pending Residential Sales* reported to RMLS, up 17.4% from December, but down 15.8% from January 2016 and down 6.7% from January 2015. Even so, that was better than any other January since 2006. And if you adjust for a week of lost sales activity, it would have been the best January on record. Interestingly, with the new sales activity in January, the backlog of pending sales waiting to close ended the month at 1,294 pendings, the same as at the end of December. That backlog was big enough to ensure a good first quarter.

Even more intriguing, in spite of the inclement weather, this was the second best January on record for closing activity, behind only the 2005 benchmark. Reflecting that were the 492 *New Closed Residential Sales* reported, up 7.4% from a very good January 2016, up 17.7% from January 2015, and down just 0.8% from January 2005. The result of that strong closing activity was that by the end of January there were 567 *Solds Year To Date*, up 6.0% from January 2016, and up 17.6% from January 2015. To put that in perspective, this was much better than any other January since 2005, up 15.0% from January 2006, and down just 0.9% from January 2005. That was a really good start for 2017.

Listing activity was also effected by weather. In fact, it was the weakest it has been in January since 2012. There were just 628 new residential listings reported, down 13.3% from January 2016, but this was actually not bad considering the lost time to weather. Even so, there was just 1.1 a new listings for each pending sale reported. As a result, at the end of January there were only 1,700 *Active Listings* available, unchanged from December, but down 6.3% from January 2016, and down 28.6% from January 2015. This was the fewest listings available in January for at least the last 25 years. As a result, based on the number of pending sales, and taking into account only standing inventory, there were just 1.3 months of inventory available.

Predictably, with the limited inventory and strong demand, average prices continued to rise in January. For example, *Average Sale Price-All MLS* was \$323,438, up 2.7% from December, and up 9.6% from January 2016. Similarly, *Median Sale Price-Residential* was \$298,600, up 10.6% from January 2016, and up 14.9% from the previous high in January 2007. This was the twenty first month in a row that the *Median Sale Price-Residential* has been higher than the previous peak. And the average residential sale price was \$334,300, up 10.7% from January 2016, and up 25.2% from January 2015. So unless inventory grows significantly, continuing strong demand will push prices even higher.

	DATA FOR JANUARY 2017	Change from Jan. 2016
Active Listings	1,700	-6.3%
Solds Year To Date	567	6.0%
New Closed Residential Sales	492	7.4%
New Pending Residential Sales	586	-15.8%
Average Days on Market-Res. Solds	62	-15.1%
Average Sale Price-All MLS	\$323,438	9.6%
Median Sale Price-Residential	\$298,600	10.6%

The snow and ice in January definitely had an impact on the market. And while it is impossible to calculate the exact effect, there is no question it slowed new sales activity significantly. Even more importantly, listing activity appears to have been effected even more. The result of the weaker listing activity was that inventory effectively shrank as demand grew, making the inventory hole even deeper than it was in December. That in turn has put even more pressure on prices. Fortunately, new sales activity appears to have picked up dramatically in February. And hopefully listing activity will follow because we need a lot more good listings . . .