

Clark County Market

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Mike Lamb
Associate Broker

www.mikelamb.info
Windermere Vancouver

MLamb@windermere.com
360-694-4050

December closed 2009 on a positive note for the Clark County real estate market. This was best seen in new sales activity, which was the best it has been since December 2006. The strength of the new sales activity was reflected by the 356 New Pending Residential Sales reported, up 33.8% from December 2008, and up 30.9% from December 2007. Interestingly, this was also up 17.1% from December 2001 which means that 2009 was not nearly the worst year in the last decade. More good news was the fact that this strong new sales activity resulted in a significantly larger backlog of pending sales waiting to close. At the end of December there were 917 pending sales, up 7.6% from November, up 42.4% from December 2008 and up 32.3% from December 2007. This relatively large backlog will help jump start total sales in the first quarter of 2010.

It was also the best December for closing activity since 2006. Reflecting this were the 422 New Closed Residential Sales reported, up 48.1% from December 2008, and up 42.1% from December 2007. This was also up 27.9% from December 2001 making this the sixth best December in the last decade for closed sales. The result of the strong closing activity in December, and over the last quarter, was that total sales reported to RMLS for the year were 5,426, up 10.7% from 2008. While the weak sales activity in the first part of the year made this one of the weakest years for total sales in the last decade, it was also up 5.0% from 2000 and down only 1.8% from 2001.

Like much of 2009, inventory shrank again in December. This was due primarily to the fact that there were only 523 new residential listings submitted in December, down 9.2% from December 2008. As a result, at the end of December there were only 4,970 Active Listings, down 6.0% from November, down 22.3% from December 2008, and down 18.7% from December 2007. Perhaps more significantly, this was up just 3.8% from December 2006. This was the smallest number of Active Listings available since January 2007.

With the continuing decline in the number of Active Listings, there were 7.6 months of available residential inventory in December. While this was up from 7.3 months in November, the increase was due to the normal seasonal decline in sales during December. In fact by the end of December there were only 3,246 active residential listings. At the average rate of sales over the last half of 2009 this would be only 6.7 months of available inventory. Even more significantly, in the lower price ranges there was significantly less inventory. Clearly if the market is going to continue to improve, inventory will have to grow in the lower price ranges.

With the continuing improvement in the market, average prices began to show signs of increasing in December. This was best seen in Average Sale Price-All MLS which at \$234,488 was up 31.8% from December 2008. Similarly the average residential sale price rose to \$244,400, up dramatically from the year to date average of \$237,800 and down just 5.2% from December 2008. On the other hand, Median Sale Price-Residential fell to \$211,600, down 8.9% from December 2008 and the lowest it has been since December 2003.

	December 2009	% Change from Dec. 2008
Active Listings	4,970	-22.3%
Solds Year To Date	5,426	10.7%
New Closed Residential Sales	422	48.1%
New Pending Residential Sales	356	33.8%
Average Days on Market-Res. Solds	145	-16.2%
Average Sale Price-All MLS	\$234,488	31.8%
Median Sale Price-Residential	\$211,600	-8.9%

The good news at the end of December was that 2009 ended with 7 months of improvement in the market. And even better, real estate agents say there is significantly more interest and activity than there has been for several years. With the tax credit extension, along with continuing low interest rates, the market should continue to improve through at least the first quarter. Much will depend however on having sufficient inventory, and even more importantly on growth in employment. But for now at least, there is reason to expect continued improvement.