

Clark County Market

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The Clark County real estate market closed 2011 on a decidedly positive note, following five months in which every month was the best since at least 2007. And one of the most encouraging things about the market was that new sales activity was the best it has been in December since 2006. This was reflected by the 374 *New Pending Residential Sales* reported, up 0.5% from December 2010, and up 5.1% from December 2009. Best of all, the continuing strong new sales activity suggests an improving trend in the market.

Closing activity was also very good, recording the second most closings in December since 2006, with only tax credit fueled December 2009 recording more closings. Reflecting this were the 396 *New Closed Residential Sales* reported, up 13.8% from November, and up 14.1% from December 2010. This was down 6.2% from December 2009, but up 39.0% from December 2008, and up 33.3% from December 2007. Furthermore, the strong finish in closing activity meant that by year end there were 5,656 *Solds Year To Date* reported, the best cumulative total since 2007. This was up 5.7% from December 2010, up 4.2% from December 2009, and up 15.4% from December 2008. And better yet, there was still a large number of pending sales waiting to close, which will ensure a good start for 2012.

If there was any weakness in the market in December, it was in listing activity. There were only 449 new residential listings submitted, down 15.1% from November, which is typical for the season, but down 11.8% from December 2010. And more significantly, there were only 1.2 new listings submitted for every pending sale reported in December. As a result, the number of *Active Listings* fell to 4,778, down 4.6% from November, down 3.9% from December 2010, and down 25.3% from December 2009. This was the smallest number of *Active Listings* available in December since 2007. Furthermore, with the decrease in the number of *Active Listings*, RMLS reported that available inventory fell to 6.5 months based on December's closings.

Despite the improving market, average prices continued to soften. For example, *Average Sale Price-All MLS* fell to \$203,428, down 1.2% from November, down 11.5% from December 2010, and down 13.3% from December 2009. Similarly, *Median Sale Price-Residential* fell 5.8% from November to \$176,000, down 12.0% from December 2010, and down 32.3% from the December high in both 2006 and 2007. Even the average residential sale price fell in December, down 5.0% from November to \$201,700, down 9.8% from December 2010 and down 17.5% from December 2009. These changes reflected strong closing activity in the lower price ranges, and do not indicate that prices of individual houses are falling. In fact in the lower price ranges, prices appear to have bottomed out.

	DATA FOR DECEMBER 2011	Change from Dec. 2010
Active Listings	4,778	-3.9%
Solds Year To Date	5,656	5.7%
New Closed Residential Sales	396	14.1%
New Pending Residential Sales	374	0.5%
Average Days on Market-Res. Solds	142	1.4%
Average Sale Price-All MLS	\$203,428	-11.5%
Median Sale Price-Residential	\$176,000	-12.0%

The fact that sales and closing activity in the last five months were the best since at least 2007 is cause for optimism. And the large backlog of pending sales waiting to close means 2012 is already off to a good start. The only concern is whether listing inventory will be adequate to meet growing demand. Yet there are indications that prices in some market segments have bottomed out and are starting to increase modestly. In fact this may be the best time to sell in at least 4 years. Hopefully this will encourage more owners to list their properties and help fuel an improving market in 2012.