

Clark County Market Report

June 2017

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Sales activity in the Clark County real estate market picked up dramatically in May, which was a significant reversal from April's slower sales. You could see that in the 979 *New Pending Residential Sales* submitted to RMLS, up 23.9% from April, up 3.7% from May 2016, and up 6.4% from May 2015. In fact, this was easily the best May for new sales since 2005, although it was still down 13.4% from the May 2005 record. And, with the strong new sales activity, the backlog of pending sales waiting to close grew 7.0% from April to 1,885 pendings. At the rate sales closed in May, that represents almost two and a half months worth of closings, which continues to assure strong closing activity well into August.

Closing activity also rebounded in May. You could that see reflected in the 768 *New Closed Residential Sales* reported, up 32.0% from April, up 0.8% from May 2016, and up 14.5% from May 2015. That was better than in any other May since 2006, and it was down just 3.2% from May 2006. As a result, by the end of May there were 3,530 *Solds Year To Date* reported, down 2.2% from May 2016, but up 6.2% from May 2015 and better than any other May since 2005. To put that in perspective, this was up 0.5% from May 2006, and down 11.0% from the May 2005 record. Furthermore, given the market's performance in May, it appears that the number of *Solds Year To Date* has been down largely because of the shortage of inventory. So how well cumulative sales do this year will depend largely on whether there is enough inventory to meet the demand.

The best news in May was that listing activity also picked up dramatically. You could see that in the 1,171 new residential listings reported. This was up 27.8% from April, and up 7.0% from May 2016. In fact, this was the best listing activity in May this decade. Yet with the stronger new sales activity there were still just 1.2 new listings for each pending sale reported. And at the end of May there were 1,802 *Active Listings* available, up 6.1% from April, but down 11.5% from May 2016, and down 29.5% from May 2015. That was the fewest listings available in May since 2005, but it was up 4.5% from May 2005. Furthermore, based on the number of pending sales, and taking into account only standing inventory, there was just 1 month of residential inventory available.

Predictably the strong new sales activity continued to push average prices upward in May. For example, *Average Sale Price-All MLS* was \$342,881, up 9.9% from May 2016 and up 20.8% from May 2015. Similarly, *Median Sale Price-Residential* was \$325,000, up 1.5% from April, up 10.9% from May 2016, and up 21.7% from the previous high in May 2007. This was the twenty fifth month in a row that the *Median Sale Price-Residential* has been higher than the previous peak. And the average residential sale price was \$355,900, up 8.1% from May 2016, and up 17.4% from May 2015. So even with the increased listing activity, the lack of inventory continued to put strong upward pressure on prices.

	DATA FOR MAY 2017	Change from May 2016
Active Listings	1,802	-11.5%
Solds Year To Date	3,530	-2.2%
New Closed Residential Sales	768	0.8%
New Pending Residential Sales	979	3.7%
Average Days on Market-Res. Solds	44	-10.2%
Average Sale Price-All MLS	\$342,881	9.9%
Median Sale Price-Residential	\$325,000	10.9%

May gave us a graphic illustration of how supply and demand effect the market. All year, anecdotal evidence from brokers has been saying the weather was making it difficult to get exterior work done to prepare listings for market, thus slowing listing activity. And the uptick in listing activity in May seems to validate that. Interestingly and not coincidentally, along with the uptick in listing activity, we saw exceptionally good new sales activity in May. This is further evidence that the shortage of inventory has indeed impacted the market. It also tells us that if demand holds up, and listing activity continues to be good, we could still see this year's total sales beat 2016's. So as we have been saying all year, we still need more good listings . . .