

Clark County Market Report

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Things started to improve in the Clark County real estate market in February. And while the improvement was modest, it was a tantalizing hint of better things to come. This could be seen in new sales activity, best reflected by the 408 *New Pending Residential Sales* reported, up 6.5% from January. Despite the fact that *New Pending Residential Sales* were down 24.0% from February 2010, they were up 4.1% from February 2009. So even though the market was a bit slow to pick up, and even though it did not pick up as much as last year's tax credit turbocharged market, the good news was that it was improving and continuing to follow the seasonal pattern.

In spite of the improvement in new sales activity, closing activity did not pick up in February. This was actually normal because closings in February typically reflect December's always softer market. Consequently the 274 *New Closed Residential Sales* reported were down 2.1% from the 280 reported in January, and they were down 9.9% from February 2010, but were up 21.8% from February 2009. To better put the market in perspective, consider the 659 *Solds Year To Date* reported by the end of February. Even though *Solds Year To Date* were down 3.7% from February 2010, they were up 42.6% from February 2009 and were up 11.1% from February 2008. In historical terms, this wasn't a bad start for 2011.

Unlike the improvement in new sales activity, listing activity continued to be weak. There were only 705 new residential listings submitted, down 12.8% from January and down 15.9% from February 2009. The result of this weak activity was that the number of *Active Listings* fell to 4,648, down 3.4% from January, down 10.3% from February 2010, and down 26.2% from February 2009. In fact, this was the smallest number of *Active Listings* available in February since 2006. Even more significantly, while RMLS reported there were 12.1 months of residential inventory available, that was based on closed sales. But based on the number of new pending sales in February there was just 8.3 months of inventory available, down from 9 months in January.

Prices continued to be soft in February, largely reflecting the fact that 47% of the sales closed were either bank owned or short sales. As a result, the *Average Sale Price-All MLS* was \$214,980, up 4.8% from January, but down 6.3% from February 2010, and down 11.8% from February 2009. *Median Sale Price-Residential* fell 2.6% from January to \$190,000, down 8.4% from February 2010, and down 14.6% from February 2009. Interestingly, the average residential sale price rose 6.3% from January to \$228,300, but this was still down 4.6% from February 2010. This increase in the average residential sale price was largely due to relatively low numbers of sales in the under \$200,000 price range, and stronger sales in the higher price ranges.

	DATA FOR FEBRUARY 2011	Change from Feb. 2010
Active Listings	4,648	-10.3%
Solds Year To Date	659	-3.7%
New Closed Residential Sales	274	-9.9%
New Pending Residential Sales	408	-24.0%
Average Days on Market-Res. Solds	153	3.4%
Average Sale Price-All MLS	\$214,980	-6.3%
Median Sale Price-Residential	\$190,000	-8.4%

While the market was starting to look more encouraging in February, there are still challenges. One of those is pressure from short sales and foreclosures. In February, these distressed properties were 49% of the new pendings. Another challenge is the continued decline in non-distressed inventory. But as the number of sales increases, these challenges will become far less significant. And anecdotal evidence suggests that the market is continuing to strengthen in March. So while there is still a long way to go, at least we are going in the right direction.