Clark County Market Report

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February was another good month for the Clark County real estate market, especially in terms of new sales activity. You could see that in the 731 *New Pending Residential Sales* reported, up 5.0% from a very good January, up 9.8% from February 2015, and up 44.2% from February 2014. In fact this was the best February since 2005 for new sales, and it was down just 12.5% from that record year. Furthermore, like in January, new sales activity would have been even better if there had been more inventory. Even so, the backlog of pending sales waiting to close grew 18.8% from January, to another new high.

Interestingly, closing activity was down 5.2% from January. Reflecting this were the 434 *New Closed Residential Sales* reported, up 0.7% from a very strong February 2015, and up 20.6% from February 2014. Yet even though this was better than in any February since 2007, it was down 2.3% from February 2007, down 19.0% from February 2006, and down 23.5% from February 2005. As a result, the end of February there were 1,084 *Solds Year To Date* reported, up 9.4% from February 2015, and up 33.3% from February 2014. This was also the best *Solds Year to Date* in ten years, but it was down 2.1% from February 2006, and down 10.6% from 2005's record.

Perhaps one of the most important changes in February was a significant improvement in listing activity. There were 832 new residential listings reported, up 14.9% from January, and up 10.8% from February 2015. Even so, this was just 1.1 new listings for every pending sale reported. As a result, at the end of Febuary there were only 1,759 *Active Listings,* down 3.1% from January, down 26.3% from February 2015, and down 36.0% from February 2014. More significantly, this was the lowest inventory available in over twenty years, and it was down 6.0% from February 2005, which was market most similar to this one, highlighting the shortage of inventory. To put this in context, based on the number of pending sales, and taking into account only standing inventory ready for purchase, there were just 1.5 months of inventory immediately available in all price ranges.

Predictably, average prices continued to climb in February. For example, *Average Sale Price-All MLS* was $299,308, up 9.8% from February 2015, up 17.4% from February 2014, and down just 2.5% from the previous February high in 2007. Similarly, *Median Sale Price-Residential* was $266,300, up 6.6% from February 2015, and up 3.9% from the previous January high in 2007. This was the tenth month in a row that the *Median Sale Price-Residential* has been higher than the previous peak. Additionally, the average residential sale price was $312,300, up 12.5% from February 2015. So despite the improved listing activity, with the strong new sales activity and the limited inventory, look for prices to continue to push upward.

	DATA FOR FEBRUARY 2016	Change from Feb. 2015
Active Listings	1,759	-26.3%
Solds Year To Date	1,084	9.4%
New Closed Residential Sales	434	0.7%
New Pending Residential Sales	731	9.8%
Average Days on Market-Res. Solds	70	-32.7%
Average Sale Price-All MLS	$299,308	9.8%
Median Sale Price-Residential	$266,300	6.6%

The keys to understanding this market are pending sale activity and inventory, both of which continue to reflect the impact of strong buyer demand. Yet despite the fact that pending sale activity has been exceptionally good the last three months, closing activity in February was down 5.2% from January. While that could be due to a number of factors, including sales taking longer to close, it definitely reflects the fact that we are seeing a sale fail rate that is significantly greater than the historic norm. Based on conversations with brokers, it appears the extreme pressure buyers are feeling in this market is the primary reason for this increase in the number of sales failing to close. The remedy for this is, not surprisingly, increased listing activity. So it is encouraging that we saw an uptick in listing activity in February, but that needs to continue because those new listings were quickly absorbed. And we need a lot more . . .