

# Clark County Market Report

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After improving a little almost every month this year, the Clark County real estate market really took off in August. The change was most apparent in new sales activity, reflected by the 711 *New Pending Residential Sales* reported, up 42.8% from July. This was by far the best month since April 2010, up 63.5% from August 2010, and most impressively, the best August since 2006. Interestingly, this was the first time since 2006 when *New Pending Residential Sales* in August exceeded 600. So in terms of new sales activity, August was really good.

Closing activity was also very good in August, although it was slightly behind June of this year. Still, this was the second best month for closings since June 2010 and it was the best August since 2007. This was best reflected by the 473 *New Closed Residential Sales* reported, up 3.1% from July, up 46.9% from August 2010, up 3.1% from August 2009, and up 14.5% from August 2008. And better yet, the strong closing activity pushed *Solds Year To Date* almost even with August 2010 totals. At the end of August there were 3,758 *Solds Year To Date*, down just 1.0% from August 2010. Best of all, with a growing backlog of pendings, total sales for 2011 are almost certain to be better than not only 2010, but are likely to be the best since 2007.

Despite the improvement in the market, listing activity was still relatively weak in August, up just 0.7% from July, and down 12.6% from August 2010. In fact, in August there were less than 1.1 new listings for each new pending sale reported. So at the end of August there were 4,416 *Active Listings*, down 7.6% from July, down 26.1% from August 2010, down 20.5% from August 2009, and down 40.7% from August 2008, which was the record high for the month. This was the smallest number of *Active Listings* available in the month since 2005. And most significantly, there were just 4.4 months of inventory available based on the number of new pendings reported in August. If new sales activity continues at anything close to this pace, this portends serious inventory challenges in some market segments.

Despite the improving market and shrinking inventory, prices continued to soften, which should not be surprising since prices are a lagging indicator. Reflecting this, *Average Sale Price-All MLS* was \$185,000, down 10.6% from July, and down 20.2% from August 2010. *Median Sale Price-Residential* also fell sharply from July, down 12.5% to \$206,178, but down only 3.4% from August 2010, and down 20.7% from the August high in both 2006 and 2007. Interestingly, for the first time in months *Median Sale Price Residential* was above where it had been in any month prior to March 2005. You may remember this had retreated as far back as March 2004, so this is a significant improvement. And interestingly, the average residential sale price fell only a little in August, down 1.9% from July to \$207,200, and down 15.2% from August 2010.

	DATA FOR AUGUST 2011	Change from August 2010
<b>Active Listings</b>	4,416	-26.1%
<b>Solds Year To Date</b>	3,758	-1.0%
<b>New Closed Residential Sales</b>	473	46.9%
<b>New Pending Residential Sales</b>	711	63.5%
<b>Average Days on Market-Res. Solds</b>	142	12.7%
<b>Average Sale Price-All MLS</b>	\$185,000	-20.2%
<b>Median Sale Price-Residential</b>	\$206,178	-3.4%

*If we had not been watching the data all year, the changes in August may have been surprising. But as we have been saying, the pieces have been in place for significant improvement. Those included the most affordable prices and the best interest rates in over 50 years. And with those factors still in place, the market can continue to improve if there is enough inventory to sustain it. Fortunately, there is reason to believe that listing activity will increase, because as inventory shrinks prices should start to go up, which will ultimately encourage more sellers to enter the market.*