

Clark County Market Report

January 2021 (Year End 2020)

Mike Lamb

Broker at Windermere Stellar, Vancouver, WA

Mike@MikeLamb.info

360-921-1397

December closed out a strange, but record setting 2020 for the Clark County real estate market. December's new pending sales were one example of that with 632 *New Pending Residential Sales* reported to RMLS. That was down 15.9% from November, but that was a smaller seasonal decline than normal. Even better, *New Pending Residential Sales* were up 19.3% from December 2019, and were much better than any other year since 2005. And more impressively *New Pending Residential Sales* were up 23.4% from 2005's previous record, setting a new benchmark for new sales activity. Additionally, due to the strength of new pending sales there were still 1,635 pending sales waiting to close at the end of the month. That was down 7.0% from December 2019, which until now was the largest backlog in at least twenty years, but that was still up 69.1% from December 2019, and up 26.4% from December 2016. At the rate sales closed in December that represents 1.83 months of residential closings, a really great start for 2021.

Closing activity was also exceptional in December, reflected by the 803 *New Closed Residential Sales* reported. That was down just 2.7% from November, better than typical seasonal slowing, and up 16.4% from December 2019. More impressively that was the best closing activity for December on record, up even 13.9% from December 2005, which until now had held that record. As a result, at the end of December there had been 10,011 *Solds Year To Date* reported, up 5.1% from December 2019, and up 3.1% from December 2016 which until now was the best since 2005, and down just 2.6% from 2005's record. When you consider the deficit the market recovered from earlier in the year that was especially impressive.

Interestingly, listing activity was also better than usual in December. You could see that in the 551 new residential listings submitted, down 12.5% from November, a smaller than usual seasonal decline, but up 31.2% from December 2019, and up 39.9% from December 2018. In fact, new listings were up 8.3% from the 2010, which reported the most new listings in the last ten years. Still, that was not enough to keep pace with demand, and the number of *Active Listings* fell to 717 by the end of December. That was down 20.1% from November, and down 65.8% from December 2019, and it was a record low going back at least 40 years. As a result, there was just 0.8 new residential listings for each new pending residential sale. And based on the number of closed residential sales in November, there was just 0.59 months of standing residential inventory available.

Not surprisingly, average prices continued to push higher in December. One indication of that was the *Average Sale Price-All MLS*, which was \$442,577, up 0.5% from November, and up 9.6% from December 2019. More importantly *Median Sale Price-Residential* was \$420,000, up 2.4% from November, up 12.0% from December 2019, and up 20.0% from December 2018. That was also up 61.5% from the previous high in December 2007, and up 138.6% from the December 2011 low during the downturn. And the average residential sale price was \$467,800, up 13.0% from December 2019, and up 20.4% from December 2018.

	DECEMBER 2020	Change from Dec. 2019
Active Listings	717	-60.6%
Solds Year To Date	10,011	5.1%
New Closed Residential Sales	803	16.4%
New Pending Residential Sales	632	19.3%
Average Days on Market-Res. Slds	34	-47.7%
Average Sale Price- All MLS	\$442,577	9.6%
Median Sale Price-Residential	\$420,000	12.0%

The historically low inventory seems to suggest that listing activity has been depressed, but a look at annual listing numbers tells a different story. There were 10,727 residential listings submitted to RMLS in 2020, which was down 5.5% from 2019, and down 5.6% from 2018. But 2020's listing numbers were statistically the same as in 2017 and 2016, and were larger than in any of the years from 2015 to 2010. Clearly, in 2020 demand absorbed listings as fast as they came on the market, which tells us "we've been living hand to mouth." And with strong demand continuing, listings are going to determine what this market will be 2021 . . .