Clark County Market Report

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The Covid 19 shutdown dramatically changed this market in the third week of March. So this is really a tale of two very different markets. One way to see that was in the 750 *New Pending Residential Sales* submitted to RMLS. You may recall from my last Market Report that there were 528 *New Pending Residential Sales* through mid-March, so new sales fell off dramatically from mid-month. Still *New Pending Residential Sales* were up 6.9% from February, but were down 11.4% from March 2019, and down 9.9% from March 2018. In fact, you have to go back to March 2014 to find fewer new pending sales. That was also reflected in the backlog of pending sales waiting to close. That backlog shrank by 12.2% from February to 1,294, which was the smallest backlog of pending sales in March since 2014. But given the slower pace of closings in March that still represents 1.9 months of closings.

Predictably, closing activity did not fall as sharply as new sales activity because it reflected new sales activity from January and February. Still, it did weaken significantly in March. Reflecting that were the 620 *New Closed Residential Sales* reported, up 20.6% from February, but down 3.0% from March 2019, and down 7.6% from March 2018. That was the smallest number of closed residential sales in March since 2015. Even so, at the end of March there had been 1,869 *Solds Year To Date* reported. That was due to the strong market in December, January and February, and consequently it was up 2.3% from March 2019, but down 3.0% from March 2018, and the same as March 2017. So while total sales for the first quarter looked pretty good, and while April's closings may not be too bad, going forward closings and total sales are going to lag until after we have started to recover.

Interestingly, listing activity was also good for the first part of March, but it also dropped off in the last two weeks of the month. Reflecting that were the 1,022 new residential listings submitted to RMLS, up 31.0% from February, but down 0.6% from March 2019. Still, that was up 3.3% from March 2018, up 6.0% from March 2017, and better than in any other March this decade. As a result, the number of *Active Listings* grew to 1,838 at the end of March, up 16.6% from February, but down 16.3% from March 2019. Even so that was more *Active Listings* than there were in any other March since 2016. More significantly, there were still just 1.36 new residential listings for each new pending residential sale. And based on the number of closed residential sales in March, there were just 1.5 months of standing residential inventory available.

Since prices are a lagging indicator like closings, the shutdown in March did not effect average prices. You could see that in the *Average Sale Price-All MLS* which was $411,756, up 1.7% from February, and up 3.6% from March 2019. More importantly *Median Sale Price-Residential* was $391,700, up 1.3% from February, up 6.7% from March 2019, and up 14.9% from March 2018. That was also up 47.8% from the previous high in March 2007, and up 122.6% from the March 2011 low during the downturn. And the average residential sale price was $426,300, up 2.1% from February, up 7.4% from March 2019, and up 9.5% from March 2018.

	MARCH 2020	Change from March 2019
Active Listings	1,838	-16.3%
Solds Year To Date	1,869	2.3%
New Closed Residential Sales	620	-3.0%
New Pending Residential Sales	750	-11.4%
Average Days on Market-Res. Solds	63	-12.5%
Average Sale Price- All MLS	$411,756	3.6%
Median Sale Price-Residential	$391,700	6.7%

While our current situation is unprecedented, some features of our market will remain the same. First, this market has been characterized by historically low levels of inventory for over 5 years, and that will undoubtedly continue to be the case. Second, demand has also been much greater than supply since we recovered from the last recession, so as we recover from this cpthere will still be strong demand, even if some people are no longer in a position to buy. And finally, lenders expect interest rates to remain low, so as long as financing continues to be available, that will help us recover. The question is, how long it will be until the worst is over and the stay at home orders loosen? The sooner that happens the quicker the recovery.