

Clark County Market Report

July 2020

Mike Lamb

Broker at Windermere Stellar, Vancouver, WA

Mike@MikeLamb.info

360-921-1397

June was a really exceptional month for the Clark County real estate market. That was best seen in new sales activity, with 1,036 *New Pending Residential Sales* reported to RMLS. That was up 16.1% from a very good May, and up 17.6% from June 2019. More impressively, *New Pending Residential Sales* were up 11.4% from June 2016, which was the best recent June for new sales. Furthermore, it was better than in any other June since 2005, and was down just 7.3% from the June 2005 record. As a result, the backlog of pending sales waiting to close grew 7.4% from May to 1,821, up 18.9% from June 2019. That was the largest backlog of pending sales in June since 2016. At the still reduced rate sales closed in June that represents 2.3 months of closings. But even at the rate sales closed in June 2019 that would still represent 2.09 months of closings. A backlog that large ensures that closing activity will continue to normalize for the next two or three months.

The increase in closing activity was not as quite as impressive as the increase in new sales, but it was still very good. You could see that in the 724 *New Closed Residential Sales* reported, up 25.5% from May, but that was still down 9.1% from June 2019. Even though that was the smallest number of closed residential sales in June since 2014, closing activity was clearly normalizing, and was better than in any other June between 2007 and 2014. And with that improved closing activity, at the end of June there had been 4,001 *Solds Year To Date* reported, down 9.3% from June 2019. That was the fewest *Solds Year To Date* through June since 2014, but with the large backlog of pending sales waiting to close, total sales for the year will continue to catch up.

Listing activity also improved in June, although only nominally. Reflecting that were the 979 new residential listings submitted to RMLS, up 0.8% from May. That was still down 11.2% from June 2019, and it was the fewest new residential listings reported in June since 2013. And with the small increase in listing activity, strong new sales activity continued to reduce the number of *Active Listings*, down to 1,670 at the end of June. That was down 4.3% from May, and down 35.1% from June 2019. To put that in perspective, that was smallest number of *Active Listings* in June since 2001. More significantly, there were just 0.94 new residential listings for each new pending residential sale. And based on the number of closed residential sales in April, there were just 1.1 months of standing residential inventory available.

With the strong demand and lack of inventory it was no surprise that average prices climbed dramatically in June. You could see that in the *Average Sale Price-All MLS* which was \$416,153, up 1.2% from May, and up 4.6% from June 2019. More importantly *Median Sale Price-Residential* was \$398,900, up 3.6% from May, up 7.1% from June 2019, and up 10.3% from June 2018. That was also up 50.2% from the previous high in June 2007, and up 121.6% from the June 2011 low during the downturn. And the average residential sale price was \$437,100, up 4.5% from May, up 8.5% from June 2019, and up 10.5% from June 2018. The increase in *Median Sale Price-Residential* is especially noteworthy because, if annualized, it would represent an unsustainable 43.2% year over year increase.

	JUNE 2020	Change from June 2019
Active Listings	1,670	-35.1%
Solds Year To Date	4,001	-9.3%
New Closed Residential Sales	724	-9.1%
New Pending Residential Sales	1,036	17.6%
Average Days on Market-Res. Solds	46	-4.2%
Average Sale Price- All MLS	\$416,153	4.6%
Median Sale Price-Residential	\$398,900	7.1%

The changes in this market from the dip during the stay at home shut down have been really impressive. While there have been other months when new sales activity has increased as much or more, the rapid acceleration from almost no activity from mid-March to mid-April, all while in the midst of the COVID restrictions, makes this something of a black swan event. And the other indicators, decreasing time on market, multiple offers, significantly increasing prices, and historically low inventory all suggest there would have been even more sales if we had more listings. Clearly, recovery in this market is going to depend on whether we have inventory . . .