

Clark County Market Report

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May was a rebound month for the Clark County real estate market. New sales activity was the best reflection of that with 892 *New Pending Residential Sales* reported to RMLS, up 49.7% from April, and down only 1.3% from May 2019. More impressively, *New Pending Residential Sales* were up 0.9% from May 2018, but down 8.9% from May 2017. To put that in perspective May 2017 was the best May for new pending sales since 2005. Furthermore, new sales activity this May was better than in any year between 2006 and 2014. So considering the circumstances, new sales activity was very good. And as a result, the backlog of pending sales waiting to close grew 23.2% from April to 1,695, which was up 4.4% from May 2019. At the reduced rate sales closed in May that represents 2.94 months of closings, but even at the rate sales closed in May 2019 that would still represent 2.13 months of closings. Consequently, closing activity will normalize over the next two months.

In contrast to new sales activity, closing activity continued to lag in May due to the reduced sales activity between mid-March and mid-April. Reflecting that were the 577 *New Closed Residential Sales* reported, up 7.7% from April, but down 27.4% from May 2019. In fact that was the smallest number of closed residential sales in May since 2013. As a result, at the end of May there had been 3,168 *Solds Year To Date* reported, down 8.3% from May 2019. That was the fewest *Solds Year To Date* through May since 2014. Fortunately though, May should be the bottom for total sales closed given the large backlog of pending sales, and the continued strong new sales activity which will continue to fuel recovery.

Fortunately listing activity also picked up dramatically in May. That was not readily apparent though because new listings seemed to sell as fast as they came on the market. Reflecting that were the 971 new residential listings submitted to RMLS, up 43.9% from April. Still, that was down 23.7% from May 2019, and it was the fewest new residential listings since May 2014. While that increased listing activity was a big step toward recovery, with the strong new sales activity the number of *Active Listings* fell to 1,745 at the end of May, down 5.6% from April, and down 29.3% from May 2019. To put that in perspective, that was the fewest *Active Listings* in any May since 2005. More significantly, there were just 1.09 new residential listings for each new pending residential sale. And based on the number of closed residential sales in April, there were just 1.4 months of standing residential inventory available.

Average prices continued to climb in May. You could see that in the *Average Sale Price-All MLS* which was \$411,216, up 0.1% from April, and up 4.0% from May 2019. More importantly *Median Sale Price-Residential* was \$384,900, statistically unchanged from April, but up 2.6% from May 2019, and up 6.9% from May 2018. That was also up 44.2% from the previous high in May 2007, and up 102.7% from the May 2011 low during the downturn. And the average residential sale price was \$418,300, up 1.3% from April, up 2.0% from May 2019, and up 5.6% from May 2018. It is noteworthy that even though these increases in average prices were modest, they did not decline.

	MAY 2020	Change from May 2019
Active Listings	1,745	-29.3%
Solds Year To Date	3,168	-8.3%
New Closed Residential Sales	577	-27.4%
New Pending Residential Sales	892	-1.3%
Average Days on Market-Res. Solds	48	-2.0%
Average Sale Price- All MLS	\$411,216	4.0%
Median Sale Price-Residential	\$384,900	2.6%

The magnitude of the rebound in May may have been surprising, but the second half of April suggested it was coming. Furthermore, the fact that new sales activity normalized even while inventory was in such short supply was one more indicator of the strong the pent up demand. Another indicator was the drop in Average Days on Market for Residential Solds, from 63 days in March to 48 days in May, which tells us a significant percentage of listings were selling in just a few days with multiple offers. That suggests there would have been more new sales had there been enough inventory. To meet the demand, we are going to need a lot more good listings.