

Clark County Market Report

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Mike Lamb

Broker at Windermere Stellar, Vancouver, WA

Mike@MikeLamb.info

360-921-1397

The Clark County real estate market began 2022 with historically low inventory. The result was that new sales activity was down from January 2021's record, but it was still the third best January on record. You could see that in the 701 *New Pending Residential Sales* reported to RMLS, up 21.3% from December and similar to the seasonal pattern, but it was down 17.8% from January 2021. Even so, that was up 4.3% from January 2020, and up 0.7% from January 2015, which was the best January between 2006 and 2020. And *New Pending Residential Sales* were down just 9.7% from December 2021, which until 2021 held the previous record. As a result, at the end of January there were 1,378 pending sales waiting to close, down from last January's record backlog but better than in any other January since 2016. At the rate sales closed in January that represented a healthy 2.5 months of closings.

Similarly, residential closing activity was down from last January, but it was still the second best on record. Reflecting that were the 534 *New Closed Residential Sales* reported, down 36.2% from the January 2021 record, but up 8.8% from January 2020, and up 7.7% from January 2005, which held the record until 2021. Cumulative sales for all properties were also down from January 2021, but were still the third highest on record. Reflecting that were the 552 *Solds Year to Date*, down 18.2% from the January 2021 record, but up 1.1% from January 2020. The only other years that were better was 2016, which recorded 2.7% more sales, and 2005, which recorded 3.5% more sales. So despite the declines from 2021, from an historical perspective it was a good start for the year.

Listing activity improved in January compared to December, but it was not enough to meet demand, with just 695 new residential listings submitted to RMLS. While that was up 37.4% from December, it was much less than the typical seasonal change. In fact, new residential listings were down 18.6% from January 2021, down 5.6% from January 2020, and down 19.2% from January 2019. As a result, the number of all *Active Listings* fell to 505 by the end of the month, down 14.7% from December, down 22.4% from January 2021, down 68.2% from January 2020, and down 75.9% from January 2019. That was yet another new record low. Consequently, there was just 0.99 of a new residential listing for each new pending residential sale. And based on the number of closed residential sales in January there were just 12 days of standing residential inventory available.

The strong demand pushed prices up dramatically in January. For example *Average Sale Price-All MLS* was \$666,777, up 26.2% from December, likely a sampling error. More importantly *Median Sale Price-Residential* was \$500,000, up 17.7% from January 2021, up 30.9% from January 2020, and up 40.9% from January 2019. That was also up 92.4% from the previous high in January 2007, and up 201.2% from the January 2012 low during the downturn. And the average residential sale price was \$553,100 in January, up 16.3% from \$475,400 in January 2021.

	JANUARY 2022	Change from Jan. 2021
Active Listings	505	-22.4%
Solds Year To Date	552	-18.2%
New Closed Residential Sales	534	-8.3%
New Pending Residential Sales	701	-17.8%
Average Days on Market-Res. Slds	25	-30.6%
Average Sale Price- All MLS	\$666,777	43.3%
Median Sale Price-Residential	\$500,000	17.7%

January's data illustrates the supply side challenges this market is experiencing. Essentially, the problem is that when there is almost no inventory, sales are completely dependent on new listing activity. You can see that when you analyze the 308 residential listings available when the data for this report were gathered. Of those listings only 187 were actually ready for occupancy, which represents only 12 days of standing inventory. Furthermore, there were 695 new residential listings and 701 new pending residential sales, which clearly shows the linkage between listings and sales. On the demand side, time on market remains at historic lows while prices push dramatically higher. That tells us demand remained strong in January, and anecdotal evidence from brokers indicates demand continues to be strong. All that tells us we need a lot more listings . . .