

Clark County Market Report

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The Clark County real estate market rebounded a bit in May following April's slowdown. You could see that in the 872 *New Pending Residential Sales* reported to RMLS, up 8.7% from April, and down just 5.8% from March, a pretty significant bounce. To put that in perspective, *New Pending Residential Sales* were down 16.1% from May 2021, which recorded the second best May on record for new sales, down 1.6% from May 2020, and down 3.5% from May 2019. Yet despite the improvement from April, new sales activity was still the weakest we have seen in any May since 2014. As a result, at the end of the month there were 1,380 pending sales waiting to close, down 7.0% from April, and down 32.8% from the May 2021 record. At the rate sales closed in May that represented 1.7 months of closings.

In contrast to the increase in new sales, closing activity slowed in May reflecting the reduced new sales in April. An indication of that was the 792 *New Closed Residential Sales* reported, down 1.7% from April, and down 4.8% from the May 2021 record. Still, *New Closed Residential Sales* were down only 1.1% from May 2018, which recorded the best closed sales in May between 2006 and 2020, and they were down 1.7% from May 2005. Furthermore, May's closings combined with the strong closing activity in the first quarter, resulted in a total of 3,778 *Solds Year to Date* reported by the end of the month, the third best on record. That was down 7.9% from the May 2021 record, and down 4.2% from May 2005. Looking ahead though, total sales year to date will continue to lag as long as new sales activity remains below the levels we saw in the first quarter.

Another indicator of the May rebound was listing activity, with 1,169 new residential listings submitted. That was the largest number of listings submitted in any month this year, up 23.3% from April, and up 10.8% from May 2021. As a result, and despite the improved new sales activity, the number of *Active Listings* rose to 1,158, up 53.6% from April and up 43.5% from May 2021. Even so, that was still down 33.6% from May 2020, and down 53.1% from May 2019. Consequently, there was just 1.34 new residential listing for each new pending residential sale. And based on the number of closed residential sales in May there were 27 days of standing residential inventory available. That was up 80% from 15 days of standing residential inventory in April.

The still low levels of inventory and improved demand continued to support higher prices in May. For example *Average Sale Price-All MLS* was \$592,579, up 22.0% from May 2021. *Median Sale Price-Residential* was \$542,600, up 2.7% from April, up 16.7% from \$465,000 in May 2021, and up 41.0% from \$384,900 in May 2020. That was also up 103.2% from the previous high in May 2007, and up 185.7% from the May 2011 low during the downturn. And the average residential sale price rose 2.9% from April to \$604,400, up 16.1% from \$520,600 in May 2021.

	MAY 2022	Change from May 2021
Active Listings	1,158	43.5%
Solds Year To Date	3,778	-7.9%
New Closed Residential Sales	792	-4.8%
New Pending Residential Sales	872	-16.1%
Average Days on Market-Res. Slds	18	0.0%
Average Sale Price- All MLS	\$592,579	22.0%
Median Sale Price-Residential	\$542,600	16.7%

New pending sales are the best indicator of what is happening in a real estate market because they provide the most recent insight into buyer activity. In this case, May's pending sales tell us this market significantly improved from April. And they suggest there is still plenty of demand. The other important market indicator is new listing activity, which came back strongly in May. That was really good news given the historically low levels of inventory we have seen. It also suggests the improvement in listing activity helped fuel the increase in new sales activity. Yet even though inventory grew significantly, there was still less than a month of standing inventory available. In fact, that was the second lowest number of Active Listings available in any May on record. Clearly we still need more good listings.