

Clark County Market Report

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In September the Clark County real estate market slowed significantly from August, reflecting the seasonal pattern we have seen every year since 2011. You could see that in the 564 *New Pending Residential Sales* reported to RMLS, down 16.8% from August, and down 36.6% from September 2021. In fact that was the lowest number of *New Pending Residential Sales* for the month in the last nine years, although it was up 18.5% from September 2012. To put that in perspective, in the last ten years there were five double digit decreases in new sales activity from August to September, and two of those had larger decreases than we saw this September. So the decline in new sales activity in September was not unusual. What was unusual though was there were just 860 pending sales waiting to close by the end of the month. That was down 14.6% from August, due at least in part to an increase in the percentage of sales failing. That was by far the smallest backlog of pending sales for the month in over ten years. Even at the reduced rate sales closed in September that represented just 1.34 months of closings.

Closing activity also slowed in September. That could be seen in the 644 *New Closed Residential Sales* reported, down 9.8% from August, down 29.8% from September 2021, and down 31.5% from the September 2020 record. To put that in perspective, it was also down 11.9% from September 2019, and down 4.9% from September 2018. In fact, there were fewer closings last month than in any other September since 2012. As a result, at the end of the month there had been 6,943 *Solds Year to Date* reported, down 16.9% from the September 2021 record, down 2.0% from September 2020, and down 2.8% from September 2019. Furthermore, with new sales activity down in September, that will cause total sales for the year to continue to trend lower compared to recent years.

Listing activity also slowed in September, like it has in every September since 2011. There were just 747 new residential listings submitted, down 8.1% from August, and down 25.2% from August 2021. In fact, that was the weakest listing activity in September since 2012. Consequently, the number of *Active Listings* fell to 1,559, down 1.3% from August, but up 54.4% from September 2021, and up 24.5% from September 2020. To put that in perspective, *Active Listings* were down 34.8% from September 2019, and were fewer than in any other year on record. That also meant there was just 1.32 new residential listings for each new pending residential sale in September. And based on the number of closed residential sales in September, there were only 1.58 months of standing residential inventory available.

Predictably, average prices continued to trend lower in September. For example *Average Sale Price- All MLS* was \$593,932, down 0.4% from August but still up 13.9% from September 2021. *Median Sale Price-Residential* was \$525,000, down 1.1% from August, but up 11.0% from \$473,000 in September 2021. And the average residential sale price fell 3.5% from August to \$584,300, up 10.2% from \$530,200 in September 2021.

	OCTOBER 2022	Change from Oct. 2021
Active Listings	1,559	54.4%
Solds Year To Date	6,943	-16.9%
New Closed Residential Sales	644	-29.8%
New Pending Residential Sales	564	-36.6%
Average Days on Market-Res. Solds	35	94.4%
Average Sale Price- All MLS	\$593,932	13.9%
Median Sale Price-Residential	\$525,000	11.0%

The fact that this market followed the same seasonal pattern it has shown over the last ten years is significant, particularly in the light of slower activity. That tells us what we are seeing in this market is not something completely new and different. More importantly, it is not even unprecedented. For example, while new sales and closing activity in September were weaker than we have seen recently, they were still better than they were in six of the Septembers between 2005 and 2022. The primary challenge for the market continues to be inventory. With weak listing activity in September, and the resultant reduction in inventory, there is little doubt the lack of inventory is restricting new sales. So in order for sales activity to increase significantly, we need more good listings . . .