

# Clark County Market Report

January 2023 (Year End 2022)

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The Clark County real estate market slowed in December, continuing the decline in sales that began in April. But unlike the earlier declines December's slowing reflected the normal seasonal pattern. Surprisingly though, the 13.1% decline from November was significantly less than the average 18.8% decline in every other December since 2013. Yet despite that there were only 373 *New Pending Residential Sales* reported to RMLS, down 13.1% from November and down 35.5% from December 2021. In fact, that was the weakest new sales for the month since 2013. And with fewer new sales, the backlog of pending sales waiting to close fell 13.2% from November to 599 at the end of the month. That was down 11.0% from November and down 100.0% from August. In fact, that was the smallest backlog of pending sales at the end of December since at least 2010. Consequently, even at the significantly reduced rate sales closed in December that represented just 1.3 months of closings.

Predictably, with the shrinking backlog in pending sales, closing activity also slowed in December. You could see that in the 451 *New Closed Residential Sales* reported, down 2.0% from November, down 46.1% from December 2021, and down 43.8% from December 2020. That was also down 34.6% from December 2019, down 13.6% from December 2018, and it was the fewest residential closings for the month since 2012. As a result, at the end of the year there had been 8,552 *Solds Year to Date* reported, down 23.3% from the 2021 record, down 14.6% from 2020, and down 10.2% from 2019. That was also the fewest total annual sales since 2014. Furthermore, with the small backlog of pending sales going into the new year, total sales in the first quarter of 2023 will lag and will likely be similar to what they were in 2012 or 2013.

Listing activity was also weaker in December. There were just 367 new residential listings submitted, down 25.7.0% from November, down 27.5% from December 2021, and down 33.4% from December 2020. Worse, that was the weakest listing activity since December 2012, down 12.6% from December 2019, and down 15.0% from the average since 2012. As a result, the number of *Active Listings* fell to 1,141, down 19.0% from November, but up 92.7% from December 2021's record low, and up 59.1% from December 2020. Even so that was down 37.2% from December 2019, and it was much lower than any other year since at least 2005. In fact, there was just 0.98 new residential listing for each new pending residential sale in December. And based on the number of closed residential sales in December there were only 1.4 months of standing residential inventory available.

Unsurprisingly with higher mortgage interest rates, average prices continued to moderate in December. For example *Average Sale Price-All MLS* was \$590,404, up an insignificant 0.03% from November and up 11.8% from December 2021. More significantly, *Median Sale Price-Residential* was \$479,900, down 6.6% from \$514,000 in November, and down 2.1% from \$490,000 in December 2021. Similarly the average residential sale price fell 5.7% from November to \$544,200, down 1.0% from \$549,900 in December 2021.

	DECEMBER 2022	Change from Dec. 2021
<b>Active Listings</b>	1,141	92.7%
<b>Solds Year To Date</b>	8,552	-23.3%
<b>New Closed Residential Sales</b>	451	-46.1%
<b>New Pending Residential Sales</b>	373	-35.5%
<b>Average Days on Market-Res. Solds</b>	52	116.7%
<b>Average Sale Price- All MLS</b>	\$590,404	11.8%
<b>Median Sale Price-Residential</b>	\$479,900	-2.1%

*It is interesting that after seven months of declining sales, the reduction in new sales in December was much smaller than usual. It is also significant that there were still multiple offers on new listings in December. That tells us demand continues to be strong. In fact, even though there were fewer new pending and closed sales in the second half of 2022 than we have seen in recent years, sales activity was still better than in any of the years from 2007 to 2012. Clearly, the lack of supply has been limiting sales. More concerning is the fact that listing activity in December was weaker than in any year since 2012. That tells us sales cannot improve significantly without more inventory . . .*