Clark County Market Report

September 2023

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New sales activity slowed in the Clark County real estate market in August, reflected by the 551 *New Pending Residential Sales* reported to RMLS. That was unusual, down 15.2% from 650 in July, and while new pending sales also declined in the same period in 2022, that decline was only 3.4%. Prior to that, the last time new pending sales fell from July to August was in 2014, when they declined 8.7%. As a result, *New Pending Residential Sales* were down 18.7% from August 2022, down 45.3% from August 2021, and down 49.7% from August 2020, which was this market's record high. That was also the fewest *New Pending Residential Sales* for the month since 2012. Consequently, the backlog of residential pending sales shrank 1.7% from July to 894. That was down 11.2% from August 2022, down 51.9% from August 2021, and it was the smallest backlog of pending sales in September since 2008. At the rate sales closed in August that represented 1.5 months of closings.

In contrast, closing activity improved in August, with 596 *New Closed Residential Sales* reported. That was up 8.2% from July, reflecting stronger sales in May and June. Even so, residential closings were down 16.5% from August 2022, down 35.6% from the August 2021 record, and that was by far the smallest number of residential closings for the month since 2012. As a result, at the end of August there had been just 4,402 *Solds Year to Date* reported, down 28.6% from August 2022, and down 39.7% from the August 2021 record. That was significantly fewer *Solds Year to Date* reported in August than in any year since 2012.

Listing activity also weakened in August, with just 716 new residential listings submitted. That was down 6.7% from July's anemic performance, down 11.9% from August 2022, down 34.1% from August 2021. In fact that was the weakest listing activity for the month since 2012. Yet with slower new sales activity, the number of *Active Listings* grew to 1,472, up 5.0% from July. That was down 6.8% from August 2022, but up 39.3% from the August 2021 record low and up 6.1% from August 2020. Even so, that was down 42.8% from August 2005, and it was much lower than in any other year in recent memory. Consequently, there was just 1.3 new residential listings for each new pending residential sale in August. And based on the number of closed residential sales in August there were only 1.4 months of standing residential inventory available.

Predictably, with slower new sales activity, changes in average prices continued to moderate in August. For example, *Average Sale Price-All MLS* (this includes all property types) was $581,675, up just 0.3% from July and down 2.4% from August 2022. More significantly, *Median Sale Price-Residential* fell 2.1% from $550,000 in July to $538,400, but that was still up 1.4% from $531,000 in August 2022. In contrast, the average residential sale price was $603,000 in August, up 1.7% from July, but down 0.5% from $605,300 in August 2022.

	AUGUST 2023	Change from Aug. 2022
Active Listings	1,472	-6.8%
Solds Year To Date	4,402	-28.6%
New Closed Residential Sales	596	-16.5%
New Pending Residential Sales	551	-18.7%
Average Days on Market-Res. Solds	35	25.0%
Average Sale Price- All MLS	$581,675	-2.4%
Median Sale Price-Residential	$538,400	1.4%

So was the August decline in new sales and listing activity the result of everyone going on vacation, or did it reflect a change in the market? Or was it a combination of factors? It certainly seemed like it was a great year for vacations. And higher interest rates may have had a cooling impact on both buyers and potential sellers. But one thing is certain, the lack of inventory continued to be a drag on the market. You could see that in the total number of new listings submitted year to date. This year through August there were just 5,616 new listings, down 27.3% from 7,727 in 2022, and down 31.9% from 8,252 in 2021. In fact, excluding 2020, that was fewest new listings year to date since 2014. Even so, it is likely the weak sales and listing activity in August were the result of the combination of summer vacations, higher interest rates, and limited inventory. With summer vacations ending, we will know more about the direction of the market in October, but we know for sure we need more good listings.