

Clark County Market Report

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The Clark County real estate market slowed in February, with new sales activity down 5.0% from a pretty good January. You could see that in the 475 *New Pending Residential Sales* reported to RMLS, down 16.5% from February 2024, down 5.0% from February 2023, and down 37.3% from February 2022, which was the second best on record, just behind February 2005. More significantly, that was the fourth fewest new pending sales in February, beating only 2011, 2009, and 2008. Consequently, by the end of the month there were just 826 pending sales waiting to close, up 2.4% from January. That was down 6.8% from February 2024, down 2.1% from February 2023, and it was by far the smallest backlog of pending sales in any other February since 2009. At the rate sales closed in February that represented 1.97 months of closings.

In contrast, closing activity improved modestly in February due to stronger new sales activity in January. That was reflected in the 419 *New Closed Residential Sales* reported, up 4.8% from January, up 8.0% from February 2024, and up 7.8% from February 2023. Still, that was down 26.1% from February 2022, and down 31.3% from the February 2021 record. That was also significantly fewer closed sales than in any other February since 2014. As a result at the end of the month there had been 890 *Solds Year to Date* reported, up 9.3% from February 2024, and up 8.9% from February 2023. Even so, that was down 27.1% from February 2022, and down 33.9% from the February 2021 record. That was also the fewest *Solds Year to Date* reported in any other February between 2014 and 2021.

Another indication of the cooler February market was weaker listing activity. There were just 532 new residential listings submitted, down 10.4% from January, and down 11.6% from February 2024. While that was up 15.4% from February 2023, it was down 36.8% from February 2022, and down 25.2% from February 2021. In fact, other than 2023 that was the weakest listing activity in February this century. As a result, the 1,497 *Active Listings* at the end of the month was statistically unchanged from January. While that was better than in any February since 2020, it was still significantly fewer listings than in any other February in more than 30 years. For example, in February 2015 there were 2,387 *Active Listings*, in February 2010 there were 5,181, and in February 2005 there were 1,872. As a result, in February there was just 1.12 new residential listing for each new pending residential sale. And based on the number of closed residential sales there were just 2.0 months of standing residential inventory available.

Despite slower sales activity in February, the limited inventory continued to push average prices higher. For example, *Average Sale Price-All MLS* was \$583,061, up 5.1% from \$554,623 in February 2024. More importantly, the *Median Sale Price-Residential* was \$530,300, up 3.8% from \$510,800 in February 2024. And the average residential sale price was \$597,800, up 7.3% from February 2024. To put those numbers in perspective, in February 2020 the median residential sale price was \$386,700, and in February 2015 the median residential sale price was \$234,800.

	FEBRUARY 2024	Change from Feb. 2024
Active Listings	1,497	25.4%
Solds Year To Date	890	9.3%
New Closed Residential Sales	419	4.2%
New Pending Residential Sales	475	-16.5%
Average Days on Market-Res. Solds	77	0.0%
Average Sale Price- All MLS	\$583,061	5.1%
Median Sale Price-Residential	\$530,300	3.8%

The market's slowdown in February was surprising given the the improving sales activity from November through January. But the fact that both listing and sales activity cooled in February clearly tells us the market was taking a break. And no matter what may have sent the market into time out, now in early March strong new sales activity suggests break time is over. That is good news, but the challenge is if strong sales activity continues without an equivalent increase in listing activity, inventory will be quickly absorbed. That would constrain the market, put more upward pressure on prices, and further reduce opportunities for buyers. All of which would make the lack of affordable housing worse, and all of which could be avoided if listing activity improves.