



Clark County Market Report



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The Clark County real estate market improved in February, although compared to January that isn't saying a lot. Still, it was good to see some improvement and to consider the possibility that the direction of the market may be changing. The improvement was best seen in new sales activity, which was up for the second month in a row with 392 *New Pending Residential Sales* reported, up 10.3% from January, but down 15.7% from February 2008, and down 38.4% from February 2007. Interestingly, the increase in new sales activity from January to February was better than all but three years this decade. Even better, the fact that new sales activity has been improving consistent with the normal seasonal pattern suggests that activity in the market may be starting to trend upward.

Closing activity continued to be weak in February, which reflected the poor new sales activity in the last quarter of 2008, and the significantly longer times needed to close new loans. Still, closing activity did improve in February. Indicative of this, there were 225 *New Closed Residential Sales* reported, up 10.3% from January, but down 23.5% from February 2008, and down 49.3% from February 2007. *Solds Year To Date* continued to reflect the weak closing activity with only 462 *Solds Year To Date* reported, down 22.1% from February 2008, and down 51.9% from February 2007.

Listing activity slowed dramatically in February, typical of the seasonal pattern, but falling to levels not seen since 2003. There were only 825 new residential listings submitted, down 15.1% from January, down 25.9% from February 2008, and down 27.2% from February 2007. At the end of the month there were 6,298 *Active Listings*, down 1.4% from January, and also down 1.4% from February 2008. In fact, this was the sixth month in a row in which the total number of *Active Listings* has fallen from the previous month.

Yet despite the continuing decline in both new listing activity and in total number of *Active Listings*, at the rate sales closed in February there were 18.6 months of available residential inventory, down from a record high of 21 months in January. These numbers are somewhat misleading because they are based on the unusually small number of closed sales reported in January and February. Instead, if the months of inventory were based on new pending sales reported in February there would be only 11.1 months of inventory available, a significantly smaller oversupply.

Another interesting development in February was the fact that average prices increased from January. For example, *Median Sale Price-Residential* rose 6.8% from January to \$222,500, but down 9.2% from February 2008 and down 13.8% from February 2007. *Average Sale Price-All MLS* rose 4.7% from January

to \$243,746, surprisingly up 14.5% from February 2008 but down 20.6% from February 2007. The average residential sale price also rose from January, up 7.0%, but down 9.6% from February 2008 and down 14.5% from February 2007.

All this suggests there may be cause for guarded optimism. Furthermore, the most current data indicates that pending sales in March could be at least comparable to March 2008, which was significantly better than any month in the last quarter of 2008. With historically low interest rates, great values, and the \$8,000 first time home buyers tax credit there are many reasons for the market to improve. The critical piece for really significant recovery in this market however will be jobs. As the job situation starts to improve, this market is ready to go . . .

| | February 2009 | % Change from Feb. '08 |
|---|------------------|---------------------------------------|
| Active Listings | 6,298 | -1.4% |
| Solds Year To Date | 462 | -22.1% |
| New Closed Residential Sales | 225 | -23.5% |
| New Pending Residential Sales | 392 | -15.7% |
| Average Days On Market-Residential Solds | 172 | This data was not collected last year |
| Average Sale Price-All MLS | \$243,746 | 14.5% |
| Median Sale Price-Residential | \$222,500 | -9.2% |