

Clark County Market

August 2010

Mike Lamb
Associate Broker

[Www.MikeLamb.info](http://www.MikeLamb.info)
Windermere Vancouver

MLamb@windermere.com
360-694-4050

In spite of reports that closed sales in the Clark County real estate market fell dramatically in July, the reality of what was happening in the market was somewhat different. Nothing illustrates this better than new sales activity, which was actually better than it was in June, up 3.1% with 435 *New Pending Residential Sales* reported, and down just 1.6% from May. So while *New Pending Residential Sales* were down 27.3% from July 2009, they were down just 5.2% from July 2008, hardly a collapse in new sales activity. In fact the improvement from June, and the fact that new sales activity was better in July than it was in June and January, and so close to May's activity suggests that the market was still reflecting the seasonal pattern and not falling off significantly.

Of course, the numbers that got everyone's attention were closed sales. And they were surprisingly weak. This was best seen in the 312 *New Closed Residential Sales* reported, down 40.9% from June, and the weakest month for closings since February. In fact, *New Closed Residential Sales* were down 40.6% from July 2009, and down 26.6% from July 2008. Interestingly, despite the weak closing activity, there were 3,374 *Solds Year To Date* at the end of July, up 29.7% from 2009, and up 15.2% from 2008.

The question that should be asked is why closings fell so sharply in July? The answer is that anecdotal evidence from agents and lenders suggests the reason for the decline was that it was taking longer to close transactions due to new requirements from lenders. So it is worth noting that the backlog of pending sales waiting to close was still 1,035, up significantly from recent lows. Furthermore, with new sales activity improving, there is no reason to turn out the lights yet.

In fact, slightly improved listing activity in July also suggests that the market may be showing improved confidence. There were 871 new residential listings submitted in July, up 4.6% from June but still down 3.1% from July 2009. This increase in new listings caused the number of *Active Listings* to increase to 5,647, up 3.5% from June but still down 0.7% from July 2009, and down 26.6% from July 2008, so there has been no rapid increase in inventory. Interestingly, RMLS reported there were 12 months of inventory available in July based on the number of closed sales, up from 6.8 months in June. But based on the number of new pending sales, there would be just 9.2 months of available inventory, still up significantly from Spring, but still down dramatically from the first half of 2009 and the first 2 months of this year.

Prices apparently reflected the seasonal slowing, changing only a little from June. For example, *Average Sale Price-All MLS* fell just 0.1% from June to \$232,170, down just 3.8% from July 2009. The average residential sale price fell 4.9% from June to \$237,500, up 0.1% from July 2009. The biggest change was in *Median Sale Price-Residential* which fell 4.6% from June to \$209,900, still down just 1.5% from July 2009.

	DATA FOR JULY 2010	% Change from July 2009
Active Listings	5,647	-0.7%
Solds Year To Date	3,374	29.7%
New Closed Residential Sales	312	-40.6%
New Pending Residential Sales	435	-27.3%
Average Days on Market-Res. Solds	130	-12.2%
Average Sale Price-All MLS	\$232,170	-3.8%
Median Sale Price-Residential	\$209,900	-1.5%

No reasonable person would argue that the market was wonderful in July, but it was far better than the sold data would seem to indicate. This points out the importance of looking at data like new pending sales, which reflects the most recent sales activity. And when changes in the time needed to close transactions occurs, like it did in July sales data becomes especially problematic. In contrast, a review of all of the data reported here suggests that the market is still recovering from the effects of the tax credit, and is also still following the seasonal pattern. With summer winding down, it is time for the market to get going. September and October should tell us if it does, and what direction this market will take in the last half of the year.