

Clark County Market

July 2010

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Despite the unseasonal weather, a summer pattern arrived in the Clark County real estate market in June. Reflecting the typical summer pattern, new sales activity slowed a little from May. And perhaps more significantly, new sales activity was comparable to January's levels, which is also fairly typical for June. This was best seen in the 422 *New Pending Residential Sales* reported, down 4.5% from May, down 28.4% from June 2009, and down just 6.4% from June 2008. So while new sales activity was softer, it was encouraging that this was apparently not due to the hangover from the tax credit.

Even though new sales activity softened, closing activity remained good enough in June to make it the second best month for closings so far this year. This was the continued reflection of the strong new sales activity in late March and April fueled by the tax credit. As a result, there were 528 *New Closed Residential Sales* reported in June, down just 0.9% from May, but up 10.0% from June 2009, and up 26.3% from June 2008. This strong closing activity pushed *Solds Year To Date* to 2,997, up 36.8% from 2009, and up 23.1% from 2008. But with the softening in new sales, the backlog of pending sales waiting to close shrank by almost 12% in June. That suggest that sales activity will have to increase dramatically in order for 2010 to beat 2007 in terms of total sales.

Another encouraging sign was that listing activity increased modestly in June, which is often an indicator of improving confidence in the market. The stronger listing activity was best reflected by the 833 new residential listings submitted, up 11.2% from May but still down 15.3% from June 2009. The increase in new listings caused the number of *Active Listings* to increase to 5,456 by the end of June, up 1.2% from May but still down 3.2% from June 2009, down 27.8% from June 2008, and down 14.2% from June 2007.

RMLS reported there were 6.8 months of inventory available in June. This was up from 6.6 months in April and May, but down from 7.9 months in June 2009 and down from 12.6 months in June 2008. So even though inventory grew slightly in June, it was still much smaller than it has been recently. Furthermore, there was still not an oversupply in the market as a whole.

Prices also reflected some improvement in June. For example, *Average Sale Price-All MLS* rose 1.1% from May to \$232,275, down just 3.7% from May 2009. The average residential sale price rose an impressive 9.8% from May to \$249,600, up 2.2% from June 2009. Most significantly, *Median Sale Price-Residential* rose 10.0% from May to \$219,900, up 3.5% from June 2009. Interestingly, average sale prices grew dramatically compared to 2004 levels, but still remained lower than they were in June 2005.

	JUNE 2010	% Change from June 2009
Active Listings	5,456	-3.2%
Solds Year To Date	2,997	36.8%
New Closed Residential Sales	528	10.0%
New Pending Residential Sales	422	-28.4%
Average Days on Market-Res. Solds	126	-17.7%
Average Sale Price-All MLS	\$232,275	-3.7%
Median Sale Price-Residential	\$219,900	3.5%

The fact that the slowing in new sales activity reflected the seasonal pattern was encouraging. As was the modest increase in new listing activity, and the improvement in prices. These suggest that the hangover following the tax credit is about over, and that the market is positioned to continue its recovery. The historically low interest rates, along with very good prices, and reasonable levels of inventory make this a great time to buy. And anecdotal evidence from Realtors suggests that more consumers are recognizing this and are showing significantly greater interest in real estate than they have for several years. All of which is good news for this market.