

Clark County Market

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The Clark County real estate market went into rehab in May, after a binge of new sales activity in March and April. In fact, new sales activity was the softest it has been since January. The best indicators of this were the 442 *New Pending Residential Sales* reported, down 33.5% from March, down 41.5% from April, and down 18.3% from May 2009. Yet despite this decline in new sales activity, the average of new residential pendings per month from January through May was 564, up 20.8% from an average of 467 per month over the same period last year.

In contrast to the slowing new sales activity in May, it was an excellent month for closed sales. This should not be surprising given the strong new sales activity in March and April. That activity translated into 533 *New Closed Residential Sales* reported in May, up 1.5% from April, and up 51.0% from May 2009, up 33.3% from May 2008, and down only 4.4% from April 2007. This meant that May beat April as the new best month for closings since August 2007. Inevitably, the strong closing activity pushed *Solds Year To Date* to 2,386, up 44.5% from 2009, and up 23.9% from 2008, but still down 20.4% from 2007. This is probably the closest this market will get to 2007 in terms of total sales for at least the next several months.

Like new sales activity, listing activity also softened in May. The could be best seen in the 749 new residential listings submitted, down 20.3% from April and down 9.2% from May 2009. In spite of this decrease, the weaker new sales activity caused the number of *Active Listings* to increase to 5,390 by the end of May, up 2.9% from April but still down 7.9% from May 2009, down 26.8% from May 2008, and down 12.2% from May 2007. This was the smallest number of *Active Listings* available in May since 2006.

RMLS reported there were 6.6 months of inventory available in May based on the number of residential sales closed. This was unchanged from April, down from 11.1 months in May 2009 and down from 12.6 months in May 2008. But based on the number of new pending residential sales reported there would be 8.5 months of available inventory, a significant increase from 4.8 months in April.

Interestingly in spite of the changes in the market, average prices fell only slightly in May. For example, *Average Sale Price-All MLS* fell marginally to \$229,827, down 0.3% from April, and down 4.7% from May 2009. The average residential sale price fell to \$227,300, down 1.1% from April, and down 5.1% from May 2009. Similarly, *Median Sale Price-Residential* fell to \$200,000, down 1.0% from April and down 7.0% from May 2009. Interestingly, average sale prices remained lower than they were in May 2005, but higher than they were in May 2004.

	MAY 2010	% Change from May 2009
Active Listings	5,390	-7.9%
Solds Year To Date	2,386	44.5%
New Closed Residential Sales	533	51.0%
New Pending Residential Sales	442	-18.3%
Average Days on Market-Res. Solds	122	-36.1%
Average Sale Price-All MLS	\$229,827	-4.7%
Median Sale Price-Residential	\$200,000	-7.0%

May's drop in new pending sales was likely the result of the tax credit pulling buyers to purchase before April 30 so they would qualify for the tax credit. (You will recall that March and April both posted strong new sales activity.) And typical of what has happened with other incentives, the result is that you inevitably get a drop in activity the following month or two because you've pulled the demand ahead of where it would have normally been. The good news is that if past experience is an indication, the market will pick up again as new buyers come into the market. And there is every reason for that. Inventory is still adequate in most price ranges, interest rates are great, and eventually the weather will improve just as the market has.