

Clark County Market Report

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New sales activity in the Clark County real estate market was really hot in August. You could see that best in the 1,095 *New Pending Residential Sales* reported to RMLS. That was up 6.4% from July, which set a new record for new sales activity last month, and it was up a really impressive 25.7% from August 2019. In fact, there were significantly more new pending sales in August than in any August since 2005. Even more impressively, new pending sales were up 4.1% from August 2005, which until now had held the record for new pending sales. As a result, the backlog of pending sales waiting to close grew 10.5% from July to 2,165. That was up 41.6% from August 2019, and up 8.8% from August 2016, which until now was the largest August backlog this decade, and it was up 10.7% from August 2005. In fact, that may be the largest backlog on record for Clark County. And even at the healthy rate sales closed in August that represents 2.25 months of closings.

In contrast, closing activity was not as strong in August. That was reflected by the 821 *New Closed Residential Sales* reported, down 12.6% from July, and down 4.1% from August 2019, but up 0.6% from August 2018. To put that in perspective, August residential closings were down 3.3% from August 2017, and down 1.2% from August 2016, but they were better than in any other year between 2006 and 2015. Furthermore, despite the modest closing activity at the end of August there had been 5,990 *Solds Year To Date* reported, down just 4.6% from August 2019 and an improvement from a 6.0% deficit in July. While that total was still the lowest since 2015, it was better than in any other year between 2005 and 2014. And with the very large backlog of pending sales waiting to close, total sales for the year will continue to catch up.

Listing activity slowed in August, but that was typical of the season. Reflecting that were the 1,073 new residential listings submitted to RMLS, down 8.6% from July, but down only 0.1% from August 2019, down just 0.9% from August 2018, and down 4.6% from August 2017. But, there were more new residential listings this August than in any other year this decade. Still, with the hot new sales activity the number of *Active Listings* fell to 1,388 at the end of August. That was down 12.5% from July, and down 46.0% from August 2019. In fact, that was smallest number of *Active Listings* in at least twenty years. More significantly, there was just one new residential listing for each new pending residential sale. And based on the number of closed residential sales in August, there was just 0.8 months of standing residential inventory available.

Hot demand and limited inventory pushed average prices significantly higher in August. You could see that in the *Average Sale Price-All MLS* which was \$428,479, up 1.9% from July, and up 7.0% from August 2019. More importantly *Median Sale Price-Residential* was \$420,000, up 4.5% from July, up 10.5% from August 2019, and up 14.3% from August 2018. That was also up 61.5% from the previous high in August 2007, and up 105.0% from the August 2012 low during the downturn. And the average residential sale price was \$473,400, up 5.7% from July, up 14.0% from August 2019, and up 16.3% from August 2018. Considering recent month over month increases, it is clear that double digit average price increases have arrived.

	AUGUST 2020	Change from Aug. 2019
Active Listings	1,388	-46.0%
Solds Year To Date	5,990	-4.6%
New Closed Residential Sales	821	-4.1%
New Pending Residential Sales	1,095	25.7%
Average Days on Market-Res. Solds	46	-2.1%
Average Sale Price- All MLS	\$428,479	7.0%
Median Sale Price-Residential	\$420,000	10.5%

The exceptionally strong new sales in June and July suggested a really good trajectory for this market that August's super hot sales blew right past. Who would have expected such record demand this year? Furthermore, given the fact that there was only one new listing for each new pending sale, it is reasonable to conclude there would have been even more new sales if there had been more inventory. And even if there was somewhat less demand, with listings at record lows inventory is going to continue to be a challenge. While that is good for sellers, it will continue to limit sales activity. We really need a lot more good listings . . .