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Housing market off to a strong start in the Bluegrass region

New listings and pending sales record double digit increases in January

Lexington, KY (February 25, 2026) – The new year started off strong for the real estate market in Central and Southern Kentucky. All the major categories trended in a positive direction in January despite the challenging weather experienced across much of the region.

New listings took off in January. After ending last year up 8%, new homes coming to the market jumped 22% in the first month of 2026, reaching 1,359 compared to 1,112 in 2025. January's new listing total was the highest for the month since 2020.

With new listings on the rise, the overall housing inventory in January also improved. With 3,897 residential properties for sale, January saw its highest monthly total since 2020. This represents a 7% increase from the 3,653 available properties last year. Inventory has now posted 27 months of consecutive year-over-year growth, bringing the market closer to a balance for both buyers and sellers.

This is highlighted by the increase in the months of inventory (MOI) as it hit 4.8 months in January, a 4% bump from 4.6 months a year prior. This is also a 1.1 month increase from the month prior due in large part to the number of listings coming online. January's MOI was also the highest monthly supply total since November 2018, more than 7 years ago.

With the increase in supply, homes spent more time on the market in January compared to both last year and last month, rising to the highest level since March 2025. The average days on market (DOM) rose to 57 days, up 8% from 53 days a year earlier and increased from 49 days the month prior. The median days on market jumped to 34 days, up from 31 days the previous year.

"Rising inventory levels is one of the best metrics this market could see," said Mike Inman, president of Bluegrass Realtors®. "With the level of demand that exists from buyers, meeting them with a sufficient number of available homes, coupled with longer market times, makes the purchase decision easier, less stressful and can keep prices in check."

Reflecting the higher level of market activity, pending sales rose 13% in January, with 1,012 homes going under contract, up from 896 a year ago. This continues the trend from 2025 when pending sales outpaced the previous year by 6%.

Closed residential transactions were up 1% with 809 sales in 2025 compared to 799 last year making 2026 the highest January total since 2022. Nationally, home sales dropped more than 4% in January indicating the Bluegrass region is outpacing the rest of the country on average.

Single-family sales in January saw a 1% increase, with 752 homes sold compared to 743 last year, while townhouse and condo sales increased slightly from 56 units in 2025 to 57 this year. Townhouses and condos represented just over 7% of the market.



Coming off a strong 2025, new construction sales continued an upward trend by rising 8% with 90 sales, the highest January total since 2021, compared to 83 last year.

“With the harsh weather experienced in January, it’s somewhat surprising to see both pending sales and closed sales track ahead of last year,” continued Inman. “But that illustrates how desirable the region continues to be. And with interest rates projecting to remain stable throughout the year, the market may continue its rebalancing in 2026.”

Interest rates dropped to levels not seen since late 2022 with the average interest rate in January at 6.1%. From the previous year, the rate was 12% lower when it averaged 6.96%. Rates have been consistently falling since the second half of 2025, although experts predict that rates will hover around 6% for most of the year.

Home prices in January closed at \$286,540 compared to \$273,000 last year, a 5% gain. The year-over-year increase now stands at 2 months after the 80-month streak was broken in November 2025. The median price increased 4% from \$275,000 the previous month.

Single-family home prices in January rose 5% to \$289,950, up from \$275,000 last year while townhouse and condo prices jumped 6% to \$233,750 from \$219,750 in 2025.

Real estate sales volume landed at \$267 million for the month, an improvement of 6% compared to the \$251 million recorded in January 2025.

“Although prices grew in January, housing affordability nationally is up,” stated Inman. “This is due to wage gains outpacing housing appreciation and mortgage rates being almost a percent lower than a year ago. It’s also worth noting that home prices regionally are still more than \$100,000 less than the national average.”

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