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Housing inventory in the region jumps to 5-year high

Home sales continue to see increases in the Bluegrass region

Lexington, KY (August 20, 2025) – The housing market across Central and Southern Kentucky delivered strong results in July 2025, with most major categories seeing improvement compared to last year, according to the latest report from Bluegrass Realtors®.

July saw inventory numbers exceed 4,000 for the first time since April 2020, or 63 months, which was the start of the pandemic. For 21 consecutive months, inventory has shown year-over-year growth, with 4,002 homes listed for sale in 2025, compared to 3,492 last year, a 15% increase. July marked the highest monthly total since 2019. From the previous month, inventory was up 7%.

New listings helped with the inventory rise as they extended into a six-month stretch of year-over-year increases with an 11% jump in July compared to last year. In total, 1,898 properties hit the market in 2025 compared to 1,715 in 2024. The number of new properties coming online also rose 3% from last month's 1,847 listings. Year-to-date, new listings are up 7% with 11,793 homes being added to the market versus 11,009 last year.

"The increase in both new listings and overall inventory is a welcome shift for our market," said Todd Hyatt, president of Bluegrass Realtors®. "On the selling side, they benefit from reaching a broader pool of active house hunters. It's a sign of a healthier, more balanced marketplace taking shape."

July also saw months of inventory edge up slightly to 2.9 months from 2.8 in June, continuing a three-month upward trend and marking the 39th consecutive month of year-over-year growth. Compared to a year ago, months of inventory jumped 8% from 2.7 months.

The number of days that homes are taking to sell in July rose month-over-month after a four consecutive month slide. At 42 days, this is two days longer than it took to move a property in June. The average days on market (DOM) was up 17% from 36 days last year. July marked the 11th consecutive month of year-over-year gains. The median DOM climbed to 15 days in July, up from 11 days in 2024.

"We're seeing market conditions that are giving buyers more time and more options," stated Hyatt. "It's still a competitive market, but the added breathing room helps create a better experience for everyone involved in the transaction."

Home sales were up 6% in July compared to 2024, with 1,380 sales versus 1,302 in July last year, an indication that buyer demand remains strong in the region. Compared to the previous month, sales jumped 4% as June saw 1,328 sales. July sales were the highest in almost three years.

Single-family sales in July saw a 4% increase, with 1,264 homes sold compared to 1,217 last year. Townhouse and condo sales jumped 37%, from 84 units in 2024 to 116 this year. Townhouses and condos represented just over 9% of the market, a stronger than average segment for the month.



For the year, sales remained up 4% with 7,846 sales through the first seven months of the year compared to 7,572 sales in 2024.

New construction sales continued to outperform last year. In July, there were 125 sales, which represented a 2% year-over-year increase over the 123 sales last year. So far in 2025, new construction is averaging monthly sales comparable to 2020 during the pandemic and on pace with the second highest monthly average since 2008.

Pending sales increased, year-over-year, in July for the fifth consecutive month highlighting that the region continues to experience solid demand. Homes under contract jumped 10% at 1,373 compared to 1,252 last year. July's total, although down 1% from the previous month, was still the fourth highest seen in almost 3 years. On the year, pending sales are up 6% with 8,762 properties that have gone under contract.

Although July's median price was an all-time high for the month, it cooled slightly from the previous month. At \$290,000, this was 3% dip from June but was still 6% higher than last year in July. The monthly total was the third highest on record, behind the previous two months. The data now shows 77 consecutive months of year-over-year price appreciation. For the year, median prices are up 4%, reaching \$285,000.

Single-family home prices in June rose 4% to \$290,000, up from \$279,900. Townhouse and condo prices surged 24%, outpacing single-family homes, to \$293,000 from \$237,000 in 2024.

Total real estate sales volume rose 9% through the first seven months to over \$2.6 billion, up from \$2.4 billion in 2024. In July, total sales topped \$483 million compared to \$422 last year, an increase of more than 14%. This is a result of a rise in closed transactions coupled with the upward trend on the region's median home price.

"This summer has seen a very solid housing market," stated Hyatt. "The combination of strong sales and increasing prices highlights a market where both buyers and sellers are actively engaged. It's clear the region remains an attractive place to buy or sell."

The average interest rate rose in July dropped slightly to 6.72%, from 6.82% the month prior, and down from 6.85% the previous year. Currently, rates are the lowest they have been since October; however, predictions are not showing a significant change in rates through the remainder of the year.

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