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Bluegrass housing market shows continued strength as sales, listings and inventory rise in May

Median home prices ease from last year

Lexington, KY (June 25, 2026) – The housing market across the Bluegrass region continued to gain momentum in May, according to the latest report released by Bluegrass Realtors®. Increased inventory, stronger sales activity and a rise in pending contracts point to a healthy spring market, while home prices remained relatively stable compared to last year.

Inventory levels continued their upward trend, providing buyers with more choices than they have seen in several years during late spring. A total of 4,189 homes were available for sale in May, representing a 7% increase from the 3,918 homes available one year ago. Inventory reached its highest May total since 2019 and has now posted 31 months of consecutive year-over-year growth.

Months of inventory stood at 2.9 months, up slightly from 2.8 months last year, but still below the previous month when it was 3.2. May's number was the lowest since July 2025 and has been trending lower through 2026 as sales continue to outpace the overall increase of inventory.

"Buyers are continuing to benefit from increased inventory across the region," said Mike Inman, president of Bluegrass Realtors®. "But more housing is definitely needed to satisfy the ongoing demand. However, additional housing supply is helping to create more opportunities for buyers in a tight market."

New listings climbed 7% year-over-year, with 2,004 homes entering the market in May compared to 1,872 homes during the same month in 2025. The increase in listing activity helped replenish inventory while supporting increased buyer activity. On the year, new listings are up 9%, reaching 8,889 in 2026 compared to 8,104 last year.

Sales activity accelerated as well, with 1,445 homes sold in May, a 5% increase over the 1,376 sales recorded last year and jumping 16% from the previous month's 1,245 homes sold. Sales have now increased year-over-year for six consecutive months.

For the year, home sales are up 6% with 5,450 transactions versus 5,160 in 2025.

Single-family sales in May experienced a 7% bump, with 1,358 homes sold compared to 1,273 last year, while townhouse and condo slipped 14% from 103 units in 2025 to 89 this year. Townhouses and condos represented 6.5% of the market.

New construction sales hit the third highest May number since 2008 but decreased 7% year-over-year with 134 sales compared to 144 last year. From the previous month, sales were down from 157, a drop of 15%.

Pending sales, often viewed as a leading indicator of future closings, posted strong gains in May. A total of 1,509 homes went under contract, up 6% from 1,418 pending sales a year ago, continuing a three-month streak of year-over-year increases. For 2026, pending sales are up 8%.



"The increase in pending sales is an encouraging sign as we move into the summer market, traditionally the strongest season for housing," continued Inman. "Contract activity remains strong, which suggests we should see healthy sales numbers in the months ahead."

As inventory has increased, homes are spending slightly more time on the market than they did a year ago. The average number of days on market rose to 46 days, compared to 43 days in May 2025, a 7% increase. But with rapid home sales in recent months, the time on market is down 9 days from the 57 days in April. The median days on market stood at 13 days, the same as last year, but a 38% decrease from the previous month of 21 days.

Interest rates have been slowly rising since the first of the year and hit an average of 6.44 in May, a 2% gain from the previous month of 6.33%. However, from the previous year, the rate was 6% lower when it averaged 6.82%. At the latest meeting, the Fed opted to hold its benchmark rate steady but signaled it may raise rates in the future due to rising inflation.

Although median home prices hit the third highest on record at \$295,000, May's figure represented a 1% drop from last year when prices were \$297,295. From the previous month, prices rose just 1%. The slight change reflects a market that may be stabilizing after several years of rapid price appreciation. For the year, prices have risen 5% compared to 2025.

Single-family home prices in May decreased less than 1% to \$298,000, from \$299,000 last year while townhouse and condo prices fell 8% to \$267,000 from \$289,000 in 2025.

With both sales volume and prices remaining strong, the total value of real estate transactions reached \$498 million in May, a 5% increase from the \$476 million recorded during the same month last year. For the year, the volume of transactions hit \$1.8 billion in 2026 versus \$1.65 billion last year, a 9% increase.

"While home prices have leveled off, the overall market remains remarkably resilient," said Inman. "And although sales are increasing and inventory is improving, buyers can take advantage of the slower price appreciation that has materialized over the last few months."

As the region's leading advocate for homeownership, Bluegrass Realtors® understands the value and joy of owning a home. The Association represents more than 4,000 Realtors® located in 38 counties: Anderson, Bath, Bell, Bourbon, Boyle, Casey, Clark, Clay, Elliott, Estill, Fayette, Franklin, Garrard, Harrison, Henry, Jackson, Jessamine, Knox, Laurel, Lee, Lincoln, Madison, McCreary, Menifee, Mercer, Montgomery, Nicholas, Owsley, Powell, Pulaski, Rockcastle, Rowan, Russell, Scott, Shelby, Wayne, Whitley and Woodford counties. Visit www.bluegrassrealtors.com for up-to-the-minute real estate listings and buying and selling resources.