



Contact: Hunt Cooper, Communications Director
hunt@bluegrassrealtors.com | 859.276.3503

Market activity remains strong as September sales increase

Prices rise with inventory still growing

Lexington, KY (October 21, 2026) – Real estate showing activity continued to gain momentum in September, increasing 17% compared with the same month last year and marking seven consecutive months of year-over-year growth. The sustained increase suggests buyers remain interested in the Bluegrass market and are touring available homes.

Sales activity jumped 2% in September, with 1,223 transactions in 2026 compared to 1,197 last year. Total sales did decrease 4% from the previous month but that is consistent with historical norms as the fall season transitions into colder weather. For the year, home sales remain up 5% with 11,039 transactions versus 10,529 in 2025.

Single-family sales improved 3%, with 1,151 homes sold compared to 1,120 last year, while townhouse and condo sales dropped 7% from 77 units in 2025 to 72 this year. Townhouses and condos represented under 6% of the market.

New construction sales hit the lowest monthly total since February of this year with 111 sales in September, down 8% over last year's 120 sales and down 11% from August.

"While sales typically ease as the fall season progresses, the overall market continues to show resilience with lots of interest from buyers," said Mike Inman, president of Bluegrass Realtors®. "We did see some softness in townhouse, condo and new construction sales, but the broader market remains on a positive track compared to last year. Future sales may slow but the year has been extremely active through the summer and fall months."

Pending sales saw a slight slowdown of 4% in September, with 1,097 homes going under contract compared to 1,147 in 2025. From the previous month, pending sales fell 17%, with rising interest rates likely being a factor. Year-to-date, pending sales remain up 4% with 11,812 under contract properties in 2026 compared to 11,321 last year.

The average 30-year fixed mortgage rate was 6.86% in September, up from 6.67% in August. From the previous year, rates jumped over half percent and have risen every month since March. The latest report from the Mortgage Bankers Association has expectations for the 30-year mortgage rate to average 7.3% in the fourth quarter of 2026 and remain above 7% through 2027, driven by elevated Treasury yields and more restrictive central bank policies.

Rates may have also impacted new listings as September saw a drop of 3% from the previous year, with 1,837 homes entering the market compared to 1,884 in 2025. From the previous month, however, new listings were up 2%. Year-to-date, new listings are still outpacing last year, helping support a rise in inventory levels and are up 6%, with 16,904 homes entering the market compared to 15,891 during the same period in 2025.



September's housing inventory extended the streak of year-over-year growth to 35 consecutive months, giving buyers greater choice than has been seen since before the pandemic. The number of available homes has now remained above 4,000 for five consecutive months, the first time that has occurred since the end of 2019. Total inventory was 4,773 homes, 11% higher than the 4,283 homes available a year ago and 4% higher than the previous month. The inventory level in September is the highest for the month in seven years.

"Buyers currently have a wide selection of available homes in the Central and Southern Kentucky region," continued Inman. "And while that is fantastic news, the spike in interest rates could hinder closed transactions in the short term as consumers adjust to this new environment."

The increase in inventory for September pushed the months of inventory (MOI) up to the highest level since February to 3.9 months compared to last year, and the previous month, both at 3.6 months, an 8% jump. September's MOI was the third increase in as many months and was the highest September total since 2019.

The average number of days on market (DOM) has risen for three consecutive months with September up to 47 days, a jump of 7% from the previous year's 44 days and the same for the previous month. The median DOM increased by five days, from 19 in September 2025 to 24 days this year. For the year, homes have been staying on the market for an average of 49 days, slightly longer than the 47 days in 2025.

The median home price jumped to an all-time September high of \$290,000, a 1% increase from last year's \$286,000 but down 2% from August's record price of \$295,000. Year-to-date, the median home price sits at \$294,900, up 4% from \$285,000 in 2025.

Single-family home prices in September increased 2% to \$295,000, from \$289,000 last year while townhouse and condo prices rose 7% to \$263,000 from \$245,000 in 2025.

The total value of real estate transactions reached \$426 million in September, the highest on record for the month. This represents an 8% increase from the \$394 million recorded during the same month last year. For the year, the volume of transactions hit \$3.8 billion in 2026, an 8% improvement from \$3.5 billion last year.

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.