



Home sales and new listings rebound from the previous year

Prices set record high in April, over \$1 billion in volume

Lexington, KY (May 27, 2021) – Last April, home sales tumbled as the onset of the pandemic struck the real estate market. Property showings slipped away as quarantine orders were put in place and real estate activities were in limbo. Fast forward to 2021, and April saw home sales jump to a new monthly high of 1,216, an increase of 26 percent from 2020 when they were 968.

New construction home sales cooled in April with 87 total sales, compared to 119 last year, a drop of 27 percent. April's total was the lowest monthly total since February 2020 and the lowest total for April since 2015.

The number of homes that hit the market also saw a considerable increase, rising 28 percent over last year. The 1,622 listings in April were the most since July of 2020 and 13 percent more than the previous month. Inventory has been an issue for some time and even with the latest increase, more homes are needed to satisfy the levels of demand seen in the market.

“With businesses opening back up and people being more comfortable getting out due to the vaccinations taking place, the housing market is seeing a more typical spring season this year,” said Kristy Gooch, president of the Lexington-Bluegrass Association of Realtors® (LBAR). “An increase of inventory is certainly good news to start the second quarter but more home sellers are needed over the coming months to level out the market and alleviate buyer frustrations.”

Home values didn't cool with the jump in inventory as prices surged to another all-time high, following the previous month's record. April median prices were \$218,000, an increase of 10 percent over last year's \$198,000 and up from last month's record \$215,000. April was the tenth consecutive month of double-digit increases and the 26th straight month of overall price increases year-over-year. Single-family homes increased 9 percent to \$218,000 while townhouse/condo prices jumped 24 percent to \$205,000, the first time the median closed over the \$200,000 mark.

Total dollar volume of home transactions jumped 40 percent in April to an all-time monthly high, with over \$298 million for the month, compared to just over \$212 million last year. For the year, total sales volume has exceeded \$1 billion.

Pending sales rose 21 percent, from 1,258 last year to 1,516 transactions under contract in April, the highest total since August 2020. Compared to last month, pending sales were up 12 percent.

“Many of the homes that come online are going under contract in the matter of days with multiple offers,” said Gooch. “This market is moving very quickly and buyers have to be prepared. It requires patience and compromise and if you are ready to buy, putting your best foot forward up front can go a long way. Working with a professional can help you navigate the process, and as a seller, a Realtor® can make sure you are pricing your home at a true market value.”

Properties typically remained on the market for 27 days in April, down from 48 days last year, a decrease of 44 percent, and down from 36 days last month. Days on market in April were the second lowest on record.

With the increase in new listings in April, the months of inventory total jumped slightly to 1.2 months, up from a record low of just 1 month in March. The increase in April was still down 57 percent from last year when the housing supply was at 2.8 months. A balanced market is generally defined as six months of housing supply. For the entire 26-county jurisdiction, months of inventory for homes in categories between \$150,000 and \$250,000 was approximately 3 weeks, and were on the market an average of 13 days.

Showings in April turned around from a year ago when the pandemic drastically slowed foot traffic to properties. This year, a record was set with 27,111 showings compared to 16,055 in April 2020. Showings this month were also up 9 from the previous month, which was the previous high.

Spurring much of the buyer demand was the continuation of historically low interest rates. Mortgage rates have remained at or below 3 percent. The Federal Reserve recently decided to keep rates anchored near zero despite the economy being on the upswing which should suspend any major rate increase over the short term.

“Activity in the market has continued as buyers compete to land their perfect home,” stated Gooch. “Multiple offer situations are very common and buyers can often feel overwhelmed when facing these challenges to get their offer accepted. Under tight inventory, like the entire region is facing, buyers have to come ready to move when they find something they like or else it could be gone in an instant.”

Inventory in April has now dropped, year-over-year, for 24 consecutive months, ending the month with 1,490 residential properties for sale, an all-time low. This represents a decrease of 59 percent compared to last year’s inventory total of 3,567. The April total was down almost 11 percent when compared to last month’s previous record low mark of 1,672 homes for sale. April was the third straight month of inventory levels being under the 2,000 mark.

As the region’s leading advocate for homeownership, Lexington-Bluegrass Association of REALTORS® (LBAR) understands the value and joy of owning a home. LBAR represents more than 3,500 REALTORS® located in 26 counties: Anderson, Bath, Bell, Bourbon, Clark, Clay, Elliott, Estill, Fayette, Franklin, Harrison, Jackson, Jessamine, Knox, Laurel, Lee, Madison, Menifee, Montgomery, Nicholas, Owsley, Powell, Rowan, Scott, Whitley and Woodford Counties. Visit www.lbar.com for up to the minute real estate listings and buying and selling resources.

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