



## **Home sales continue to climb going into the fall buying season**

### **Figures predict a strong start leading up to the fourth quarter**

**Lexington, KY (September 24, 2019)** – The weather was hot in August and so was the real estate market in Central Kentucky. Sales were up 4 percent compared to last year, with total transactions in August reaching 1,389, compared to 1,339 in 2018. Single family home sales jumped 5 percent overall, 1,311 in August versus 1,252 in 2018. Condos/townhome sales dropped to 78 in August from 87 last year, a decrease of 10 percent. Year-to-date, sales are up 4 percent, with a total of 9,509 total transactions in 2019 compared to 9,128 in 2018.

Nationally, homes sales are up 2.6 percent from a year ago, marking two consecutive months of increases, the same trend experienced locally.

As a result of the higher sales in the region, the supply of homes can't keep up with the level needed to fulfill demand. Months of inventory dropped 6 percent in August over last year, hitting 2.9 months versus 3.1 in 2018. Homes priced between \$100,000 and \$160,000 had less than two months of inventory while homes priced between \$160,000 and \$300,000 had 2.1 to 2.6 months of inventory.

But consumers are quickly snapping up the homes that do find their way to market. Pending sales jumped 12 percent in August over last year, giving double digit increases in back-to-back months. Pending sales reached 1,427 in 2019 versus 1,272 in 2018. Contract activity has increased, year-over-year, in every month for 2019.

“The warmest months of the year have proven to be extremely active for the real estate industry,” said Al Blevins, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “The factors for a strong market have been seen consistently throughout 2019, and now, like before, we need more inventory to satisfy the demands of the buyer.”

New listings increased 1 percent for the month but it still wasn't enough to move the needle based on the increase in sales each month.

Total residential inventory available in August was down 4 percent with just over 4,000 units on the market, similar to the decrease seen in July when drops were also 4 percent.

The lack of inventory has pushed median price increases higher than typically seen for LBAR with August rising 8 percent over last year. Median prices jumped from \$169,000 in 2018 to \$182,500 this year. Single family homes increased a total of 9 percent to \$185,000, however, condos/townhomes slipped 8 percent to \$139,900. Total volume for Central Kentucky home sales for the year are just shy of \$2 billion, coming in at \$1.98 billion, up 8 percent compared to 2018. For August, total volume was up 9 percent with \$293 million in homes sales.

On the national level, the median price jumped 4.7 percent in August to \$278,200 and marked the 90<sup>th</sup> straight month of year-over-year gains.

Blevins continued, “Sales are up, but with inventory levels still lower than what is needed, price increases are growing faster than normal. And more buyers are entering the market to take advantage of the current interest rates, putting even more pressure on prices.”

Properties stayed on the market on average for 44 days in August, two days less than in August of 2018. Sixty-four percent of homes were on the market less than a month, while only 9 percent stayed on the market longer than four months.

Mortgage rates could see a dip in the near future as the Fed lowered its benchmark interest rate for the second time in two months, and have expressed a strong possibility of another rate cut later this year. Although the cut does not typically affect long-term rates like mortgages, borrowing costs in 2019 have steadily declined and have hovered near record lows most of the year. Currently, they are almost a percent lower than they were in November 2018 when they hit a 7.5 year high.

“For someone looking to buy a home, with the fall season taking hold, now would be an ideal time to jump in and start the search,” said Blevins. “Interest rates are hard to resist right now and with homes continuing to appreciate, owning will get more expensive as time passes.”

*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 3,300 REALTORS® located in 22 counties: Anderson, Bath, Bell, Bourbon, Clark, Clay, Elliott, Fayette, Franklin, Harrison, Jackson, Jessamine, Knox, Laurel, Menifee, Montgomery, Nicholas, Powell, Rowan, Scott, Whitley and Woodford Counties. Visit [www.lbar.com](http://www.lbar.com) for up to the minute real estate listings and buying and selling resources.*

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