



## **Real estate sales hit new record through the pandemic**

### **All-time highs for volume, prices; inventory lags demand**

**Lexington, KY (January 26, 2021)** – Real estate sales shattered previous records in 2020 despite an ongoing pandemic. Transactions topped last year’s totals by 8 percent, hitting 15,309 in 2020 compared to 14,153 in 2019. For the month, December saw a monthly record of 1,284 sales, outpacing the previous year by 22 percent when sales were 1,054. With the exception of the second quarter (April through June), each month in 2020 tallied record high transactions and all exceeded previous year totals aside from April and May when the initial effects of the slowdown hit the economy.

Single-family home sales jumped 20 percent for the month, reaching 1,194 sales from the previous year total of 994. Townhomes and condos saw a 50 percent increase for the month, from 60 last year to 90 total sales in December 2020. For the year, sales of single-family homes rose 8 percent while townhomes and condos were up 11 percent.

Along with an increase in sales came an increase in home prices. In December, prices rose to \$199,950, a 12 percent increase over last year when the median was \$178,000. The year closed with prices rising for 22 straight months. Although December was a monthly record, it did put a halt on the six-month stretch of consecutive months with median prices closing at or above the \$200,000 level.

For the year, prices rose 11 percent, closing out at \$198,000, up from \$178,000 for 2019. Single-family homes ended the year at a median price of \$200,000, the first time hitting the \$200,000 plateau. Townhomes and condos landed at \$155,500 for the year, up from \$144,000 in 2019. Total sales volume for 2020 hit a new record by eclipsing the \$3 billion mark for the first time, with over \$3.5 billion sold, up 19 percent from 2019.

“Last year was phenomenal for real estate in terms of overall transactions,” said Kristy Gooch, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “It served as a catalyst for the economy when many other industries weren’t so fortunate. It also shows how much demand there is for housing in our region.”

And that demand will continue into 2021 as pending sales in December ended the month with 959 transactions under contract, an increase of 20 percent over the 801 last year. Pending sales are now on an eight-month stretch of year-over-year records that started in May. For the year, transactions that went under contract were up 9 percent, breaking last year’s record.

The continued flurry of activity in the market drove total housing inventory levels to new lows. December recorded a drop of 50 percent in total homes on the market with only 1,633 residential properties for sale across all 26 counties in LBAR’s jurisdiction. Last year, that number was 3,235 for the month and has been declining sharply ever since. 2020 saw inventory levels drop below the 3,000 mark for the first time in February and below the 2,000 mark in August.

Months of inventory hit record lows in December with only 1.3 months available, a drop of 58 percent over last year when it was 3.1 months. Inventory levels have only been this low once before when they were 1.3 months in July of 2020. Six months of supply is considered a balanced market.

For the month, days on market in December plunged 63 percent, from 52 days in 2019 to 19 in 2020. This is lowest number on record. This is also a decrease of 37 percent from the previous month in November when days on market was 30, the previous all-time low. Of all properties listed, 85 percent took less than one month to sell, while only 3 percent took longer than 4 months, both of which are records. A year earlier, 54 percent of homes took less than one month to sell and 12 percent stayed on the market for at least 4 months.

“The market we are experiencing now is churning faster than a typical spring or summer,” said Gooch. “Activity is at peak levels as many homes are getting multiple offers and going under contract the moment it is listed for sale. Buyers, especially those looking to move-up and first-timers, are anxiously waiting for listings that fit their criteria to become available and are snapping them up, it seems, almost instantly.”

New listings hitting the market jumped 22 percent in December to 990, a monthly record, up from 812 the prior year, signaling good news for buyers.

New construction sales also saw an increase in December, jumping 7 percent, from 123 last year to 131 this December. New construction has been a bright spot for housing this year as it was up 27 percent in total sales for the year over 2019. The 1,474 total new construction sales were the highest since 2007.

Showings for available properties in December rose 18 percent with 12,843 property visits, up from 10,856 in 2019.

The average U.S. mortgage rate for a 30-year fixed loan jumped slightly at the start of the new year but has remained at near record lows, well below 3 percent. Economists have forecasted modest increases in mortgage rates this year. But they likely will remain relatively low, under 3 percent, as the Federal Reserve keeps interest rates near zero as needed until the economy recovers, according to Freddie Mac.

“The momentum from last year’s housing market has certainly carried over into the new year so far,” stated Gooch. “The best thing that could happen for buyers in 2021 is for interest rates to remain low and inventory to loosen up.”

*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](http://www.lbar.com) for up to the minute real estate listings and buying and selling resources.*

###

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