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February housing inventory grows, prices hit monthly record

Properties taking longer to sell in 2025

Lexington, KY (March 25, 2025) – February continued the upward trend in housing availability, recording the 16th consecutive month of year-over-year growth in the number of homes for sale. Inventory remained above the 3,000 mark for the ninth straight month, reaching 3,199 properties, a 16% increase from the 2,765 homes available last year.

Unsold inventory stood at 4.2 months, reflecting a 20% year-over-year increase from 3.5 months in 2024, and holding steady from the previous month. This marks the 34th consecutive month of year-over-year inventory growth and matches the highest months of inventory (MOI) total since November 2019.

With more properties available, homes are taking longer to sell. The average days on market (DOM) rose sharply to 59 days, a 26% increase from 47 days last year, and up six days from January. This figure represents the longest average market time since March 2020. The median DOM also climbed to 36 days, up from 23 days in 2024 and 32 days last month.

“The February data reflects the seasonal weather we experienced at the start of the year,” said Todd Hyatt, president of Bluegrass Realtors®. “Cold temperatures and prolonged snowfall likely contributed to slower activity. However, with spring approaching, we anticipate a pickup in market movement.”

Home prices set a new record for February, with the median price climbing to \$274,900, a 4% increase from last year’s \$265,000 and up 1% from the previous month. This marks six consecutive years of year-over-year price appreciation.

Single-family home prices rose 5% to \$279,945, compared to \$267,500 last year, while townhouse and condo prices declined 11% to \$209,500 from \$235,000 in 2024.

Total real estate sales volume declined 4% year-over-year to just over \$236 million from \$246 million in 2024. This was the first annual decline since March of last year. However, year-to-date sales volume remains up 6% at over \$486 million.

February home sales dropped 4% to 760 units from 794 last year. Single-family sales saw a slight 2% decrease, with 712 homes sold compared to 725 last year. Townhouse and condo sales fell 30%, dropping from 69 units in 2024 to 48 this year.

New construction sales posted a slight 1% year-over-year increase, with 93 homes sold in February compared to 92 last year. Month-over-month, new construction sales rose 12%, up from 83 in January.

“Last year was a leap year, meaning there was an extra day for sales activity. Keeping that in mind helps put the slight sales decline in perspective,” noted Hyatt. “As we move into the warmer months, buyers should see more inventory hitting the market, which could drive more activity.”



The number of new listings outpaced last month's figures, rising 21% from 1,050 in January to 1,270 in February. However, this was a 6% decline from last year's 1,345 new listings.

Pending sales remained nearly unchanged year-over-year, dipping less than 1% from 1,044 in 2024 to 1,035 this year. Month-over-month, however, pending sales rose for the second consecutive month, climbing 15% from 897 in January.

"Buyers have largely adjusted to current mortgage rates, which have remained steady for most of the past year," added Hyatt. "That said, as pent-up demand starts to release, competition could increase, and buyers should be prepared to act quickly as more listings come online."

While the Federal Reserve left interest rates unchanged at its most recent meeting, according to NAR Chief Economist Lawrence Yun, an anticipated reduction in "quantitative tightening" could lead to lower mortgage rates in the coming months. Easing rates could boost market activity by increasing sales while simultaneously driving home prices higher.

In February, mortgage rates averaged 6.84%, down slightly from 6.96% in January but up from 6.78% last year.

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