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Harsh weather in February slows new inventory from hitting the market

Real estate closings remained strong

Lexington, KY (March 25, 2026) – After a strong start to the year, February reversed course for new listings and pending sales as buyers and sellers were hindered by harsh weather. Previous activity, however, didn't slow as closed transactions rose, continuing the momentum for the third consecutive month.

After a double-digit increase to start the year, new listings dropped significantly in February. With 1,198 homes coming on the market, the month's new listing total was down 11% from last year's 1,347. For the year, new listings remain up 5% compared to 2025.

With property showings lower in February by 9% compared to the previous year, pending sales followed, with 1,003 homes going under contract. That's a 4% decline from the 1,041 homes in 2025 and the lowest February total since 2015, showing the impact of the weather across the region. With a strong start to the year, pending sales are still up 4% year-to-date.

"February hit the region pretty hard because homes were inaccessible for showings and listings couldn't get prepped to go on the market," said Mike Inman, president of Bluegrass Realtors®. "When events like that happen, it affects the local market, but that should be a temporary disruption with a quick return to the upcoming spring market."

Closed residential transactions were up 13% with 888 sales in 2026 compared to 787 last year making this the highest February total since 2022. Sales were also up 10% from the previous month and continue a three-month trend of increases. Nationally, home sales dropped again for the second month showing the current strength of the Bluegrass region housing market.

Single-family sales in February saw a 14% increase, with 836 homes sold compared to 734 last year, while townhouse and condo sales dipped slightly from 53 units in 2025 to 52 this year. Townhouses and condos represented just over 6% of the market.

New construction sales slowed by 5% this year with 88 sales, compared to 93 in 2025. For the year, new homes are 1% ahead through February.

Home prices in February closed at \$285,000 compared to \$270,000 last year, a 6% gain. The year-over-year improvement now stands at 3 months after snapping a multiple year string of increases in November 2025. The median price dropped less than 1% from \$286,540 the previous month.

Single-family home prices in February rose 3% to \$285,000, up from \$278,000 last year while townhouse and condo prices jumped 34% to \$268,615 from \$199,950 in 2025.

With an increase in both sales and prices for the month, the volume of real estate sales landed at \$280 million for the month, an improvement of 16% compared to the \$241 million recorded in February 2025.



“Despite the weather, scheduled closings took place on time,” continued Inman. “However, with pending sales lower in February, the start to the spring may experience a slower number of closed transactions as buyers have to catch back up with missed showing opportunities due to the factors at play.”

Overall housing inventory improved year-over-year, but with more homes selling and new listings down, showed a drop from the previous month. February had 3,647 residential properties for sale, a 4% increase from last year’s 3,501 homes and the highest February total since 2020. Compared to January, the number was down 6% when 3,897 available properties were available. Inventory has now posted 28 months of consecutive year-over-year growth.

Months of inventory (MOI) in February was lower than the previous month due to a more active market. MOI hit 4.1 months, a 9% drop from the previous year and down 15% from the previous month. February 2026 still had the second highest monthly MOI total in a decade behind last year.

Homes are spending 57 days on the market so far this year as both January and February averaged that amount of time. Compared to last year, however, February is down 2 days from 59 in 2025. The median days on market also dropped to 33 days, down from 36 days the previous year.

“In 2026, buyers are moving a little more quickly it appears,” stated Inman. “This may be a result of the slight drop in interest rates we’ve experienced over the past couple of months and people not wanting to get caught up in more competition when the spring market comes around.”

Interest rates dropped to the lowest levels since mid-2022 with the average interest rate in February at 6.05%. From the previous year, the rate was 12% lower when it averaged 6.84%. Rates have been consistently falling since the second half of 2025, although recent indications show they may rise slightly in the coming months.

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