



Real estate activity starts the year off strong **Sales and prices reach new monthly records**

Lexington, KY (February 24, 2022) – After a record-breaking year in 2021 for real estate, January continued the streak with several monthly highs. A jump in both sales and prices in the first month of the new year helped increase total volume to new record mark.

Residential sales in January reached 995, the most on record for the month, a 6% increase over last year's total of 939, the previous monthly high.

Single-family home sales increased 5% while townhouse/condo sales jumped 21% for the month. Townhouses/condos made up just over 6% of the total market in January.

All of the growth in sales occurred outside Fayette County in January, with Franklin, Montgomery, Anderson and Clark Counties leading the way with the most activity, all of which saw double digit increases.

New construction home sales were even compared to last year, reaching 91 sales for the month, the second highest monthly total since 2007.

“The market is continuing at the same hectic pace as last year,” said Rusty Underwood, president of LBAR. “Even with less than ideal weather for much of the month, buyers were not deterred and were putting properties under contract quickly. Data on pending properties is predicting that next month will likely mirror the activity from January.”

Pending sales matched the January record from 2020, hitting 1,160 homes under contract, an increase of 2% over last year when pending sales were 1,133. January marked the sixth month in a row with pending sales increases.

With demand still accelerating in the region, median prices climbed to new highs. For the first time on record, the median home price in January exceeded the \$200,000 threshold, closing at \$225,000, up 15% over last year when the median was \$195,000. Single-family home prices increased 14% to \$228,000 while townhouse/condo prices rose 21%, reaching \$168,750.

Of the top 10 most active counties in the LBAR region, six saw double-digit price growth for the month and only two saw declines.

The total real estate sales volume across the 30-county region that makes up LBAR, hit a new monthly high of over \$257 million, a 16% improvement over January 2021.

“Nationally, home sales slowed slightly in January on a year-over-year basis,” stated Underwood. “In the Bluegrass region, we have experienced just the opposite. Demand continues to be strong and, although January's showings were slightly suppressed, already in February, showings have far exceeded last year's totals.”

Total housing inventory dropped below 2,000 residential properties available for the second consecutive month and for the first time in January. With 1,725 homes on the market to start the year, inventory levels were down 19% when compared to 2021. January's inventory total was the lowest level since June of last year.

New listings in January were essentially even year-over-year with 1,071 properties hitting the market. This is an 8% increase over the previous month when only 989 homes were listed to close out the year.

The supply of housing inventory rose to 1.7 months in January, a 13% increase over last year when it was 1.5 months, and up 21% from December. The January supply was the highest since May 2020 when supply stood at 2.1 months.

In January, homes sold in 29 days on average, a 9% decrease from last year but up 16% from the previous month of 25 days.

“There are some factors, like rising interest rates, that could affect real estate throughout the year,” stated Underwood. “And with lingering inventory issues, as we move into the prime spring selling season, it will be interesting to see how the market plays out. Hopefully, more inventory will make its way online and buyers will realize more purchasing options.”

According to Freddie Mac, the average rate for a 30-year, conventional, fixed-rate mortgage was 3.45% in January, up from 3.1% in December. The average commitment rate across all of 2021 was 2.96%. To date, interest rates have increased slightly, however, unrest in Europe has led experts to predict a possible pause in rate increases, at least in the short term.

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 4,000 Realtors® located in 30 counties: Anderson, Bath, Bell, Bourbon, Clark, Clay, Elliott, Estill, Fayette, Franklin, Harrison, Jackson, Jessamine, Knox, Laurel, Lee, Madison, McCreary, Menifee, Montgomery, Nicholas, Owsley, Powell, Pulaski, Rowan, Russell, Scott, Wayne, 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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