



Lexington-Bluegrass Association of REALTORS®
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Housing sales dip in December, prices rise in the Bluegrass region 2018 ends with strong increase in inventory

Lexington, KY (January 28, 2019) – Consumers in the Bluegrass region entered 2019 with more homes on the market, according to the Lexington-Bluegrass Association of REALTORS® (LBAR). December numbers showed that total housing inventory was up 7 percent versus the same month the prior year, jumping from 3,440 to 3,679 active properties, marking the fourth consecutive month of year-over-year increases. This, coupled with slower sales for the month, led to the months of inventory to spike 21 percent over last December, ending 2018 at 4.1 months of available properties compared to 3.4 months in 2017.

“The weather certainly played a large role in the housing market at the end of year,” said Al Blevins, 2019 president of LBAR. “Weather reports indicate that 2018 was the wettest year on record for Lexington and December was certainly one for the books as well.”

Home sales for the month of December declined, falling 11 percent from the same period the prior year, with total sales reaching 887 in 2018 versus 1,000 in 2017. Both single family and townhouse/condo sales dropped the same 11 percent for the month. Single family home sales decreased from 939 to 833 while townhouse/condo sales fell from 61 to 54. For the year, home sales slowed 5 percent over 2017, reaching a total of 13,278 for 2018 compared to 13,929 in 2017.

Prices, though, were a different story as the median home sold for \$169,900 in December, versus \$161,500 in December 2017, an increase of 5 percent. For the month, singly family homes hit a median of \$173,000, compared to \$162,500 last year, a 6 percent increase, while townhouses/condos sold for \$115,000 in December, down 15 percent compared to last year’s median of \$135,625. For the year, median prices jumped from \$160,000 in 2017 to \$168,900 for all of 2018, an increase of 6 percent.

Total sales volume for the month saw a drop of 12 percent year-over-year, while the annual sales volume dropped 1 percent, ending at \$2.67 billion versus \$2.69 billion in 2017. The annual sales volume decline was considerably smaller due to the increase in home prices even though total sales were lower for the year.

“2018 turned out to be a solid year for real estate overall. The trend seems to be fewer homes selling in Fayette County, which represents just over a third of all home sales in LBAR’s market area,” said Blevins. “Counties adjacent to Fayette are representing a larger percentage of real estate transactions as people are moving into these areas due to growth and development opportunities. Some of the counties to the east and south of Fayette are also seeing an uptick in sales.”

Even with slower sales, the time a home took to sell continued to slip as it hit 56 days in December, a 3 percent decline versus the same time last year. For the year, days on market (DOM) dropped 4 percent to end 2018 at 52 days. Data also showed the number of homes that stayed on the market under a month dropped to 50 percent, the

lowest it's been since January 2018 when that number was 46 percent. It jumped to a high of 69 percent in both June and July.

On the national level, December saw home sales drop just over 10 percent year-over-year with median prices increasing almost 3 percent for the same time period. December's increase marked the 82nd straight month of year-over year gains. Inventory levels nationally jumped 6 percent in December versus 2017 while the months of inventory rose from 3.2 months last December to 3.7 months this year, a 16 percent increase.

"This year, home price increases should slow a bit and if inventory levels continue to increase, even slightly, consumers should have an easier time entering the market and finding what they are looking for," according to Blevins. "The Fed has indicated less rate hikes for 2019 and we entered the new year with lower mortgage rates than expected so that should benefit consumers now and well into the spring buying season if they stay at current levels."

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 for up to the minute real estate listings and buying and selling resources.

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