



2019 ends as a big year for real estate in Central Kentucky **Sales skyrocket to record levels, housing demand remains strong**

Lexington, KY (January 22, 2020) – Home sales surged in December, jumping 19 percent over 2018, to bring 2019 to a close as the highest year on record for real estate transactions. With 1,054 sales in the last month of the year, versus 887 in 2018, total sales for 2019 ended at 14,153, up 7 percent over the 13,278 sold last year.

Single-family home sales saw an increase in sales of over 19 percent for the month, with 994 total sales compared to 833 in December last year. Total single-family sales for the year increased 7 percent with 13,270 total properties sold.

Townhouses/condos saw an uptick of 11 percent in December, bringing monthly sales to 60 versus 54 in 2018. On the year, townhouse/condo sales, which comprised slightly over 6 percent of the total market, remained relatively flat, rising only 1 percent to 883, an increase of only 10 properties when compared to 2018.

New construction sales rose to the highest total of the year, reaching 123 in December compared to only 69 for the same month in 2018, a 78 percent jump. New construction sales started to pick up in the middle of the year and increased every month, year-over-year, since July.

Nationally, total home sales were up almost 11 percent in December from a year ago but remained flat for the year as a whole.

The boost in sales at the end of the year has put added pressure on housing inventory. Homes for sale have continued to drop in the last half of the year and experienced a 12 percent decline in December, with 3,235 residential properties available in 2019 compared to 3,679 in 2018.

Months of inventory also dropped significantly in December, hitting 3.1 months, a 24 decrease from the 4.1 months experienced in 2018. Properties in what is typically considered the average price range of affordability, \$200,000 and below, have around 2 months of inventory available, with homes priced between \$160,000 and \$180,000, Central Kentucky's median price range, having a 1.8 month supply available.

“Demand for housing in the region is really strong and remained that way throughout 2019,” said Greg Buchanan, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “National real estate experts have predicted another solid year for housing and, locally, that is occurring already with pending sales going into the first of the year.”

Pending sales saw an increase in every month in 2019 and ended the year up 13 percent in December with 801 homes under contract in 2019 compared to 711 in December last year.

The increase in demand, coupled with the shortage of supply, has resulted in speedy transactions to finish out the year. Days on market in December fell 7 percent, with homes selling in an average of 52 days in 2019 versus 56

last year. Fifty-four percent of all transactions in December occurred in less than one month, 8 percent faster than December 2018 when 50 percent took less one month. Only 12 percent of homes took longer than 4 months to sell.

Housing prices have continued to follow the spike in demand with the median home price in December jumping 5 percent compared to 2018. The overall median price hit \$178,000 in December 2019, compared to \$169,900 in December 2018. Single-family homes increased 3 percent to \$179,000 while townhouse/condo prices climbed 43 percent to \$165,000.

For the year, median prices stand at \$180,000 for single-family properties and \$144,000 for townhouses/condos. The overall median home price for 2019 was \$178,000, a 5 percent increase over 2018 when the median stood at \$168,900.

The total dollar volume of home transactions jumped 26 percent in December to almost \$219 million for the month, compared to just under \$174 million last year. For the year, the total volume of real estate sales fell just shy of \$3 billion for the region.

Nationally, median home prices topped out at \$274,500 in December, up almost 8 percent from last year when it reached \$254,700, and marking 95 straight months of year-over-year gains.

Buchanan added, “There has been, and will continue to be, upward pressure on real estate prices in the region as long as demand continues to be strong and supply is restrained. The good news is that, nationally, home building is making a recovery which should help alleviate some of the shortage issues. Our hope is new construction will ramp up even more in our region throughout 2020.”

Housing starts across the country surged to a 13-year high in December, jumping almost 17 percent since the previous month and more than 40 percent year-over-year. For all of 2019, homebuilding across the U.S. was up 3.2 percent compared to 2018.

Another positive for the housing market continue to be low mortgage rates. After the Federal Reserve cut rates three times in 2019, predictions are that rates could be cut an additional three times again in 2020, the first coming as early as March. Forecasts are expecting 30-year mortgage rates, the most common type of home financing, to average between 3.5 and 4 percent.

“Low mortgage rates make purchasing a home more affordable and can help make rising home prices a little more digestible,” said Buchanan. “The opportunity to take advantage of these rates should last throughout the year giving first-time and move up buyers some relief.”

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 3,400 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 for up to the minute real estate listings and buying and selling resources.

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