



## **Home sales remain at record levels in February** **Market uncertainty may affect spring sales**

**Lexington, KY (March 19, 2020)** – Real estate sales tallied the highest February numbers ever recorded in 2020. At 881 transactions, this year saw a 9 percent gain over the 805 home sales in February 2019. For the year, sales are up 14% after a record setting January. With 1,733 total residential sales year-to-date, 2020 is off to a great start.

Single-family home sales saw an increase in sales of 8 percent, with 819 total sales compared to 757 last year. Townhouses/condos saw a spike of 29 percent in February, bringing monthly sales to 62 versus 48 in 2019.

New construction sales dipped 8 percent in February and reflected the first decline in year-over-year sales since June of last year. The 85 sales in 2020 represented less than 10 percent of the market in February.

“The market is off to a hot start this year and pending sales are strong going into March,” said Greg Buchanan, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “However, the nation was hit with the coronavirus pandemic going into March so we aren’t sure what may happen to the market this spring.”

Pending sales, coming off a 16 percent increase in January, saw another record-breaking month in February, registering 1,266 homes under contract, up 18 percent for the month. Pending sales have increased, year-over-year for 14 consecutive months.

On the flip side, inventory saw a record low for the second consecutive month, with only 2,902 residential properties for sale in February. This is the first-time inventory levels have dipped below 3,000 and registered a 15 percent drop for the month over the same period last year.

This lack of available homes has put potential buyers in a crunch to find a suitable property. Months of inventory dropped 21 percent, from 4.2 months last February to just 3.3 months in 2020. Homes priced in categories from \$140,000 to under \$200,000, generally the range for many first-time buyers, had between 1.6 and 1.9 months available. A six-month supply is often considered a balanced market.

“Finding less expensive homes right now can be a challenge,” continued Buchanan. “You have to be actively searching inventory, almost minute by minute, and a professional can help with this. When the selection is limited across the board like it is now, it creates a ripple effect across all segments of the market. It’s the classic supply and demand relationship at play and Central Kentucky is in high demand.”

Days on market in February logged in right at two months, or 60 days, for 2020, 6 percent lower than in 2019 when it was 64 days. Fifty-four percent of all home sales occurred in less than a month, 11 percent more than the total sold in that period in February last year when 47 percent sold in less than a month.

Demand is also pushing prices to record highs with houses in the region selling at a median of \$175,000 in February, versus \$165,000 in 2019, a rise of 6 percent year-over-year. This jump marks 37 straight months of year-over-year increases with the last decline coming in January 2017.

Single-family homes in February saw an increase of 8 percent in the median sales price, increasing to \$178,000 while townhouse/condo prices grew 3 percent to \$154,750.

The total dollar volume of home transactions jumped 17 percent in February to almost \$180 million for the month, compared to just over \$153 million last year.

Buchanan added, “LBAR members have indicated some hesitation from buyers and sellers to either put their home on the market or to view property in the current environment and that is certainly understandable. However, REALTORS® are implementing the necessary safety precautions for buyers and sellers to follow prior to putting their homes on the market or touring available homes. The market may offer fewer open houses in the short term, but should see that buyer interest is still extremely high.”

Another big factor playing a role in the current crisis and making its way into through real estate industry is the recent decision by the Fed to cut the interest rate to near zero percent. With already record low mortgage rates, many consumers should see their buying power increased if they take on a home loan. Many may be wondering if rates could go lower. And while that may not be the case, with the stock market taking a recent hit, the signs of continued suppressed rates could be a welcome sign going into the prime real estate season.

“Mortgage rates are already extremely favorable for buyers, giving many the opportunity to realize homeownership for the first time,” said Buchanan. “But rates fluctuate regularly so my suggestion is to get multiple quotes from reliable lenders before locking in to guarantee the best terms. This advice would go for those looking to refinance as well.”

*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 3,500 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](http://www.lbar.com) for up to the minute real estate listings and buying and selling resources.*

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