



## **Record real estate sales continue despite low inventory**

### **Listings needed to meet demand as on market homes drop to historically low levels**

**Lexington, KY (August 24, 2020)** – Despite record low levels of homes for sale in the Central Kentucky region, real estate sales spiked to a new record high. Sales hit 1,583 in July, up 13 percent year-over-year when sales tallied 1,405, and up the same percent from the previous month. The monthly total was up 11 percent when compared to the previous sales record from June 2017 when sales topped out at 1,428. July’s total marks two consecutive months of sales increases and signals a trend of recovery for the area.

New construction in July continued its surge with its second highest total in 2020 with 142 sales, a 53 percent increase over the June 2019 total of 93 sales and continued its climb for the fifth straight month with year-over-year increases. Since July of last year, new construction sales have increased year-over-year in each month, except one, which was February 2020.

Year-to-date, home sales have bounced back after seeing declines at the start of the crisis. With the increase in July, sales through 2020 jumped to the black, closing up 2 percent, with 8,223 sales compared to 8,055 last year at this time.

Inventory levels continued their decline in July reaching 2,114 available residential properties, a 47 percent decrease from a year ago and down 7 percent from June. July’s inventory level marks the eighth consecutive month, starting in December, of record lows and the sixth straight month of levels falling below the 3,000-unit mark.

“More homes are going under contract each month than are coming available,” said Greg Buchanan, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “The relationship between supply and demand is causing our months of inventory to drop to historic levels and prices to rise. Central Kentucky is obviously a place where people want to be so we need inventory to accommodate consumer needs.”

The crisis has certainly amplified the supply issue over the past several months. Months of inventory tumbled to record lows in July, reaching 1.3 months, compared to 2.8 months last year, a drop of 54 percent and down 19 percent from June’s 1.6 months, the previous record. Homes priced from \$120,000 to \$250,000 had between two to three weeks of inventory available across all 26 LBAR counties. In the counties of Fayette, Madison, Scott and Jessamine, the four most active counties in the jurisdiction, inventory levels were, in some cases, hovering around a week or less for homes priced under \$180,000. In Jessamine County, there were no homes listed in the \$50,000 to \$140,000 range and homes up to \$180,000 had only a week’s supply. Fayette County is suffering on a wider range of inventory, with homes priced \$100,000 to \$250,000 sitting on two weeks or less of available homes for sale. A six-month supply of inventory is often considered a balanced market.

“Sellers can take advantage of low competition in the market right now,” stated Buchanan. “Prices continue to remain strong and there are no signs of a slow-down. Buyers are out in the market, actively searching for properties and finding interest rates that are favorable to their purchasing position.”

Home prices are getting pushed higher because of the increased demand and have risen for 17 straight months, with July hitting a record high. The median price of a home hit \$205,495, a 14 percent increase over last year when the median was \$181,000. The previous record for home prices was in June when the median reached \$200,000 for the first time.

Year-to-date, the median price for all residential properties stands at \$192,000, up from \$175,000 last year, a change of 10 percent.

Total sales volume for real estate sales increased 25 percent year-over-year, reaching just shy of \$380 million in July, up from just over \$300 million last year. For the year, the total volume for real estate sales closed over \$1.83 billion, an increase of 9 percent over the \$1.67 billion closed in 2019.

July’s pending sales hit 1,662, a 15 percent increase over last year when pending transactions reached 1,449. The increase in July follows back to back months of record pending sale with July now having the second most transactions under contract for any month.

Days on market (DOM) have been up the last two months with July hitting 44 days, up 5 percent from last year when it was 42 days.

Showings for available homes have experienced three consecutive record-breaking months starting in May. In July, showings jumped 19 percent from last year, reaching 24,227 appointments, and was slightly higher than June, the previous record month, when showings hit 24,181.

Mortgage rates dropped to their lowest levels on record a few weeks ago, with the 30-year fixed rate falling to 2.88 percent, and have held below 3 percent ever since. The rates have never been this low since Freddie Mac began tracking mortgage rates in 1971. In fact, this is the eighth time that the 30-year fixed rate has fallen to a new low since March when the crisis first hit the country.

Buchanan continued, “We don’t see any signs currently that lead us to believe that real estate demand in Central Kentucky is going away. In fact, because of our low cost of living and affordable housing prices compared to other regions similar to ours, the housing market should continue to thrive, especially since interest rates are projected to stick around these levels for the foreseeable future.”

*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.*

###

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