



## Cooler months heat up for real estate sales in the Bluegrass Transactions pick up pace in October

**Lexington, KY (November 21, 2019)** – Homes in Central Kentucky sold much quicker in October this year than in 2018. Days on market throughout the region fell 20 percent, with homes selling in an average of 41 days in 2019 versus 51 in October last year. Over 61 percent of all transactions occurred in less than one month with only 8 percent taking longer than 4 months.

With homes selling so rapidly, and total sales surging, the months of inventory saw a steep decline for the month. In October, the supply of homes decreased 15 percent, from 3.9 months of inventory in 2018 to just 3.3 months this year. This is following a 21 percent drop in inventory in September and is 2.5 percent decrease month-over-month. The hottest segment of the market continues to be properties priced between \$140,000 and \$200,000 which have less than 2.5 months of inventory available.

“The housing market has been, and continues to be, very robust,” said Al Blevins, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “Despite inventory challenges, home sales haven’t been hampered to this point. In fact, Central Kentucky is experiencing monthly highs across many categories, much of it due to high demand.”

Real estate sales were up 8 percent compared to last year, with total transactions for the month reaching 1,169, compared to 1,086 in 2018. October marked four consecutive months of year-over-year increases with nine out of 10 months in 2019 showing sales growth.

Single-family home sales rose 7 percent overall, 1,096 in 2019 versus 1,028 in 2018. Condos/townhome sales, which made up just over 6 percent of the total market, jumped a staggering 26 percent, with 73 sales in September versus 58 last year. Year-to-date, sales are up 6 percent, reaching 11,963 this year compared to 11,307 in 2018. Nationally, homes sales are up 4.6 percent from a year ago.

Pending sales, a leading indicator of future housing activity, saw a large jump in October, increasing 15 percent over the same month last year, with 1,195 homes pending compared to 1,040 in 2018. Pending sales have risen every month, year-over-year, in 2019 including four consecutive months of double-digit increases.

“The market is on a roll,” said Blevins. “The economy is still strong, reports show that homeownership is still a priority for most people in the U.S., and interest rates are low and forecasted to remain under 4 percent in 2020. Given all of this, real estate should remain solid for a while, especially in this region.”

Data from Realtor.com shows Millennials made up a whopping 46 percent of all mortgage originations last month – up from 43 percent the year prior. And this group of buyers, the largest generation of buyers, rank homeownership as one of their top goals in life (72 percent saying it’s their top priority even over getting married,

having children and traveling). Across non-owners, 78 percent believe homeownership is a good financial decision and 81 percent want to own a home in the future.

Continuation of a strong market and uptick in demand has pushed housing appreciation higher. The median price in Central Kentucky rose 14 percent in October 2019, reaching \$185,000, up from \$162,950 last year. Single-family homes increased 13 percent to \$185,000 while condos/townhome prices rose 2 percent to \$145,900. For the year, median prices stand at \$180,000 for single-family properties and \$143,250 for condos/townhomes. With increases in the number of homes sold and the steady rise in median price, the total dollar volume of homes sold jumped to nearly \$260 million for the month, a 23 percent surge over last year. Total volume jumped just over 10 percent breaking the \$2.5 billion mark for the year.

Nationally, home prices have risen year-over-year for 92 straight months, topping out at \$270,900 in October, up just over 6 percent from last year when prices were \$255,100.

The number of new properties coming to the market isn't keeping up with the upturn in demand. At 1,480 new residential listings hitting the market in October, this represented a drop of 5 percent year-over-year and down more than 4 percent from September. According to recent data, nationally, the average homeowner is staying in their home 13 years, up from just eight years a decade ago, which may account for some of the housing shortage.

The total number of residential listings available for sale in October fell by 8 percent, hitting 3,876 homes, down from 4,230 available at the same time last year. This is the fifth straight month of year-over-year declines for properties available.

Blevins added, "Despite somewhat limited choices for properties, buyers continue to scoop up available homes at record paces. If the information I'm seeing holds true, the remainder of 2019, and into 2020, will remain positive for real estate. The only limiting factor could be a tremendously harsh winter and weather that would prohibit buyers from staying active in the market."

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

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