



## **Real estate continues hot streak into the last quarter of the year Winter slowdown not yet on the radar**

**Lexington, KY (November 25, 2020)** – Home sales surged in October to the highest level on record for any month in the fourth quarter of the year. With 1,375 sales, the month saw an uptick in sales of 18 percent over the 1,169 sold in 2019. October marked the fifth straight month of year-over-year increases. Sales for the year are up 6 percent, reaching 12,624 transactions through the first 10 months of the year, compared to 11,963 last year.

Pending sales jumped 13 percent in October, with 1,352 transaction under contract in 2020 compared to 1,195 last year. This was an all-time high for the month and was up over 6 percent from the previous month. Transactions under contract are now on a six-month stretch of year-over-year records.

These numbers come at a time when inventory levels continue to decline. In October, inventory dropped to an all-time low, reaching 1,919 residential properties available for sale, compared to 3,876 available last year, a decrease of 51 percent. This is the third consecutive month of levels below the 2,000 mark and is the eleventh consecutive month, starting in December, of record lows. October's record low is 2 percent below last month's tally of available homes, which ended with 1,966 of total inventory.

“Demand for home buying remains really strong and our region will likely see a record year of sales,” said Greg Buchanan, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “More buyers will stay in the market through the winter months which will drive transactions higher than typically experienced during this season.”

New listings to the market took a turn to the positive in October, increasing 2 percent from last year. The 1,507 listings, up from 1,459 last year, was the first year-over-year gain since February.

Even with new properties coming online, the increase in sales held the months of inventory at near record lows. Inventory levels in October were at 1.4 months for the third straight month, down 58 percent from 2019. Six months of supply is considered a balanced market.

In Fayette and Madison counties, the two most active markets in the region, the months of inventory sat at just one month each. Scott and Jessamine counties, the next two counties with the most transactions, came in just under the average at 1.3 months. Following recent trends, homes priced under \$250,000 were below a month of inventory in most cases, with several price categories coming in at under two weeks of properties available.

“Competition for homes in our area doesn't seem to be letting up,” said Buchanan. “In fact, the next few months could prove to be some of the busiest we've seen in quite some time. Homes under the \$250,000 range are snapped up when they become available.”

In fact, more than 3 out of every 4 homes that hit the market are sold in less than a month. This has pushed days on market down to 33 days in October, a decrease of 20 percent over the 41 days seen in 2019. On the year, days on market is down 6 percent, reaching 46 days for all residential properties.

Showings for available properties hit an all-time record in July and have been increasing steadily since. October set another monthly record with 20,550 property visits, a 26 percent increase from the 16,381 in 2019 and an increase of 5 percent over the month prior when showings were at 19,631.

This spike in demand is pushing prices higher. The median price of a home in October hit \$206,900, a 12 percent increase over last year when the median was \$185,000. Home prices have risen for 20 straight months with October recording the fifth consecutive month with median prices closing above the \$200,000 level. On the year, prices are up 11 percent, reaching \$197,592 for the first 10 months of the year.

Interest rates, however, are remaining at historic lows, giving buyers some cushion against rising home prices. The average 30-year rate fell to 2.72 percent, the lowest rate in Freddie Mac's 50-year history, and has now recorded 17 consecutive weeks with average rates below 3 percent.

"Real estate in our region has remained steady through the pandemic and the pent-up demand is pushing the buying season into the colder months," stated Buchanan. "Even with the lowest mortgage rates we've ever seen, buyers, especially the first-timers, are starting to feel pressure with the rising prices. It's important for both buyers and sellers to talk with a trusted REALTOR® to find out how to best navigate the current 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 3,500 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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