



Central Kentucky sees huge increase in home sales for September Buyer demand pushes inventory levels lower

Lexington, KY (October 22, 2019) – The start of the fall season has produced a robust real estate industry with the number of transactions in September skyrocketing. Sales were up 17 percent compared to last year, with total transactions for the month reaching 1,180, compared to 1,010 in 2018. September marks three consecutive months of year-over-year increases.

Single family home sales matched overall sales, rising 17 percent overall, 1,107 in 2019 versus 949 in 2018. Condos/townhome sales, which made up 7 percent of the total market, jumped an impressive 20 percent, with 78 sales in September versus 61 last year. Year-to-date, sales are up 5 percent, with sales surpassing the 10,000 mark, reaching 10,729 this year compared to 10,183 in 2018. Nationally, homes sales are up 3.9 percent from a year ago.

“Pending sales have been up every month so far in 2019, including over 12 percent in August, so we were expecting strong sales heading deeper into fall,” said Al Blevins, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “But a 17 percent sales jump in a single month is a little surprising considering the inventory pressures the market is under currently.”

Pending sales in September took another unexpected turn, almost hitting a 20 percent rise over the same period last year. With 1,199 homes pending this month – compared to 1,004 pending last year – the region should see another positive sales month heading into the last quarter of the year.

With buyers scooping up homes so quick, the months of inventory saw a sharp decline for the month. In September, the supply of homes decreased 21 percent, from 4.3 months of inventory in 2018 to just 3.4 months in September of this year. Homes priced between \$140,000 and \$160,000 had just 1.8 months of inventory available while all homes priced under \$250,000 averaged out at just 2.5 months of homes available.

The drop in months of inventory is a result of properties coming to market not being able to keep pace with the number of sales generated each month. In September, however, new listings did increase 8 percent from last year, with 1,548 new properties available to buyers. But the increase isn’t enough to cover the rise in housing demand that has consumed the region.

The total number of residential listings available for sale in September fell by 8 percent, hitting 3,978 active homes, down from 4,303 available at the same time last year. This is the fourth straight month of year-over-year declines for properties available.

“So far, 2019 has been an interesting year for real estate,” said Blevins. “Sales remained fairly steady for most of the year with a few ups and downs but then really spiked in September. Without a greater number of homes coming online, buyers are going to remain limited in the number of options going forward but have, so far, been able to find properties to fit their search.”

And buyers are scooping up homes in less time this year. Days on market dropped 6 percent in September, moving from 47 days in 2018 to 44 days in September this year.

Housing starts nationally are down just over 9 percent in September from last month, with single-family home starts up less than a percent from August. Completions of single-family homes were down more than 8 percent in September from the previous month. This shortage in housing options across the country is pushing home prices up in most places, including Central Kentucky.

The median home price in the region rose 6 percent in September 2019, reaching \$180,000, up from \$170,000 last year. Single family homes increased 8 percent to \$183,500 while condos/townhome prices shrank 5 percent to \$145,000. For the year, median prices stand at \$179,900 for single family properties and \$140,950 for condos/townhomes. With an increase in both prices and homes sold, the total volume of homes sold exceeded \$245 million for the month, a 22 percent surge over last year. On the year, total volume jumped 9 percent hitting just north of \$2.2 billion.

Nationally, home prices have risen year-over-year for 91 straight months, topping out at \$272,100 in September, up almost 6 percent from last year when prices were \$256,900.

“Purchasing a home in the Bluegrass is categorically cheaper than the national average by almost 40 percent,” continued Blevins. “Affordable real estate continues to be a hallmark of the region, even with the uptick in the median price, and the low rates that are sticking around are making the market very favorable to those who are in the market to buy.”

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

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