



Real estate sales bounce back, prices show steady increase

Pending sales in July tally highest year-over-year increase for 2019

Lexington, KY (August 22, 2019) – After a minor slowdown in sales last month, real estate picked back up in July. Transactions increased 9 percent for the month, 1,405 in 2019 versus 1,294 in 2018, reaching the second highest monthly gain for the year. For single family homes, sales increased from 1,217 in July 2018 to 1,318 this month, for an 8 percent increase, while condos/townhomes jumped 13 percent, from 77 last July to 87 in 2019. Year-to-date, sales are up 4 percent, climbing to 8,055 transactions for 2019, compared to 7,746 in 2018.

“Sales activity continues to be strong throughout the Central Kentucky region despite low inventory in most areas,” said Al Blevins, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “Homes coming on the market are selling at an extremely fast pace when priced correctly, which has resulted in driving inventory levels even lower.”

Months of inventory dropped 13 percent in July compared to the same month last year due in part to the pace at which homes on the market are being purchased. In July, there were only 2.8 months of inventory for all residential properties versus 3.2 months in 2018. In fact, homes ranging between \$100,000 and \$199,999 have less than 2 months of inventory with the lowest months of inventory at 1.5 for homes priced between \$140,000 and \$159,999.

New listings on the market rose 8 percent in July, to 1,873, but the increase in listings didn’t make up for the low inventory caused by the surge in sales as total active properties were down 4 percent to 3,968 homes currently available.

Nationally, housing starts dropped for the third straight month in July, mainly due to a steep decline in multi-family housing, however, single-family homebuilding increased 1.3 percent to the highest level in six months. And building permits surged 8.4 percent for the month, the largest gain since June 2017.

This is good news for the housing market and comes at a time when pending sales for July jumped to the highest year-over-year level seen in 2019, increasing 12 percent, with 1,449 pending sales versus 1,294 in 2018. This should translate into strong sales numbers for August.

“Consumers are taking advantage of the robust economy and historically low interest rates being offered,” said Blevins. “Sales are happening at a frantic pace as qualified buyers are actively in the market at a time when they can afford to purchase and mortgages are at levels, currently around 3.5 percent, that seem to trend down every month.”

Median prices in July rose 3 percent over last year, reaching \$181,000, up from \$175,000. For single family homes, prices increased 4 percent to \$184,000, up from \$176,125 in 2018. Prices for condos/townhomes, which

made up just over 6 percent of all residential transactions, jumped 10 percent in 2019 to \$145,000. Nationally, July marked the 89th straight month of year-over-year price gains, with a 4.3 percent increase to \$280,800.

Total volume for Central Kentucky home sales broke through the \$300 million threshold for the month, jumping 13 percent to \$302,777,063 in 2019, compared to \$269,37,011 in July 2018. For the year, total volume for LBAR reported homes sold reached just over \$1.6 billion.

Homes stayed on the market an average of 42 days in July, the same as a year ago. Two-thirds of all properties sold in the first 30 days of being listed for sale, with a total of 80 percent selling in the first two months of being made available.

“Moving into the last few weeks of summer and starting the fall season, the real estate market is looking strong here in the Bluegrass,” continued Blevins. “As long as the economic factors remain on good footing and rates are low, the fall months should remain solid for local real estate.”

With July homes sales up nationally, NAR chief economist Lawrence Yun has noted that because of lower mortgage rates, the second half of year will be notably better than the first half in terms of transactions. And that follows the positive report from the Fannie Mae Home Purchase Sentiment Index, which reached a new survey high in July, and the National Association of Home Builders Housing Market Index hit the highest levels since October.

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 3,300 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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