



Central Kentucky real estate stays hot when the weather gets cold Housing demand continues to fuel inventory issues

Lexington, KY (December 23, 2019) – The increase in demand for homes in Central Kentucky has largely contributed to the lack of housing inventory that has plagued the local market for many months. New listings were down in November by 2 percent compared to last year, however, year-to-date the number of new listings is up 5 percent. The inventory issues are caused with the increase in sales throughout the year and the number of homes available on the market not being sufficient to replace those being sold.

However, because of the overall demand for housing in the region and sales reflecting that demand, total housing inventory has continued to drop every month since June. In November, inventory levels were down 10 percent, with 3,571 residential properties available, compared to 2018 when 3,961 properties were available.

Showing the strength in demand, sales in November surpassed the 1,000 threshold for only the second time in LBAR history, reaching 1,002 homes sold, up 5 percent compared to 953 in 2018. Single-family homes also saw a 5 percent increase for the month, jumping from 910 sales last year compared to 952 sales in 2019.

Townhouses/condos spiked 16 percent in November, with 50 sales in November compared to 43 last year.

Total sales for the year have seen increases every month except June. For the 11 months in 2019, sales have jumped 6 percent versus the same period last year, with over 13,000 homes sold to date. Single-family home sales have contributed to the entire increase for the year as townhouse/condo sales remain flat for the year. Nationally, sales were up over 2 percent from a year ago.

New construction sales reported were up 15 percent year over year with increases being shown in the previous 5 months. Good news that builders seem to be ramping up construction, even if only slightly, across the region. In fact, the National Association of Home Builders reported that homebuilder confidence increased this month to the highest reading since June of 1999 spurred on by a 12.5 year high for home construction permits.

“The market continues to be rock solid going into the last month of the year,” said Al Blevins, president of the Lexington-Bluegrass Association of REALTORS® (LBAR). “Buyers are selecting and closing on homes quickly and the colder weather doesn’t seem to be having any effect on showings, as data for November indicates foot traffic was up 3 percent for the month.”

Pending sales saw a rise in November of 6 percent, with 981 homes pending compared to 929 in 2018. Pending sales have risen every month, year-over-year, in 2019 and the expectation is that will also be the case to finish out the year.

With total sales surging and new listings on the decline, the months of inventory saw a drop for the month. In November, the supply of homes decreased 14 percent, from 4.2 months of inventory in 2018 to 3.6 months this year.

Properties in the price categories between \$100,000 and \$200,000 all have less than 2.5 months of inventory available, with homes priced between \$180,000 and \$200,000 only having a 2 month supply available.

A lack of inventory also led to homes in Central Kentucky selling quicker this year than in 2018. Days on market in November fell 6 percent, with homes selling in an average of 48 days in 2019 versus 51 last year. Over 58 percent of all transactions occurred in less than one month, a full 2 percentage points more in 2019 than last year. Only 10 percent of homes took longer than 4 months to sell.

Home prices in November seemed to have moderated slightly as the median price in Central Kentucky rose only 4 percent year-over-year, reaching \$176,750, up from \$170,000 last year. Single-family homes increased 5 percent to \$179,350 while condos/townhome prices dropped 5 percent to \$135,000. For the year, median prices stand at \$180,000 for single-family properties and \$143,250 for condos/townhomes. With increases in both the number of homes sold and median price, the total dollar volume of home transactions jumped to just under \$210 million for the month, a 5 percent increase over November last year and over 10 percent year to date.

Nationally, median home prices topped out at \$271,300 in November, up more than 5 percent from last year and marking 94 straight months of year-over-year gains.

Blevins added, “We have seen a robust real estate market for an extended period of time in our region. Despite the inventory concerns seen nationwide, locally it doesn’t seem to be impacting buyers, however, having a more plentiful supply of homes available certainly would help, especially in the moderate price ranges. The economy is still ramped up so I don’t expect any major changes for housing moving into 2020.”

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