

For Immediate Release

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Home Sales Up 7%, Biggest July on Record Median Home Price Holds at Near-Record Level

Lexington, KY (8/29/2019) – Rising prices do not yet seem to be hampering home sales as the figure rebounded from a slight dip in June. 5,471 homes were sold last month compared to 5,078 homes in July of 2018, a 7% increase. Year-to-date figures are also trending higher. So far in 2019, 30,863 homes have sold. This is up nearly 2% over 2018’s July YTD figure of 30,344 and just 87 homes (.25%) below that of July 2017’s number. 2017 was the highest year on record in Kentucky with 2018 ending a close second.

Nationwide, existing-home sales rose 2.5% from June to a seasonally adjusted annual rate of 5.42 million in July. Overall sales are up 0.6% from a year ago (5.39 million in July 2018). “Falling mortgage rates are improving housing affordability and nudging buyers into the market,” said Lawrence Yun, NAR’s chief economist. However, he added that the supply of affordable housing is severely low.

The median home price in Kentucky last month was up 8.5% over July of 2018 at \$146,325. This is the third straight month of year-over-year increases and the largest jump of 2019. “The shortage of lower-priced homes have markedly pushed up home prices. Clearly, the inventory of moderately-priced homes is inadequate, and more home building is needed,” said Yun. “Some new apartments could be converted into condominiums thereby helping with the supply, especially in light of new federal rules permitting a wider use of Federal Housing Administration (FHA) mortgages to buy condo properties.”

July’s days-on-market (DOM) figure stands at 97 days. The only other month when homes sold faster was last July when the statewide DOM figure reached the all-time low of 96. Contributing to this low number is the Northern Kentucky Association REALTORS® market. That area saw its lowest DOM month in July when homes went under contract, *on average*, in just 28 days.

Rip Phillips, President of Kentucky REALTORS®, says that the strong economy is causing the demand for housing to persist. “More Kentuckians than ever are wanting to buy homes right now”, he said. “Low inventory has been an ever-present theme this year and is becoming problematic for homebuyers looking at the \$150k - \$250k price range. The homes that meet that need are selling fast.”

The inventory number for the state sits at under 4 months for the fifth consecutive month. July’s figure of 3.21 is down 19% over the July 2018 figure of 3.82 months. Most economists believe a balanced housing market offers a 6-month inventory level.

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To view housing statistics for the state, as reported to Kentucky REALTORS®, visit housingstats.kyrealtors.com.