

Media Advisory

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December 2014 Lexington Home Sales Rebound to Pre-Recession Levels

The number of Fayette County home sales that closed in December 2014 increased 30% over December 2013 resulting in the best December performance since 2007, prior to the recession that most experts believe began in the third quarter of 2008.

“December was clearly an outlier with no obvious explanation,” said Fayette PVA David O’Neill. In total, 2014 was flat compared to 2013 and trends were very difficult to identify. Some months were higher but most declined from the previous year. We were expecting a modest decline year-over-year but the December numbers gave us a very strong finish.”

The market was likely influenced by consumer fear that interest rates would tick back up. Possibly a subset of buyers who were trying to wait out school redistricting decided not to wait any longer, and a small number of transactions were possibly real estate investors making tax-based decisions at the end of the year.

“We don’t know for sure, but obviously we hope to see this trend continue. We closely track property sales and are particularly interested in measuring market reaction to the recent announcement of a reduction in FHA mortgage insurance premiums,” O’Neill concluded.

At the height of the local housing bubble in 2005, the number of houses sold annually in Lexington approached 7,000. That number declined significantly each year until 2012, which was the first year we experienced a year-over-year increase in the number of houses sold. 2011 was the low watermark with approximately 3,000 sales. Calendar year 2014 closed just above 4,100 and was nearly identical to the total in 2013.

December Home Sales, Lexington

