

Kentucky Housing Market Showing Early Signs Of Cooling

Houses anticipated to stay on market for longer as fewer houses expected to sell above asking price

MASSACHUSETTS, UNITED STATES, October 3, 2020 /EINPresswire.com/ -- Twenty-nine percent of Kentucky REALTORS® reported that tightening mortgage standards were discouraging their buyers, according to the

September 2020 edition of the HousingIQ Survey of Kentucky REALTORS®. Twenty-eight percent of the 204 REALTORS®, across Kentucky, expect an increase in the number of price reductions.

SEP
2020

HousingIQ / Kentucky REALTORS®
CONFIDENCE INDEX

50.1 ↓ -1.0
MoM

Improvements in the Price Expectation (+2.5) and Homeowner Stress (-1.7) sub-indices reflect a market that has thus far weathered the pandemic while a seven-point jump in the Buyer Power sub-index foretells a seller's market that is slowing to more sustainable levels.

“House price appreciation has outstripped the benefit of record-low mortgage rates,” explained Vidur Dhanda, author of the survey. “Low inventory can sustain price growth up to a point before financial concerns about affordability become an issue. We are beginning to see that with the tightening mortgage standards.”

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Vidur Dhanda

The headline Confidence Index was nearly unchanged at 50.1. A value of 100 corresponds to all respondents agreeing that market conditions will improve, while a value of 50 corresponds to respondents anticipating no change in market conditions. The improvements in the Price Expectation (+2.5) and Homeowner Stress (-1.7) sub-

indices reflect a market that has thus far weathered the pandemic. With fifty-eight percent of the respondents expecting an increase in distressed sales in the next twelve months, there remain potential headwinds as pandemic-related financial pressures take their toll on homeowners. The seven-point jump in the Buyer Power Index foretells a seller's market that is slowing down to more sustainable levels.

Affordability issues and low inventories continue to present an opportunity for single-family rental investors and 49% of the respondents expect increased sales to investors. 73% of

respondents reported an increase in the number of offers received by sellers with 37% reporting an increase in the number of all-cash offers. This presents an opportunity for real estate professionals to leverage their market insights and network and help buyers with pre-approval, pricing, and putting forward winning offers. With nearly half of the respondents ranking buyers looking to upgrade as a top-three customer segment, and the tight inventories impeding home buying, there is continued opportunity for remodeling contractors and financial planners to bundle services.

"A minuscule 3% of the Kentucky REALTORS® reported their clients as expressing buyer's remorse compared to the 55% national numbers reported elsewhere in the media," said Kentucky REALTORS® Communication Director Paul Del Rio. "This shows how local market experts provide the high touch, consultative expertise that guides beyond the transaction."

In the next twelve months:

- * 50% of respondents expect an increase in sales volume
 - 39% anticipate increased foot traffic
 - 30% expect houses to stay on market for fewer days-----
 - 43% expect increased sales to first-time buyers
- * 66% of respondents anticipate an increase in delinquencies
 - 35% expect more houses to sell above asking price
 - 49% expect increased sales to investors

"The survey results identify younger, more affluent, first-time buyers as an important market segment in the next twelve months," said Kentucky REALTORS® C.E.O. Steve Stevens. "By generating such actionable insights, we help our industry plan and better serve clients."

The latest report is available here: <https://housingiq.wainstreet.com/surveys/ky/>

About HousingIQ Survey of Kentucky REALTORS®

As part of an effort to harness the ears-to-the-ground knowledge of REALTORS®, the HousingIQ Survey of Kentucky REALTORS® is administered monthly to the Kentucky REALTORS® membership. The responses are analyzed and reported as the HousingIQ/Kentucky REALTORS® Confidence Index. Each month's survey includes additional, topical questions that help take the market pulse.

About Kentucky REALTORS®

Kentucky REALTORS® is one of the largest and most influential associations in Kentucky. Founded in 1922, Kentucky REALTORS® represents more than 11,600 REALTORS® who are involved in all aspects of real estate, including residential and commercial real estate brokers, sales agents, developers, builders, property managers, office managers, appraisers, and auctioneers. For additional information, visit kyrealtors.com.

About HousingIQ™

HousingIQ's platform gauges the impact of prevailing economic conditions on future house prices. By harnessing local, regional, and national level data concerning consumers, businesses, housing supply, and financial markets, HousingIQ publishes local market indicators that can forecast house price changes over the next 12 months. For additional information, visit housingiq.wainstreet.com.

Vidur Dhanda
HousingIQ by WAIN Street
+1 413-303-9765
[email us here](#)

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