



The 2025 Market Shift Explained

EVERYTHING YOU NEED TO KNOW

Presented By:

STEVE ULLUM, REALTOR®

Listing Agent / Buyer's Agent

United Real Estate Louisville

502-500-5952

KentuckianaHomeValue.com

HousingInLouisville.com



I've been getting a lot of questions about the state of the real estate market and about the talk of a shift to a Buyer's Market. Sometimes it's difficult to cut through all the noise from what you read online and hear in the news. In this instance, many of the things being talked about don't apply to our local market yet. We can use what is happening elsewhere as a guide for what to expect here eventually, but some markets take longer to transition than others.

I thought there was a need for some clarity, so this booklet will answer questions like:

- ✓ What is a real estate shift?
- ✓ What are the differences between a Seller's Market, a Balanced Market, and a Buyer's Market?
- ✓ What type of market are we in right now in the Greater Louisville area and surrounding counties?
- ✓ How is the market value of my home determined?
- ✓ Does that valuation change in a shifting market?
- ✓ What is the latest news surrounding interest rates?
- ✓ How are homes selling in my area?
- ✓ Is home inventory increasing or decreasing?
- ✓ What services do Steve Ullum of United Real Estate Louisville provide?

If you've been thinking about buying or selling a home, these are all answers you need to know. Even if that is not on your mind, though, your home is a huge financial investment. Like all investments, it is important to know how your home is performing. It's a lot of information but take the time to read this because these are important things for you to know.

Regards,



Steve Ullum, REALTOR®

Listing Agent / Buyer's Agent

United Real Estate Louisville

License # 219997 (KY), RB19002140 (IN)

502-500-5952 (Call or Text)

SteveUllum@gmail.com

www.HousingInLouisville.com

www.KentuckianaHomeValue.com

The information contained herein has been obtained from sources deemed reliable but cannot be guaranteed as to its accuracy. Any information of special interest should be obtained through independent verification. This is not a solicitation if your property is currently listed with another broker. Equal Opportunity Housing Provider. Franchise offices are independently owned and operated.

QUICK LINKS

Here is a set of links so you can quickly and easily access the information that may be most helpful to you now or in the future.

Scan or Click these QR Codes:



Subscribe to my monthly newsletter for the latest on sales data for homes in your area, your zip code, and your neighborhood. Also, stay updated on the latest news on interest rates, changes to the real estate market, the newest trends, home improvement tips, and ways to save money.



Get an updated value for your home the correct way. This is not just an automated computerized estimate. This is an in depth manual analysis complete with examples of homes like yours that have recently sold.



Search homes for sale in your area, and let me know if there are any you would like to see in person. I can also setup an automated alert if you would to be notified when a particular type of home hits the market. It's better than randomly entering your contact information into sites like Zillow and Realtor.com for your information to get sold and distributed to a bunch of phone lists.

You can also call me or text me on **502-500-5952** and I'll direct you to whatever source of information you need.

IS THE REAL ESTATE MARKET SHIFTING?

We've seen a lot of huge changes in the local real estate market in just the last five years:

- ✓ We had the time around 2020 – 2022 when homes were getting more offers than anyone was used to seeing and homes were selling for tens of thousands of dollars over list price in many cases.
- ✓ Things started calming down in 2023 when interest rates started to sharply rise until they reached their highest point of about 7.79% in October of 2023.

That brought things to a crawl for a bit while people adjusted to these changes.

- ✓ 2024 and 2025 were slower years than usual, but there was more buying and selling activity than in 2023 when rates were higher. Buyers started accepting the fact that rates were not going back to 2% or 3%.

As different as each of those real estate markets were from each other, they all had one thing in common. They all occurred while inventory levels were so low that we were still in a Seller's Market throughout all those changes. The word "shift" got thrown around a lot, but we were never truly in a shift because we never shifted out of a Seller's Market.

There comes a point, though, when home prices can't continue to increase faster than wages. That's when markets tend to adjust, and that's what we are seeing right now. We are shifting into a Buyer's Market. Some areas have already made the transition, while others are still in the process of shifting.

So, what is the difference between a Seller's Market and a Buyer's Market?

A **Seller's Market** occurs when there is less than a 4-month supply of homes. That means there are fewer options available for buyers. That creates a higher demand for currently listed homes, which increases competition between buyers, and that drives the price of homes upward. This is when multiple offers are the most likely to occur. In a Seller's Market, it is common for homes to sell faster and see fewer price reductions. In other words, the Seller has the most negotiating power.

A **Buyer's Market** occurs when there is more than a 6-month supply of homes for sale. That means there are more options from which buyers can choose, which creates less competition for individual homes and less demand. Since there is less competition for each home, many homes take longer to sell, and price reductions become more common as sellers try to entice buyers to purchase their home. As you would expect, that means homes are less likely to receive multiple offers at one time in a Buyer's Market. The Buyer holds most of the negotiating power in this type of market.



The period in between is called a **Balanced Market**. That's because both the buyer and the seller have some negotiating power, but neither side holds the more dominant position. It's the stage a housing market enters before it completely shifts from a Buyer's Market to a Seller's Market and vice versa. In this stage, some homes will sell for higher amounts, with some still selling with multiple offers, while other homes will take longer to sell and experience price reductions. It's common to see homes that are priced too high during this time because many sellers are used to being in a Seller's Market. That's the primary reason why many homes go for so long without an offer in the beginning stages of a shift like this. It's the most unpredictable of the three market types because things are still in the process of shifting, but a Balanced Market does seem to slightly favor the market to which we are transitioning. In this case, that is a Buyer's Market.

These are the things we as REALTORS® are seeing right now:

- ✓ The number of homes for sale is increasing, more significantly in some areas than others.
- ✓ Homes are sitting longer before receiving an offer, even many exceptionally nice homes.
- ✓ Price reductions are occurring more frequently.
- ✓ We are not seeing multiple offers as often as we were.
- ✓ Buyers are not making decisions as quickly because they do not feel as rushed as they did.
- ✓ Buyers are being more selective and even pickier about the home they select.
- ✓ More contracts have been including repair negotiations.
- ✓ Buyers are writing more contingencies into their offers, like home inspections, repairs, and appraisals.

Here is a breakdown on the next page to make it easier to understand:

SELLER'S MARKET	BUYER'S MARKET
Sell for higher, buy for higher.	Sell for lower, buy for lower.
Home inventory levels are lower (up to 3 months) – fewer homes for sale.	Home inventory levels are high (over six months) – more homes for sale.
More home showings over a short period of time.	Fewer showings or spread out over a longer period.
Homes go under contract quickly.	Homes take longer to go under contract.
Multiple offers are common.	Multiple offers are less common.
Less need for price reductions because homes sell quicker.	Price reductions can be more common since homes sit for longer.
Homes sell for a higher percentage of their list prices.	Homes sell for a lower percentage of their list prices.
Fewer contract contingencies like home inspections, repairs, appraisals, etc.	More contract contingencies due to less competition from other buyers.
Buyers make decisions quickly because homes are selling so fast.	Buyers have more time to shop around and be more selective.
Sellers have more negotiating power.	Buyers have more negotiating power.
It can be difficult for younger buyers or buyers without thousands or tens of thousands of dollars extra to pay over asking price.	Younger buyers and first-time buyers can enter the market easier when they are not competing with cash offers and multiple offers.

For each item on that list, think of a Balanced Market and being the middle ground of the answers in each column. We'll examine areas around Greater Louisville and the surrounding counties a little later.

The knee-jerk reaction of a lot of people is, “Well, it doesn’t make sense to sell in a Buyer’s Market if I am going to make less money.”

- Are you really making less money, though, by selling your home for a higher amount if you have to give that extra money right back for the higher price you pay on your replacement home?
- Wouldn’t it work out about the same if you sold your home for a little bit less and also purchased your next home for less?

The truth is the strategies just change, and I’ll help you with those strategies when the time is right for you to make a move. Just don’t let the news of a market shift intimidate or worry you. It’s all part of the normal cycle of things.

ADVANTAGES OF A BUYER’S MARKET

There are some distinct advantages of a Buyer’s Market:

- ✓ You don’t typically feel as rushed to make a decision on your new home. You can usually take more time without the pressure of guaranteed multiple offers.
- ✓ There will more options from which you can choose.
- ✓ You can include more contingencies in your offer, such as home inspections, repair requests, and an appraisal. Many buyers felt unable to include those things in their offers in past years due to the high number of multiple offers that did not include those contingencies.

Are any of your friends, co-workers, or family members preparing to purchase their first home?

Have them contact me now, even if they are just in the beginning stage of thinking about it. I can set them up with all the information they need to make sure they are prepared when the time is right. The market we are heading into is a great one for first-time buyers who have been largely disadvantaged in the last several years because of skyrocketing prices and bidding wars. First-time buyers have more of a competitive advantage in a Buyer’s Market than they have in a long time, so this is a great time for them to get setup for success.

KEY POINTS TO REMEMBER

- ✓ A market shift is not a bad thing. It is needed from time to time to keep things balanced.
- ✓ Selling for higher and buying for higher often nets you the same thing as selling for lower and buying for lower. It's the strategies that change, not the net result.
- ✓ A Buyer's Market is a good thing in that it gives you more options with less pressure.
- ✓ Not every area is shifting at the same rate. You will see that here in just a moment. Know what's happening in your area of town.

Sign up for my monthly newsletter if you would like monthly updates on how the real estate market continues to change across the Greater Louisville area, surrounding counties, and in your specific area of town. Scan or click the QR Code below:



RECENT MARKET DATA

Here is the latest look at real estate market activity near you. The information in this report was generated from data gathered by the Greater Louisville Association of REALTORS® and is believed to be accurate, but some data can fluctuate as new sales information is recorded. For this report, here is a description of what each of these data points represents:

Sale Price to List Price Ratio:	This is the sale price expressed as a percentage of the list price at the time the home went under contract. A home listed at \$400,000 that sold for \$395,000 would have a 98.75% sale price to list price ratio because \$395,000 is 98.75% of \$400,000. A \$400,000 home that sold for \$410,000 would have a 102.5% sale price to list price ratio because the home sold for 2.5% above asking price. When numbers show over 100%, that is a good indicator that multiple offers were in play.
Sale Price to <u>Original</u> List Price Ratio:	This is the sale price expressed as a percentage of the <u>original</u> list price from when the home was first listed for sale. If this value is lower than the sale price to list price ratio, that tells you that a price reduction occurred before the home went under contract. In most cases, this is because the home was listed too high in the first place, not necessarily because something went wrong.
Months of Inventory:	This is the number of months it would take to sell all the homes currently available for sale at the current rate they are selling if no other homes were listed. This number helps to determine whether we are in a Buyer's Market or a Seller's Market. Numbers in the 3's and below usually put us safely in a Seller's Market, while inventory levels above 6 months put us in a Buyer's Market. In between is called a Balanced Market.

On the next page, you will see how each MLS area is performing and how sales through the end of September compare with sales in August. Two big indicators of a shift towards the direction of a Buyer's Market are an increase in inventory and a greater frequency of price reductions. That's happening in almost every area right now, as you will see on the next page. It's critical that you understand these changes, know the new strategies that come with these changes, and position yourself ahead of the shift. I'll show you how when the time is right for you.

Here is a snapshot of how sale prices have been in different areas. Let me know if you need help identifying your area of town.

MLS Area Number and Neighborhood		Sale Price to List Price Ratio			Sale Price to <i>Original</i> List Price Ratio		
		Aug.	Sep.	Oct.	Aug.	Sep.	Oct.
JEFFERSON COUNTY	00: Central Downtown, Old Louisville	97.1%	96.2%	95.6%	88.4%	94.2%	92.4%
	01: Downtown Old Louisville, West Louisville	97.5%	97.0%	95.5%	95.1%	92.4%	92.1%
	02: Butchertown, Germantown, Highlands	98.2%	97.0%	98.7%	97.2%	94.5%	96.6%
	03: Clifton, Crescent Hill, Saint Matthews	98.7%	98.2%	98.1%	96.6%	96.5%	96.6%
	04: PRP, Valley Station, Shively	100.1%	101.1%	98.8%	98.9%	100.2%	97.6%
	05: Auburndale, Fairdale, Iroquois	98.5%	99.0%	98.5%	97.7%	97.0%	96.7%
	06: Buechel, Highview, Okolona	99.5%	98.9%	99.3%	98.5%	98.1%	97.7%
	07: Fern Creek, Hikes Point, Jeffersontown	99.6%	98.6%	99.6%	98.7%	97.6%	98.5%
	08: Douglass Hills, Anchorage, Hurstbourne, Middletown	99.0%	98.4%	98.5%	98.3%	97.5%	97.7%
	09: Glenview, Lyndon, Prospect	99.3%	99.1%	97.9%	98.6%	98.9%	96.5%
	00 – 09: Jefferson Co. as a Whole	98.9%	98.6%	98.4%	97.8%	97.1%	96.8%
10: Nelson County		97.2%	96.4%	96.3%	95.8%	95.0%	94.4%
11: Bullitt County		98.7%	98.1%	98.6%	97.7%	96.5%	96.9%
16: Hardin County		98.5%	98.9%	98.0%	96.5%	94.9%	94.3%
19: Spencer County		97.9%	98.8%	97.3%	96.5%	95.5%	95.8%
20: Oldham County (N. of I-71)		98.9%	97.9%	96.7%	98.0%	94.8%	95.4%
21: Oldham County (S. of I-71)		99.1%	98.4%	98.0%	98.0%	97.4%	96.3%
20-21: Oldham Co. as a Whole		99.0%	98.2%	97.3%	98.0%	96.3%	95.8%
29: Henry County		96.3%	95.9%	97.6%	95.5%	94.3%	94.9%
30: Shelby County		97.4%	97.6%	97.4%	96.4%	96.0%	94.6%
31: Meade County		96.8%	96.7%	98.3%	95.3%	94.1%	96.1%
34: Trimble County		100.8%	97.8%	98.9%	98.4%	96.1%	90.3%

Here is a snapshot of how home inventory levels have changed. Let me know if you need help identifying your area of town.

MLS Area Number and Neighborhood		Months of Inventory		
		August	September	October
JEFFERSON COUNTY	00: Central Downtown, Old Louisville	6.33	5.13	3.36
	01: Downtown Old Louisville, W. Louisville	3.13	3.42	4.13
	02: Butchertown, Germantown, Highlands	1.97	3.19	2.56
	03: Clifton, Crescent Hill, Saint Matthews	1.57	2.14	1.99
	04: PRP, Valley Station, Shively	2.40	1.90	2.21
	05: Auburndale, Fairdale, Iroquois	1.83	2.07	3.09
	06: Buechel, Highview, Okolona	1.74	1.74	2.51
	07: Fern Creek, Hikes Point, Jeffersontown	1.65	2.41	2.43
	08: Douglass Hills, Anchorage, Hurstbourne, Middletown	1.47	1.78	1.69
	09: Glenview, Lyndon, Prospect	1.87	2.28	1.83
	00 – 09: Jefferson County as a Whole	1.95	2.29	2.45
	10: Nelson County	2.35	3.93	6.89
11: Bullitt County		2.44	1.78	3.04
16: Hardin County		3.70	4.40	4.74
19: Spencer County		2.46	4.60	3.68
20: Oldham County (North of I-71)		3.28	3.56	2.50
21: Oldham County (South of I-71)		2.00	2.18	2.83
20 – 21: Oldham County as a Whole		2.57	2.79	2.64
29: Henry County		2.64	3.69	4.17
30: Shelby County		2.69	2.47	3.64
31: Meade County		4.29	4.10	5.24
34: Trimble County		4.60	2.30	15.00

Here is what that information tells us:

Of the 20 areas listed in those data tables:

- ✓ Some areas are still in a Seller's Market, some have shifted into a Balanced Market, while others have made the complete shift into a Buyer's Market already.
- ✓ 14 areas have seen an increase in inventory (available homes for sale) since September. The average was 2.95 months of inventory, and it is now 3.88 months.
- ✓ In 10 areas, the inventory levels increased both from August to September, and then again from September to October.
- ✓ The areas that have the highest inventory levels right now are Central Downtown/Old Louisville, Downtown Old Louisville/West Louisville, Auburndale/Fairdale/Iroquois, Nelson County, Bullitt County, Hardin County, Spencer County, Henry County, Shelby County Meade County, and Trimble County.
- ✓ 12 areas have seen the sale price to list price ratio go down since September.
- ✓ The sale price to original list price ratio also decreased in 11 areas, meaning price reductions are becoming more common and increasing. The average for all areas was 96.08%, and it is now 95.57%.
- ✓ In 7 areas, the sale price to original list price ratio decreased both from August to September, and then again from September to October.
- ✓ At the end of August, Jefferson County was at an average of about 1.95 months of inventory, then 2.29 months in September, and finally 2.45 months in October, all of which is still technically a Seller's Market. When you break Jefferson County down into its ten different areas, though, you see a range from 1.69 months up to 4.13 months. Surrounding counties ranged from 2.5 – 15 months of inventory. This is why you cannot make one blanket statement that applies to every area. Most every area is showing signs of a shift, but each area is transitioning at different speeds. That's because we are still transitioning, we have not fully transitioned yet.

Now, let's see how long it is taking for homes to go under contract:

MLS Area Number and Neighborhood		Days Until Contract		
		August	September	October
JEFFERSON COUNTY	00: Central Downtown, Old Louisville	28	35	34
	01: Downtown Old Louisville, West Louisville	34	40	36
	02: Butchertown, Germantown, Highlands	30	36	32
	03: Clifton, Crescent Hill, Saint Matthews	32	33	35
	04: PRP, Valley Station, Shively	29	33	34
	05: Auburndale, Fairdale, Iroquois	29	33	32
	06: Buechel, Highview, Okolona	35	38	37
	07: Fern Creek, Hikes Point, Jeffersontown	41	34	36
	08: Douglass Hills, Anchorage, Hurstbourne, Middletown	32	33	39
	09: Glenview, Lyndon, Prospect	36	39	33
	00 - 09: Jefferson County as a Whole	34	36	35
10: Nelson County		35	34	45
11: Bullitt County		36	34	35
16: Hardin County		35	33	39
19: Spencer County		43	35	28
20: Oldham County (North of I-71)		36	33	37
21: Oldham County (South of I-71)		41	42	41
20 – 21: Oldham County as a Whole:		39	38	39
29: Henry County		34	45	35
30: Shelby County		37	31	36
31: Meade County		28	39	34
34: Trimble County		33	35	36

Homes in some areas are taking longer to go under contract, but many areas are largely unchanged over the last few months. If there is one thing that is clear, the days of the average home going under contract in just a couple days are over. The average of all the areas listed above is 36 days for a home to go under contract.

TAKEAWAYS FROM THIS DATA

- ✓ There is a shift toward a Buyer's Market happening all across the country. Many areas here appear to have made the transition into a Buyer's Market, while some are still in a Seller's Market. Some are in a Balanced Market right now but making the shift towards a Buyer's Market.
- ✓ As is typical to see in a transitioning market, there are some indicators that neither the buyer nor the seller holds the complete dominant advantage. We see higher inventory areas that have relatively high sale prices and some areas with lower inventory that have lower average sale prices. This will likely change the further we get into the shift, but it is completely normal for there to be a bit of unpredictability while in the middle of a shift.
- ✓ The average home is taking approximately 36 days to go under contract. That means it is even more critical that you price your home correctly the first time. The longer you take to price your home correctly, the more you risk extending that time even longer. Then, buyers will likely offer even less for your home.

Remember, a market shift isn't bad news. It's just a change. Home values cannot keep increasing at a rate that outpaces income levels and wage increases or else housing just spirals out of control and becomes unaffordable for everyone. Shifts like this need to happen every now and then. It also doesn't mean that you are losing money as a seller because you are likely paying less for the next home you purchase also.

I am happy to show you how all of this impacts the market value of your home right now. If you would like me to do that, call or text me at **502-500-5952** or fill out a request on my website by clicking or scanning the QR Code here:



WHAT DOES “MARKET VALUE” MEAN?

Ever wonder how the value of your home is determined? Market Value is a simple definition but the way it is determined can be confusing. In the simplest terms, market value is whatever a buyer is willing to pay and a seller is willing to accept under current market conditions.

How is that determined?

The easiest and most reliable way to determine that is to look at sales data for what buyers have been willing to pay for a similar home. Think of it as the proof. That’s why we as REALTORS® look at comparable sales. A comparable sale is a home that is like your home in many ways and one that recently sold near you in the past.

This is when it gets a bit confusing...

Phrases like *similar*, *near you*, and *recently* are all subjective. Their definitions can change based on the type of real estate market and the availability of homes that have sold. For example, the default area used when searching for comparable sales is approximately a one mile radius from your home. Sometimes there are plenty of sales within that area, but sometimes we need to go out 1.25 miles, 1.5 miles, 1.75 miles, etc. They should be as near your home as possible, and they should be in as similar of neighborhoods as possible.



“Like yours” can also mean different things. If possible, the comparable sales should all be a similar style home to yours, built around the same time, within approximately 20% of the above-grade square footage as your home, and with similar features like a finished or unfinished basement, garages, etc. Based on the availability of homes that have sold, sometimes adjustments to those criteria need to be made.

How far back we look for those comparable sales also changes depending on the market we are in at the time. For example, it is acceptable to search back up to 12 months if the current market is the same as the one 12 months ago. If we are shifting into a Buyer’s Market at the time your home is being listed, like we are now, it wouldn’t make sense to look back 12 months ago when we were firmly in a Seller’s Market because homes sell completely differently in those two markets.

The condition of the home makes a big difference also. Homes that need updating cannot be reasonable compared to homes that have been completely remodeled because buyers are willing to pay different amounts depending on how much money they need to invest in improvements.

When it is all said and done, there will not be comparable sales that are exactly the same as your home. All of them will be different in several ways, some of which have just been covered. For each difference,

a value adjustment needs to be made. For example, if a comparable sale has 3 full bathrooms and your home has 2 full bathrooms, then the value of one full bathroom needs to be deducted from the sale price of that comparable home to make it “equal” to your home. That same thing happens with differences in square footage, style, age, condition, fireplaces, decks, patios, basement finished and unfinished square feet, full bathrooms, half bathrooms, sunrooms, pools, acreage, etc.

Finally, market conditions come into play. Are home values increasing or decreasing? Are we in a Seller’s Market, Buyer’s Market, or a Balanced Market, or are we shifting from one market to another? Adjustments to value also need to be made for changing real estate markets.

Yes, it’s a lot and it can sound complicated, but this is why computerized valuation tools online can be inaccurate. You can go to multiple websites that all estimate a property’s value and all of them will give you a different amount. Sometimes those values differ greatly. That’s why the process of determining the best list price is best done by a real estate professional and by one who knows the market well.

Let’s sit down when you are ready and go through these things in person.

Would you like to see the market value of your home right now? Call me or text me at **502-500-5952** or go to www.KentuckianaHomeValue.com.

PRICING YOUR HOME DURING THE SHIFT

One thing that is extremely common as a real estate market transitions out of a Seller's Market is for homes to be overpriced as sellers get used to the changes. We are seeing a lot of that right now. Be careful about making that same mistake because this is what happens when you do:



Before you know it, you are chasing the shifting market instead of positioning yourself ahead of the shift, and it usually costs you more money in the long run. A lot of sellers are making that mistake right now, so be careful you do not do the same. The longer you wait to price your home correctly, the more money you risk losing in the end.

Since we are in a shifting market right now, it is no longer commonplace to go back 12 months to find comparable homes that have sold when determining value. Most appraisers will look to sales that have occurred in the last 3-6 months instead because we were in a completely different real estate market a year ago. The further back an appraiser needs to look for comparable sales, the more that appraiser needs to adjust the sale prices for those comparable sales to account for the difference between the two market types. You need to consider how sales and market data have changed since that comparable home sold.

Your home's condition, presentation, and functionality are going to impact the sale price more now than they have in many years. That means you will need to spend more time and effort deep cleaning, decluttering, fixing those little things that have been on your to-do list for a while, and staging your home in a way that is going to appeal to the greatest number of buyers. That's because buyers have already started taking longer to make a buying decision, being more selective, and leaning more towards the

homes that are the most move-in ready. Your home needs to stand out from all the others because there will be no shortage of other homes for buyers to choose over yours.

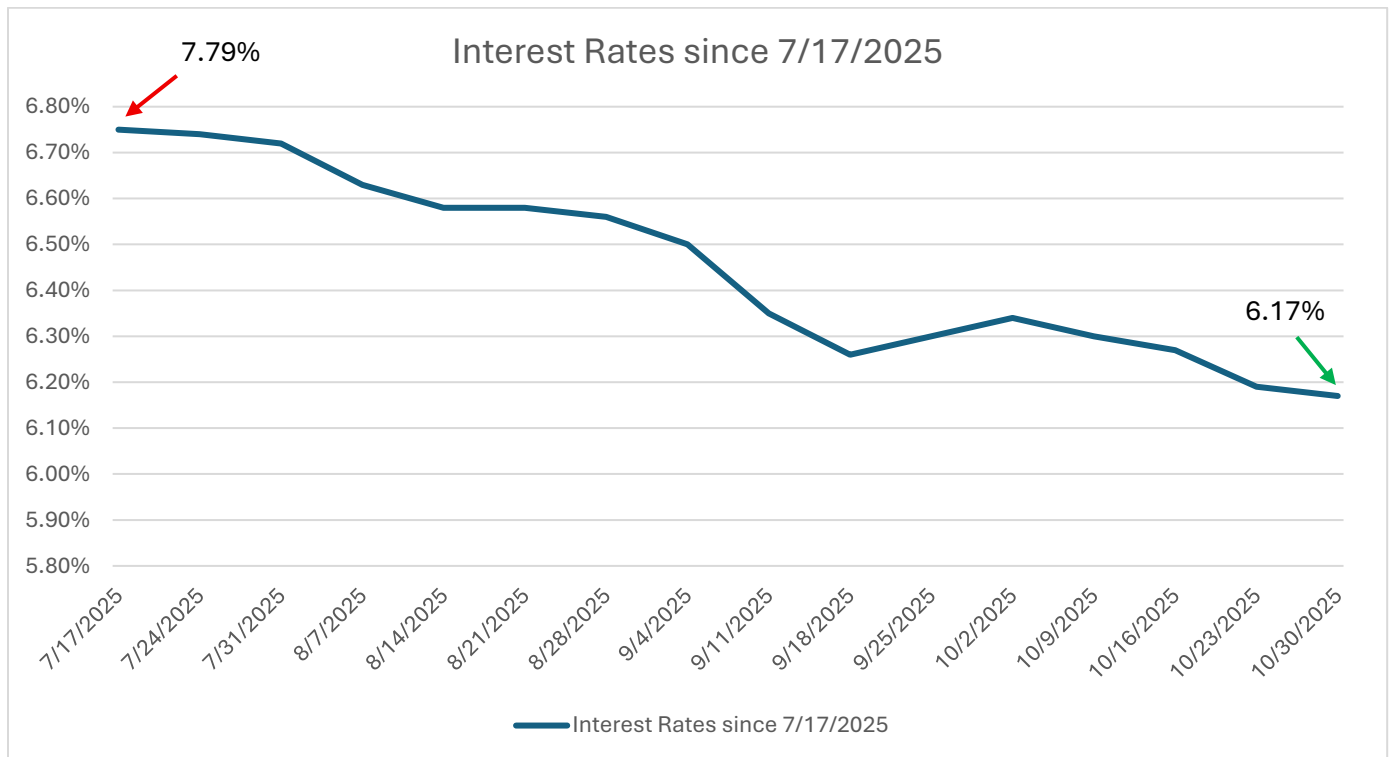
My **100+ Easy-to-Do Home Staging Tips** will help you with this process, and I'll even help you get your home ready. I'll bring a copy of that booklet with me when you are ready to list your home for sale.

Another thing to remember is that data reflects what has just occurred, but I show and list homes every day. That means I see what is happening as it is happening. My monthly newsletters will cover all of that. Pay attention to the most recent market data and to those observations because they will help guide you on what you should be doing. All that data will be made available to you when you are ready to buy or sell your next home.

Ask me about my **Appraisal Guarantee** that I offer with every listing now. It's another way I make sure you have the most accurate information you need before you list your home for sale with me.

WHAT IS THE LATEST NEWS ON INTEREST RATES?

Based on data from www.freddiemac.com, we've seen a steady decline in interest rates since July 2025. Rates increased slightly the week of September 25th, but only by 0.04%, with another slight 0.04% bump the following week, but then they started declining again. Yes, you will see some slight up and down motions like that, but interest rates are widely expected to continue to trend downward. In my opinion, 15 weeks is long enough to consider that a pattern that is likely to continue. Many industry experts agree. These are the 30-year fixed-rate conventional loan rates since 7/17/2025:



Additionally, the Federal Reserve recently lowered the Fed Fund Rate for the first time this year in September and then again on October 29th. The Fed Fund Rate is the overnight lending rate banks charge each other for reserves. When banks pay less interest on the money they borrow, they can pass that savings along to their customers in the form of lower interest rates.

While this is a positive sign for mortgage interest rates, it is also important to know that just because the Fed Fund Rate is lowered by a certain amount, that doesn't mean mortgage interest rates are automatically lowered by the same amount. The Fed Fund Rate is just one of many factors that impact mortgage interest rates.

Currently, interest rates are hovering around 6.1% for a 30-year fixed-rate conventional mortgage. A VA loan or a 15-year fixed rate loan can drop you down well into the 5's.

SERVICES I OFFER MY CLIENTS

The following services are available to clients in both Kentucky and Indiana. I am licensed in both states.

- ✓ Buyer consultations and representation
- ✓ Listing consultations and representation
- ✓ New construction consultations and representation
- ✓ Comparable Market Analysis of your home's value
- ✓ Staging and preparing your home for sale
- ✓ Referrals to professionals for any of your home-related needs
- ✓ Monthly newsletters with information designed to give you an advantage
- ✓ Estate sales for those struggling with the loss of a family member
- ✓ Relocation assistance into the Greater Louisville area or away
- ✓ Referrals to out of state real estate professionals if you are moving to a different state

CONCLUSION

Change can be uncomfortable, and adjusting to change can sometimes take a while to get everyone on the same page. Just remember that it is healthy for changes to happen from time to time. I hope this sheds some light on where the local real estate market is in Greater Louisville and the surrounding counties. If you ever have any questions, just know that I don't take what I hear on the news and just echo it. I look at the data here locally every day, and I report on what is actually happening here and now. Let's examine if now is a good time for you to buy or sell. Getting all the facts never hurt anyone.

Don't be a stranger. Let me know what you need and when you need it and I am happy to help.

Regards,



Steve Ullum, REALTOR®

Listing Agent / Buyer's Agent

United Real Estate Louisville

License # 219997 (KY), RB19002140 (IN)

502-500-5952 (Call or Text)

SteveUllum@gmail.com

www.HousingInLouisville.com

www.KentuckianaHomeValue.com

