



Local Real Estate Market Weathers Challenging Economic Storm

CHATTANOOGA, TN – November 18, 2008 – Economic uncertainty continues to impact the housing market. According to figures from the Multiple Listing Service (MLS) of the Chattanooga Association of REALTORS®, the region witnessed the sale of 1,741 units in the third quarter, a 10.4 percent decline from the previous year. Compared to the previous quarter, area sales showed a drop off of less than 2 percent.

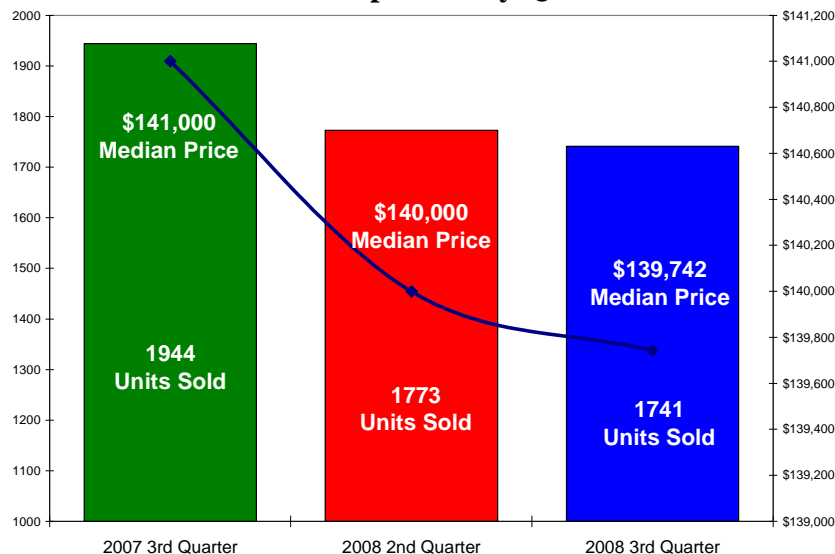
“Sales are down, but conditions are not as dire as the headlines seem to depict,” says Pam Duffy, President of the Chattanooga Association of REALTORS®. “All real estate is local and our market is in a much better position because we never had the huge run up in home prices and excessive new housing starts. But still, consumer confidence is lacking and would-be buyers and sellers are choosing to sit on the sidelines.”

Adds MLS President, Randy Durham, “The economy is stressed and consumer sentiment was rocked in the third quarter by wide fluctuations in the stock market, increases in foreclosures, growing unemployment levels and the federal government’s unprecedented moves to bolster and promote a more liquid mortgage market. Challenges are still ahead in the housing industry but our local market still presents plenty of opportunities.”

While many continue to view the real estate market with a negative focus, area REALTORS® can point to some favorable conditions in the local housing market. Inventory remains high, providing lots of choice in housing style and neighborhoods, mortgage rates are near record lows and the region remains one of the most affordable markets in the Southeast.

In several parts of the country consumers continue to be priced out of housing markets, even as realism aggressively works its way back into listing and sale prices. Conversely, the greater Chattanooga area’s home values remained stable thanks, in part, to the region’s median home price, the price at which half sold for more and half sold for less. In the year’s third quarter, the median price was \$139,742, which is virtually unchanged compared to the same period in 2007. The affordability factor becomes even clearer when measured against the aggregate median home price of \$200,500, as released by the National Association of REALTORS®.

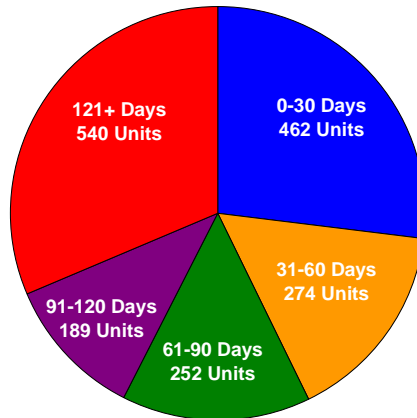
Statistical Comparison by Quarter



“Thankfully we didn’t see the unrealistic and unsustainable price swells and it has helped us to avoid much of the mess so many others in real estate are dealing with,” contends Durham. “Uncertainty is high and financial constraints have consumers cutting back spending all across the board. But those who closely examine their own housing situation will find some great deals in our real estate market.”

“It’s a market that more people should be embracing,” believes Duffy. “Buyers who ignore the national hype are seeing first hand all our area has to offer. First-time buyers should especially take notice of the temporary homebuyer tax credit and get on the path to a sounder financial future that homeownership offers.”

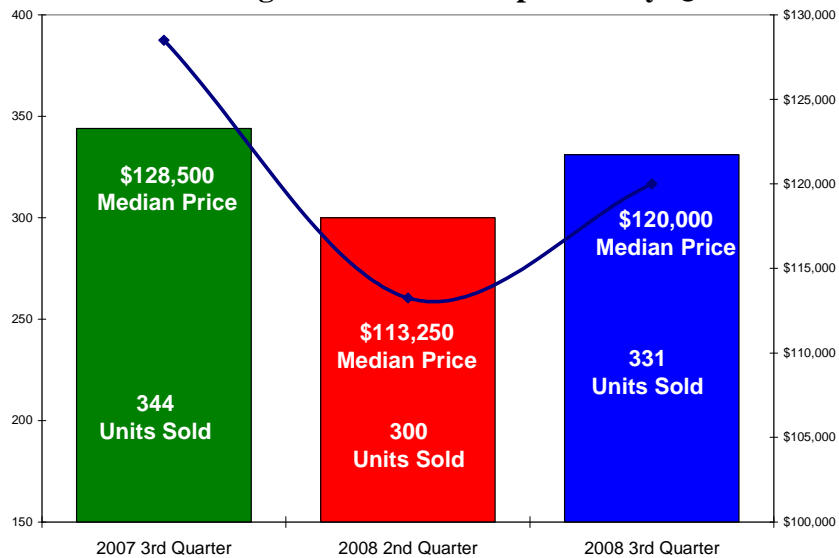
Third Quarter Days on Market



Also of note, units sold in the third quarter averaged 121 days on the market, 13 days longer than one year ago but 8 fewer days than the previous quarter. Sales trends indicate softer sales to continue throughout the year with home prices remaining competitive. As new jobs and economic investment enters into the area, home sales will increase and values will appreciate at a healthy level.

Third quarter sales in Northwest Georgia eased 3 percent compared to the same period in 2007. The median price was \$120,000, which is off 6.6 percent from last year. However, sales did surge over the second quarter by 10.3 percent.

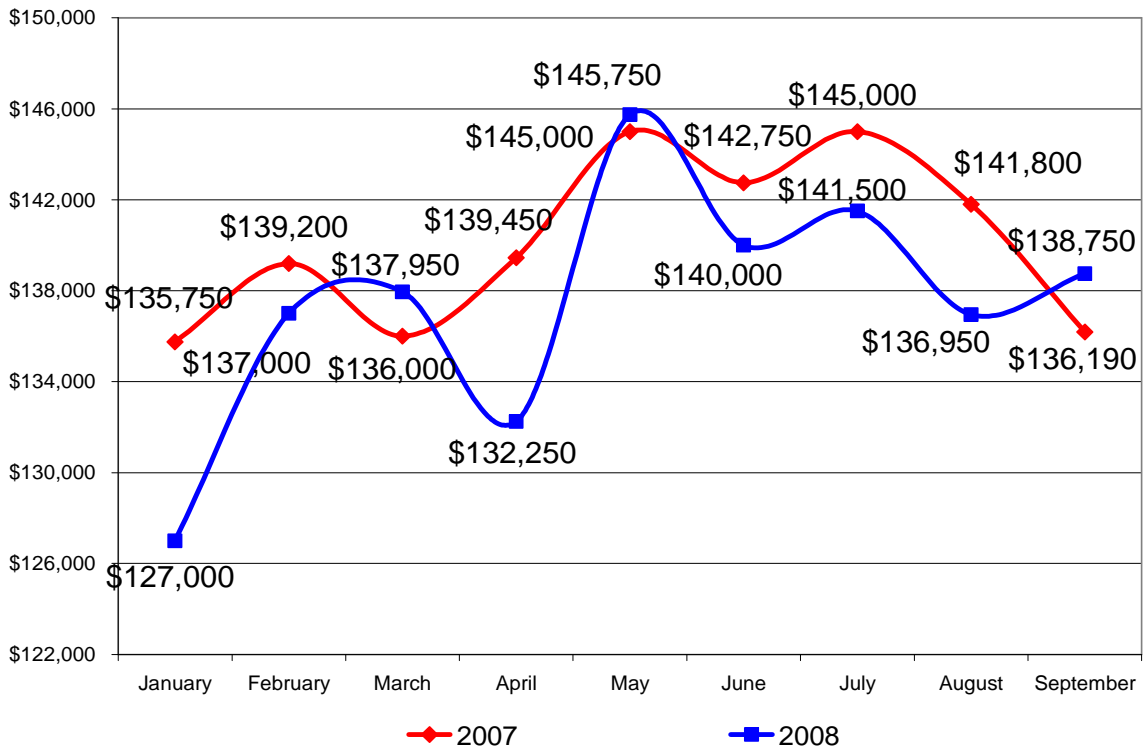
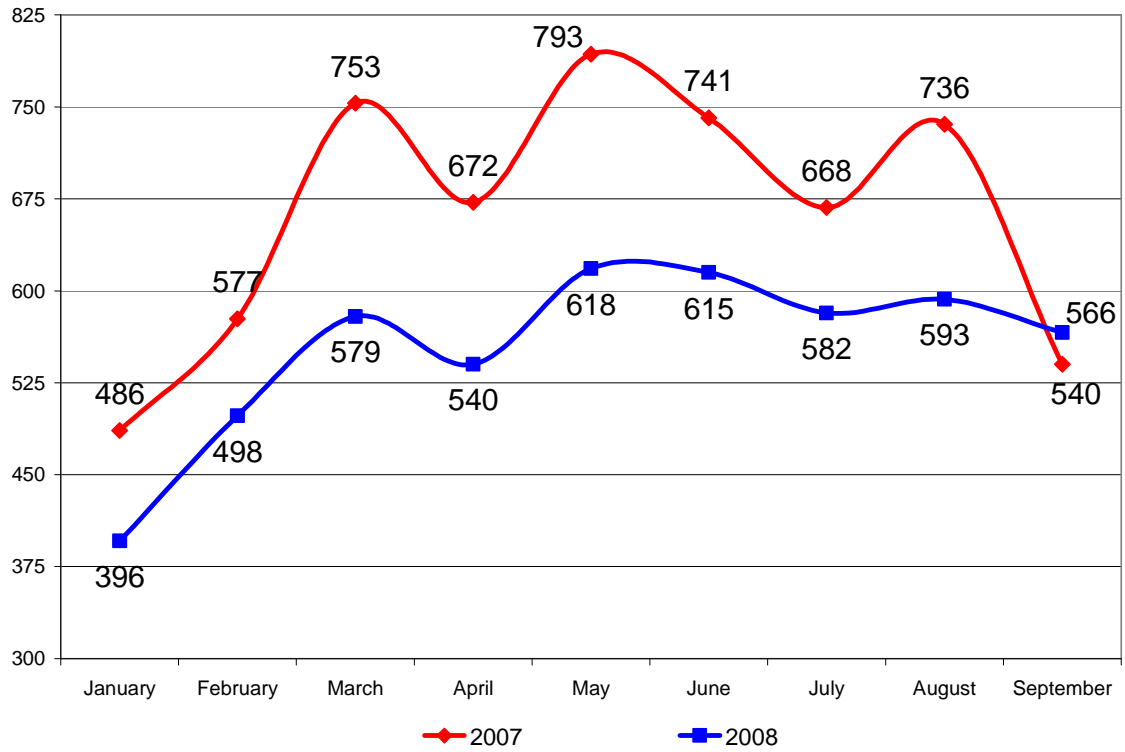
Northwest Georgia Statistical Comparison by Quarter



To learn why this is the Right Time, Right Market, the Chattanooga Association of REALTORS® wants people to visit www.RightTimeRightMarket.com, an informative Web site with up-to-date information about the state of the Northwest Georgia and Southeast Tennessee real estate market while also offering helpful tips on buying or selling a home, information on renting versus owning a home, information on the temporary tax credit for first-time homebuyers, and area facts for those relocating or retiring to the greater Chattanooga area.

The Chattanooga Association of REALTORS®, the region’s premier voice for real estate, is made up of over 1,900 real estate professionals engaged in every aspect of real estate throughout Southeast Tennessee and Northwest Georgia.

Month-to-Month Units Sold and Median Price Comparison versus Previous Year



2008 Third Quarter Stats By Price/Type							
Price Class/Type	0-2 Bedrooms	3 Bedrooms	4+ Bedrooms	Multi Family	Condo Co-Op	Farms	Total Units
\$29,999 or Under	42	31	4	7	0	0	84
\$30,000 - \$39,999	13	19	4	3	0	0	39
\$40,000 - \$49,999	13	28	3	1	4	0	49
\$50,000 - \$59,999	13	27	2	3	0	0	45
\$60,000 - \$69,999	15	34	5	1	4	0	59
\$70,000 - \$79,999	29	33	4	4	5	0	75
\$80,000 - \$89,999	13	56	10	1	2	0	82
\$90,000 - \$99,999	14	63	10	2	3	0	92
\$100,000 - \$119,999	20	116	14	4	6	0	160
\$120,000 - \$139,999	14	153	22	3	12	0	204
\$140,000 - \$159,999	14	113	33	0	11	0	171
\$160,000 - \$179,999	2	73	18	2	4	1	100
\$180,000 - \$199,999	2	59	28	2	7	0	98
\$200,000 - \$249,999	4	75	72	2	23	0	176
\$250,000 - \$299,999	1	37	70	1	17	0	126
\$300,000 - \$399,999	0	24	67	0	12	0	103
\$400,000 - \$499,999	0	4	23	0	6	0	33
\$500,000 - \$749,999	0	2	23	0	3	2	30
\$750,000 - \$999,999	0	1	6	0	2	0	9
\$1,000,000 - \$1,249,999	1	0	3	0	0	0	4
\$1,250,000 - \$1,149,999	0	0	1	0	0	0	1
\$1,500,000 - \$1,999,999	0	0	1	0	0	0	1
\$2,000,000 - \$2,999,999	0	0	0	0	0	0	0
\$3,000,000 or Over	0	0	0	0	0	0	0
Total Types	210	948	423	36	121	3	1741
Median Price	\$72,500	\$129,000	\$240,000	\$79,000	\$202,500	\$567,500	\$139,742

2008 Third Quarter Stats By MLS Area			
MLS Area	Total Sold	Median Price	Days on Market
1 - Tiftonia - Lookout Valley - Elder Mountain	14	\$234,000	194
2 - Downtown-St.Elmo-High Park-Avondale-Miss Ridge	110	\$72,500	123
3 - City of East Ridge	66	\$111,500	104
4 - Brainerd-East Brainerd	154	\$120,500	125
5 - Hwy 58 - city - Eastdale/Dalewood/Tyner	85	\$104,900	125
6 - N. Chatt-Mtn. Creek-Riverview-Rivermont	124	\$218,000	105
7 - Red Bank City Limits	43	\$114,250	92
8 - Hixson-Chattanooga City Limits	77	\$168,125	106
9 - Signal Mtn-Walden-Suck Creek	57	\$264,000	99
10 - Lookout Mountain	16	\$380,000	215
11 - Catoosa County	158	\$134,000	105
12 - Hwy 58/Harrison/Georgetown	43	\$140,000	111
13 - N Ham Co/Soddy/Bakewell/Sale Cr/Middle Valley	159	\$159,200	135
14 - Counties Other than Hamilton excluding GA	10	\$98,000	116
15 - Volunteer Site to Hunter Road	20	\$17,800	148
16 - E Brainerd county/Ooltewah	89	\$232,500	137
17 - Ooltewah/Snow Hill	51	\$243,500	149
18 - Collegedale Includes Apison	40	\$239,000	136
19 - Walker County	129	\$96,755	114
20 - Dade County	22	\$128,500	119
22 - Bradley County	114	\$141,000	107
23 - McMinn County	6	\$125,000	173
24 - Rhea County	34	\$126,500	148
25 - Alabama	9	\$85,000	107
26 - Whitfield	7	\$102,000	183
27 - Chattooga	15	\$76,550	85
28 - Sequatchie	29	\$113,100	154
29 - Marion	36	\$118,000	117
30 - Bledsoe	18	\$89,000	133
31 - Meigs	5	\$192,500	66
32 - Polk	1	\$91,000	62
Total	1,741	\$139,742	121