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Contact: Chris Sexton Chris@ChattRealtors.com (423) 698-8001

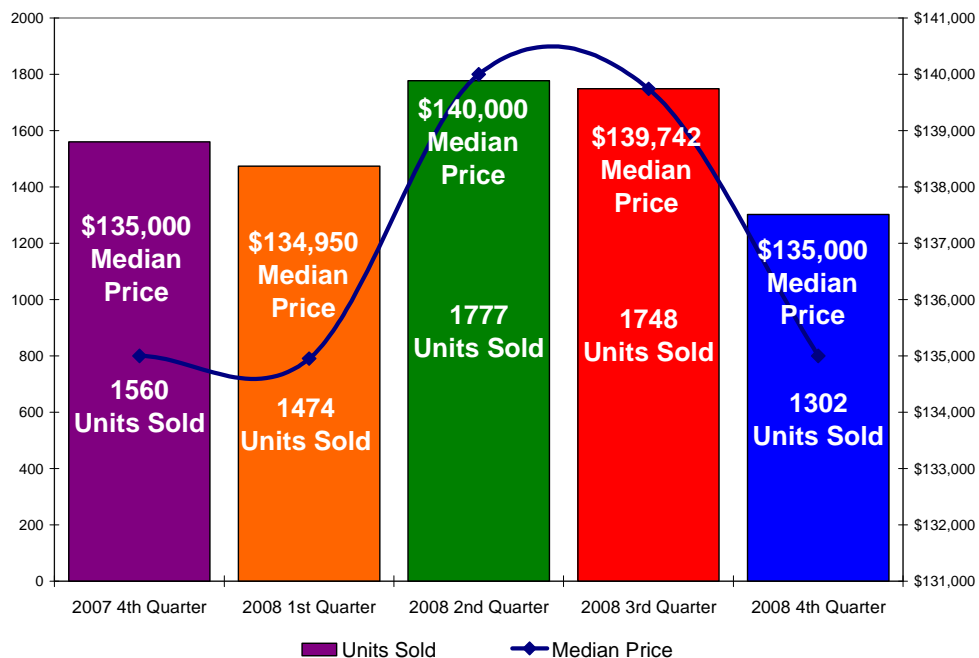
Fourth Quarter Lowest of the 2008 as Consumer Confidence and Economic Uncertainty Hits Housing Market

CHATTANOOGA, TN – February 12, 2009 – Local real estate sales in the fourth quarter were expectedly soft according to figures from the Multiple Listing Service (MLS) of the Chattanooga Association of REALTORS®. With 1,302 units sold, fourth quarter statistics were down 16.5 percent from 2007’s fourth quarter and 25.5 percent from the third quarter in 2008. It represented the year’s lowest quarter in terms of sales. In all, 2008 statistically tied with 2003 in terms of sales making it the fifth best year for total units sold for the local market.

Historically, the October through December fourth quarter months represent some of the slowest months in real estate and are outpaced during the peak spring and summer months. Current economic troubles and weak consumer confidence only emphasized stresses in the residential real estate market.

“Troubles in the economy continue to keep buyers on the sidelines, but opportunity is high all across the region,” said Nickie Schwartzkopf, President of the Chattanooga Association of REALTORS®. “While REALTORS® see first-hand how soured consumer confidence is keeping sales volumes down, they also know about attractive deals out there everyday for individuals and families looking to become first-time homebuyers, movers up and investors.”

Quarterly Sales and Median Price Comparison



“We’re all aware of the financial strains and the impact rising costs and job losses have had on personal budgets, yet for those ready to make that move, the local market presents a unique chance for buyers and sellers,” adds MLS President Kathy Tucker. “Homeownership still remains the cornerstone of the American dream and one of the safest investments you can make for your future, especially when looked at over the long term.”

The latest numbers come out against the backdrop of efforts in Washington, DC to pass an economic stimulus package. REALTORS® across the country have been advocating for a key part to focus on housing to get buyers back into the market. Though there is the first-time homebuyer tax credit currently available, it has not been the incentive many hoped for it to be. The idea, passed in the Senate, and championed by Senators Johnny Isakson (R-GA) and Joe Lieberman (ID-CT), would have created a tax credit for up to 10 percent of the cost of a home to a maximum of \$15,000 for all buyers of principal residences. If Congress and President Barack Obama could have agreed to a final version, the tax credit could have provided a healthy shot to housing markets throughout the nation and help get the economy back on track.

“The first-time homebuyer tax credit passed last year can really be seen as an interest free loan and it never provided the motivation we had hoped. A new, broader true tax credit, one without repayment requirements, would be much more attractive to strengthen the housing market by appealing to more prospective buyers,” believes Schwartzkopf.

Says Tucker: “A tax credit would’ve helped turn some of those kicking the tires into true buyers. But still credit markets remain locked up and we’ve got to see definitive solutions that would get banks back in the business of lending money. We’ve been telling our clients and the public that things are more favorable here for the qualified buyer, but that doesn’t stop the national negative perception permeating consumer minds. It continues to weigh down on the real estate market causing it to perform below where it could.”

If and when a stimulus happens with or without a homebuyer tax credit, it does not take away from the critical role real estate plays in the economy. Each home sale also results in economic gains with any remodeling as well as direct purchases of appliances, furniture and household services supported by the homeowner.

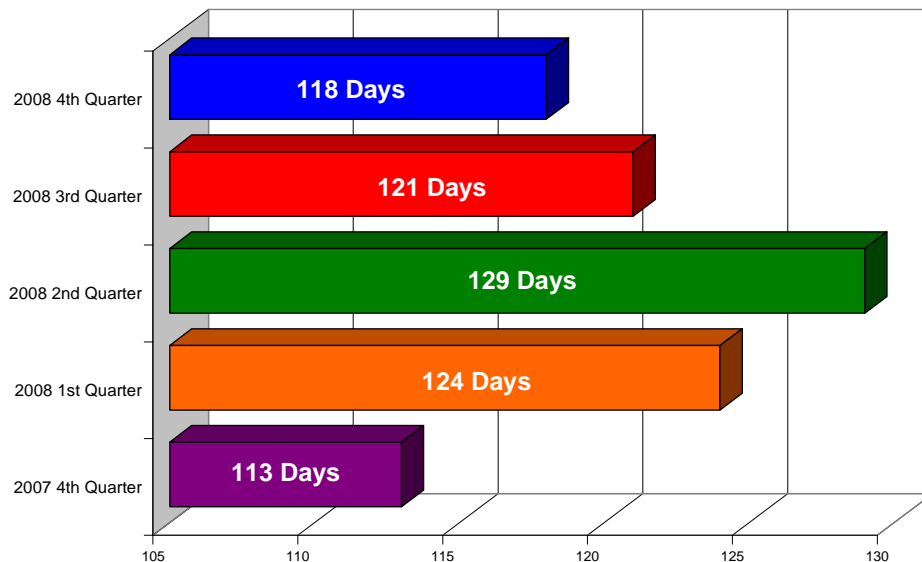
One of the favorable factors in the local real estate market is affordability. As noted by the fourth quarter median home price of \$135,000. Median home price represents the middle ground of units sold, with half going for more and half going for less; it is a stronger indicator than average price points because the median is not skewed by extreme highs and lows.

When compared to the median price in the previous year, the 2008 figure is identical to the 2007 fourth quarter price and 3.4 percent off from the year’s third quarter. The median price has been slightly lower in recent months due to higher numbers of short sale and foreclosure properties being sold. Such sales are also reflected in the aggregate median home price, as released by the National Association of REALTORS®. For the fourth quarter that price was \$180,000, showing how the local market can remain more attractive to buyers. Sellers too can take advantage of the affordability issue by making up any downward price push on the buy side. Plus, with interest rates remaining low, more people can maintain their mortgage payments.

“Current conditions and weak consumer confidence makes forecasting difficult to do but we can be hopeful for some sort of job creation measures, which in turn would be another type of housing stimulus because more jobs can translate into more homeowners,” contends Schwartzkopf. “The local outlook down the road is brighter and as more companies and innovated entrepreneurs get drawn into our region, we can be a leading community in economic growth.”

“Hardships and uncertainty are out there but I’d take this market over the high priced, hardest hit communities any day,” states Tucker.

Average Days on Market Comparison

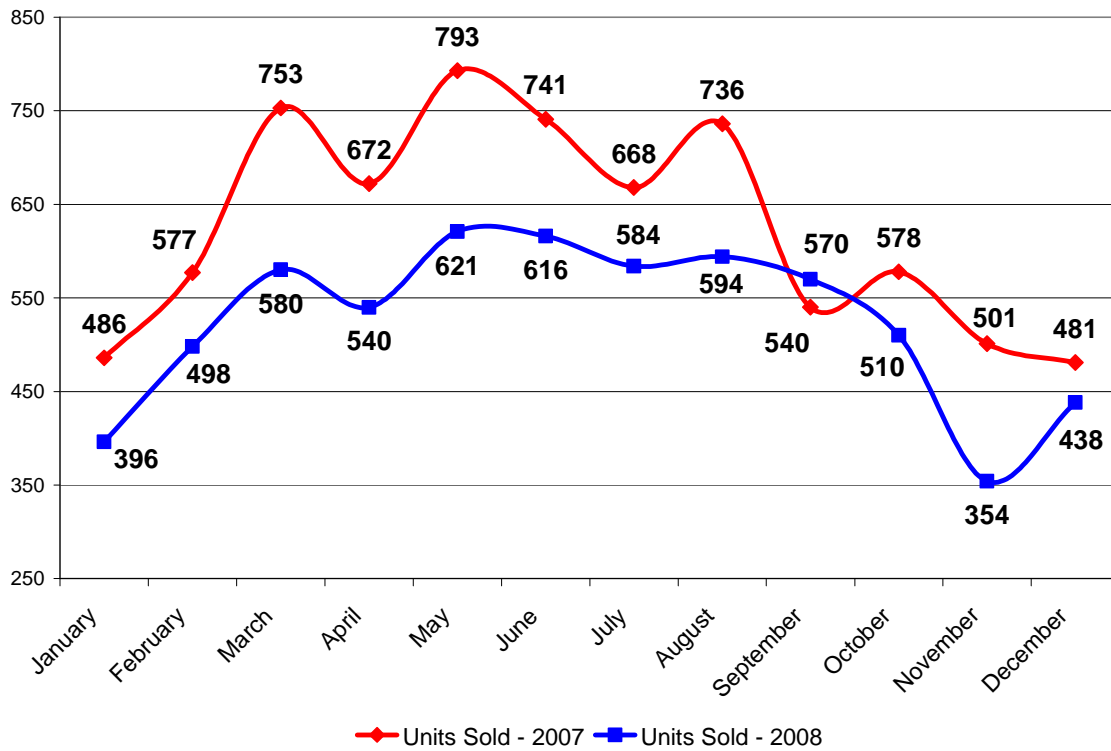


To learn why this is the Right Time, Right Market, the Chattanooga Association of REALTORS® wants people to visit www.RightTimeRightMarket.com, an informative Web site with up-to-date information about the state of the Northwest Georgia and Southeast Tennessee real estate market while also offering helpful 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.

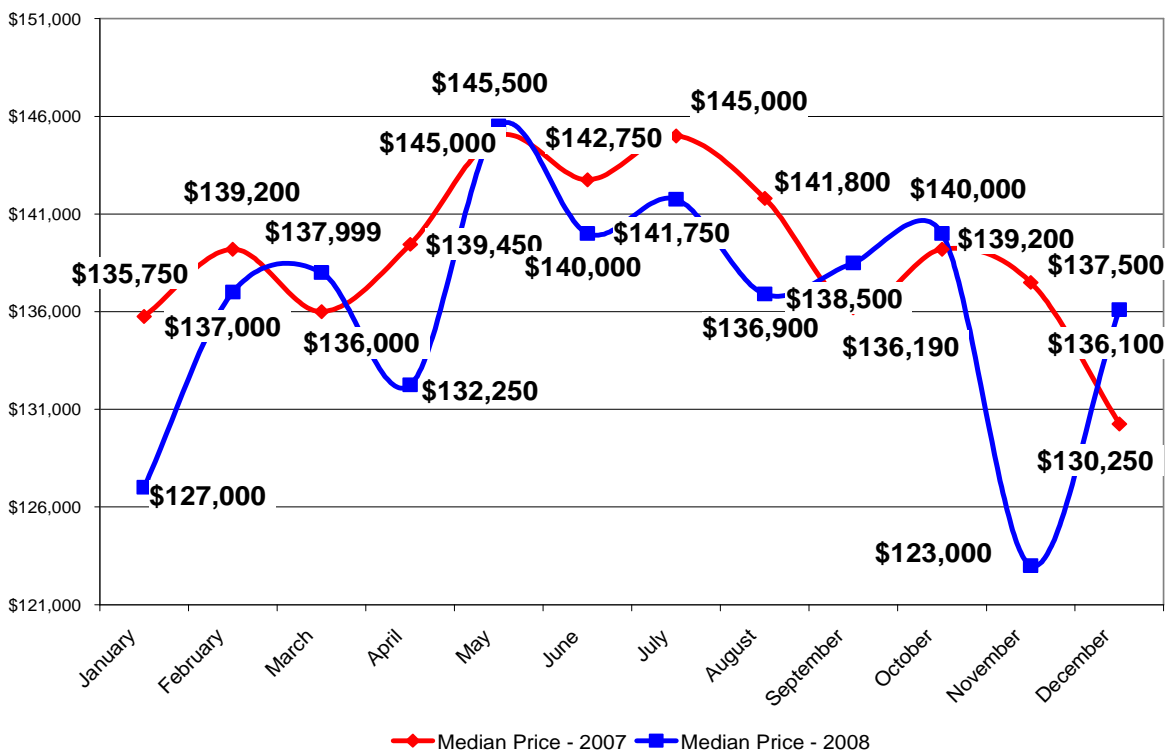
The Chattanooga Association of REALTORS®, the region’s premier voice for real estate, is made up of about 1,700 real estate professionals engaged in every aspect of real estate throughout Southeast Tennessee and Northwest Georgia.

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2007 vs. 2008 Monthly Units Sold Comparison



2007 vs. 2008 Monthly Median Price Comparison



2008 Fourth 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	47	31	4	4	1	0	87
\$30,000 - \$39,999	13	16	0	5	1	0	35
\$40,000 - \$49,999	14	32	5	5	3	0	59
\$50,000 - \$59,999	9	27	4	2	0	0	42
\$60,000 - \$69,999	8	26	4	1	0	0	39
\$70,000 - \$79,999	12	31	3	4	6	0	56
\$80,000 - \$89,999	6	40	5	1	1	0	53
\$90,000 - \$99,999	4	44	8	3	1	0	60
\$100,000 - \$119,999	16	82	23	0	5	0	126
\$120,000 - \$139,999	12	92	24	1	7	0	136
\$140,000 - \$159,999	8	86	28	1	7	0	130
\$160,000 - \$179,999	3	47	13	0	7	0	70
\$180,000 - \$199,999	7	31	16	1	8	1	64
\$200,000 - \$249,999	1	53	37	0	22	0	113
\$250,000 - \$299,999	2	31	28	0	13	0	74
\$300,000 - \$399,999	0	15	45	1	19	0	80
\$400,000 - \$499,999	0	7	12	0	15	0	34
\$500,000 - \$749,999	0	1	18	2	6	0	27
\$750,000 - \$999,999	0	1	8	0	0	0	9
\$1,000,000 - \$1,249,999	0	0	3	0	0	0	3
\$1,250,000 - \$1,149,999	0	1	0	0	1	0	2
\$1,500,000 - \$1,999,999	0	0	1	0	0	0	1
\$2,000,000 - \$2,999,999	0	0	1	0	0	0	1
\$3,000,000 or Over	0	0	0	0	0	1	1
Total Types	162	694	290	31	123	2	1302
Median Price	\$59,000	\$124,900	\$214,900	\$58,750	\$229,200	\$3,599,000	\$135,000

2008 Fourth Quarter Stats By MLS Area			
MLS Area	Total Sold	Median Price	Days on Market
1 - Tiftonia - Lookout Valley - Elder Mountain	7	\$191,875	164
2 - Downtown-St.Elmo-High Park-Avondale-Miss Ridge	140	\$125,000	110
3 - City of East Ridge	42	\$105,000	108
4 - Brainerd-East Brainerd	125	\$130,063	116
5 - Hwy 58 - city - Eastdale/Dalewood/Tyner	46	\$106,000	125
6 - N. Chatt-Mtn. Creek-Riverview-Rivermont	80	\$254,250	130
7 - Red Bank City Limits	30	\$117,500	95
8 - Hixson-Chattanooga City Limits	58	\$153,250	102
9 - Signal Mtn-Walden-Suck Creek	31	\$273,750	119
10 - Lookout Mountain	9	\$347,500	173
11 - Catoosa County	103	\$122,000	145
12 - Hwy 58/Harrison/Georgetown	39	\$132,150	108
13 - N Ham Co/Soddy/Bakewell/Sale Cr/Middle Valley	112	\$149,900	119
14 - Counties Other than Hamilton excluding GA	11	\$136,800	73
15 - Volunteer Site to Hunter Road	19	\$151,000	113
16 - E Brainerd county/Ooltewah	89	\$215,000	132
17 - Ooltewah/Snow Hill	29	\$187,000	150
18 - Collegedale Includes Apison	23	\$261,750	136
19 - Walker County	100	\$96,750	101
20 - Dade County	20	\$95,000	117
21 - All Other Georgia Counties	1	\$125,000	151
22 - Bradley County	70	\$134,000	98
23 - McMinn County	12	\$85,000	102
24 - Rhea County	18	\$95,000	148
25 - Alabama	4	\$264,000	213
26 - Whitfield	9	\$105,955	65
27 - Chattooga	9	\$44,000	70
28 - Sequatchie	26	\$118,000	132
29 - Marion	25	\$84,950	118
30 - Bledsoe	8	\$107,500	126
31 - Meigs	2	\$224,000	124
32 - Polk	3	\$306,250	184
33 - Monroe	1	\$76,900	113
34 - Van Buren	1	\$20,000	86
Total	1,302	\$135,000	118