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HOME SALES ADVANCE FOR THE MONTH, REGAINING MOMENTUM

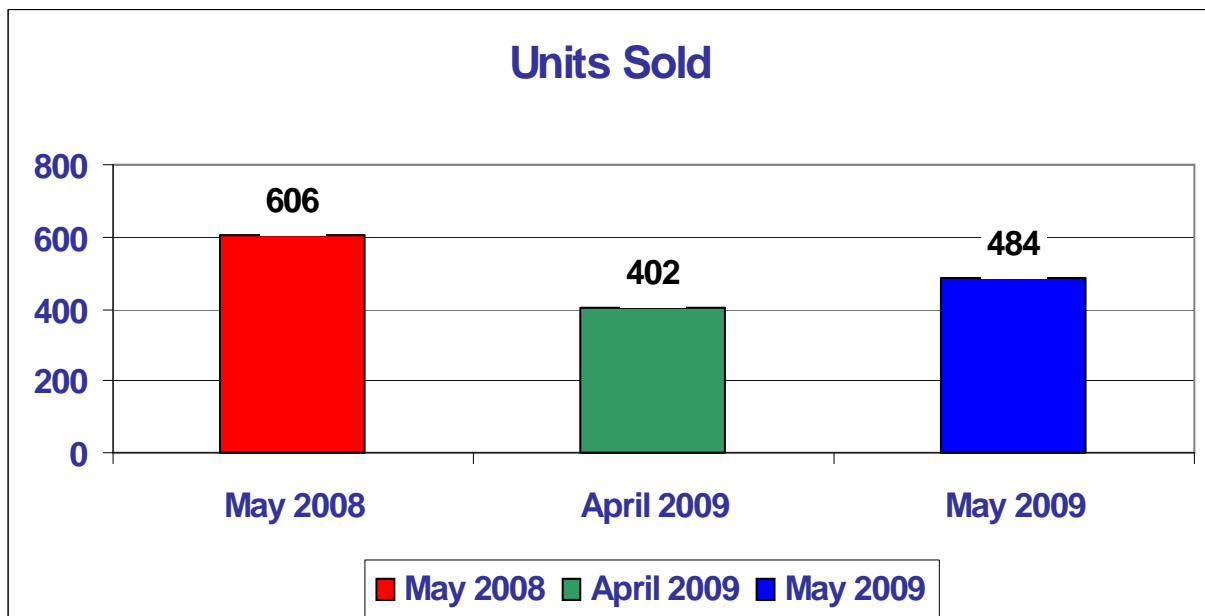
CHATTANOOGA, TN – June 23, 2009 – The local real estate market began its long awaited – if modest - rebound in the month to month statistics released today, in both number of homes sold and median price, according to data released by the Multiple Listing Service (MLS) of the Chattanooga Association of REALTORS®. In May of this year, Southeast Tennessee and the Northwest Georgia area saw the sale of 484 residential units, a 20.4% increase compared to the previous month's sales although still lagging far behind sales at the same point in the previous year.

Starting what is hoped to be a positive trend, the May figures are showing that, despite the continuance of the nation's economic challenges and flagging consumer confidence, real estate continues to be the stalwart leader in the U.S. economic recovery picture.

"You'll find that most prominent economists believe that housing starts and existing home sales are often seen as lead indicators, unlike employment figures which are typically considered a lagging indicator", says Nickie Schwartzkopf, President of the Chattanooga Association of REALTORS®. "Housing starts very often lead the economy by six to eight months, while existing home sales lead the economy by a little more than three months." She added, "I say this with a measure of caution, but despite our good news in this cycle, there is apparently nothing that seems to be following any set of rules at this point in this recovery."

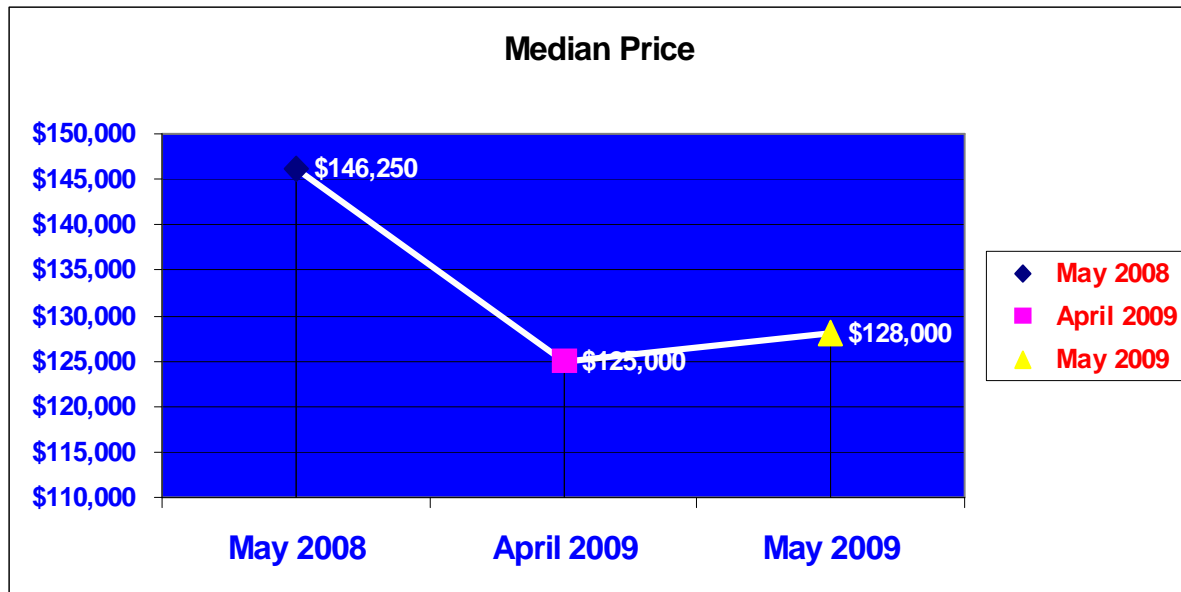
"I'm certainly optimistic, seeing these new numbers", says Kathy Tucker, President of the Chattanooga Area MLS. "But we still recognize that existing home sales throughout the entire country have been "saw-tooth", and by that I mean that they are rising one month only to fall the next month. This pattern of ups and downs in alternating 30-day cycles goes back about seven or eight months. It's been disappointing that our most recent "up" numbers still have underachieved in what I know to be this market's capacity."

Statistical Comparison



In terms of market affordability, a key indicator can be seen in the local median home price, which is the price that half of all units sell for more and half sell for less. For the month of April, the local median home price was \$128,000. That represents a 12.5% drop from the same time one year earlier and a 2.4% increase from the median price reported last month. Still, that number speaks well for the area's ability to attract new residents who continue to hesitate in making the home purchase decision in the less affordable areas of the country.

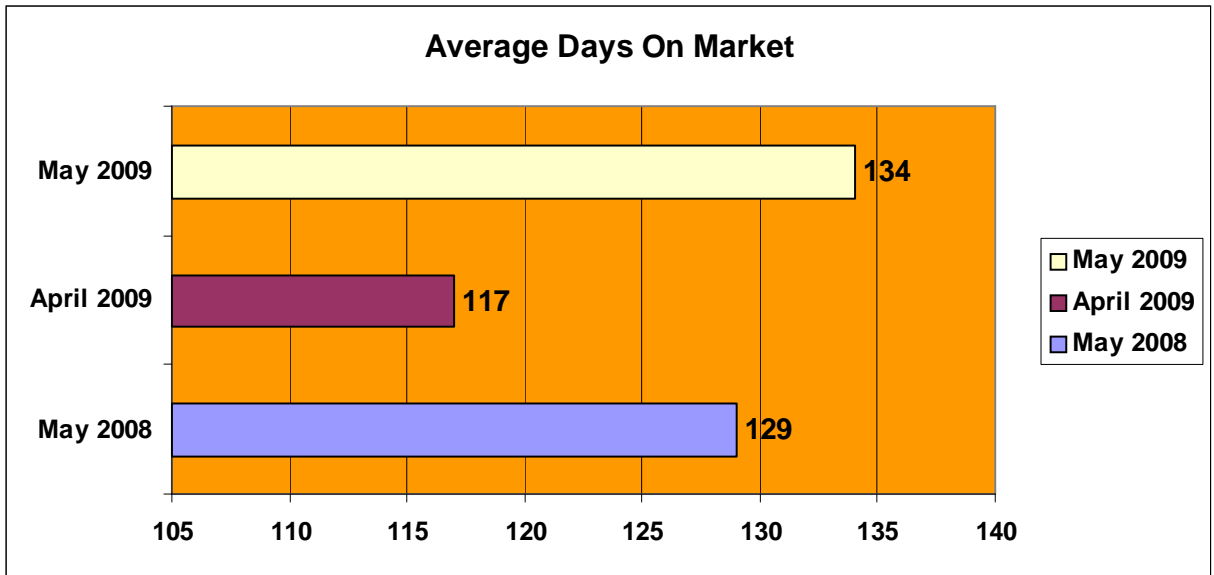
The greater Chattanooga area's affordability continues to be strongly evident when compared to the national aggregate median price. The national median existing-home price for all housing types now stands at last report in April at \$170,200, which is 15.4 percent below 2008. Nationwide, distressed properties, which accounted for 45 percent of all sales in April, continue to downwardly distort the median price because they generally sell at a discount relative to traditional homes.



“As the local unemployment rate has inched up during this recession, the corresponding drop in existing home sales has been hard to miss”, says Ms. Tucker. “No job, plus no income, equals no home sales. Luckily, we’re finally seeing what I think is a turnaround in progress, albeit a humble one at the moment.” She added, “It has been slow, small and incremental, but still encouraging.”

“This has been the longest post-World War II recession in U.S. history, now, by most reckoning, in its nineteenth month,” Ms. Schwartzkopf said. “Every economist, every lawmaker, and every REALTOR® knows that our industry will pull us out of it, and we’re working tirelessly toward that goal.”

In terms of the number of average days on the market, May 2009 increased somewhat from 2008, and also over the previous month of April 2009. As confidence increases, many experts expect the number of days on market to remain fairly consistent over a longer period of time.



The Chattanooga Association of REALTORS[®], the region's premier voice for real estate, is made up of about 1,800 real estate professionals engaged in every aspect of real estate throughout Southeast Tennessee and Northwest Georgia. Those interested in the region's real estate market can 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.

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