



FOR RELEASE: August 21, 2009

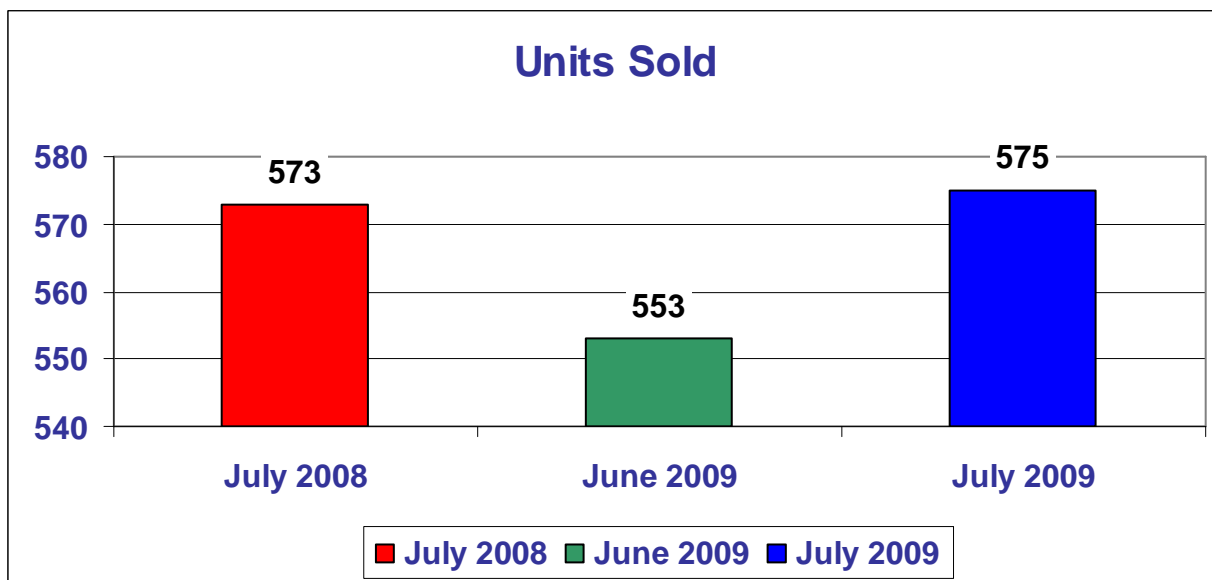
Contact: Robert Nodes Robert@ChattRealtors.com (423) 698-8001

LOCAL MARKET CONTINUES ON COURSE TO RECOVERY

CHATTANOOGA, TN – AUGUST 21, 2009 – The local real estate market continued its strong rebound from the disappointing sales earlier in the year according to 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 July of this year, Southeast Tennessee and the Northwest Georgia area saw the sale of **575** residential units, a **4%** increase compared to the previous month's sales, in the best monthly showing since August of 2008. For the first time in this calendar year, monthly sales have exceeded the same month's sales of 2008, by .3%, a sign seen by many experts as a return to growth mode.

Demonstrating again the recovery power of the Chattanooga marketplace, the July statistics are showing that, despite the nagging persistence of the nation's economic challenges and disappointing unemployment statistics on a national level, real estate continues to be the stalwart leader in the U.S. economic recovery picture.

"In our business, we tend to want to be conservative about projecting where we're heading," says Nickie Schwartzkopf, President of the Chattanooga Association of REALTORS®. "But, as cautious as I ordinarily am, I can't tell you how exciting it is to adjust my thinking from seeing the success of three consecutive months as a trend, rather than just a momentary bump in local sales.

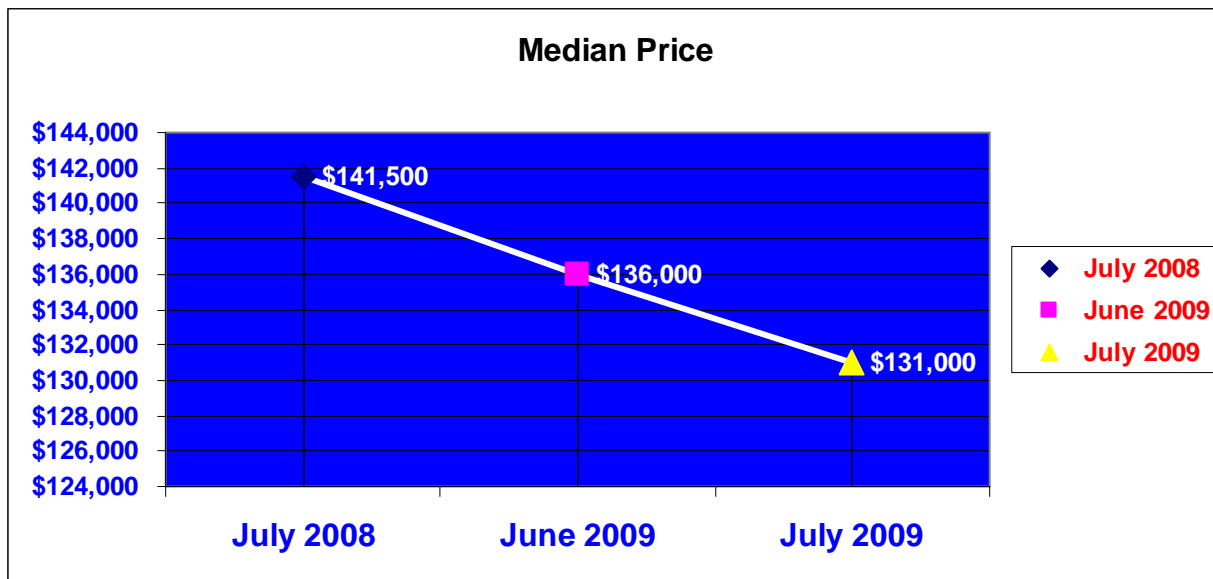


"I couldn't agree more", says Kathy Tucker, President of the Chattanooga Area MLS. "Certainly, we had concerns a few months ago about what the new "normal" was beginning to look like", but she adds, "the very fundamental soundness of market mechanisms, and the resilience of the home buying public has once again asserted itself."

It has long been an article of faith among real estate professionals that affordability is a key indicator in both the pace and depth of the market dynamics shaping home sales. In the Greater Chattanooga and Northwest Georgia area, this 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 July, the local median home price was **\$131,000**. That represents a decrease of **7.4%** from the same period one year earlier and a **3.7%** decrease from the median price reported last month. While it represents a continuing trend of real affordability, the adjusted median price also speaks well for the area's ability to attract new residents who now see the Greater Chattanooga Area as a multi-sided success story in new manufacturing job opportunities, a place of cultural renaissance, and one of the U.S.'s most attractive places to live and work.

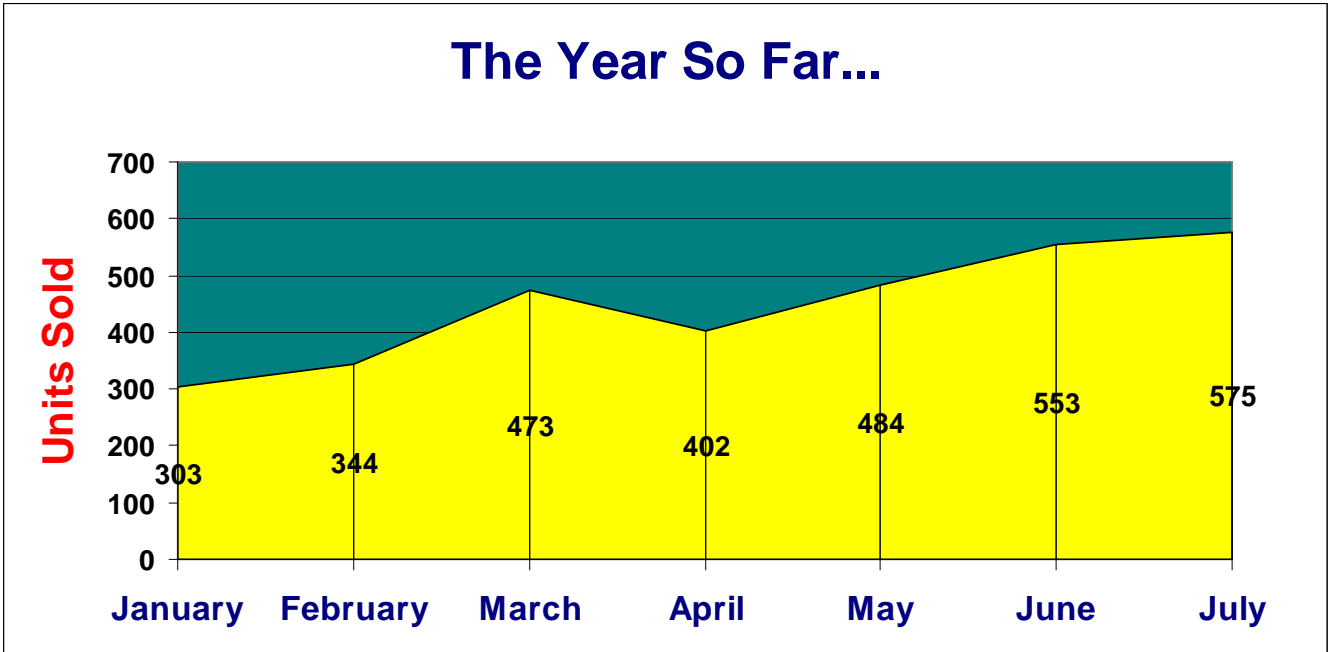
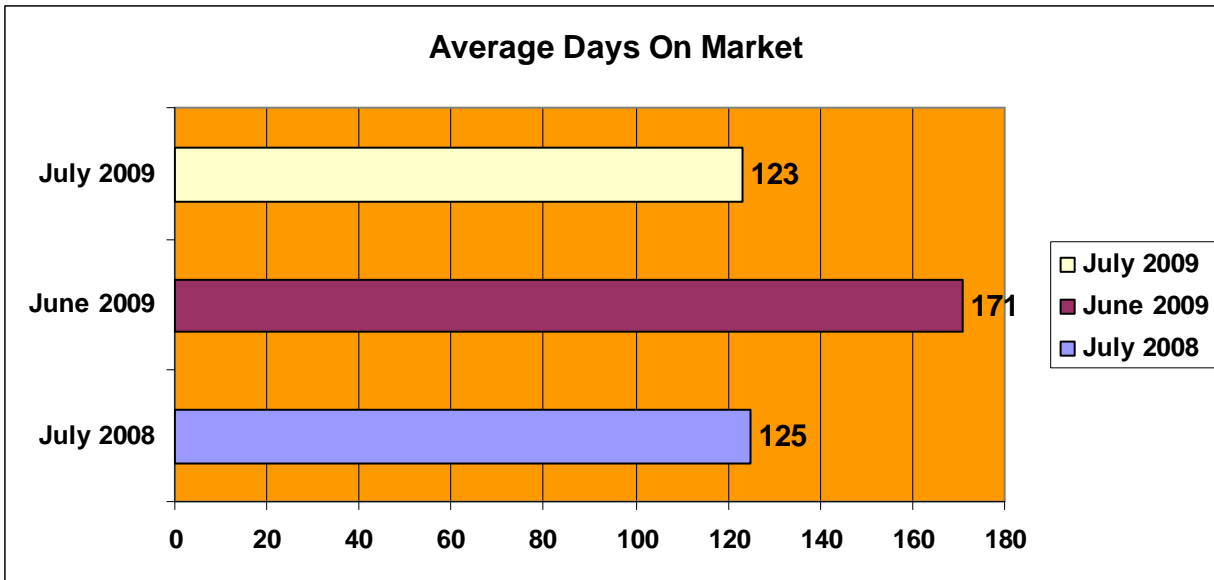
"As activity is definitely heading in a positive direction in the market, let's not forget that the \$8,000 first-time buyers' tax credit deserves a key part of the recognition for the upswing. We are still hoping that the House and Senate can get an extension of this benefit on their agenda and resolve the issue before its expiration at the end of November," says Ms. Schwartzkopf.

She adds, "I also will never neglect to commend the hardworking men and women REALTORS® in our Association who make all of this possible. They are, quite simply, the best."



"I, too, am concerned about the possible loss of the tax credit," Tucker says. "After experiencing the turnaround we've seen, my strong feeling is that it would be unacceptable to let it slide away for lack of attention by our lawmakers. Fortunately", she adds, "Senators Corker and Alexander from Tennessee, and Senator Johnny Isakson, from Georgia, who is a REALTOR®, are determined that the extension will be added before the expiration."

In terms of the number of average days on the market, July 2009 remained consistent with figures from 2008, while seeing a dramatic decrease from the previous month of June 2009. Many experts attribute this to a slow and gradual easing of pressures in the financial markets. Though credit often remains tight for even the most qualified of buyers, it is believed that lender confidence will increase, allowing for greater access to credit. Authorities see the number of days on market now returning to their previous averages and predict more consistency over the next few quarters



The Chattanooga Association of REALTORS[®], the region's premier voice for real estate, is made up of 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.

###