



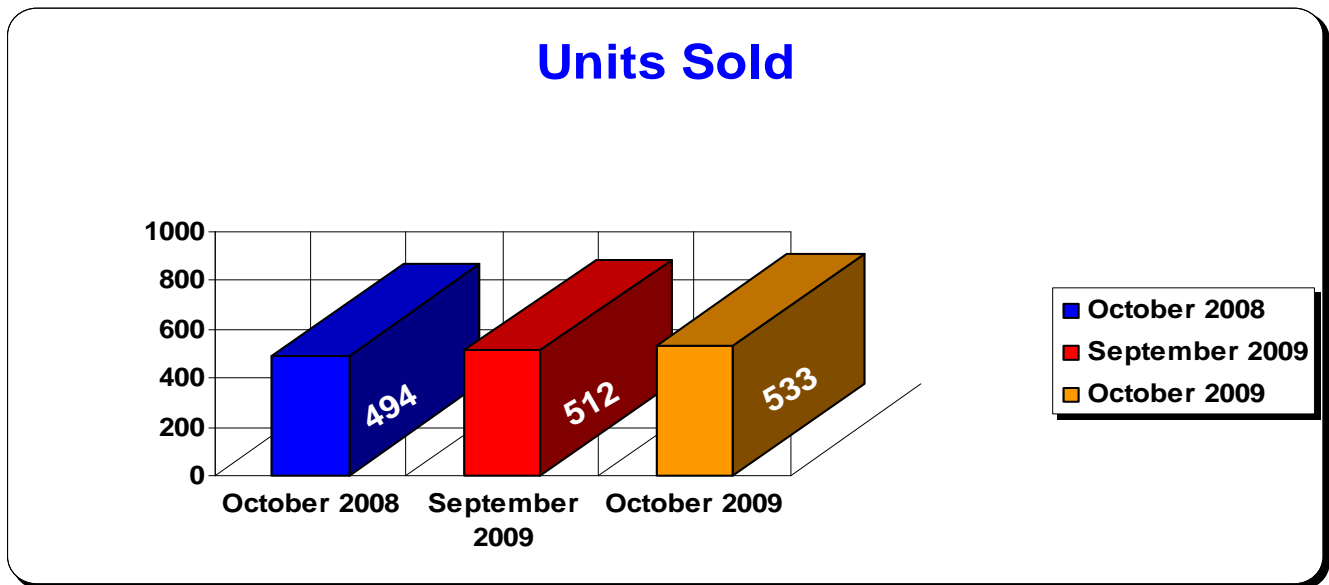
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Contact: Robert Nodes Robert@ChattRealtors.com (423) 698-8001

AREA HOME SALES SHOW MODEST MONTHLY INCREASE *REALTORS® PLEASSED BY TAX CREDIT'S EXTENSION, EXPANSION*

CHATTANOOGA, TN – November 23, 2009 – The local real estate market recovered ground, with a modest uptick in October 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 October of this year, Southeast Tennessee and the Northwest Georgia area saw the sale of **533** residential units, a **4.1%** increase compared to the previous month's sales, and a **7.9%** growth over the same period in 2008.

The increase came despite a relatively weak jobs picture – less so locally – than the sluggish national unemployment statistics.



Economists from the National Association of REALTORS® (NAR) have estimated that the homebuyers' tax credit program has contributed approximately \$22 billion to the general economy, and approximately 2 million people will take advantage of the tax credit by year's end.

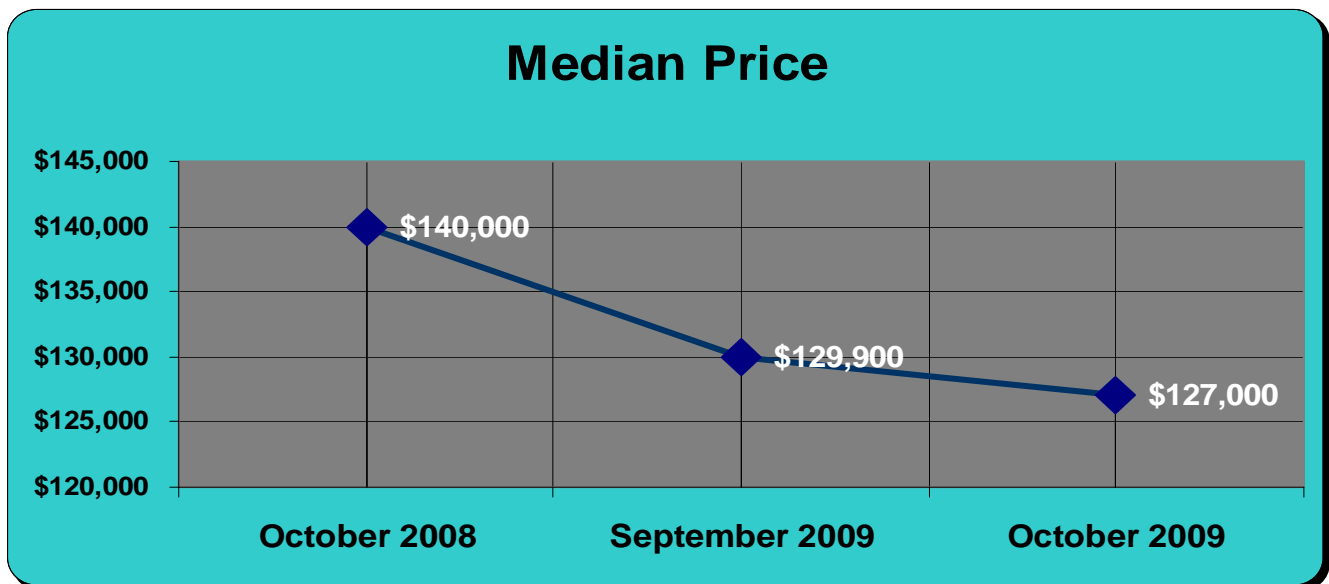
"The substantial rise in home sales we've seen over the past few months proves that the tax credit is working and is being used by buyers who were waiting for the right opportunity to get into the market," said Charles McMillan NAR President. "This important incentive is helping to stabilize the housing market, stimulate the economy and create new jobs in communities all across our great nation. Extending and expanding the home buyer tax credit will enable even more families to take advantage of current low interest rates and affordable prices to invest in their future through homeownership."

Local REALTORS® Association President, Nickie Schwartzkopf said, “The tax credit extension and expansion is a lifeline to the American homebuyer, and the housing industry as a whole. I believe that Congress was listening to the voice of REALTORS® around the country, and correctly moved to continue this program, which has been one of our few great economic success stories of the past year.”

Chattanooga Area MLS President, Kathy Tucker agrees with Ms. Schwartzkopf’s assessment. “I firmly believe that this bill is one of the most important pieces of legislation this year. It extends the present \$8,000 tax credit for first-time home buyers through April 30, 2010, and in expansion, current homeowners are eligible for a \$6,500 tax credit through April 30, provided they have lived in the home they are selling, or have sold, as principal residence for five consecutive years in the past eight years. If there were ever a situation that is truly ‘win-win’, this is it.”

Ms. Schwartzkopf added, “The spirit of bi-partisanship finally arrived – and not a minute too soon – as both parties put the interests of the American people and our struggling economy ahead of narrow political disputes.”

Affordability is a key indicator – and often the decisive factor - 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 October, the local median home price was **\$127,000**. That represents a decrease of **9.3%** from the same period one year earlier and a small decrease of **2.2%** from the median price reported the previous month. However, it continues to represent a continuing trend of real affordability, and the adjusted median price remains one of the more attractive for U.S. regions of this size.

Speaking at the recent NAR Conference in San Diego, NAR Chief Economist Lawrence Yun predicted to REALTORS® that the supply of homes to stabilize at the historic norm of six to seven months. Homes above \$500,000 will remain elevated in the near-term, but that weakness will be offset by a hefty drop in starter-home inventories, which are running, nationally, at about a five-month supply.

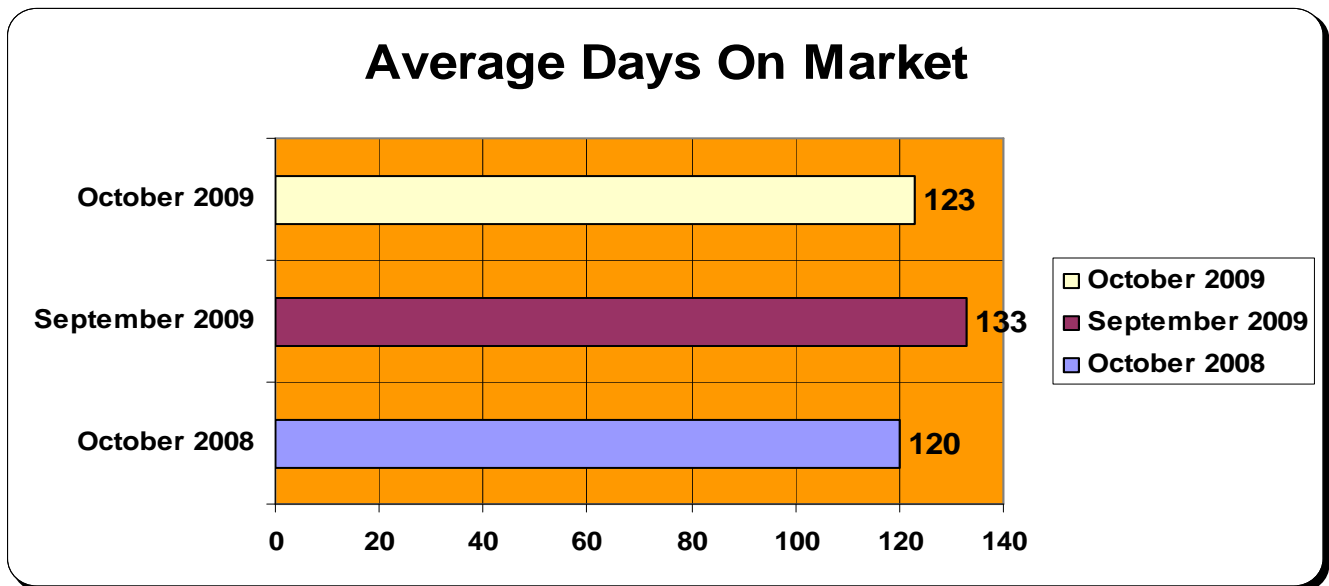
However he also warned that, even under the most positive economic scenario, unemployment will remain elevated through 2010. Yun is predicting unemployment to stay near double-digits going into 2011, qualifying this recession, as some economists have, as the "Great Recession."

He added that, for the longer term, the huge deficit run up by the federal government to shore up the economy remains the big question mark. Although the deficit is expected to improve each of the next three years, it will remain at historic highs. Unless the federal government releases a credible plan for shrinking it, investors will start to balk and interest rates will need to rise to bring them back. Should inflation be the result, the housing recovery will be set back.”

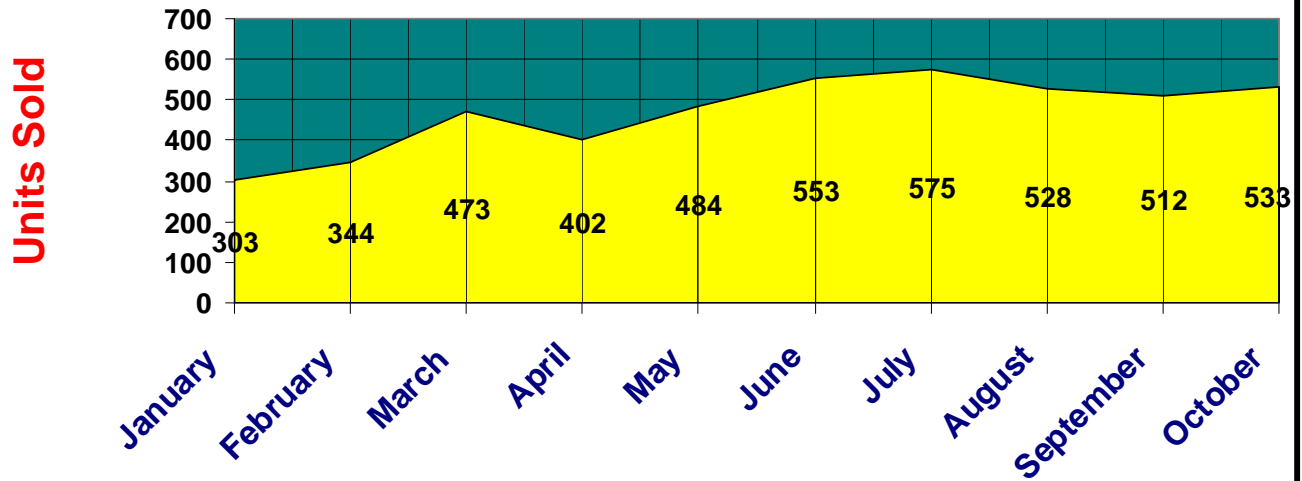
According to MonitorBankRates.com, today’s average mortgage rate for a 30 year fixed mortgage is back under 5.00 percent at 4.95 percent. 10-year U.S. Treasury yields also headed lower last week and as of Friday yields are back under 3.50 percent at 3.42.

“Recent data have continued to suggest that the economy is improving. The pace of job losses has moderated, and tight credit should keep the recovery on a relatively moderate track into the early part of next year. The labor market will remain soft in the near term, but fiscal stimulus and hiring for the census will provide support into early 2010. The Fed has signaled that short-term interest rates will stay low until the unemployment rate falls, core inflation picks up, or inflation expectations start to rise.” said Scott Brown, chief economist at Raymond James & Associates Inc. in St. Petersburg, Florida. “It’s still going to be a long, gradual recovery.”

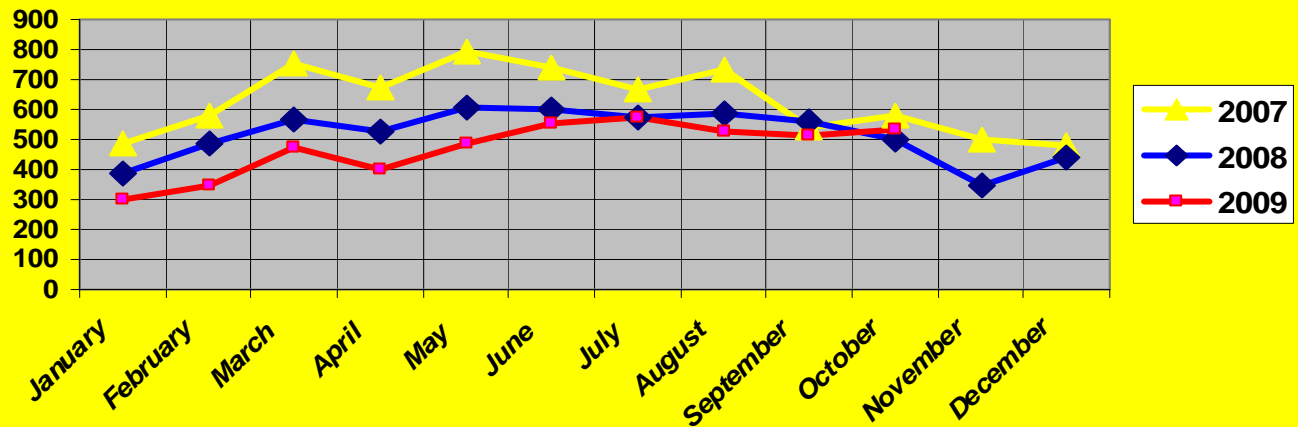
In terms of the number of average days on the local market, October 2009 saw a negligible increase over figures from the same month in 2008, and a pronounced drop from the previous month of September, 2009. Many economists attribute this pattern to a continuingly slow easing of pressures in the financial markets, returning to their previous averages and are now confident of more consistency over the next few quarters.



The Year So Far...



A Three Year Comparison



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

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