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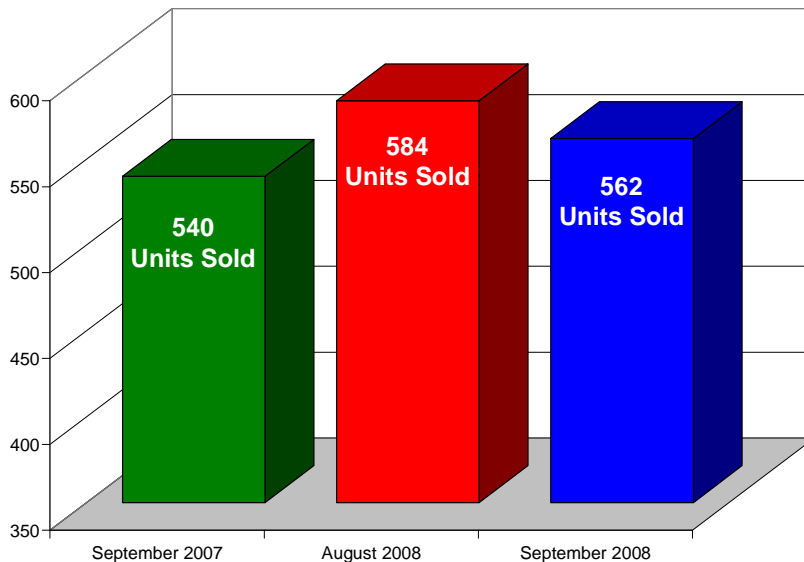
Housing Market Shows Signs of Growth

CHATTANOOGA, TN – October 24, 2008 – Housing sales remained steady in the month of September, according to figures released by the Chattanooga Association of REALTORS®. Through the organization’s Multiple Listing Service (MLS), the Southeast Tennessee and Northwest Georgia area witnessed 562 sales in September. The figure is somewhat encouraging as it is the first time the number of units sold exceeds sales from the same month in the previous year, with a little more than 4 percent increase over September 2007. However, compared to this year’s previous month, the September sales figures are down 3.7 percent, reflecting the soured confidence gripping today’s consumer.

Various factors can be attributed to the higher sales in the month of September. First there is the new first-time homebuyer tax credit, which temporarily offers up to \$7,500 tax credit for first-time buyers. Also likely helping real estate sales was the rush to take advantage of the seller-assisted down payment program for FHA loans before its departure from the market.

“While it’s been a productive month, the economy is the dominant issue with financial uncertainty still keeping prospective buyers on the fence,” said Pam Duffy, President of the Chattanooga Association of REALTORS®. “Even despite stock market fluctuations and all our own personal budgetary stresses, people are finding the essentials of a more beneficial market. Prices are viable and attractive, the inventory is well stocked and offering numerous choices, and interest rates are near record lows with the bulk of homebuyers finding that they are still able to secure a loan,” contends Duffy.

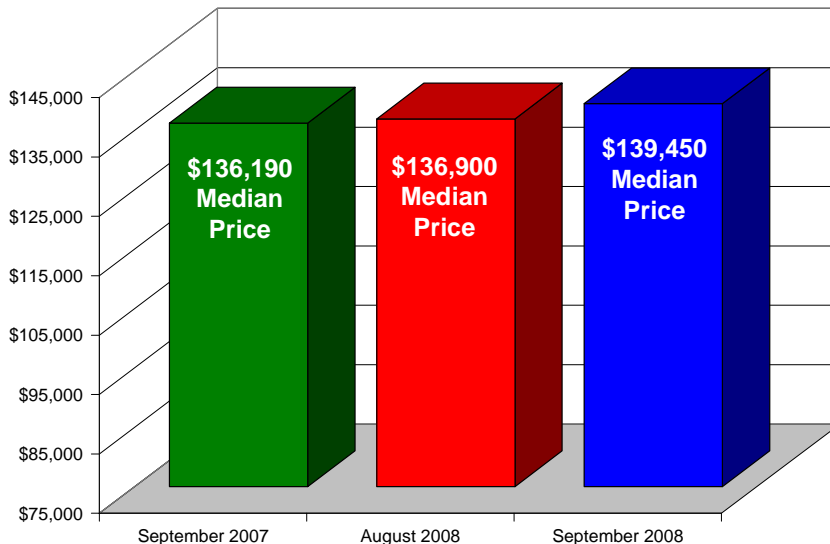
Statistical Sales Comparison



“Credit markets are thawing and liquidity and sound lending practices are critical as this country moves forward – and this country will move forward,” adds MLS President Randy Durham. “Yes, there are challenges we’re all facing but staying on the homeownership track is the key to building long-term wealth. Thankfully the local market has fared better than most; we’ve seen some softening in sales numbers but have maintained steady and affordable prices. Local REALTORS® hear all the time how buyers coming into the Chattanooga area are pleasantly surprised to find they’re getting more house for their money.”

Affordability is a leading indicator of the health of any real estate market and the greater Chattanooga region continues to see positive signs in this arena with regard to the median home price. The median price is the price at which half of all units sell for more and half sell for less, and compared to the average price, the median is a more representative indicator of the central tendency of the market and less affected by extreme highs and lows. In September, REALTORS® saw a median price of \$139,450, which is 2 percent higher than the median price in September of 2007 and this year's previous month.

Median Price Comparison



When compared to the nation's aggregate median price figure of about \$191,600, as released by the National Association of REALTORS®, the attractiveness of the local median price is abundantly clear. Many buyers in other parts of the country remain priced out the market. The overall soundness of the real estate market demands stabilization of home prices across the country. It will allow the value of mortgage-backed-securities to be known and then traded, all helping keep liquidity in the mortgage market. Ultimately this will allow pent-up demand to translate into more buyers helping to bolster the economy. Plus, new borrowers will not be saddled with caustic loans that, in part, played apart in the housing downturn, all helping to curtail increases in mortgage defaults and delinquencies. The added benefit of banks getting back to a more normal business of lending is that profitable businesses and new start-ups will have the chance to grow and help create jobs, greater stimulating economic growth.

“It's crucial that normalization returns to the real estate market – the economy can't bounce back until more local real estate markets get moving again,” confirmed Duffy. “We understand that buying a house is one of the most significant investments a family or individual is going to make in a lifetime. But month-to-month fluctuations don't cancel out the benefits of homeownership, both for your own economic stability and the social benefits to growing stronger communities.”

Says Durham: “Housing is not a quick in and out type of investment and renters and first-time home buyers would really do themselves a service by exploring the opportunity that presents itself in today's local market. But don't wait too long, you can't predict what tomorrow's market will look like. Five years from now you'll be really glad you did.”

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.