



CHATTANOOGA
ASSOCIATION *of* REALTORS®
Serving Southeast TN and Northwest GA

September Area Sold Statistics

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Home Sales Lessen in September

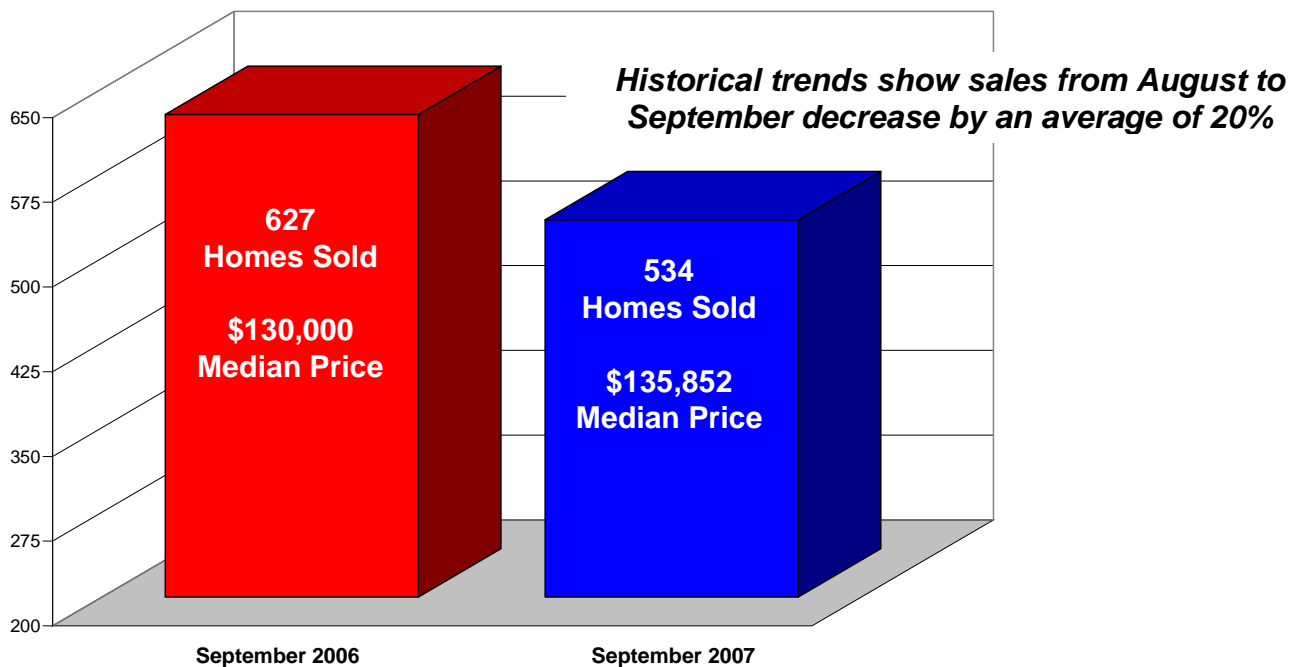
Historical trends show 20 percent average decrease in August to September sales

Area homes sales declined in the month of September according to figures released by the Chattanooga Association of REALTORS®. With 534 sales reported through the organization's Multiple Listing Service (MLS), the September numbers represents a more than 35 percent decrease from August and a 17 percent drop from September 2006.

While soft, the numbers need to be examined in their historical context. The month of August consistently outperforms September. Since 2002, the month to month transition shows an average decline of over 20 percent.

"If the season is changing to the fall, sales are going to fall in the beginning," said Jason Farmer, President of the Chattanooga Association of REALTORS®. "It's one buyer trend we can predict with relative certainty,"

September Area Sales 2006 vs. 2007



A variety of factors come into play regarding the slower time for real estate buyers. First, summer months are always stronger as families are eager to settle into a new place before the start of the school year. Also affecting today's buyer is the growing inventory of available homes for sale. Larger inventories create choice, and the greater Chattanooga area is seeing the market saturated with both listings that have been on the market and new ones being added. This is of course creating tremendous opportunity for buyers ready to act before supply and demand factors work themselves out over the next several months.

Of course the negative reports focused on housing and the mortgage industry is what is driving the slowing real estate market. The foreclosure and subprime mortgage stories continue to spark daunting headlines and intimidate would-be buyers, sellers, and real estate investors. While lenders continue to examine their standards for qualifying loans, individuals can still obtain funding; in fact it is always the prime, not subprime, borrowers who account for the majority of buyers. The local market outlook is much stronger than the national stories.

“It’s a buyer’s market, sure. But that doesn’t mean sellers are going to suffer,” explained MLS President Dan Griess. “You can’t look at it as a win-loss situation, it’s not a game. Real estate transactions are probably the biggest decisions one makes in a lifetime. Right now we’re seeing mixed signs in the industry and people want some reassurance.”

“And the market is still healthy and performing pretty well in Southeast Tennessee and Northwest Georgia,” added Farmer. “We avoided the dramatic and unsustainable run up in prices experienced in markets suffering the most. Buyers and sellers have been on the same page and we’re keeping this as an attractive and affordable place to live.”

The median home price – the price at which half sells for more and half sell for less – in September came in at \$135,852. This represents a 4 percent drop over last month but a 4.5 percent increase over this same time last year. Locally, the median price is considerably more affordable than the September national average of over \$211,700, as being reported by the National Association of REALTORS®.

Regional Sales Comparison

| | September 2006 | September 2007 |
|---------------------|------------------|------------------|
| Sold | 627 | 534 |
| Median Price | \$130,000 | \$135,852 |

| | September 2007 | August 2007 |
|---------------------|------------------|------------------|
| Sold | 534 | 733 |
| Median Price | \$135,852 | \$141,250 |

“Those with the financial wherewithal will regain confidence in the market. Your savvy individuals are looking right now and seeing some amazing deals,” confirms Farmer. “Buyers are still qualifying for loans at near historic lows and seeing plenty of options.”

“Lots of factors are at play,” tells Griess. “Demand will grow as our region continues to recruit and build up the business community and overall quality of life. Homeownership still remains the cornerstone of the American Dream. Ominous headlines and the month to month ups and downs won’t change that.”

One area that stayed relatively stable was North Georgia. The latest figures show September saw 112 sales, one less than the previous month. It was down about 13 percent from the record setting real estate year of 2006.

North Georgia Area Sales Comparison

| | September 2006 | September 2007 |
|---------------------|------------------|------------------|
| Sold | 127 | 112 |
| Median Price | \$114,000 | \$124,700 |

| | September 2007 | August 2007 |
|---------------------|------------------|------------------|
| Sold | 112 | 113 |
| Median Price | \$124,700 | \$129,000 |

The Chattanooga Association of REALTORS® is made up of over 2,000 real estate professionals engaged in every aspect of real estate throughout Southeast Tennessee and Northwest Georgia. Consumers working with a REALTOR® can be confident in the level of professionalism their receiving, as only REALTORS® set themselves apart from others in the business as industry leaders who adhere to a strict code of ethics.