



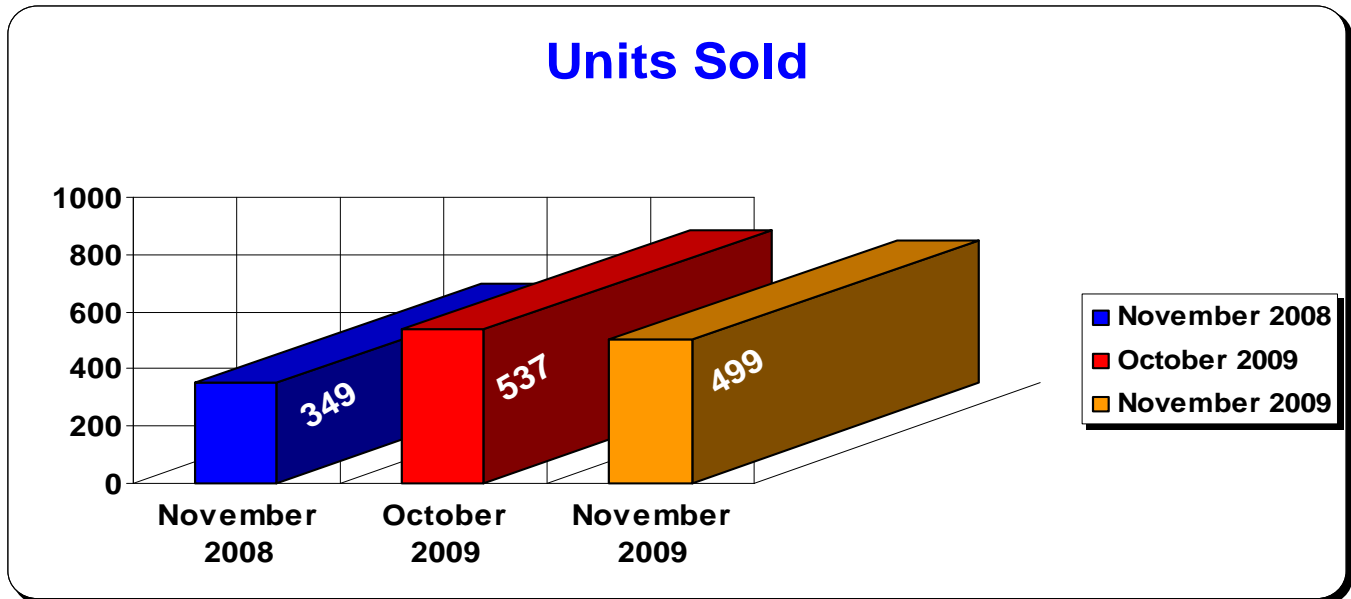
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Contact: Robert Nodes Robert@ChattRealtors.com (423) 698-8001

SEASONAL DECREASE MARKS AREA HOME SALES *REALTORS® ASSOCIATION EYES NEAR-TERM JOBS AND INTEREST RATE PICTURE*

CHATTANOOGA, TN – December 22, 2009 – The local real estate market witnessed a slight, seasonally related drop in November in the number of homes sold, according to data released by the Multiple Listing Service (MLS) of the Chattanooga Association of REALTORS®. In November of this year, Southeast Tennessee and the Northwest Georgia area saw the sale of **499** residential units, a **7.1%** decrease compared to the previous month's sales, but a marked improvement over both 2007 and 2008, showing a **43%** growth over the same monthly period of a year ago.

The month-to-month slowdown accompanied the continuing weak jobs picture as well as a persistently tight lending market.



In an optimistic note, economists from the National Association of REALTORS® (NAR) have estimated that, in all, 4.4 million Americans will look to take advantage of the home buyer tax credit before it expires by the middle of next year. From the enactment in February of 2009 through October, NAR estimates 1.8 million households would have qualified to claim the first-time home buyer tax credit. Now with the tax credit deadline extended till the end of June 2010 (for closings, with contracts signed by the end of April, 2010) and also available to many move-up buyers, an additional 2.6 million families would likely claim the home buyer tax credit.

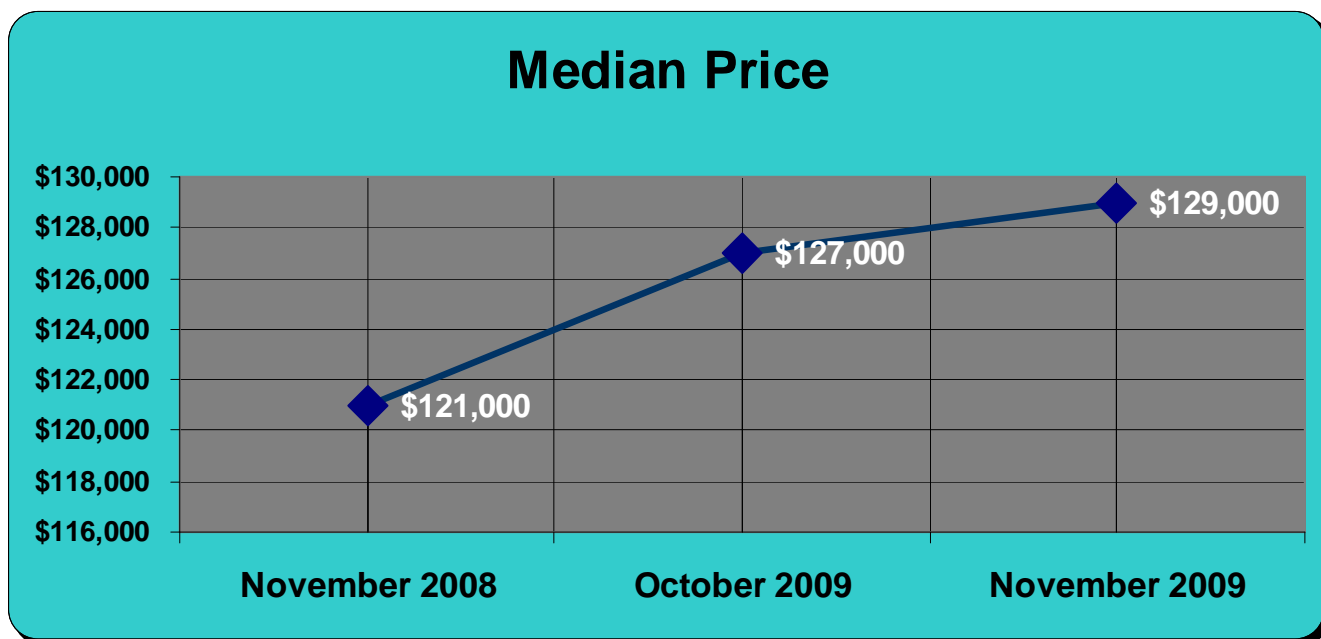
Local REALTORS® Association President, Nickie Schwartzkopf said, "Preliminary figures recently released by the Department of Labor show that Tennessee, with an unemployment rate of 8.9% has fared somewhat better than many of our neighbors. However, we won't see a move towards a more permanent level of prosperity for our market until this issue of joblessness clears up significantly."

Chattanooga Area MLS President, Kathy Tucker believes that interest rates will continue to be another key factor in the recovery. “They are very low at the moment and I don’t see them going any lower during 2010 as we continue this slow momentum of economic resurgence,” she said. “However”, she added, “I continue to be concerned about the astonishing deficit level we’re seeing nationally. It’s hard to imagine that it will not affect our market – and many others – if we cannot get spending, and the burgeoning multi-trillion dollar debt under control and see a strengthening of our currency.”

The general consensus among market economists seems to be that interest rates will start to rise, but not until next year. So, long-term mortgage rates are likely to remain low and near 5.0 percent for at least the next month

NAR Chief Economist, Dr. Lawrence Yun has stated, “Any housing policy leading to unsuccessful homeownership (such as the ones associated with the recent housing bust and foreclosures) should be dropped. But policies that promote responsible and sustainable homeownership have incalculable societal benefits and must be defended. In addition, given that homeowners already pay nearly 90 percent of all federal income taxes, trying to extract more out of homeowners will in the end be counter-productive economically and politically.”

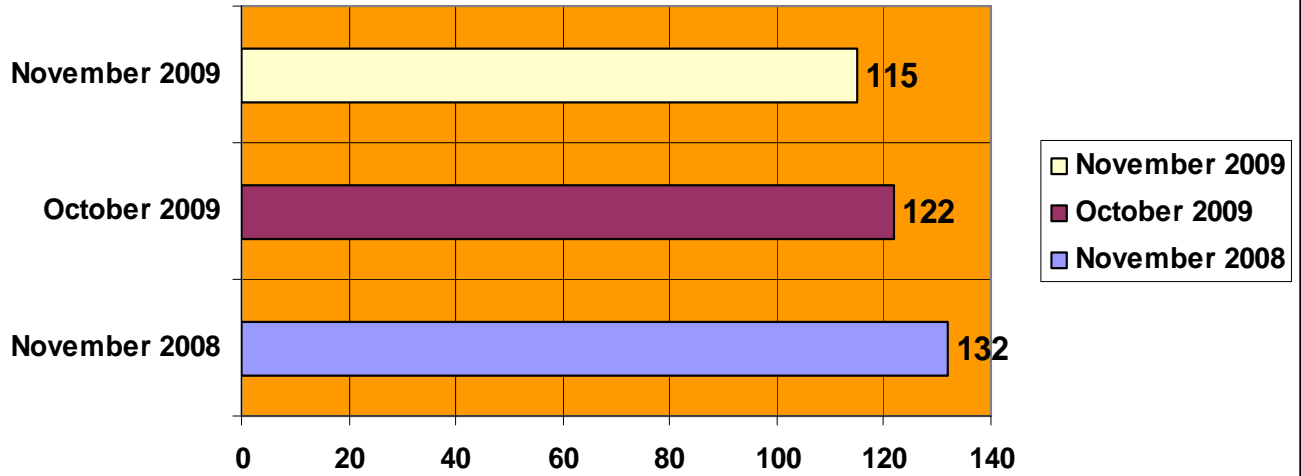
Affordability is a key indicator – and often the decisive factor - in both the pace and depth of the market dynamics shaping home sales. In the Greater Chattanooga and Northwest Georgia area, this can be seen in the local median home price, which is the price that half of all units sell for more and half sell for less.



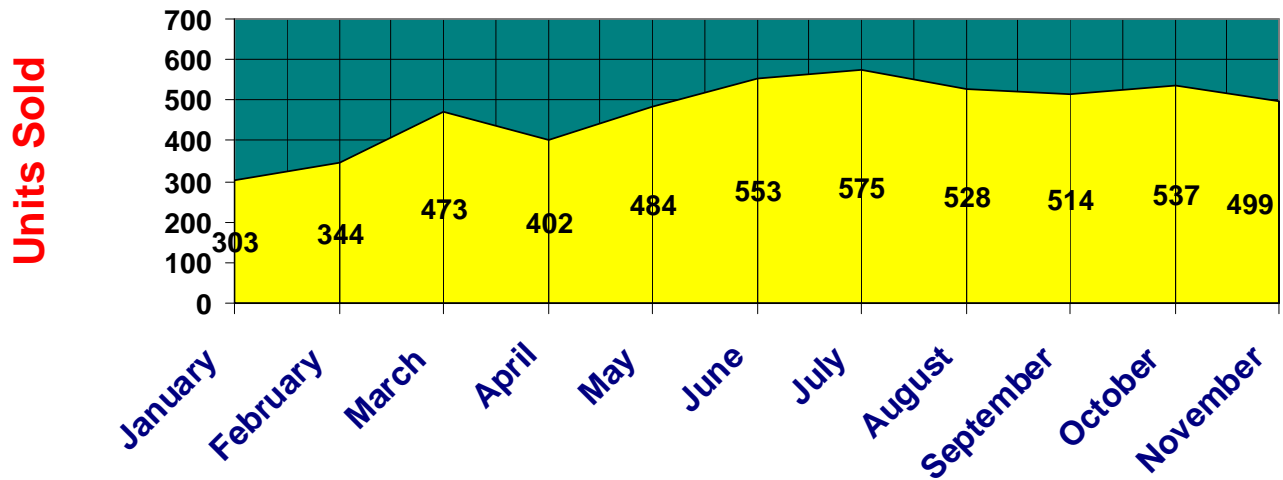
For the month of November, the local median home price was **\$129,000**. That represents an increase of **6.6%** from the same period one year earlier and a small increase of **1.6%** from the median price reported the previous month. However, while it continues to represent a continuing trend of real affordability, it gives some indication that homes and property are seeing a gradual appreciation in value, and that price sensitive buyers should strongly consider purchasing now, and avoiding the inevitable increases in an improving market.

The average number of days on the market decreased with some significance. From recent highs (above 130 days), the average is now showing **115** days, indicating a trend of buyers wishing to take advantage of both the tax credit and attractive deals on residential properties that have become available.

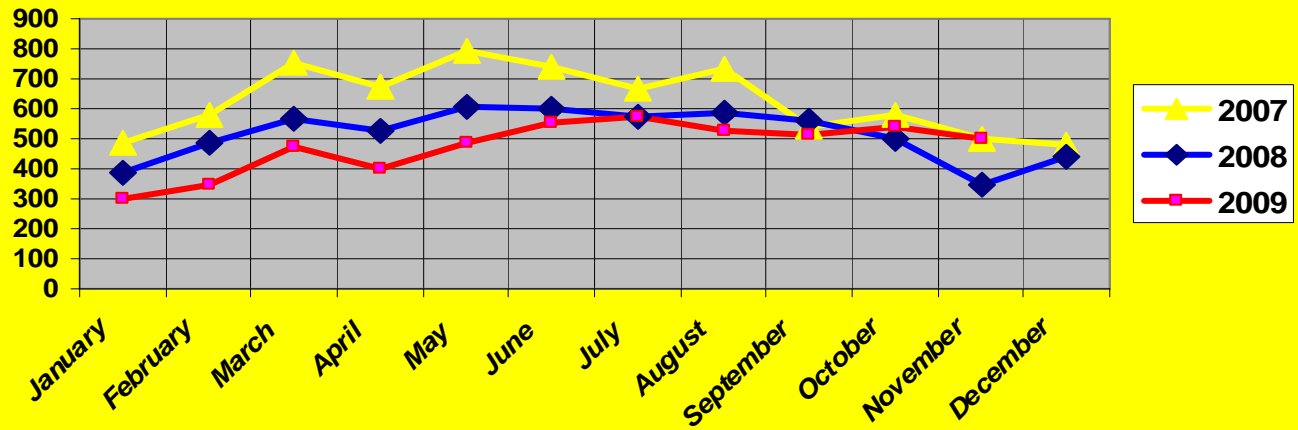
Average Days On Market



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.

STATISTICAL SOURCES: U.S. Department of Labor (BLS.GOV); U.S. Department of Housing & Urban Development (HUD); State of Tennessee (TennesseeAnytime.org); Hamilton County (HamiltonTN.gov); City of Chattanooga (Chattanooga.gov); MarketVector.com; Bankrate.com; RealEstateABC.com; REALTOR.ORG; Chattanooga Association of REALTORS® MLS; and other sources deemed, but not guaranteed, to be reliable.

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