

Fourth Quarter Figures Follow End of Year Trends

The fourth quarter of 2007 helped establish the region's third best year for the local real estate market. According to figures provided by the Multiple Listing Service (MLS) of the Chattanooga Association of REALTORS[®], the fourth quarter witnessed 1,150 sales, which is slightly more than 20 percent of the 7,516 total number of residential sales in all of 2007.

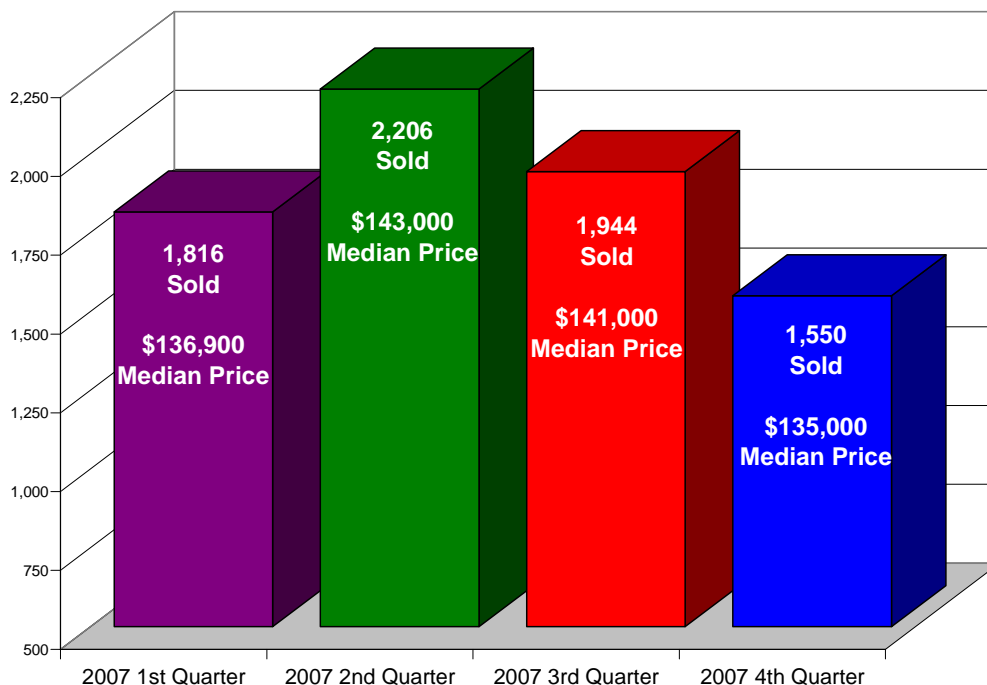
In 2007, fourth quarter sales fell 20 percent from the third quarter and 18 percent from the same quarter in the previous year. It is not uncommon for fourth quarter figures to represent any particular year's weakest quarter. Since 2000, the third to fourth quarter change averages out to a 14 percent annual decline. Conversely, the spring and summer months of the second and third quarters have long been the area's most vibrant for real estate activity.

"Sales were down but that's expected in the last part of the year," said Pam Duffy, President of the Chattanooga Association of REALTORS[®]. "Our local real estate market still performed well. Even despite the onslaught of reports bemoaning a housing slump, the health of our local market sustained. People are buying and people are selling."

"Local factors have a greater ramification on how any market functions and the greater Chattanooga area continues to yield positive returns," adds Randy Durham, MLS President. "We've been relatively insulated from the severe problems that plagued some of the worst hit states. Places like California, Florida, Colorado, Nevada, Michigan, and Indiana are still seeing problems, and the factors for their downturns even differ market to market with unsustainable price increases, growing foreclosure woes, and massive job losses."

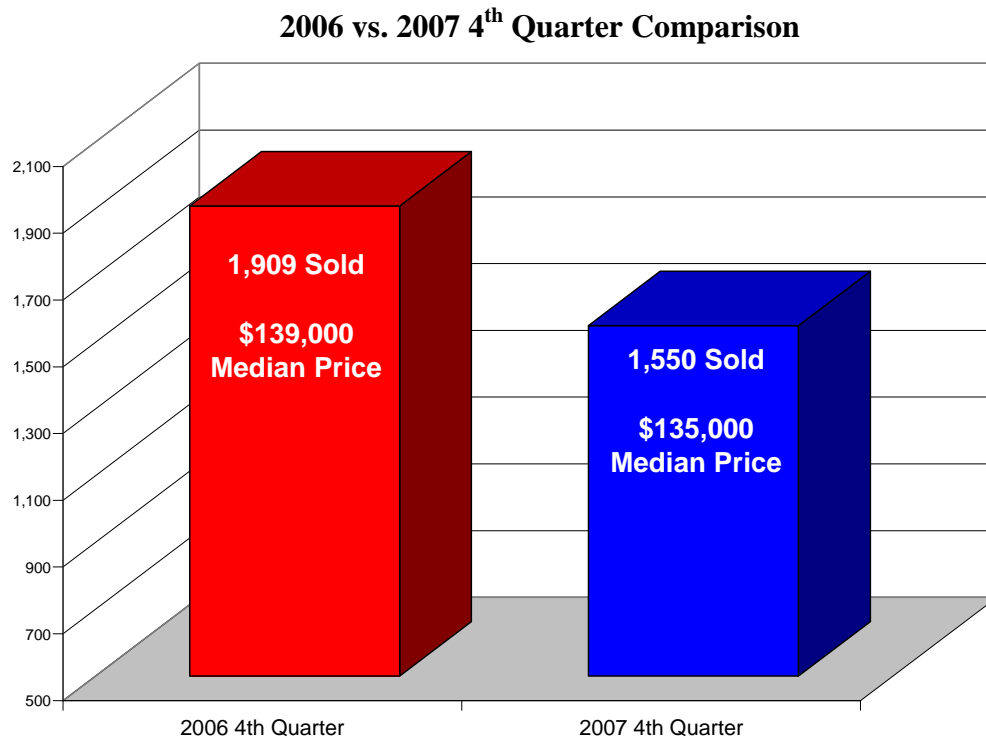
One of the biggest areas of concern has centered on affordability. As certain parts of the country witnessed several years of robust sales, sellers were able to maintain dramatic price escalations. Unsound price appreciation can never be prolonged as supply and demand factors become self regulating. Fortunately real estate in Southeast Tennessee and Northwest Georgia never saw a price run-up, instead it continues to be one of the most affordable in the South.

2007 Quarterly Comparison



Evidence to the health and affordability of the local real estate market can be found in the median home price. The median figure represents the price at which half sold for more and half sold for less and is a better indicator than average because it does not become skewed by extreme highs and lows. For the fourth quarter, the median price in the greater Chattanooga area was \$135,000. This figure is considerably less than the national report of the country's \$206,000* median price released by the National Association of REALTORS®.

The fourth quarter median price shows a 4.25 percent decline from the year's third quarter and less than 3 percent dip compared to 2006's fourth quarter. For the year, the median price ticked in at \$139,725, which represents a gain of more than 2 percent over all of 2006.



As the fourth quarter numbers are weighed against the backdrop of foreclosure concerns, the credit crunch, economic stimulus plans, and housing slump headlines, buyers, sellers and investors need to be particularly mindful of what is happening in their own community. Plus financing is still available with interest rates remaining at near historic levels, especially when compared to times of double digit levels seen in other decades. Real estate transactions are poised to continue at a relatively upbeat level.

“While real estate saw a bit of a slow down our median price actually showed growth. That’s a good sign that points to the strength of the local market,” contends Durham.

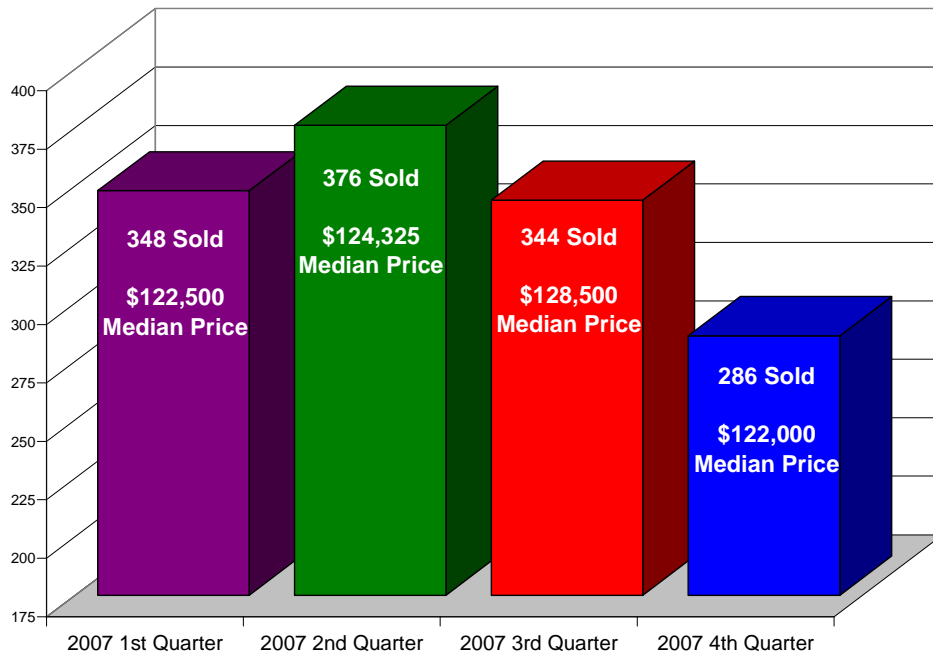
Says Duffy: “The national reports skew the reality of the local market and area consumers are not seeing a true picture. If you do the homework and look at the local conditions you’ll find a housing market in good shape. First time buyers and fence sitters should ignore the hype and be working with a Realtor to find some incredible deals.”

** Figure subject to change*

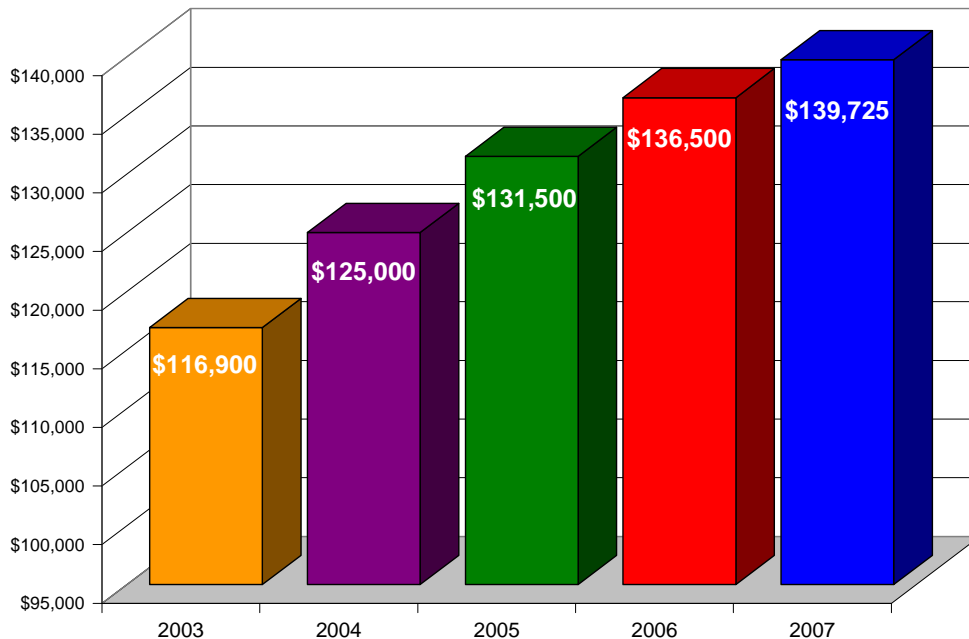
Homeownership remains at the cornerstone of the American Dream and its benefits are widespread. Besides helping grow stronger neighborhoods and communities, homeownership is a great way to build long term wealth. On average, homeowners find 60 percent of their wealth is found in the equity of their home. And the net worth of an average homeowner is significantly higher than a renter - 46 times greater according to Federal Reserve figures.

With over 1,900 local REALTORS® engaged in every aspect of the industry, consumers are encouraged to work with a member of the Chattanooga Association of REALTORS® to better understand their options in today's market. Only REALTORS® commit to a strict Code of Ethics, which helps protect all those involved in any property transaction.

North Georgia 2007 Quarterly Comparison



5-Year Median Price Comparison Shows Growth



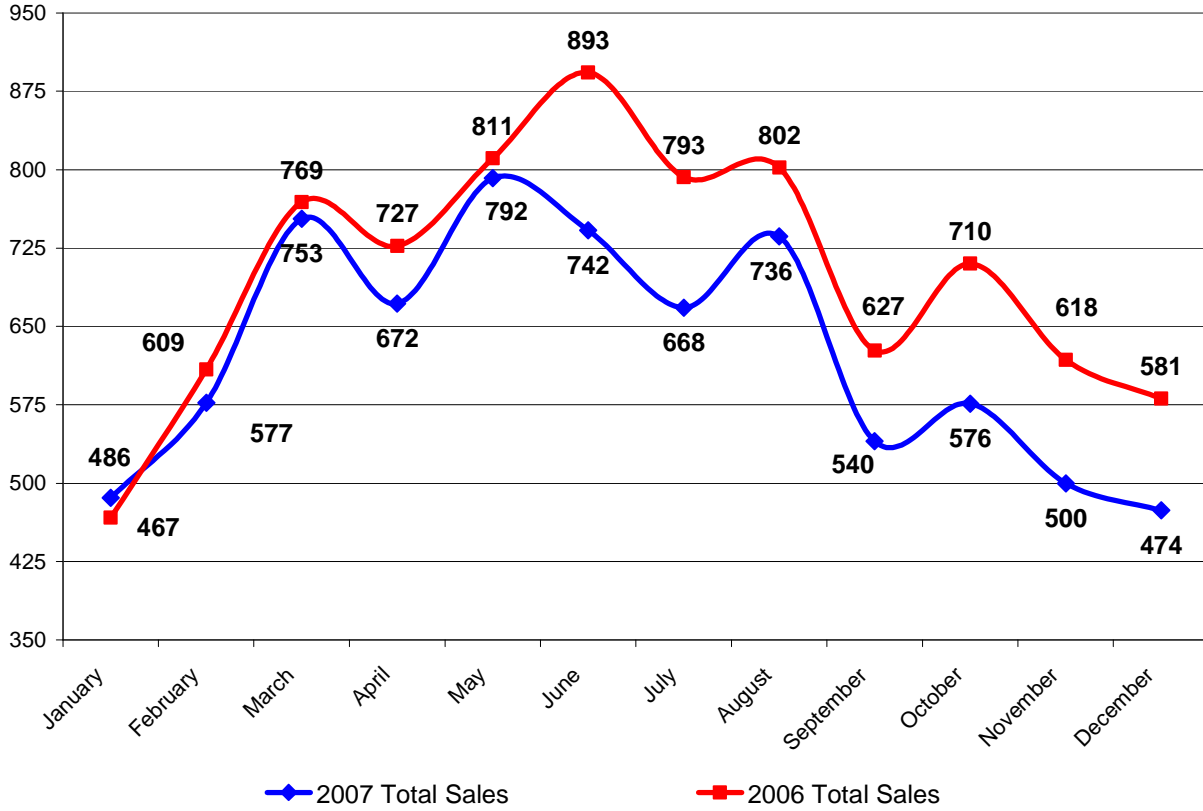
2007 4th Quarter Statistics By Price Class

Price Class/Type	0-2 Bedrooms	3 Bedrooms	4+ Bedrooms	Multi Family	Condo Co-Op	Farms	Total Units
\$29,999 or Under	49	19	4	4	0	0	76
\$30,000 - \$39,999	30	12	2	4	0	0	48
\$40,000 - \$49,999	17	27	3	3	8	0	58
\$50,000 - \$59,999	19	24	5	1	2	0	51
\$60,000 - \$69,999	14	36	2	4	1	0	57
\$70,000 - \$79,999	19	35	5	6	6	0	71
\$80,000 - \$89,999	20	46	4	7	0	0	77
\$90,000 - \$99,999	12	43	6	3	1	0	65
\$100,000 - \$119,999	16	115	19	5	6	0	161
\$120,000 - \$139,999	7	119	32	1	10	0	169
\$140,000 - \$159,999	4	119	23	1	21	0	168
\$160,000 - \$179,999	2	67	25	2	10	0	106
\$180,000 - \$199,999	4	58	22	0	4	0	88
\$200,000 - \$249,999	7	63	61	2	13	0	146
\$250,000 - \$299,999	0	38	34	0	8	1	81
\$300,000 - \$399,999	1	20	38	1	6	0	66
\$400,000 - \$499,999	1	4	19	0	1	0	25
\$500,000 - \$749,999	0	3	15	0	6	0	24
\$750,000 - \$999,999	0	2	8	0	0	0	10
\$1,000,000 - \$1,249,999	0	0	2	0	0	0	2
\$1,250,000 - \$1,149,999	0	0	0	0	0	0	0
\$1,500,000 - \$1,999,999	0	0	1	0	0	0	1
\$2,000,000 - \$2,999,999	0	0	0	0	0	0	0
\$3,000,000 or Over	0	0	0	0	0	0	0
Total Types	222	850	330	44	103	1	1550
Median Price	\$57,000	\$132,000	\$212,000	\$80,000	\$159,450	\$250,000	\$135,000

2007 4th Quarter Statistics By MLS Area

MLS Area	2007 4th Quarter	Median Price	Days on Market
1 - Tiftonia - Lookout Valley - Elder Mountain	16	\$350,000	141
2 - Downtown-St.Elmo-High Park-Avondale-Miss Ridge	152	\$46,000	129
3 - City of East Ridge	57	\$102,000	94
4 - Brainerd-East Brainerd	139	\$140,100	110
5 - Hwy 58 - city - Eastdale/Dalewood/Tyner	66	\$123,000	93
6 - N. Chatt-Mtn. Creek-Riverview-Rivermont	79	\$139,750	85
7 - Red Bank City Limits	36	\$115,000	88
8 - Hixson-Chattanooga City Limits	86	\$157,500	107
9 - Signal Mtn-Walden-Suck Creek	36	\$260,500	101
10 - Lookout Mountain	10	\$395,000	185
11 - Catoosa County	138	\$140,200	128
12 - Hwy 58/Harrison/Georgetown	51	\$137,600	90
13 - N Ham Co/Soddy/Bakewell/Sale Cr/Middle Valley	145	\$147,450	106
14 - Counties Other than Hamilton excluding GA	13	\$92,000	87
15 - Volunteer Site to Hunter Road	15	\$156,900	77
16 - E Brainerd county/Ooltewah	79	\$221,250	165
17 - Ooltewah/Snow Hill	40	\$220,000	144
18 - Collegedale Includes Apison	26	\$264,000	100
19 - Walker County	110	\$116,500	107
20 - Dade County	17	\$97,500	128
21 - All Other Georgia Counties	4	\$55,000	76
22 - Bradley County	81	\$130,006	114
23 - McMinn County	10	\$83,500	68
24 - Rhea County	38	\$115,500	132
25 - Alabama	6	\$105,000	90
26 - Whitfield	9	\$89,800	85
27 - Chattooga	8	\$93,000	101
28 - Sequatchie	32	\$96,000	131
29 - Marion	30	\$89,000	108
30 - Bledsoe	10	\$90,000	56
31 - Meigs	6	\$207,000	145
32 - Polk	5	\$86,250	68
Total	1,550	\$135,000	113

**2006 vs. 2007
Month-to-Month Sales Comparison**



**2006 vs. 2007
Month-to-Month Median Price Comparison**

