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1st Quarter
Regional Residential Market Conditions

Statistics Show Real Estate Market Ticking Along Well

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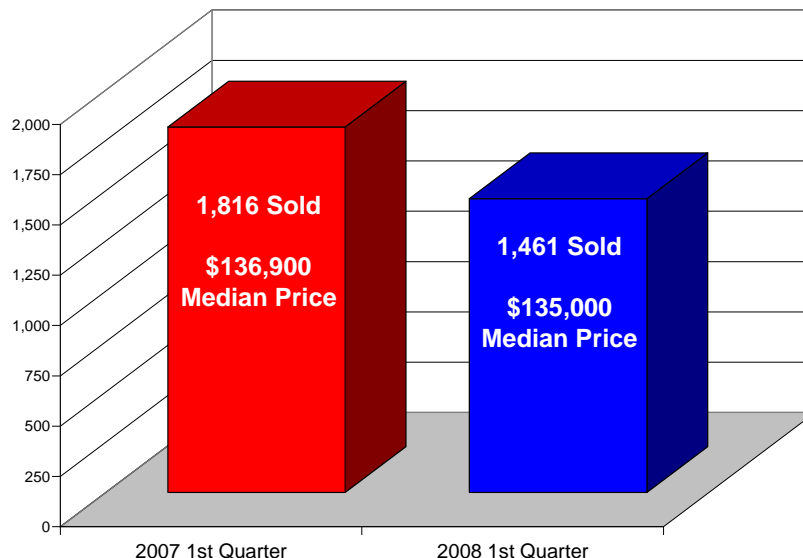
First Quarter Statistics Show Real Estate Market Ticking Along Well

Chattanooga, TN – May 13, 2008 – Month-to-month growth was seen in the region’s residential real estate market for the year’s first quarter. While down from the same period last year, the area’s third best year in real estate, the 2008 figures show how the Southeast Tennessee and Northwest Georgia market continues to be one of the nation’s brighter spots in real estate. According to figures from the Multiple Listing Service (MLS) of the Chattanooga Association of REALTORS®, a total of 1,461 units sold in the first quarter of 2008. This figure represents a 19.5 percent downward shift from 2007’s opening quarter. Sales also edged down from the previous quarter by 6 percent.

Though sales in the first quarter are often off from the top performing periods of the late spring and summer months, the month-to-month increases points to a market moving along at a steady pace. Still, the negative headlines and troublesome reports from other areas hardest hit by unrealistic price increases and over developments, continue to weigh down on consumer confidence in today’s real estate market.

“The numbers point to a softer market but it’s by no means a time to panic,” says Pam Duffy, President of the Chattanooga Association of REALTORS®. “The fundamentals of a normal market are here right now – inventory is at a high level, sound financing is available with attractive interest rates, and buyers are discovering they can get more house for their money in our market.”

**2007 vs. 2008
1st Quarter Comparison**



Affordability ranked as one of the brightest spots in the year’s first quarter statistics, as evidenced by the region’s median price, the price at which half the homes sold for more and half for less, and is a better indicator than the average price because it is not as susceptible to

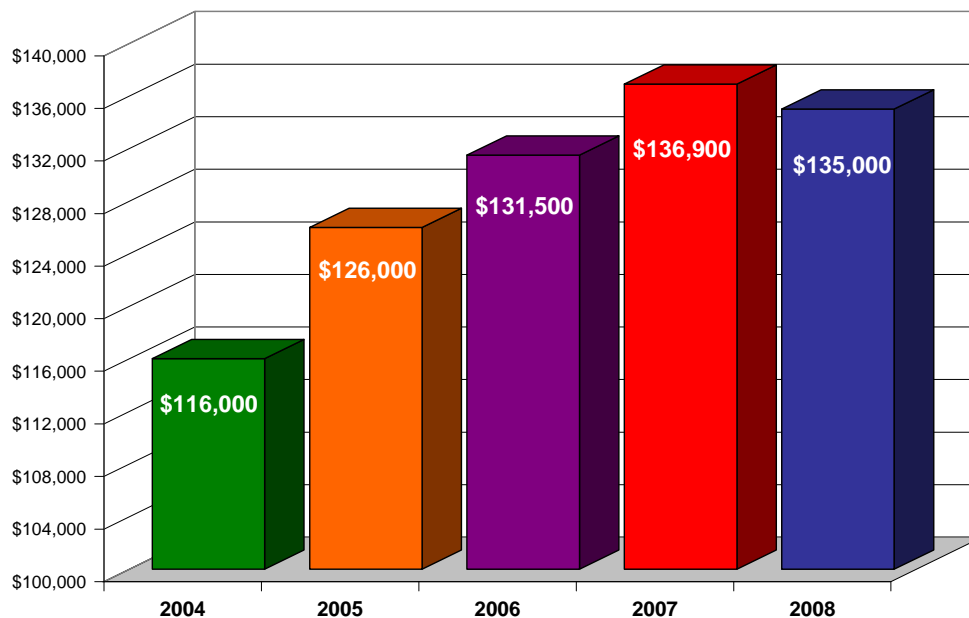
influences from extreme highs and lows. While the month to month figures fluctuated, the median price for the first quarter of 2008 was \$135,000. For the most part, the movement was nil, as the figures only show a 1 percent drop from this same time last year and remained unchanged from the previous fourth quarter.

Real estate is highly localized and the median price represents a good starting point to understand an area's viability. It is especially positive for Chattanooga and the surrounding communities when contrasted against the aggregate median price of over \$196,300, as reported by the National Association of REALTORS®.

In parts of California, Florida, Colorado, Michigan and Nevada, the most severe impact from an adjusting real estate market continues to be felt. Part of the reason for the slowdown in sales can be attributed to tighter lending requirements and the elimination of the most toxic loan products, such as risky subprime mortgages. In all actuality, this market-driven correction should help stem the rise in foreclosures by keeping those not understanding their financial wherewithal are no longer able to enter into transactions they can never truly afford.

“The real concern in our housing market should be on what you're going to miss if you get swayed by the headlines,” advises MLS President Randy Durham. “Conditions are right and activity is really on the rise. Prices are realistically set and our buyers and sellers are seeing eye-to-eye.”

5 Year Upward Trend in Median Home Prices



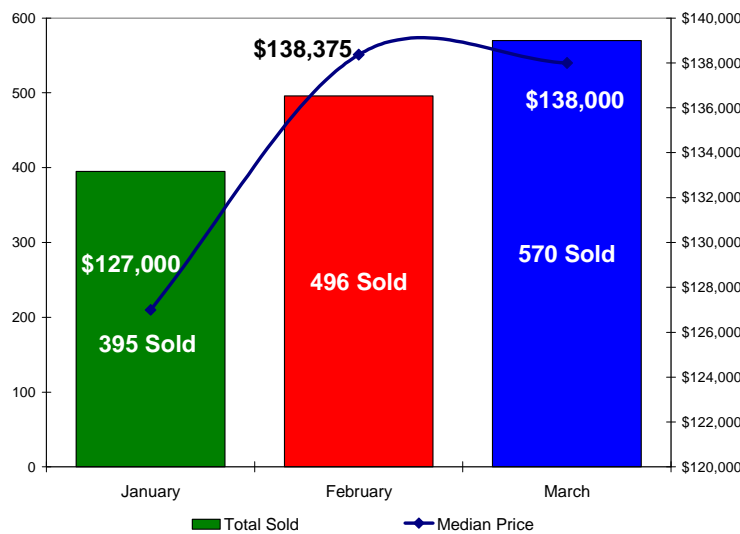
“While signs point to this being a buyers market, sellers are by no means losing out,” adds Duffy. “Housing is a long-term investment, with most people choosing to stay put for close to ten years. That’s a solid time of building up equity. Those looking to make a change in their living situation could find the perfect opportunity in our market.”

The home being a safe haven for investment is especially significant when considering the first quarter median price in 2008 is 16.5 percent higher than compared to the median price from the same time five years ago. As the region continues to fair well with employment levels, job growth and population projections, it will continue to be a positive market for businesses and individuals.

“This is a market you can embrace. But nobody has a crystal ball and there’s no telling how long these conditions will last,” adds Durham.

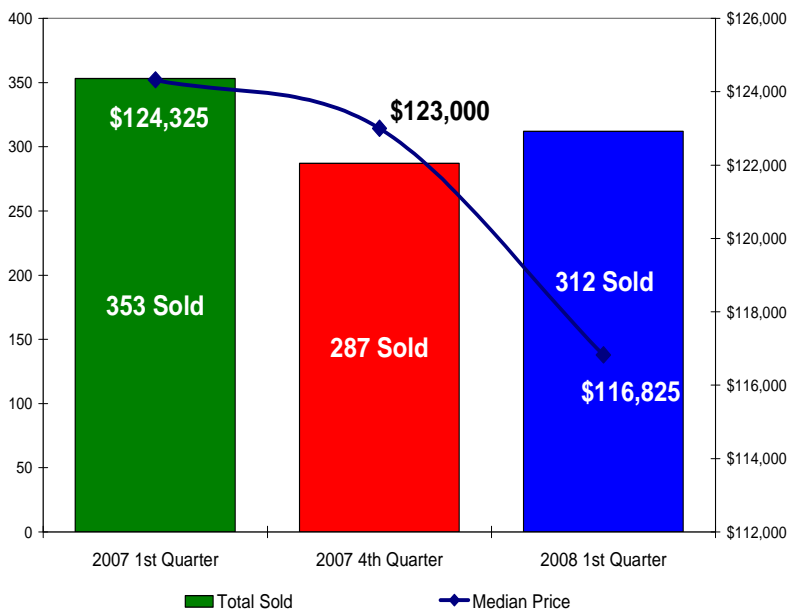
First time buyers, renters, relocators and anyone else interested in finding the right home for them should contact a member of the Chattanooga Association of REALTORS® today. The association represents the premier voice of real estate for Southeast Tennessee and Northwest Georgia. It provides a membership of over 1,900 REALTORS® with the resources and services they need to best serve clients in an ethical, professional and successful manner.

1st Quarter Month-to-Month Statistics

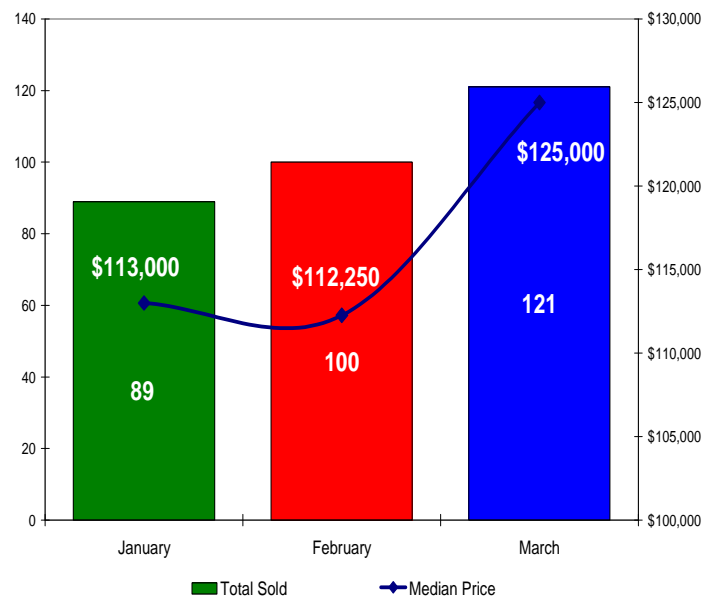


North Georgia Comparison

Quarterly Comparison



1st Quarter Month-to-Month Statistics



2008 First Quarter Stats By Price/Type							
Price Class/Type	0-2 Bedrooms	3 Bedrooms	4+ Bedrooms	Multi Family	Condo Co-Op	Farms	Total Units
\$29,999 or Under	38	24	4	4	0	0	70
\$30,000 - \$39,999	17	21	1	0	2	0	41
\$40,000 - \$49,999	15	27	2	2	6	0	52
\$50,000 - \$59,999	18	30	5	2	3	0	58
\$60,000 - \$69,999	18	24	4	0	2	0	48
\$70,000 - \$79,999	15	32	2	2	2	0	53
\$80,000 - \$89,999	13	46	4	7	1	0	71
\$90,000 - \$99,999	10	54	8	2	1	0	75
\$100,000 - \$119,999	14	113	17	3	3	0	150
\$120,000 - \$139,999	10	113	25	1	11	0	160
\$140,000 - \$159,999	2	112	24	0	13	0	151
\$160,000 - \$179,999	4	88	18	2	15	0	127
\$180,000 - \$199,999	2	41	19	1	10	0	73
\$200,000 - \$249,999	5	62	58	0	13	0	138
\$250,000 - \$299,999	2	21	36	0	2	0	61
\$300,000 - \$399,999	3	15	37	0	4	0	59
\$400,000 - \$499,999	1	6	24	1	1	0	33
\$500,000 - \$749,999	0	3	16	2	5	1	27
\$750,000 - \$999,999	0	3	7	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	1	0	0	0	1
\$1,500,000 - \$1,999,999	0	0	0	0	0	1	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	187	835	314	29	94	2	1461
Median Price	\$63,600	\$128,200	\$215,000	\$87,000	\$161,000	\$1,775,000	\$135,000

2008 First Quarter Stats By MLS Area			
MLS Area	Total Sold	Median Price	Days on Market
1 - Tiftonia - Lookout Valley - Elder Mountain	16	\$189,000	102
2 - Downtown-St.Elmo-High Park-Avondale-Miss Ridge	114	\$45,000	117
3 - City of East Ridge	47	\$108,000	100
4 - Brainerd-East Brainerd	119	\$134,000	143
5 - Hwy 58 - city - Eastdale/Dalewood/Tyner	57	\$117,500	112
6 - N. Chatt-Mtn. Creek-Riverview-Rivermont	89	\$161,375	140
7 - Red Bank City Limits	43	\$113,450	91
8 - Hixson-Chattanooga City Limits	67	\$164,900	101
9 - Signal Mtn-Walden-Suck Creek	47	\$252,250	149
10 - Lookout Mountain	11	\$489,750	139
11 - Catoosa County	145	\$134,950	112
12 - Hwy 58/Harrison/Georgetown	43	\$142,800	115
13 - N Ham Co/Soddy/Bakewell/Sale Cr/Middle Valley	125	\$151,950	134
14 - Counties Other than Hamilton excluding GA	9	\$175,950	86
15 - Volunteer Site to Hunter Road	17	\$158,050	124
16 - E Brainerd county/Ooltewah	73	\$184,000	173
17 - Ooltewah/Snow Hill	36	\$220,500	167
18 - Collegedale Includes Apison	34	\$236,000	138
19 - Walker County	133	\$106,500	113
20 - Dade County	16	\$99,900	89
21 - All Other Georgia Counties	2	\$114,500	38
22 - Bradley County	97	\$131,000	113
23 - McMinn County	5	\$72,501	98
24 - Rhea County	29	\$139,000	143
25 - Alabama	8	\$104,000	180
26 - Whitfield	7	\$132,500	96
27 - Chattooga	8	\$48,950	84
28 - Sequatchie	23	\$107,500	100
29 - Marion	28	\$130,500	108
30 - Bledsoe	5	\$165,000	105
31 - Meigs	4	\$140,000	104
32 - Polk	4	\$161,000	250
Total	1,461	\$135,000	124