Monthly Indicators

GREATER CHATTANOOGA REALTORS®

March 2018

New residential real estate activity has been relatively slow in the first quarter of 2018, yet housing is proving its resiliency in a consistently improving economy. Some markets have had increases in signed contracts, but the vast majority of the nation continues to experience fewer closed sales and lower inventory compared to last year at this time. Despite there being fewer homes for sale, buyer demand has remained strong enough to keep prices on the rise, which should continue for the foreseeable future.

New Listings in the Chattanooga region decreased 5.4 percent to 1,184. Pending Sales were up 13.3 percent to 1,047. Inventory levels shrank 30.1 percent to 2,282 units.

Prices continued to gain traction. The Median Sales Price increased 8.9 percent to $188,150. Days on Market was down 22.9 percent to 54 days. Sellers were encouraged as Months Supply of Inventory was down 30.0 percent to 2.8 months.

The Federal Reserve raised its key short-term interest rate by .25 percent in March, citing concerns about inflation. It is the sixth rate increase by the Fed since December 2015, and at least two more rate increases are expected this year. Borrowing money will be more expensive, particularly for home equity loans, credit cards and adjustable rate mortgages, but rising wages and a low national unemployment rate that has been at 4.1 percent for five months in a row would seem to indicate that we are prepared for this. And although mortgage rates have risen to their highest point in four years, they have been quite low for several years.

Activity Snapshot

- 9.1%	- 30.1%	+ 8.9%
One-Year Change in **Closed Sales**	One-Year Change in **Homes for Sale**	One-Year Change in **Median Sales Price**

Residential real estate activity comprised of single-family properties, townhomes and condominiums combined. Percent changes are calculated using rounded figures.

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Market Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year.

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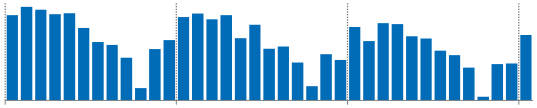
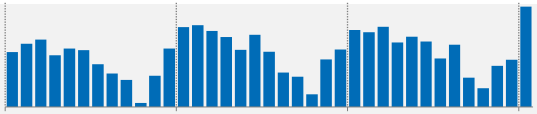
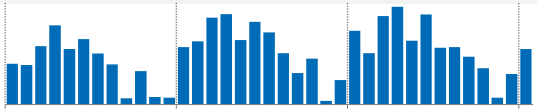
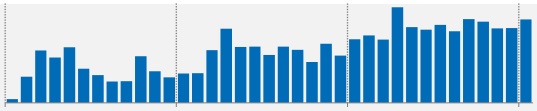
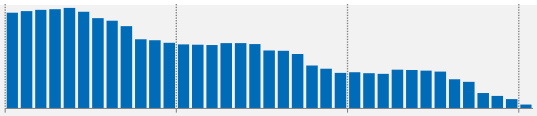
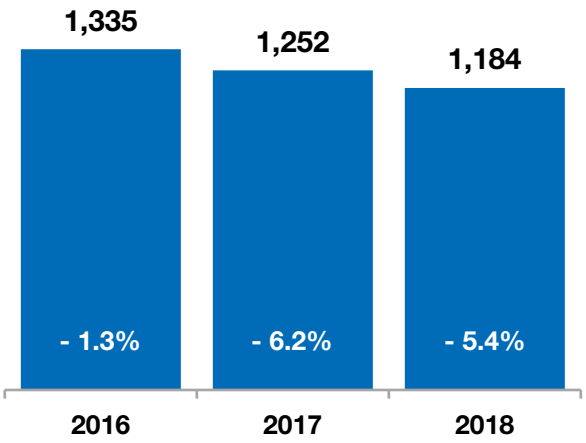
Key Metrics	Historical Sparkbars 03-2016 03-2017 03-2018 03-2018	3-2017	3-2018	Percent Change	YTD 2017	YTD 2018	Percent Change
New Listings		1,252	**1,184**	- 5.4%	3,245	**3,064**	- 5.6%
Pending Sales		924	**1,047**	+ 13.3%	2,512	**2,548**	+ 1.4%
Closed Sales		889	**808**	- 9.1%	2,139	**2,098**	- 1.9%
Days on Market Until Sale		70	**54**	- 22.9%	69	**61**	- 11.6%
Median Sales Price		$172,750	**$188,150**	+ 8.9%	$165,000	**$180,000**	+ 9.1%
Avg. Sales Price		$205,008	**$218,984**	+ 6.8%	$200,556	**$215,169**	+ 7.3%
Pct. of Orig. Price Received		95.3%	**96.3%**	+ 1.0%	94.8%	**95.6%**	+ 0.8%
Affordability Index		165	**149**	- 9.7%	173	**156**	- 9.8%
Homes for Sale		3,263	**2,282**	- 30.1%	--	**--**	--
Months Supply of Inventory		4.0	**2.8**	- 30.0%	--	**--**	--

New Listings

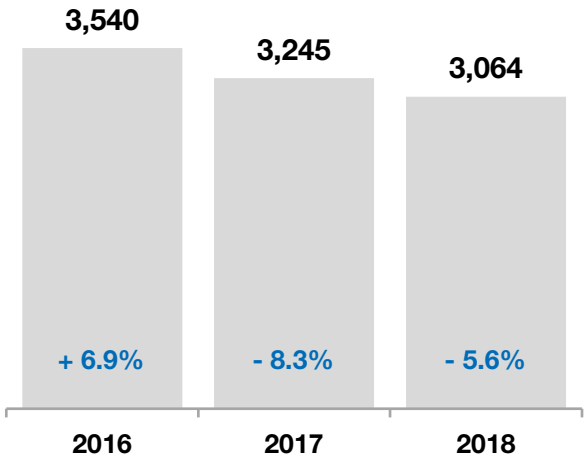
A count of the properties that have been newly listed on the market in a given month.

GREATER CHATTANOOGA REALTORS®

March

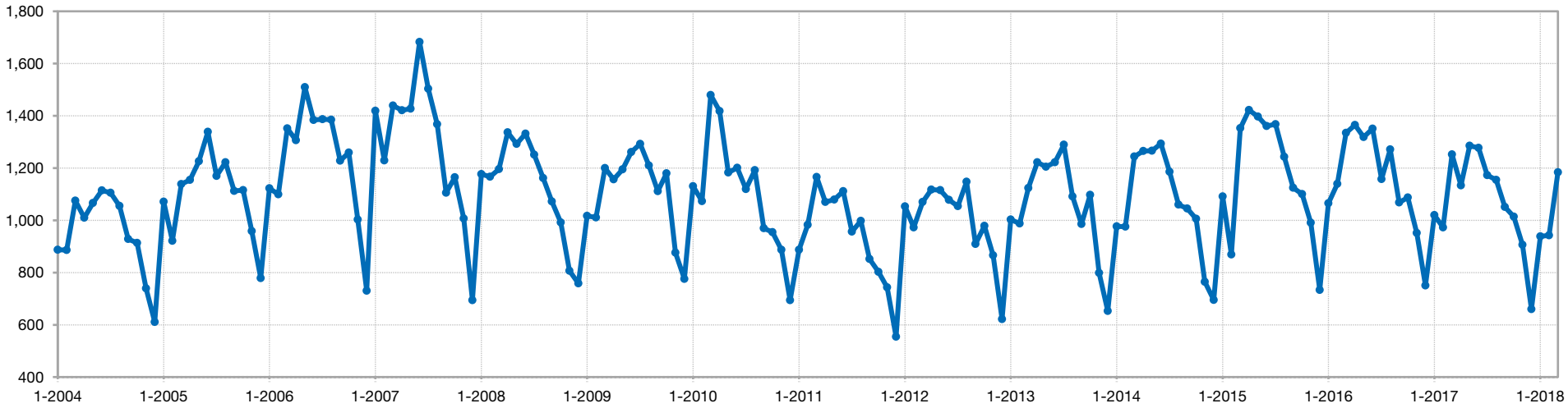


Year to Date



New Listings		Prior Year	Percent Change
April 2017	1,133	1,365	-17.0%
May 2017	1,285	1,318	-2.5%
June 2017	1,277	1,351	-5.5%
July 2017	1,173	1,158	+1.3%
August 2017	1,155	1,271	-9.1%
September 2017	1,051	1,068	-1.6%
October 2017	1,014	1,087	-6.7%
November 2017	906	951	-4.7%
December 2017	660	750	-12.0%
January 2018	938	1,020	-8.0%
February 2018	942	973	-3.2%
March 2018	**1,184**	**1,252**	**-5.4%**
12-Month Avg	1,060	1,130	-6.2%

Historical New Listings by Month



Pending Sales

A count of the properties on which offers have been accepted in a given month.

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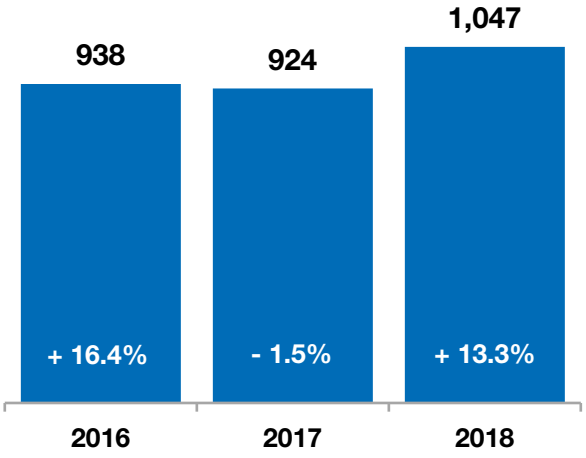
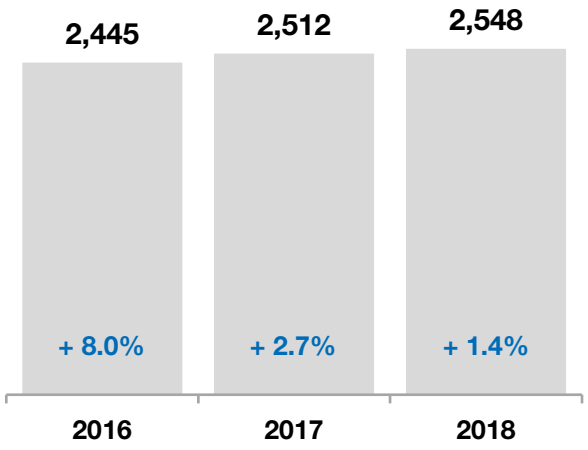
March



Year to Date



Pending Sales		Prior Year	Percent Change
April 2017	912	949	-3.9%
May 2017	941	918	+2.5%
June 2017	858	887	-3.3%
July 2017	888	819	+8.4%
August 2017	863	898	-3.9%
September 2017	773	809	-4.4%
October 2017	846	698	+21.2%
November 2017	671	677	-0.9%
December 2017	615	583	+5.5%
January 2018	734	768	-4.4%
February 2018	767	820	-6.5%
March 2018	**1,047**	**924**	**+13.3%**
12-Month Avg	826	813	+1.6%

Historical Pending Sales by Month

Closed Sales

A count of the actual sales that closed in a given month.

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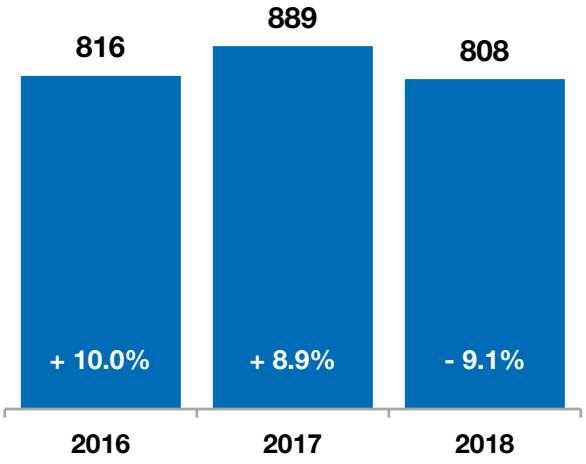
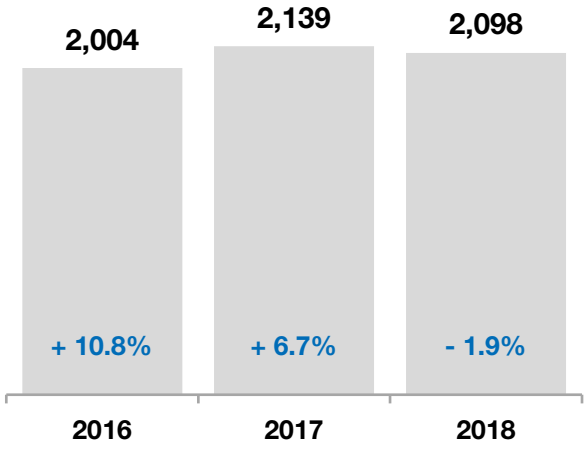
March

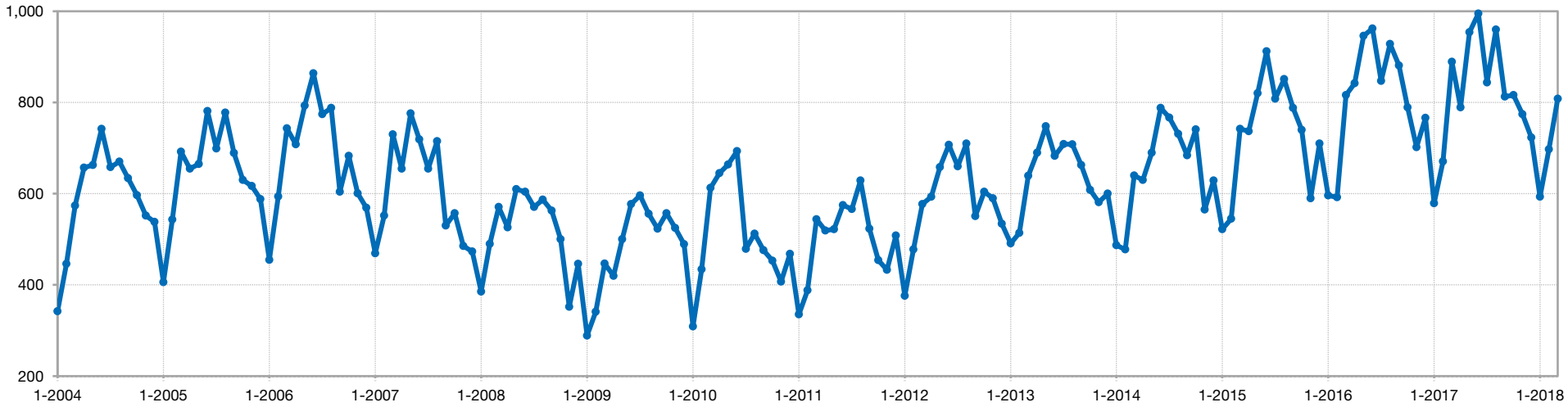


Year to Date



Closed Sales		Prior Year	Percent Change
April 2017	789	842	-6.3%
May 2017	954	946	+0.8%
June 2017	995	962	+3.4%
July 2017	844	847	-0.4%
August 2017	960	928	+3.4%
September 2017	813	881	-7.7%
October 2017	816	789	+3.4%
November 2017	774	702	+10.3%
December 2017	723	766	-5.6%
January 2018	593	579	+2.4%
February 2018	697	671	+3.9%
March 2018	**808**	**889**	**-9.1%**
12-Month Avg	814	817	-0.4%

Historical Closed Sales by Month



Days on Market Until Sale

Average number of days between when a property is listed and when an offer is accepted in a given month.

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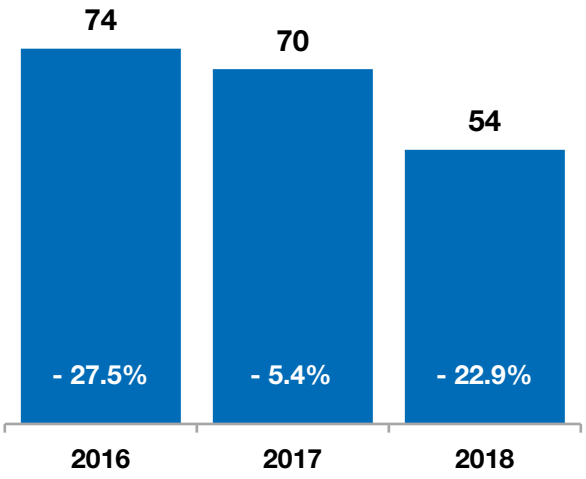
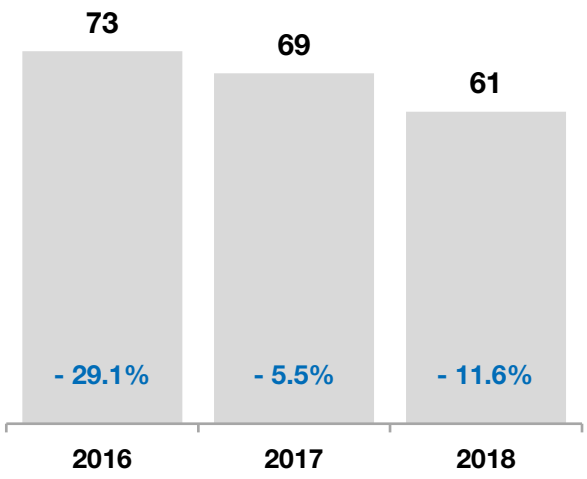
March



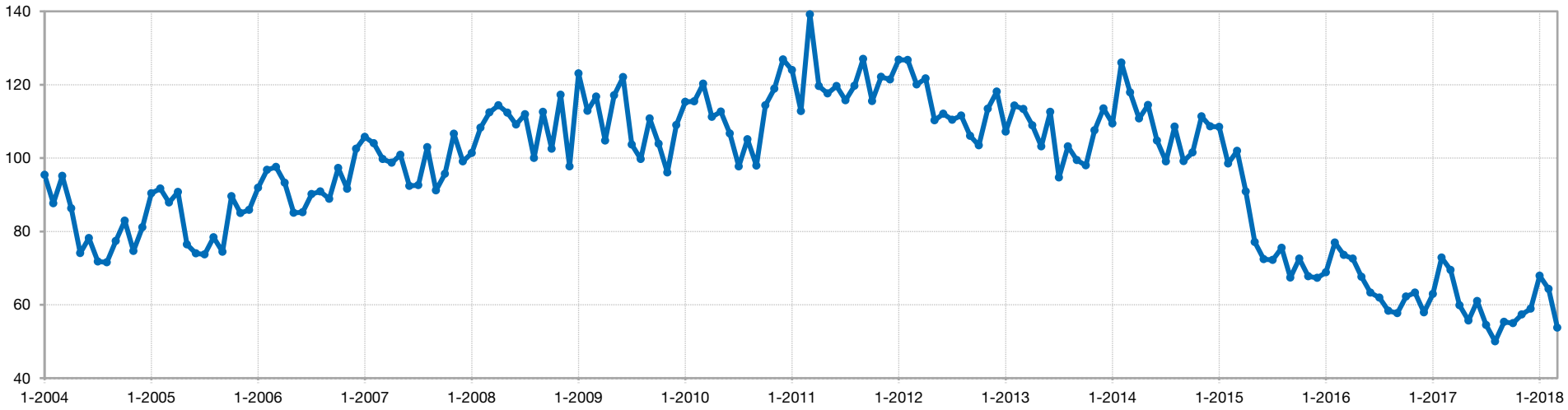
Year to Date



Days on Market		Prior Year	Percent Change
April 2017	60	73	-17.8%
May 2017	56	68	-17.6%
June 2017	61	63	-3.2%
July 2017	54	62	-12.9%
August 2017	50	58	-13.8%
September 2017	55	58	-5.2%
October 2017	55	62	-11.3%
November 2017	57	63	-9.5%
December 2017	59	58	+1.7%
January 2018	68	63	+7.9%
February 2018	64	73	-12.3%
March 2018	**54**	**70**	**-22.9%**
12-Month Avg*	57	64	-10.9%

* Average Days on Market of all properties from April 2017 through March 2018. This is not the average of the individual figures above.

Historical Days on Market Until Sale by Month



Median Sales Price

Point at which half of the sales sold for more and half sold for less, not accounting for seller concessions, in a given month.

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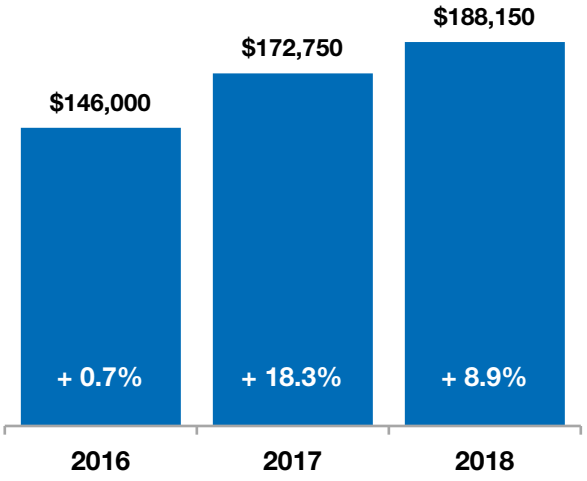
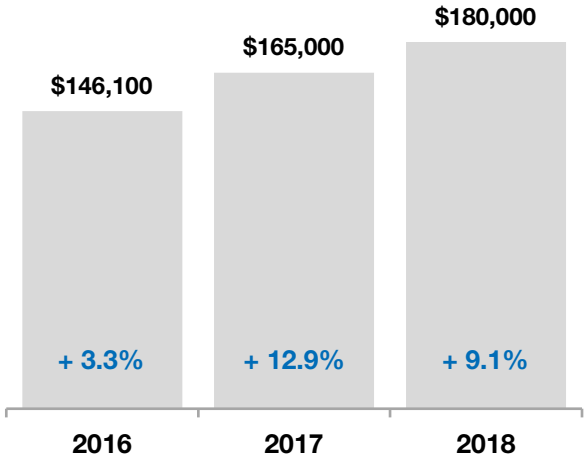


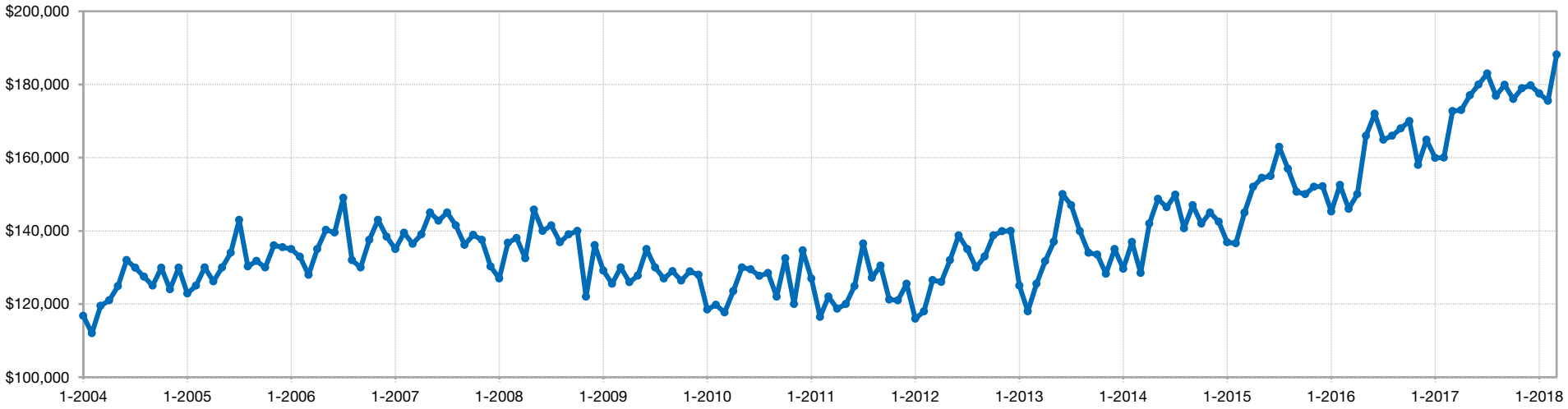
Year to Date



Median Sales Price		Prior Year	Percent Change
April 2017	$173,000	$150,000	+15.3%
May 2017	$177,000	$166,000	+6.6%
June 2017	$180,000	$172,000	+4.7%
July 2017	$183,000	$164,900	+11.0%
August 2017	$176,900	$166,000	+6.6%
September 2017	$179,900	$168,000	+7.1%
October 2017	$176,000	$170,000	+3.5%
November 2017	$179,000	$158,000	+13.3%
December 2017	$179,750	$164,900	+9.0%
January 2018	$177,500	$159,900	+11.0%
February 2018	$175,500	$160,000	+9.7%
March 2018	**$188,150**	**$172,750**	**+8.9%**
12-Month Med*	$179,000	$165,000	+8.5%

* Median Sales Price of all properties from April 2017 through March 2018. This is not the average of the individual figures above.

Historical Median Sales Price by Month



Average Sales Price

Average sales price for all closed sales, not accounting for seller concessions, in a given month.

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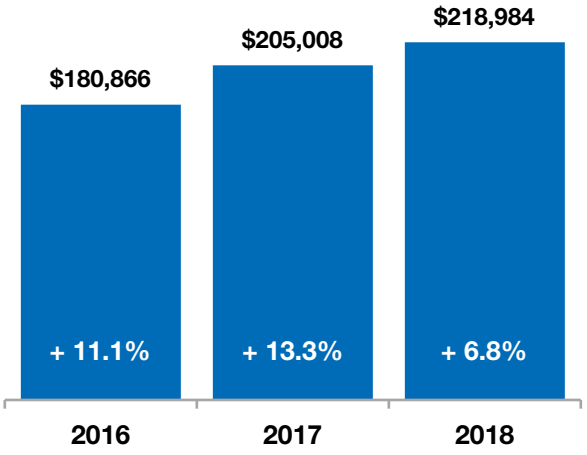
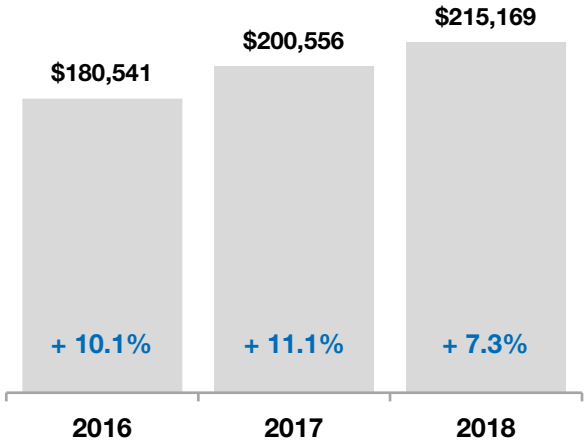
March



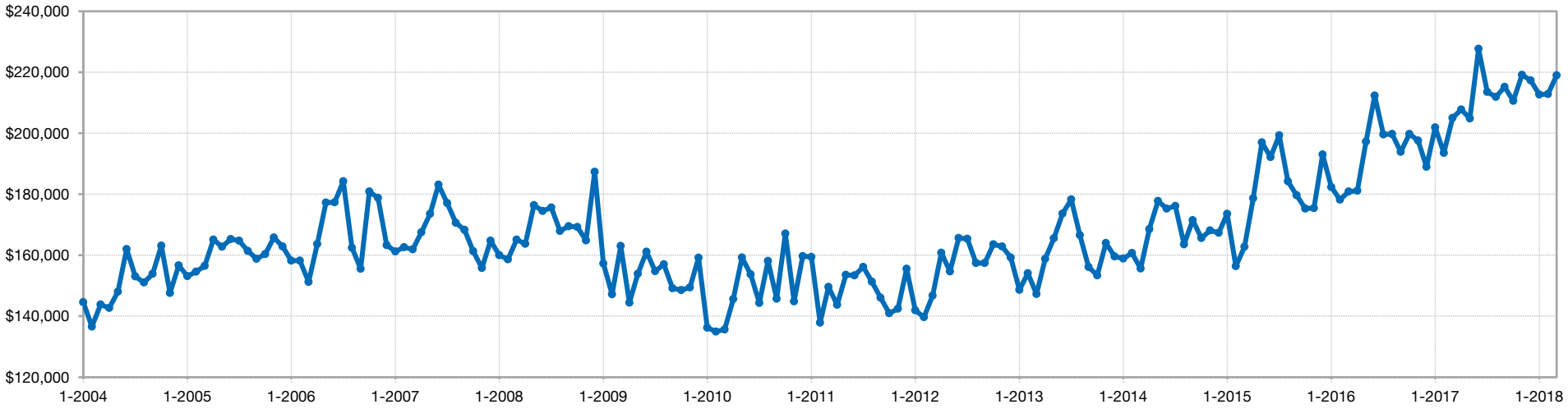
Year to Date



Avg. Sales Price		Prior Year	Percent Change
April 2017	$207,765	$181,107	+14.7%
May 2017	$204,850	$197,298	+3.8%
June 2017	$227,658	$212,369	+7.2%
July 2017	$213,589	$199,605	+7.0%
August 2017	$211,872	$199,784	+6.1%
September 2017	$215,154	$193,939	+10.9%
October 2017	$210,596	$199,775	+5.4%
November 2017	$219,124	$197,638	+10.9%
December 2017	$217,340	$188,988	+15.0%
January 2018	$212,708	$201,891	+5.4%
February 2018	$212,839	$193,524	+10.0%
March 2018	**$218,984**	**$205,008**	**+6.8%**
12-Month Avg*	$214,464	$197,801	+8.4%

* Avg. Sales Price of all properties from April 2017 through March 2018. This is not the average of the individual figures above.

Historical Average Sales Price by Month

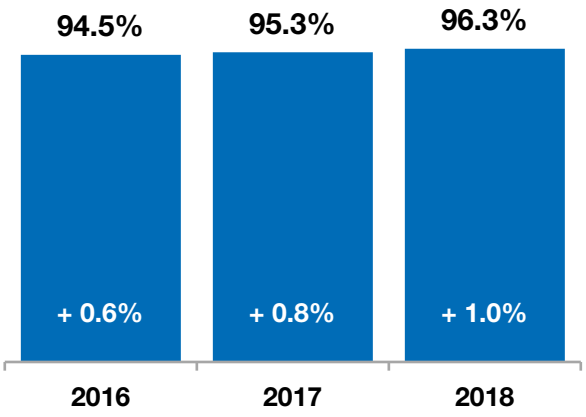


Percent of Original List Price Received

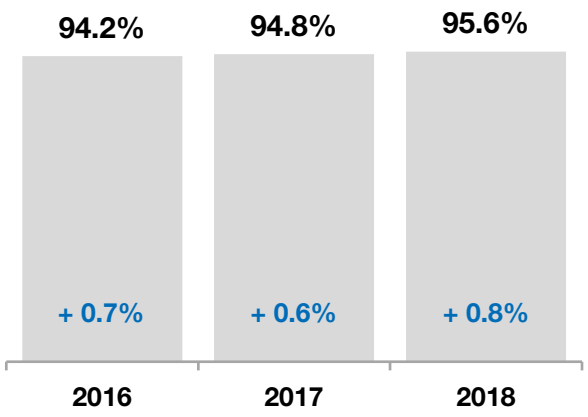
Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.

GREATER CHATTANOOGA REALTORS®

March



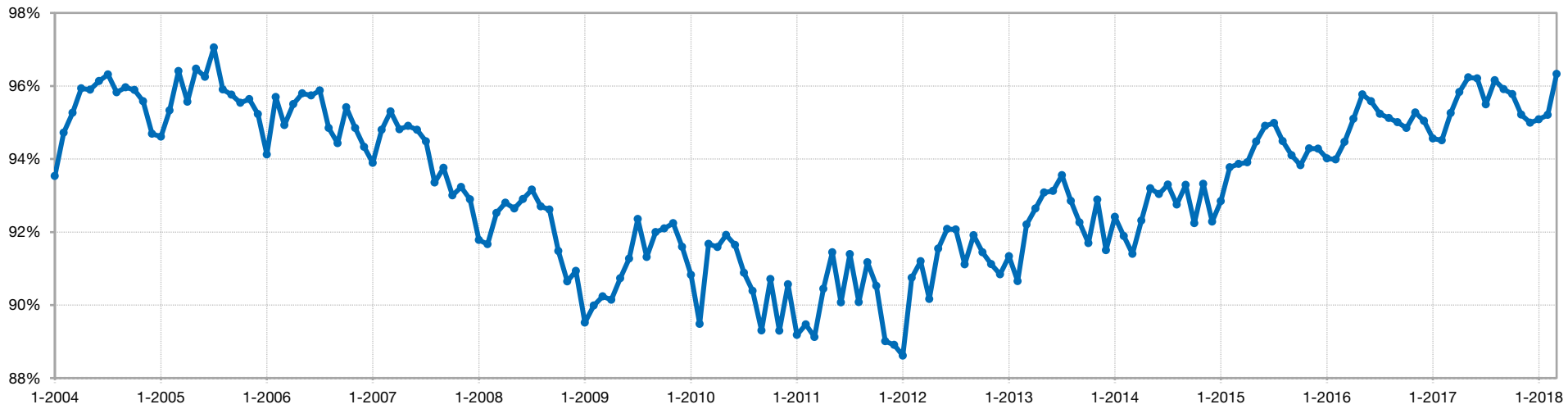
Year to Date



Pct. of Orig. Price Received		Prior Year	Percent Change
April 2017	95.8%	95.1%	+0.7%
May 2017	96.2%	95.8%	+0.4%
June 2017	96.2%	95.6%	+0.6%
July 2017	95.5%	95.2%	+0.3%
August 2017	96.2%	95.1%	+1.2%
September 2017	95.9%	95.0%	+0.9%
October 2017	95.8%	94.9%	+0.9%
November 2017	95.2%	95.3%	-0.1%
December 2017	95.0%	95.0%	0.0%
January 2018	95.1%	94.6%	+0.5%
February 2018	95.2%	94.5%	+0.7%
March 2018	**96.3%**	**95.3%**	**+1.0%**
12-Month Avg*	95.8%	95.1%	+0.7%

* Average Pct. of Orig. Price Received for all properties from April 2017 through March 2018. This is not the average of the individual figures above.

Historical Percent of Original List Price Received by Month

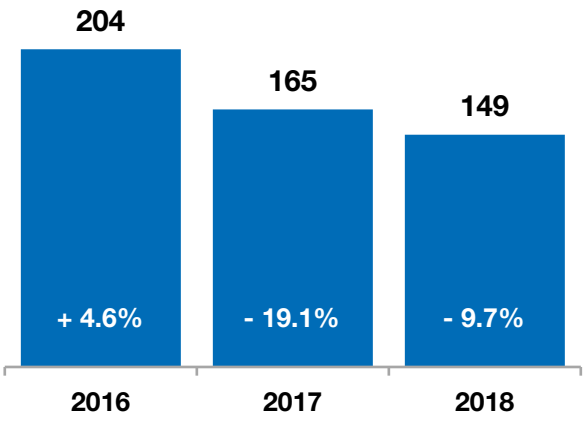


Housing Affordability Index

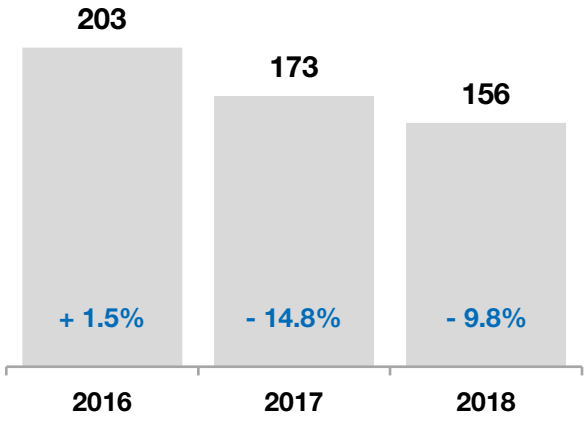
This index measures housing affordability for the region. For example, an index of 120 means the median household income is 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.

GREATER CHATTANOOGA REALTORS®

March

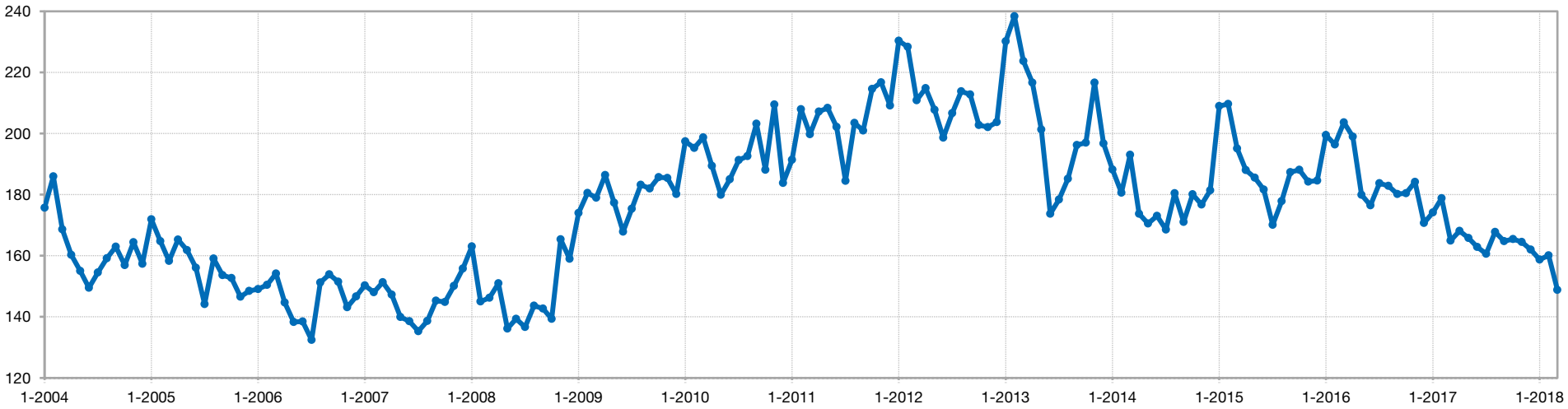


Year to Date



Affordability Index		Prior Year	Percent Change
April 2017	168	199	-15.6%
May 2017	166	180	-7.8%
June 2017	163	177	-7.9%
July 2017	161	184	-12.5%
August 2017	168	183	-8.2%
September 2017	165	180	-8.3%
October 2017	165	180	-8.3%
November 2017	165	184	-10.3%
December 2017	162	171	-5.3%
January 2018	159	174	-8.6%
February 2018	160	179	-10.6%
March 2018	**149**	**165**	**-9.7%**
12-Month Avg	162	180	-9.6%

Historical Housing Affordability Index by Month

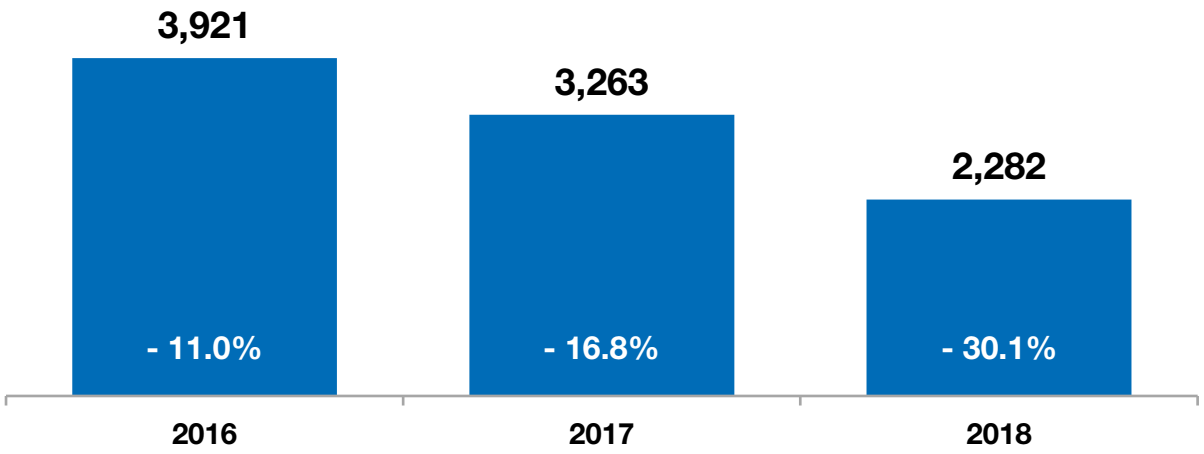


Inventory of Homes for Sale

The number of properties available for sale in active status at the end of a given month.

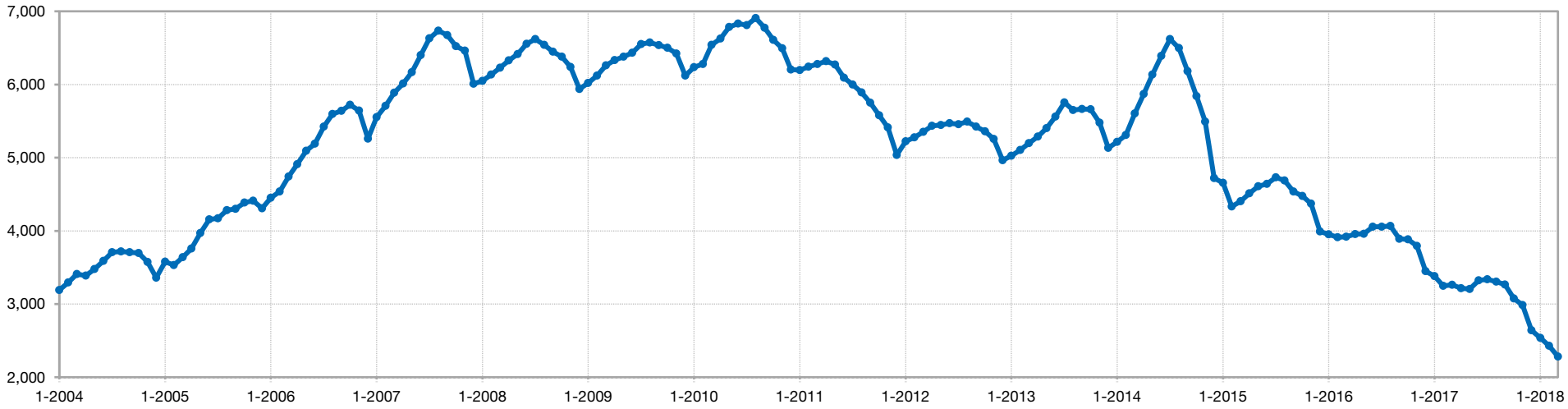
GREATER CHATTANOOGA REALTORS®

March



Homes for Sale		Prior Year	Percent Change
April 2017	3,214	3,954	-18.7%
May 2017	3,203	3,958	-19.1%
June 2017	3,324	4,057	-18.1%
July 2017	3,338	4,054	-17.7%
August 2017	3,304	4,065	-18.7%
September 2017	3,265	3,892	-16.1%
October 2017	3,076	3,883	-20.8%
November 2017	2,985	3,793	-21.3%
December 2017	2,640	3,449	-23.5%
January 2018	2,536	3,380	-25.0%
February 2018	2,428	3,248	-25.2%
March 2018	**2,282**	**3,263**	**-30.1%**
12-Month Avg	2,966	3,750	-20.9%

Historical Inventory of Homes for Sale by Month

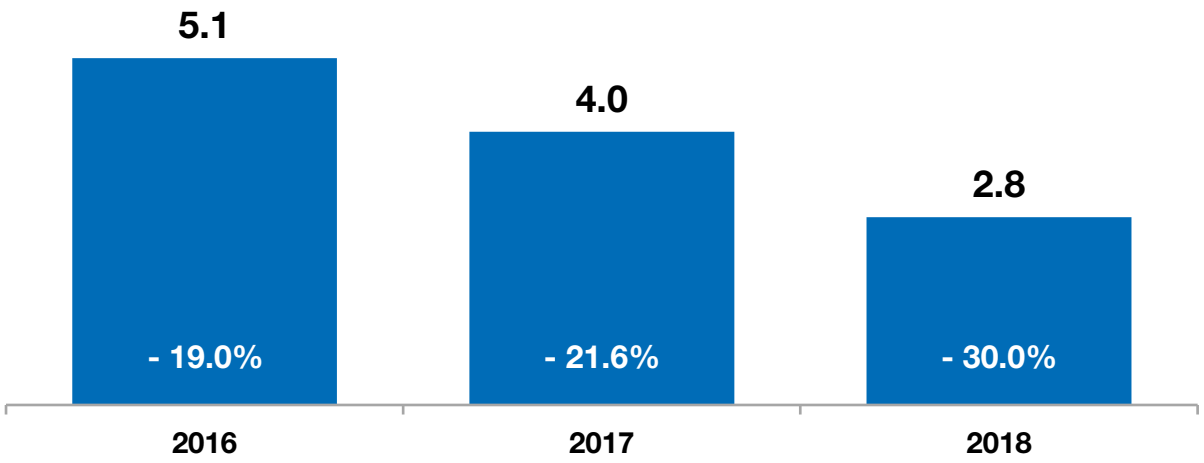


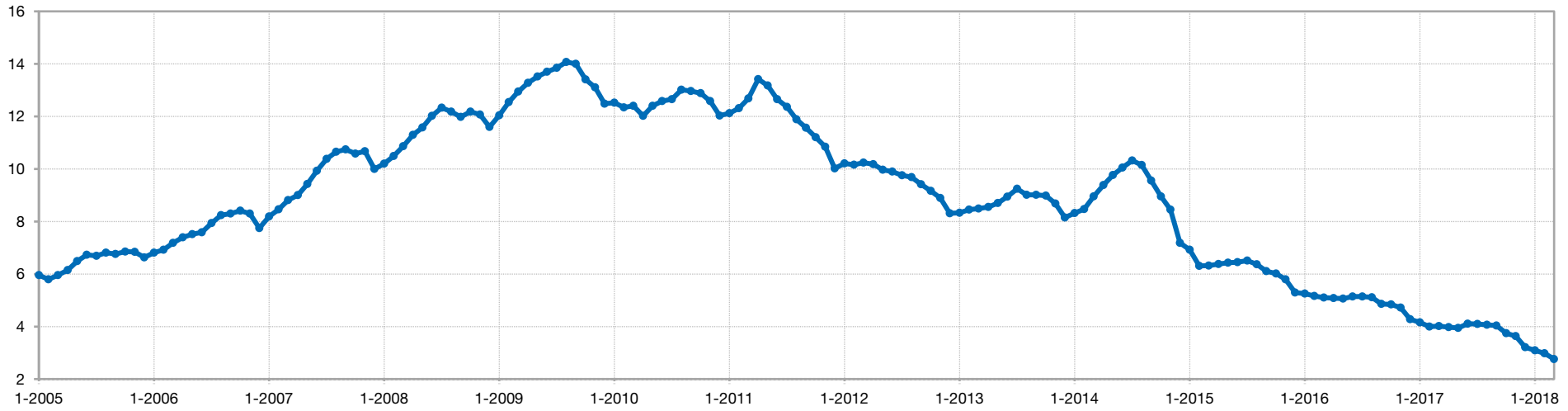
Months Supply of Inventory

The inventory of homes for sale at the end of a given month, divided by the average monthly pending sales from the last 12 months.

GREATER CHATTANOOGA REALTORS®

March



Months Supply		Prior Year	Percent Change
April 2017	4.0	5.1	-21.6%
May 2017	3.9	5.1	-23.5%
June 2017	4.1	5.1	-19.6%
July 2017	4.1	5.1	-19.6%
August 2017	4.1	5.1	-19.6%
September 2017	4.0	4.9	-18.4%
October 2017	3.7	4.8	-22.9%
November 2017	3.6	4.7	-23.4%
December 2017	3.2	4.3	-25.6%
January 2018	3.1	4.2	-26.2%
February 2018	3.0	4.0	-25.0%
March 2018	**2.8**	**4.0**	**-30.0%**
12-Month Avg	3.6	4.7	-23.4%

Historical Months Supply of Inventory by Month