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**THIS MONTH IN REAL ESTATE**




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*March 2015 Edition: Reporting February 2015 Home Sales Statistics*

**Market Update – Existing Home Sales Slightly Improve in February, Price Growth Gains Stea**

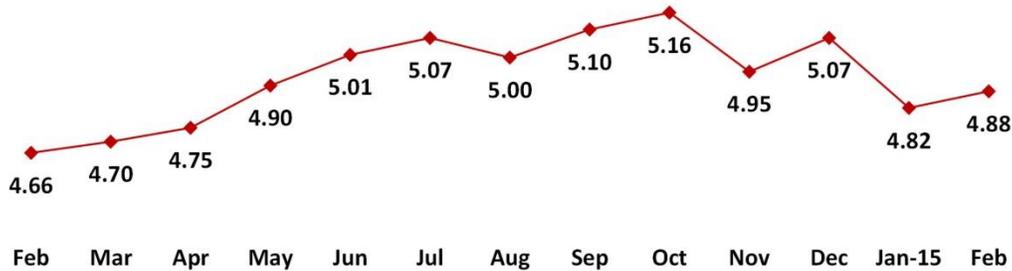
WASHINGTON (March 23, 2015) – Existing-home sales increased modestly in February, but constrained inventory levels pushed price growth to its fastest pace in a year, according to the National Association of Realtors®.

Lawrence Yun, NAR chief economist, says although February sales showed modest improvement, there’s been some stagnation in the market in recent months. “Insufficient supply appears to be hampering prospective buyers in several areas of the country and is hiking prices to near unsuitable levels,” he said. “Stronger price growth is a boon for homeowners looking to build additional equity, but it continues to be an obstacle for current buyers looking to close before rates rise.”

Adds Yun, “Severe below-freezing winter weather likely had an impact on sales as more moderate activity was observed in the Northeast and Midwest compared to other regions of the country.”

**Home Sales [in millions]**

Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, rose 1.2 percent to a seasonally adjusted annual rate of 4.88 million in February from 4.82 million in January. Sales are 4.7 percent higher than a year ago and above year-over-year totals for the fifth consecutive month.



Single-family home sales increased 1.4 percent to a seasonally adjusted annual rate of 4.34 million in February from 4.28 million in January, and are 5.9 percent above the 4.10 million pace a year ago. The median existing single-family home price was \$204,200 in February, up 8.2 percent from February 2014.

Existing condominium and co-op sales were at a seasonally adjusted annual rate of 540,000 units in February, unchanged from January, but 3.6 below February 2014 (560,000 units). The median existing condo price was \$190,200 in February, which is 2.8 percent higher than a year ago.

The percent share of first-time buyers was 29 percent in February, up from 28 percent in January and the first increase since November 2014. First-time buyers represented 28 percent of all buyers in February 2014.

All-cash sales were 26 percent of transactions in February, down from 27 percent in January and down considerably from a year ago (35 percent). Individual investors, who account for many cash sales, purchased 14 percent of homes in February, down from 17 percent last month and 21 percent in February 2014. Sixty-seven percent of investors paid cash in February.

“Investor sales are trending downward due to the continued rise in prices and fewer bargains available from distressed properties coming onto the market,” says NAR President Chris Polychron. “Furthermore, Realtors® in areas popular to foreign buyers, such as South Florida and the West Coast, are reporting tempered demand from international clients – who typically pay in cash – due to the strengthening U.S. dollar compared to foreign currencies.”

Distressed sales – foreclosures and short sales – were 11 percent of sales in February, unchanged for the third consecutive month and down from 16 percent a year ago. Eight percent of February sales were foreclosures and 3 percent were short sales. Foreclosures sold for an average discount of 17 percent below market value in February (15 percent in January), while short sales were discounted 15 percent (12 percent in January).

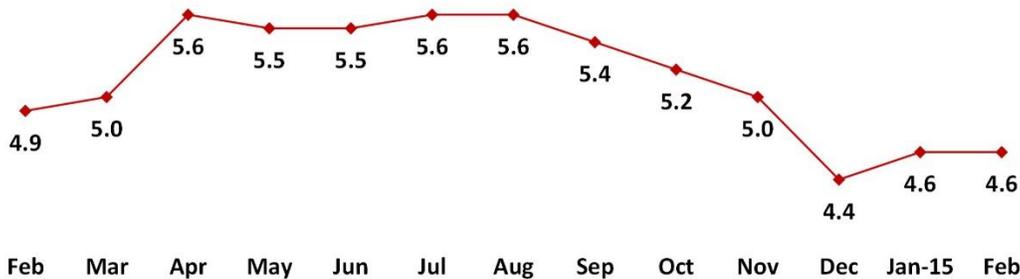
### Home Price [in thousands]

The median existing-home price for all housing types in February was \$202,600, which is 7.5 percent above February 2014. This marks the 36th consecutive month of year-over-year price gains and the largest since last February (8.8 percent).



### Inventory- Month's Supply [in months]

Total housing inventory at the end of February increased 1.6 percent to 1.89 million existing homes available for sale, but remains 0.5 percent below a year ago (1.90 million). For the second straight month, unsold inventory is at a 4.6-month supply at the current sales pace.



Properties typically stayed on the market for 62 days in February, down from 69 days in January and unchanged from a year ago. Short sales were on the market the longest at a median of 120 days in February, while foreclosures sold in 58 days and non-distressed homes took 61 days. Thirty-four percent of homes sold in February were on the market for less than a month.

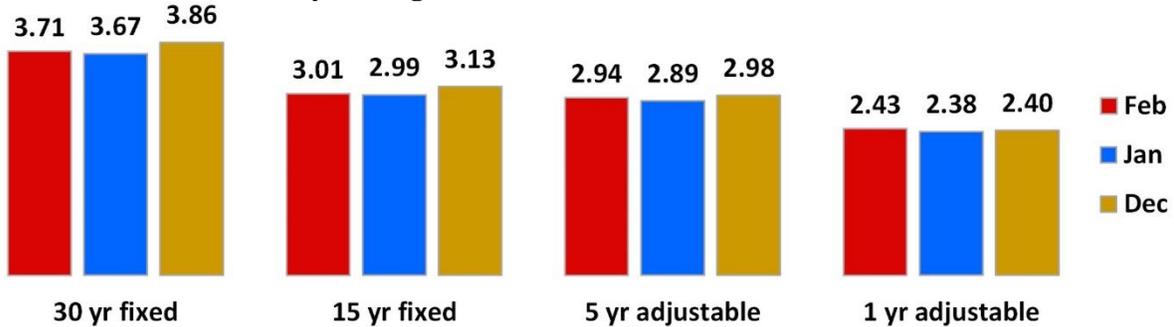
### Interest Rates

According to Freddie Mac, the average commitment rate for a 30-year, conventional, fixed-rate mortgage in February slightly rose to 3.71 percent from 3.67 percent in January, marking the first monthly increase since September 2014.

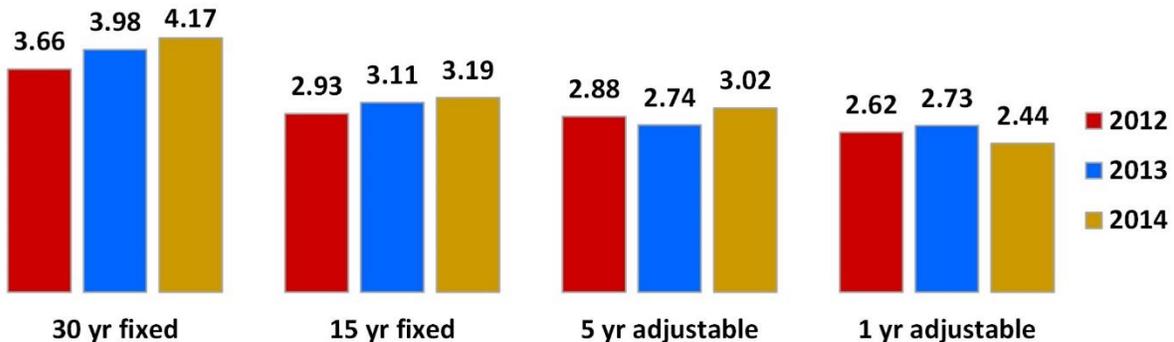
“With all indications pointing to a rate increase from the Federal Reserve this year – perhaps as early as this summer – affordability concerns could heighten as home prices and rents both continue to exceed wages,” adds Yun.

A NAR study released earlier this month found that the disparity between rent and income growth is widening in metro areas throughout the country and is making it harder for renters to become homeowners.

### Monthly Average Commitment Rate: Dec 2014 - Feb 2015



### Annual Average Rate 2012 vs 2015



*The opinions expressed in This Month in Real Estate are intended to supplement opinions on real estate expressed by local and national media, local real estate agents and other expert sources. You should not treat any opinion expressed in This Month in Real Estate as a specific inducement to make a particular investment or follow a particular strategy, but only as an expression of opinion. Keller Williams Realty, Inc., does not guarantee and is not responsible for the accuracy or completeness of information, and provides said information without warranties of any kind. All information presented herein is intended and should be used for educational purposes only. Nothing herein should be construed as investment advice. You should always conduct your own research and due diligence and obtain professional advice before making any investment decision. All investments involve some degree of risk. Keller Williams Realty, Inc., will not be liable for any loss or damage caused by your reliance on information contained in This Month in Real Estate.*

## CHATTANOOGA AREA REAL ESTATE NEWS

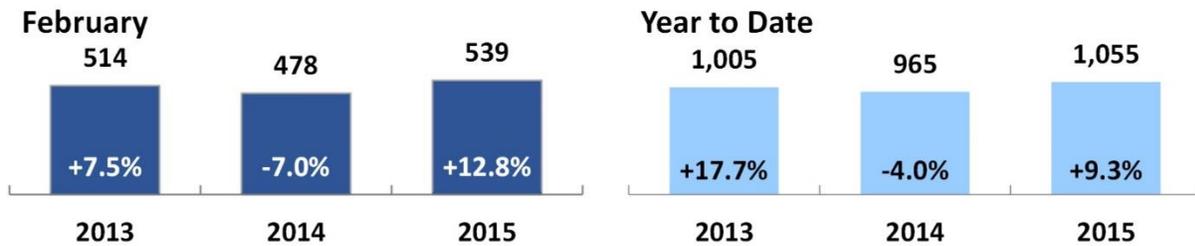
**CHATTANOOGA (March 11, 2015)** / There has been talk of abundant cold and snow this winter (unless you happen to live in California!). When weather patterns turn bad, like wicked bad, real estate industry pundits tend to go gloom, assuming that Americans hungry for home ownership are bothered by a little frozen precipitation. The nation will unfreeze, inventory is expected to rise and home sales are widely expected to increase. These are good times, indeed, and many of us now have an enchanting shared experience that we can walk uphill to school both ways.

In February, New Listings in the Chattanooga region decreased 6.0 percent to 917. Closed Sales were up 12.8% to 539. Pending Sales were up 33.4 percent to 774. Inventory levels shrank 22.1 percent to 4,139 units.

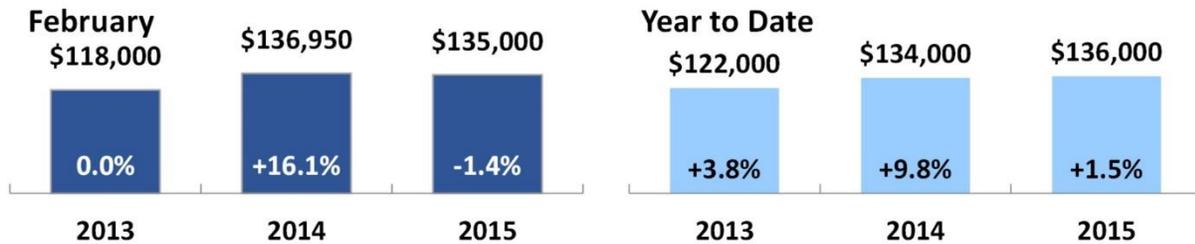
Prices were fairly stable. The Median Sales Price decreased 1.4 percent to \$135,000. Days on Market was down 22.2 percent to 98 days. Sellers were encouraged as Months Supply of Inventory was down 29.4 percent to 6.0 months.

In national financial news, rumors that Fannie Mae and Freddie Mac could one day be a thing of the past have people wondering about the future of the 30-year fixed-rate mortgage. But let's not sound the alarm just yet. A drastic change to lending's gold standard is certainly not on the immediate horizon. Meanwhile, Federal Reserve Chair Janet Yellen seems to have no immediate interest in raising interest rates for the first time since 2006. The economy remains stable, which should keep housing rolling through the short-named months.

**CLOSED SALES** - A count of the actual sales that closed in a given month.



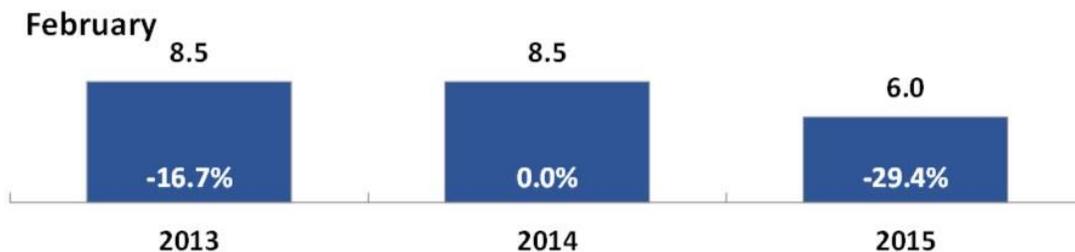
**MEDIAN SALES PRICE\*** - Point at which half of the sales sold for more and half sold for less, not accounting for seller concessions, in a given month.



**DAYS ON THE MARKET UNTIL SALE\*** - Average number of days between when a property is listed and when an offer is accepted in a given month.



**MONTH'S 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.)



[View full report for more details and all the monthly indicators](#)

(Or copy and paste link: [http://members.gcar.net/docs/stats/2015/monthly/gcar\\_MMI\\_2015-02.pdf](http://members.gcar.net/docs/stats/2015/monthly/gcar_MMI_2015-02.pdf))

[2014 Annual Report Greater Chattanooga Housing Market](#)

(Or copy and paste link: [http://members.gcar.net/docs/stats/2014/Annual/gcar\\_ANN\\_2014.pdf](http://members.gcar.net/docs/stats/2014/Annual/gcar_ANN_2014.pdf))

The Greater 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.

STATISTICAL AND INFORMATIONAL SOURCES: U.S. Department of the Treasury (USTREAS.GOV); Federal Reserve System ((FederalReserve.gov); 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); MoodysEconomy.com; Raymond James & Associates; The Wall Street Journal; Point2 Technologies; Fannie Mae; Freddie Mac; REUTERS.COM; The Associated Press; MarketVector.com; JohnTucillo.com; Bankrate.com; RealEstateABC.com; The Real Estate Book (rismedia.com); The National Association of REALTORS® (REALTOR.ORG); Greater Chattanooga Association of REALTORS® MLS; and other sources deemed, but not guaranteed to be reliable. ©2010 Greater Chattanooga Association of REALTORS® Used by permission.

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**kw**  
KELLER WILLIAMS  
REALTY



## FEATURED LISTINGS

Please call me for any of your real estate needs . . . on the mountain or off the mountain.

### FOR SALE - LOOKOUT MOUNTAIN, TN



**903 WEST BROW RD** | Lookout Mountain, TN  
**Memorable home sits in the heart of West Brow Rd | Huge renovation**  
4 BR / 4.5 Bath / 4,548 sq ft  
Offered at \$889,000 | MLS 1215433



**704 E BROW RD** | Lookout Mountain, TN  
**Completely renovated in 2006**  
**All the amenities of a new home**  
5 BR / 4 Full, 1 Half Bath / 5,793 sq ft  
Offered at \$799,000 | MLS 1220065



**109 SYLVAN DR** | Lookout Mountain, TN  
**Move in ready custom built home**  
**Situated on quiet street**  
4 BR / 3 Bath / 4,073 sq ft  
Offered at \$599,000 | MLS 1220252



**NEW PRICE**

**120 AVERILL ST** | Lookout Mountain, TN  
**Cozy and charming one of a kind home**  
**Tucked away on a quiet street**  
5 BR / 3 Full Baths / 3,536 sq ft  
Offered at \$519,000 | MLS 1221031



**NEW PRICE**

**105 MITCHELL DR** | Lookout Mountain, TN  
**Traditional 1910 built historical home on lovely corner lot**  
4 BR / 4 Bath / 4,247 sq ft  
Offered at \$499,000 | MLS 1213527



**NEW LISTING**

**100 SCENIC HWY, APT 21** | Lookout Mtn, TN  
**One level immaculate Stonededge condo**  
**Incredible views**  
2 BR / 2 Bath / 2,200 sq ft  
Offered at \$400,000 | MLS 1222866

### FOR SALE - LOOKOUT MOUNTAIN, GA



**NEW LISTING**

**387 APOLLO RD** | Lookout Mountain, GA  
**Incredible brow home with spectacular views | Located on 2.47 acre private lot**  
4 BR / 4.5 Bath / 4,330 sq ft  
Offered at \$520,000 | MLS 1223292



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## UNDER CONTRACT



**UNDER CONTRACT**

**518 STERLING AVE** | Chattanooga

**Great charm and updates**

**Located in the heart of North Chattanooga**

3 BR / 3 Bath / 2,580 sq ft

Offered at \$495,000 | MLS 1224694



**UNDER CONTRACT**

**1107 LULA LAKE RD** | Lookout Mountain, GA

**Charming cottage with fantastic upgrades | Corner lot**

4 BR / 2 Bath / 3,049 sq ft

Offered at \$329,000 | MLS 1213439



**UNDER CONTRACT**

**905 RIDGEWAY AVE** | Signal Mountain, TN

**Adorable, charming mountain home**

**Located on rare spacious 1-acre lot**

4 BR / 2 Full, 2 Half Baths / 2,620 sq ft

Offered at \$274,000 | MLS 1219370

## RECENTLY SOLD



**SOLD**

**119 EASTVIEW DR** | Lookout Mountain, TN

2 BR / 2 Bath / 1,767 sq ft

Offered at \$235,000 | MLS 1218565

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