

Chattanooga Ranked Best Place To Retire in U.S. South

Chattanooga Times Free Press September 22, 2023



Chattanooga has been rated as the best place to retire in a comparison of 41 top-rated cities across the South in a new analysis by Southern Living and Investopedia. The magazine compared each place's housing affordability, the prevalence of restaurants, hospitals, colleges, and other economic and demographic data to determine that Chattanooga was the best city all-around to retire in. Carolanne Griffith Roberts, a writer for Southern Living, said Chattanooga is an affordable, attractive and hospitable city that offers lots to do but still retains a small-town vibe.

"This spot ticks all of the boxes for a great retirement town – including being a magnet for your children and grandkids," Roberts wrote about Chattanooga in this month's Southern

Living magazine. "It's a particularly great spot if you have grandkids, who might be interested in visiting attractions like the Tennessee Aquarium, Creative Discovery Museum and the Incline Railway at Lookout Mountain."

Florida was the most popular state to move to in 2022 with 319,000 new residents last year, or about 874 people moving into Florida every day, according to census data. But moving data show

that Tennessee was the one state that attracted more people moving from Florida than the number that migrated from Tennessee to the Sunshine State.

"We have four great seasons and a lot lower taxes and cost of living," Chattanooga developer John "Thunder" Thornton said in a telephone interview Friday. "That's why we've attracted retirees here from all 50 states and why I am confident in saying this is the No. 1 greatest state for retirement."

During the past decade, Thornton has lured hundreds of retirees from across the nation to his mountaintop development known as Jasper Highlands near Kimball, Tennessee, just west of Chattanooga. Thornton is now marketing an even bigger development known as River Gorge Ranch on Aetna Mountain near Chattanooga. Bob and Linda Miklos were one of the first to move into Jasper Highlands eight years ago when they relocated from Connecticut to retire in East Tennessee.

"We were looking for lower taxes, more livable weather and a conservative government and brand of people," Linda Miklos said in a telephone interview Friday. "But it was also important to us to have a close connection with a great city. We did our homework and found Chattanooga met the test. We evaluated it for ourselves and fell in love with the vibe of the city, the many great events, great restaurants, and of course, the river and boardwalk."

Dane Bradshaw, president of Thunder Enterprises, which

developed Jasper Highlands and is now working on plans for both the River Ranch Gorge and Riverton in Chattanooga, said East

Tennessee continues to gain the attention of more retirees looking to relocate. "It's a trend that seems to grow bigger every year since we first opened Jasper Highlands a decade ago," Bradshaw said. "A lot of retirees are moving here because of the pain of where they are coming from and that can be politics, taxes, cost of living or climate."

Best places to retire in the South

Southern Living and Investopedia identified the best places to retire in the South, overall and in several categories.

- Chattanooga, best all-around.
- Huntsville, Ala., for affordability
- Abingdon, Va., for outdoor enthusiasts.
- Greenville, S.C., for food.
- Blowing Rock, N.C., best mountain town.
- St. Augustine, Fla., best beach town.
- Savannah, Ga., best for arts and culture.
- Beaufort, N.C., best for healthy living.
- Eureka Springs, Ark., best access to nature.
- Fort Worth, Texas, best for city lovers.
- Lexington, Ky., best for lifelong learning.
- Ocean Springs, Miss., best for home-buying.

Source: Southern Living

Tennessee boasts the second lowest per capita tax rate in the nation, behind only Alaska, and had the nation's second fastest-growing economy last year, according to government figures. The

Volunteer State still retains comparatively more affordable real estate and better recreation scene than most states,

Roberts said.

Miklos and other retirees also praise the Southern hospitality of the Chattanooga area.

"This is a never-met-a-stranger community," former Chattanooga Mayor Bob Corker, who is now retired from the U.S. Senate, said in an interview with Southern Living magazine. "People encourage you to be part of things bigger than yourself."

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[Read the original article here](#)

Chattanooga area's median home price has grown more than \$200,000 in past decade: Todd Henon Interview

Originally Published by Chattanooga Times Free Press July 12, 2023



Sold by Todd Henon Properties, June 2023 for 100% of List Price

Beverly McGregor has bought and sold four of her own homes in the Chattanooga area over her lifetime, but even with decades of such experience, she said she was surprised to see the higher prices for houses in today's market.

"I never dreamed that home prices would get this high in our area, but we were able to find a great home that my friend and I are able to buy by both of us selling our previous homes," said McGregor, a retired special education teacher who moved into her new home in Lakesite in late June.

Although Chattanooga home prices remain nearly 20% below the U.S. average, the median price of homes sold last month by Greater Chattanooga Realtors jumped to a new record high of \$339,950 – more than \$200,000 higher than a decade ago.

Chattanooga home sales dropped by nearly 15% in the first half of the year as higher mortgage rates are slowing the market from the record levels reached two years ago, according to the Realtors. But home prices remain elevated even with lower

sales and higher borrowing costs.

The median price of \$339,950 means half the homes in June sold for more than that, and half sold for less.

The average Chattanooga home price, which reflects the total value of all home sales divided by the number of houses sold, was \$392,901 in June, according to the Realtors' multiple listing service.

The price of homes sold in Chattanooga has more than doubled in the past seven years, rising at an average annual rate of more than 15%, according to reports by the Realtors organization.

The price increases have come even as 30-year mortgage rates, which dipped below 3.3% in early 2022, have since doubled to further boost the cost of housing for most homebuyers who finance their purchases.

“Affordability is obviously more of a challenge with higher mortgage rates and prices, but we are still seeing a lot of relocation activity from people moving to Chattanooga and from changing housing needs by those already in the market,” said Steven Sharpe, a managing broker for Keller Williams, who is president of the Greater Chattanooga Realtors. “There are a lot of people who are either downsizing because they are empty nesters with a smaller family size or others that are looking for more room and want to move up, especially with more people working from home these days.”

BY THE NUMBERS

\$339,950: Median price of homes sold in June in the Chattanooga area, up 3.4% from the previous record high of \$328,725 in June 2022.

\$436,800: The median price of homes sold nationwide in the first quarter of 2023.

5,929: The number of homes sold in the Chattanooga area in the first six months of 2023, down from 5,100 a year earlier.

30: Number of days a typical home was on the market before selling in June, up from 13 days a year earlier.

1,778: Number of homes listed in the Chattanooga area last month, up from 1,638 a year earlier.

6.67%: Average rate for 30-year mortgages in June, down from the 7.08% peak in October and double the 3.22% rate in early 2022.

Source: [Greater Chattanooga Realtors](#), [Forbes](#) magazine, [U.S. Census Bureau](#)

Chattanooga remains an attractive market for many relocating homebuyers, especially those from high-priced housing states like California, “where a basic starter home there is a \$600,000 property,” Sharpe said in a telephone interview Wednesday.

The influx of homebuyers from other cities is keeping Chattanooga as a sellers’ market even with the doubling of mortgage rates and higher home prices, said Todd Henon, another local real estate broker who has sold homes and farms in the Chattanooga area for more than two decades.

“I suspect that well over half of our buyers’ pool is coming from out of the area,” Henon said in a phone interview Wednesday.

The U.S. Bureau of Census estimates that between 2020 and 2022, Hamilton County’s population grew by more than 1.5%, adding 7,440 residents, or nearly 10.2 new residents every day. Statewide, the growth pace was even faster, with Tennessee’s population growing 1.8% in the past two years to add nearly 83,000 more residents from 2020 to 2022, or nearly 114 new residents every day.

RESIDENTIAL RISE

The median price of homes sold in the Chattanooga area last month was more than 2 1/2 times the median price of homes sold a decade ago.

2013: \$134,900

2014: \$141,950

2015: \$151,950

2016: \$161,000

2017: \$175,000

2018: \$187,000

2019: \$203,000

2020: \$230,000

2021: \$265,000

2022: \$305,000

June 2023: \$339,950

Source: [Greater Chattanooga Realtors](#)

"We just do not have enough homes for our area," Henon said, noting that single-family houses continue to sell at more than 96% of their asking price in Chattanooga. "We're still seeing attractively priced homes get multiple offers, and that pushes prices higher. If a property doesn't sell right now, it is probably overpriced because there are so many eyes on our market."

The inventory of homes on the market has grown in the past year and, with the drop in sales, the average time that a Chattanooga house was on the market before selling last month

was 30 days, up from the record low of 13 days a year earlier.

Mark Hite, a top-selling real estate agent who heads his own team for Real Estate Partners in Chattanooga, said a healthy market for homebuyers needs more inventory of homes.

"It's a matter of supply and demand, and we still don't have a sufficient number of homes being sold on the market to keep up with the demand, even with some slowdown due to higher interest rates," Hite said in a phone interview Wednesday. "There remains a very strong demand for affordably priced homes in this market."

Contact Dave Flessner at dflessner@timesfreepress.com or [423-757-6340](tel:423-757-6340).

[Read the original article](#)

Why Are Houses More Expensive?

Chattanooga, Tennessee, the [**"Scenic City,"**](#) has seen a surge in popularity in recent years. The city offers picturesque surroundings, [**outdoor recreational opportunities**](#), and a thriving local economy. In fact, Chattanooga recently surpassed Nashville and Knoxville as the [**#1 city in Tennessee**](#) for in-flow of new residents, while our [**State ranked 6th**](#) among U.S. states for inbound moves. Signal Mountain, a sought-after community with natural beauty, small-town charm, and award-winning schools, is experiencing significantly limited housing availability, like many communities in our region. It serves as a case study for the Greater Chattanooga market.

Local Market Case Study

As of April 24, 2023, **only 22 houses** were available on Signal Mountain. A historically balanced market would offer **over 5-times that number**.

The limited housing supply on Signal Mountain has intensified competition among potential homebuyers, leading to **historically high price points**. Compare today's average home price of over **\$700,000** with that of 2020's average of \$456,185.

Signal Mountain Local Market Snapshot



(37377, Hamilton Co, 4.24.23 via [Greater Chattanooga Association of Realtors MLS](#))

What About Interest Rates?

Despite *interest rates tripling over the last 12 months*, 2022 was a **record-breaking year on Signal**, and 2023 is trending in the same direction. Signal's key market drivers include the nationwide housing **shortage**, significant **migration** into the state, TN's **low tax burden** ([2nd lowest in US](#)), Signal's **nationally-ranked school system**, and of course, lifestyle.

What Does This Mean For Sellers?

The lack of available homes on Signal Mountain and in Chattanooga has several results, which might prove **beneficial to Sellers** on Signal:

- **Competitive Offers:** The limited inventory has forced potential buyers to make more aggressive offers, garnering the average Seller 96% of the original listing price.
- **Speed of Sale:** Homes that do become available on Signal Mountain and in Chattanooga are selling quickly, often within 1 month of being listed. (Hamilton County Days on Market = 31, Signal Mountain Days on Market = 34)
- **Increased Home Prices:** With demand outpacing supply, home prices on Signal Mountain and in Chattanooga continue to rise (See Chart).

Signal Mountain Sales Jan. – Dec.		
	<u>Avg. Sold \$</u>	<u>Avg. Days on Market</u>
Q1 2023 =	\$779,854	34
2022 =	\$643,704	14
2021 =	\$535,226	23
2020 =	\$456,185	51

Inventory Low - Demand High in 2023
“Balanced Market” = **6 Months** of Inventory

Signal Mountain = **1 Month** Inventory
Hamilton County = **Less than 2 Months** Inventory

What's Driving The Low Inventory?

This shortage isn't only affecting Signal Mountain but reflects the larger market in Chattanooga (**Hamilton County**), which is experiencing the limited housing challenge at **1.3 months of inventory**. (Balanced market = 6 months inventory). Several factors contribute to the limited housing availability in the Greater Chattanooga area:

- **Growing Population:** Chattanooga has seen a **significant influx of new residents**, drawn to the area by its

natural beauty, vibrant arts scene, and strong job market. In fact, for every 1 person who moves out of Chattanooga, 3 more move in. This population growth has put pressure on the housing market, resulting in a shortage of available homes.

- **Favorable Tax Environments:** Tennessee is one of 9 states with no state income tax, and ranks as having the 2nd lowest tax burden of all US states. This is driving Buyers from across the country to our local area.
- **Increased Investment:** Investors have taken note of Chattanooga's affordability and growth. Even with record-high price points in our city, our median home price is still 15% below the national median.
- **Decreased New Construction:** National Housing Starts and Permits dropped in 2022 to near pandemic levels, slowing the addition of new construction homes to the market, a significant factor in the low supply – high demand ratio. Layer this with pre-pandemic low inventory caused, in part, by the 2008 Great Recession.

How To Navigate This Market

This nationwide and citywide shortage of homes has led to increased competition among homebuyers, driving up home prices and reducing the time properties stay on the market. For those looking to **buy** a home in the Chattanooga area, **it is vital to educate yourself** on market conditions in order **to act quickly and wisely in this competitive market**. We're here—with our 3 decades of experience in the Greater Chattanooga market—to help equip you to compete. Meantime, keep up with market changes with our Weekly Market Data Updates here.

If you're considering **selling**, it would be our privilege to have a conversation to provide a market perspective with a **complimentary and confidential price evaluation** of your property. Call (423) 413.4507 to schedule your appointment. We're here to serve and invite you to explore our work

and [more local market data here.](#)

Recent Signal Mountain Sales by Todd Henon Properties

[View More Featured Properties](#)



Sold: Contract in 1 Day
Birnam Wood: \$735,000



Contract in 4 Days
Walden: \$2,400,000



Sold: Walden Estate
\$1,400,000

Sources: [Greater Chattanooga Association of Realtors](#), [Chattanooga Times Free Press](#), [MoveBuddha.com](#), [US Census Bureau](#), [Outdoor Chattanooga](#), [National Association of Realtors](#), [Chattanooga Chamber of Commerce](#)

Connecting the Dots Between Real Estate & Taxes



We're not "tax people"—we're real estate professionals. But as tax day quickly approaches, we want to share possible ***tax-saving strategies pertaining to real estate.***

Whether reminders or new thinking for your portfolio, we encourage you to consider these tax strategies and, of course, speak with your tax professional.

1. **Self-Directed IRA:** Consider investing yours in real estate. Real estate may provide greater security or faster appreciation than the stock market.
2. **1031 Like-Kind Exchange:** Explore deferring capital gains by implementing. Keep in mind there are associated fees and limited time frames, so talk with both your *Realtor and CPA*.
3. **Conservation:** Investigate lowering property taxes by enrolling all or a portion of your acreage into programs like TN's Greenbelt or GA's Conservation Use Assessment. You may also qualify for a tax-saving Conservation Easement. Todd Henon Properties Land & Farm Specialist Rhey Houston has conserved more than 10,000 acres across the U.S. Reach out to Rhey for a conversation about your opportunities.
4. **Multiple residences?** Save capital gains by examining your ownership timelines and usage of your homes. (In short, a primary residence must be used for a total of at least two of the last five years.)
5. **Avoid State Income Tax:** Investors intentionally target

Tennessee for its “no state income tax” status, its overall [2nd lowest tax burden in the U.S.](#), and [low cost of living](#). Currently, [8 other states](#) levy no income tax.

Our [full-service Team](#) is honored to be your real estate resource for **Buying, Selling, and Investing**. Need a trusted local CPA, tax strategist, attorney, or estate planner? We’re here to put our **30-year** network to work for you.

It would be our privilege to sit down soon to [discuss your goals](#).

Our Team of Experts

Rhey Houston, Brittany Fulmer Ennen, Melanie Siler, Sabie Crowder Hennen, Angela Volner, Jim Woodard, Liv Clary, Savannah Ward, Koty Pearse, Beth Bragg Henon, and Todd Henon.

Top Reads For The Week





RUMORS + SPECULATION: WHAT DOES THE DATA SAY?

Current Market Data

Listen: Today's Dynamic Real Estate Industry

Original Broadcast 9/2023

Realtors Todd Henon and Brittany Fulmer Ennen of Todd Henon Properties join "[Let's Talk Money](#)," hosted by Jim Place and Jayme O'Donnell of [Evergreen Advisors](#) on current local real estate trends. After **three decades** in the real estate industry, what do these two experts have to say about the recently unusual Chattanooga housing market?

"There's no question about it, we do not have enough inventory to go around. That has not changed, regardless of the noise inside of the industry."

– [Todd Henon](#), Broker-Realtor TN, GA, AL

30+ Years in Real Estate Industry

The perfect storm: Low inventory and high demand all leading to a competitive atmosphere, shorter time for houses to be on the market, and the highest recorded average home prices.

*“The current average days on market is **setting the expectation**, specifically for sellers, that it’s okay if your house doesn’t go in 24 hours, it’s also okay, if it does go in 30 days.”*

– [Brittany Fulmer Ennen](#), Licensed Realtor TN + GA

Listen to the full episode here:

To learn about 2022’s interest rates, pricing, average days on the market, and more, listen to Let’s Talk Money with Todd Henon and Brittany Fulmer Ennen.

Let’s Talk Money is sponsored by [Evergreen Advisors](#) and airs on weekdays at 12pm on [WGOW](#). For the latest Current Market Data, [click here](#).

The value of finding a trusted advocate to walk you through this ever-changing market and the nuanced process cannot be overstated. We would be honored to be of service to you. [Contact us](#) to have a conversation about your real estate goals.

Featured: Classic Southern Estate



Did Chattanooga Area Real Estate Prices Rise or Fall in 2022?

Rumors and speculation abound, but **data + expertise** clear the fog. So, how did our **local** real estate market fare in 2022 and where is it trending?

MEDIAN SALES PRICE
↑ 16%

Hamilton County, YTD, Source: GCAR



Record Breaker

- Hamilton County's median sales price rose **16%** to a historic high in 2022. However, it remains a healthy **22% below the national median**, providing an environment for continued appreciation in our local market.

Year End Trends?

- Hamilton County properties sold at an average of **99.5%** of asking price in 2022. However, we are beginning to see more aggressive price negotiations and more price reductions on properties.

Looking Ahead...

- To avoid a price reduction, Sellers should—from the start—utilize up-to-the-minute data to inform pricing decisions. Pricing should be based on precise comparable properties, expert market knowledge, and your desired timeline for the sale.

SPEED OF SALE 20% Faster in 2022

Hamilton County, YTD, Source: GCAR



Fastest in History

- **16 days** on the market was Hamilton County's average for 2022, making it another record-breaking year for speed of sale.

Year-End Trends?

- As interest rates and inflation have risen throughout the year, days on market **are increasing** from an average of 16 *for the year as a whole* to 25 in recent months across Hamilton County.

Looking Ahead...]

- Understanding current market conditions and being reasonable in negotiations helps speed your sale, while maximizing your ROI.

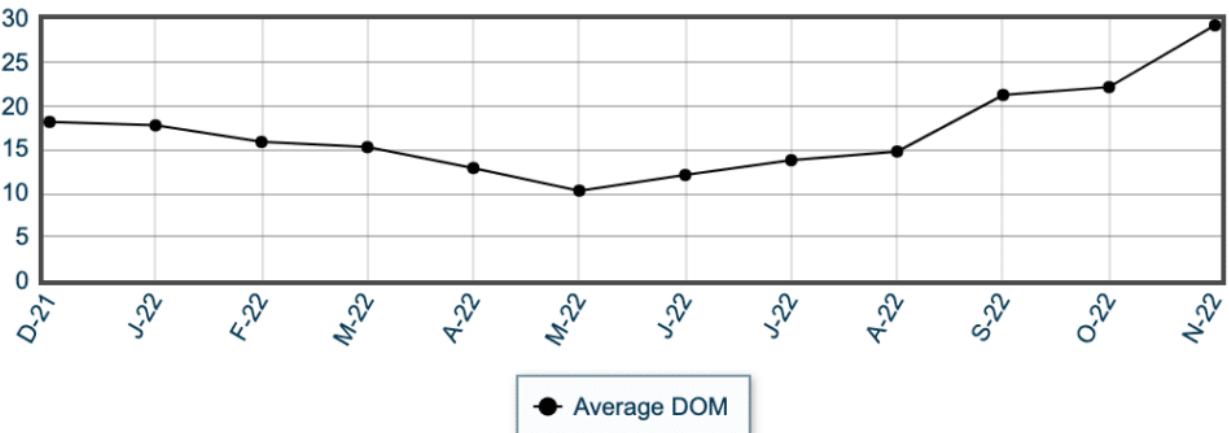
Supporting Data via Greater Chattanooga Multiple Listing Service

Hamilton County, Sold, Single Family Homes

Jan. 1- Dec. 19 of All Years Below

	2019	2020	2021	2022
# of Sold Homes	6291	6534	7144	6141
Median Sales Price	\$229,000	\$259,900	\$294,337	\$349,900
Avg. Days on Market	47	42	20	16
Sold Vs. List Price	98%	99%	100%	99.5%

Sold DOM for County of Hamilton, Single Family



Inventory for County of Hamilton, Single Family



Prices for County of Hamilton, Single Family



Here to Serve

If your 2023 goals include real estate—**home, investment,**

recreation, relocation or commercial—we would be honored to sit down and have a conversation. Call us at 423.413.4507.

Sources: GCAR MLS, fred.stlouisfed.org

Is Our Real Estate Market Turning?

We all want to make wise, data-driven real estate decisions, right? To do so, it's never been more critical to look beyond headlines and view numbers through an informed and historical lens.

Are We in a Slow Down?

While the market is normalizing a bit, demand in our area has **more than doubled** in the last decade. 2022 marks the **second highest number of homes sales in history** in Hamilton County...just 5% below the all-time high in 2021 (YTD).

Local Market Snapshot

Hamilton County Single Family Homes, Updated 9.13.22

ACTIVE LISTINGS	UNDER CONTRACT	SOLD HOMES IN 30 DAYS
696	730	450

Source: Greater Chatt MLS

Greater Chattanooga Market Data, Year to Date

Year to Date, All Greater Chatt Counties, Single Family Homes, As of 9.13.22

YEAR	NEW LISTINGS	UNDER CONTRACT	SOLD HOMES
2022	10,978	8,907	8,460
2021	10,635	9,479	8,934
2020	9,838	8,744	7,951
2019	10,654	8,075	7,663

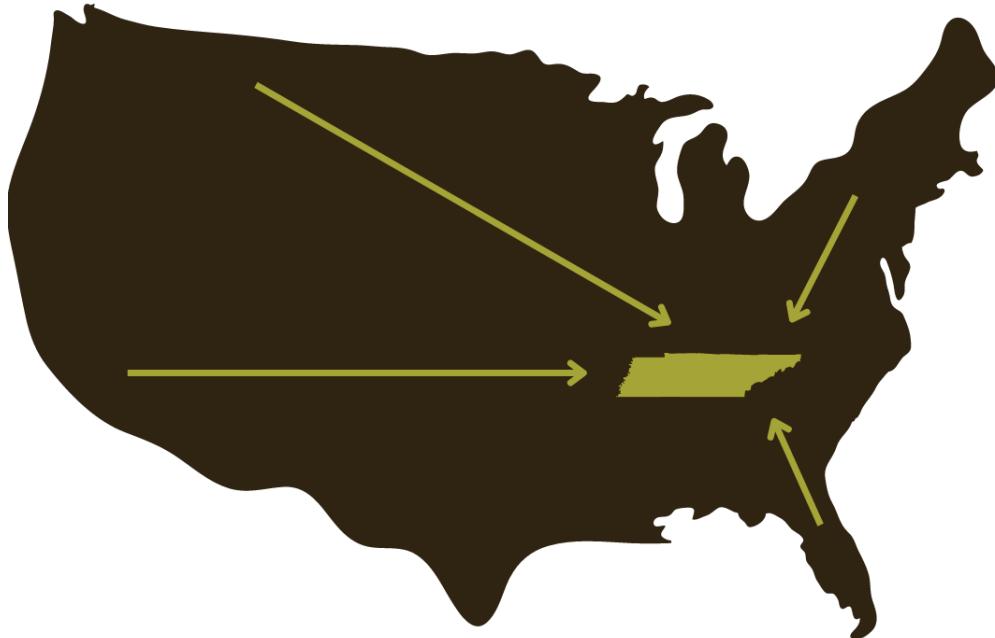
Source: Greater Chatt MLS

Where Are We Headed?

Here at home, inventory is still at a critical low level, but **up 3%** from this time last year. The Greater Chattanooga area continues in its most robust market in history, driven by affordability, growing job market and mild climate.

TN RANKINGS:

- **2nd lowest tax burden** in the U.S.
- **#8** in U.S. for in-bound migration; **306** people moving into Chattanooga for every **100** people moving out.
- The driving force in today's premium-priced Real Estate market is the basic law of **supply & demand**. Economists predict **demand will likely exceed supply nationwide for the next 4-10 years** keeping prices and values at a premium.



Tennessee: **#8** for inbound residents.

California residents make up **20%** of the migration.

Soooo... is it a Buyer's or Seller's market?

We'll explore that next time...

For more [**Current Market Data**](#), a conversation about your real estate goals or a **complimentary property valuation**, our expert [**Team**](#) of Agents, Researchers, Marketers, and Contract Specialists would be honored to put our [**2 decades of experience**](#) to work for you at **423.413.4507**.