

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.

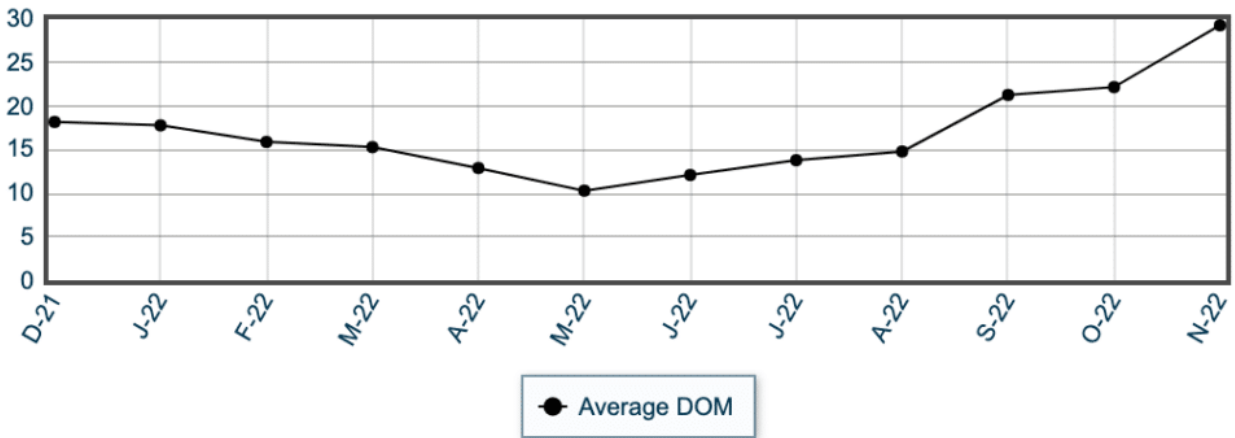
Supporting Data via Greater Chattanooga Multiple Listing Service

Hamilton County, Sold, Single Family Homes

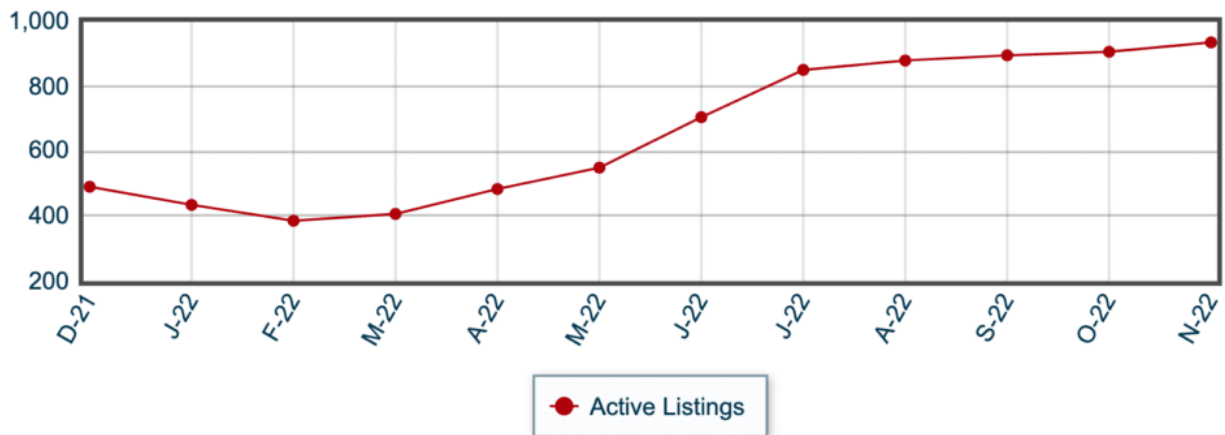
Jan. 1- Dec. 19 of All Years Below

	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%

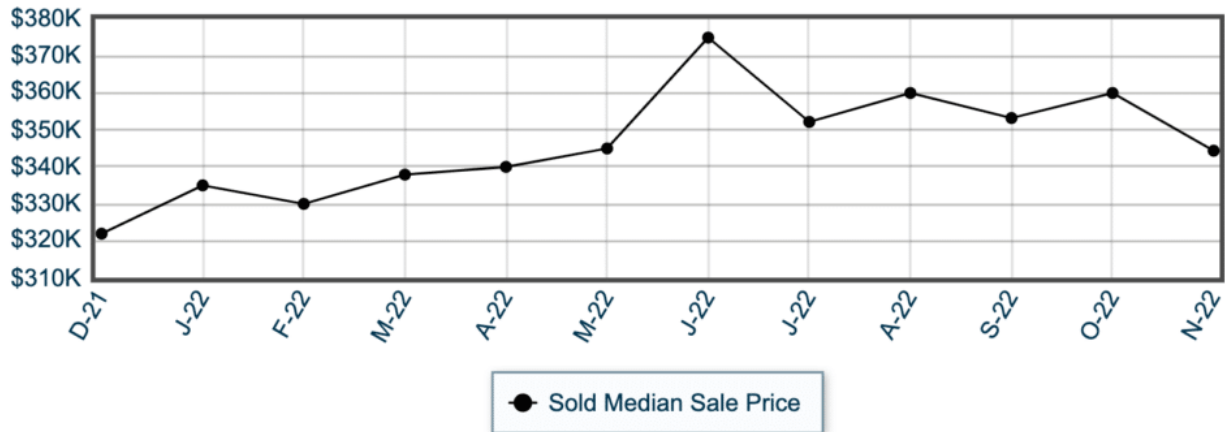
Sold DOM for County of Hamilton, Single Family



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

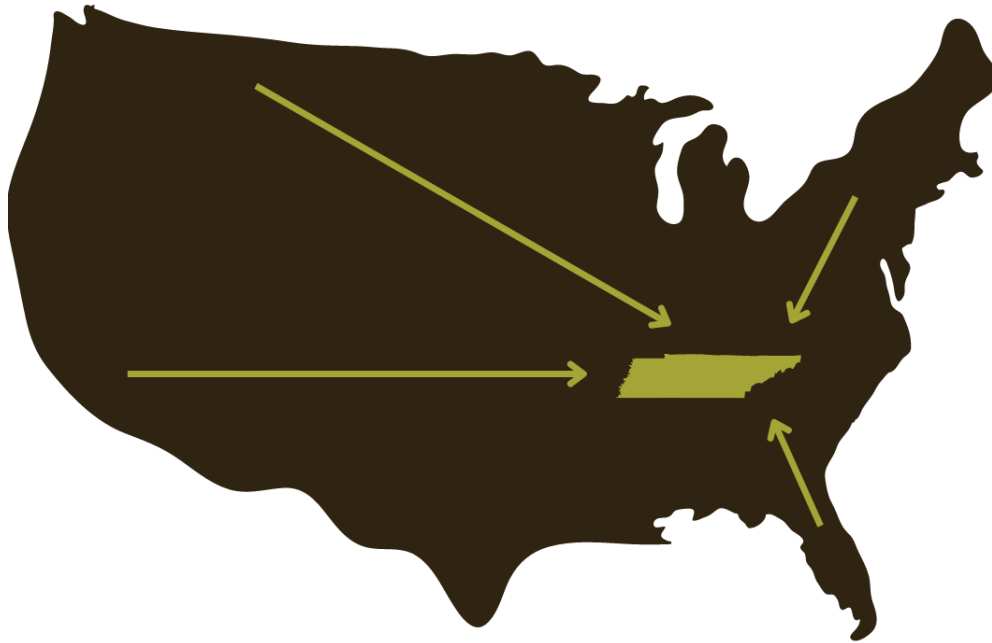
Where Are We Headed?

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**.

Conservation Easements 101

Conservation Easements 101: The Basics and Benefits of Conserving Land

[Kat Szymanski](#) and Todd Henon Properties Realtor, [Rhey Houston](#)

• 11 Oct, 2022

As a landowner or prospective buyer of land, you have many choices for how you might handle your land as an asset. For instance, you could hold your land for future appreciation, or you could contribute additional capital and expertise to develop the property into a commercial or residential enterprise. One other less obvious alternative might be to consider conserving the property and enjoying the benefits associated with this unique property vision.

Understanding the costs and benefits associated with each of these choices could significantly benefit you and dramatically enhance your long-term property outcome.

A conservation easement could be a large factor in whether you decide to purchase land real estate, or it could hinder the sale of your property sometime in the future. That said, there are potential tax benefits associated with conservation easements, as well as substantial benefits for the public.



[Watch:](#) 160± Acres in Lookout Mountain, GA.
What is a Conservation Easement: An In-Depth Look

The concept of conservation easements is easy to understand at first glance – it's simply a set of restrictions on a piece of land designed to ensure that the historical or conservation value of the land is protected. However, while the concept is simple, how conservation easements work is a bit more challenging to discern.

Many parcels of land often include areas that a conservation agency or private land trust wishes to preserve for either historical value, conservation value, or both. The conservation easement is the agreement between the landowner and the agency or trust that defines specific terms regarding the protected areas.

While each conservation easement can vary based on the particulars of the specific property, common easement terms typically include:

- Limitations regarding development on the property
- Protection for the property's natural resources deemed

essential to the conservation of the land

- Limitations on mining, grading, blasting, or dumping on the property

The exact terms can often be negotiated between the conservation group and the landowner. However, the conservation easement that is created will then apply to all future buyers of land real estate on which the conservation easement exists. This ensures that the land continues to be protected, regardless of ownership.

Donating Land for a Conservation Easement

Owners of land real estate may be approached by a private land trust or conservation agency that wishes to protect some or all of the land. If no conservation easement currently exists, the landowner does not have to donate the land to the conservation group. However, there are often benefits to doing so, which is why many conservation easements are created each year.

In fact, the [number of land conservation easements](#) in the United States is now larger than the number of national parks, forests, and state parklands. The USDA and private landowners have [partnered to enroll over 5 million acres](#) of wetlands, grasslands and prime farmlands in conservation easements. These easements serve to protect many scenic, historical, and biological resources.

When a landowner donates land to a conservation easement, they still retain ownership and control of the property and can determine who has access to the property. The conservation agency is simply responsible for enforcing the terms of the agreement reached between the two parties.



Watch: *Never Settle. Go with Chattanooga's Land Experts*
Benefits of Donating Land for a Conservation Easement

Conservation easements often serve to make a positive difference in many communities by providing a protected area that may supply clean water, productive farmland or forests, thriving wildlife habitats, or even just some lovely scenic views. Each conservation easement is often created to fulfill a specific purpose. The majority, however, are usually meant to help maintain and protect ecological communities and wildlife. Conserving land is also an important factor in helping to combat climate change, as well as preserve historic areas and legacies.

While many landowners see the value to the surrounding communities and the environment by conservation easements, federal or state tax benefits are often a key factor in the decision to donate land.

The landowner that donates land to a conservation easement is entitled to an income tax deduction for the value of the land. Typically, a real estate appraiser will determine the land's value and easement's value. The donation of the land counts as

a charitable gift which must be reported to the IRS. It should be noted that while land with a conservation easement is taxed at a lower value, any existing buildings and structures currently on the land are taxed at the standard rate.

The donation of land also affects the tax valuation of the property as a whole, which can significantly lower the estate tax that may be due upon the donor's death. Additionally, estate tax exclusions may also be allowed under certain circumstances. And, depending upon the state in which the conservation easement exists, reduced property taxes might also be applicable.

In Conclusion

Creating a conservation easement is a process. As a landowner, you don't necessarily have to wait for a private land trust or government conservation agency to come to you. You can contact agencies of your own accord and state your intent to donate land. This serves the dual purpose of enabling you to benefit from tax incentives and protect the beauty of your land for future generations.

If you are interested in purchasing land real estate, be sure to inquire whether any conservation easements currently exist on the property you are interested in. If you have a specific purpose for the land you want to purchase, easement restrictions may prevent you from doing so.

A first recommended step would be to consult with a land consultant who has the expertise and experience to help you successfully navigate this process.

Never Settle. Let land expert Rhey Houston, who has participated in conserving 10,000± acres, and Chattanooga's 1st Accredited Land Consultant, Todd Henon, serve you.

A special thank you to Kat Szymanski for allowing us to share this article.



[Rhey Houston](#)

Realtor TN, GA

Realtors Land Institute, TN

Conservation Specialist



[Todd Henon](#)

Broker-Realtor TN, GA, AL

Chattanooga's 1st Accredited Land Consultant

Realtors Land Institute, TN

[View Land For Sale](#)

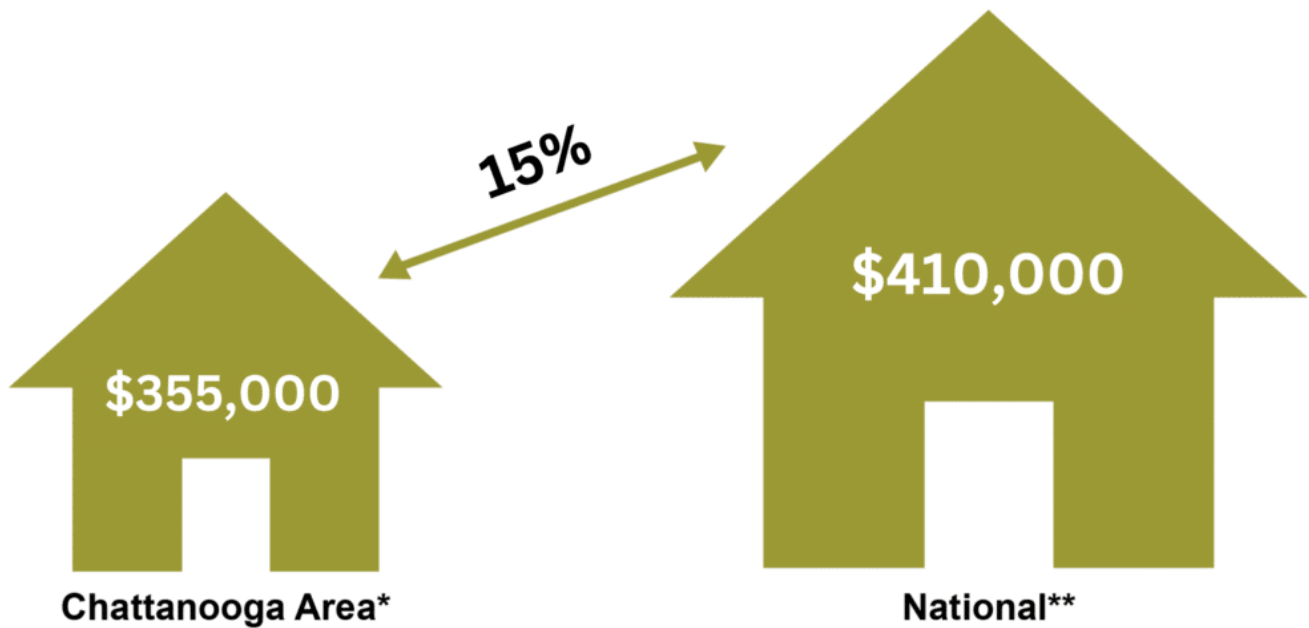
Is Chatt's Real Estate Market "Unprecedented"?

It's estimated, nearly [1/3 of America's current home buyers](#) are looking to relocate to a *more affordable* region.

This mass migration presents an opportunity for Tri-State property owners to capitalize on our region's **AFFORDABILITY.**

Greater Chatt's Affordability

Updated 9.2022



While home values in the Chattanooga area are enjoying a steady rise,

local housing prices are 20% below the national average.

Combine our region's affordability, natural resources, and business assets with

- National housing shortage
- Significant wealth currently circulating in the real estate market globally
- [Largest-reported U.S. migration](#)

... and you get an **unprecedented local Spring real estate market.**

How can you **maximize your investment** in today's competitive market? It's our privilege to be your trusted resource. Contact our [Todd Henon Properties Team](#) or reply to this email

to begin the conversation.

Todd & Team

20+ Years Serving the Tri-State

Brittany, Rhey, Sabie, Angela, Melanie, Andrew, Beth, Jim, and Savannah

**Source: Greater Chattanooga MLS, **National Association of Realtors*

Is The Market Looking Up?

As spring comes into bloom, the real estate world typically sees its busiest season, and 2022 is no exception. As of April 12, [local homes under contract rose to 921](#), which was up from 809 just last month.*

With nearly **1/3** of current home buyers in the U.S. **seeking to relocate to a more affordable region**, (National Association of Realtors, 2.23.22), this spring season is shaping up to be yet another full real estate season.

The slow rise in inventory, plus more people planning to move this year could be another reason to consider putting your home on the market. Not to mention, Tennessee continues to be a top spot for said relocators.

In 2021, Tennessee placed in the **top three** U-Haul's top 50 states for growth analysis. **Chattanooga** has also made the rankings of several U.S. News listings including:

- 49 in Best Places to Live in the US
- 27 in Best Places to Retire in US
- 3 in Best Places to Live in Tennessee

Additionally, **Georgia** remains one of the **fastest-growing** states in the U.S. and on the radar for many looking to make a move. "With a 10-year growth rate of **14.4%**, Georgia's state growth is **more than 1.5 times** that of the U.S. population growth rate. The state will add more people in the years to come; population projections forecast a **17.7% increase** in Georgia's population by 2030." [Bankrate.com](https://www.bankrate.com)

Whether you're moving yourself, or hoping to capitalize on the growing market, our Team is here to help you know, understand and maximize today's data and trends.

Comment below or contact us at 423.413.4507 to begin the conversation.

Todd & Team

Brittany, Rhey, Sabie, Angela, Melanie, Andrew, Beth, Jim, and Savannah

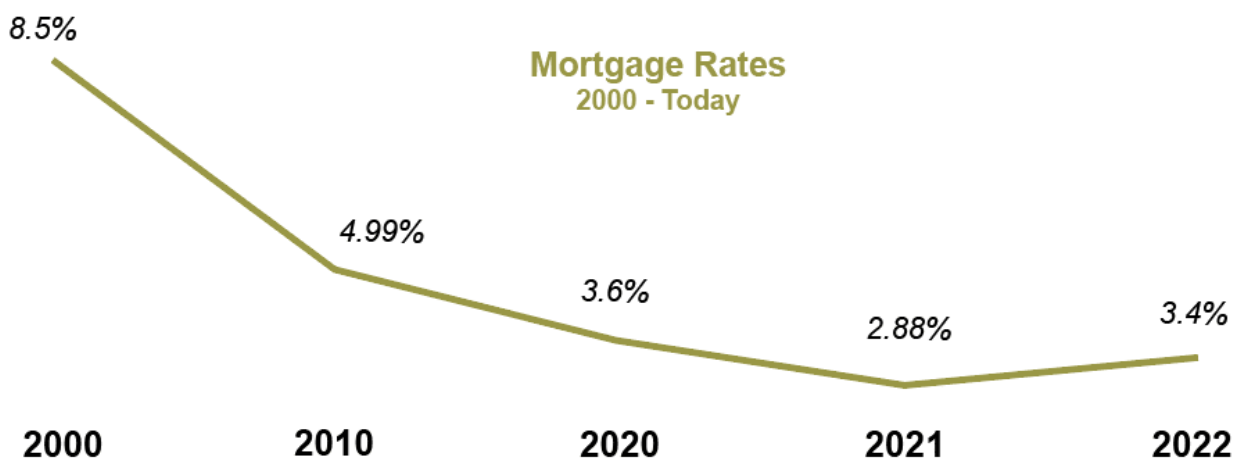
*Source: Greater Chattanooga MLS, Single Family Homes, Hamilton County

What Do Rising Interest Rates Mean for Real Estate?

From Wall Street to local lenders, the country is seeing an **uptick in interest rate percentages**. However, experts are not alarmed, and we are directed toward a more balanced, appropriate, and fair market.

Whether selling, buying, scrolling Zillow, or a quiet observer, recent headlines make it impossible to miss that interest rates for home loans are beginning to climb.

[Forbes](#) recently shared how rates have steadily climbed from historic lows at **2.88%** to now just over **3.4%**.



Increasing Interest Rates May Feel Intimidating, *But Consider This:*

— *Mortgage rates are still near all-time lows* —

- **Sellers:** You can list without fear of rising rates. Our Tri-state market maintains record high sale prices and intense demand with no near end in sight. When appropriately marketed and priced, **your property will attract qualified Buyers.** (We also have strategies for the valid question, “*If I sell, where would I go?*”)
- **Buyers:** Higher rates may require tweaking your budget and strategy, but it will also **lessen competition** by weeding out some unqualified buyers.
- **Investors and Property Owners:** **Your equity continues to grow.** Let’s discuss if now *is* or *is not* the best time to capitalize on low inventory (fewer than 250 homes on the market in Hamilton County, TN).

So, with climbing interest rates and slowing home prices, what’s to love?
Simply stated: balance.

Balance is gradually being restored, and the realm of real estate may be getting back in tune with something akin to harmony...especially in the height of the spring listing season just around the corner.

National Association of Realtors Chief Economist [Dr. Lawrence Yun shared in a Tweet](#) that “more residential construction and industry trade contractor jobs...are now far ahead of the numbers seen before the pandemic, implying **more home-building and more supply are forthcoming,**” giving a nod to the potential of new construction across the country.

Furthermore, in our local market, **options are growing even as inventory stays low.** New neighborhoods continue to rise especially in East Brainerd, Ooltewah, and Apison. Sale Creek and Soddy Daisy also offer hope for more inventory in the coming months alongside the new industrial park planned on the McDonald Farm property bringing mixed use and recreational venues.

A recent story published in the Chattanooga Times Free Press also showed building permits being pulled at all time high for Signal Mountain's Walden's Ridge:

*“In 2021, homebuilders raced to pull new single-family home permits on the ridge amid a **strong housing market countywide,** figures show. New permitted residential units **climbed 64%** on the ridge last year compared to 2020, according to the Chattanooga-Hamilton County Regional Planning Agency...the most annually in at least 15 years.”*

How can you **maximize your investment** in today's competitive market? We are honored to be your guide. Contact our [Todd Henon Properties' Team](#) or reply to this email to begin the conversation.

Here to serve,



Todd & Team

Brittany, Rhey, Sabie, Angela, Melanie, Andrew, Beth, Jim, and Savannah

423.413.4507

[\(P.S. Seeking a New Career? We're Hiring.\)](#)

If I Sell, Where Would I Go?

**I Want to Sell While the Market is High,
But Will I Be Able to Find Another Home?**



A "for sale" sign is seen on the 1300 block of Normal Avenue on Friday in Chattanooga.

With Chattanooga homes selling at historic highs in record speed, it can be a profitable time to sell.

[Chattanooga home values are rising 22% faster than the national average.*]

BUT, some potential sellers fear low inventory may make it difficult to relocate.

[68% fewer Hamilton County homes for sale than this time last year*]

Here's our answer.

It's absolutely true the real estate market is experiencing an **unprecedented combination** of historic conditions:

- **Housing Shortage:** Locally and nationally
- **Interest Rates:** Near **all-time lows**. Current owners refinancing to stay put.
- **Demographic Shift:** Millennials—largest generation in U.S.—hitting homebuying age
- **Pandemic Impact:** [Tennessee is #1 destination for COVID moves](#)
- **Spring Market:** Low inventory **colliding** with busy spring buying market

How Can We Help?

In today's complex market, a "one-size-fits-all" mentality will NOT work. Our Team is here to help you analyze and maximize current conditions to meet your unique goals.

Set yourself up for success by leaning into the

- **Facts**
- **Intelligent strategy**

- Patience
- [Current Local Market Data](#) updated weekly at ToddHenon.com

This environment requires **harder work, deeper experience, a broader network,** and **seasoned expertise** by your real estate professional.

*Don't let **fear** prevent you from **maximizing the market.***

Let's have a conversation and allow us to put our **20 years** of experience to work for you.

[Let's Discuss Your Opportunities](#)

*Stat Sources: *Chattanooga Times Free Press* 2.23.21, 3.20.21, *Tennessean* 1.6.21