GREENWOOD KING

ANNUAL REPORT 2010

H O M E S

A Last Look at 2010...

Welcome to the Greenwood King 2010 Annual Report. Included in the report are market numbers from 2010 in Greenwood King's primary markets. In this report we compare 2010 to 2009...but before we begin, it seems important to discuss real estate activity so far in 2011.

On the adjacent page are statistics showing a very promising beginning for 2011. In our markets, homes under contract for sale in January are up 31% from January of 2010 and up 65% when compared to the same month in 2009. Homes sold in January 2011 are up 16% from a year ago and up 52% from January 2009. And new listings, considered a measure of home owner confidence, more than doubled between December of 2010 and January 2011, an unprecedented jump.

A brief analysis of last year's residential real estate market in Houston may be likened to Charles Dickens' classic novel, A Tale of Two Cities. The first six months of 2010 represented the best of times, when the volume of home sales was up 23% over the same time period the previous year. But the "worst" of times occurred between July and December of 2010, which when compared to the same time period of 2009—a time when there was a national financial crisis and the time which included the local devastation of Hurricane Ike—sales were actually down 11%. There are likely several reasons for the lackluster final months of 2010, and the uncertainty associated with the national elections and their impact on the short and long term economy obviously had some influence on major purchase decisions.

In reality, there were positive aspects of 2010. Overall, sales volume was up 6% from the previous year, and sales prices (up 2%) The new construction market was challenged last year as the number of new home sales was down 15% from 2009, while at the end of the year, new construction listings comprised only 18% of the total listings which is historically a very low percentage.

Looking forward, we at Greenwood King are anticipating a much stronger local real estate market in 2011 as the demand for homes, is clearly on the rise while inventory levels are returning to normal levels. Our agents, armed with information unique to each neighborhood and committed to our culture of excellent service, are eager to assume their role in assisting clients wanting to take advantage of a favorable real estate market.

Linda King

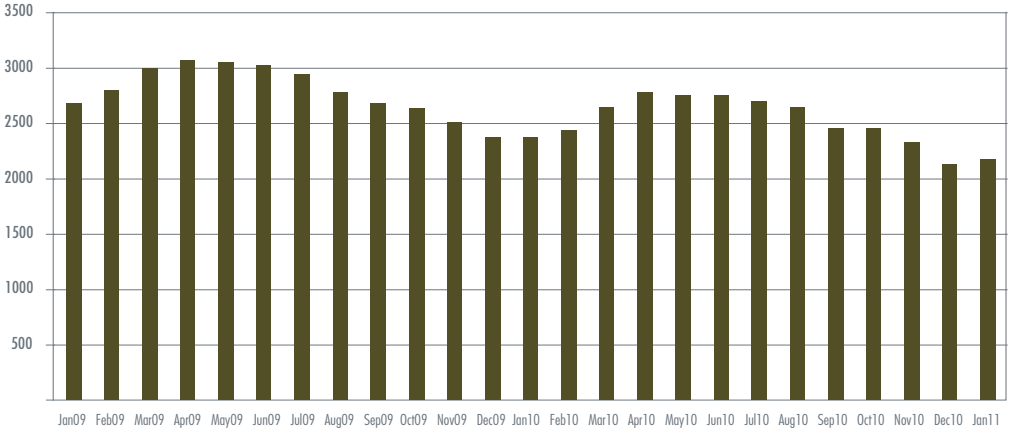
Linda King

Julie Greenwood

Julie Greenwood

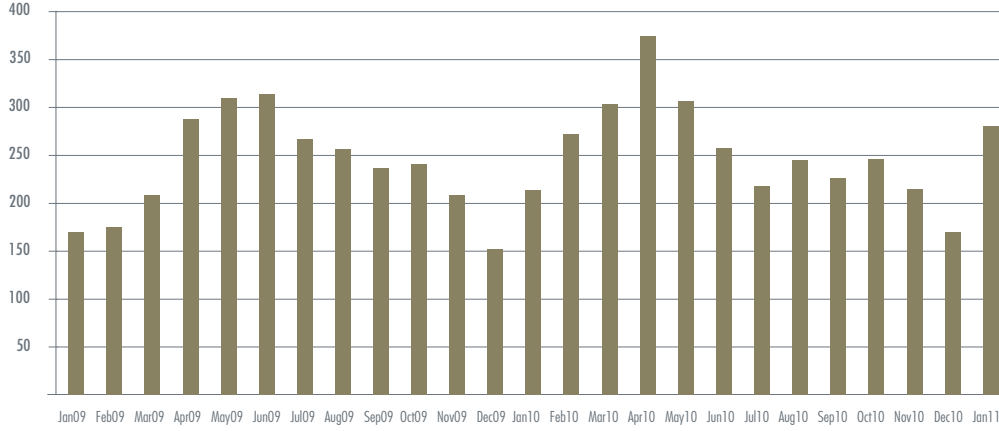
ACTIVE INVENTORY

2 Years (Monthly) 01/01/09 - 01/31/11
Single Family $300,000 + in Area 9, 16, 17, 22, 23 & 24



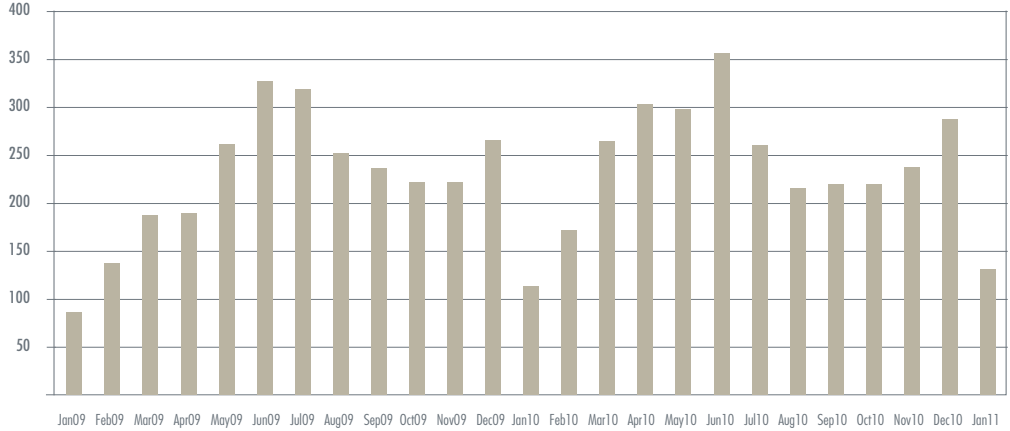
UNDER CONTRACT INVENTORY

2 Years (Monthly) 01/01/09 - 01/31/11
Single Family $300,000 + in Area 9, 16, 17, 22, 23 & 24



SOLD INVENTORY

2 Years (Monthly) 01/01/09 - 01/31/11
Single Family $300,000 + in Area 9, 16, 17, 22, 23 & 24



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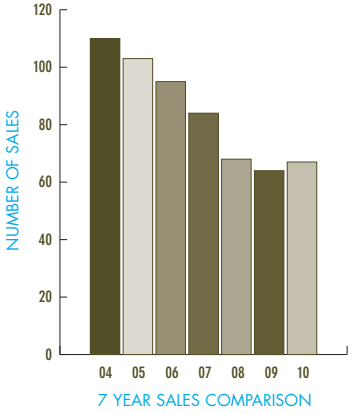
RIVER OAKS



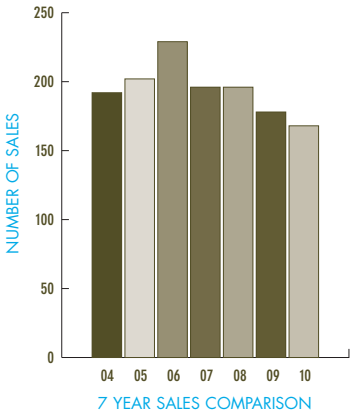
7 YEAR SALES COMPARISON

River Oaks regained its footing in the real estate market during 2010 with an increased number of sales, a 10% rise in sales volume and declining inventory. The big story in River Oaks is the quest for land as large prominent lots are in high demand for those seeking to build custom homes. New construction continues with over 20 submissions for new home starts through November of 2010. 2011 is starting with a Bang!

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	60	$1,593,000	88
1/1/10 - 12/31/10	64	$1,719,000	144
% of CHANGE	+7%	+8%	+64%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	4	$2,947,000	$11,800,000
1/1/10 - 12/31/10	3	$2,594,000	$7,800,000
% of CHANGE	-25%	-12%	-34%

MONTROSE (SINGLE FAMILY)



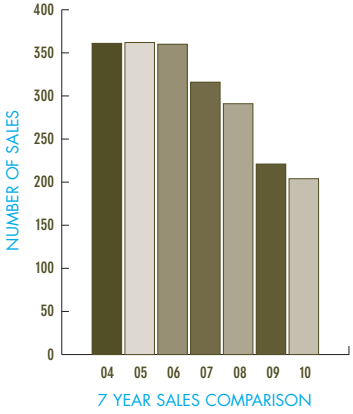
7 YEAR SALES COMPARISON

The tone for 2010 in the Montrose single family category was much the same as 2009. Resales were slightly off, average price was up and new construction was flat. Buyers relocating to Houston, young professionals, and suburbanites sought convenience and a short commute in Montrose. Nearby major work centers, good restaurants, museums and parks are driving factors. People are drawn to old historical homes both big and small, and the trend of custom homes still exists.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	135	$378,000	91
1/1/10 - 12/31/10	124	$445,000	99
% of CHANGE	-8%	+19%	+9%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	43	$613,000	$26,400,000
1/1/10 - 12/31/10	44	$606,000	$26,600,000
% of CHANGE	+2%	-1%	+1%

MONTROSE (TOWNHOMES)



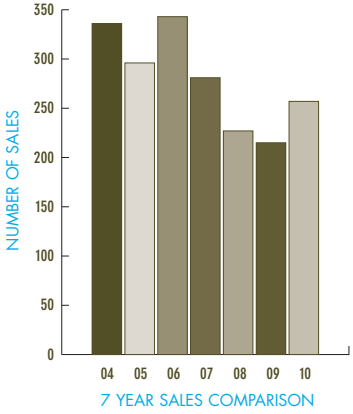
7 YEAR SALES COMPARISON

While the resale townhouse market in Montrose was off by 10%, new construction showed promise with a 6% rise. A continuing theme for several years now has been modern or contemporary architecture both in single family and multifamily scenarios. The attractiveness of Montrose continues be the fact that it is inside the loop providing close proximity to downtown, Greenway Plaza, the Medical Center, shopping, dining and last but not least—Houston's impressive Museum District.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	190	$278,000	75
1/1/10 - 12/31/10	171	$303,000	82
% of CHANGE	-10%	+9%	+9%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	31	$502,000	$15,600,000
1/1/10 - 12/31/10	33	$453,000	$14,900,000
% of CHANGE	+6%	-10%	-4%

WEST UNIVERSITY



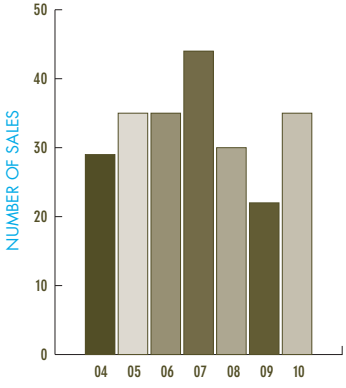
7 YEAR SALES COMPARISON

The successful chapters in the story of West U never seem to change. Small town feel, parks, trees and accessibility to the Medical Center, Rice University, Museums, and Greenway Plaza. All create high demand for homes in the area. Gone is the glut of new constructions from the '08 economic crisis. The shift has moved from speculative new construction to custom construction, but remodeling is still strong. Inventory is low, homes sell quickly and with multiple offers.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	189	$821,000	88
1/1/10 - 12/31/10	234	$796,000	92
% of CHANGE	+24%	-3%	+5%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	26	$1,361,000	$35,400,000
1/1/10 - 12/31/10	23	$1,364,000	$31,400,000
% of CHANGE	-12%	-	-11%

BOULEVARD OAKS



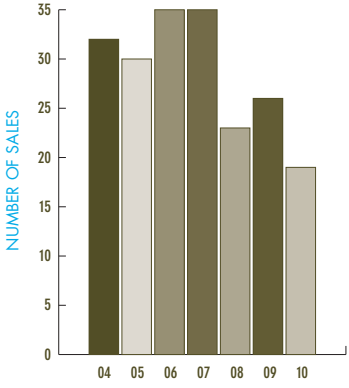
7 YEAR SALES COMPARISON

PHDs, MDs, and members of OCs (oil companies) are seeking homes in fabled Boulevard Oaks. Buyers often comment on the community feel with people jogging, walking dogs, and riding bikes. And, then of course there are those gorgeous Oaks. This is perhaps one of the most beautiful areas of Houston with impressive architecture and an air of dignity. Sales were up over 41% in Boulevard Oaks which is mostly attributed to a surge in custom new constructions and zero lot line homes.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	22	$1,168,000	96
1/1/10 - 12/31/10	31	$829,000	123
% of CHANGE	+41%	-29%	+28%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	0	-	-
1/1/10 - 12/31/10	4	$1,334,000	$5,300,000
% of CHANGE	-	-	-

SOUTHAMPTON



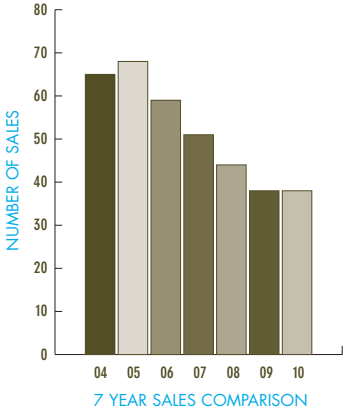
7 YEAR SALES COMPARISON

Culture, charm and impeccable scale make Southampton a fashionable place to live. Residents adore being down the street from Rice University, the Medical Center, Museums and a plethora of off the chart restaurants. 2010 drained the inventory in the area causing a double digit decline in sales. 2011 is off to a good start though, with seller confidence and low interest rates. Its vintage Houston allure will always create steady value in residential real estate.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	24	$824,000	80
1/1/10 - 12/31/10	17	$847,000	125
% of CHANGE	-29%	+3%	+56%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	2	$1,300,000	$2,600,000
1/1/10 - 12/31/10	2	$1,185,000	$2,400,000
% of CHANGE	0%	-9%	-8%

SOUTHGATE



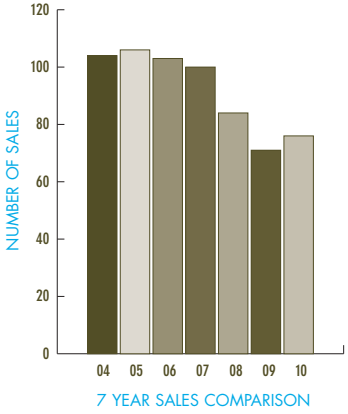
7 YEAR SALES COMPARISON

The number of sales in 2010 were the same as last year in Southgate. However, homes flew off the market and prices climbed in both the resale and new construction categories. A charming squeaky clean neighborhood, Southgate shares in the attractive features of West U, Southampton, and Boulevard Oaks with proximity to the Medical Center, Rice and the Village. These factors coupled with parks and a strong community vibe make Southgate a homerun.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	34	$585,000	92
1/1/10 - 12/31/10	34	$589,000	70
% of CHANGE	0%	+1%	-24%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	4	$864,000	$3,500,000
1/1/10 - 12/31/10	4	$1,031,000	$4,100,000
% of CHANGE	0%	+19%	+17%

BRAES HEIGHTS-AYRSHIRE



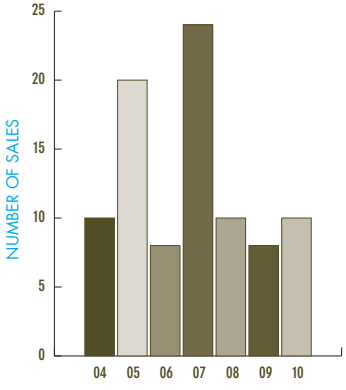
7 YEAR SALES COMPARISON

Braes Heights and Ayrshire showed a dramatic shift in 2010. While the resale market was up 22% with a strong penchant for remodeling; new construction suffered a significant drop. This can be attributed to the widespread slow down of speculative construction and lending policies for builders. Braes Heights and Ayrshire remain two of the most reasonable areas inside the loop and with its close proximity to the Medical Center many out-of-town folks become buyers.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	55	$567,000	81
1/1/10 - 12/31/10	67	$519,000	66
% of CHANGE	+22%	-8%	-19%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	16	$1,015,000	$16,200,000
1/1/10 - 12/31/10	9	$1,023,000	$9,200,000
% of CHANGE	-44%	+1%	-43%

OLD BRAESWOOD



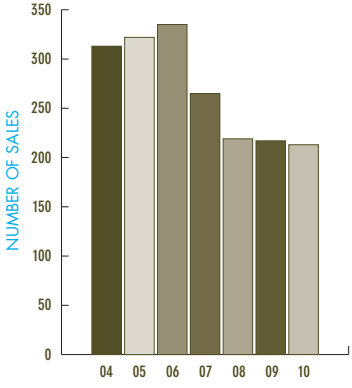
7 YEAR SALES COMPARISON

Old Braeswood is one of Houston's most historic neighborhoods. Platted in the1930s with large lots and sweeping lawns, the neighborhood has developed over the last 70 years with great architectural diversity. From the original Tudor and estate homes, large ranch style homes of the 50s, cutting edge modern homes of the 60s and 70s until today's new traditional constructions, Old Braeswood has been a stable and popular market inside the 610 loop. Average sales price in 2010 was over $840,000.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	8	$750,000	74
1/1/10 - 12/31/10	10	$845,313	141
% of CHANGE	+25%	+13%	+90%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	0	-	NA
1/1/10 - 12/31/10	1	1,725,000	1,725,000
% of CHANGE	-	-	+100%

BELLAIRE



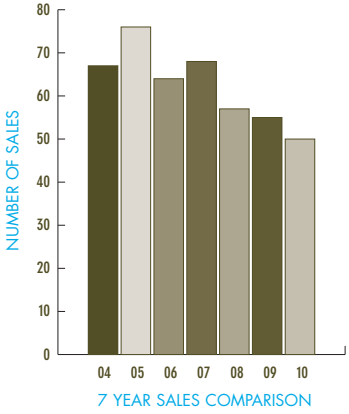
7 YEAR SALES COMPARISON

For years Bellaire was the perfect setting for speculative building with large lots and older smaller homes. This setting was propped up by good schools and a close in location. Even in 2009, as Houston pulled itself up by the bootstraps economically, new construction remained stable with 43 homes built. Tighter lending policies for speculative builders slowed Bellaire's supply of new homes with 18 fewer built. Now for the good news, residential resales were up along with average sales prices.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	174	$651,000	94
1/1/10 - 12/31/10	188	$698,000	96
% of CHANGE	+8%	+7%	+2%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	43	$1,018,000	$43,800,000
1/1/10 - 12/31/10	25	$1,126,000	$28,100,000
% of CHANGE	-42%	+11%	-36%

TANGLEWOOD



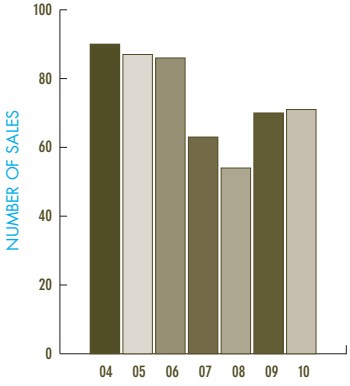
7 YEAR SALES COMPARISON

Perfectly positioned in between some of the best private schools, shopping, and restaurants in Houston, Tanglewood is blessed by large lots, large oak trees and a continuing demand for new construction. Of note, while most market areas suffered in the new construction category Tanglewood's rose by 50% and with an increased average sales price just under $3M. Resales declined slightly, as did the average sales price. This is a stellar performance among the 18 markets GK covers.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	51	$1,265,000	155
1/1/10 - 12/31/10	44	$1,253,000	156
% of CHANGE	-14%	-1%	+1%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	4	$2,568,000	$10,300,000
1/1/10 - 12/31/10	6	$2,873,000	$17,200,000
% of CHANGE	+50%	+12%	+67%

BRIARGROVE



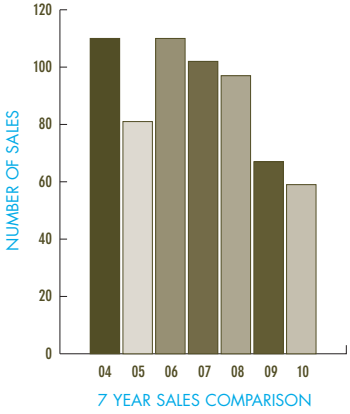
7 YEAR SALES COMPARISON

Briargrove continues to be a great location for young expanding families. It is a tight knit community with a strong social vibe and a great public elementary school. Even with diminished inventory Briargrove is still considered a very active market. Briargrove is home to many Native Houstonians whose sellers are generally on the move to Tanglewood or Memorial.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	64	$574,000	91
1/1/10 - 12/31/10	69	$587,000	83
% of CHANGE	+8%	+2%	-9%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	6	$1,177,000	$7,100,000
1/1/10 - 12/31/10	2	$1,330,000	$2,700,000
% of CHANGE	-67%	+13%	-62%

BRIARGROVE PARK



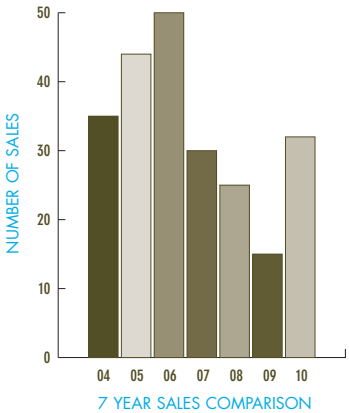
7 YEAR SALES COMPARISON

Towering indigenous trees, gently sloping properties and gas lanterns give Briargrove Park distinct appeal. Add in City Centre and the nearby energy corridor and one has a great mix. Low inventory continues to hem in sales, and this area has little new construction so Briargrove Park remained largely flat over last year with a slight decrease in resales. Most buyers are relocating to Houston or are young families buying first homes. Many of the original and second homeowners remain in the neighborhood.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	66	$390,000	67
1/1/10 - 12/31/10	59	$386,000	65
% of CHANGE	-11%	-1%	-3%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	1	$919,000	$919,000
1/1/10 - 12/31/10	0	-	-
% of CHANGE	-	-	-

CLOSE-IN MEMORIAL



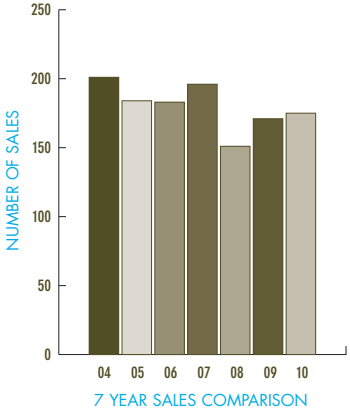
7 YEAR SALES COMPARISON

Close-in Memorial, known for large-scale high end properties typically sees a strong resale market with very little speculative building. 2010 was no different. Older ranch homes from the 50s 60s and 70s are often replaced with new extensive custom homes. Buyers range from families moving in from outlying areas to families seeking larger homes and property. One of the most highly desirable neighborhoods in town, Close-in Memorial cherishes its proximity to downtown, major thoroughfares and fantastic public and private schools.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	14	$1,925,000	171
1/1/10 - 12/31/10	28	$1,234,000	160
% of CHANGE	+100%	-36%	-6%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	1	$2,763,000	$2,763,000
1/1/10 - 12/31/10	0	-	-
% of CHANGE	-	-	-

MEMORIAL VILLAGES



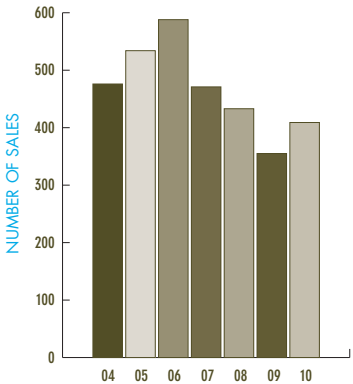
7 YEAR SALES COMPARISON

Some of the greatest treasures in Houston are the Memorial Villages. Throughout good and bad economic trends, the Villages remain very constant and stable due to great schools, incorporated townships, and private police departments. These areas are well-kept and properties generally hold their value. Inventory is very low, and multiple offers are a common event. While resales rose 10% in 2010, the number of speculative homes built continued to drop and custom home starts continue to rise.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	143	$1,201,000	129
1/1/10 - 12/31/10	157	$1,280,000	127
% of CHANGE	+10%	+7%	-2%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	28	$2,346,000	$65,700,000
1/1/10 - 12/31/10	18	$2,538,000	$45,700,000
% of CHANGE	-36%	+8%	-30%

MEMORIAL



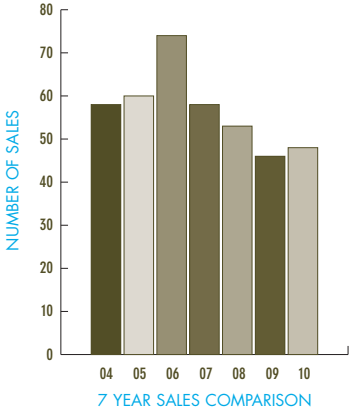
7 YEAR SALES COMPARISON

With very low inventory, Memorial was fortunate to see a healthy 16% gain in resales and a notably high number of speculative homes built and sold during 2010. In short, homes move lightening quick from the market if they are priced right and in great condition. Multiple offers are common and while the media continues to tout a buyers market, it is a thing of the past in Memorial.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	339	$456,000	74
1/1/10 - 12/31/10	393	$503,000	69
% of CHANGE	+16%	+10%	-7%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	16	$1,127,000	$18,000,000
1/1/10 - 12/31/10	16	$941,000	$15,100,000
% of CHANGE	0%	-17%	-16%

WILCHESTER



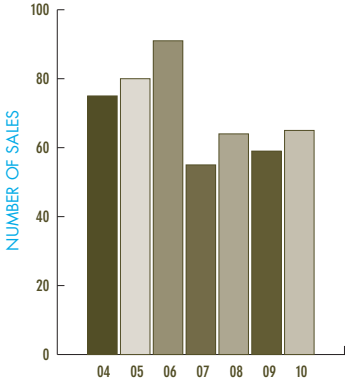
7 YEAR SALES COMPARISON

Low inventory and rising prices were the themes for Wilchester in 2010. Buyers are charmed by the value, good schools and the community feel of the area. The average buyers are families wanting to settle in the Spring Branch School district. Minor updating of homes is typical as most are in good condition, and many homes from the 60s and 70s are redone. Updated houses sell quickly and at a high price per sq. ft. 2010 ended with only 12 active listings in Wilchester so buyers may find themselves in bidding wars.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	44	$482,000	56
1/1/10 - 12/31/10	47	$484,000	67
% of CHANGE	+7%	+.5%	+20%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	2	$1,048,000	$2,100,000
1/1/10 - 12/31/10	1	$866,000	$900,000
% of CHANGE	-50%	-17%	-57%

SPRING VALLEY-HILSHIRE VILLAGE



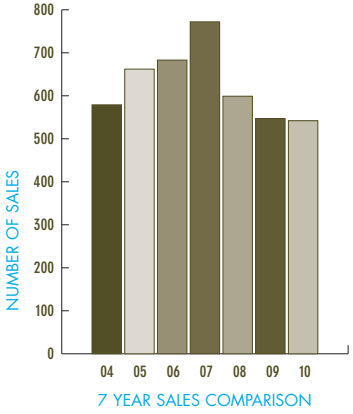
7 YEAR SALES COMPARISON

Spring Valley-Hilshire Village remains the most affordable of the Villages. As it is incorporated, homes in the area benefit from having a police department and shared Village Fire Department, a governing authority, City Council, and a Mayor, plus it has the added perk of Spring Branch Schools. Spring Valley-Hilshire is therefore tremendously attractive to young professionals in search of excellent schools and good value. This area remains strong and steady both in number of transactions and price.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	45	$519,000	69
1/1/10 - 12/31/10	49	$480,000	108
% of CHANGE	+9%	-8%	+57%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	14	$858,000	$12,000,000
1/1/10 - 12/31/10	16	$838,000	$13,400,000
% of CHANGE	+14%	-2%	+12%

HEIGHTS



7 YEAR SALES COMPARISON

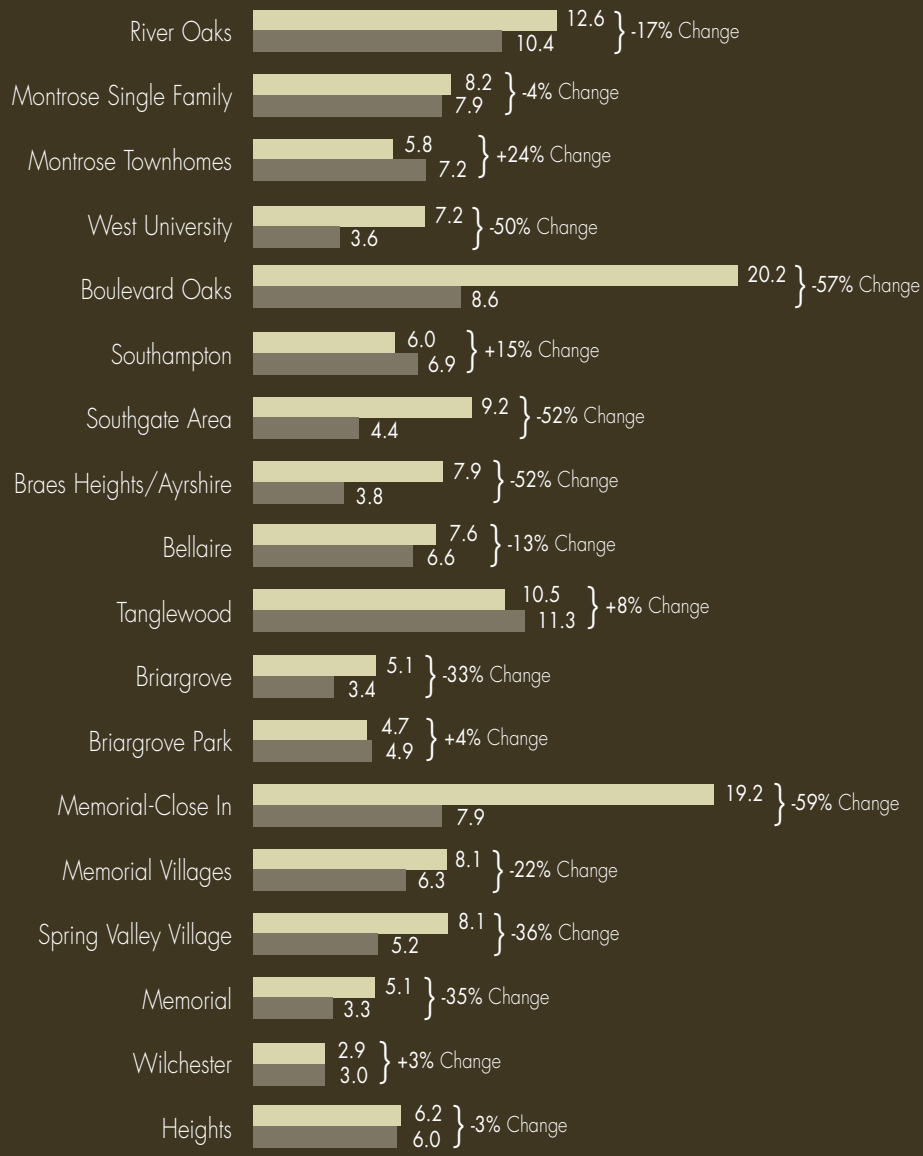
The Houston Heights has had a similar story to many of the other highly sought after markets Greenwood King covers. Average sales price and number of sales continues a stable climb upward, however, new construction sales have declined because fewer builders are entering the speculative market. With low inventory, and the steady increase in number of resales, the Heights continues its appeal to a wide range of buyers and is considered a very good value for a small town community in the heart of Houston.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/09 - 12/31/09	431	$326,000	82
1/1/10 - 12/31/10	449	$355,000	72
% of CHANGE	+4%	+9%	-12%

NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/09 - 12/31/09	116	$460,000	$53,400,000
1/1/10 - 12/31/10	93	$442,000	$41,400,000
% of CHANGE	-20%	-4%	-23%

INVENTORY SUPPLY (IN MONTHS)

The 15% decline in listings coupled with only a 4% increase in the number of homes sold, resulted in a decline in inventory supply. At year's end, the average inventory supply for all Greenwood King markets stood at 6.2 months, which historically is considered a healthy level of inventory. River Oaks and Tanglewood experienced the largest end-of-year inventories, while West University, Memorial, Briargrove, Braes Heights-Ayrshire, and Wilchester had the lowest levels, each under four months, which is favorable for the sellers in those neighborhoods.



Based on information from the Houston Realtor® Information Service or its MLS for the period 1/1/09 to12/31/10.

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12/09 12/10

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