

GREENWOOD KING

ANNUAL REPORT 2009



H O M E S

A Last Look at 2009...



Linda King and Julie Greenwood

The block of time beginning with Hurricane Ike and the Financial Crisis in the fall of 2009 was somewhat of a struggle for Real Estate in Houston but we were much better off than most of the U.S. Still lending issues and economic unrest played a role in Houston's Real Estate market.

Two themes for 2009 were dominant in our conversations with GK agents: **1. The role of relocation.** Of the 19 markets we cover—almost all of the agents noted the amount of clients and transactions during 2009 which involved people moving here from London, California, NY, etc. Even though the inventory in 2009 grew to record breaking heights it might have been much worse if we had not had relocation activity. **2. Houstonians came back to the market** because of the catalyst created by the relocation buyers—who bought existing inventory.

Welcome to the Greenwood King's 2009 Annual Report. Included in the report are market numbers from 2009 in Greenwood King's primary markets. In this report we compare 2008 to 2009 but before we do it seems important that we begin this by saying a little bit about where we are right now at the end of February 2010.

On the adjacent page the three graphs tell the story about where we are in our market. The graphs are: starting at the top of the next page; **Active Inventory**, **Under Contract Inventory** and **Sold Inventory**. The Active Chart shows that we currently have the lowest inventory we have had since January 2008. The Under Contract graph shows that since April of 2009 we started our recovery. The third graph shows the recovery is continuing.

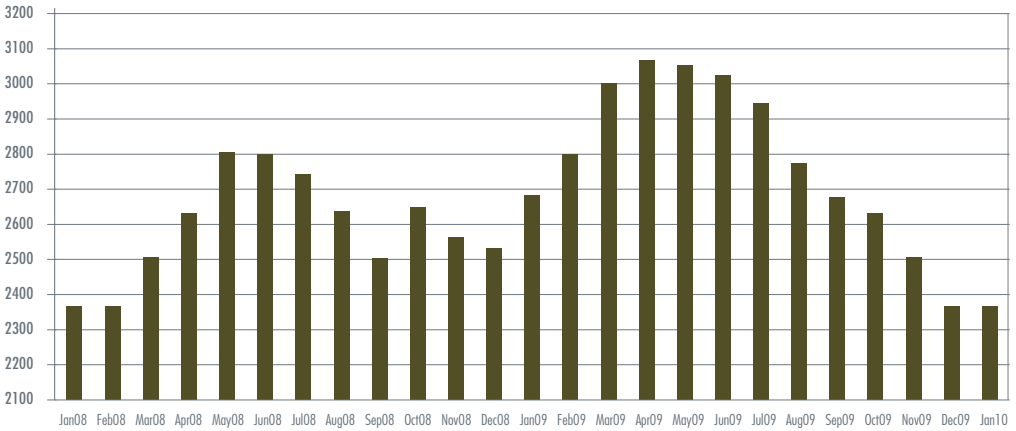
Emerging from the worst financial crisis in 60 years is a big task. Traditional cycles that we see from year to year were non existent and yet somehow our agents were able to pull it together, change their strategies, reconnect with past clients, and get the job done. 2009 began very slowly and the normal charge in Spring didn't occur. However, by late Spring transactions had increased and we saw a very strong Summer which continued through the Fall.

Linda King
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Julie Greenwood
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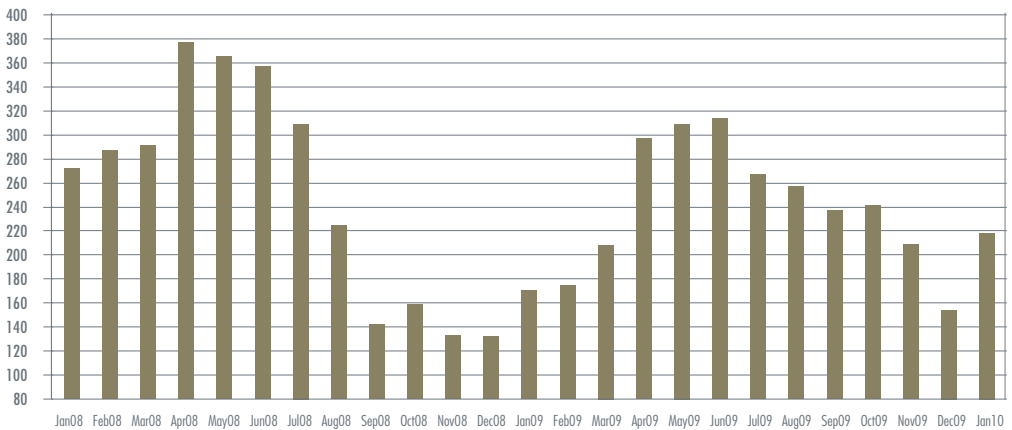
ACTIVE INVENTORY

2 Years (Monthly) 01/01/08 - 01/31/10
Single Family \$300,000 +



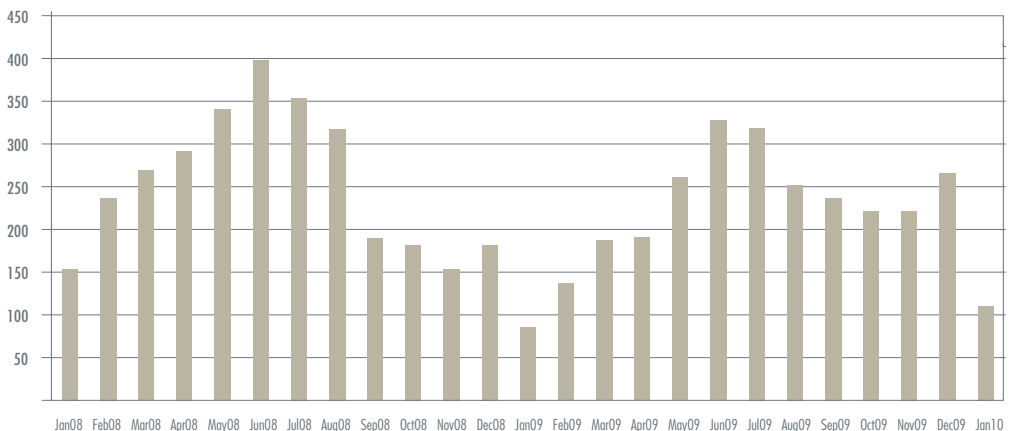
UNDER CONTRACT INVENTORY

2 Years (Monthly) 01/01/08 - 01/31/10
Single Family \$300,000 +



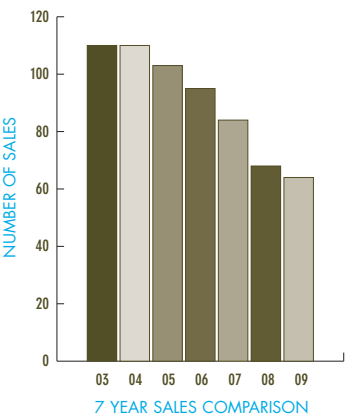
SOLD INVENTORY

2 Years (Monthly) 01/01/08 - 01/31/10
Single Family \$300,000 +





RIVER OAKS



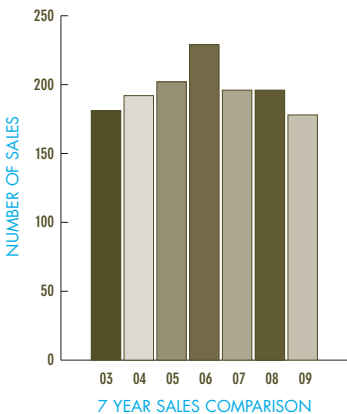
Inventory of available properties in River Oaks remained neutral during 2009. Buyers are rethinking the value in older homes—refurbishing and adding on to existing properties accounted for approximately 19% of sales in River Oaks in 2009. While the number of sales were down from 68 in 2008 to 64 in 2009 the average price fared well at \$1.6M in resales and rose 15% to \$2.95 in the new construction category. Architecturally, design shifted away from the Mediterranean to more of a Traditional look.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	58	\$1,742,000	82
1/1/09 - 12/31/09	60	\$1,593,000	90
% of CHANGE	+3%	-9%	+10%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	10	\$2,559,000	\$25,600,000
1/1/09 - 12/31/09	4	\$2,947,000	\$11,800,000
% of CHANGE	-60%	+15%	-54%



MONTROSE (SINGLE FAMILY)

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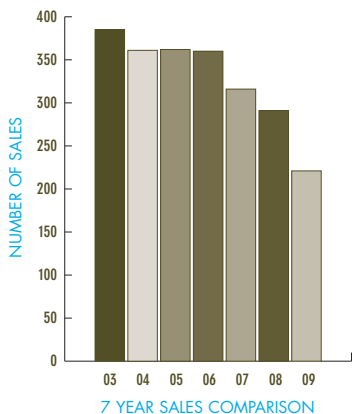


In 2009, residential resales were off by 11% and new construction sales were down by 2%. Buyers looking in the Montrose area are typically first time buyers or young professional couples. People are drawn to the historical aspect and the quality of the old homes both big and small. One shift in style that Montrose is experiencing is a trend towards modern architecture especially closer to the Menil in both single family homes and townhomes. The bottom line in Montrose is that if you have a great house and its priced right—it will sell.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	152	\$417,000	74
1/1/09 - 12/31/09	134	\$378,000	82
% of CHANGE	-11%	-9%	+11%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	44	\$538,000	\$23,700,000
1/1/09 - 12/31/09	43	\$613,000	\$26,400,000
% of CHANGE	-2%	+14%	+11%



MONTROSE (TOWNHOMES)

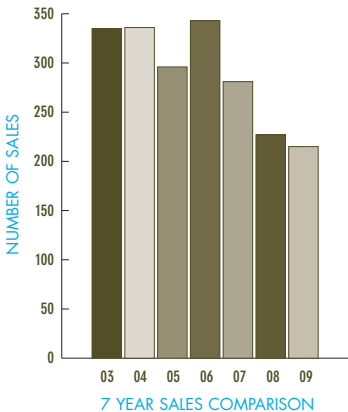


The townhome category in Montrose was somewhat down in terms of the number of sales in 2009. However, what did sell held its value, and new construction even rose in average price by 12%. 2009 ended with low inventory, and with few new construction starts. The location and its proximity to Downtown, Greenway Plaza and the Galleria makes this area very attractive for buyers moving in from the suburbs, young professionals and out-of-town buyers.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	240	\$281,000	65
1/1/09 - 12/31/09	190	\$278,000	66
% of CHANGE	-21%	-1%	+2%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	51	\$449,000	\$22,900,000
1/1/09 - 12/31/09	31	\$502,000	\$15,600,000
% of CHANGE	-39%	+12%	-32%



WEST UNIVERSITY

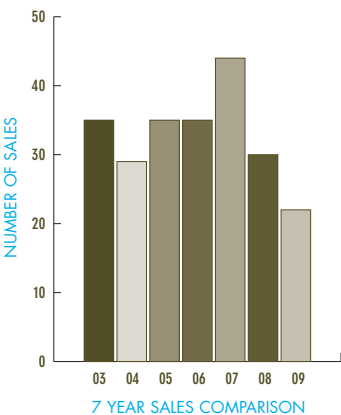


West University's incredible popularity stays the course in 2009 driven by the "great time to buy" attitude plus low interest rates and some excellent homes in inventory. Resales rose by a slim margin with only a 4% decrease in average sales prices, and as usual the inventory is very low. The existing inventory of new construction homes is beginning to shrink, and while the number of sales were down in this category from 40 in 2008 to 26 in 2009, the average sales price rose by 4%.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	187	\$859,000	49
1/1/09 - 12/31/09	189	\$821,000	77
% of CHANGE	+1%	-4%	+57%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	40	\$1,307,000	\$52,300,000
1/1/09 - 12/31/09	26	\$1,361,000	\$35,400,000
% of CHANGE	-35%	+4%	-32%



BOULEVARD OAKS

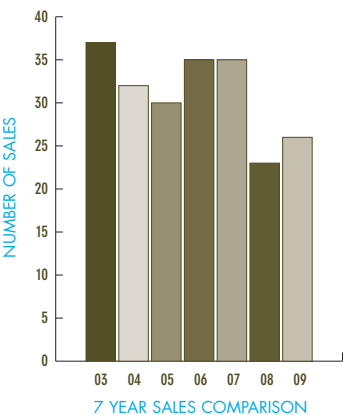


As with West U and Southampton—Boulevard Oaks is seeing a lot of activity from out of town buyers mostly from Oil and Gas, Medical, and the Financial industries. The proximity to the Medical Center, Downtown, Rice University and the Museum District makes this area inviting to those in search of a good location. Lot sizes span from 6,500 to 21,600 square feet so there is quite a range and in price as well with a \$650K to \$3.5M range. Boulevard Oaks fared well in 2009 with 22 sales and an average sales price just under \$1.2M.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	29	\$1,565,000	85
1/1/09 - 12/31/09	22	\$1,168,000	96
% of CHANGE	-24%	-25%	+13%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	1	\$2,200,000	\$2,200,000
1/1/09 - 12/31/09	0	NA	NA
% of CHANGE	-100%	NA	-100%



SOUTHAMPTON

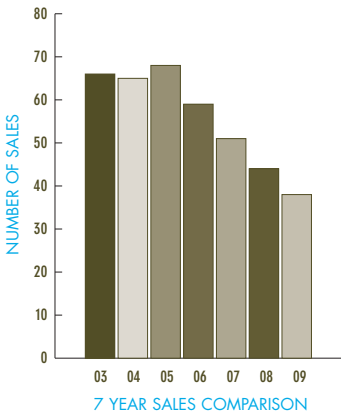


Old Houston character and charm have kept Southampton a very popular choice. Many buyers interested in this area are moving from other parts of the country, and are primarily executives, doctors and members of the academic world. Remodeling is always a big theme in Southampton due to the vintage appeal and quality of homes in the area. Far less new construction is going on than the frenzy of previous years. As in past years, the great location and variety of homes always drives the market in Southampton.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	21	\$995,000	87
1/1/09 - 12/31/09	24	\$824,000	75
% of CHANGE	+14%	-17%	-14%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	2	\$1,762,000	\$3,500,000
1/1/09 - 12/31/09	2	\$1,300,000	\$2,600,000
% of CHANGE	-	-26%	-26%



SOUTHGATE



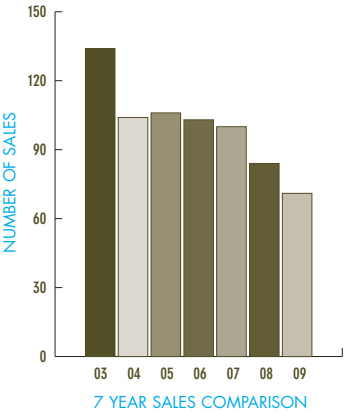
Southgate's story is much the same as many of the inner loop areas. Residential resales were off slightly —by 8%, but the average sales price rose 7%. The big draw for Southgate is like that of many neighborhoods close to the Medical Center, Rice and the Village. People love the charming houses, parks and community feel. Currently, the inventory is higher than in previous years.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	37	\$546,000	37
1/1/09 - 12/31/09	34	\$585,000	72
% of CHANGE	-8%	+7%	+95%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	7	\$1,043,000	\$7,300,000
1/1/09 - 12/31/09	4	\$864,000	\$3,500,000
% of CHANGE	-43%	-17%	-52%



BRAES HEIGHTS-AYRSHIRE

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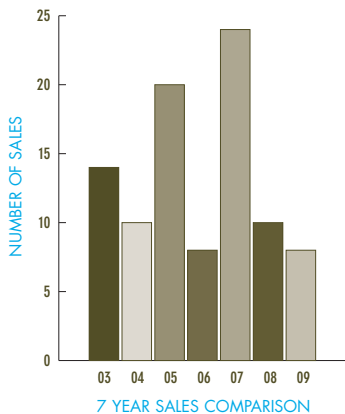


Braes Heights-Ayrshire had a good 2009, although residential resales were off somewhat, prices were very stable. This area saw a large number of buyers from out of town, many of whom work in the Medical Center. Braes Heights-Ayrshire is also experiencing a great deal of movement within the neighborhood with people moving up and young families are moving in. The \$400K to \$800K range drove the market; and remodeling is still very active.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	67	\$561,000	44
1/1/09 - 12/31/09	55	\$567,000	59
% of CHANGE	-18%	+1%	+34%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	17	\$1,039,000	\$17,700,000
1/1/09 - 12/31/09	16	\$1,015,000	\$16,200,000
% of CHANGE	-6%	-2%	-8%



OLD BRAESWOOD

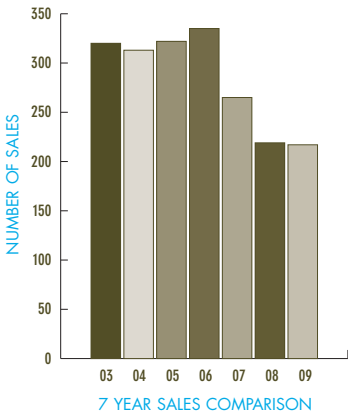


Old Braeswood is one of Houston's most historic neighborhoods. Platted in the 1930s with large lots and sweeping lawns, the neighborhood has developed over the last 70 years with great architectural diversity. From the original Tudor and estate homes, large ranch style homes of the 50s, cutting edge 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 2008 and 2009 was over \$700,000.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	9	\$743,050	70
1/1/09 - 12/31/09	8	\$750,000	74
% of CHANGE	-11%	+1%	+6%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	1	\$1,560,000	\$1,560,000
1/1/09 - 12/31/09	0	NA	NA
% of CHANGE	-100%	-100%	-100%



BELLAIRE

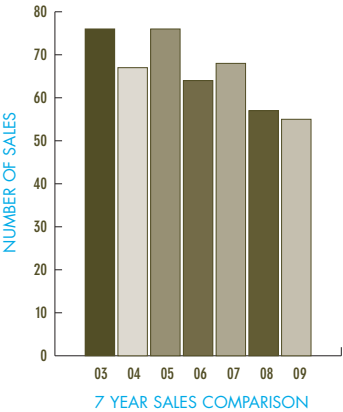


Bellaire's story was much the same as our other markets as the numbers were incredibly close to 2008 even with the economic downturn. Bellaire had 4 fewer sales over last year and 3 were new construction. Buyers are interested in the Bellaire community, the good schools and its close-in location. New construction and resales were the theme for 2009, and very little remodeling was reported. The \$550K to \$850K category was very hot especially if the homes were in good condition.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	173	\$669,000	72
1/1/09 - 12/31/09	174	\$651,000	80
% of CHANGE	+1%	-3%	+11%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	46	\$1,028,000	\$47,300,000
1/1/09 - 12/31/09	43	\$1,018,000	\$43,800,000
% of CHANGE	-7%	-1%	-7%



TANGLEWOOD



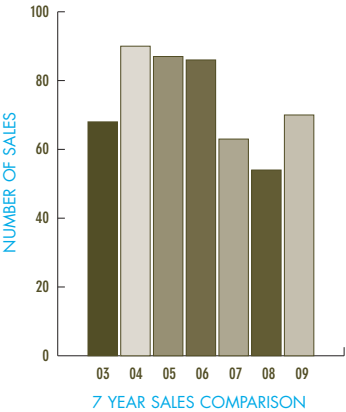
2009 was a great year for resale properties in Tanglewood. The resales numbers rose 19%. A big draw is the convenient location of Tanglewood as it is close to schools, shopping and parks. It's also an easy commute downtown. The large sized lots are a big draw and help to encourage extensive renovation projects. Out-of-town buyers make up a large percent of the sales.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	43	\$1,504,000	88
1/1/09 - 12/31/09	51	\$1,265,000	122
% of CHANGE	+19%	-16%	+39%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	14	\$2,806,000	\$39,300,000
1/1/09 - 12/31/09	4	\$2,568,000	\$10,300,000
% of CHANGE	-71%	-8%	-74%



BRIARGROVE

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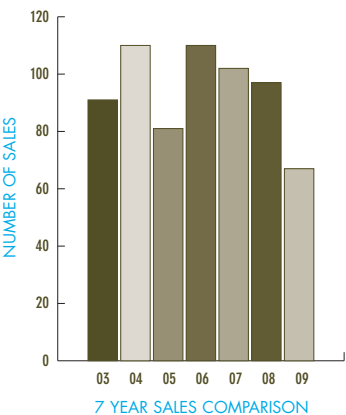


With a 33% increase in the number of sales in 2009, Briargrove had a very good year. The most notable trend in 2009, was a shift in sales from the north side of San Felipe to the south side. This was probably driven by price. Young families typically make up the majority of buyers in the area. Many of the homeowners who sold were moving to Tanglewood and Memorial.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	48	\$679,000	54
1/1/09 - 12/31/09	64	\$574,000	84
% of CHANGE	+33%	-15%	+56%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	6	\$1,404,000	\$8,400,000
1/1/09 - 12/31/09	6	\$1,177,000	\$7,100,000
% of CHANGE	-	-16%	-15%



BRIARGROVE PARK



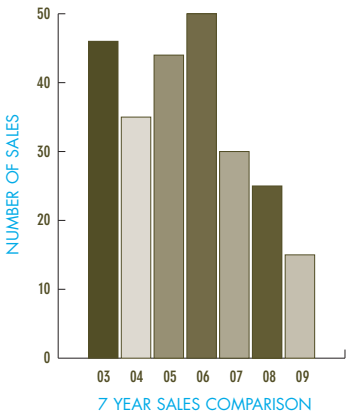
Both resale and new construction sales dropped in Briargrove Park in 2009 but largely because of low inventory—not demand. The average price rose in both resales and new construction. Briargrove Park is one of the few areas in Houston that did not experience the new construction rush from years past. Resales are mostly remodeled or in the process with the majority of the homes built in the 60s and 70s. Buyers vary from young families getting started to empty-nesters who want to be in an active neighborhood.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	94	\$385,000	55
1/1/09 - 12/31/09	66	\$390,000	66
% of CHANGE	-30%	+1%	+20%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	3	\$718,000	\$2,200,000
1/1/09 - 12/31/09	1	\$919,000	\$919,000
% of CHANGE	-67%	+28%	-59%



CLOSE-IN MEMORIAL

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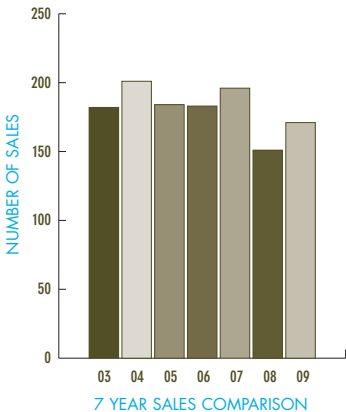


Very little activity was reported in Close-in Memorial during 2009. It is important to note the size and average price (between \$2.7M and \$3.2M) of homes in the area because they skew the numbers. Close-in Memorial will always be a very desirable area because of the expansive lots and an amazing location in terms of beauty and convenience. One notable trend—new construction is almost all custom. Builders were very hesitant to start speculative construction; and, remodeled older homes sold quickly.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	21	\$1,555,000	94
1/1/09 - 12/31/09	14	\$1,925,000	165
% of CHANGE	-33%	+24%	+76%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	4	\$3,191,000	\$12,800,000
1/1/09 - 12/31/09	1	\$2,763,000	\$2,763,000
% of CHANGE	-75%	-17%	-78%



MEMORIAL VILLAGES



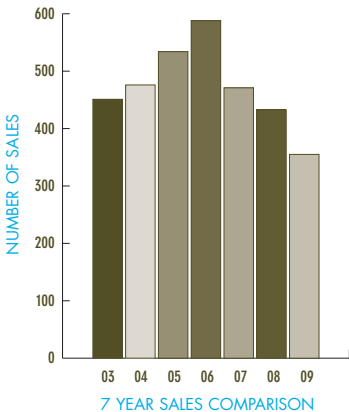
The Memorial Villages had a stellar 2009 with both residential resales and new construction showing positive gains. New construction finished the year 40% over 2008. Resales rose 9% with 143 sales. It is evident in rough economic times that the Villages were highly sought after for their highly acclaimed public schools, great location, and country feel. In new construction, we saw a return to clean lines and elegant simplicity. There is also a trend for smaller, more manageable homes with great emphasis on quality finishes.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	131	\$1,254,000	74
1/1/09 - 12/31/09	143	\$1,201,000	111
% of CHANGE	+9%	-4%	+50%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	20	\$2,249,000	\$45,000,000
1/1/09 - 12/31/09	28	\$2,346,000	\$65,700,000
% of CHANGE	+40%	+4%	+46%



MEMORIAL

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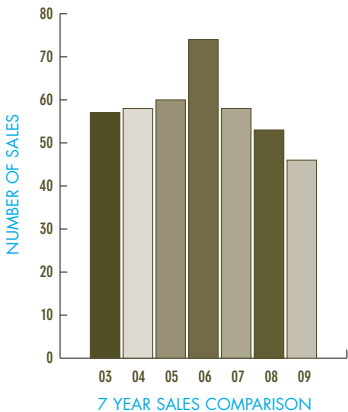


Both residential resales and new construction were off in the Memorial area in 2009. While large lots and mature trees play an important role in Memorial's appeal the big draw is the schools. The public schools are known to be some of the very best in the city. The rash of new construction seen in previous years has slowed tremendously with custom homes seeing the largest piece of this category. And, as in many areas, resales are seeing a lot more activity with buyers ready to consider remodeling as a solution.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	411	\$490,000	52
1/1/09 - 12/31/09	339	\$456,000	70
% of CHANGE	-18%	-7%	+35%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	22	\$1,179,000	\$25,900,000
1/1/09 - 12/31/09	16	\$1,127,000	\$18,000,000
% of CHANGE	-27%	-4%	-31%



WILCHESTER

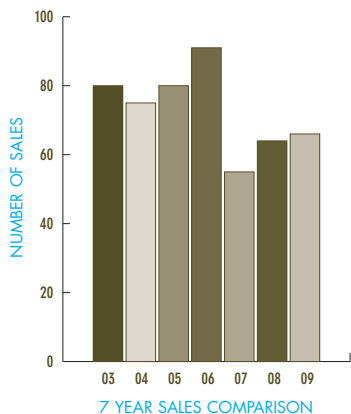


Wilchester finished out the 2009 year with a slight drop in the number of residential resales while sales prices were very stable. Generally, buyers are looking for value, good schools and a strong community feel. Remodeling continues to be a big theme in Wilchester considering homes were primarily built in the 60s and 70s. Updated houses sell quickly and at a high price per square foot. It is also important to note that the inventory in Wilchester is extremely low with only 12 active listings in the area.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	51	\$512,000	49
1/1/09 - 12/31/09	44	\$482,000	54
% of CHANGE	-14%	-6%	+10%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	2	\$913,000	\$1,800,000
1/1/09 - 12/31/09	2	\$1,048,000	\$2,100,000
% of CHANGE	-	+15%	+17%



SPRING VALLEY-HILSHIRE VILLAGE

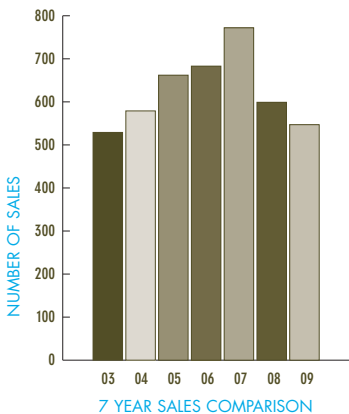


Spring Valley-Hilshire Village is a stellar market for many reasons. First of all, it is an incorporated city (village) with its own police department and shared Village Fire Department, a City Council, and a Mayor. Secondly, access to the Spring Branch Schools (including Memorial High School) plays a very big role and most importantly—with all of these positive characteristics the prices are very affordable. Spring Valley fared very well during 2009 with numbers similar to 2008. Days on the market rose somewhat, but that's across the city.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	45	\$521,000	64
1/1/09 - 12/31/09	45	\$519,000	71
% of CHANGE	-	-	+11%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	15	\$719,000	\$10,800,000
1/1/09 - 12/31/09	14	\$858,000	\$12,000,000
% of CHANGE	-7%	+19%	+11%



HEIGHTS

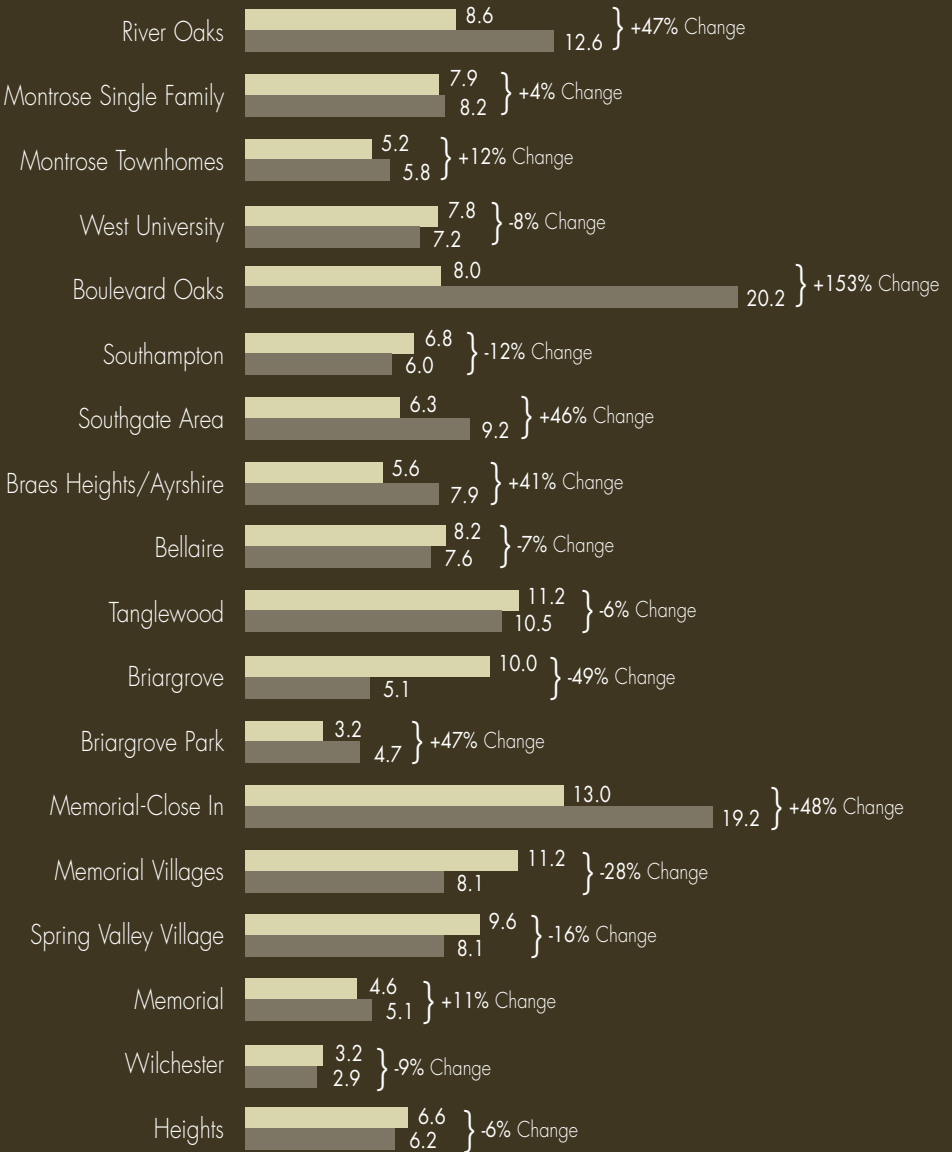


While the Heights saw mild decreases in both residential resale and new construction; the overall number of sales was high especially for the 18 markets Greenwood King covers. With 431 resales and 116 new construction homes sold in 2009 a lot of real estate was handled in the Heights. Homes priced under \$500K had good activity and prices remained fairly strong. Homes priced between \$500K to 700K saw declines and homes over \$700,000 were also affected. The area continues to be very desirable because it feels like a small town but has big city amenities.

RESALE	NUMBER OF SALES	AVG. SALES PRICE	AVG. DAYS ON MARKET
1/1/08 - 12/31/08	471	\$322,000	64
1/1/09 - 12/31/09	431	\$326,000	67
% of CHANGE	-8%	+1%	+5%
NEW CONSTRUCTION	NUMBER OF SALES	AVG. SALES PRICE	SALES VOLUME
1/1/08 - 12/31/08	128	\$482,000	\$62,000,000
1/1/09 - 12/31/09	116	\$460,000	\$53,400,000
% of CHANGE	-9%	-5%	-14%

INVENTORY SUPPLY (IN MONTHS)

Even though at year's end overall inventory supply was higher than it was at the end of the previous year, the current trend is a significant decrease in inventory supply, as this figure has declined 24% since the end of June 2009. As shown below, there are wide variances in inventory supply between neighborhoods. While patience and prudent pricing is always necessary for sellers, in some neighborhoods buyers must be prepared to act quickly.



Based on information from the Houston Realtor® Information Service or its MLS for the period 1/1/08 to 12/31/09.
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