

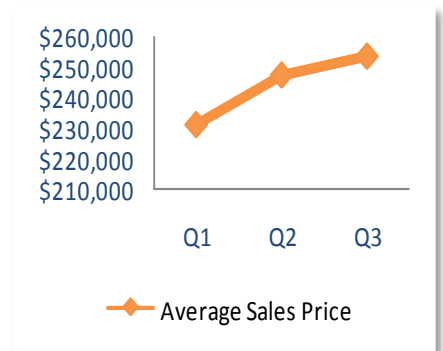
NORHILL REALTY'S MARKET REPORT

3RD QUARTER - 2009

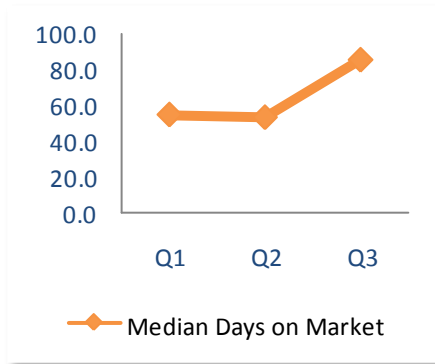


Midtown Houston

Despite the downturn in the economy, Houston's Midtown District continues to be a bright spot in Houston's Real Estate landscape. Midtown, known for its pedestrian friendly urban landscape and new townhome developments, has benefited significantly from the First Time Home Buyer program that was initiated this year to spur home buying. The Average price of a townhome sold was \$253,679 for the 3rd quarter, which is right in the sweet spot for the young first time homebuyers attracted to this urban enclave. Pricing and location coupled to help push the number of home sales up from the previous quarter and pushed inventory levels to their lowest levels of the year.



The biggest challenge for Midtown in the coming months will be lack of new construction coming on the market. Financing options for townhome developments has dried up. Developers are unable to move forward with planned projects. Based on conversations Norhill has had with real estate banking professionals, it does not



appear that financing for townhome developments will be coming back anytime soon. As you will see in the graph to the left, the median days on market has increased considerably from the 2nd Quarter to the 3rd Quarter. This is an indication that there are a growing number of homes that have been on the market for an extended period of time. It is probably also an indication that those homes that have been on the market for a shorter period of time has gone down. It will be important for buyers to have a clear idea of what they are looking for in a home. The best locations and quality developments will probably not stay on the market for very long.

	Number of Sales			Average Sales Price			Median Days on Market			Months of Inventory		
	Q2 2009	Q3 2009	% Change	Q2 2009	Q3 2009	% Change	Q2 2009	Q3 2009	% Change	Q2 2009	Q3 2009	% Change
Single Family Homes	13	12	-8%	\$323,485	\$309,742	-4.2%	55.0	95.0	73%	12.0	10.6	-12%
Townhomes/Condos	46	57	24%	\$247,502	\$253,679	2%	54.0	86.0	59%	5.7	6.6	15%

Norhill Realty is located in Midtown Houston at 4916 Main Street, Suite 110. Or for more information contact Vincent Biondillo at 713.449.2416 or vbiondillo@norhill.net.

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