



Market Trends Year End Report

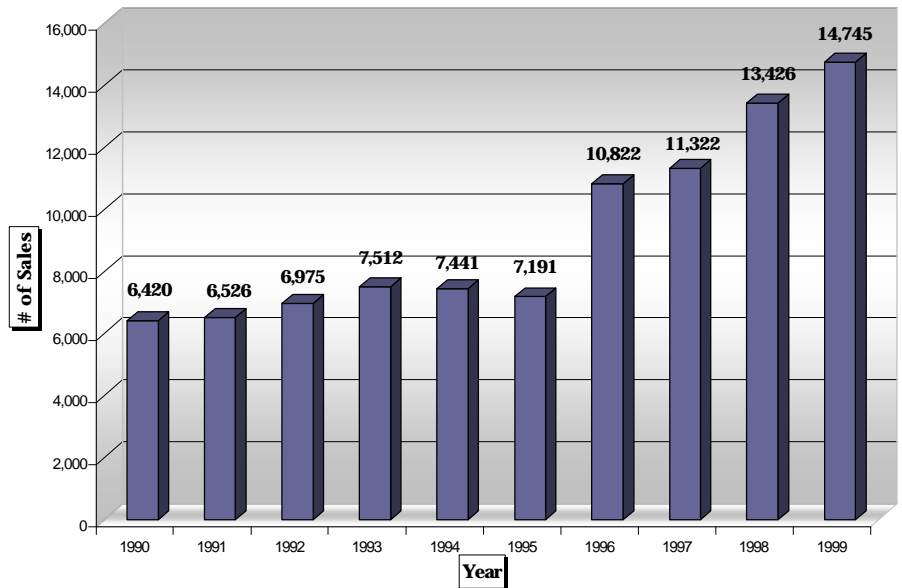
Presented by Michael E. Reyna & Associates, Inc. - Real Estate Appraisers/Consultants

Welcome to the second annual Market Trends Report, written and distributed by Michael E. Reyna & Associates, Inc. This detailed information was gathered from our San Antonio Multiple Listing Service bureau and The Real Estate Center at Texas A&M.

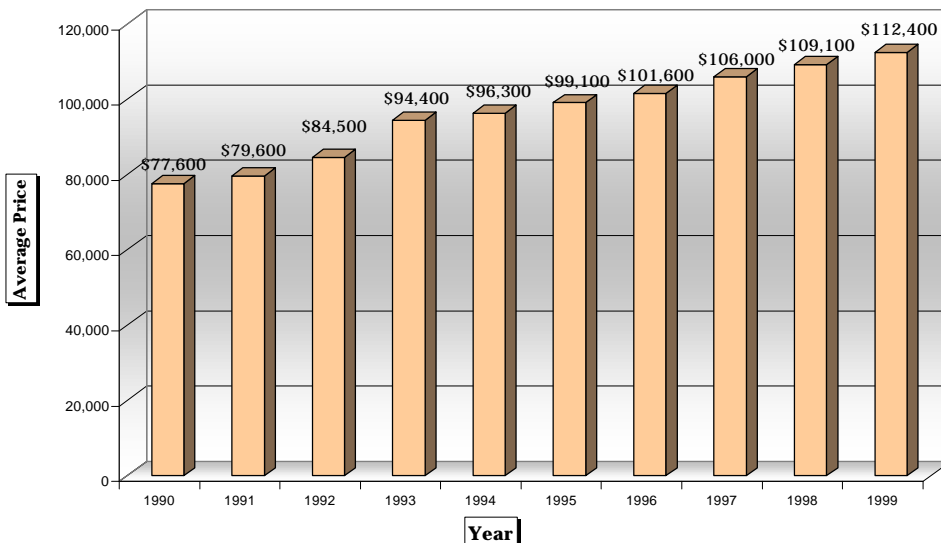
In an effort to better serve our customers, we have analyzed the data and put it into graph form for easier presentation and review.

The graph on the right demonstrates that sales have steadily increased over the last 9 years with over 56% change from 1990 to year to date. The trend shows a 9% increase in sales from 1998 to year end 1999.

Sales



Average Price



The number of home sales for 1999 was again at an all-time high, with numbers totaling 14,745 units. We project continued growth with approximately 15,777 sales for the year end of 2000.

The graph on the left shows the average price for homes in the San Antonio Market. This price takes into consideration the absolute high and low price ranges.

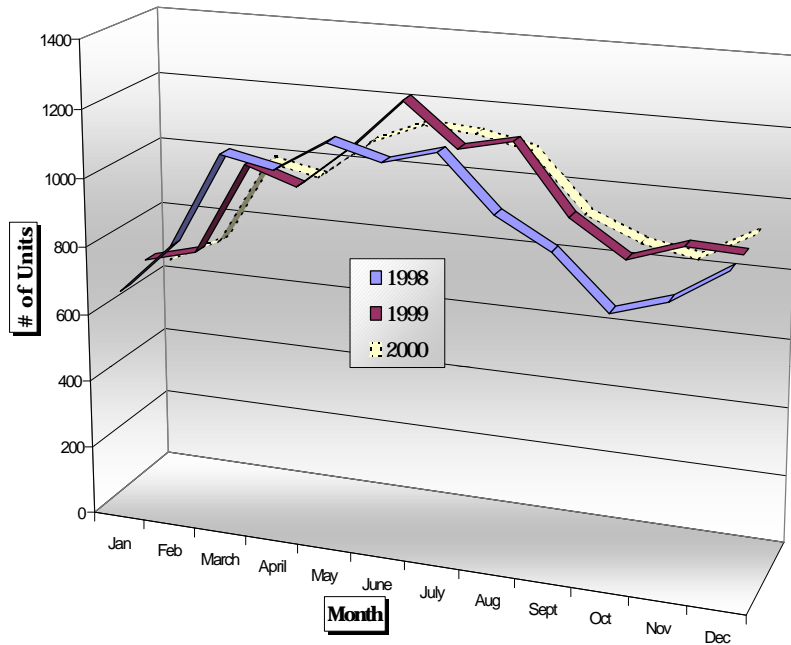
The average home price during last year was a record setting high of \$112,400. Note the appreciation increase from a ten year analysis of 31%.

The graph on the right illustrates the number of sales closed by month for the past 2 years, as well as our projections for the year 2000.

A close look at the graph shows that productivity appears to drop in the beginning of each year, then steadily increases during the summer months. A slight dip follows in early autumn with a sharp increase for the end of the year production.

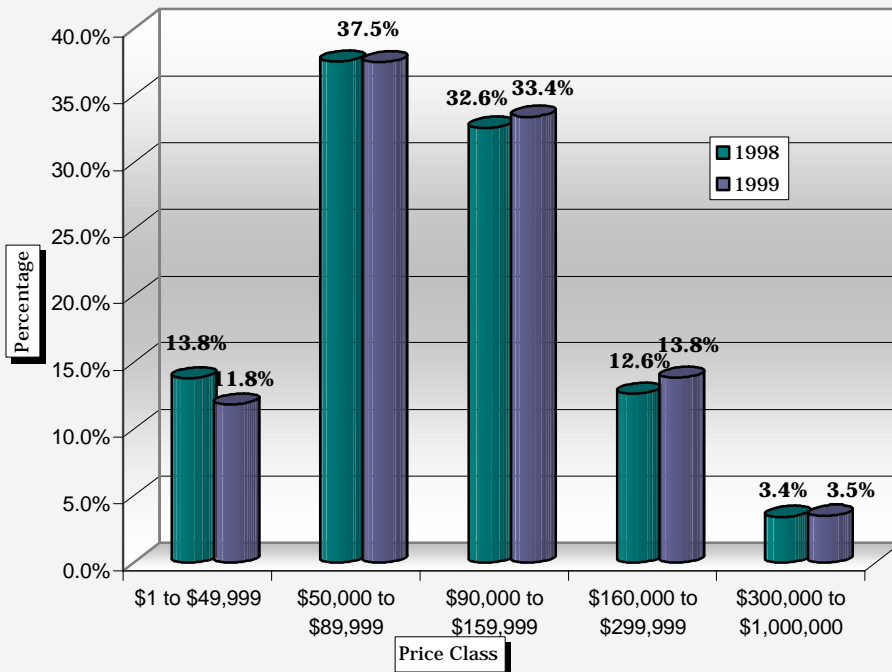
An end of the year push for sales typically begins in October, when home builders are likely to close out subdivisions and offer incentives for existing inventory in order to increase sales for the last quarter.

Closed Sales by Month



As the graph below reveals, increases in price ranges did occur in most categories in 1999 with the exception of the price class of \$1 to \$49,000. San Antonio's predominant value range is between \$50,000 to \$160,000. This price

1998 / 1999 Comparison Single Family Price Distribution



range basically represents almost 70% of the real estate transactions recorded in our marketplace.

An important factor is that a once affordable price under the \$50,000 range is now a shrinking percentage as we see our market appreciate.

A noticeable difference is the \$160,000 to \$299,000 price range which had a 1.2% increase in 1999.

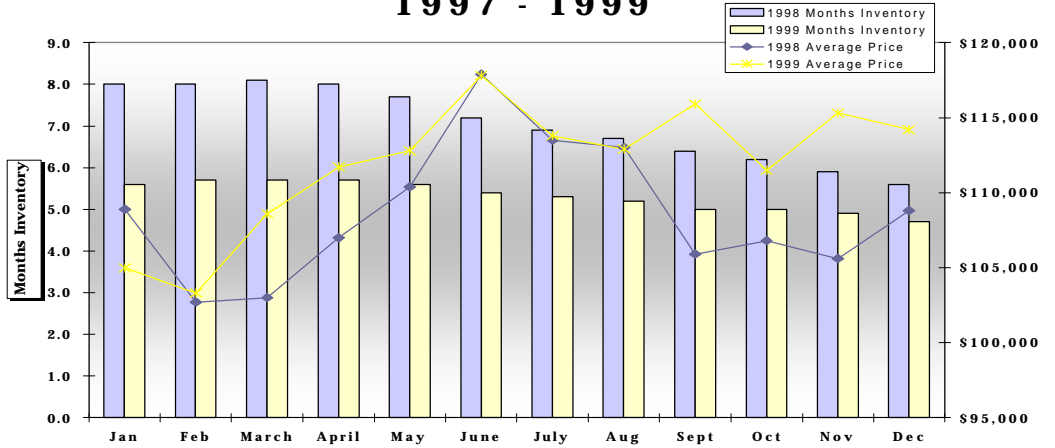
Projections are that the \$90,000 to \$159,000 price class will continue to grow, and within the next five years to be the dominant price class for the city of San Antonio.

The chart on the right illustrates the relationship between the amount of units for sale (months of inventory) and the price affected by either supply or demand in the market place.

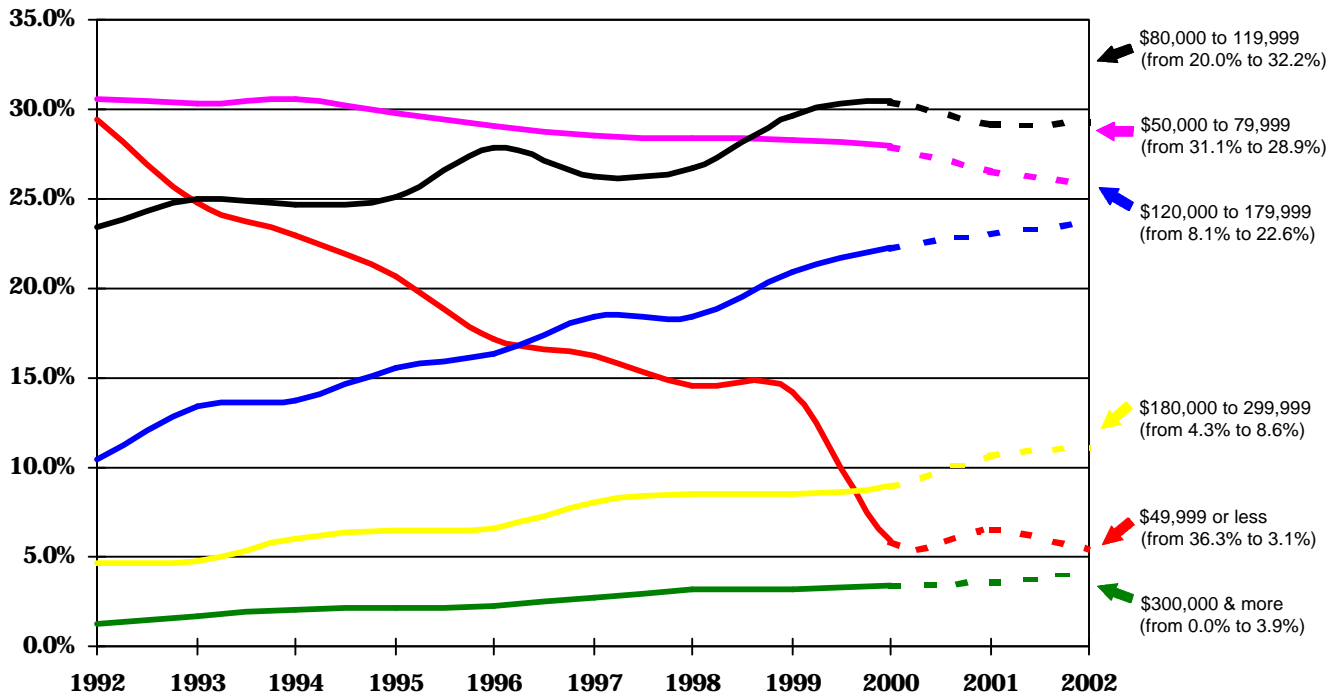
As an example, in 1998, as the home inventory rose in the first and second quarter of the year the average price index fell. The “summer selling months” between May through August typically

bring up pricing with a slight slow down of sales in the fall of that year. In 1999, the chart illustrates the slight slow down in average pricing in the first quarter due to the typical seasonal adjustment and then a rise in the summer months to a record high of \$116,000.

Months Inventory vs Average Price 1997 - 1999

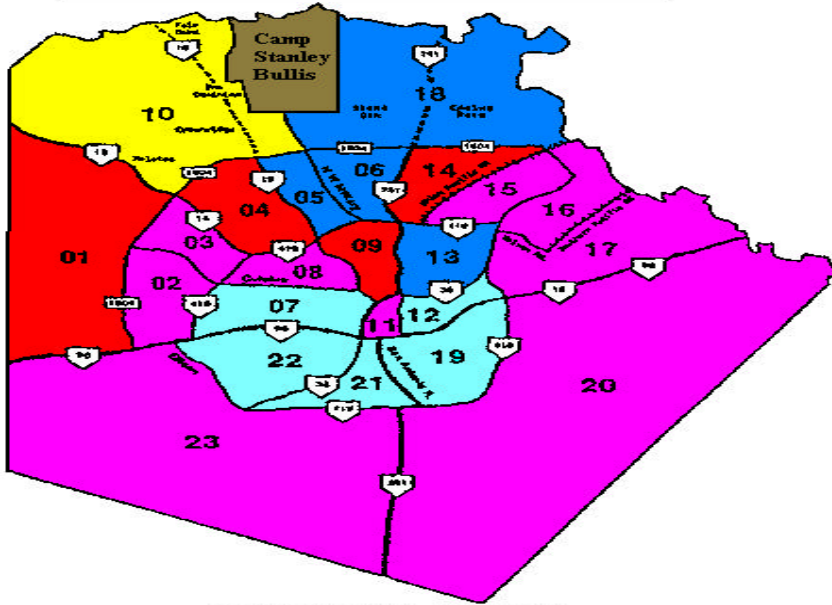


Price Distribution of MLS Homes Sold in San Antonio



The chart above shows the price distribution of homes in our market based upon a time line of historical data along with our projections of the future price trends. As illustrated, the market has and continues to show appreciation, especially in the \$120,000 to \$179,999 price categories. Based upon historical data, this price class (\$120,000-\$179,999) has shown the greatest increase percentage wise from a low of 11% of the total market share in 1992 to 24% at the end of year 2002. The market price range which is drastically decreasing is the \$49,999 or less home which by the end of 2002 will almost be non-existent in our market.

WHERE'S THE VALUE?



AVERAGE PRICE



The Multiple Listing Service (MLS) area map shown to the left has been color coded by average price range.

Counties not indicated on the graph include the following:

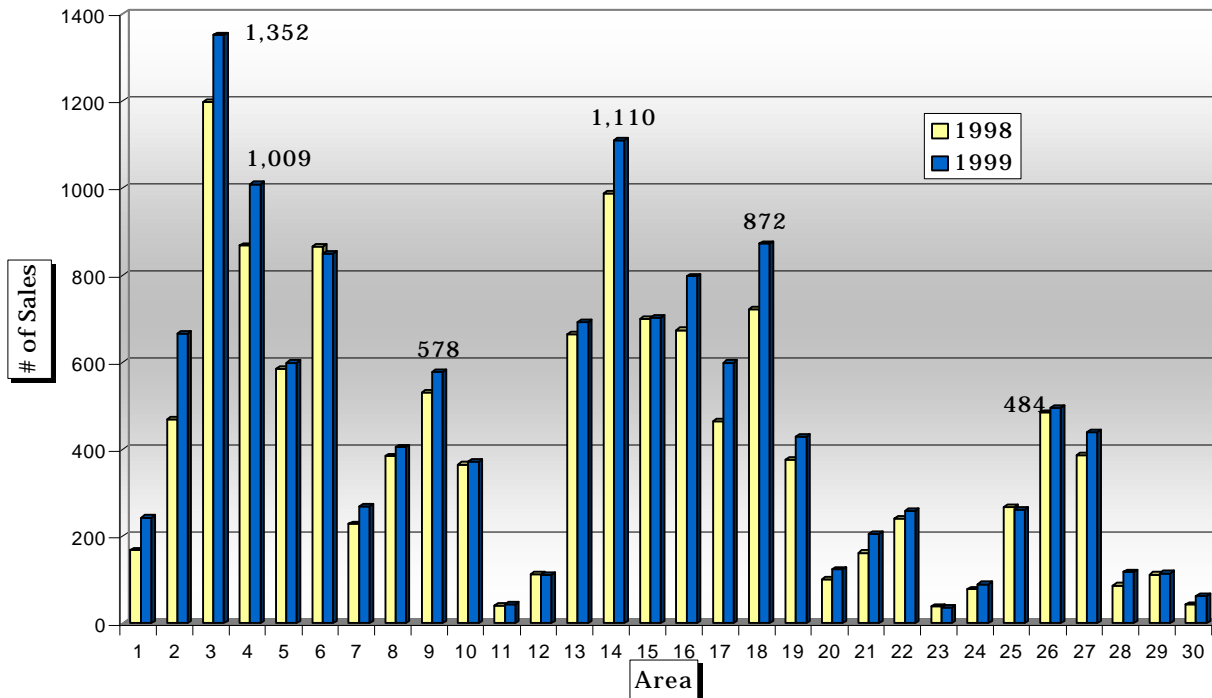
Bandera County	24
Kendall County	25
Comal County	26
Guadalupe County	27
Wilson County	28
Atascosa County	29
Medina County	30

The graph below indicates the year-to-date sales closed by area.

The best selling regions during 1998 and 1999 are areas 3,4,14 and 18.

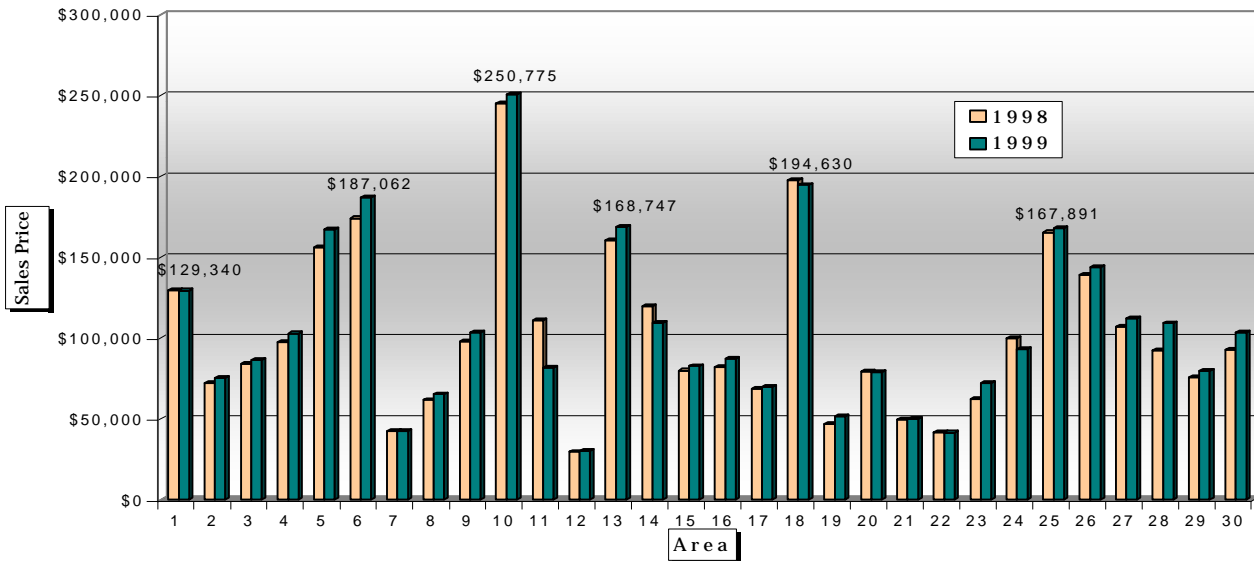
The hottest selling counties outside of Bexar County were Comal (zone 26) and Guadalupe (zone 27).

Sales Closed by Area

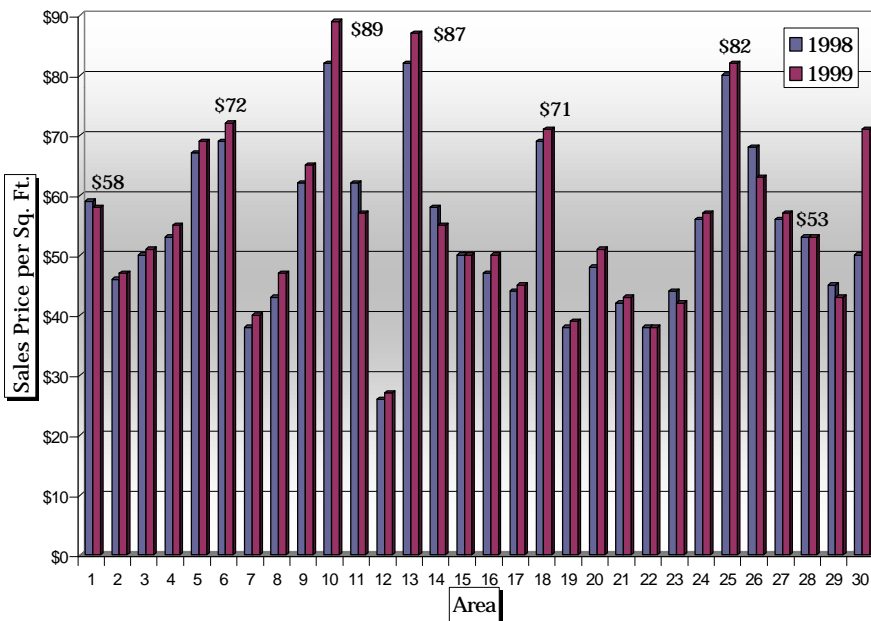


The chart below illustrates the year-to-date average sales price broken down by the MLS market grid area. Area 10 indicated the highest average price at \$250,775 in 1999 which is up from last year at \$245,132, a 4% appreciation. This area includes such subdivisions as The Dominion, Crownridge, and other similar custom home developments. Another high value area is zone 18 which includes such developments as Sonterra, Stoneoak, Greystone and others. This area indicated the second highest average price at \$194,630.

Average Sales Price



Average Sales Price per Sq. Ft.



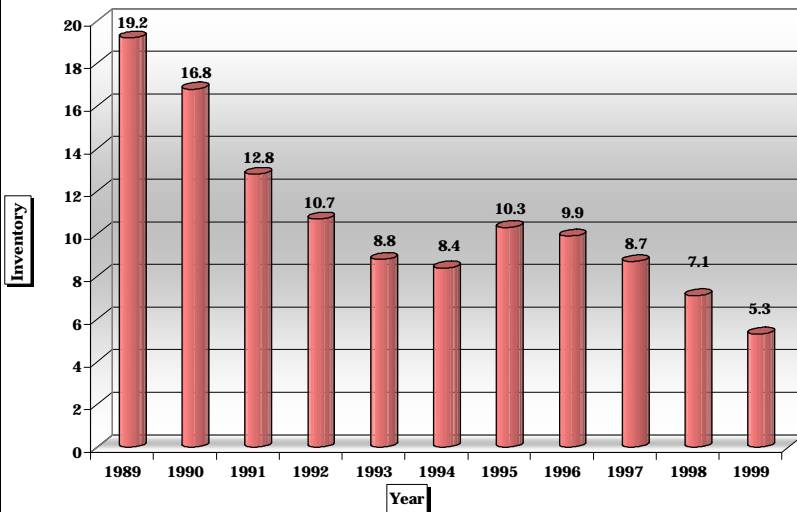
This graph demonstrates the MLS map areas by price per square foot.

The highest average price per square foot for San Antonio is map area 10, which as shown above has the highest average sales price.

Another high price per square foot area is map area 13 which includes such neighborhoods as Alamo Heights, Terrell Hills, Olmos Park and Monte Vista.

The third highest price per square foot area is not even located in Bexar County but rather in Kendall County which is zone 25.

Months Inventory



This 10-year graph dramatically demonstrates what the San Antonio real estate market has overcome. In 1989, there was over 18 MONTHS worth of product in inventory. Today, through the efforts of our real estate community, we show less than 5.3 MONTHS! What a difference!

At the end of 1999, San Antonio broke a 11-year record having the LOWEST percentage of homes for sale in the marketplace. As of February 1999, there was a current home inventory of approximately 4.9 months. What this leads Michael E. Reyna & Associates, Inc. to predict is that we are possibly returning to a seller's market, with competition for available product being extremely high.

Our Services Include

Free Appraisal Seminar

Is Bexar County Appraisal District square footage correct?

NO! So what can you do about it?

In the contract under "7-D2", what really constitutes lender required repairs?

How to make adjustments for quality, square footage, lot location, and more.

Builder Consulting

Feasibility analysis of new developments (demographic studies, etc.).

Floor Plan and Amenity Package review and comparison analysis.

Statistical Analysis on pricing, square footage, lot absorption.

Third party realtor and homeowner surveys and questionnaires.

Free Technical Support

"Ask an Appraiser" - Have a question regarding pricing, reports or just need help?

Need a plat map, flood plain map for your listing presentation.

Research and assistance with difficult property issues - i.e. high power lines, foundation failure, traffic noise, garage conversion, etc.



Call us for more information

Michael E. Reyna & Associates, Inc.

601 Embassy Oaks, Suite 100 San Antonio, Texas 78216

210-829-7864 Fax 210-829-0384

www.mra-appraisal.com

We Measure Up To Your Customer Satisfaction

At Michael E. Reyna & Associates, Inc., we are committed to provide our clients with the best real estate appraisal service in our industry. It is our goal to bring our talents in technology, data collection and analysis to the appraisal and consulting requirements of our customers. Call Us -We Are Here to Help!

- Michael E. Reyna