



Market Observation: Comfort & Center Point

As San Antonio forges outside of Loop 1604 to the Northwest, the IH-10 corridor is the place to be, if you can afford it. Commercial developments are popping up like wild fire and residential developers will pay top dollar for land along IH-10. The gap between San Antonio and Boerne is quickly closing.

San Antonio seems to be growing in the right direction to make land beyond Boerne a viable option for developers. But, will they ever make that jump? Will residential developers keep pushing out IH-10 and move on to Comfort, Kerrville, and someday even Center Point? In my opinion these submarkets, at the present time, are not viable options for speculation, single family development, and/or Ranchettes. It will be ten to twenty years before Comfort or Center Point will be able to support more density than 3 to 5 acre lots due to an inferior location to Kerrville and, of course, Boerne. Kerrville, on the other hand, could support some small high density developments and will probably see some of new developments in the future. But, with high land prices of land and high cost of construction in the Texas Hill County it is difficult to develop lots in such a small market.

Recently, Center Point has proposed a waste water transmission line and water transmission line running along SR-27(refer to attachments). The potential service area will begin west of Comfort, follow SR-27 and end to the west of Center Point. While the potential water and sewer lines give hope for high density development the market isn't there. With SR-27 as your major thoroughfare and a town with a small demographic (refer to attachments) the housing market would not be able to sustain high sales volumes. In my opinion the proposed water and sewer line will not affect the property values, if anything it will cause them to stay the same, due to an already inflated market.

The land values in the area have escalated to the point that large lot development isn't profitable. The listings in the area for tracts over 100 acres are ranging from \$10,000.00 to \$18,000.00 per acre. Contrary to the high land prices, lot prices are ranging from \$15,000.00 to \$23,000.00 per acre, creating a small profit margin for large lot development. In my opinion the market for large land tracts in the area surrounding Center Point is 40%-50% too high.

There are three area subdivisions worth mentioning, two are along SR-27 between Center Point and Comfort, the other is outside of Comfort on IH-10. The first subdivision, Ledgestone, is located about 2 or 3 miles east of Center Point on SR-27. It is a small subdivision with about ten to fifteen 5+/- acre lots priced at about \$12,000.00 per acre. The next subdivision is The Ranches at Sunset Ridge which is located a mile north of SR-27 on Wilson Creek Road. This subdivision features ten 20 to 30 acre ranches ranging from \$18,000.00 to \$20,000.00 per acre (refer to attachments). The final subdivision is named Jungfrau Hill Estates and is located on IH-10 just southwest of Comfort. This subdivision features lots ranging from 20 to 35 acres and the price range is between \$15,000.00 and \$19,000.00 per acre (refer to attachments).

In my opinion the market in Center Point/ Comfort area should be valued a about \$6500.00 to \$9000.00 per acre depending on where the property is located. Investment in the area would be best suited near IH-10 and SR-27 around comfort or closer to Kerrville.

- Brodie Lowrey