SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2003

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-9977

MERITAGE CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Maryland	86-0611231
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

8501 East Princess Drive, Suite 290 Scottsdale, Arizona	85255
(Address of Principal Executive Offices)	(Zip Code)

(480) 609-3330
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

As of May 7, 2003, 12,983,194 shares of Meritage Corporation common stock were outstanding.

MERITAGE CORPORATION
FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2003
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MERITAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(UNAUDITED) MARCH 31, 2003	DECEMBER 31, 2002
	(IN THOUSANDS, EXCEPT SHARE DATA)	
ASSETS		
Cash and cash equivalents	$ 21,962	$ 6,600
Real estate	543,278	484,970
Deposits on real estate under option or contract	87,422	77,516
Receivables	5,424	8,894
Deferred tax asset, net	2,701	2,701
Goodwill	74,040	73,785
Property and equipment, net	14,881	14,007
Prepaid expenses and other assets	14,207	13,941
Investments in unconsolidated entities	10,516	9,374
Total assets	$ 774,431	$ 691,788
LIABILITIES		
Accounts payable	$ 55,956	$ 52,133
Accrued liabilities	52,935	41,329
Home sale deposits	19,487	16,091
Loans payable	111,450	109,927
Senior notes	206,625	155,000
Total liabilities	446,453	374,480
STOCKHOLDERS' EQUITY		
Common stock, par value $0.01. 50,000,000 shares authorized; 15,240,860 and 15,227,460 shares issued at March 31, 2003 and December 31, 2002, respectively	152	152
Additional paid-in capital	197,397	197,320
Retained earnings	163,982	148,209
Treasury stock at cost, 2,302,226 and 2,137,926 shares at March 31, 2003 and December 31, 2002, respectively	(33,553)	(28,373)
Total stockholders' equity	327,978	317,308
Total liabilities and stockholders' equity	$ 774,431	$ 691,788

See accompanying notes to consolidated financial statements

MERITAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 2003	2002
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
Home sales revenue	$ 283,410	$ 169,731
Cost of home sales	(227,056)	(138,095)
Home sales gross profit	56,354	31,636
Commissions and other sales costs	(19,745)	(11,296)
General and administrative expenses	(12,212)	(7,465)
Other income, net	1,209	1,168

Earnings before income taxes	25,606	14,043
Income taxes	(9,833)	(5,477)
Net earnings	$ 15,773	$ 8,566
Weighted average number of shares:		
Basic	13,041	11,137
Diluted	13,683	11,950
Net earnings per common share:		
Basic	$ 1.21	$ 0.77
Diluted	$ 1.15	$ 0.72

See accompanying notes to consolidated financial statements

MERITAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(IN THOUSANDS)	
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 15,773	$ 8,566
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	1,717	1,351
Increase in deferred tax asset	--	(497)
Tax benefit from stock option exercises	--	3,202
Changes in assets and liabilities:		
Increase in real estate	(58,308)	(45,088)
Increase in deposits on real estate under option or contract	(9,906)	(1,034)
Decrease (increase) in receivables and prepaid expenses and other assets	2,968	(939)
Increase (decrease) in accounts payable and accrued liabilities	15,429	(4,106)
Increase in home sale deposits	3,396	3,207
Net cash used in operating activities	(28,931)	(35,338)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in and distributions from unconsolidated entities, net	(1,142)	14
Purchases of property and equipment	(2,355)	(1,520)
Increase in goodwill	(255)	(444)
Net cash used in investing activities	(3,752)	(1,950)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable	227,835	142,987
Repayments of loans payable	(226,312)	(110,349)
Increase in senior notes	51,625	--
Purchase of treasury stock	(5,180)	--
Proceeds from stock option exercises	77	1,540
Net cash provided by financing activities	48,045	34,178
Net increase (decrease) in cash and cash equivalents	15,362	(3,110)
Cash and cash equivalents at beginning of period	6,600	3,383
Cash and cash equivalents at end of period	$ 21,962	$ 273
SUPPLEMENTED DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 797	$ 371
Income taxes	$ 8,305	$ 7,424

</TABLE>

See accompanying notes to consolidated financial statements

MERITAGE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2003 AND 2002

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

BUSINESS. We are a leading designer and builder of single-family homes in the rapidly growing Sunbelt states of Texas, Arizona, California and Nevada. We focus on providing a broad range of first-time, move-up and luxury homes to our targeted customer base. We and our predecessors have operated in Arizona since 1985, in Texas since 1987 and in Northern California since 1989. We expanded our presence in Texas with the July 2002 acquisition of Hammonds Homes (Hammonds), a builder that focuses on the move-up market in the Houston, Dallas/Ft. Worth and Austin areas. We entered the Las Vegas, Nevada market in October 2002 with our acquisition of Perma-Bilt Homes (Perma-Bilt), another move-up builder.

We operate in Texas as Legacy Homes, Monterey Homes and Hammonds Homes, in Arizona as Monterey Homes, Meritage Homes and Hancock Communities, in Northern California as Meritage Homes and in Nevada as Perma-Bilt Homes. At March 31, 2003, we were actively selling homes in 125 communities, with base prices ranging from $88,000 to $910,000. We have four primary business segments: Texas, Arizona, California and Nevada. See Note 7 to our consolidated financial statements included in this report for information regarding our segments.

BASIS OF PRESENTATION. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, and include the accounts of Meritage Corporation and those of our consolidated subsidiaries. Intercompany balances and transactions have been eliminated in consolidation and certain prior year amounts have been reclassified to be consistent with current financial statement presentation. In our opinion, the unaudited consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our financial position and results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of results to be expected for a full fiscal year or for any future periods. These financial statements should be read in conjunction with our consolidated financial statements and footnotes thereto included in our annual report on Form 10-K for the year ended December 31, 2002.

STOCK SPLIT. On April 2, 2002, our Board of Directors declared a two-for-one split of our common stock in the form of a stock dividend to stockholders of record on April 12, 2002. The additional shares were distributed on April 26, 2002. All share and per share amounts have been restated to reflect the stock split.

EQUITY OFFERING. In June 2002, we sold 2,012,500 shares of our common stock at a price of $42.00 per share. The net proceeds from the offering of $79.7 million were used primarily for our July 2002 purchase of Hammonds Homes, with the balance being used for general corporate purposes and our purchase of Perma-Bilt Homes in October 2002.

STOCK-BASED COMPENSATION. See discussion of SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," under this note, "Recent Accounting Pronouncement".

At March 31, 2003, we had one stock-based employee compensation plan. We apply the intrinsic value-based method of accounting prescribed in Accounting Principles Board ("APB") Opinion No. 25 "Accounting for Stock Issued to Employees", as allowed by SFAS No. 123, "Accounting for Stock-Based Compensation" and SFAS No. 148. Under this method, compensation expense is recorded on the date of the grant only if the market price of the underlying stock on the date of the grant was greater than the exercise price. SFAS No. 123 established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As allowed by SFAS No. 123, we have elected to continue to apply the intrinsic value-based method of accounting described above, and have adopted the disclosure requirements of SFAS No. 123. We have not issued options with exercise prices below the market value on the date of the grant, therefore we have not recognized compensation expense for our stock-based plan. Had

compensation cost for these plans been determined pursuant to SFAS No. 123, our net earnings and earnings per share would have been reduced to the following amounts.

		THREE MONTHS ENDED MARCH 31, (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS) 2003	2002
Net earnings	As reported	$ 15,773	$ 8,566

	Deduct*	(872)	(286)
	Pro forma	$ 14,901	$ 8,280
Basic earnings per share	As reported	$ 1.21	$ 0.77
	Pro forma	$ 1.14	$ 0.74
Diluted earnings per share	As reported	$ 1.15	$ 0.72
	Pro forma	$ 1.09	$ 0.69

*Deduct: Total stock-based employee compensation expense determined under fair value based method for awards, net of related tax effects.

The fair value for options granted in the first quarter of 2003 was established at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions. No options were granted in the first quarter of 2002.

	THREE MONTHS ENDED MARCH 31, 2003
Expected dividend yield	0%
Risk-free interest rate	3.30%
Expected volatility	55%
Expected life (in years)	7
Weighted average fair value of options	$18.62

To date, we have only granted options to employees and non-employee directors.

COMMON STOCK REPURCHASE. In August 2002, we announced that our Board of Directors authorized the expenditure of up to $32 million to repurchase shares of our common stock. No date for completing the program has been determined, but we will purchase shares subject to applicable securities laws, and at times and in amounts as management deems appropriate. In the first quarter of 2003, we repurchased 164,300 shares of our common stock at an average price of $31.53 per share.

WARRANTY RESERVES. We have certain obligations related to post-construction warranties and defects related to homes sold. Historically these amounts have not been material and we do not anticipate future obligations to be material. At March 31, 2003, we had approximately $7.2 million in reserve for various warranty claims. Summaries of our warranty reserve follow (in thousands):

	MARCH 31,	
	2003	2002
Warranty reserve, beginning of period	$ 6,676	$ 4,071
Additions to reserve	1,655	926
Warranty claims and expenses	(1,119)	(1,244)
Warranty reserve at end of period	$ 7,212	$ 3,753

RECENT ACCOUNTING PRONOUNCEMENTS. In January 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities", an interpretation of Accounting Research Bulletin No. 51. FIN 46 addresses consolidation by business enterprises of variable interest entities (selected entities with related contractual, ownership, voting or other monetary interests, including certain special purpose entities), and requires certain additional disclosure with respect to these entities. The provisions of FIN 46 are applicable immediately to variable interest entities created after January 31, 2003. A public entity with a variable interest in a variable interest entity created before February 1, 2003, shall apply the provisions of FIN 46 to that entity no later than the beginning of the first interim or annual reporting period beginning after June 15, 2003. We do not expect the requirements of FIN 46 to have a material impact on our consolidated financial statements.

In December 2002, the FASB issued SFAS 148, "Accounting for Stock-Based Compensation-Transition and Disclosure." This amendment to FASB Statement No. 123 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of FASB Statement No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The provisions of this statement were effective for financial statements of interim or annual periods after December 15, 2002. We do not currently intend to change to the fair value method of accounting. The required disclosures are included in the stock-based compensation section of this note.

In November 2002, the FASB issued FASB Interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation expands the disclosures to be made by a guarantor in its financial statements about its obligations under certain guarantees and requires the guarantor to recognize a liability for the fair value of an obligation assumed under a guarantee. FIN 45 clarifies the requirements of SFAS No. 5, "Accounting for Contingencies," relating to guarantees. In general, FIN 45 applies to contracts or indemnification agreements that contingently require the guarantor to make payments to the guaranteed party based on changes that are related to an asset, liability, or equity security of the guaranteed party. Certain guarantee contracts are excluded from both the disclosure and recognition requirements of this interpretation, including, among others, guarantees relating to employee compensation, residual value guarantees under capital lease arrangements, commercial letters of credit, loan commitments, subordinated interests in a special purpose entity, and guarantees of a company's own performance. Other guarantees are subject to the disclosure requirements of FIN 45 but not to the recognition provisions and include, among others, a guarantee accounted for as a derivative instrument under SFAS 133, a parent's guarantee of debt owed to a third party by its subsidiary or vice versa, and a guarantee which is based on performance, not price. The disclosure requirements of FIN 45 were effective for us as of December 31, 2002 and required disclosure of the nature of the guarantee, the maximum potential amount of future payments that the guarantor could be required to make under the guarantee, and the current amount of the liability, if any, for the guarantor's obligations under the guarantee. The recognition requirements of FIN 45 are to be applied prospectively to guarantees issued or modified after December 31, 2002. The adoption of FIN 45 on January 1, 2003 did not have a material impact on our consolidated financial statements. For disclosures required by FIN 45 applicable to us, see Note 11, "Commitments and Contingencies" to our Annual Report on Form 10-K for December 31, 2002 and the Warranty Reserves section of this footnote.

NOTE 2 - REAL ESTATE AND CAPITALIZED INTEREST

Real estate consists of the following (in thousands):

	MARCH 31, 2003	DECEMBER 31, 2002
Homes under contract, in production	$ 228,351	$ 191,761
Finished home sites	140,251	123,500
Home sites under development	75,930	66,552
Homes held for resale	53,704	55,273
Model homes	19,998	19,160
Land held for development	25,044	28,724
	$ 543,278	$ 484,970

We capitalize certain interest costs incurred during the development and construction period of real estate. Capitalized interest is allocated and capitalized to real estate when incurred and charged to cost of sales when the related property is closed. Summaries of interest incurred, interest capitalized and interest expensed follow (in thousands):

	MARCH 31, 2003	MARCH 31, 2002
Interest capitalized, beginning of period	$ 8,781	$ 8,746
Interest capitalized	5,662	4,553
Amortization to cost of home and land sales	(4,031)	(3,374)
Interest capitalized, end of period	$ 10,412	$ 9,925
Interest incurred	$ 5,662	$ 4,553
Interest capitalized	(5,662)	(4,553)
Interest expensed	$ --	$ --

NOTE 3 - LOANS PAYABLE AND SENIOR NOTES

Loans payable consist of the following (in thousands):

	MARCH 31, 2003	DECEMBER 31, 2002
$250 million unsecured revolving credit facility maturing December 12, 2005 with extension provisions, with interest payable monthly approximating prime (4.25% at March 31, 2003) or LIBOR (approximately 1.285% at March 31, 2003) plus 2.0%	$ 110,300	$ 107,565
Acquisition and development seller carry back financing, interest payable at a fixed rate of 15% per annum, principal and interest payments payable at the date of the sale of individual properties to a third party, secured by first deeds of trust on real estate	1,150	2,362
Total loans payable	$ 111,450	$ 109,927

At March 31, 2003, our outstanding 9.75% senior notes due 2011 totaled $206.6 million, which includes $155.0 million in principal amount issued in May 2001 and an add-on of $51.6 million, including premium, issued in February 2003. The February 2003 add-on offering of $50 million in aggregate principal amount of our 9.75% senior notes was issued at a price of 103.25% of their face amount to yield 9.054%, and together with the May 2001 offering, constitute a single series of notes.

The bank credit facility and senior unsecured notes contain covenants which require maintenance of certain levels of tangible net worth, compliance with certain minimum financial ratios and place limitations on the payment of dividends and redemptions of equity, and limit the incurrence of additional indebtedness, asset dispositions, mergers, certain investments and creations of liens, among other items. As of March 31, 2003 we were in compliance with these covenants. The senior unsecured notes restrict our ability to pay dividends.

NOTE 4 - ACQUISITIONS

PERMA-BILT ACQUISITION. Effective October 1, 2002, we purchased the homebuilding assets of Perma-Bilt Homes ("Perma-Bilt Homes" or "Perma-Bilt"), a builder of single-family homes in the Las Vegas, Nevada metropolitan area. The purchase price was approximately $46.6 million in cash including the repayment of existing debt in the amount of $16.7 million. We also assumed accounts payable, accrued liabilities and home sale deposits totaling $5.8 million. In addition, we agreed to an earn-out of 10% of the pre-tax profits of Perma-Bilt, payable in cash over three years. Perma-Bilt Homes builds a wide range of homes with a focus on serving the move-up housing markets in Nevada.

HAMMONDS ACQUISITION. On July 1, 2002, we acquired substantially all of the homebuilding and related assets of Hammonds Homes, Ltd., and Crystal City Land & Cattle, Ltd., (collectively, "Hammonds Homes" or "Hammonds"). The purchase price was approximately $83.4 million in cash plus the assumption of accounts payable, accrued liabilities, and home sale deposits totaling $11.0 million and a note payable totaling $1.1 million. Established in 1987, Hammonds Homes builds a wide range of homes in communities throughout the Houston, Dallas/Ft. Worth and Austin, Texas areas with a focus on serving the move-up housing market.

The following unaudited pro forma financial data for the three months ended March 31, 2003 and 2002 has been prepared as if the acquisition of the assets and liabilities of Hammonds on July 1, 2002 and Perma-Bilt on October 1, 2002 had occurred on January 1, 2002. Unaudited pro forma financial data is presented for informational purposes only and is based on historical information. This information may not be indicative of our actual amounts had the transactions occurred on the dates listed above, nor does it purport to represent future periods (in thousands except per share amounts):

	THREE MONTHS ENDED MARCH 31, 2003	2002
Revenue	$ 283,410	$ 227,874
Net earnings	$ 15,773	$ 9,869
Diluted EPS	$ 1.15	$ 0.83

GOODWILL. Goodwill represents the excess of the purchase price of our acquisitions over the fair value of the assets acquired. The acquisitions of Hammonds and Perma-Bilt were recorded using the purchase method of accounting with the results of operations of these entities included in our consolidated financial statements as of the date of the acquisition. The purchase prices were allocated based on estimated fair value of the assets and liabilities at the date of the acquisition. Intangible assets equal to the excess purchase price over the fair value of the net assets of $21.3 million and $17.2 million for Hammonds and Perma-Bilt, respectively, were recorded as goodwill, which is presented on the consolidated balance sheet. The first quarter 2003 increase of $254,490 in the carrying amount of goodwill on our balance sheet was caused by the earnout of our Nevada division. The earnout is based on a percentage of Perma-Bilt's earnings for the period and was negotiated at the time we acquired the Nevada operations.

Under the guidelines contained in SFAS No. 142, "Goodwill and Other Intangible Assets," in the first quarter of 2003 management performed an analysis concerning potential impairment of the goodwill carried on our balance sheet and it was determined that no impairment existed.

NOTE 5 - EARNINGS PER SHARE

A summary of the reconciliation from basic earnings per share to diluted earnings per share for the three months ended March 31, 2003 and 2002 follows. The number of shares outstanding and earnings per share have been adjusted to reflect the 2-for-1 stock split effective April 26, 2002:

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(in thousands, except per share amounts)	
<S>	<C>	<C>
BASIC:		
Net earnings	$ 15,773	$ 8,566
Weighted average number of shares outstanding	13,041	11,137
Basic earnings per share	$ 1.21	$ 0.77
DILUTED:		
Net earnings	$ 15,773	$ 8,566
Weighted average number of shares outstanding-basic	13,041	11,137
Effect of dilutive securities:		
Options to acquire common stock	642	813
Diluted weighted average common shares outstanding	13,683	11,950
Diluted earnings per share	$ 1.15	$ 0.72
Antidilutive stock options not included in diluted EPS	296	--

</TABLE>

NOTE 6 - INCOME TAXES

Components of income tax expense attributable to earnings before income taxes at March 31 are as follows (in thousands):

	2003	2002
Current taxes:		
Federal	$ 8,514	$ 5,062
State	1,319	846
	9,833	5,908
Deferred taxes:		
Federal	--	(400)
State	--	(31)
	--	(431)
Total	$ 9,833	$ 5,477

NOTE 7 - SEGMENT INFORMATION

We classify our operations into four primary operating segments: Texas, Arizona, California and Nevada. These segments generate revenue through home sales to external customers and are not dependent on any one major customer. During 2002 we changed the composition of our reportable segments. Previously, we classified our operations into two segments, first-time and volume priced homes. This previous classification structure placed our various divisions into two categories based on the primary price range of homes built by that division.

We changed our classification structure because as our divisions broadened the price ranges of homes offered, it became impractical to place a division in one or the other category. Accordingly, the current structure summarizes our divisions by the state in which they are located. We have restated the corresponding items of segment information for 2002.

Operational information relating to our business segments follows. Certain information has not been included by segment due to the immateriality of the amount to the segment or in total. We evaluate segment performance based on several factors, of which the primary financial measure is earnings before interest expense, interest amortized to cost of sales, income taxes and extraordinary items (EBIT). EBIT is a widely accepted financial indicator used by investors and analysts to analyze and compare companies on the basis of operating performance and we believe is a financial measure widely used in the homebuilding industry. A reconciliation of reported net earnings to EBIT follows:

	2003	2002
Net earnings	$ 15,773	$ 8,566
Income taxes	9,833	5,477
Interest	4,031	3,374
EBIT	$ 29,637	$ 17,417

The accounting policies of our business segments are the same as those described in Note 1. There are no significant transactions between our primary segments.

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(in thousands)	
HOME SALES REVENUE:		
Texas	$ 121,503	$ 62,042
Arizona	67,125	64,726
California	67,303	42,963
Nevada	27,479	--
Total	$ 283,410	$ 169,731

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	(in thousands)	
EBIT:		
Texas	$ 13,945	$ 8,754
Arizona	4,570	4,610
California	10,923	4,856
Nevada	3,579	--
Corporate and other	(3,380)	(803)
Total	$ 29,637	$ 17,417

	AT MARCH 31, 2003	AT DECEMBER 31, 2002

	(in thousands)	
ASSETS:		
Texas	$ 314,917	$ 274,163
Arizona	248,255	230,176
California	128,291	113,467
Nevada	70,534	62,143
Corporate and other	12,434	11,839
Total	$ 774,431	$ 691,788

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q contains forward-looking statements. The words "believe," "expect," "anticipate," "plan" and "project" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements may include, but are not limited to, projections of revenue, income or loss, capital expenditures and backlog; plans for future operations; financing needs or plans and liquidity; the impact of changes in interest rates; plans relating to our products or services, acquisitions, and new or planned development projects; the demand for and pricing of our homes; the expected outcome of legal proceedings against us; the sufficiency of our capital resources; the impact of new accounting standards; and our ability to continue positive operating results in light of current economic and political conditions, as well as assumptions relating to the foregoing.

Actual results may differ materially from those expressed in forward-looking statements. Risks identified in Exhibit 99.4 to this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2002, including those under the captions "Market for the Registrant's Common Stock and Related Stockholder Matters - Factors That May Affect Future Stock Performance," and in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Factors that May Affect Our Future Results and Financial Condition" describe factors, among others, that could contribute to or cause such differences. These factors may also affect our business generally. As a result of these and other factors, our stock and note prices may fluctuate dramatically.

RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations is based our consolidated unaudited financial statements for the three months ended March 31, 2003 and 2002. All material balances and transactions between us and our subsidiaries have been eliminated. In management's opinion, the data reflects all adjustments, consisting of only normal recurring adjustments, necessary to fairly present our financial position and results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of results expected for a full fiscal year.

CRITICAL ACCOUNTING POLICIES

We have established various accounting policies which govern the application of accounting principles generally accepted in the United States of America in the preparation and presentation of our consolidated financial statements. Our significant policies are described in Note 1 of the consolidated financial statements in our Annual Report on Form 10-K for December 31, 2002. Certain accounting policies involve significant judgments, assumptions and estimates by management that have a material impact on the carrying value of

certain assets and liabilities, and revenues and costs which we consider to be critical accounting policies. The judgments, assumptions and estimates we use are based on historical experience, knowledge of the accounts and other factors which we believe to be reasonable under the circumstances, and we evaluate our judgments and assumptions on an on-going basis. Because of the nature of the judgments and assumptions we have made, actual results could differ from these judgments and estimates, which could have a material impact on the carrying values of assets and liabilities and the results of our operations.

The accounting policies that we deem most critical to us, and involve the most difficult, subjective or complex judgments, include our estimates of costs to complete our individual projects, the ultimate recoverability (or impairment) of these costs, goodwill impairment, the likelihood of closing lots held under option or contract and the ability to estimate expenses and accruals, including legal and warranty reserves. Should we under or over estimate costs to complete individual projects, gross margins in a particular period could be misstated and the ultimate recoverability of costs related to a project from home sales may be uncertain. Furthermore, non-refundable deposits paid for land options or contracts may have no economic value to us if we do not ultimately purchase the land. Our inability to accurately estimate expenses, accruals, or an impairment of real estate or goodwill could result in charges, or income, in future periods, which relate to activities or transactions in a preceding period.

We acquired Hammonds Homes, a builder in Houston, Austin and Dallas, Texas, effective July 1, 2002, and Perma-Bilt Homes, which builds in the Las Vegas, Nevada area, effective October 1, 2002. The results presented below include the operations of these acquisitions since their dates of purchase and are not necessarily indicative of results to be expected in the future.

HOME SALES REVENUE, SALES CONTRACTS AND NET SALES BACKLOG

The data provided below shows operating and financial data regarding our homebuilding activities.

	QUARTER ENDED MARCH 31, ($ IN THOUSANDS)		
HOME SALES REVENUE	2003	2002	% CHANGE
TOTAL			
Dollars	$ 283,410	$ 169,731	67%
Homes closed	1,136	758	50%
Average sales price	$ 249.5	$ 223.9	11%
TEXAS *			
Dollars	$ 121,503	$ 62,042	96%
Homes closed	606	363	67%
Average sales price	$ 200.5	$ 170.9	17%
ARIZONA			
Dollars	$ 67,125	$ 64,726	4%
Homes closed	250	285	(12%)
Average sales price	$ 268.5	$ 227.1	18%
CALIFORNIA			
Dollars	$ 67,303	$ 42,963	57%
Homes closed	158	110	44%
Average sales price	$ 426.0	$ 390.6	9%
NEVADA **			
Dollars	$ 27,479	$ --	n/a
Homes closed	122	--	n/a
Average sales price	$ 225.2	$ --	n/a

	QUARTER ENDED MARCH 31, ($ IN THOUSANDS)		
SALES CONTRACTS	2003	2002	% CHANGE
TOTAL			
Dollars	$ 412,864	$ 293,082	41%
Homes ordered	1,582	1,160	36%
Average sales price	$ 261.0	$ 252.7	3%
TEXAS *			
Dollars	$ 161,135	$ 85,984	87%
Homes ordered	791	472	68%
Average sales price	$ 203.7	$ 182.2	12%
ARIZONA			
Dollars	$ 123,653	$ 116,603	6%
Homes ordered	447	456	(2%)
Average sales price	$ 276.6	$ 255.7	8%
CALIFORNIA			
Dollars	$ 89,775	$ 90,495	(1%)
Homes ordered	180	232	(22%)
Average sales price	$ 498.8	$ 390.1	28%
NEVADA **			
Dollars	$ 38,301	$ --	n/a
Homes ordered	164	--	n/a
Average sales price	$ 233.5	$ --	n/a

	QUARTER ENDED MARCH 31, ($ IN THOUSANDS)		
NET SALES BACKLOG	2003	2002	% CHANGE

TOTAL			
Dollars	$ 667,218	$ 498,302	34%
Homes in backlog	2,516	2,004	26%
Average sales price	$ 265.2	$ 248.7	7%
TEXAS *			
Dollars	$ 258,531	$ 139,593	85%
Homes in backlog	1,270	802	58%
Average sales price	$ 203.6	$ 174.1	17%
ARIZONA			
Dollars	$ 200,683	$ 257,863	(22%)
Homes in backlog	663	947	(30%)
Average sales price	$ 302.7	$ 272.3	11%
CALIFORNIA			
Dollars	$ 159,399	$ 100,846	58%
Homes in backlog	355	255	39%
Average sales price	$ 449.0	$ 395.5	14%
NEVADA **			
Dollars	$ 48,605	$ --	n/a
Homes in backlog	228	--	n/a
Average sales price	$ 213.2	$ --	n/a

* 2003 amounts include 251 ($54,748) homes ordered, 220 ($46,849) homes closed and 417 ($90,019) homes in backlog from Hammonds Homes.

** Amounts are for Perma-Bilt Homes, acquired effective October 1, 2002.

HOME SALES REVENUE. The increases in total home sales revenue and number of homes closed in the first three months of 2003 compared to the first three months of 2002 results mainly from the addition of Hammonds Homes and Perma-Bilt Homes to our operations in the second half of 2002. Together, Hammonds and Perma-Bilt closed 342 homes with a value of $74.3 million in the first quarter of 2003. In addition, the average sales price of homes closed during the first quarter of 2003 was approximately 11% higher than the comparable period in 2002. A significant portion of this increase is attributable to the increased closings in California, where prices are well above the company average. These increases were partially offset by a decrease in the number of closings in Arizona during the first quarter of 2003 compared to the first quarter in 2002. Generally, the number of homes closed in Arizona were lower as the timing of some new communities tempered our orders during the later part of 2002.

SALES CONTRACTS. Sales contracts for any period represent the aggregate sales price of all homes ordered by customers net of cancellations. We do not include sales contingent upon the sale of a customer's existing home as a sales contract until the contingency is removed. Historically, we have experienced a cancellation rate approximating 25% of gross sales. Total sales contracts increased in the first three months of 2003 compared to the first three months of 2002 due mainly to the addition Hammonds and Perma-Bilt to our operations, which together contributed 415 new sales contracts with a value of approximately $93.0 million. The decrease in sales contracts in our Arizona and Northern California regions for the first quarter of 2003 is attributable to an decrease in the number of communities open for sales compared to the prior year's first quarter.

NET SALES BACKLOG. Backlog represents net sales contracts that have not closed. The aggregate dollar value of homes in backlog at March 31, 2003 increased 34% from March 31, 2002, reflecting a 26% increase in the number of homes in backlog, due primarily to the inclusion of 645 homes from the Hammonds and Perma-Bilt operations, and a 7% increase in the average price of homes in backlog.

OTHER OPERATING INFORMATION

	QUARTER ENDED MARCH 31, ($ IN THOUSANDS)	
	2003	2002
HOME SALES GROSS PROFIT		
Dollars..................................	$56,354	$31,636
Percent of home sales revenue............	19.9%	18.6%
COMMISSIONS AND OTHER SALES COSTS		
Dollars..................................	$19,745	$11,296
Percent of home sales revenue............	7.0%	6.7%
GENERAL AND ADMINISTRATIVE COSTS		
Dollars..................................	$12,212	$ 7,465
Percent of total revenue.................	4.3%	4.4%
INCOME TAXES		
Dollars..................................	$ 9,833	$ 5,477

Percent of earnings before income taxes...	38.4%	39.0%

HOME SALES GROSS PROFIT. Home sales gross profit represents home sales revenue, less cost of home sales, which include developed lot costs, direct home construction costs, an allocation of common community costs (such as model home complex costs and architectural, legal and zoning costs), interest, sales tax, warranty, construction overhead and closing costs. The dollar increase in gross profit for the quarter ended March 31, 2003 is attributable to a 50% increase in number of homes closed. The gross profit percentage increase in the first

quarter of 2003 resulted primarily from improvement in our California and Arizona operations. These improvements were offset by lower margins in Texas, which had been at unusually high levels last year.

COMMISSIONS AND OTHER SALES COSTS. Commissions and other sales costs, such as advertising and sales office expenses, were approximately $19.7 million, or 7.0% of home sales revenue, in 2003, as compared to approximately $11.3 million, or 6.7% of home sales revenue in 2002. The increase in these expenses as a percentage of home sales revenue reflects slightly higher marketing costs due to the greater number of new communities opening for sale, but not yet recording closing revenue during the first quarter of 2003 compared to the first quarter of 2002.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses were approximately $12.2 million, or 4.3% of total revenue in the first quarter of 2003, as compared to approximately $7.5 million, or 4.4% of total revenue in 2002. Operating costs in 2003 were slightly lower as a percentage of revenue in comparison to the prior year primarily due to the June 2002 end to the California earn-out payment per the terms of the purchase contract when we acquired the division. Thus, 2002 general and administrative expenses include approximately $853,000 of costs related to the earn-out, whereas the 2003 amounts do not. The earn-out was based on 20% of the pre-tax earnings of the Northern California region after reduction for a capital charge.

INCOME TAXES. The increase in income taxes to $9.8 million for the quarter ended March 31, 2003 from $5.5 million in the prior year's quarter resulted from an increase in pre-tax income, partially offset by a slight decrease in the effective tax rate.

LIQUIDITY AND CAPITAL RESOURCES

Our principal uses of capital for the quarter ended March 31, 2003 were operating expenses, land purchases, lot development, home construction and the repurchase of common stock. We use a combination of borrowings and funds generated by operations to meet our short-term working capital requirements.

Cash flows for each of our communities depends on the status of the development cycle, and can differ substantially from reported earnings. Early stages of development or expansion require significant cash outlays for land acquisitions, plat and other approvals, and construction of model homes, roads, utilities, general landscaping and other amenities. Because these costs are capitalized, income reported for financial statement purposes during those early stages may significantly exceed cash flow. Later cash flows may significantly exceed earnings reported for financial statement purposes, as cost of sales includes charges for substantial amounts of previously expended costs.

At March 31, 2003, $110.3 million of borrowings were outstanding under our senior unsecured revolving credit facility, with unborrowed availability under the bank credit facility of approximately $110.0 million.

This credit facility contains certain financial and other covenants, including:

- requiring the maintenance of tangible net worth;
- requiring the maintenance of a minimum interest coverage ratio;
- establishing a maximum permitted total leverage ratio;
- imposing limitations on the incurrence of additional indebtedness and liens;
- imposing restrictions on investments, dividends and certain other payments;
- imposing restrictions on sale-leaseback transactions and the incurrence of off-balance sheet liabilities; and
- imposing limitations on the maximum net book value of specified land holdings as a percentage of consolidated tangible net worth.

In February 2003, we completed an add-on offering of $50 million in aggregate principal amount of our 9.75% senior notes due June 1, 2001, the proceeds of which were used to pay down our senior unsecured revolving credit facility. The notes were issued at a price of 103.25% of their face amount to yield 9.054%, and together with the May 2001 offering, constitute a single series of notes.

Our senior notes require us to comply with a number of covenants that restrict certain transactions, including:

- limitations on additional indebtedness;
- limitations on the payment of dividends, redemption of equity interests and certain investments;
- maintenance of a minimum level of consolidated tangible net worth;
- limitations on liens securing certain obligations; and
- limitations on the sale of assets, mergers and consolidations and transactions with affiliates.

As of March 31, 2003, we were in compliance with the credit facility and note covenants.

We believe that our current borrowing capacity, cash on hand at March 31, 2003, and anticipated net cash flows are and will be sufficient to meet liquidity needs for the foreseeable future. There is no assurance, however, that future cash flows will be sufficient to meet future capital needs. The amount and types of indebtedness that we incur may be limited by the terms of the indenture governing our senior notes and by the terms of the credit agreement governing our senior unsecured credit facility.

In August 2002 we announced a new stock repurchase program in which our Board of Directors approved the buyback of up to $32 million of our outstanding stock. In the first quarter of 2003, we repurchased 164,300 shares of our common stock at an average price of $31.53 per share.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a result of our 9.75% senior notes, $206.6 million of our outstanding borrowings is based on a fixed interest rate. Except in limited circumstances, we do not have an obligation to prepay our fixed-rate debt prior to maturity and, as a result, interest rate risk and changes in fair value should not have a significant impact in the fixed rate debt until we would be required to refinance such debt.

We are exposed to market risk primarily related to potential adverse changes in interest rates on our existing revolving credit facility. The interest rate relative to this borrowing fluctuates with the prime and Eurodollar lending rates, both upwards and downwards. As of March 31, 2003, we had approximately $110.3 million drawn under our revolving credit facility that is subject to changes in interest rates. An increase or decrease of 1% in interest rates would change our annual debt service payments by approximately $1.0 million per year. We do not enter into, or intend to enter into, derivative financial instruments for trading or speculative purposes.

Our operations are interest rate sensitive. Overall housing demand is adversely affected by increases in interest rates. If mortgage interest rates increase significantly, this may negatively affect the ability of homebuyers to secure adequate financing. Higher interest rates could adversely affect our revenues, gross margins and net income and will also increase our borrowing costs because our revolving credit facility will fluctuate with the prime and Eurodollar lending rates, both upwards and downwards.

ITEM 4. CONTROLS AND PROCEDURES

Meritage's Co-Chief Executive Officers and Chief Financial Officer have concluded based on their evaluation as of a date within 90 days of the filing of this Form 10-Q, that the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934) are effective. There have been no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

EXHIBIT NUMBER	DESCRIPTION	PAGE OR METHOD OF FILING
99.1	Certificate of Steven J. Hilton, Co-Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.2	Certificate of John R. Landon, Co-Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.3	Certificate of Larry W. Seay, Chief Financial Officer, pursuant to Section 906 of the	Filed herewith

Sarbanes-Oxley Act of 2002

99.4	Private Securities Reform Act of 1995 Safe Harbor Compliance Statement for Forward-Looking Statements	Filed herewith

(b) REPORTS ON FORM 8-K

(1) On February 14, 2003 we filed a Current Report on Form 8-K announcing that we had priced an offering of $50 million in aggregate principal amount of our 9.75% senior notes due 2011.

(2) February 25, 2003, we filed a Current Report on Form 8-K announcing that we had completed a private placement of $50 million in aggregate principal amount of our 9.75% senior notes due June 1, 2011.

(3) On April 10, 2003 we filed a Current Report on Form 8-K for the purpose of furnishing a press release related to the announcement of Meritage's first quarter 2003 new orders, closings and backlog.

(4) On April 24, 2003 we filed a Current Report on form 8-K for the purpose of furnishing a press release related to the announcement of our first quarter 2003 earnings and other results.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 13 day of May, 2003.

MERITAGE CORPORATION,
a Maryland Corporation

By /s/ LARRY W. SEAY

Larry W. Seay
CHIEF FINANCIAL OFFICER AND VICE PRESIDENT-FINANCE (PRINCIPAL FINANCIAL OFFICER)

By /s/ VICKI L. BIGGS

Vicki L. Biggs
VICE PRESIDENT-CONTROLLER (PRINCIPAL ACCOUNTING OFFICER)

CERTIFICATIONS

CERTIFICATION OF THE CO-CHIEF EXECUTIVE OFFICER

I, Steven J. Hilton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Meritage Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the

Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 13, 2003

/s/ Steven J. Hilton

Steven J. Hilton
Co-Chief Executive Officer

CERTIFICATION OF THE CO-CHIEF EXECUTIVE OFFICER

I, John R. Landon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Meritage Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 13, 2003

/s/ John R. Landon

John R. Landon

Co-Chief Executive Officer

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Larry W. Seay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Meritage Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 13, 2003

/s/ Larry W. Seay

Larry W. Seay
Chief Financial Officer

EXHIBIT 99.1

CERTIFICATION PURSUANT TO 18 U.S.C SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Meritage Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven J. Hilton, Co-Chief Executive Officer of the Company certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(1) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MERITAGE CORPORATION,
a Maryland Corporation

By: /s/ STEVEN J. HILTON

Steven J. Hilton
Co-Chief Executive Officer

Date: May 13, 2003

EXHIBIT 99.2

CERTIFICATION PURSUANT TO 18 U.S.C SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Meritage Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John R. Landon, Co-Chief Executive Officer of the Company certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(1) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MERITAGE CORPORATION,
a Maryland Corporation

By: /s/ JOHN R. LANDON

John R. Landon
Co-Chief Executive Officer

Date: May 13, 2003

EXHIBIT 99.3

CERTIFICATION PURSUANT TO 18 U.S.C SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Meritage Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Larry W. Seay, Chief Financial Officer of the Company certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(1) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MERITAGE CORPORATION,
a Maryland Corporation

By: /s/ LARRY W. SEAY

Larry W. Seay
Chief Financial Officer

Date: May 13, 2003

EXHIBIT 99.4

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
SAFE HARBOR COMPLIANCE STATEMENT FOR FORWARD-LOOKING STATEMENTS

In passing the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), Congress encouraged public companies to make "forward-looking statements" by creating a safe-harbor to protect companies from securities law liability in connection with forward-looking statements. Meritage intends to qualify both its written and oral forward-looking statements for protection under the PSLRA.

The words "believe," "expect," "anticipate," "plan" and "project" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements in this Form 10-Q may include, but are not limited to, projections of revenue, income or loss; capital expenditures and backlog; plans for future operations; financing needs or plans and liquidity; the impact of changes in interest rates; plans relating to our products or services, acquisitions, and new or planned development projects; the demand for and pricing of our homes; the expected outcome of legal proceedings against use; the sufficiency of our capital resources; the impact of new accounting standards; and our ability to continue positive operating results in light of current economic and political conditions, as well as assumptions relating to the foregoing.

Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements, and that could negatively affect the Company's business, stock and note prices, include, but are not limited to, the strength and competitive pricing of the single-family housing market; demands for and acceptance of our homes; changes in the availability and pricing of real estate in the markets in which we operate; our ability to continue to acquire additional land or options to acquire additional land on acceptable terms; general economic slow downs; consumer confidence, which can be impacted by economic and other factors such as terrorism, war, or threats thereof and changes in stock markets; the impact of construction defect and home warranty claims; the cost and availability of insurance, including the availability of insurance for the presence of mold; interest rates and changes in the availability and pricing of residential mortgages; our lack of geographic diversification; our level of indebtedness and our ability to raise additional capital when and if needed; our ability to take certain actions because of restrictions contained in the indenture for our senior notes and the agreement for our senior unsecured credit facility; legislative or other initiatives that seek to restrain growth in new housing constructions or similar measures; the success of our program to integrate existing operations with our planned new operations of those of past or future acquisitions; our success in locating and negotiating favorably with possible acquisition candidates; our ability to expand pre-tax margins; our dependence on key personnel and the availability of satisfactory subcontractors; the impact of inflation; our potential exposure to natural disasters; and new accounting policies or principles or governmental or stock exchange regulations that could affect our corporate governance or accounting methods.

Forward-looking statements express expectations of future events. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Due to these inherent uncertainties, the investment community is urged not to place undue reliance on forward-looking statements. In addition, Meritage undertakes no obligations to update or revise forward-looking statements to reflect changed assumptions, the occurrence of anticipated events or changes to projections over time. As a result of these and other factors, the Company's stock and bond prices may fluctuate dramatically.