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Residential Market Strikes New Balance

By Worth Sparkman - 5/31/2010

"Well-balanced."

Those are the words researchers at the University of Arkansas' Center for Business and Economic Research have used to describe the residential market in Benton and Washington counties.

According to the first quarter Arvest Bank Group Inc.-sponsored Skyline Report compiled by the CBER, the number of homes becoming occupied during the first quarter was up 19 percent from a year prior.

Meanwhile, complete-but-unoccupied homes fell by 62 percent, to 351 total homes for the first quarter of 2010 from 913 a year earlier. Residential building permits were up 16 percent, but total houses sold were up 22.4 percent from a year prior. The homebuyer tax credit was cited as one of the top reasons for increased home demand.

In a prepared statement that accompanied the report, Kathy Deck, lead researcher for the report stated: "The return of job growth in Northwest Arkansas will play a key role in any future expansion and development in the residential market. We've seen steady demand, though throughout the last several quarters and maintaining the market's balance will set the stage for sustainable growth once macroeconomic conditions improve."

Deck said the expiration of the homebuyer tax credits will likely slow home sales in the short term.

There is a 106-month supply of lots in the market, down from 111.5-month supply in the fourth quarter.

On March 1, there were 5,079 homes listed for sale, with an average listing price of \$226,872.

During the first three months of the year, there were 215 residential permits issued, up from 183 a year prior. The averaged value in 2010 was \$201,165, up from an averaged value of \$188,241 in 2009.

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