




THE SKYLINE REPORT

SPONSORED BY ARVEST BANK

August 2009 Highlights

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Residential Real Estate Market Summary
Prepared Exclusively under
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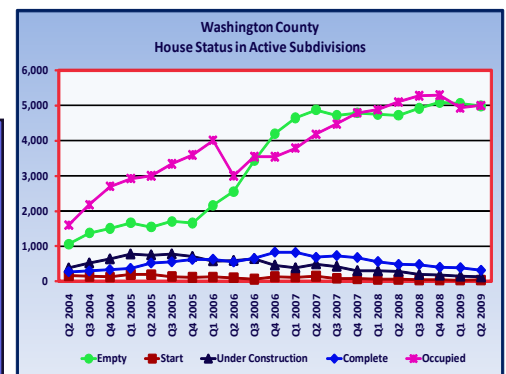
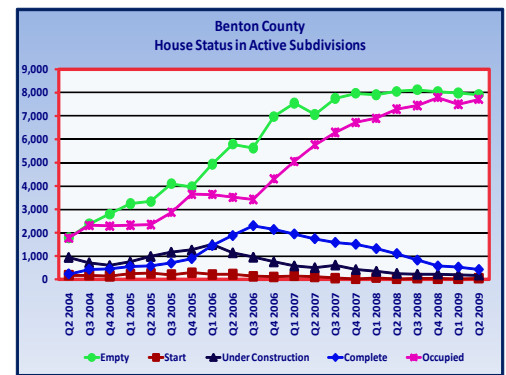
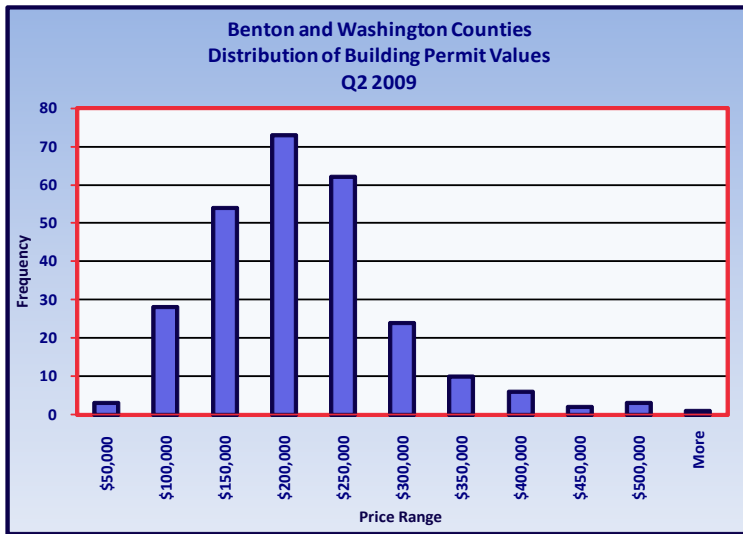
Residential Real Estate Market Summary for Benton and Washington Counties

This report is the twenty-first edition of the Skyline Report for Benton and Washington Counties—Residential Real Estate Market Analysis. Researchers at the Center for Business and Economic Research in the Sam M. Walton College of Business at the University of Arkansas produce the Skyline Report to provide timely statistical analysis of the Northwest Arkansas residential real estate market. As the population of Northwest Arkansas burgeons, it is imperative that housing markets work efficiently in order to meet the demand of new and existing residents. The Skyline Report includes the information that is necessary to help market participants make good decisions.

Highlights from the Second Quarter of 2009

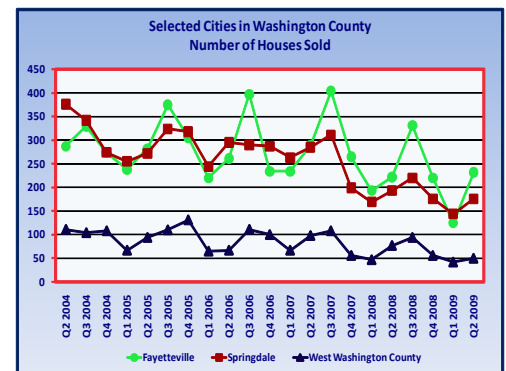
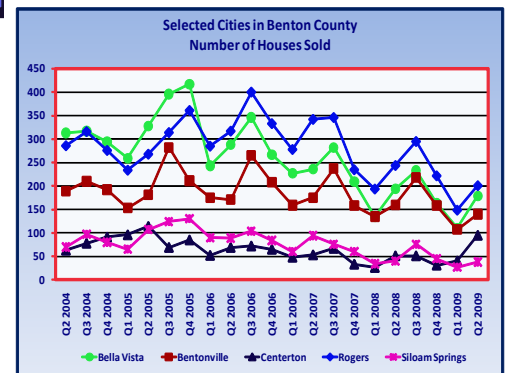
- There were 266 residential building permits issued in Northwest Arkansas from March to May 2009, down from 416 building permits issued in the same period last year. Among these, Bentonville accounted for 25.9 percent and Fayetteville for 24.1 percent.
- There were 26,763 lots in the 378 active subdivisions in Northwest Arkansas in the second quarter.
- No new construction or progress in existing construction has occurred in the last four quarters in 84 out of the 378 active subdivisions in Northwest Arkansas.
- From the first quarter to the second quarter of 2009, 382 houses in active subdivisions became occupied. This absorption rate is an increase of 35.9 percent from the first quarter, but a decline of 53.9 percent from the second quarter of 2008.
- Using the most recent annual absorption rate implies that the supply of remaining lots in Northwest Arkansas active subdivisions is sufficient for 84.2 months, up from a revised 70.5 months in the first quarter.
- In 109 out of the 378 subdivisions in Northwest Arkansas, no absorption has occurred in the last four quarters.
- There were an additional 8,615 residential lots that have been at least preliminarily approved in Northwest Arkansas. Adding these proposed lots to those in active subdivisions yields 135.9 months of inventory in Northwest Arkansas.
- From February 16 to May 15, 2009, there were 1,247 houses sold in Benton and Washington Counties. This is a decline of 4.6 percent from the same time period in the previous year.
- There were 5,267 houses listed for sale in the MLS database as of June 1, 2009. These houses had an average list price of \$245,756.
- In the second quarter of 2009 in Northwest Arkansas, the average sales price of existing houses declined from the second quarter 2008 level by 11.6 percent in Benton County and by 10.0 percent in Washington County.
- Out of the 1,247 houses sold in the second quarter, 267 were new construction. These newly constructed houses had average sold prices that were 121.5 percent and 118.7 percent of the overall Benton and Washington county average prices, respectively.

Residential Market Trends

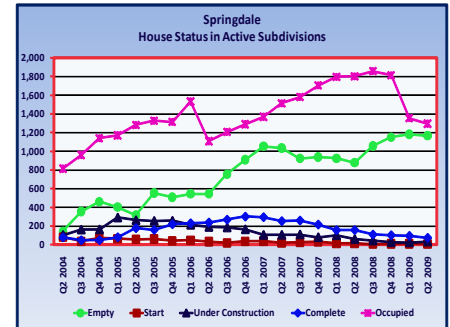
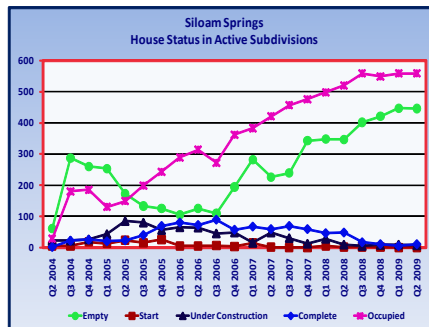
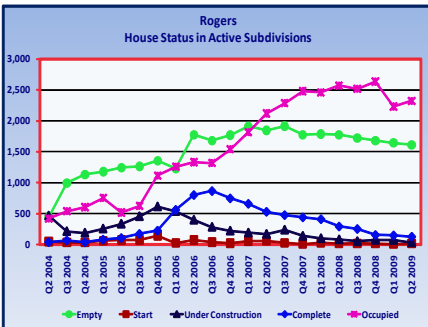
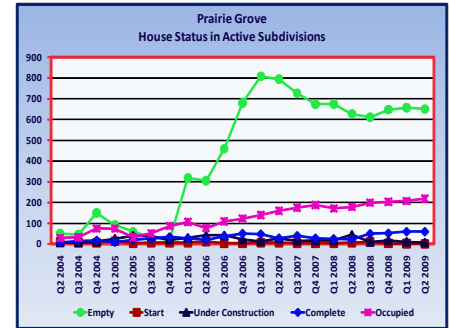
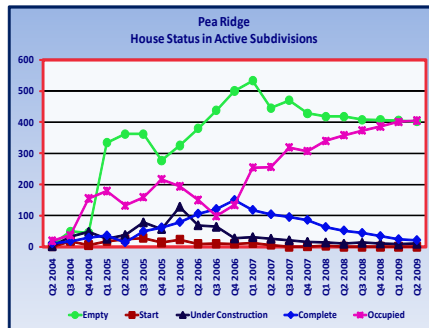
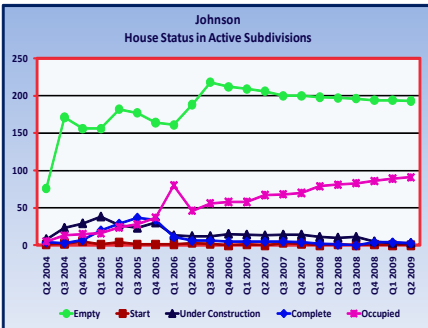
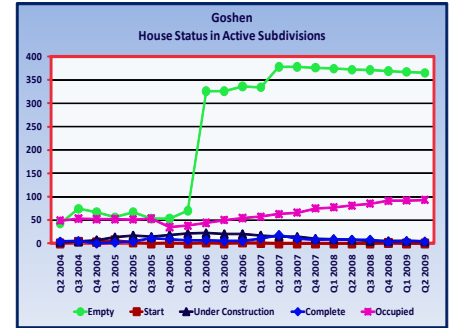
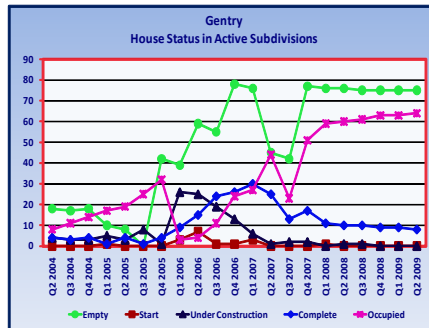
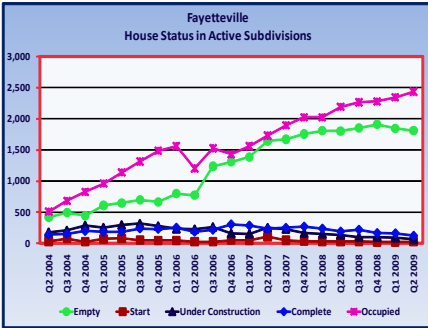
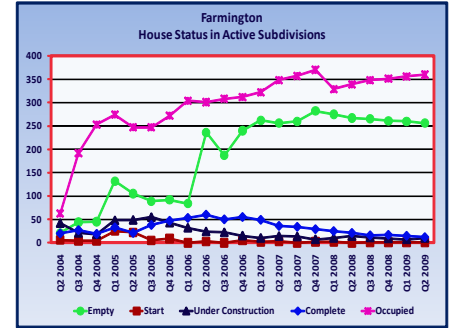
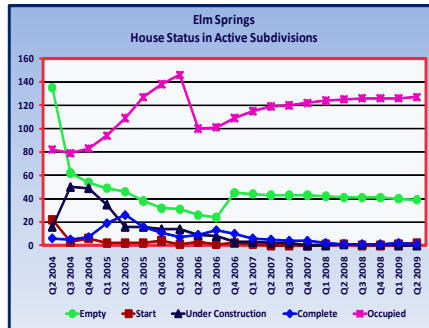
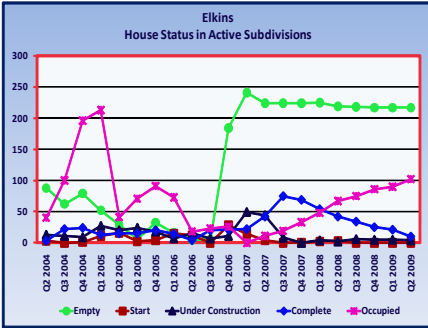
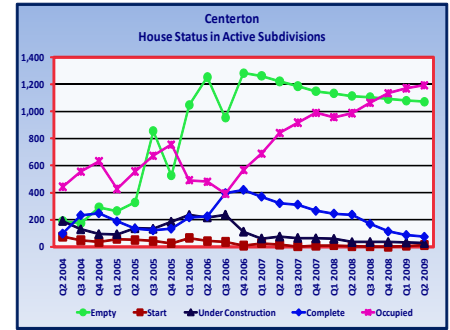
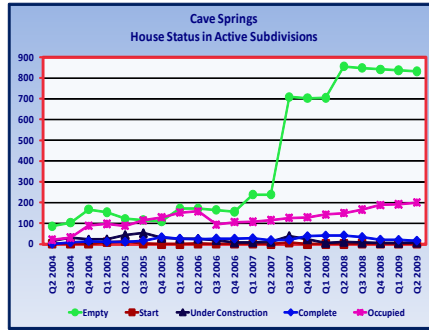
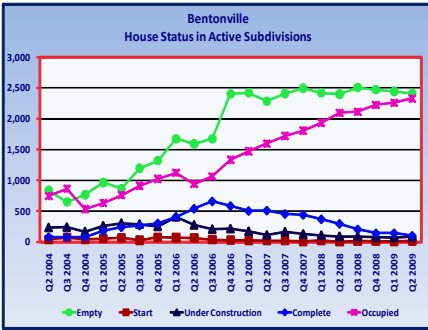


Benton and Washington Counties Number and Average Value of Residential Building Permits Q2 2008 and Q2 2009

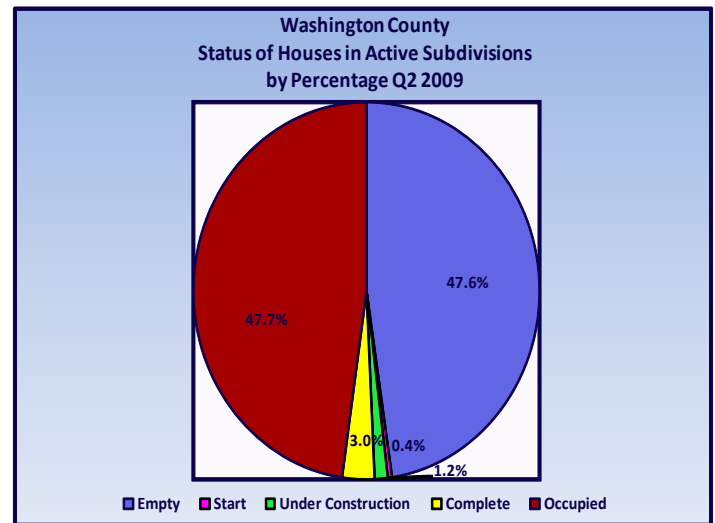
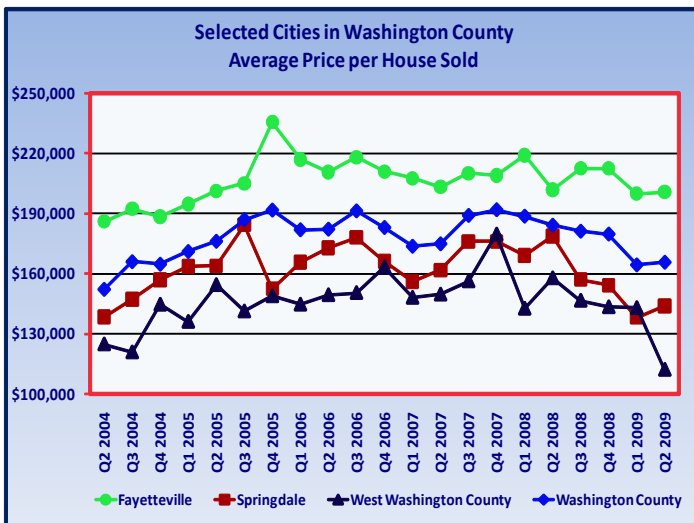
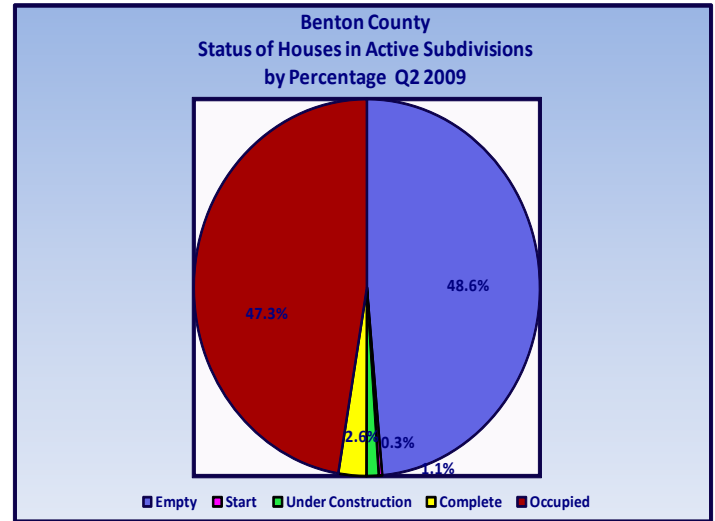
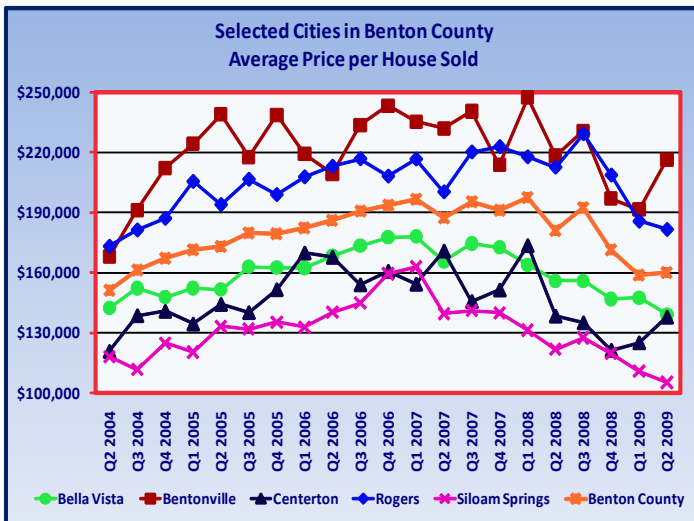
City	Q2 2009 Number of Building Permits	Q2 2008 Number of Building Permits	Q2 2009 Average Value of Building Permits	Q2 2008 Average Value of Building Permits
Bella Vista	13	28	\$170,154	\$156,833
Bentonville	69	64	\$226,390	\$231,217
Bethel Heights	0	0	--	--
Cave Springs	4	4	\$174,000	\$74,700
Centerton	10	15	\$116,237	\$108,060
Decatur	0	0	--	--
Elkins	4	1	\$78,334	\$74,855
Elm Springs	2	3	\$202,500	\$191,666
Farmington	8	4	\$198,067	\$239,093
Fayetteville	64	113	\$170,716	\$176,504
Gentry	0	0	--	--
Goshen	2	8	\$139,744	\$234,779
Gravette	0	8	--	\$90,014
Greenland	5	1	\$91,420	\$18,000
Johnson	0	1	--	--
Lincoln	0	0	--	--
Little Flock	2	3	\$259,271	\$261,773
Lowell	6	4	\$145,868	\$180,693
Pea Ridge	5	4	\$122,627	\$79,696
Prairie Grove	5	34	\$76,800	\$69,058
Rogers	32	70	\$233,123	\$160,102
Siloam Springs	5	4	\$86,492	\$99,937
Springdale	29	40	\$251,199	\$220,404
Tontitown	1	4	\$340,992	\$279,715
West Fork	0	3	--	\$148,333
Northwest Arkansas	266	416	\$193,855	\$177,374



Residential Market Trends



Residential Market Trends



Selected House Status in Active Subdivisions and Coming Lots Q2 2009

City	Empty Lots	Starts	Under Construction	Complete, but Unoccupied	Occupied	Total Lots in Active Subdivisions	Absorbed Lots	Approved Lots, Not Yet Active
Bentonville	2,412	19	83	103	2,328	4,945	69	1,436
Centerton	1,071	14	28	76	1,193	2,382	23	1,130
Fayetteville	1,810	26	63	124	2,435	4,458	101	1,349
Rogers	1,613	14	33	127	2,322	4,109	90	845
Siloam Springs	446	0	7	11	559	1,023	0	372
Springdale	1,167	9	32	75	1,295	2,578	32	905
West Washington County	1,101	4	19	84	752	1,960	18	1,140

