



THE SKYLINE REPORT

for Benton and Washington Counties

**Residential Real Estate
Market Summary
November 2004**



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Contents

Study Structure	1
Economic Overview	2
Regional Summary	3
Benton County	5
Bella Vista	10
Bentonville	11
Bethel Heights	14
Cave Springs	15
Centerton	17
Decatur	19
Gentry	20
Gravette	22
Lowell	24
Pea Ridge	25
Rogers	26
Siloam Springs	29
Washington County	31
Elkins	36
Elm Springs	38
Farmington	39
Fayetteville	41
Goshen	44
Greenland	46
Johnson	48
Lincoln	50
Prairie Grove	52
Springdale	54
Tontitown	57

Residential Real Estate Market Summary

This report is the second edition of the Skyline Report for Benton and Washington Counties—Residential Real Estate Market Analysis. Researchers at the Center for Business and Economic Research (CBER) 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.

Highlights from the Third Quarter of 2004

- Centerton had almost three times the inventory of complete, but unoccupied houses in active subdivisions as any other city in Northwest Arkansas in the third quarter of 2004.
- Bella Vista accounted for 19 percent of the 1,186 Northwest Arkansas residential building permits issued from June through August 2004.
- From the second quarter of 2004 to the third quarter of 2004, 1,394 houses in Northwest Arkansas active subdivisions became occupied. Using this quarterly absorption rate implies that there is a 13.2 month supply of remaining lots in the subdivisions in that were active in the third quarter.
- At the end of the third quarter, Bentonville had 15.3, Fayetteville had 20.2, Rogers had 24.8, Siloam Springs had 8.3, and Springdale had 15.3 months of remaining lot inventory in active subdivisions.
- From May 16 to August 15, 2004, there were 2,045 existing houses sold in Benton and Washington Counties. This is an increase of 7.6 percent from the prior quarter's total of 1,900.
- In both Benton and Washington Counties, average sales prices of existing houses increased on both an absolute and a price per square foot basis. The average duration on the market of houses from their initial listing dates until their sold dates declined in the third quarter of 2004.

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Study Structure

This report contains the results of an extensive data gathering and analysis effort. The single family residential real estate market encompasses two kinds of houses—new construction and existing structures. The Skyline Report addresses both aspects of the market. Three primary sources of data are examined to get a more complete

picture of the total single family housing market. First, residential building permit data are collected from each of the cities in Benton and Washington Counties. Each city has its own standard for reporting these data, so CBER researchers manually standardize the information. These building permit data give the first indication of where to find “active” subdivisions in Northwest Arkansas. Active subdivisions are defined as those where construction is currently occurring or where construction has occurred in the recent past and a significant number of empty lots still exist. For the second primary data source, plats are obtained from the Benton and Washington County Clerks’ offices for all active subdivisions and for any new subdivisions that were approved during the third quarter. CBER staff members then physically examine each active subdivision and classify each lot as empty, a start¹ under construction, complete, but unoccupied, or occupied. Finally, CBER analysts collect data on sales of existing houses, measuring the absolute number, value, and other characteristics of the inventory.

These same data elements are collected on a quarterly basis², so that trends can be identified and examined. Additionally, where available, absorption rates are calculated for active subdivisions and these numbers are used to estimate remaining months of inventory. Results are presented on a regional, county, and city-by-city basis.

Because this study is the second edition of the Skyline Report, some time trend data are available for the different series that are collected. Quarter-to-quarter percent changes are presented, but need to be interpreted with caution because with only two data points, there is no way to differentiate between seasonal effects and trend growth or decline. As more quarters of data become available, CBER analysts will be able to separate the seasonality and trend effects and discuss the direction of the Northwest Arkansas market more effectively.

In order to provide a context for the residential real estate market analysis, an economic overview is provided. This overview contains national housing market statistics, a discussion of interest rates and mortgage rates, and macroeconomic indicators like GDP growth and changes in input prices. Northwest Arkansas regional economic data are also discussed, because the status of employment and wage growth are likely to impact the local residential real estate markets.

After the economic overview, a summary of the regional findings from the analysis of the building permit, subdivision, and existing house sales data is presented. Residential real estate activity during the third quarter of 2004 in Benton County is then discussed, followed by statistical summaries for each of the cities within Benton County. Finally, descriptions of the Washington County and associated city third quarter 2004 results are offered.

The maps included in the city sections are based on Geographic Information Systems (GIS) data obtained from the offices of the Benton and Washington County Assessors. A number of subdivisions were identified by CBER researchers as being active in the third quarter that are not included in the data obtained from the counties, and are therefore not included in the city maps. As the Benton and Washington County governments improve the timeliness and availability of GIS data, the Skyline Report will reflect these improvements.

Economic Overview

The rate of activity in the Northwest Arkansas residential real estate market is dependant upon many factors, both those that are specific to the region and those that are of a national nature. The following discussion highlights some of the statistics that indicate the direction of the macroeconomy.

The U.S. Census Bureau reports on new residential construction. In August 2004, building permits were at a seasonally adjusted annual rate of 1,952,000. This is 5.5 percent below the July rate of 2,066,000 and is 0.6 percent below the August 2003 number of 1,964,000. Housing starts were at a seasonally adjusted annual rate of 2,000,000, which was 0.6 percent above the July estimate of 1,988,000 and 9.0 percent above the August 2003 rate of 1,835,000. The National Association of Realtors reports that the seasonally adjusted annual rate of existing single-family home sales in August 2004 was 6,540,000, an increase of 2.3 percent

¹Lots classified as starts show either utility drops or foundations.

²Due to the timing of the release of building permit data, the third quarter numbers are for permits from June through August. Because of timing considerations, the existing houses sales data for the third quarter are reported from May 16 through August 15. Subdivision status numbers come from evaluations made from June through September.

from August 2003 and a decline of 2.7 percent from July 2004. Taken together, these numbers point to a robust national single-family housing market. In fact, the housing market is performing at historically high levels, while the remainder of the economy grows at a moderate pace.

Gross domestic product (GDP) is the measure of national output. In the third quarter of 2004, United States GDP grew at an annualized rate of 3.7 percent. This was an increase from the second quarter rate of GDP growth of 3.3 percent. These growth rates are right at trend from the last 50 years of economic activity. Because overall growth is neither particularly weak, nor overly strong, the Federal Reserve Board has undertaken raising short term interest rates from their historically low levels earlier this year. On September 21, 2004, the Federal Reserve raised its target for the federal funds rate by 25 basis points to 1.75 percent. As the associated graph shows, the August 10-year constant maturity treasury and the conventional 30-year mortgage rates are basically unchanged from their August 2003 levels, despite the 50 basis point increase in short term rates.

The U.S. Bureau of Labor Statistics (BLS) reports various price indexes. One measure of inflation comes from changes in the consumer price index. From the end of 2003 to August 2004, the overall consumer price level has increased 2.8 percent, which is consistent with historical trend rates. Another price index that the BLS reports is a construction materials price index. From December 2003 to August 2004, the construction materials price index has increased almost 11 percent. The ten-year average annual growth rate for this statistic is just over 1 percent. Therefore, construction

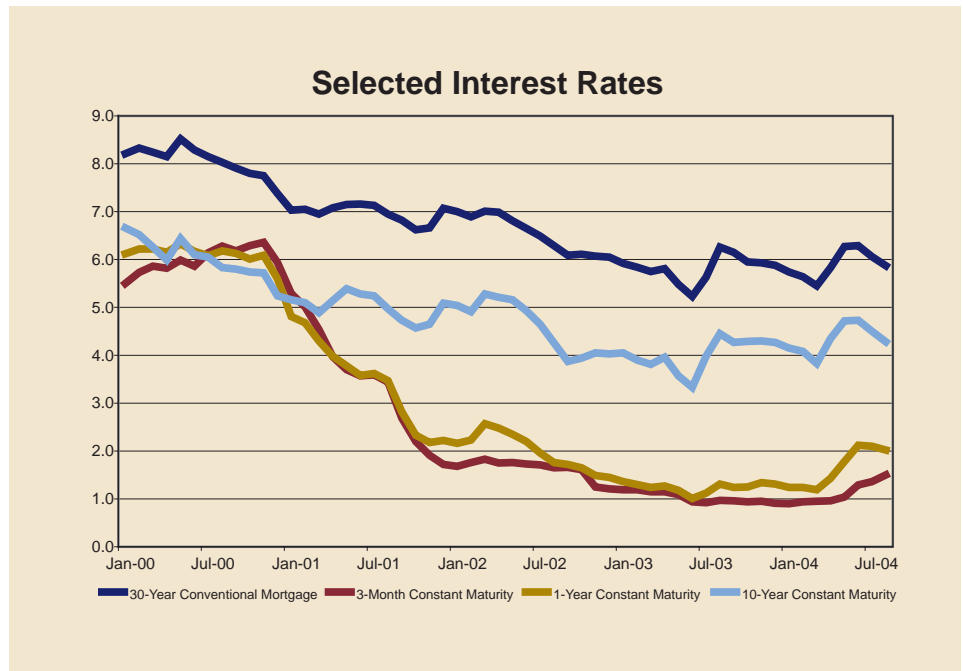
costs are increasing at a rate far greater than consumer prices and at a rate that is far above historical trend levels. These costs will eventually show up in the price of new residential dwellings and may be a factor that inhibits continued growth in that market.

The BLS also reports labor force statistics. At the national level in August 2004, the unemployment rate was 5.4 percent. This rate was the same as the December 2003 rate and down from 6.0 percent in August of 2003. From December 2003 to August 2004, U.S. employment growth was 1.2 percent. August 2004 national employment was 1.5 percent greater than August 2003 national employment.

While the national economy performs at historical trend levels, Northwest Arkansas continues to experience substantial rates of growth. In August 2004, employment in the Fayetteville-Springdale-Rogers metro area was 176,400, up 0.9 percent from July 2004 employment of 174,800 and up 2.2 percent from August 2003 employment of 172,500. The August 2004 unemployment rate was 2.5 percent, down from 3.2 percent in July 2004 and down from 3.0 percent in August 2003. These levels indicate that the Northwest Arkansas economy is operating at near full employment levels and is continuing to create jobs for its burgeoning population.

Regional Housing Market Summary

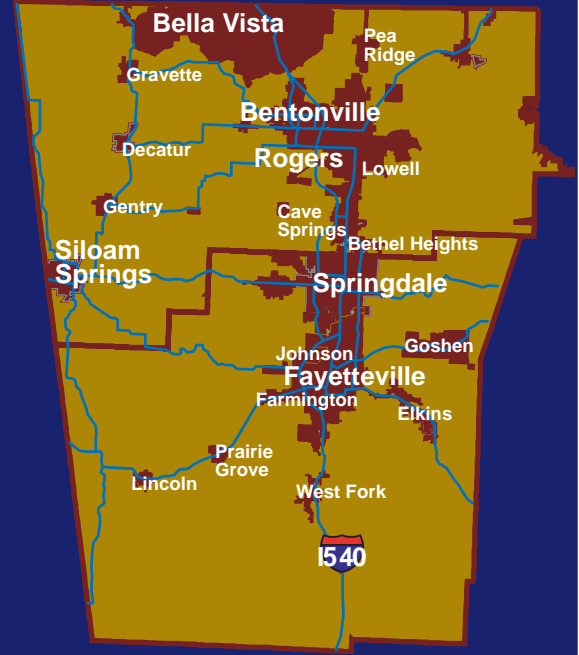
There were 1,186 building permits issued in Benton and Washington Counties from June to August 2004. This number is 1.9 percent lower than the 1,209 building permits issued from March to May 2004. The average value of all building permits in Northwest Arkansas from June to August 2004 was \$152,816 up 2.6 percent from the March to May average value of \$148,911.



The three cities with the most building permits, Bella Vista, Fayetteville, and Bentonville, accounted for over half of the total of residential building permits in Northwest Arkansas. Benton County had 776 of the residential building permits, while Washington County had 410.

A total of 10,657 lots were in the 158 active subdivisions identified by CBER researchers in the third quarter of 2004. Of these lots, 3,816 were classified as empty, 326 were classified as starts, 1,241 were classified as being under construction, 738 were classified as complete, but unoccupied, and 4,505 were classified as occupied. From the second quarter of 2004 to the third quarter of 2004, 1,394 houses in active subdivisions became occupied. Using this quarterly absorption rate implies that there is a 13.2 month supply of remaining lots in the subdivisions that were active in the third quarter in Northwest Arkansas. When the remaining inventory is examined on a county-by-county basis, Benton County had 12.0 months of remaining lot inventory and Washington County had 14.6 months of remaining inventory.

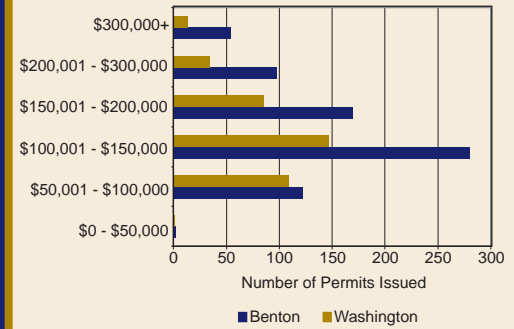
From May 16 to August 15, 2004, there were 2,045 existing houses sold in Benton and Washington Counties. This is an increase of 7.6 percent from the prior quarter's total of 1,900. In both counties, the average sales price, in both absolute and per square foot terms, of existing houses increased and the duration from the initial listing date to the sales date declined. These statistics, taken together, indicated increasing strength in the single family housing market.



Benton and Washington Counties Number and Average Value of Residential Building Permits Q2 and Q3 2004

City	Q3 Number of Building Permits	Q2 Number of Building Permits	Q3 Average Value of Building Permits	Q2 Average Value of Building Permits
Bella Vista	229	200	\$160,123	\$154,329
Bentonville	172	166	\$184,207	\$185,166
Bethel Heights	15	32	\$137,942	\$128,659
Cave Springs	12	23	\$261,500	\$177,885
Centerton	146	196	\$100,996	\$109,334
Elkins	15	--	--	--
Farmington	18	35	\$93,020	\$90,400
Fayetteville	201	199	\$146,922	\$128,869
Gentry	7	4	\$78,802	\$85,000
Goshen	7	5	\$197,439	\$169,600
Gravette	4	5	\$116,500	\$80,000
Greenland	18	5	\$78,425	\$88,309
Johnson	26	11	\$226,363	\$277,306
Lincoln	0	4	--	\$103,584
Little Flock	3	--	\$93,333	--
Lowell	1	5	\$198,756	\$160,230
Prairie Grove	9	9	\$108,889	\$86,100
Rogers	154	132	\$160,065	\$193,139
Siloam Springs	33	41	\$139,869	\$119,138
Springdale	111	132	\$165,543	\$174,388
West Fork	5	5	\$128,200	\$108,000
Northwest Arkansas	1,186	1,209	\$152,816	\$148,911

Benton and Washington Counties Value of Residential Building Permits June - August 2004



Benton County

Building Permits

From June to August 2004, there were 776 residential building permits issued in Benton County. The third quarter total was 1.7 percent higher than the second quarter total of 763 residential building permits. The average value of the Benton County June to August 2004 residential building permits was \$150,546, down 1.3 percent from \$152,596 for March to May.³ About 62 percent of the third quarter building permits were valued between \$100,000 and \$200,000, with 25 percent higher than \$200,000 and 13 percent lower than \$100,000.

Bella Vista accounted for 32 percent of the residential building permits in Benton County. Bentonville and Rogers each had 21 percent of the Benton County residential building permits. Sixteen percent of the building permits were from Centerton and the remaining 10 percent were from the other small cities in the county.

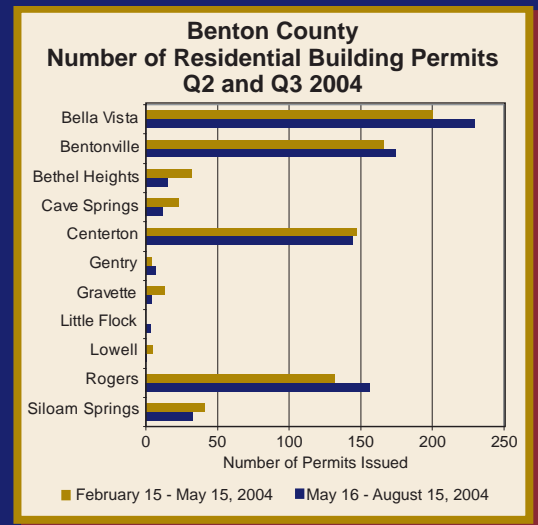
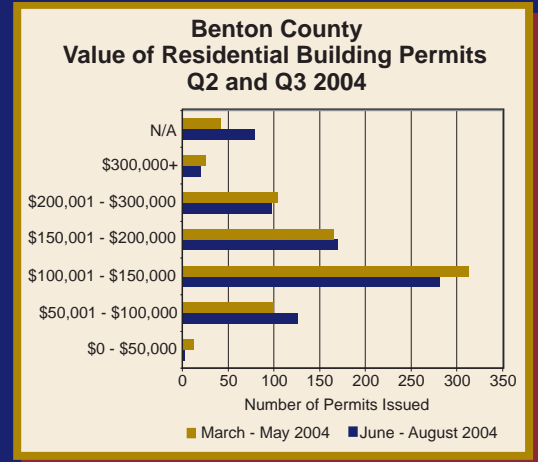
From the second quarter to the third quarter, fewer building permits were issued in Bentonville and Centerton, while Bella Vista and Rogers had an absolute increase in the number of building permits issued.

Subdivisions

There were 6,246 lots in the 87 active subdivisions in Benton County⁴ in the third quarter of 2004. Within the active subdivisions, 39 percent of the lots were empty, 3 percent were starts, 12 percent were under construction, 7 percent were complete, but unoccupied houses, and 39 percent were occupied houses. In the third quarter of 2004, Rogers had the most empty lots, Bentonville had the most starts, houses under construction, and occupied houses, and Centerton had

³Bella Vista, Gentry, and Rogers reported some building permits without associated values. These are denoted N/A in graphs and tables.

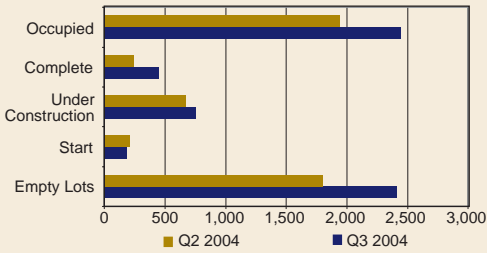
⁴Bella Vista is not included in the Benton County subdivision status numbers due to technical difficulties with obtaining accurate data.



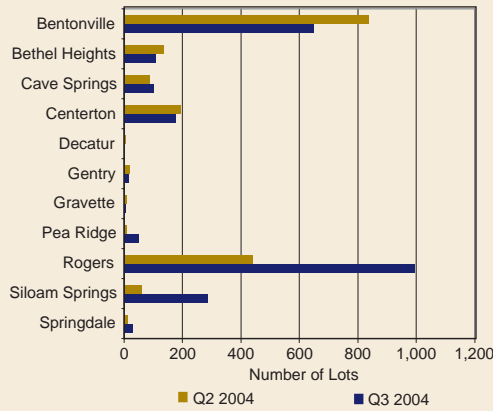
Benton County Residential Building Permit Values by City June - August 2004

City	\$0 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$150,000	\$150,001 - \$200,000	\$200,001 - \$300,000	\$300,000 +	N/A	Q3 2004 Total	Q2 2004 Total
Bella Vista	0	20	92	45	29	3	40	229	200
Bentonville	0	2	45	68	51	6	0	172	166
Bethel Heights	0	1	9	5	0	0	0	15	32
Cave Springs	0	2	3	0	0	7	0	12	23
Centerton	0	71	74	0	0	1	0	146	147
Gentry	0	6	0	0	0	0	1	7	4
Gravette	0	3	0	0	1	0	0	4	13
Little Flock	1	2	0	0	0	0	0	3	0
Lowell	0	0	0	1	0	0	0	1	5
Rogers	0	15	40	43	16	2	38	154	132
Siloam Springs	1	4	18	8	1	1	0	33	41
Benton County	2	126	281	170	98	20	79	776	763

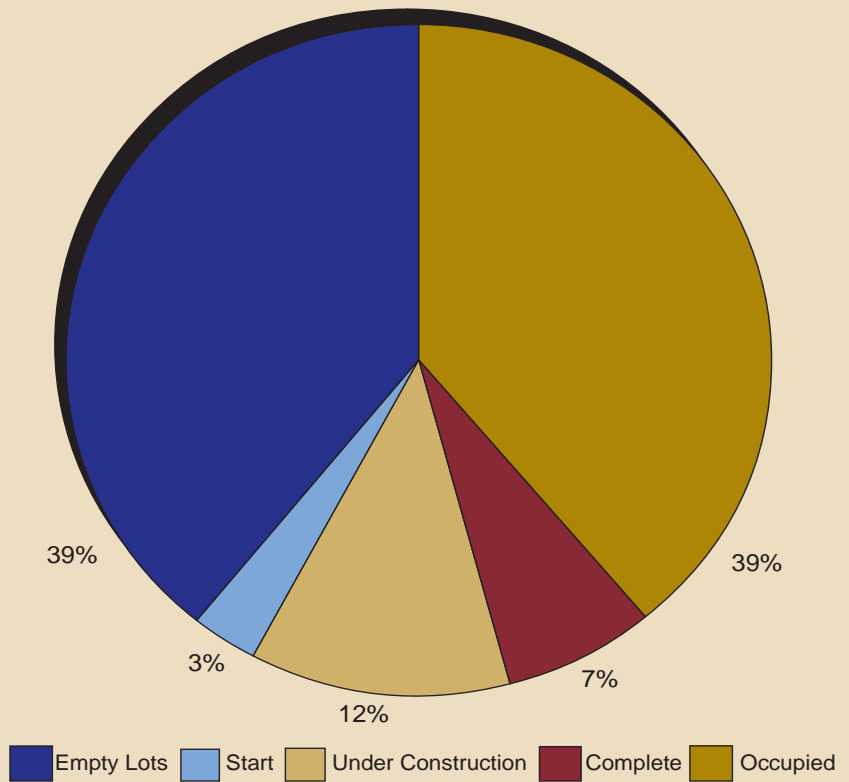
**Benton County
Active Subdivision Status
Q2 and Q3 2004**



**Benton County
Number of Empty Lots
in Active Subdivisions
Q2 and Q3 2004**



**Benton County
Status of Houses in Active Subdivisions
by Percentage
Q3 2004**



Benton County Top Subdivisions by Number of Houses Under Construction Q3 2004

Subdivision	Market Area	Number of Houses Under Construction	Total Number of Houses	Percent Under Construction
Sienna, Phases IA, IB	Centerton	52	321	16%
Shadow Valley, Phases I, II, III, IV, V	Rogers	39	248	16%
Lochmoor Club	Bentonville	33	211	16%
Centerpoint	Centerton	33	518	6%
Lexington Heights	Bethel Heights	33	41	80%
Eagle Creek	Bentonville	29	62	47%
Abington	Rogers	27	61	44%
Silverstone, Phase I, II	Springdale	25	94	27%
Sonoma	Centerton	23	79	29%
Willowbend	Bentonville	22	50	44%
Wildwood, Phase II	Bentonville	21	54	39%
Cross Creek	Rogers	21	60	35%
College Place, Phase VII	Bentonville	20	60	33%
Bent Tree	Rogers	20	127	16%
Standing Oaks	Pea Ridge	20	59	34%
Talamore	Bentonville	19	90	21%
Hearthstone	Rogers	18	74	24%
Pinnacle, Phases I, II, III, IV, Golf & Country Club	Rogers	18	365	5%
Wilkins	Bethel Heights	17	126	13%
Allencroft	Bentonville	15	117	13%
Springs at Wellington	Cave Springs	15	52	29%



the most complete, but unoccupied houses. During the third quarter of 2004, the most active subdivisions in terms of houses under construction were Sienna in Centerton, Shadow Valley in Rogers, Lochmoor Club in Bentonville, Centerpoint in Centerton, and Lexington Heights in Bethel Heights. Of these top 5 subdivisions for new construction, Sienna, Shadow Valley, Lochmor, and Centerpoint were also among the most active in the second quarter of 2004.

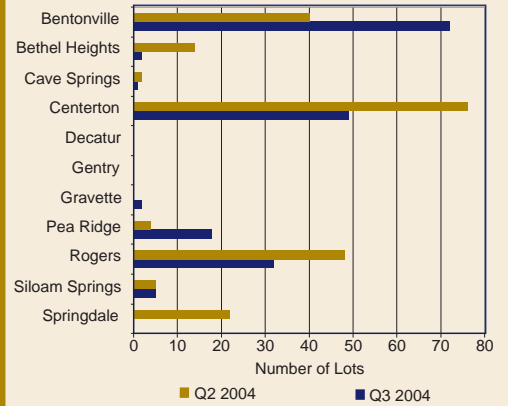
From the second quarter of 2004 to the third quarter of 2004, 947 houses in active subdivisions became occupied in Benton County. Extrapolating this absorption rate to the remaining lots in active subdivisions, Benton County had 12.0 months of lot inventory at the end of the third quarter.

Sales of Existing Houses

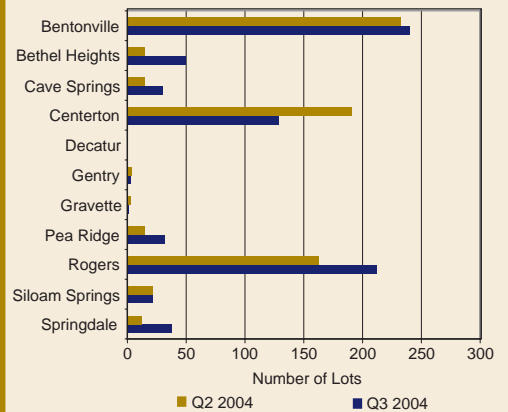
Examining the sales of existing houses in the third quarter of 2004 yields some interesting results. A total of 1,232 existing houses were sold from May 16 to August 15, 2004. This represents an increase of 12.4 percent from previous quarter. About 26 percent of the houses were sold in Bella Vista, 26 percent in Rogers, 17 percent in Bentonville, and 8 percent in Siloam Springs. The average price of all existing houses sold in Benton County was \$161,436 and the average house price per square foot was \$86.51. For the third quarter of 2004, the average amount of time between the initial listing of a house and the sale date was 110 days. Each of these statistics shows growth between the second and third quarters of 2004. The average sales price increased by 6.7 percent, the price per square foot increased by 10.0 percent, and the duration on the market declined by 9.8 percent.

From mid-May to mid-August, on average, the largest houses in Benton County were sold in Cave Springs and Bethel Heights. The average house in every city except Bella Vista had at least 3 bedrooms, while 2 or 2.5 bathrooms were the norm across Benton County, except in Gentry and Gravette. In Cave Springs and Bethel Heights the average price of a house was most expensive in both absolute and per square foot terms. On average, homes sold fastest in Lowell, Centerton, and the Benton County portion of Springdale.

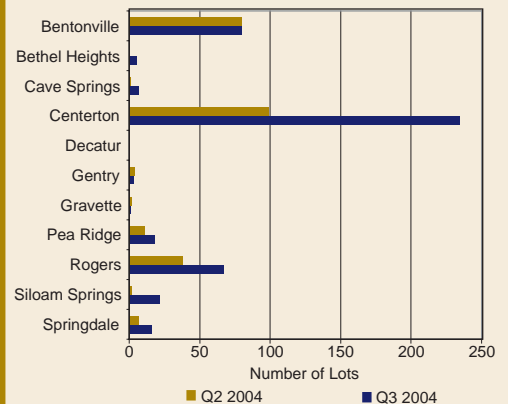
**Benton County
Number of Starts in Active Subdivisions
Q2 and Q3 2004**



**Benton County
Number of Houses Under Construction
in Active Subdivisions
Q2 and Q3 2004**



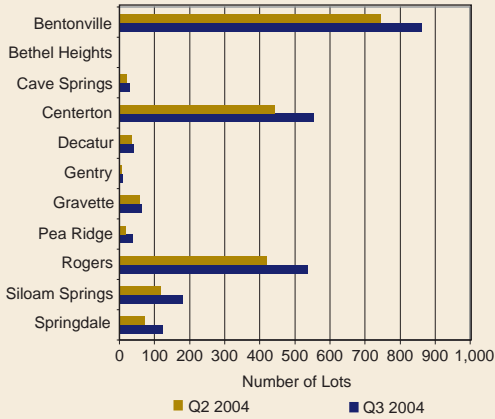
**Benton County
Number of Completed Houses
in Active Subdivisions
Q2 and Q3 2004**



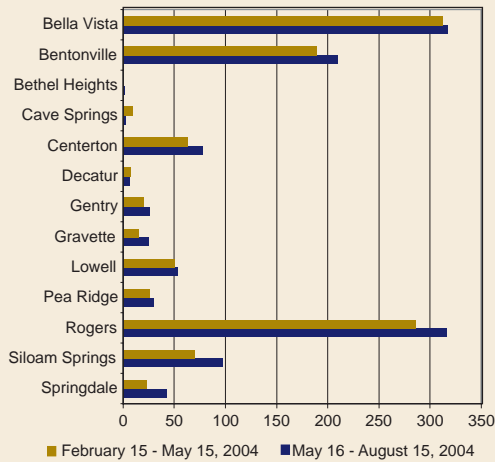
Benton County Sold House Characteristics by City

May 16 - August 15, 2004

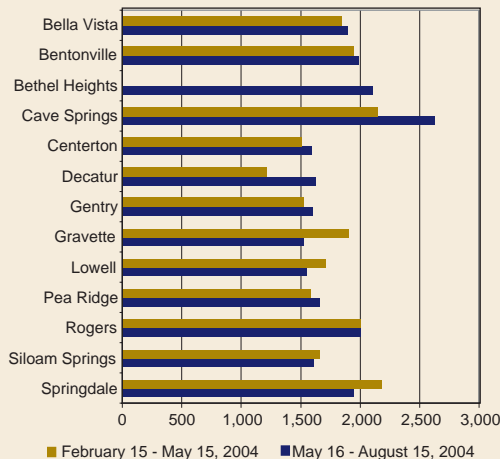
**Benton County
Number of Occupied Houses
in Active Subdivisions
Q2 and Q3 2004**



**Benton County
Number of Houses Sold
Q2 and Q3 2004**

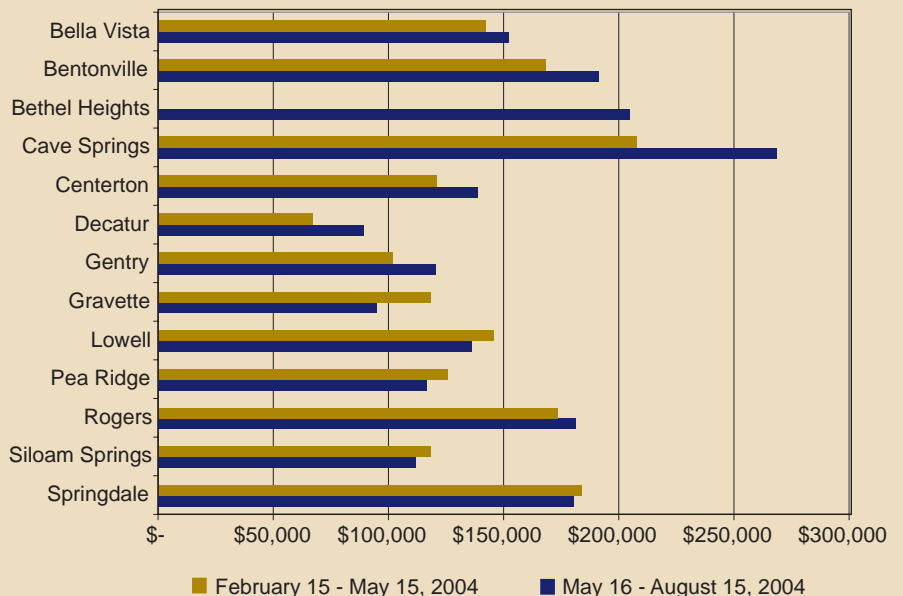


**Benton County
Average Square Footage of Houses Sold
Q2 and Q3 2004**

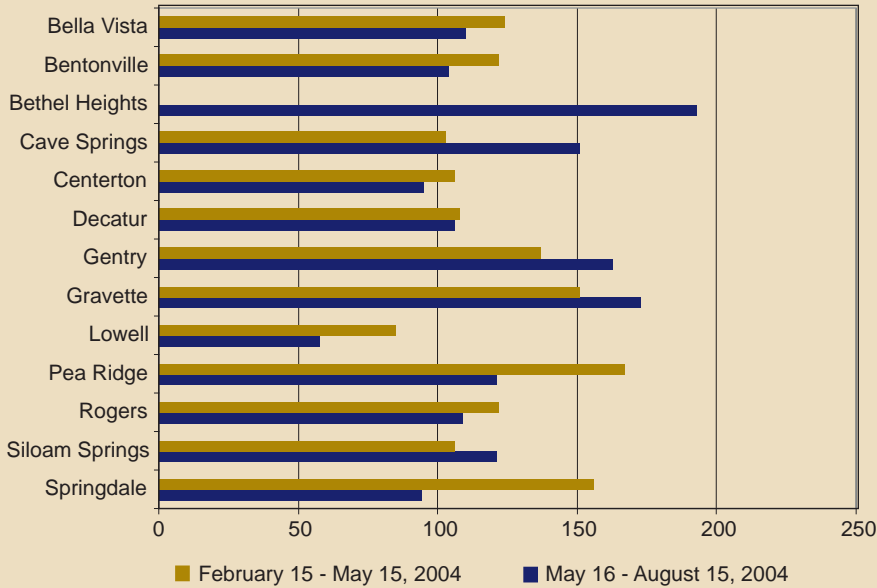


City	Average Price	Average Price Per Square Foot	Average Days on Market	Number of Houses Sold	Percentage of County Sales
Avoca	\$130,600	\$74.50	61	3	0.2%
Bella Vista	\$152,412	\$80.47	110	317	25.7%
Bentonville	\$191,373	\$96.41	104	210	17.0%
Bethel Heights	\$205,000	\$97.39	193	1	0.1%
Cave Springs	\$268,375	\$102.08	151	2	0.2%
Centerton	\$138,744	\$87.04	95	78	6.3%
Decatur	\$89,217	\$54.84	106	6	0.5%
Garfield	\$251,600	\$122.91	180	20	1.6%
Gateway	\$147,900	\$67.23	161	1	0.1%
Gentry	\$120,427	\$75.13	163	26	2.1%
Gravette	\$94,863	\$62.08	173	25	2.0%
Hiwasse	\$122,500	\$72.14	55	2	0.2%
Little Flock	\$215,000	\$86.69	43	1	0.1%
Lowell	\$136,070	\$87.73	58	53	4.3%
Pea Ridge	\$116,708	\$70.31	121	30	2.4%
Rogers	\$181,514	\$90.62	109	316	25.6%
Siloam Springs	\$111,814	\$69.58	121	97	7.9%
Springdale	\$180,316	\$92.71	94	42	3.4%
Sulphur Springs	\$131,000	\$84.03	144	2	0.2%
Benton County	\$161,436	\$86.51	110	1,232	100.0%

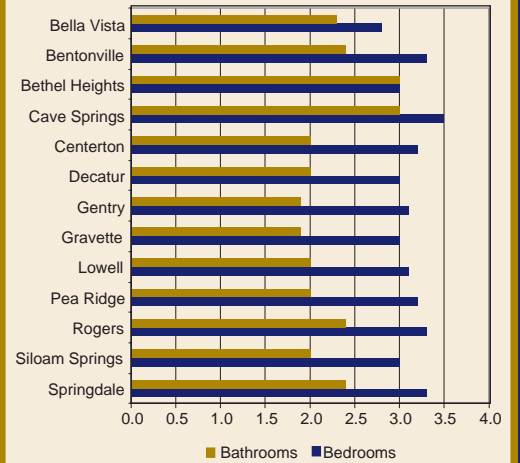
**Benton County
Average Price of Houses Sold
Q2 and Q3 2004**



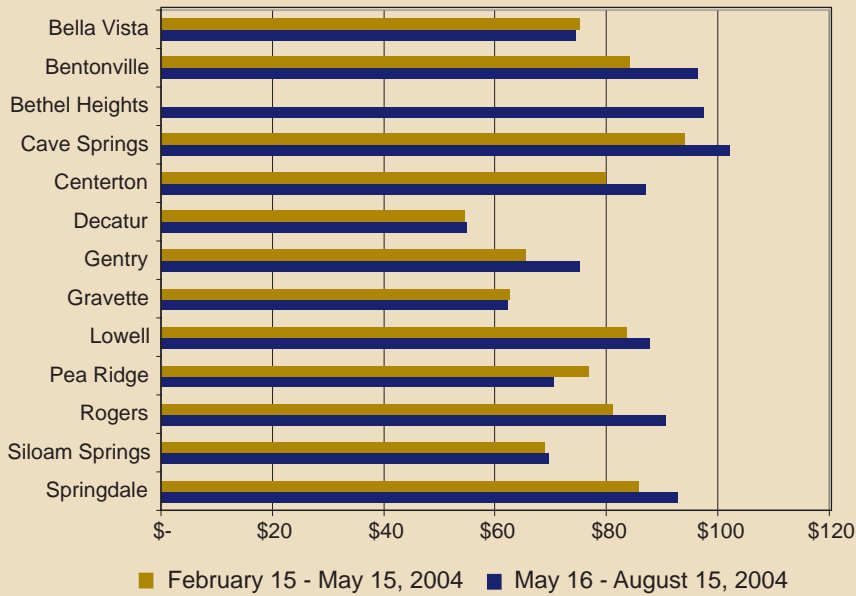
Benton County Average Number of Days on Market for Houses Sold Q2 and Q3 2004



Benton County Number of Bedrooms and Bathrooms in Houses Sold Q2 and Q3 2004



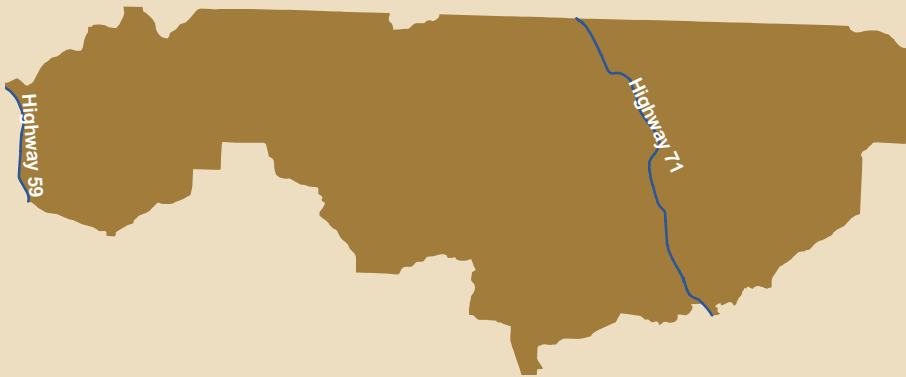
Benton County Average Price Per Square Foot of Houses Sold Q2 and Q3 2004



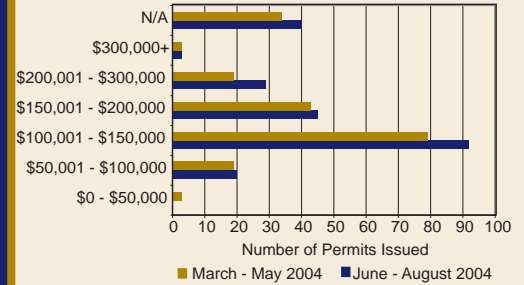
Bella Vista

- From June to August 2004, there were 229 residential building permits issued in Bella Vista. This represents a 14.5 percent increase from the March to May 2004 period.
- The average residential building permit value in Bella Vista increased by 3.2 percent from the second quarter of 2004 to \$160,123.
- There were 317 existing houses sold in Bella Vista from May 16 to August 15, 2004, or 5.6 percent more than in the previous quarter.
- The average price of a house sold in Bella Vista increased from \$142,492 to \$152,412 from the second to the third quarter of 2004.
- In Bella Vista, the average number of days from the initial house listing to the sale declined from 124 days in the second quarter of 2004 to 110 days in the third quarter of 2004.
- About 25.7 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Bella Vista. The average sales price of a house in Bella Vista was only about 94 percent of the county average.

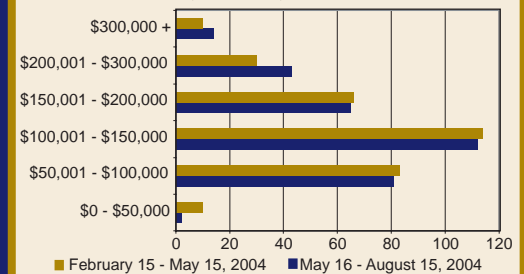
Subdivision status numbers are unavailable for Bella Vista due to technical difficulties with obtaining accurate data.



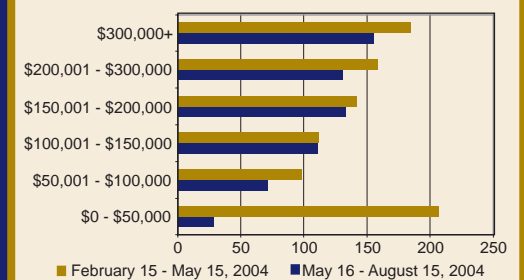
Bella Vista
Value of Residential Building Permits
Q2 and Q3 2004



Bella Vista
Price Range of Houses Sold
Q2 and Q3 2004



Bella Vista Houses
Average Number of Days
on Market by Price Range
Q2 and Q3 2004

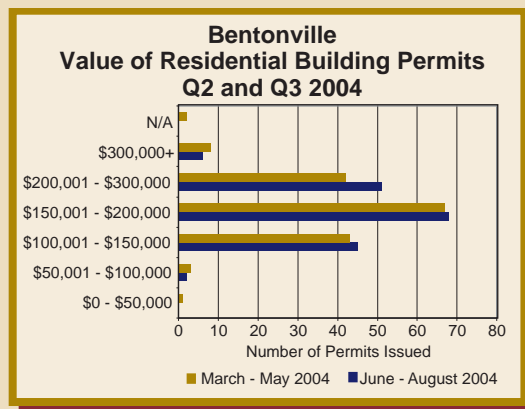


Bella Vista Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	2	1%	1,184	29	95.1%	\$39.96
\$50,001 - 100,000	81	26%	1,260	71	98.5%	\$65.21
\$100,001 - \$150,000	112	35%	1,645	111	98.4%	\$78.39
\$150,001 - \$200,000	65	21%	2,153	134	98.3%	\$81.81
\$200,001 - \$300,000	43	14%	2,789	131	98.7%	\$89.27
\$300,000 +	14	4%	3,707	155	95.8%	\$113.31
Bella Vista	317	100%	1,894	110	98.3%	\$78.50

Bentonville

- From June to August 2004, there were 172 residential building permits issued in Bentonville. This represents a 3.6 percent increase from the March to May 2004 period.
- The average residential building permit value in Bentonville was virtually unchanged from the second quarter at \$184,207.
- There were 1,903 total lots in active subdivisions in Bentonville in the third quarter of 2004. About 45 percent of the lots were occupied, 4 percent were complete, but unoccupied, 13 percent were under construction, 4 percent were starts, and 34 percent were vacant lots.
- 232 new houses in Bentonville became occupied in the third quarter of 2004, implying that there are 13.4 months of remaining inventory in active subdivisions.
- The subdivisions with the most houses under construction in Bentonville in the third quarter were Lochmoor Club and Eagle Creek with 33 and 29, respectively.
- There were 210 existing houses sold in Bentonville from May 16 to August 15, 2004, or 19.3 percent more than in the previous quarter.
- The average price of a house sold in Bentonville increased from \$168,097 to \$191,373 from the second to the third quarter of 2004.
- In Bentonville, the average number of days from the initial house listing to the sale declined from 122 days in the second quarter of 2004 to 104 days in the third quarter of 2004.
- About 17.0 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Bentonville. The average sales price of a house in Bentonville was about 119 percent of the county average.

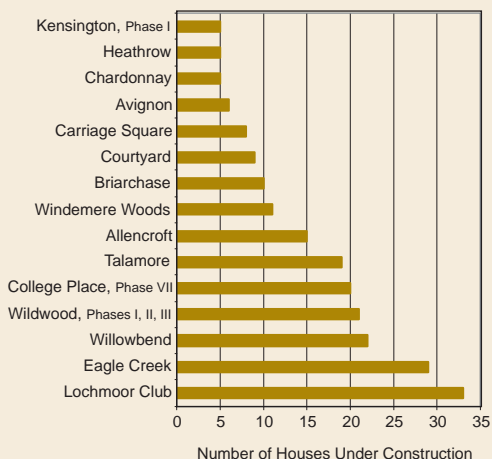


Bentonville House Status in Active Subdivisions Q3 2004

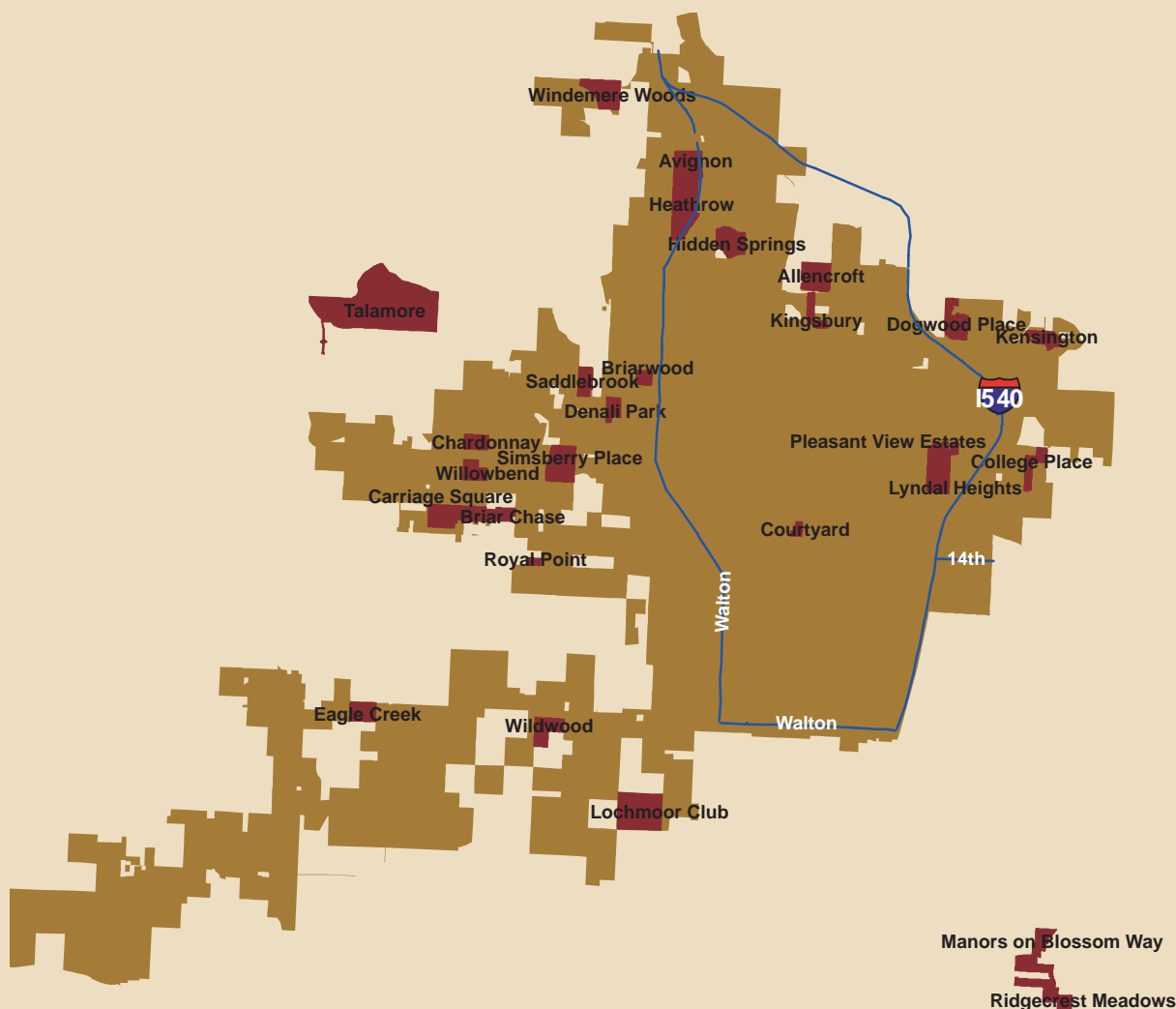
Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Allencroft	59	1	15	6	36	117	0	-
Avignon	20	0	6	1	12	39	2	40.5
Briarchase	3	37	10	0	0	50	0	-
Briarwood	14	0	0	0	16	30	16	2.6
Carriage Square	0	1	8	15	201	225	29	2.5
Chardonnay	28	1	5	7	11	52	11	11.2
College Place, Phase VII	27	2	20	3	8	60	6	26.0
Courtyard	0	0	9	1	10	20	5	6.0
Denali Park	2	0	1	4	33	40	5	4.2
Dogwood Place	7	0	0	0	29	36	29	0.7
Eagle Creek	14	3	29	7	9	62	9	17.7
Heathrow	25	1	5	0	34	65	0	-
Hidden Springs, Phase IV	5	0	2	0	41	48	5	4.2
Kensington, Phase I	8	0	5	0	38	51	0	-
Kingsbury, Phases I, II, III	31	2	4	3	35	75	3	40
Lochmoor Club	169	1	33	8	0	211	0	-
Lyndal Heights, Phases III, IV, V	34	0	2	2	15	53	13	42
The Manors on Blossom Way Creek, Phase II	1	0	1	0	25	27	25	0.2
Pleasant View Estates	14	0	0	1	9	24	0	-
Ridgecrest Meadows, Phase V	0	0	0	1	65	66	65	0.0
Royal Pointe	8	4	4	0	0	16	0	-
Saddlebrook	3	1	4	1	44	53	3	9.0
Simsberry Place	8	1	4	0	71	84	5	7.8
Talamore	30	3	19	2	36	90	0	-
Wildwood, Phases I, II, III	59	13	21	10	77	180	0	-
Willowbend	28	0	22	0	0	50	0	-
Windemere Woods	51	1	11	8	8	79	1	213.0
Bentonville	648	72	240	80	863	1,903	232	13.4

Bentonville Top Subdivisions by Houses Under Construction Q3 2004

Bentonville Top Active Subdivisions by Houses Under Construction Q3 2004

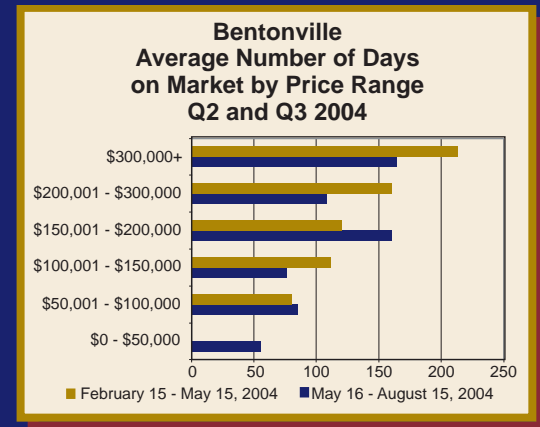
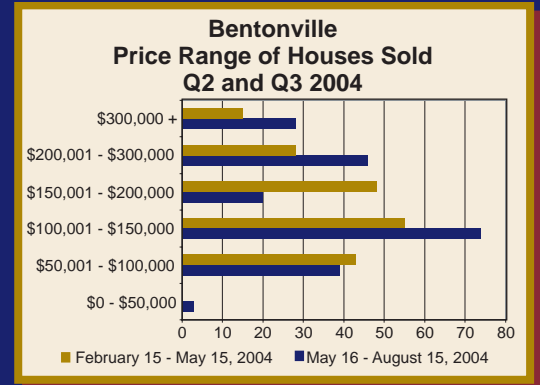


Subdivision	Number of Houses Under Construction	Total Number of Lots	Percent Under Construction
Lochmoor Club	33	211	16%
Eagle Creek	29	62	47%
Willowbend	22	50	44%
Wildwood, Phases I, II, III	21	180	12%
College Place, Phase VII	20	60	33%
Talamore	19	90	21%
Allencroft	15	117	13%
Windemere Woods	11	79	14%
Briarchase	10	50	20%
Courtyard	9	20	45%
Carriage Square	8	225	4%
Avignon	6	39	15%
Chardonnay	5	52	10%
Heathrow	5	65	8%
Kensington, Phase I	5	51	10%



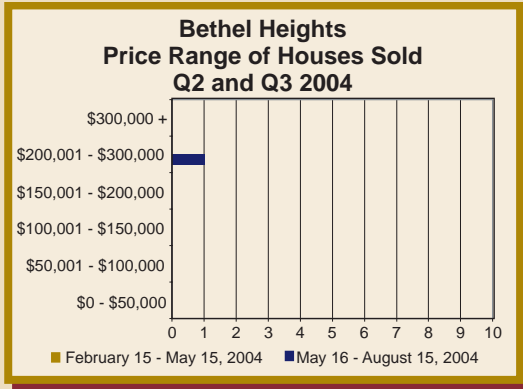
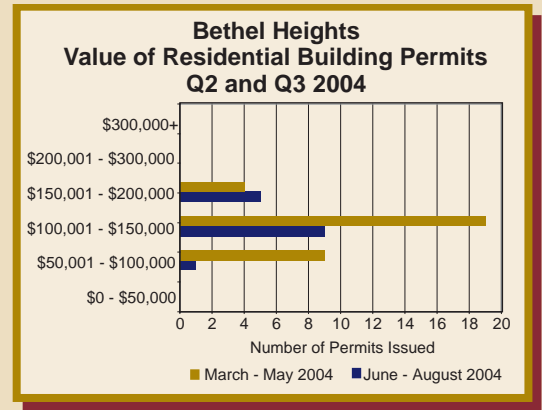
Bentonville Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	3	1.4%	716	56	94.6%	\$58.20
\$50,001 - \$100,000	39	18.6%	1,216	85	97.3%	\$70.89
\$100,001 - \$150,000	74	35.2%	1,590	76	97.6%	\$79.42
\$150,001 - \$200,000	20	9.5%	1,984	160	99.5%	\$90.05
\$200,001 - \$300,000	46	21.9%	2,517	109	98.8%	\$98.87
\$300,000 +	28	13.3%	3,364	164	97.7%	\$137.01
Bentonville	210	100.0%	1,985	104	98.0%	\$90.49



Bethel Heights

- From June to August 2004, there were 15 residential building permits issued in Bethel Heights. This represents a 53.1 percent decline from the March to May 2004 period.
- The average residential building permit value in Bethel Heights increased by 7.2 percent from the second quarter to \$137,942.
- There were 167 total lots in active subdivisions in Bethel Heights in the third quarter of 2004. About 1 percent of the lots were occupied, 3 percent were complete, but unoccupied, 30 percent were under construction, 1 percent were starts, and 65 percent were vacant lots.
- Only 1 new house in Bethel Heights became occupied in the third quarter of 2004.
- Lexington Heights has 33 houses under construction, while the Wilkins Subdivision has 17 new houses under construction.
- Only one existing house was sold in Bethel Heights from May 16 to August 15, 2004, while none were sold in the previous quarter.
- Only 0.1 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Bethel Heights. The sales price of the house sold in Bethel Heights was 127 percent of the county average.



Bethel Heights House Status in Active Subdivisions Q3 2004

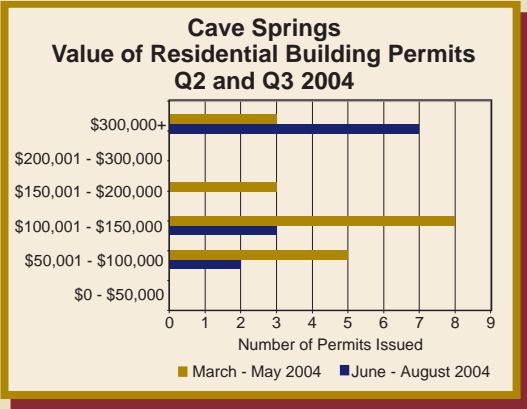
Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Lexington Heights	1	2	33	4	1	41	1	--
Wilkins	108	0	17	1	0	126	0	--
Bethel Heights	109	2	50	5	1	167	1	--

Bethel Heights Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0.0%	--	--	--	--
\$50,001 - \$100,000	0	0.0%	--	--	--	--
\$100,001 - \$150,000	0	0.0%	--	--	--	--
\$150,001 - \$200,000	0	0.0%	--	--	--	--
\$200,001 - \$300,000	1	100.0%	2,105	193	97.6%	\$97.39
\$300,000+	0	0.0%	--	--	--	--
Bethel Heights	1	100.0%	2,105	193	97.6%	\$97.39

Cave Springs

- From June to August 2004, there were 12 residential building permits issued in Cave Springs. This represents a 47.8 percent decline from the March to May 2004 period.
- The average residential building permit value in Cave Springs increased by 47.0 percent from the second quarter to \$261,500.
- There were 172 total lots in active subdivisions in Cave Springs in the third quarter of 2004. About 18 percent of the lots were occupied, 4 percent were complete, but unoccupied, 17 percent were under construction, 1 percent were starts, and 60 percent were vacant lots.
- 10 new houses in Cave Springs became occupied in the third quarter of 2004, implying that there are 42.3 months of remaining inventory in active subdivisions.
- The subdivisions with the most houses under construction in Cave Springs in the third quarter were The Springs at Wellington and St. Valery with 15 and 13, respectively.
- There were 2 existing houses sold in Cave Springs from May 16 to August 15, 2004, or 80.0 percent fewer than in the previous quarter.
- The average price of a house sold in Cave Springs increased from \$207,536 to \$268,375 from the second to the third quarter of 2004.
- In Cave Springs, the average number of days from the initial house listing to the sale increased from 103 days in the second quarter of 2004 to 151 days in the third quarter of 2004.
- About 0.2 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Cave Springs. The average sales price of a house in Cave Springs was 166 percent of the county average.

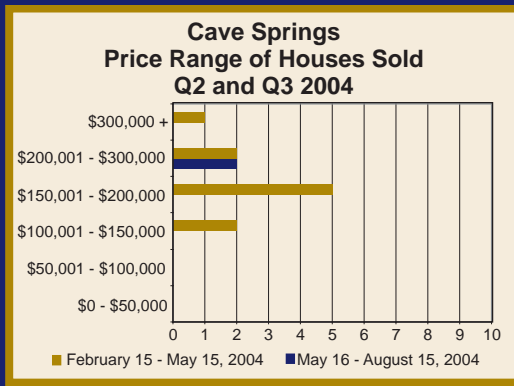


Cave Springs House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Soaring Hawk	11	0	2	1	2	16	2	21.0
St. Valery	56	1	13	3	8	81	8	27.4
Springs at Wellington	31	0	15	3	3	52	0	-
Wellington Heights	5	0	0	0	18	23	0	-
Cave Springs	103	1	30	7	31	172	10	42.3

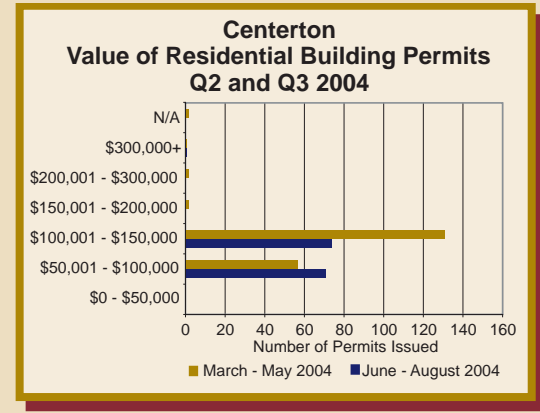
Cave Springs Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0.0%	--	--	--	--
\$50,001 - \$100,000	0	0.0%	--	--	--	--
\$100,001 - \$150,000	0	0.0%	--	--	--	--
\$150,001 - \$200,000	0	0.0%	--	--	--	--
\$200,001 - \$300,000	2	100.0%	2,629	151	94.8%	\$102.08
\$300,000 +	0	0.0%	--	--	--	--
Cave Springs	2	100.0%	2,629	151	94.8%	\$102.08



Centerton

- From June to August 2004, there were 146 residential building permits issued in Centerton. This represents a 25.1 percent decrease from the March to May 2004 period.
- The average residential building permit value in Centerton declined by 15.1 percent from the second quarter to \$93,020.
- There were 1,142 total lots in active subdivisions in Centerton in the third quarter of 2004. About 49 percent of the lots were occupied, 20 percent were complete, but unoccupied, 11 percent were under construction, 4 percent were starts, and 15 percent were vacant lots.
- 388 new houses in Centerton became occupied in the third quarter of 2004, implying that there are 4.5 months of remaining inventory in active subdivisions.
- The subdivisions with the most houses under construction in Centerton in the third quarter were Sienna and Centerpoint with 52 and 33, respectively.
- There were 78 existing houses sold in Centerton from May 16 to August 15, 2004, or 44.4 percent more than in the previous quarter.
- The average price of a house sold in Centerton increased from \$120,903 to \$138,744 from the second to the third quarter of 2004.
- In Centerton, the average number of days from the initial house listing to the sale barely declined from 106 days in the second quarter of 2004 to 95 days in the third quarter of 2004.
- About 6.3 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Centerton. The average sales price of a house in Centerton was only 86 percent of the county average.

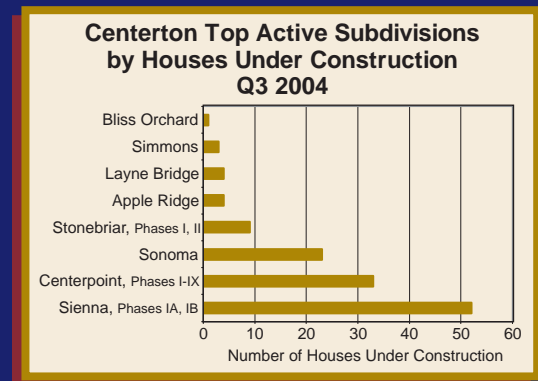


Centerton House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Apple Ridge	17	7	4	0	2	30	2	42.0
Bliss Orchard	3	0	1	14	8	26	8	6.8
Centerpoint, Phases I-IX	47	12	33	33	393	518	286	1.3
Layne Bridge	2	1	4	18	30	55	9	8.3
Sienna, Phases IA, IB	90	28	52	115	36	321	34	25.1
Simmons	8	0	3	3	18	32	0	-
Sonoma Valley	0	0	23	30	26	79	17	9.4
Stonebriar, Phases I, II	7	1	9	4	36	57	26	2.4
Westwood	1	0	0	17	6	24	6	9.0
Centerton	175	49	129	234	555	1,142	388	4.5

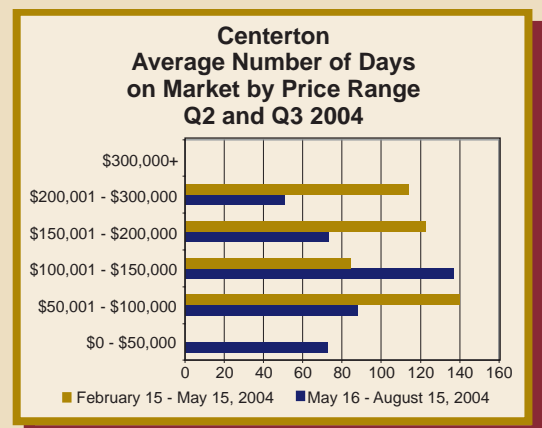
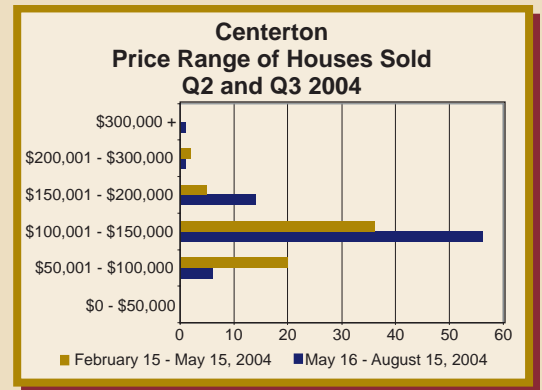
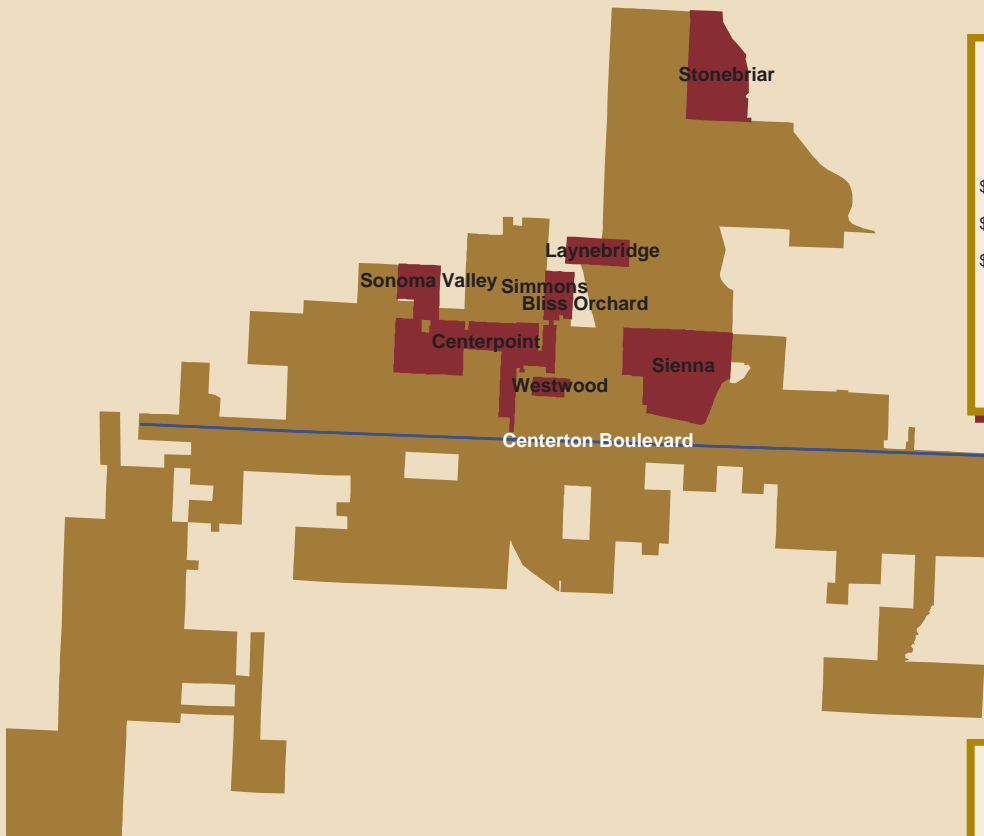
Centerton Top Subdivisions by Houses Under Construction Q3 2004

Subdivision	Number of Houses Under Construction	Total Number of Lots	Percent Under Construction
Sienna, Phases IA, IB	52	321	16%
Centerpoint, Phases I-IX	33	518	6%
Sonoma	23	79	29%
Stonebriar, Phases I, II	9	57	16%
Apple Ridge	4	30	13%
Layne Bridge	4	55	7%
Simmons	3	32	9%
Bliss Orchard	1	26	4%



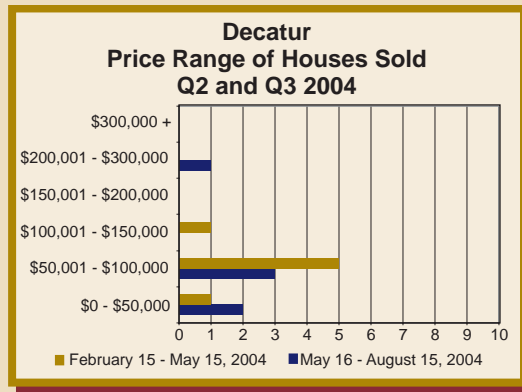
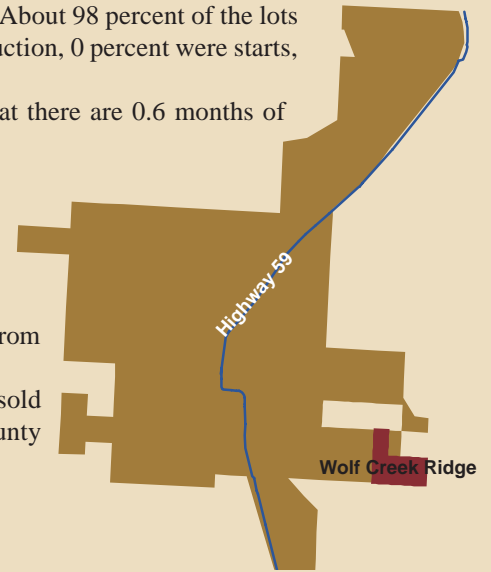
Centerton Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0.0%	--	--	--	--
\$50,001 - \$100,000	6	7.7%	1,310	73	96.9%	\$65.28
\$100,001 - \$150,000	56	71.8%	1,541	88	99.5%	\$82.92
\$150,001 - \$200,000	14	17.9%	1,829	137	100.6%	\$89.83
\$200,001 - \$300,000	1	1.3%	2,101	73	104.9%	\$99.29
\$300,000 +	1	1.3%	2,431	51	97.8%	\$272.73
Centerton	78	100.0%	1,594	95	99.6%	\$85.45



Decatur

- There were 41 total lots in active subdivisions in Decatur in the third quarter of 2004. About 98 percent of the lots were occupied, 0 percent were complete, but unoccupied, 0 percent were under construction, 0 percent were starts, and 2 percent were vacant lots.
- 5 new houses in Decatur became occupied in the third quarter of 2004, implying that there are 0.6 months of remaining inventory in active subdivisions.
- The only active subdivision in Decatur in the third quarter was Wolf Creek.
- There were 6 existing houses sold in Decatur from May 16 to August 15, 2004, or 14.3 percent fewer than in the previous quarter.
- The average price of a house sold in Decatur increased from \$67,371 to \$89,217 from the second to the third quarter of 2004.
- In Decatur, the average number of days from the initial house listing to the sale declined from 108 days in the second quarter of 2004 to 106 days in the third quarter of 2004.
- About 0.5 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Decatur. The average sales price of a house in Decatur was only 55 percent of the county average.



Decatur House Status in Active Subdivisions Q3 2004

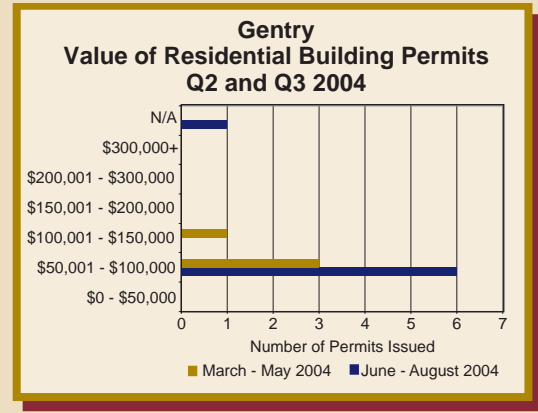
Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Wolf Creek	1	0	0	0	40	41	5	0.6

Decatur Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	2	33.3%	895	68	90.3%	\$27.72
\$50,001 - \$100,000	3	50.0%	1,788	122	100.4%	\$49.35
\$100,001 - \$150,000	0	0.0%	--	--	--	--
\$150,001 - \$200,000	0	0.0%	--	--	--	--
\$200,001 - \$300,000	1	16.7%	2,609	134	90.3%	\$93.41
\$300,000 +	0	0.0%	--	--	--	--
Decatur	6	100.0%	1,627	106	95.4%	\$49.48

Gentry

- From June to August 2004, there were 7 residential building permits issued in Gentry. This represents a 75 percent increase from the March to May 2004 period.
- The average residential building permit value in Gentry declined by 7.3 percent from the second quarter to \$78,802.
- There were 34 total lots in active subdivisions in Gentry in the third quarter of 2004. About 32 percent of the lots were occupied, 9 percent were complete, but unoccupied, 9 percent were under construction, 0 percent were starts, and 50 percent were vacant lots.
- 3 new houses in Gentry became occupied in the third quarter of 2004, implying that there are 34.0 months of remaining inventory in active subdivisions.
- The only active subdivision in Gentry in the third quarter of 2004 was Cobblestone.
- There were 26 existing houses sold in Gentry from May 16 to August 15, 2004, or 30.0 percent more than in the previous quarter.
- The average price of a house sold in Gentry increased from \$102,177 to \$120,427 from the second to the third quarter of 2004.
- In Gentry, the average number of days from the initial house listing to the sale increased from 137 days in the second quarter of 2004 to 163 days in the third quarter of 2004.
- About 2.1 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Gentry. The average sales price of a house in Siloam Springs was only 75 percent of the county average.

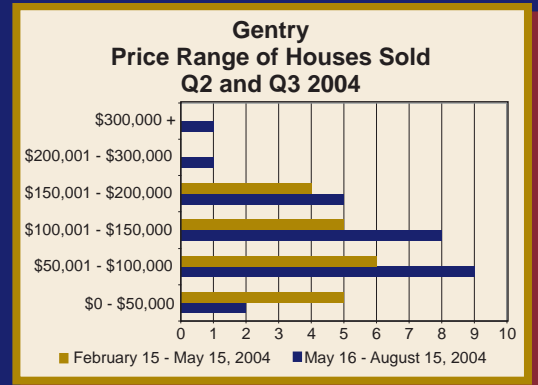


Gentry House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Cobblestone	17	0	3	3	11	34	3	23.0

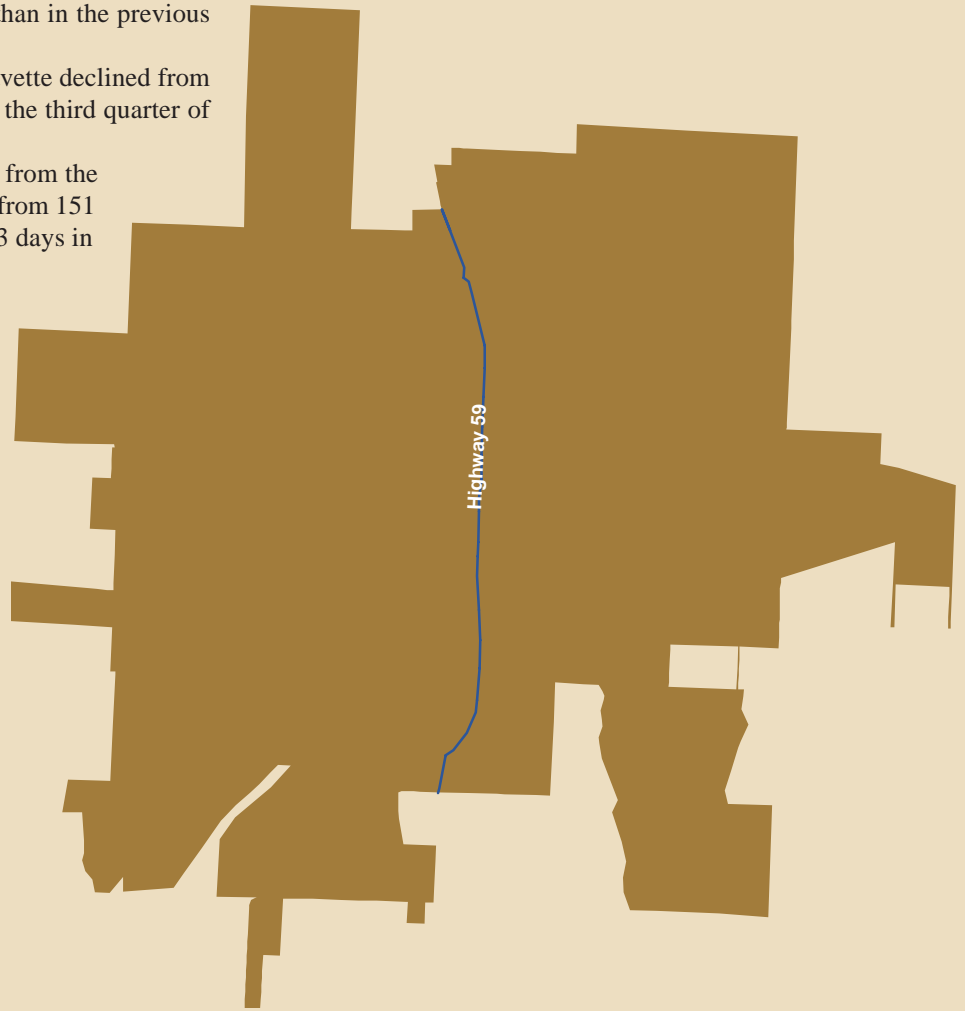
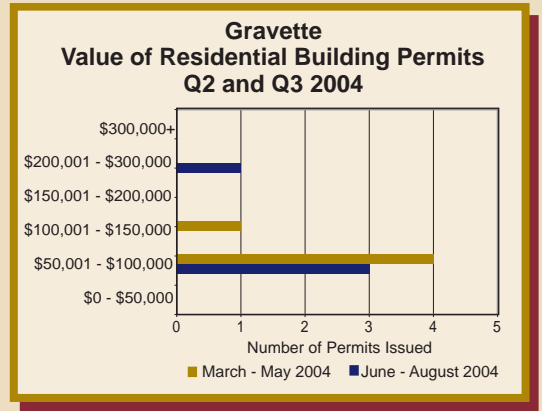
Gentry Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	2	7.7%	812	331	84.1%	\$27.42
\$50,001 - \$100,000	9	34.6%	1,398	161	97.9%	\$55.61
\$100,001 - \$150,000	8	30.8%	1,582	156	97.9%	\$81.74
\$150,001 - \$200,000	5	19.2%	1,921	75	94.3%	\$89.74
\$200,001 - \$300,000	1	3.8%	2,351	338	89.8%	\$91.45
\$300,000 +	1	3.8%	2,850	156	100.0%	\$117.54
Gentry	26	100.0%	1,603	163	95.9%	\$71.81



Gravette

- From June to August 2004, there were 4 residential building permits issued in Gravette. This represents a 20 percent decline from the March to May 2004 period.
- The average residential building permit value in Gravette increased by 45.6 percent from the second quarter to \$116,500.
- There were 73 total lots in active subdivisions in Gravette in the third quarter of 2004. About 88 percent of the lots were occupied, 1 percent were complete, but unoccupied, 1 percent were under construction, 3 percent were starts, and 7 percent were vacant lots.
- 6 new houses in Gravette became occupied in the third quarter of 2004, implying that there are 4.5 months of remaining inventory in active subdivisions.
- Only the Westfield subdivision in Gravette had a house under construction in the third quarter of 2004.
- There were 25 existing houses sold in Gravette from May 16 to August 15, 2004, or 66.7 percent more than in the previous quarter.
- The average price of a house sold in Gravette declined from \$118,039 to \$94,863 from the second to the third quarter of 2004.
- In Gravette, the average number of days from the initial house listing to the sale increased from 151 days in the second quarter of 2004 to 173 days in the third quarter of 2004.
- About 2.0 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Gravette. The average sales price of a house in Gravette was only 59 percent of the county average.

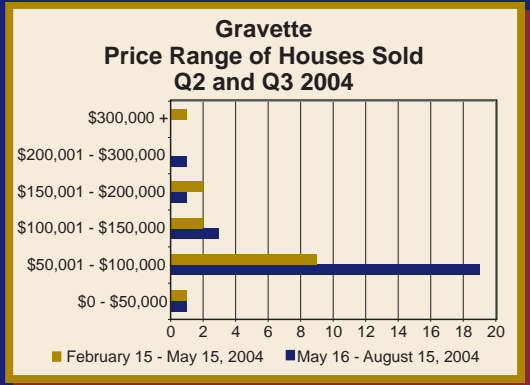


Gravette House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Westfield	4	1	1	0	56	62	1	18.0
5th Ave. NE & Akron St. NE	1	1	0	1	8	11	5	1.8
Gravette	5	2	1	1	64	73	6	4.5

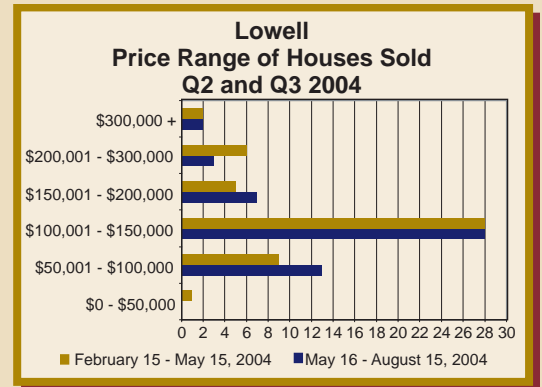
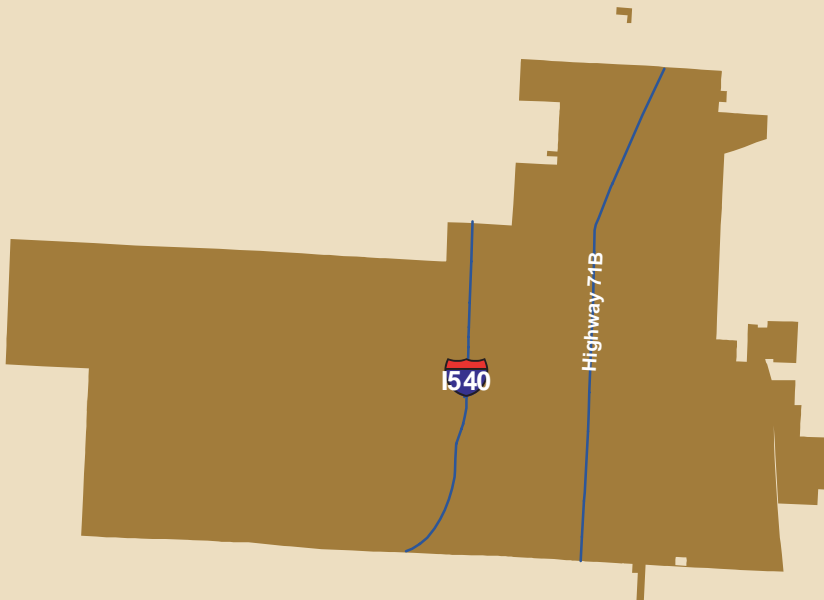
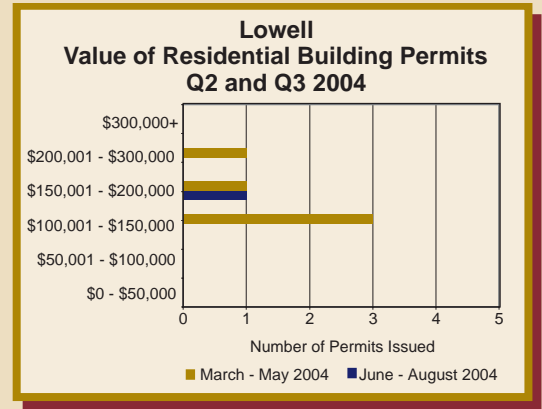
Gravette Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	1	4.0%	864	188	100.0%	\$40.51
\$50,001 - \$100,000	19	76.0%	1,403	186	98.3%	\$58.94
\$100,001 - \$150,000	3	12.0%	2,056	154	93.3%	\$68.19
\$150,001 - \$200,000	1	4.0%	2,182	86	98.1%	\$71.04
\$200,001 - \$300,000	1	4.0%	2,344	46	96.5%	\$115.19
\$300,000 +	0	0.0%	--	--	--	--
Gravette	25	100.0%	1,528	173	97.7%	\$62.04



Lowell

- From June to August 2004, there was 1 residential building permit issued in Lowell. This represents a 75 percent decline from the March to May 2004 period.
- The average residential building permit value in Lowell increased by 24.0 percent from the second quarter to \$198,765.
- There were no active subdivisions in Lowell in the third quarter of 2004, although the Creekwood subdivision in Rogers does cross the city boundary.
- There were 53 existing houses sold in Lowell from May 16 to August 15, 2004, or 3.9 percent more than in the previous quarter.
- The average price of a house sold in Lowell declined from \$145,721 to \$136,070 from the second to the third quarter of 2004.
- In Lowell, the average number of days from the initial house listing to the sale declined from 85 days in the second quarter of 2004 to 58 days in the third quarter of 2004.
- About 4.3 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Lowell. The average sales price of a house in Lowell was only 84 percent of the county average.

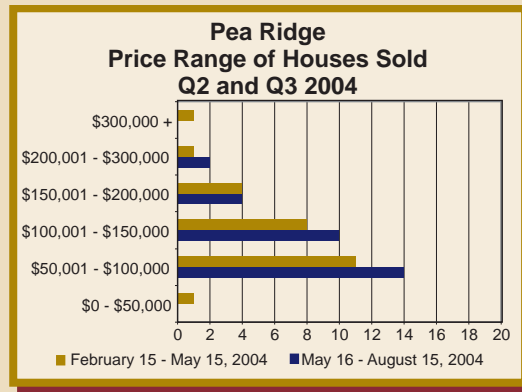
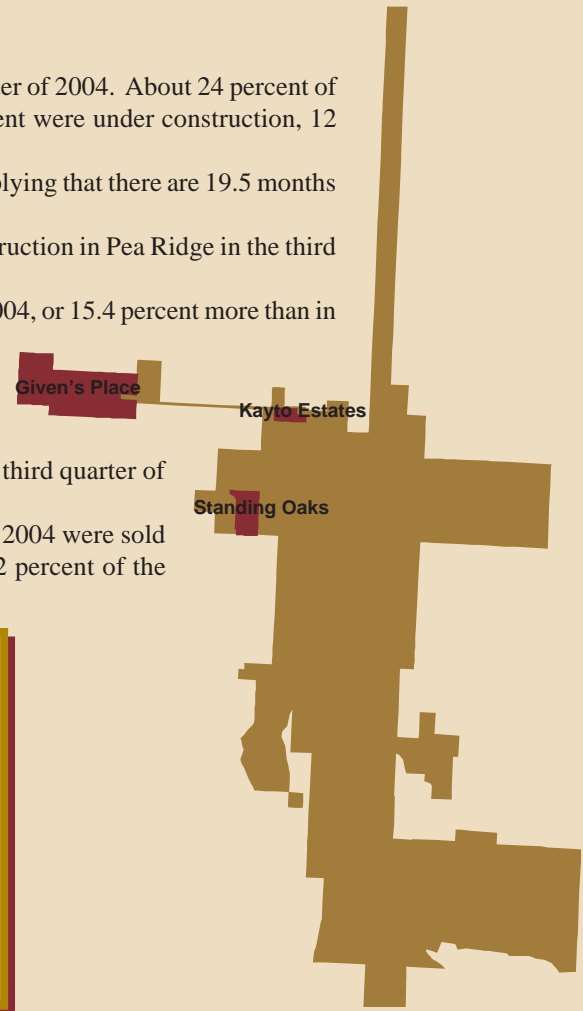


Lowell Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0.0%	--	--	--	--
\$50,001 - \$100,000	13	24.5%	1,267	67	98.8%	\$69.96
\$100,001 - \$150,000	28	52.8%	1,422	48	98.4%	\$83.40
\$150,001 - \$200,000	7	13.2%	2,003	44	97.7%	\$84.74
\$200,001 - \$300,000	3	5.7%	2,273	115	97.2%	\$104.06
\$300,000 +	2	3.8%	2,536	100	93.3%	\$174.42
Lowell	53	100.0%	1,551	58	98.1%	\$84.88

Pea Ridge

- There were 154 total lots in active subdivisions in Pea Ridge in the third quarter of 2004. About 24 percent of the lots were occupied, 12 percent were complete, but unoccupied, 21 percent were under construction, 12 percent were starts, and 32 percent were vacant lots.
- 18 new houses in Pea Ridge became occupied in the third quarter of 2004, implying that there are 19.5 months of remaining inventory in active subdivisions.
- The Standing Oaks and Givens subdivisions had the most houses under construction in Pea Ridge in the third quarter of 2004 with 20 and 10, respectively.
- There were 30 existing houses sold in Pea Ridge from May 16 to August 15, 2004, or 15.4 percent more than in the previous quarter.
- The average price of a house sold in Pea Ridge declined from \$125,688 to \$116,708 from the second to the third quarter of 2004.
- In Pea Ridge, the average number of days from the initial house listing to the sale declined from 167 days in the second quarter of 2004 to 121 days in the third quarter of 2004.
- About 2.4 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Pea Ridge. The average sales price of a house in Pea Ridge was only 72 percent of the county average.



Pea Ridge House Status in Active Subdivisions Q3 2004

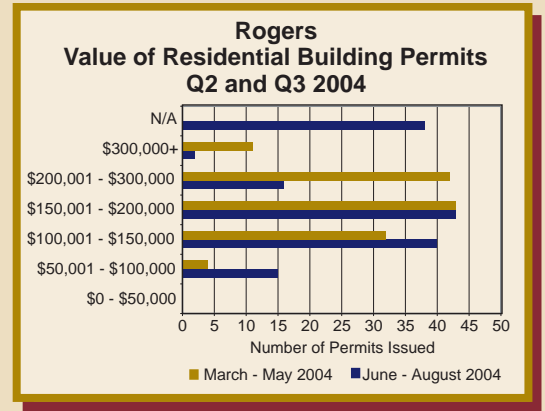
Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Givens Place, Phases I, II (Block 4)	21	18	10	6	25	80	10	16.5
Kayto Estates	0	0	2	1	12	15	8	1.1
Standing Oaks	28	0	20	11	0	59	0	-
Pea Ridge	49	18	32	18	37	154	18	19.5

Pea Ridge Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0.0%	-	-	-	-
\$50,001 - \$100,000	14	46.7%	1,388	97	96.9%	\$65.54
\$100,001 - \$150,000	10	33.3%	1,688	109	99.4%	\$72.04
\$150,001 - \$200,000	4	13.3%	2,136	199	95.0%	\$80.46
\$200,001 - \$300,000	2	6.7%	2,478	190	96.9%	\$105.72
\$300,000 +	0	0.0%	-	-	-	-
Pea Ridge	30	100.0%	1,660	121	97.5%	\$72.37

Rogers

- From June to August 2004, there were 154 residential building permits issued in Rogers. This represents a 16.7 percent increase from the March to May 2004 period.
- The average residential building permit value in Rogers declined by 17.1 percent from the second quarter to \$160,065.
- There were 1,843 total lots in active subdivisions in Rogers in the third quarter of 2004. About 29 percent of the lots were occupied, 4 percent were complete, but unoccupied, 12 percent were under construction, 2 percent were starts, and 54 percent were vacant lots.
- 158 new houses in Rogers became occupied in the third quarter of 2004, implying that there are 24.8 months of remaining inventory in active subdivisions.
- The subdivisions with the most houses under construction in Rogers in the third quarter were Shadow Valley and Abington with 39 and 27, respectively.
- There were 316 existing houses sold in Rogers from May 16 to August 15, 2004, or 15.7 percent more than in the previous quarter.
- The average price of a house sold in Rogers increased from \$173,430 to \$181,514 from the second to the third quarter of 2004.
- In Rogers, the average number of days from the initial house listing to the sale declined from 122 days in the second quarter of 2004 to 109 days in the third quarter of 2004.
- About 25.6 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Rogers. The average sales price of a house in Rogers was 112 percent of the county average.

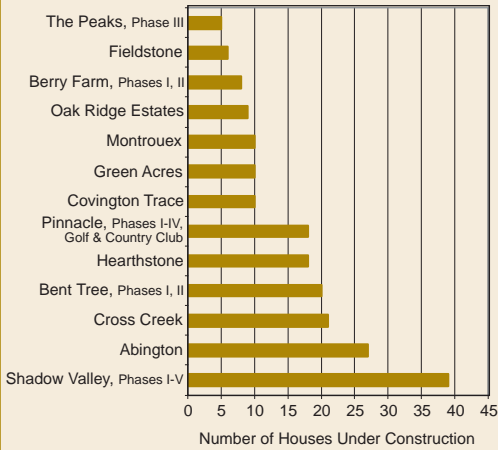


Rogers House Status in Active Subdivisions Q3 2004

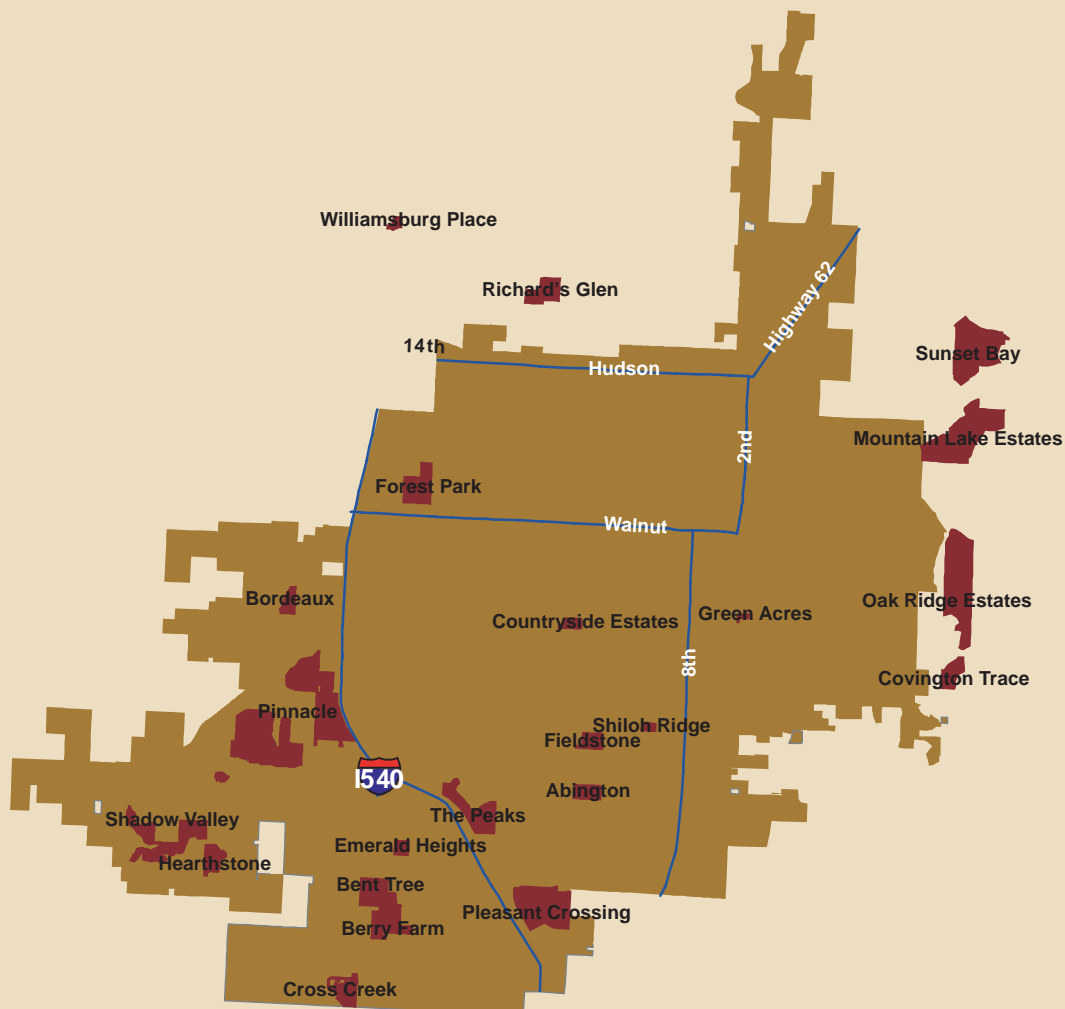
Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Abington	30	4	27	0	0	61	0	-
Bent Tree, Phases I, II	35	1	20	3	68	127	26	6.8
Berry Farm, Phases I, II	1	1	8	3	71	84	15	2.6
Bordeaux	2	0	3	2	21	28	5	4.2
Countryside Estates	15	0	0	8	5	28	2	34.5
Covington Trace	8	1	10	0	1	20	0	-
Creekwood (Rogers/Lowell)	202	0	0	0	0	202	0	-
Cross Creek	37	1	21	0	1	60	1	177.0
Emerald Heights	0	0	0	0	30	30	9	0.0
Fieldstone	22	0	6	15	8	51	5	25.8
Forest Park	24	0	0	0	0	24	0	-
Green Acres	0	0	10	0	0	10	0	-
Hearthstone	25	8	18	13	10	74	10	19.2
Montrouex	5	0	10	0	32	47	7	6.4
Mountain Lake, Phases I, II	24	0	1	1	6	32	0	-
Oak Ridge Estates	19	0	9	2	12	42	0	-
The Peaks, Phase III	98	7	5	0	0	110	0	-
Pinnacle, Phases I-IV, Golf & Country Club	197	0	18	2	148	365	54	12.1
Pleasant Crossing	8	0	0	0	0	8	0	-
Richard's Glen	8	0	3	0	16	27	2	16.5
Shadow Valley, Phases I-V	98	8	39	7	96	248	20	22.8
Shiloh Ridge	4	0	2	1	8	15	2	10.5
Sunset Bay	129	1	2	3	5	140	0	-
Williamsburg Place	3	0	0	7	0	10	0	-
Rogers	994	32	212	67	538	1843	158	24.8

Rogers Top Subdivisions by Houses Under Construction Q3 2004

Rogers Top Active Subdivisions by Houses Under Construction Q3 2004

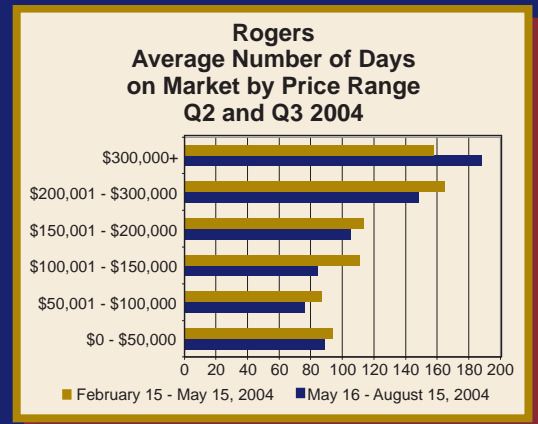
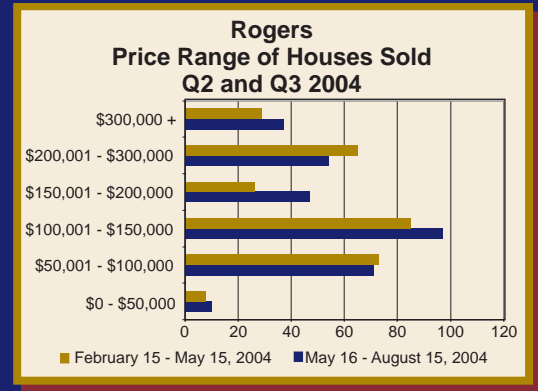


Subdivision	Number of Houses Under Construction	Total Number of Lots	Percent Under Construction
Shadow Valley, Phases I-V	39	248	16%
Abington	27	61	44%
Cross Creek	21	60	35%
Bent Tree, Phases I, II	20	127	16%
Hearthstone	18	74	24%
Pinnacle, Phases I-IV, Golf & Country Club	18	365	5%
Covington Trace	10	20	50%
Green Acres	10	10	100%
Montroux	10	47	21%
Oak Ridge Estates	9	42	21%
Berry Farm, Phases I, II	8	84	10%
Fieldstone	6	51	12%
The Peaks, Phase III	5	110	5%



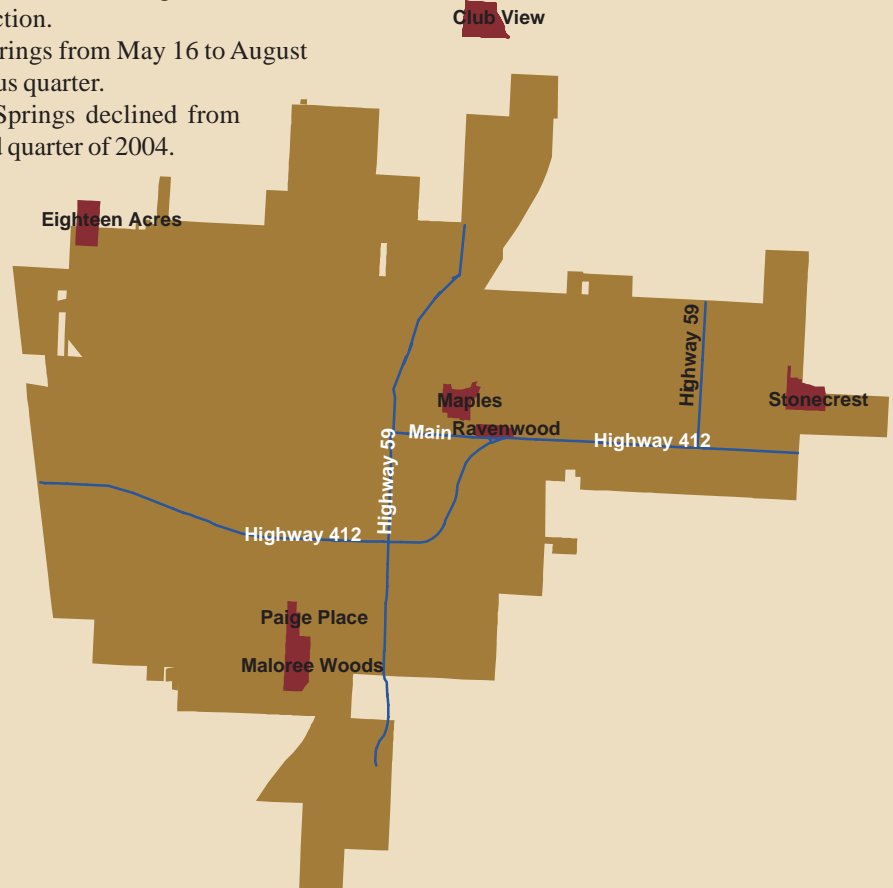
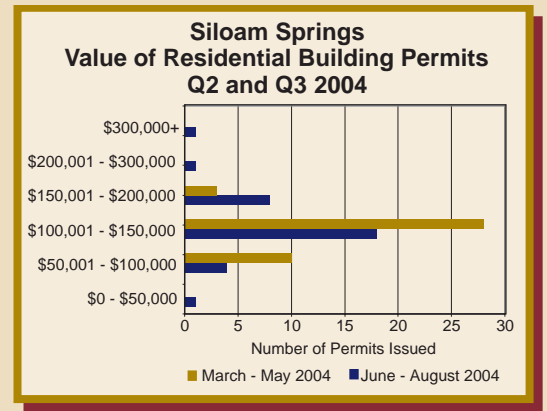
Rogers Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	10	3%	1,107	89	85.9%	\$31.30
\$50,001 - \$100,000	71	22%	1,276	77	98.6%	\$66.34
\$100,001 - \$150,000	97	31%	1,696	84	98.6%	\$76.28
\$150,001 - \$200,000	47	15%	2,125	105	97.7%	\$88.22
\$200,001 - \$300,000	54	17%	2,530	148	98.0%	\$103.98
\$300,000 +	37	12%	3,519	189	98.0%	\$130.70
Rogers	316	100%	2,003	109	97.9%	\$85.50



Siloam Springs

- From June to August 2004, there were 33 residential building permits issued in Siloam Springs. This represents a 19.5 percent decline from the March to May 2004 period.
- The average residential building permit value in Siloam Springs increased by 18.4 percent from the second quarter to \$139,869.
- There were 516 total lots in active subdivisions in Siloam Springs in the third quarter of 2004. About 35 percent of the lots were occupied, 4 percent were complete, but unoccupied, 4 percent were under construction, 1 percent were starts, and 56 percent were vacant lots.
- 122 new houses in Siloam Springs became occupied in the third quarter of 2004, implying that there are 8.3 months of remaining inventory in active subdivisions.
- The subdivision with the most houses under construction in Siloam Springs in the third quarter was Stonecrest with 10. Eighteen Acres, Paige Place, and Maloree Woods all had 3 houses under construction.
- There were 97 existing houses sold in Siloam Springs from May 16 to August 15, 2004, or 42.6 percent more than in the previous quarter.
- The average price of a house sold in Siloam Springs declined from \$118,309 to \$111,814 from the second to the third quarter of 2004.
- In Siloam Springs, the average number of days from the initial house listing to the sale increased from 106 days in the second quarter of 2004 to 121 days in the third quarter of 2004.
- About 7.9 percent of all houses sold in Benton County in the third quarter of 2004 were sold in Siloam Springs. The average sales price of a house in Siloam Springs was only 69 percent of the county average.

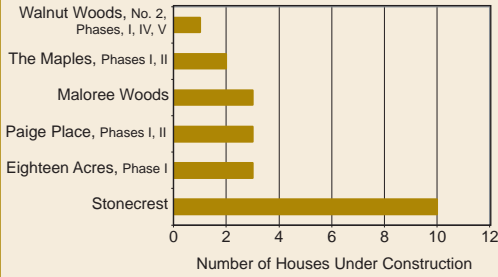


Siloam Springs House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Club View Estates	15	0	0	0	0	15	0	-
Eighteen Acres, Phase I	4	2	3	1	4	14	4	7.5
Highlands	0	0	0	8	2	10	2	12.0
Paige Place, Phases I, II	25	1	3	1	27	57	27	3.3
Patriot Park	156	0	0	0	0	156	0	-
Ravenwood, Phase II	6	0	0	0	5	11	0	-
Stonecrest	22	0	10	5	3	40	3	37.0
Maloree Woods	22	2	3	2	29	58	6	14.5
The Maples, Phases I, II	0	0	2	0	68	70	38	0.2
Walnut Woods, No. 2, Phases I, IV, V	37	0	1	5	42	85	42	3.1
Siloam Springs	287	5	22	22	180	516	122	8.3

Siloam Springs Top Subdivisions by Houses Under Construction Q3 2004

Siloam Springs Top Active Subdivisions by Houses Under Construction Q3 2004



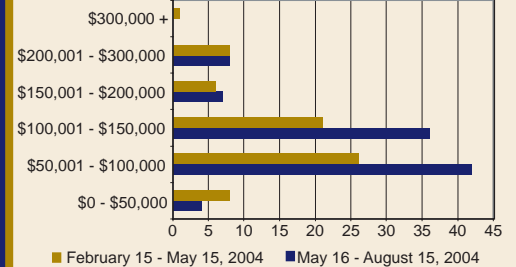
Subdivision	Number of Houses Under Construction	Total Number of Houses	Percent Under Construction
Stonecrest	10	40	25%
Eighteen Acres, Phase I	3	14	21%
Paige Place, Phases I, II	3	57	5%
Maloree Woods	3	58	5%
The Maples, Phases I, II	2	70	3%
Walnut Woods, No. 2, Phases I, IV, V	1	85	1%

Siloam Springs Price Range of Houses Sold May 16 - August 15, 2004

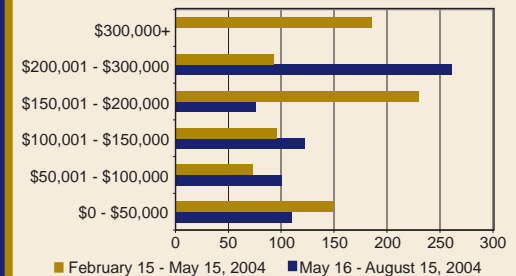
Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	4	4%	1,121	110	86.5%	\$35.37
\$50,001 - \$100,000	42	43%	1,255	101	97.4%	\$63.79
\$100,001 - \$150,000	36	37%	1,761	123	98.3%	\$71.01
\$150,001 - \$200,000	7	7%	1,922	76	97.7%	\$86.48
\$200,001 - \$300,000	8	8%	2,734	262	97.2%	\$85.00
\$300,000 +	--	--	--	--	--	--
Siloam Springs	97	100%	1,607	121	97.3%	\$68.68



Siloam Springs Price Range of Houses Sold Q2 and Q3 2004



Siloam Springs Average Number of Days on Market by Price Range Q2 and Q3 2004



Washington County

Building Permits

From June to August 2004, there were 410 residential building permits issued in Washington County. The third quarter total was 0.7 percent higher than the second quarter total of 407 residential building permits. The average value of the Washington County June to August 2004 building permits was \$144,868, up 2.0 percent from \$142,004 for March to May residential building permits. About 67 percent of the third quarter building permits were valued between \$100,000 and \$200,000, with 15 percent higher than \$200,000 and 18 percent lower than \$100,000.

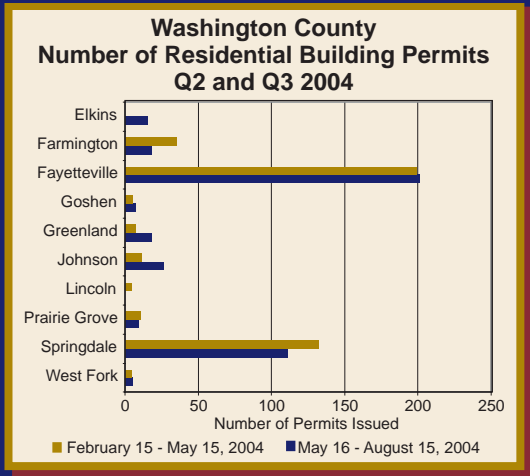
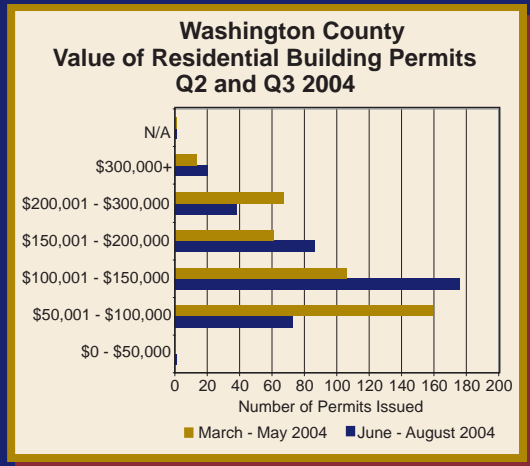
Fayetteville accounted for 49 percent of the residential building permits in Washington County. Springdale followed with 27 percent and the remaining 24 percent were from the other small cities in the county.

From the second quarter to the third quarter, fewer building permits were issued in Farmington, Springdale, and Prairie Grove, while Fayetteville, Goshen, Greenland, Johnson and West Fork had an absolute increase in the number of building permits issued.

Subdivisions

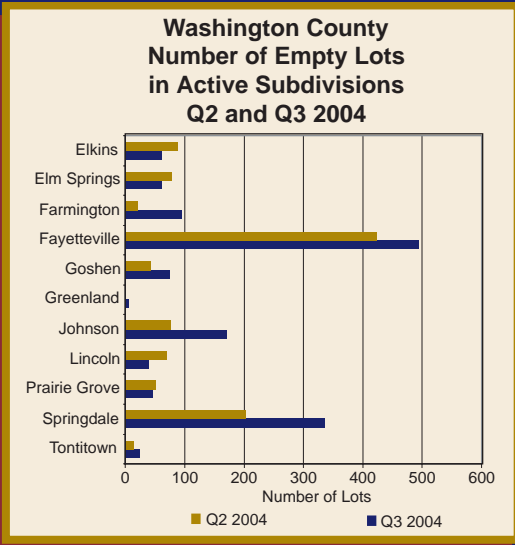
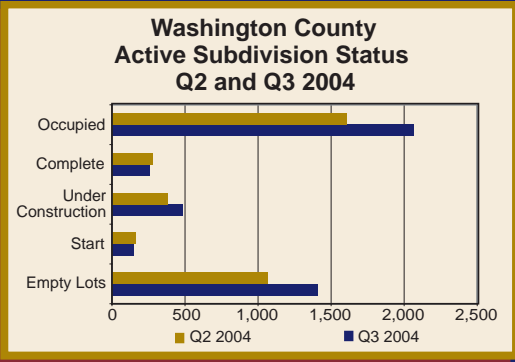
There were 4,411 lots in the 71 active subdivisions in Washington County⁵ in the third quarter of 2004. Within the active subdivisions, 32 percent of the lots were empty, 3 percent were starts, 11 percent were under construction, 7 percent were complete, but unoccupied houses, and 47 percent were occupied houses. In the third quarter of 2004, Fayetteville had the most empty lots, starts, houses under construction, and complete, but unoccupied houses. Springdale had the most occupied houses in active subdivisions. During the third quarter of 2004, the most active subdivisions in terms of houses under

⁵Greenland reported some building permits without associated values. These are denoted N/A in graphs and tables.

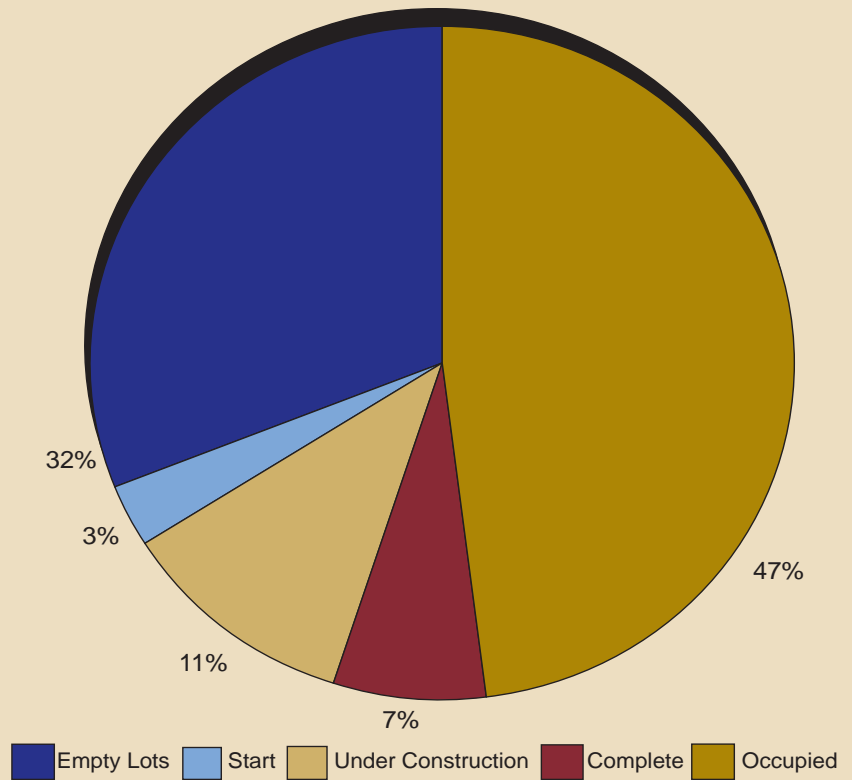


Washington County Residential Building Permit Values by City June - August 2004

City	Permit Value Ranges							Q3 2004 Total	Q2 2004 Total
	\$0-\$50,000	\$50,001 - \$100,000	\$100,001 - \$150,000	\$150,001 - \$200,000	\$200,001 - \$300,000	\$300,000 +	NA		
Elkins	0	13	2	0	0	0	0	15	-
Farmington	0	11	6	1	0	0	0	18	35
Fayetteville	0	46	82	52	13	8	0	201	199
Goshen	0	0	0	4	3	0	0	7	5
Greenland	1	0	16	0	0	0	1	18	7
Johnson	0	0	15	0	4	7	0	26	11
Lincoln	0	0	0	0	0	0	0	0	4
Prairie Grove	0	6	2	1	0	0	0	9	10
Springdale	0	9	52	27	18	5	0	111	132
West Fork	0	1	3	1	0	0	0	5	4
Washington County 1		86	178	86	38	20	1	410	407



Washington County Status of Houses in Active Subdivisions by Percentage Q3 2004



Washington County Top Subdivisions by Number of Houses Under Construction Q3 2004

Subdivision	Market Area	Number of Houses Under Construction	Total Number of Houses	Percent Under Construction
Plantation Estates	Elm Springs	33	65	51%
Fairfield	Fayetteville	27	155	17%
Salem Meadows	Fayetteville	26	101	26%
Har-Ber Meadows	Springdale	25	577	4%
Lincoln Gardens	Lincoln	21	45	47%
Westbrook Village*	Fayetteville	19	113	17%
Brandon's Way	Springdale	18	55	33%
Sage Meadows	Fayetteville	16	88	18%
Clear Creek, Phases I - IV, Patio Homes	Johnson	16	189	8%
Legacy Point	Fayetteville	15	132	11%
Jackson Place	Fayetteville	14	14	100%
Clabber Creek	Fayetteville	13	197	7%
Foxfield	Springdale	13	55	24%
The Enclave	Springdale	12	66	18%
Spring Creek Estates	Springdale	12	70	17%
Southwinds, Phases I - V	Farmington	12	184	7%
Copper Creek	Fayetteville	11	81	14%
Covington Park	Fayetteville	11	170	6%
Buckingham Estates	Tontitown	11	26	42%

*was Salem Village



construction were Plantation Estates in Elm Springs, Fairfield in Fayetteville, Salem Meadows in Fayetteville, Har-Ber Meadows in Springdale, and Lincoln Gardens in Lincoln. Of these top 5 subdivisions for new construction, Har-Ber Meadows and Salem Meadows were also among the most active in the second quarter of 2004.

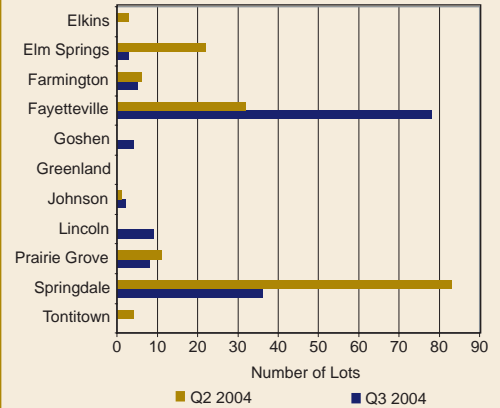
From the second quarter of 2004 to the third quarter of 2004, 477 houses in active subdivisions became occupied in Washington County. Extrapolating this absorption rate to the remaining lots in active subdivisions, Washington County had 14.6 months of lot inventory at the end of the third quarter.

Sales of Existing Houses

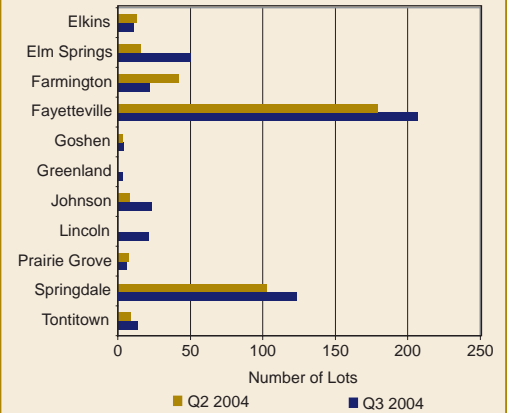
Examining the sales of existing houses in the third quarter of 2004 yields some interesting results. A total of 813 existing houses were sold from May 16 to August 15, 2004. This represents an increase of 1.1 percent from previous quarter. About 42 percent of the houses were sold in Springdale and 41 percent were sold in Fayetteville. The average price of all houses sold in Washington County was \$166,078 and the average house price per square foot was \$85.20. For the third quarter of 2004, the average amount of time between the initial listing of a house and the sale date was 105 days. Each of these statistics shows growth between the second and third quarters of 2004. The average sales price increased by 9.0 percent, the price per square foot increased by 2.8 percent, and the duration on the market declined by 13.2 percent.

From mid-May to mid-August, on average, the largest houses in Washington County were sold in Johnson and Elm Springs. The average house in every city except Lincoln, Tontitown, and Winslow had at least 3 bedrooms, while 1.5 to 2.5 bathrooms were the norm across Washington County. In Johnson and Elm Springs, the price of the average house was most expensive in both absolute and per square foot terms. On average, homes sold fastest in Greenland and Tontitown.

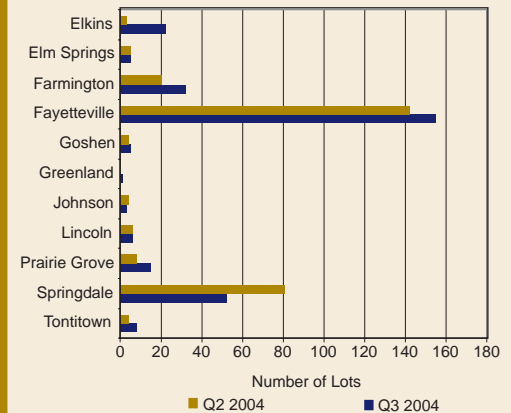
**Washington County
Number of Starts in Active Subdivisions
Q2 and Q3 2004**



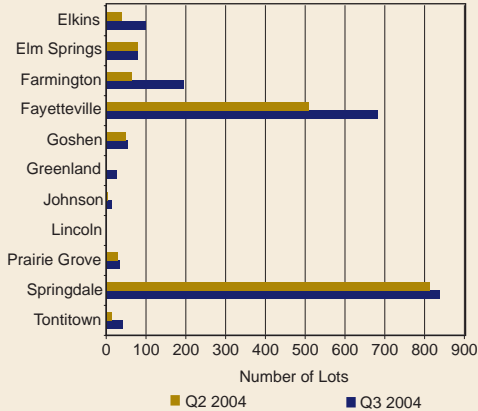
**Washington County
Number of Houses Under Construction
in Active Subdivisions
Q2 and Q3 2004**



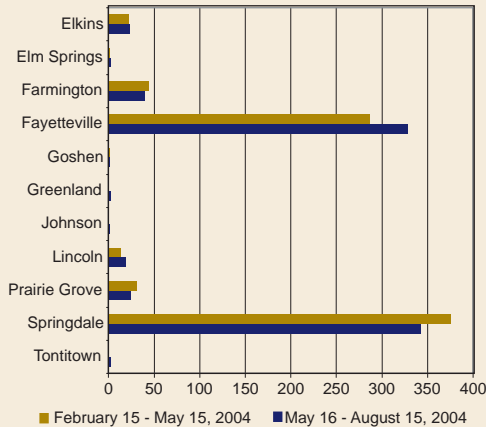
**Washington County
Number of Completed Houses
in Active Subdivisions
Q2 and Q3 2004**



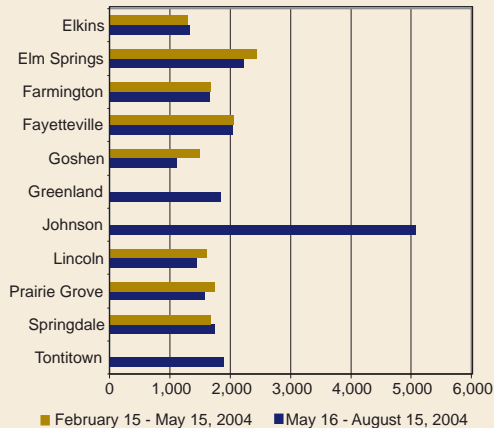
**Washington County
Number of Occupied Houses
in Active Subdivisions
Q2 and Q3 2004**



**Washington County
Number of Houses Sold
Q2 and Q3 2004**



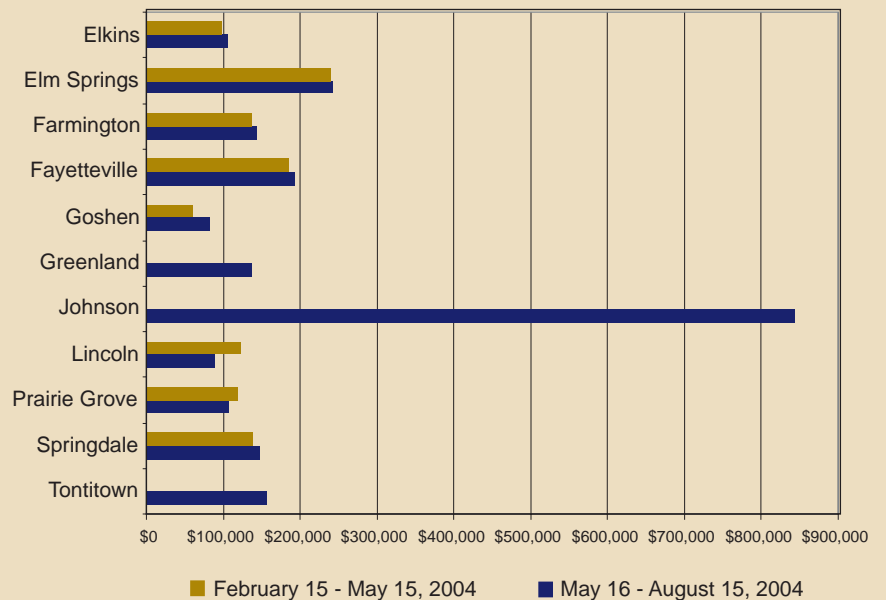
**Washington County
Average Square Footage of Houses Sold
Q2 and Q3 2004**



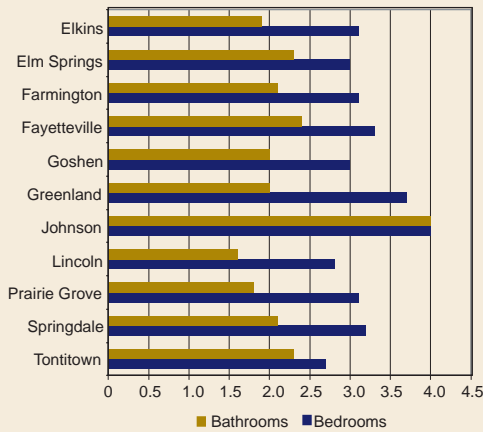
**Washington County Sold House Characteristics
by City
May 16 - August 15, 2004**

City	Average Price	Average Price Per Square Foot	Average Days on Market	Number of Houses Sold	Percentage of County Sales
Cane Hill	\$79,900	\$46.13	98	1	0.1%
Elkins	\$106,105	\$79.19	149	23	2.8%
Elm Springs	\$242,500	\$109.40	91	3	0.4%
Farmington	\$144,073	\$86.60	93	39	4.8%
Fayetteville	\$192,482	\$94.68	97	329	40.5%
Goshen	\$81,500	\$73.16	97	1	0.1%
Greenland	\$136,166	\$73.39	63	3	0.4%
Johnson	\$845,000	\$166.47	138	1	0.1%
Lincoln	\$88,402	\$61.21	138	19	2.3%
Mountainburg	\$140,000	\$89.74	56	1	0.1%
Prairie Grove	\$106,633	\$67.78	142	24	3.0%
Springdale	\$147,380	\$84.46	106	342	42.1%
Summers	\$55,000	\$41.04	256	2	0.2%
Tontitown	\$156,300	\$82.60	79	3	0.4%
West Fork	\$121,331	\$73.63	115	19	2.3%
Winslow	\$83,333	\$66.42	64	3	0.4%
Washington County	\$166,078	\$90.52	105	813	

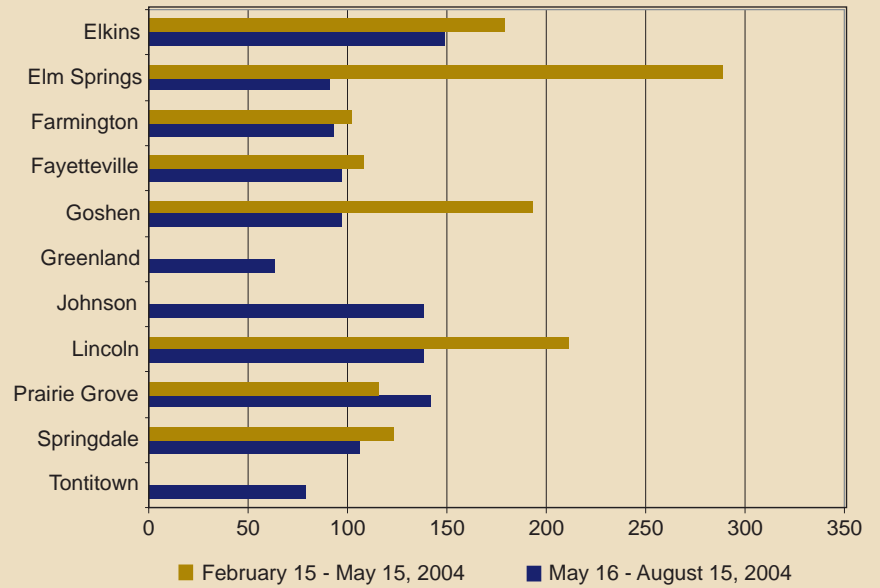
**Washington County
Average Price of Houses Sold
Q2 and Q3 2004**



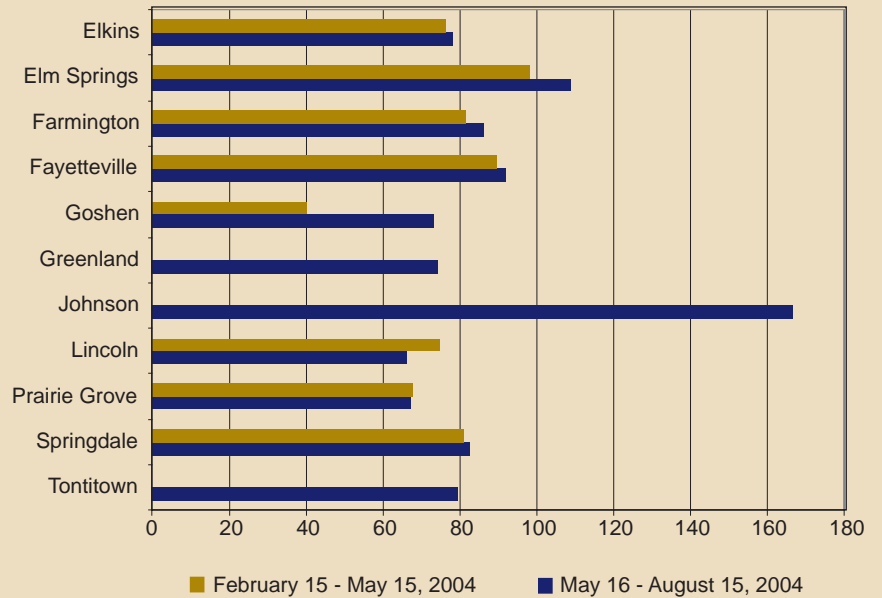
**Washington County
Number of Bedrooms and Bathrooms
in Houses Sold
Q2 and Q3 2004**



**Washington County
Average Number of Days on Market for Houses Sold
Q2 and Q3 2004**

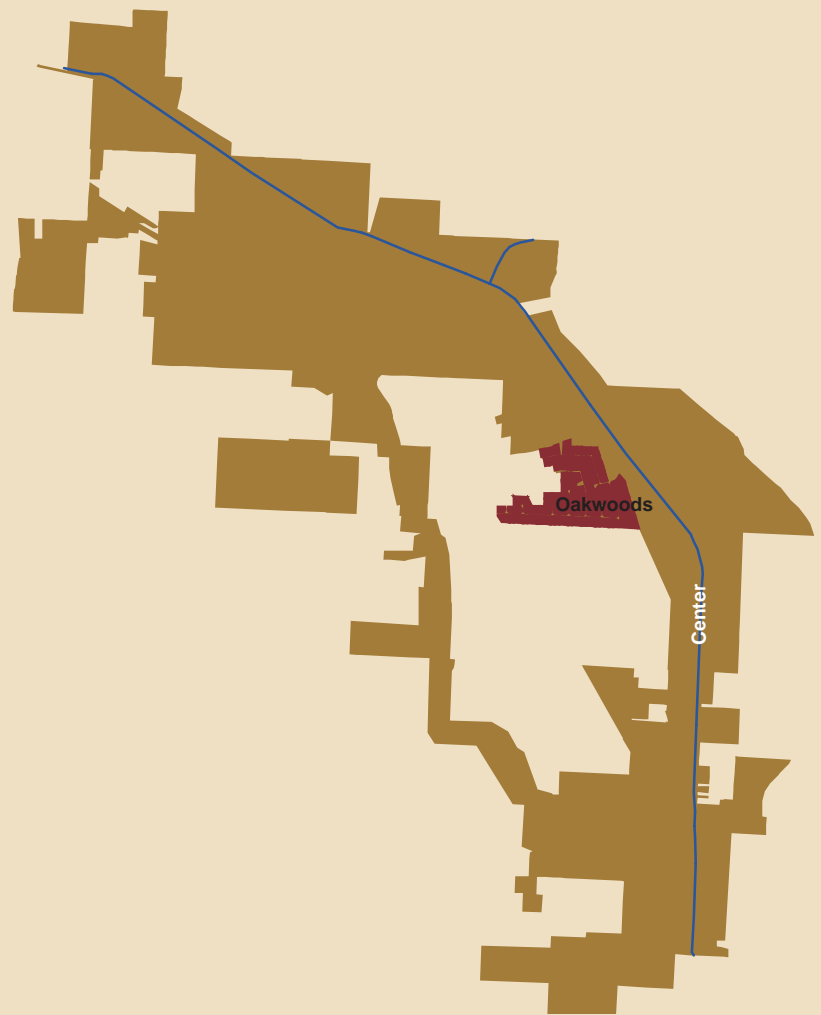
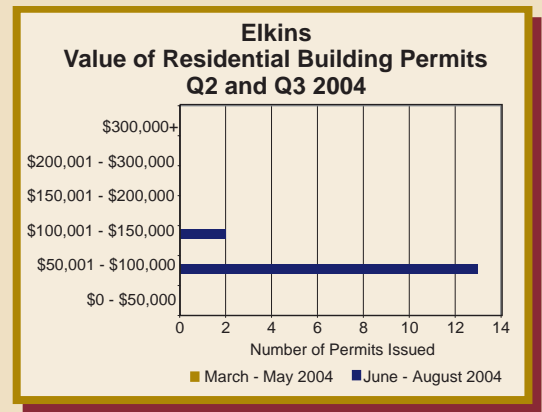


**Washington County
Average Price Per Square Foot of Houses Sold
Q2 and Q3 2004**



Elkins

- There were 213 total lots in active subdivisions in Elkins in the third quarter of 2004. About 47 percent of the lots were occupied, 10 percent were complete, but unoccupied, 5 percent were under construction, 0 percent were starts, and 29 percent were vacant lots.
- 60 new houses in Elkins became occupied in the third quarter of 2004, implying that there are 5.7 months of remaining inventory in active subdivisions.
- The two active subdivisions in Elkins in the third quarter were Meadowbrooke and Oakwoods. There were a total of 11 houses under construction in those two subdivisions.
- There were 23 existing houses sold in Elkins from May 16 to August 15, 2004, or 4.5 percent more than in the previous quarter.
- The average price of a house sold in Elkins increased from \$97,168 to \$106,105 from the second to the third quarter of 2004.
- In Elkins, the average number of days from the initial house listing to the sale declined from 179 days in the second quarter of 2004 to 149 days in the third quarter of 2004.
- About 2.8 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Elkins. The average sales price of a house in Elkins was only 64 percent of the county average.

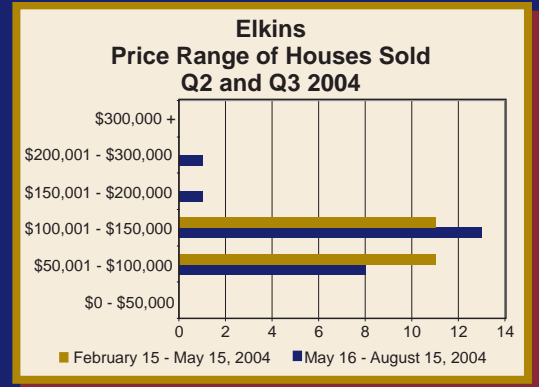


Elkins House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Meadowbrooke	59	0	3	6	6	74	3	68.0
Oakwoods, Phases I - III	3	0	8	16	94	139	57	2.4
Elkins	62	0	11	22	100	213	60	5.7

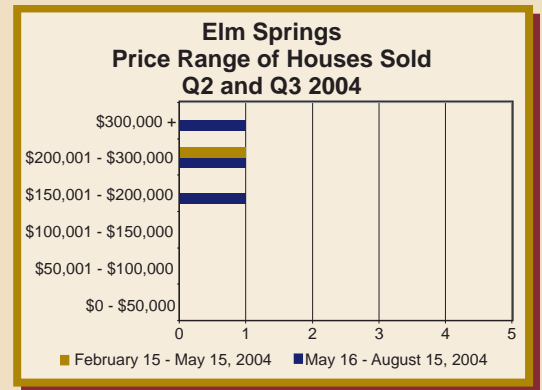
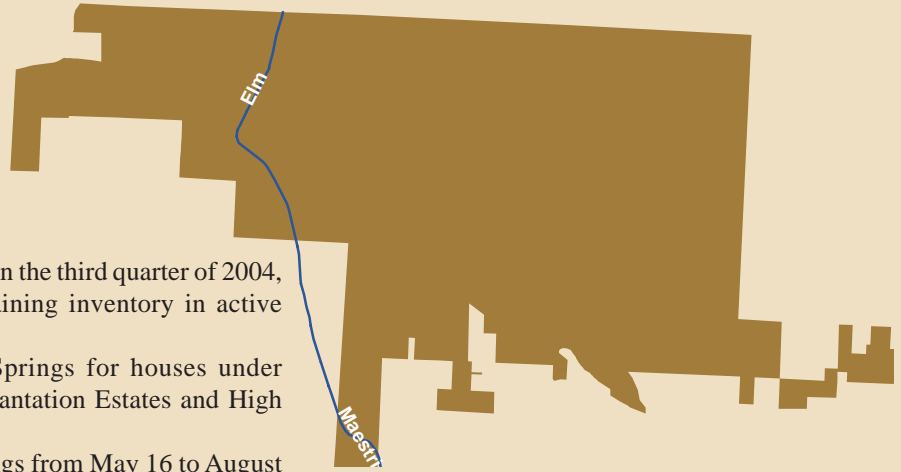
Elkins Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0%	--	--	--	--
\$50,001 - \$100,000	8	35%	1,139	102	97.5%	\$70.16
\$100,001 - \$150,000	13	57%	1,328	174	99.9%	\$82.47
\$150,001 - \$200,000	1	4%	1,956	124	98.4%	\$80.27
\$200,001 - \$300,000	1	4%	2,488	217	98.5%	\$86.74
\$300,000 +	0	0%	--	--	--	--
Elkins	23	100%	1,340	149	98.9%	\$78.28



Elm Springs

- There were 199 total lots in active subdivisions in Elm Springs in the third quarter of 2004. About 40 percent of the lots were occupied, 3 percent were complete, but unoccupied, 3 percent were under construction, 2 percent were starts, and 31 percent were vacant lots.
- 7 new houses in Elm Springs became occupied in the third quarter of 2004, implying that there are 51.4 months of remaining inventory in active subdivisions.
- The two most active subdivisions in Elm Springs for houses under construction were in the third quarter were Plantation Estates and High Ridge with 33 and 9, respectively.
- There were 3 existing houses sold in Elm Springs from May 16 to August 15, 2004, or 200 percent more than in the previous quarter.
- The average price of a house sold in Elm Springs increased from \$240,000 to \$242,500 from the second to the third quarter of 2004.
- In Elm Springs, the average number of days from the initial house listing to the sale declined from 289 days in the second quarter of 2004 to 91 days in the third quarter of 2004.
- About 0.4 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Springdale. The average sales price of a house in Elm Springs was 146 percent of the county average.



Elm Springs House Status in Active Subdivisions Q3 2004

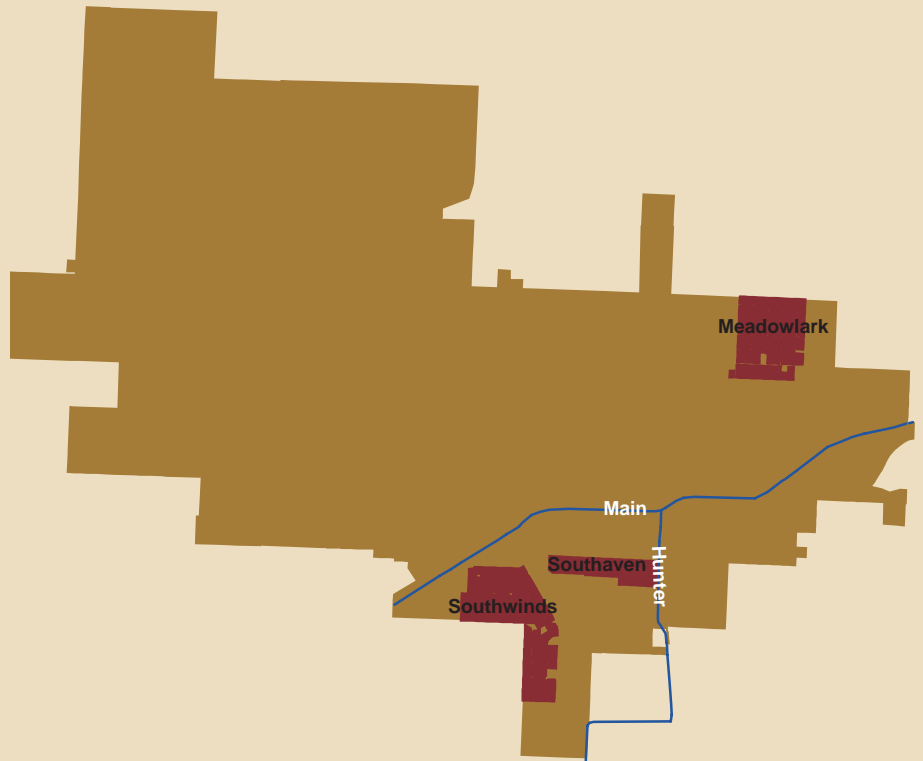
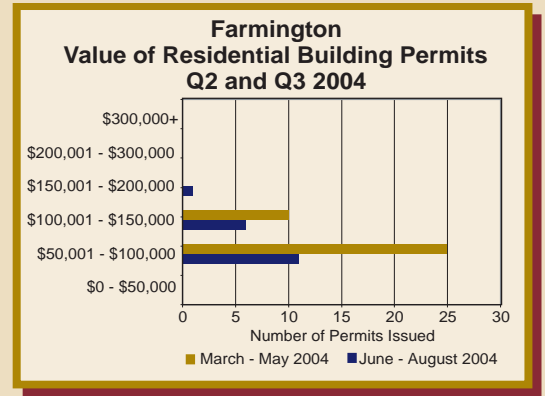
Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Elm Springs Meadows	2	0	3	1	21	27	3	6.0
High Ridge	11	0	9	0	1	21	1	60.0
Oakridge Estates	3	0	2	0	20	25	3	5.0
Pinkley, Phases I - III	21	0	3	0	37	61	0	-
Plantation Estates	25	3	33	4	0	65	0	-
Elm Springs	62	3	50	5	79	199	7	51.4

Elm Springs Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0%	-	--	-	-
\$50,001 - \$100,000	0	0%	-	--	-	-
\$100,001 - \$150,000	0	0%	-	--	-	-
\$150,001 - \$200,000	1	33%	2,100	54	97.4%	\$78.81
\$200,001 - \$300,000	1	33%	2,300	142	96.7%	\$103.04
\$300,000 +	1	33%	2,250	76	97.7%	\$144.44
Elm Springs	3	100%	2,217	91	97.3%	\$108.77

Farmington

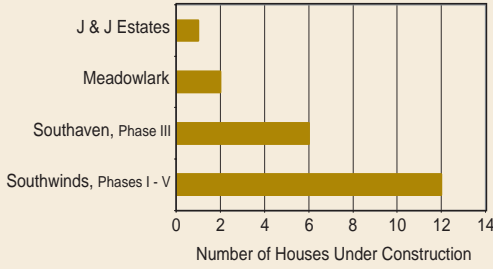
- From June to August 2004, there were 18 residential building permits issued in Farmington. This is a decline of 48.6 percent from the number of residential building permits issued during the March to May 2004 period.
- The average residential building permit value in Farmington increased by 3.1 percent from the second quarter to \$93,020.
- There were 348 total lots in active subdivisions in Farmington in the third quarter of 2004. About 56 percent of the lots were occupied, 9 percent were complete, but unoccupied, 6 percent were under construction, 1 percent were starts, and 27 percent were vacant lots.
- 129 new houses in Farmington became occupied in the third quarter of 2004, implying that there are 3.6 months of remaining inventory in active subdivisions.
- The subdivisions with the most houses under construction in Farmington in the third quarter were Southwinds and Southhaven with 12 and 6, respectively.
- There were 39 existing houses sold in Farmington from May 16 to August 15, 2004, or 11.3 percent fewer than in the previous quarter.
- The average price of a house sold in Farmington increased from \$136,038 to \$144,073 from the second to the third quarter of 2004.
- In Farmington, the average number of days from the initial house listing to the sale declined from 102 days in the second quarter of 2004 to 93 days in the third quarter of 2004.
- About 4.8 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Farmington. The average sales price of a house in Farmington was 87 percent of the county average.



Farmington House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
J & J Estates	2	0	1	1	1	5	1	12.0
Meadowlark	0	0	2	7	37	46	16	1.7
Owl Creek	1	0	0	0	11	12	2	1.5
Southaven, Phase III	5	4	6	19	7	41	3	34.0
Southwinds, Phases I - V	36	0	12	0	136	184	107	1.3
Farmington	44	4	21	27	192	288	129	2.2

Farmington Top Active Subdivisions by Houses Under Construction Q3 2004



Farmington Top Subdivisions by Houses Under Construction Q3 2004

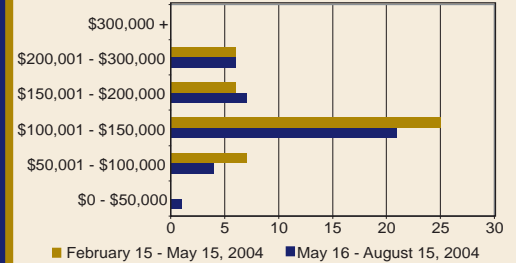
Subdivision	Number of Houses Under Construction	Total Number of Houses	Percent Under Construction
Southwinds, Phases I - V	12	184	7%
Southaven, Phase III	6	41	15%
Meadowlark	2	46	4%
J & J Estates	1	5	20%

Farmington Price Range of Houses Sold May 16 - August 15, 2004

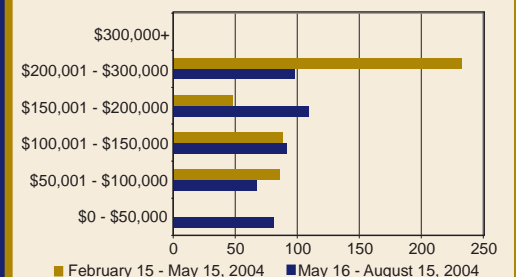
Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	1	3%	1,512	81	90.2%	\$29.76
\$50,001 - \$100,000	4	10%	1,229	67	99.2%	\$74.61
\$100,001 - \$150,000	21	54%	1,419	92	99.1%	\$87.39
\$150,001 - \$200,000	7	18%	1,957	109	99.4%	\$90.92
\$200,001 - \$300,000	6	15%	2,494	98	98.2%	\$93.41
\$300,000 +	--	--	--	--	--	--
Farmington	39	100%	1,664	93	98.8%	\$86.16



Farmington Price Range of Houses Sold Q2 and Q3 2004

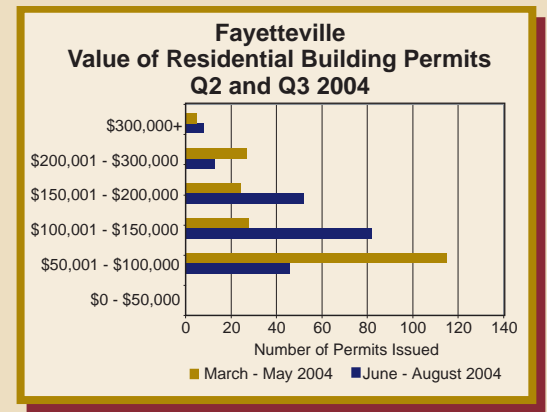


Farmington Average Number of Days on Market by Price Range Q2 and Q3 2004



Fayetteville

- From June to August 2004, there were 201 residential building permits issued in Fayetteville. This is virtually unchanged from the 199 residential building permits issued during the March to May 2004 period.
- The average residential building permit value in Fayetteville increased by 14.0 percent from the second quarter to \$146,922.
- There were 1,617 total lots in active subdivisions in Fayetteville in the third quarter of 2004. About 42 percent of the lots were occupied, 10 percent were complete, but unoccupied, 13 percent were under construction, 5 percent were starts, and 30 percent were vacant lots.
- 139 new houses in Fayetteville became occupied in the third quarter of 2004, implying that there are 20.2 months of remaining inventory in active subdivisions.
- The subdivisions with the most houses under construction in Fayetteville in the third quarter were Fairfield and Salem Meadows with 27 and 26, respectively.
- There were 329 existing houses sold in Fayetteville from May 16 to August 15, 2004, or 14.6 percent more than in the previous quarter.
- The average price of a house sold in Fayetteville increased from \$186,082 to \$192,482 from the second to the third quarter of 2004.
- In Fayetteville, the average number of days from the initial house listing to the sale declined from 108 days in the second quarter of 2004 to 97 days in the third quarter of 2004.
- About 40.5 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Fayetteville. The average sales price of a house in Fayetteville was 116 percent of the county average.



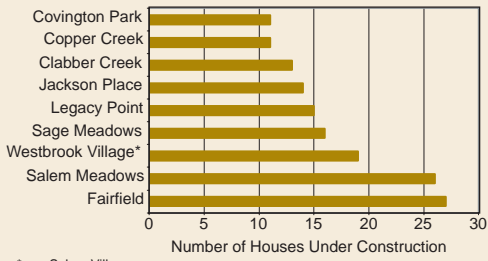
Fayetteville House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Ash Acres	0	0	0	1	5	6	4	0.8
Bois D'arc	14	0	0	0	5	19	2	21.0
Bridgewater Estates	26	1	2	0	0	29	0	—
Candlewood	4	0	7	0	47	58	2	16.5
Charleston Place	21	2	6	0	22	51	2	43.5
Clabber Creek	75	33	13	41	35	197	28	17.4
Copper Creek	34	3	11	12	21	81	0	—
Covington Park	27	0	11	5	127	170	4	32.3
Estates at Salem Hill	11	3	9	0	0	23	0	—
Fairfield	77	9	27	1	41	155	0	—
Jackson Place	0	0	14	0	0	14	0	—
Legacy Point	34	2	15	45	36	132	20	14.4
Mission Hills	8	0	7	1	7	23	4	12.0
Newcastle Estates	10	0	0	0	0	10	0	—
Sage Meadows	55	0	16	13	4	88	3	84.0
Salem Meadows	38	8	26	5	24	101	24	9.6
Stonebridge Meadows	4	1	2	5	66	78	8	4.5
Stonewood	16	0	6	0	93	115	19	3.5
Summerbrook Place	4	2	4	0	0	10	0	—
Summersby	18	3	8	1	22	52	4	22.5
Westbrook Village*	16	10	19	23	45	113	14	14.6
Yorktown Square	2	1	4	2	83	92	1	27.0
Fayetteville	494	78	207	155	683	1617	139	20.2

*was Salem Village

Fayetteville Top Subdivisions by Houses Under Construction Q3 2004

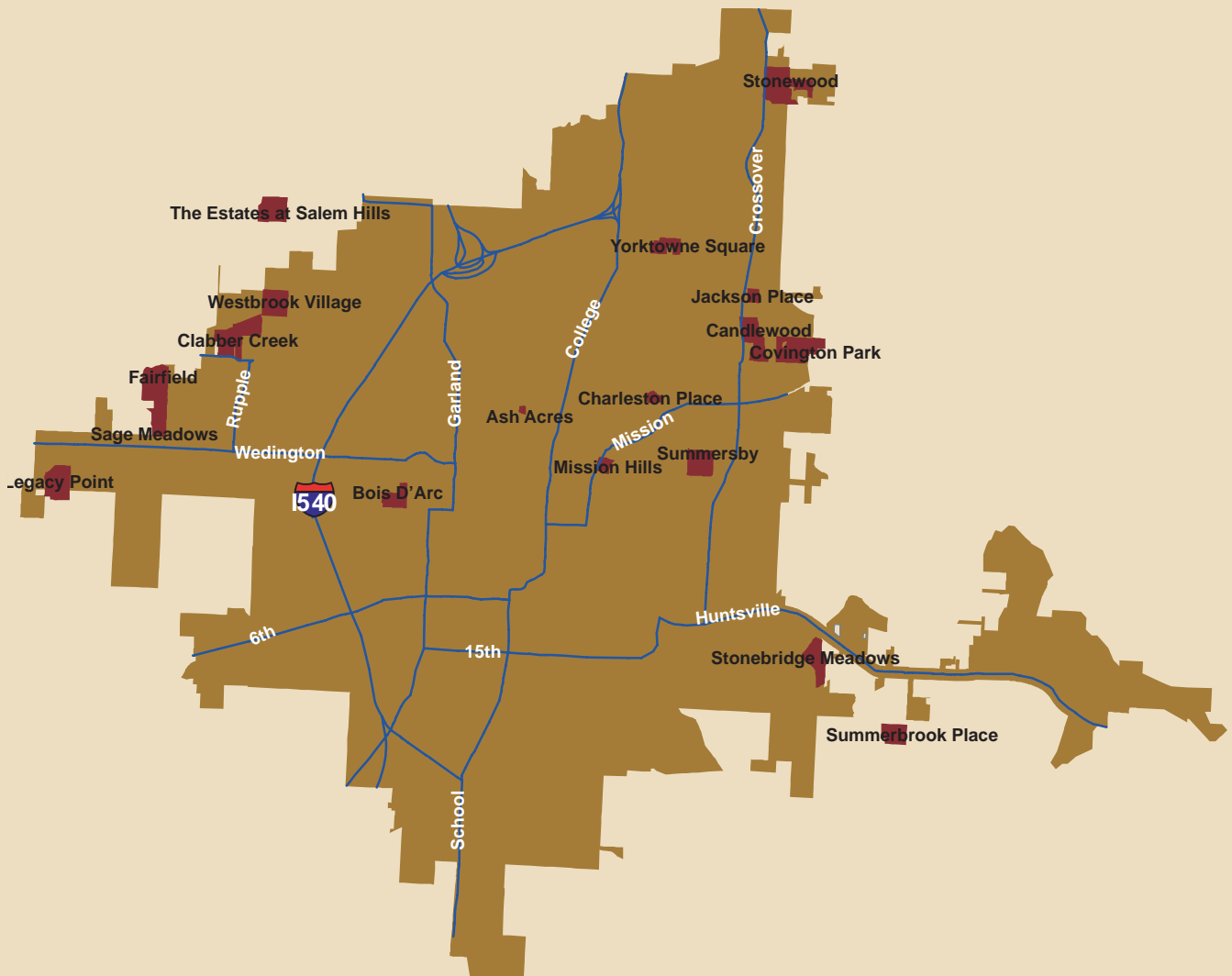
Fayetteville Top Active Subdivisions by Houses Under Construction Q3 2004



*was Salem Village

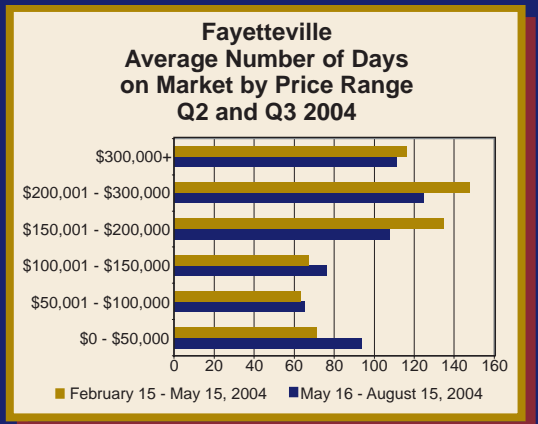
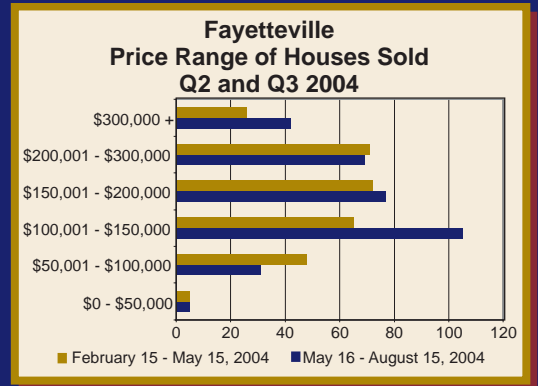
Subdivision	Number of Houses Under Construction	Total Number of Houses	Percent Under Construction
Fairfield	27	155	17%
Salem Meadows	26	101	26%
Westbrook Village*	19	113	17%
Sage Meadows	16	88	18%
Legacy Point	15	132	11%
Jackson Place	14	14	100%
Clabber Creek	13	197	7%
Copper Creek	11	81	14%
Covington Park	11	170	6%

*was Salem Village



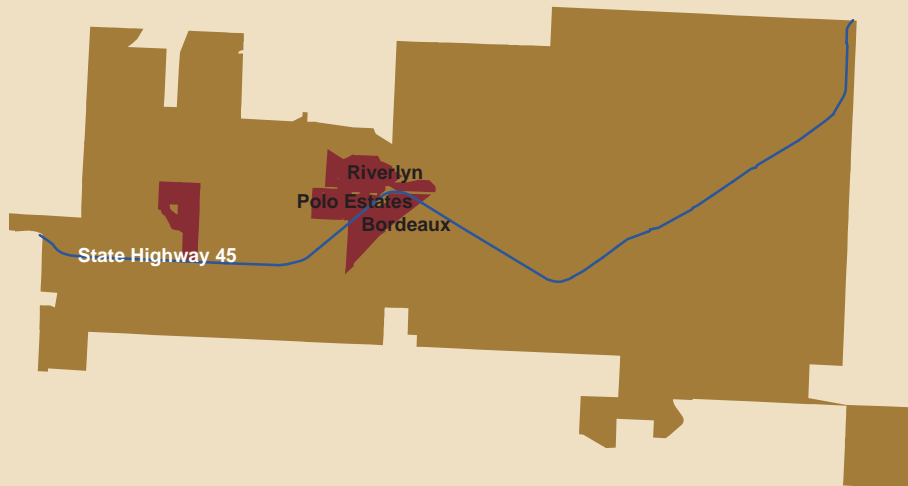
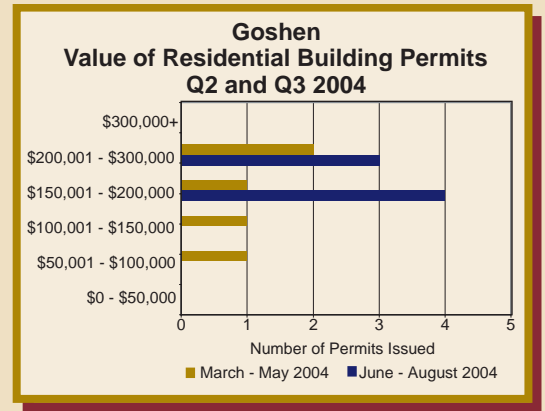
Fayetteville Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	5	2%	947	93	97.4%	\$44.15
\$50,001 - \$100,000	31	9%	1,145	65	98.0%	\$76.18
\$100,001 - \$150,000	105	32%	1,554	76	99.2%	\$84.23
\$150,001 - \$200,000	77	23%	1,964	108	97.6%	\$90.24
\$200,001 - \$300,000	69	21%	2,419	125	98.7%	\$101.82
\$300,000 +	42	13%	3,507	111	98.0%	\$114.18
Fayetteville	329	100%	1,923	96	98.2%	\$85.13



Goshen

- From June to August 2004, there were 7 residential building permits issued in Goshen. This is an increase of 40.0 percent from the number of residential building permits issued during the March to May 2004 period.
- The average residential building permit value in Goshen increased by 12.3 percent from the second quarter to \$197,439.
- There were 348 total lots in active subdivisions in Goshen in the third quarter of 2004. About 35 percent of the lots were occupied, 3 percent were complete, but unoccupied, 3 percent were under construction, 3 percent were starts, and 48 percent were vacant lots.
- 8 new houses in Goshen became occupied in the third quarter of 2004, implying that there are 37.5 months of remaining inventory in active subdivisions.
- The Bordeaux, Polo Country, Riverlyn, and Vineyard subdivisions each had one house under construction in the third quarter of 2004.
- There was 1 existing house sold in Goshen from May 16 to August 15, 2004, the same as in the previous quarter.
- The price of the house sold in Goshen in the third quarter was \$81,500 which was an increase from the \$59,900 house in the second quarter of 2004.
- In Goshen, the number of days from the initial house listing to the sale declined from 193 days in the second quarter of 2004 to 97 days in the third quarter of 2004.
- About 0.1 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Goshen. The average sales price of a house in Goshen was only 49 percent of the county average.

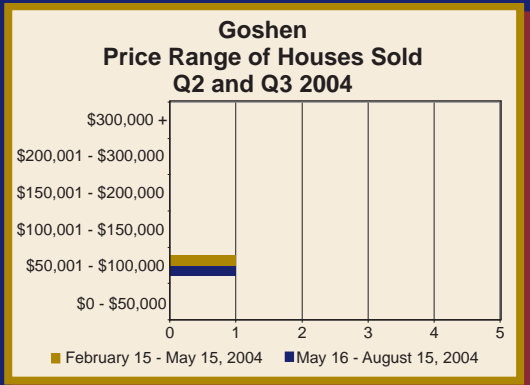


Goshen House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Bordeaux	11	1	1	5	2	20	0	-
Bridlewood, Phase I	40	0	0	0	0	40	0	-
Polo Country	8	1	1	0	24	34	5	2.4
Riverlyn	5	0	1	0	18	37	0	-
Vineyard	10	2	1	0	9	22	3	13.0
Goshen	74	4	4	5	53	153	8	37.5

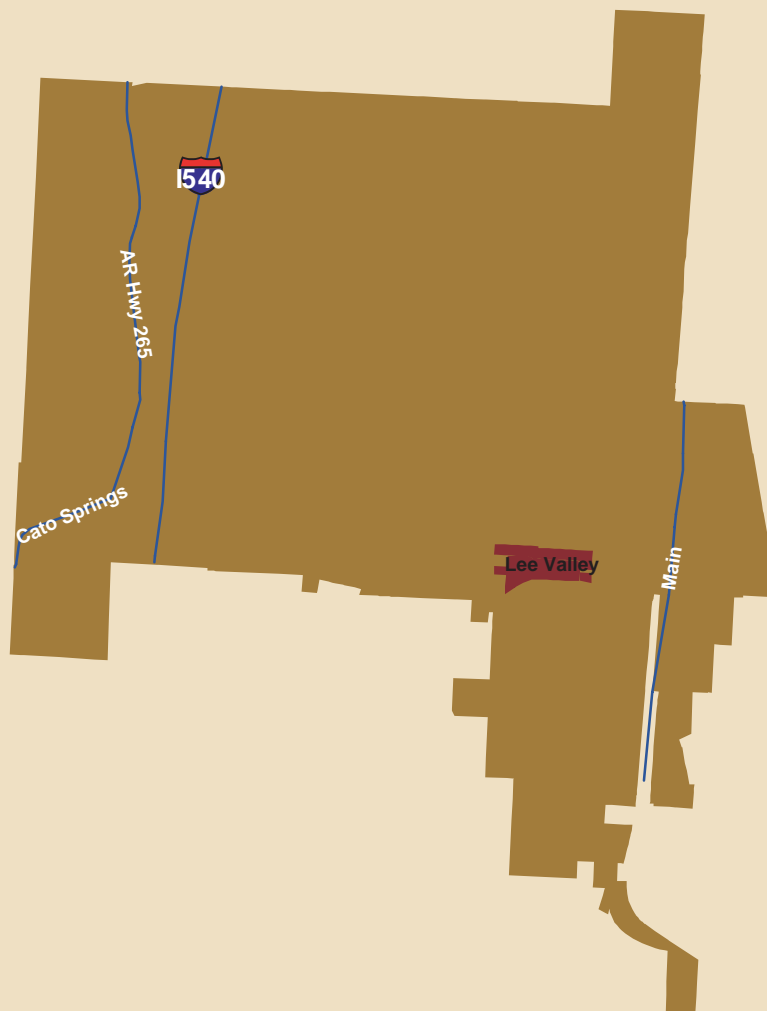
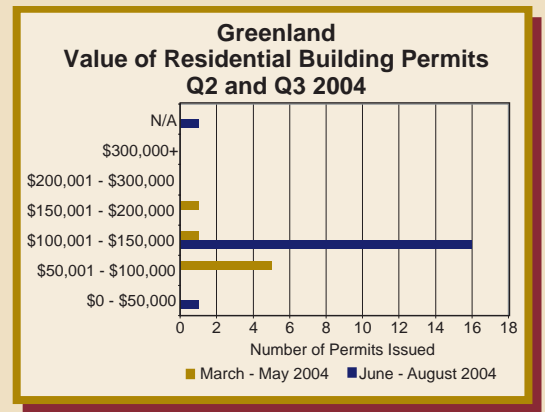
Goshen Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0%	--	--	--	--
\$50,001 - \$100,000	1	100%	1,114	97	92.1%	\$73.16
\$100,001 - \$150,000	0	0%	--	--	--	--
\$150,001 - \$200,000	0	0%	--	--	--	--
\$200,001 - \$300,000	0	0%	--	--	--	--
\$300,000 +	0	0%	--	--	--	--
Goshen	1	100%	1,114	97	92.1%	\$73.16



Greenland

- From June to August 2004, there were 18 residential building permits issued in Greenland with an average value of \$116,500.
- There were 36 total lots in active subdivisions in Greenland in the third quarter of 2004. About 75 percent of the lots were occupied, 3 percent were complete, but unoccupied, 8 percent were under construction, 0 percent were starts, and 14 percent were vacant lots.
- The only active subdivision in Greenland in the third quarter of 2004 was Lee Valley. There were 3 houses under construction.
- There were 3 existing houses sold in Greenland from May 16 to August 15, 2004. In the previous quarter there were no sales of existing houses.
- The average price of the houses sold in Greenland in the third quarter was \$136,166 and the average number of days from the initial listing to the sale was 63.
- About 0.4 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Greenland. The average sales price of a house in Greenland was 82 percent of the county average.

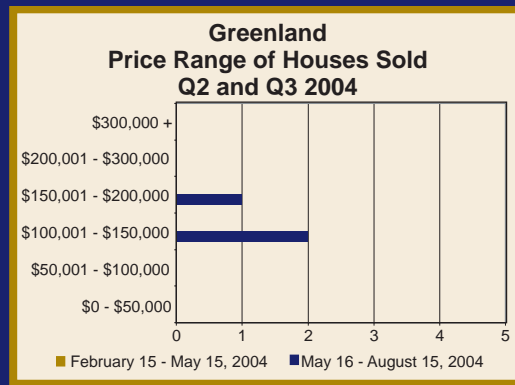


Greenland House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Lee Valley, Phases II, III	5	0	3	1	27	36	-	-
Greenland								

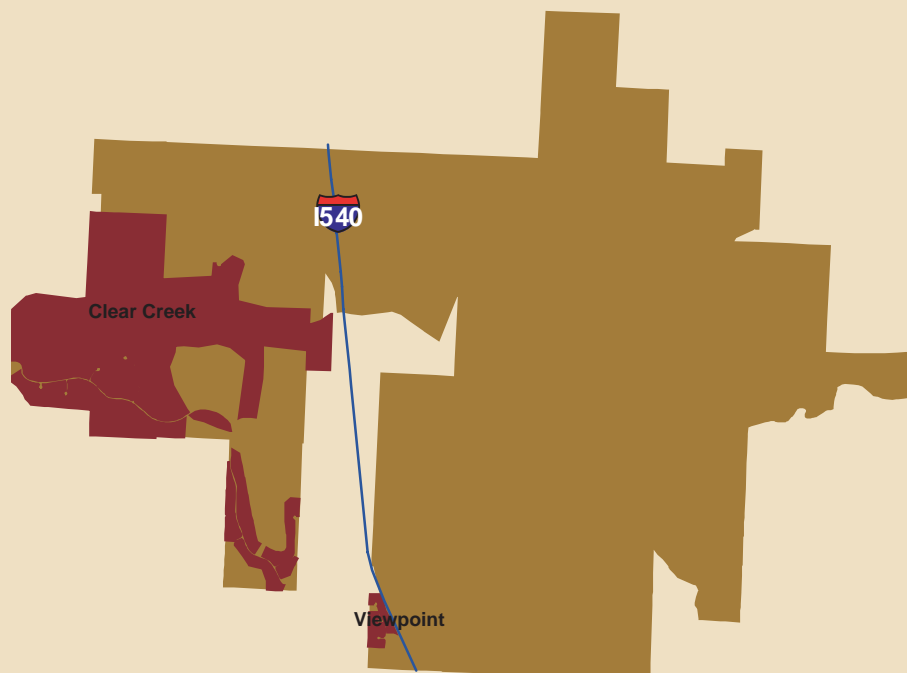
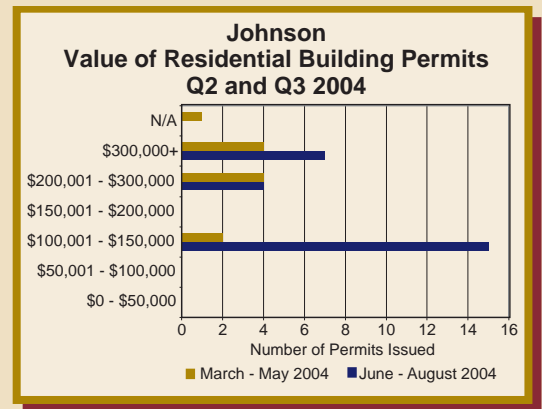
Greenland Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0%	--	--	--	--
\$50,001 - \$100,000	0	0%	--	--	--	--
\$100,001 - \$150,000	2	67%	1,943	43	100%	\$65.14
\$150,001 - \$200,000	1	33%	1,680	104	99%	\$92.56
\$200,001 - \$300,000	0	0%	--	--	--	--
\$300,000 +	0	0%	--	--	--	--
Greenland	3	100%	1,855	63	100%	\$74.28



Johnson

- From June to August 2004, there were 26 residential building permits issued in Johnson. This is an increase of 136.4 percent from the number of residential building permits issued during the March to May 2004 period.
- The average residential building permit value in Johnson increased by 22.5 percent from the second quarter to \$226,363.
- There were 212 total lots in active subdivisions in Johnson in the third quarter of 2004. About 6 percent of the lots were occupied, 1 percent were complete, but unoccupied, 11 percent were under construction, 1 percent were starts, and 81 percent were vacant lots.
- 9 new houses in Johnson became occupied in the third quarter of 2004, implying that there are 66.3 months of remaining inventory in active subdivisions.
- The Clear Creek and Switch Townhomes subdivisions had the most houses under construction in Johnson with 16 and 6, respectively.
- There was 1 existing house sold in Johnson from May 16 to August 15, 2004, whereas there were none sold in the previous quarter.
- The price of the house sold in Johnson in the third quarter was \$845,000 and the number of days from the initial house listing to the sale was 138.
- About 0.1 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Johnson. The average sales price of a house in Johnson was a whopping 509 percent of the county average, driven entirely by the anomalous sale.

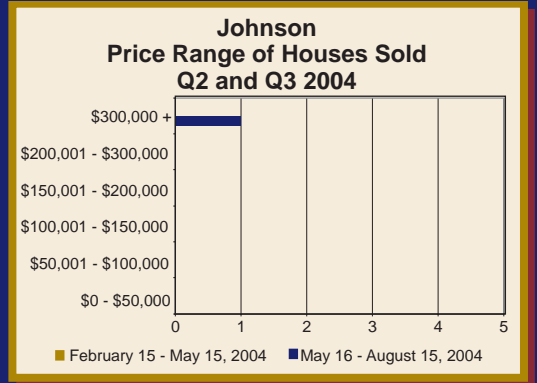


Johnson House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Clear Creek, Phases I, II, III, IV, Patio Homes	158	2	16	2	11	189	9	59.3
Switch Townhomes	13	0	6	0	0	19	0	-
Viewpoint	0	0	1	1	2	4	0	-
Johnson	171	2	23	3	13	212	9	66.3

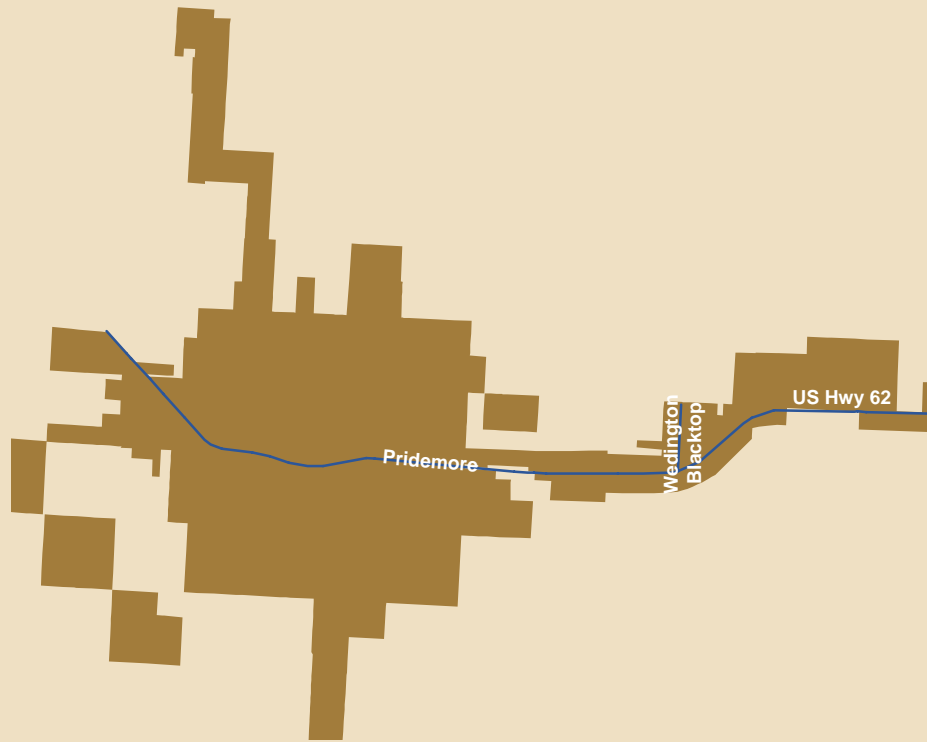
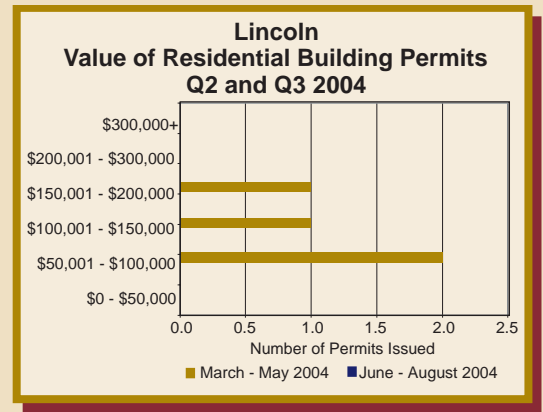
Johnson Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0%	--	--	--	--
\$50,001 - \$100,000	0	0%	--	--	--	--
\$100,001 - \$150,000	0	0%	--	--	--	--
\$150,001 - \$200,000	0	0%	--	--	--	--
\$200,001 - \$300,000	0	0%	--	--	--	--
\$300,000 +	1	100%	5,076	138	99.4%	\$166.47
Johnson	1	100%	5,076	138	99.4%	\$166.47



Lincoln

- From June to August 2004, there were no residential building permits issued in Lincoln.
- There were 75 total lots in active subdivisions in Lincoln in the third quarter of 2004. About 0 percent of the lots were occupied, 8 percent were complete, but unoccupied, 28 percent were under construction, 12 percent were starts, and 52 percent were vacant lots.
- No new houses in Lincoln became occupied in the third quarter of 2004.
- Lincoln Gardens had 21 houses under construction during the third quarter of 2004.
- There were 19 existing houses sold in Lincoln from May 16 to August 15, 2004, an increase of 35.7 percent from the previous quarter.
- The average price of the houses sold in Lincoln in the third quarter was \$88,402, a decline from \$122,564, the average price of houses sold in the second quarter.
- The average number of days from the initial listing to the sale declined from 211 in the second quarter of 2004 to 138 in the third quarter of 2004 in Lincoln.
- About 2.3 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Lincoln. The average sales price of a house in Lincoln was only 53 percent of the county average.

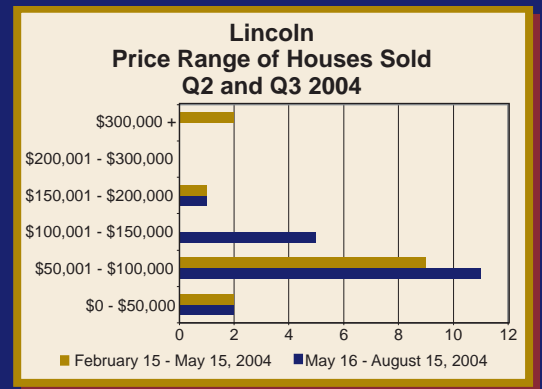


Lincoln House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Applegate	24	0	0	6	0	30	0	-
Lincoln Gardens	15	9	21	0	0	45	0	-
Lincoln	39	9	21	6	0	75	0	-

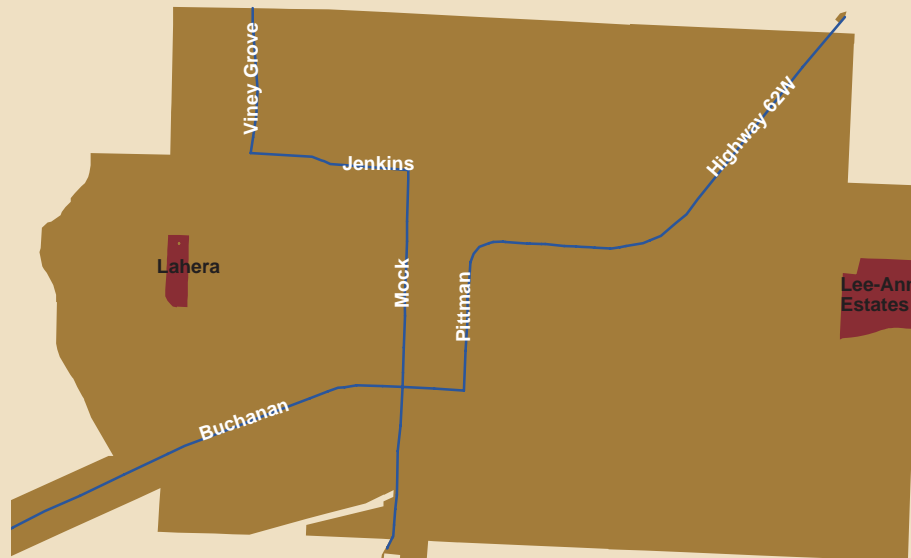
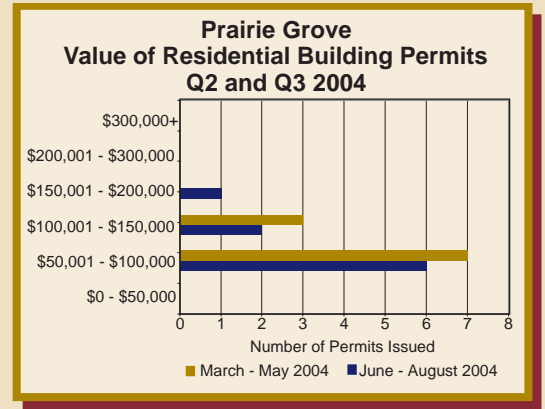
Lincoln Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	2	11%	1,154	127	79.1%	\$35.21
\$50,001 - \$100,000	11	58%	1,173	132	95.9%	\$59.53
\$100,001 - \$150,000	5	26%	2,006	170	100.7%	\$90.03
\$150,001 - \$200,000	1	5%	2,200	59	95.6%	\$82.16
\$200,001 - \$300,000	0	0%	--	--	--	--
\$300,000 +	0	0%	--	--	--	--
Lincoln	19	100%	1,444	138	95.4%	\$66.19



Prairie Grove

- From June to August 2004, there were 9 residential building permits issued in Prairie Grove. This is a decline of 10.0 percent from the number of residential building permits issued during the March to May 2004 period.
- The average residential building permit value in Prairie Grove increased by 26.5 percent from the second quarter to \$108,889.
- There were 108 total lots in active subdivisions in Prairie Grove in the third quarter of 2004. About 31 percent of the lots were occupied, 14 percent were complete, but unoccupied, 6 percent were under construction, 7 percent were starts, and 43 percent were vacant lots.
- 5 new houses in Prairie Grove became occupied in the third quarter of 2004, implying that there are 45.0 months of remaining inventory in active subdivisions.
- The Riviera and Lee-Ann subdivisions had the most houses under construction in Prairie Grove with 6 and 3, respectively.
- There were 24 existing houses sold in Prairie Grove from May 16 to August 15, 2004, a decline of 22.6 percent from the second quarter of 2004.
- The average price of the houses sold in Prairie Grove in the third quarter was \$106,663, a decrease from \$118,925 in the second quarter.
- In Prairie Grove, the average number of days from the initial house listing to the sale increased from 116 days in the second quarter of 2004 to 142 days in the third quarter of 2004.
- About 3.0 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Prairie Grove. The average sales price of a house in Prairie Grove was only 64 percent of the county average.

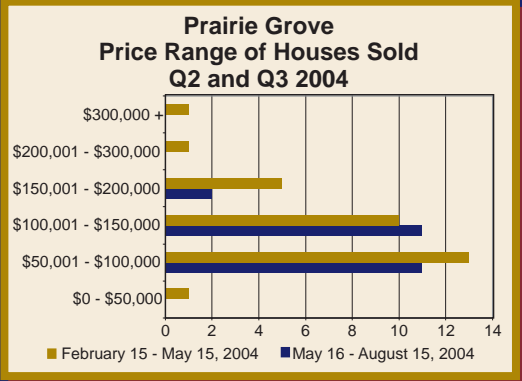


Prairie Grove House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Battlefield Estates	9	4	0	1	0	14	0	-
Lahera	7	0	2	5	14	28	0	-
Lee-Ann Estates	1	0	1	1	7	10	1	9.0
Riviera Estates	29	4	3	8	12	56	4	33.0
Prairie Grove	46	8	6	15	33	108	5	45.0

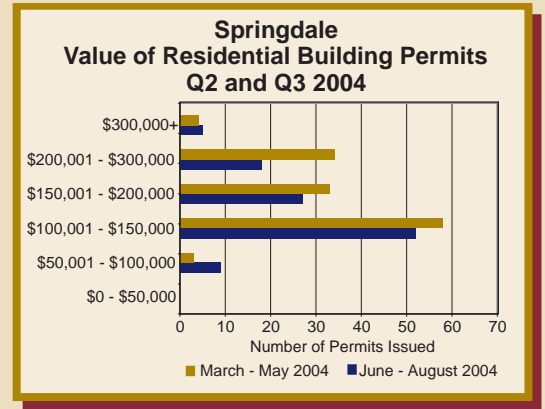
Prairie Grove Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0%	--	--	--	--
\$50,001 - \$100,000	11	46%	1,248	118	96.2%	\$60.25
\$100,001 - \$150,000	11	46%	1,771	148	99.9%	\$72.58
\$150,001 - \$200,000	2	8%	2,273	247	93.4%	\$77.39
\$200,001 - \$300,000	0	0%	--	--	--	--
\$300,000 +	0	0%	--	--	--	--
Prairie Grove	24	100%	1,573	142	97.7%	\$67.33



Springdale

- From June to August 2004, there were 111 residential building permits issued in Springdale. This is a decline of 15.9 percent from the number of residential building permits issued during the March to May 2004 period.
- The average residential building permit value in Springdale declined by 5.4 percent from the second quarter to \$165,543.
- There were 1,564 total lots in active subdivisions in Springdale in the third quarter of 2004. About 62 percent of the lots were occupied, 3 percent were complete, but unoccupied, 10 percent were under construction, 2 percent were starts, and 23 percent were vacant lots.
- 118 new houses in Springdale became occupied in the third quarter of 2004, implying that there are 15.3 months of remaining inventory in active subdivisions.
- The subdivisions with the most houses under construction in Springdale in the third quarter were Har-Ber Meadows and Silverstone with 25 a piece.
- There were 384 existing houses sold in Springdale from May 16 to August 15, 2004, or 0.5 percent more than in the previous quarter.
- The average price of a house sold in Springdale increased from \$138,580 to \$147,380 from the second to the third quarter of 2004.
- In Springdale, the average number of days from the initial house listing to the sale declined from 120 days in the second quarter of 2004 to 104 days in the third quarter of 2004.
- About 42.1 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Springdale. The average sales price of a house in Springdale was 89 percent of the county average.



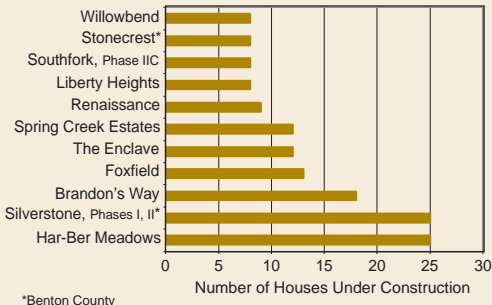
Springdale House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Arkanshire	16	1	0	0	54	71	0	-
Brandon's Way	13	13	18	6	5	55	5	30.0
Churchill Crescent	11	0	2	0	0	13	0	-
The Enclave	53	1	12	0	0	66	0	-
Foxfield	27	8	13	6	1	55	1	162.0
Greystone	3	1	3	2	20	29	8	3.4
Har-Ber Meadows	134	4	25	10	404	577	24	21.6
Liberty Heights	18	4	8	0	0	30	0	-
Magnolia Estates	2	0	0	0	10	12	0	-
Oaklawn Place	13	0	0	1	2	16	2	21.0
Pinewood	1	0	2	2	109	114	22	0.7
Renaissance	8	0	9	3	93	113	1	60.0
Silverstone, Phases I, II*	13	0	25	13	43	94	0	-
Southfork, Phase IIC	20	0	8	0	22	50	-	-
Southhill	2	0	3	1	28	34	28	0.6
Spring Creek Estates	1	4	12	1	52	70	19	2.8
Steeplechase*	0	0	2	0	52	54	-	-
Stonecrest*	4	0	8	3	28	43	3	15.0
Thornbury, Phase IV*	6	0	3	0	1	10	1	27.0
Willowbend	11	0	8	1	38	58	4	15.0
Springdale	356	36	161	49	962	1564	118	15.3

*Benton County

Springdale Top Subdivisions by Houses Under Construction Q3 2004

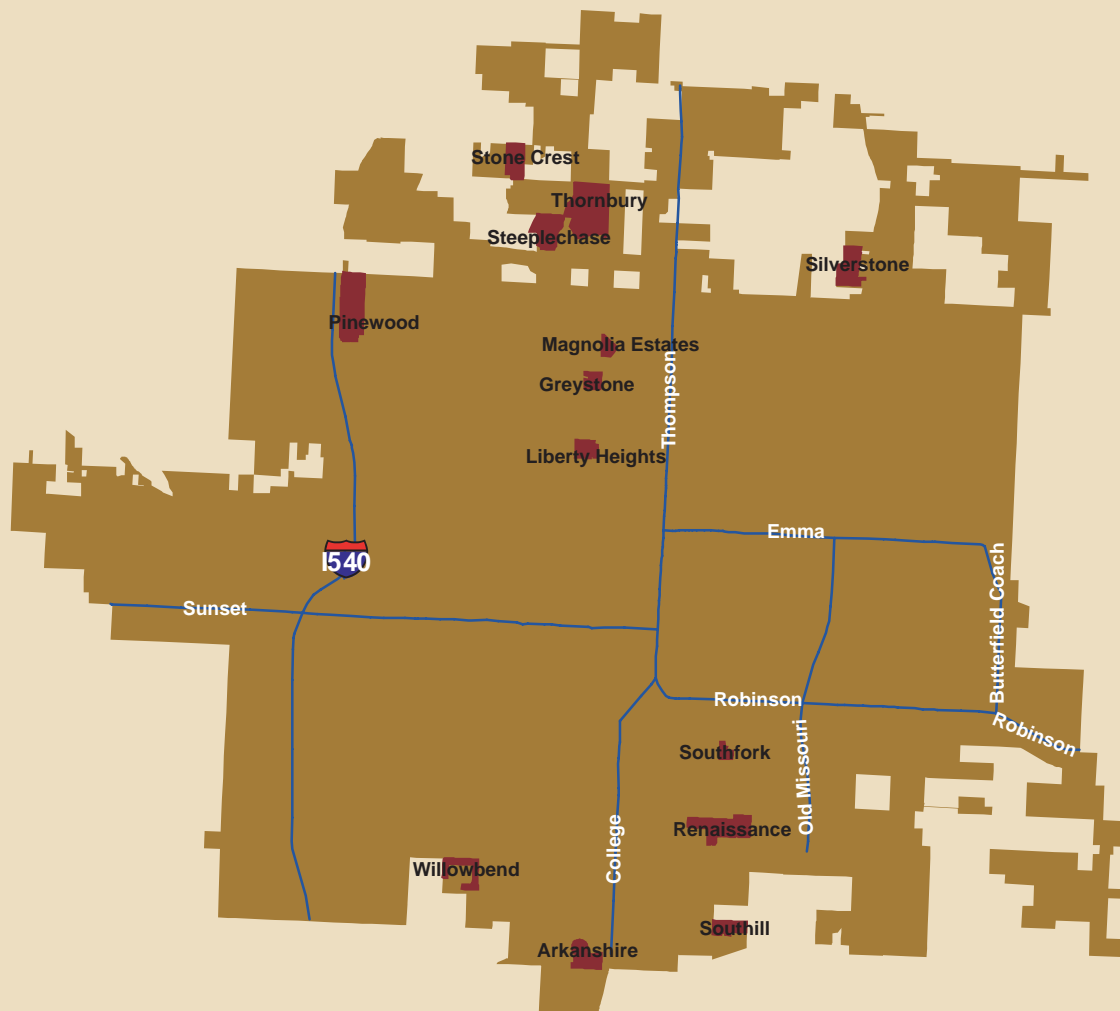
Springdale Top Active Subdivisions by Houses Under Construction Q3 2004



*Benton County

Subdivision	Number of Houses Under Construction	Total Number of Houses	Percent Under Construction
Har-Ber Meadows	25	577	4%
Silverstone, Phases I, II*	25	94	27%
Brandon's Way	18	55	33%
Foxfield	13	55	24%
The Enclave	12	66	18%
Spring Creek Estates	12	70	17%
Renaissance	9	113	8%
Liberty Heights	8	30	27%
Southfork, Phase IIC	8	50	16%
Stonecrest*	8	43	19%
Willowbend	8	58	14%

*Benton County

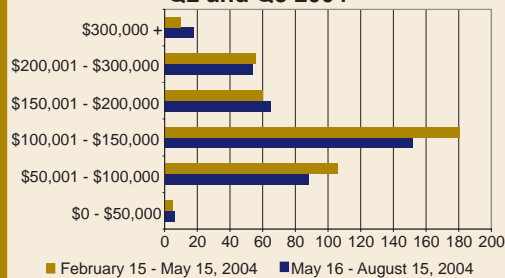


Springdale Price Range of Houses Sold May 16 - August 15, 2004

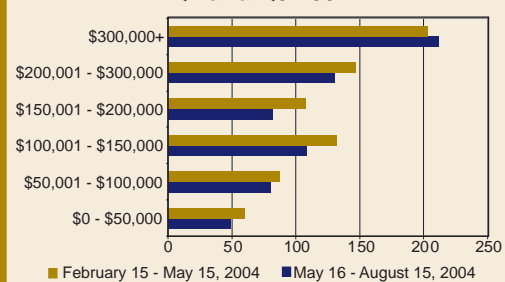
Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	6	2%	895	49	87.3%	\$41.71
\$50,001 - \$100,000	88	23%	1,201	80	99.4%	\$74.52
\$100,001 - \$150,000	152	40%	1,561	108	99.8%	\$80.76
\$150,001 - \$200,000	65	17%	1,989	82	99.0%	\$86.28
\$200,001 - \$300,000	54	14%	2,516	131	97.8%	\$98.76
\$300,000 +	18	5%	3,527	212	95.9%	\$110.22
Springdale	383	100%	1,768	104	98.9%	\$83.57



**Springdale
Price Range of Houses Sold
Q2 and Q3 2004**

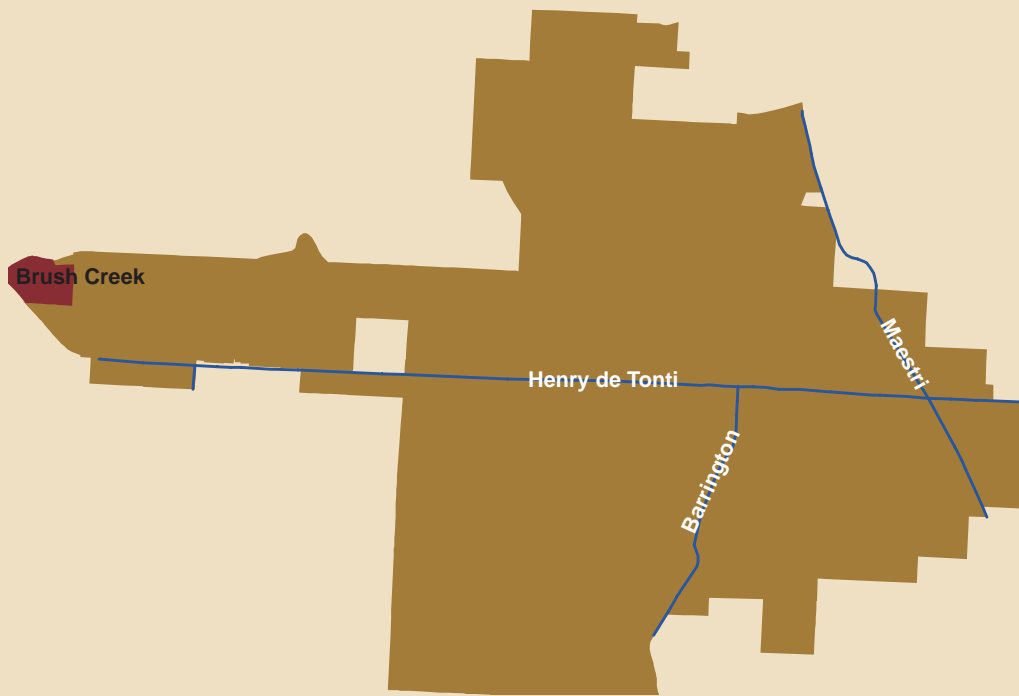


**Springdale
Average Number of Days
on Market by Price Range
Q2 and Q3 2004**



Tontitown

- There were 87 total lots in active subdivisions in Tontitown in the third quarter of 2004. About 47 percent of the lots were occupied, 9 percent were complete, but unoccupied, 16 percent were under construction, 0 percent were starts, and 28 percent were vacant lots.
- 6 new houses in Tontitown became occupied in the third quarter of 2004, implying that there are 23.0 months of remaining inventory in active subdivisions.
- The Buckingham Estates subdivision had the most houses under construction in Tontitown with 11.
- There were 3 existing houses sold in Tontitown from May 16 to August 15, 2004. In the second quarter, none were sold.
- The average price of the houses sold in Tontitown in the third quarter was \$156,300 and the average number of days from the initial house listing to the sale was 79.
- About 0.4 percent of all houses sold in Washington County in the third quarter of 2004 were sold in Tontitown. The average sales price of a house in Tontitown was 94 percent of the county average.

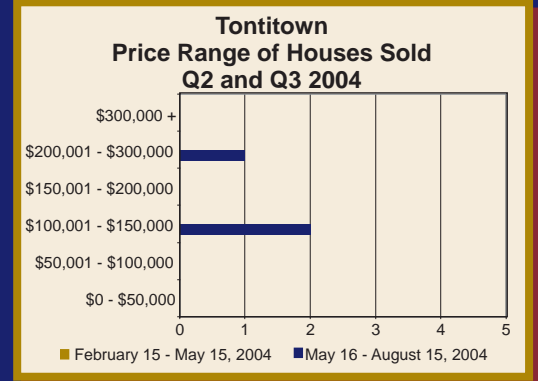


Tontitown House Status in Active Subdivisions Q3 2004

Subdivision	Empty Lots	Start	Under Construction	Complete	Occupied	Total Lots	Absorbed Lots	Months of Inventory
Brush Creek	3	0	1	0	16	20	1	12.0
Buckingham Estates	3	0	11	8	4	26	4	16.5
Western Trails Estates	5	0	1	0	20	26	--	--
White Oak Estates	13	0	1	0	1	15	1	42.0
Tontitown	24	0	14	8	41	87	6	23.0

Tontitown Price Range of Houses Sold May 16 - August 15, 2004

Price Range	Number Sold	Percentage of Houses Sold	Average Square Footage	Average Days on Market	Average Sold Price as a Percentage of List Price	Average Price Per Square Foot
\$0 - \$50,000	0	0%	--	--	--	--
\$50,001 - \$100,000	0	0%	--	--	--	--
\$100,001 - \$150,000	2	67%	1,607	37	97.8%	\$69.68
\$150,001 - \$200,000	0	0%	--	--	--	--
\$200,001 - \$300,000	1	33%	2,463	75	98.0%	\$99.47
\$300,000 +	0	0%	--	--	--	--
Tontitown	3	100%	1,892	49	97.8%	\$79.61



Bentonville Approved Final and Preliminary Subdivisions October 2004

Subdivision	Number of Lots
Chapel Hill, Phase 1	132
Cornerstone Ridge	317
Eden's Brooke	199
Grace Addition	110
Halifax Estates	14
High Meadows	110
Kensington Phase III	31
Kerelaw Castle	163
Keystone	104
Lonesome Pond	44
Oakwood Park	7
Olympia	170
Pennington	65
Riverwalk Farm Estates	137
Rolling Acres	94
Sonavid Place	32
Sterling Addition	17
Stoneburrow & Stonechase	298
Stonegate	217
The Farms	62
Thornbrook Village Phase I	148
White Oak Trails	56
Windmere Woods Phase II	50
Windsor Manor	32
Windwood	73
Woods Creek South	117
Bentonville	2,799

Rogers Approved Final and Preliminary Subdivisions October 2004

Subdivision	Number of Lots
Lexington Place	122
Perry Place	32
Pinewoods	46
Sandalwood	53
Green Ash Court	11
Taldo	425
Creekside Place	63
Chenal Addition	185
Vintage	23
Rocky Creek	53
Shadow Valley Phase VI	42
The Parks	126
Post Meadows Phases I,II	127
Biltmore	112
Top Flite Phase VI	34
Hearthstone Phase II	83
Wildflower Phase I	13
Pinion	5
Rogers	1,555

Centerton Approved Final and Preliminary Subdivisions October 2004

Subdivision	Number of Lots
Black Springs	52
Brim Woods	104
Char-Lou Estates	411
Cherrie Place	28
Christian Lane	4
Dogwood	48
Dunn Roven Property	124
Ginn Property	508
Greystone	36
Kensington	134
Lindsey Phase 1 & 2	189
Maribel Heights	60
Marple Property	204
McKissic Creek	9
Morningside	600
Residences at City West	54
Ridgefield	28
Sienna, Phase II, III	373
Somerset	53
Tammaron	300
Tarah Knolls	52
The Meadows	21
Timber Ridge	58
Tuscany	160
Wellington Woods	186
Willow Crossing	405
Centerton	4,201