

THE

SKYLINE REPORT

SPONSORED BY ARVEST BANK

November 2005 Highlights

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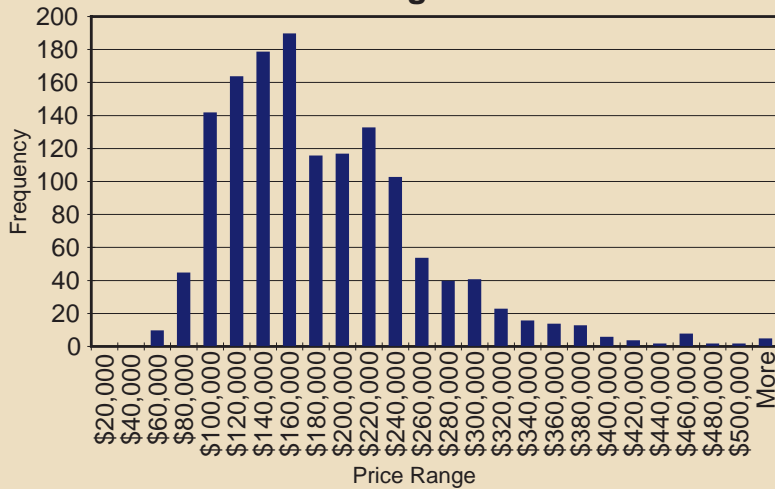
Residential Real Estate Market Summary for Benton and Washington Counties

This report contains highlights from the Residential Skyline Report for Benton and Washington Counties. Researchers at the Center for Business and Economic Research in the Sam M. Walton College of Business at the University of Arkansas produce the Skyline Report to provide timely statistical analysis of the Northwest Arkansas real estate markets. The information contained in the Skyline Report is critical for lenders, developers, contractors, and potential lessees. As the population of Northwest Arkansas burgeons, it is imperative that real estate markets work efficiently in order to meet the demand of new and existing residents. The Skyline Report includes the information that is necessary to help market participants make good decisions.

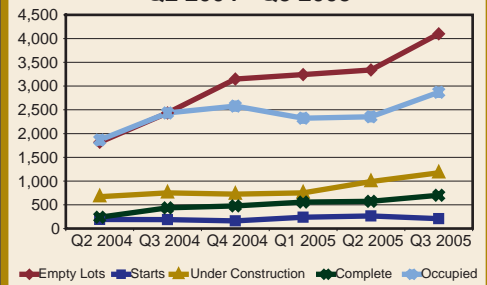
Highlights from the Third Quarter of 2005

- Rogers accounted for 22 percent of the 1,405 Northwest Arkansas residential building permits issued from June through August 2005. Bella Vista, Fayetteville, Springdale, Bentonville, and Centerton followed with 21, 16, 10, 7, and 6 percents respectively.
- There were 15,737 lots in the 231 active subdivisions in Northwest Arkansas in the third quarter.
- From the second quarter of 2005 to the third quarter of 2005, 1,075 houses in active subdivisions became occupied. This absorption rate is a significant increase from the 823 houses absorbed in the second quarter.
- Using the most recent annual absorption rate implies that the supply of remaining lots in Northwest Arkansas active subdivisions is sufficient for 32.7 months.
- Bentonville and Fayetteville had the highest numbers of complete, but unoccupied houses with 269 and 239 respectively. Washington County has experienced an 80.4 percent increase in available completed inventory since the third quarter of 2004, while Benton County has experienced a 60.2 percent increase.
- There are an additional 10,245 residential lots that have been at least preliminarily approved in Bentonville, Bethel Heights, Centerton, Rogers, and Siloam Springs. The Elkins, Elm Springs, Farmington, Fayetteville, Goshen, Prairie Grove and Springdale planning commissions have approved an additional 6,874 new residential lots.
- From May 16 to August 15, 2005, there were 2,270 existing houses sold in Benton and Washington Counties. This is an increase of 13.4 percent from the same quarter in 2004.
- In the third quarter of 2005 in Northwest Arkansas, the average sales price of existing houses increased from third quarter 2004 levels by 12.6 percent in Washington County and by 11.3 percent in Benton County.

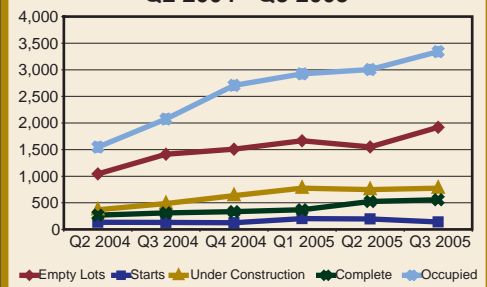
Benton and Washington Counties Distribution of Residential Building Permit Values June - August 2005



Benton County House Status in Active Subdivisions Q2 2004 - Q3 2005



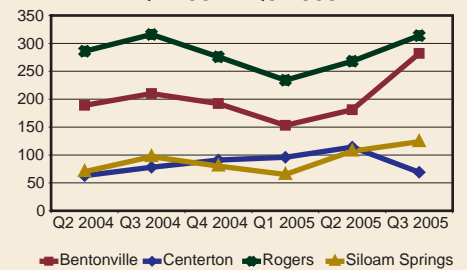
Washington County House Status in Active Subdivisions Q2 2004 - Q3 2005



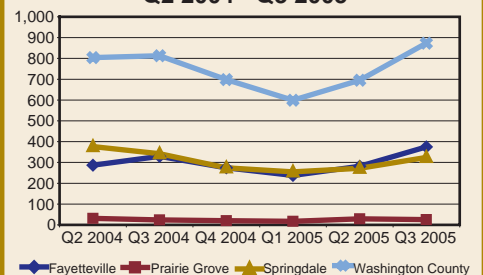
Benton and Washington Counties Number and Average Value of Residential Building Permits Q3 2005 and Q3 2004

City	Q3 2005 Number of Building Permits	Q3 2004 Number of Building Permits	Q3 2005 Average Value of Building Permits	Q3 2004 Average Value of Building Permits
Bella Vista	289	229	\$154,287	\$160,123
Bentonville	95	172	\$225,765	\$184,207
Bethel Heights	34	15	\$113,238	\$137,942
Cave Springs	12	12	\$235,384	\$261,500
Centerton	80	146	\$113,623	\$100,996
Decatur	0	0	--	--
Elkins	3	15	\$103,704	--
Elm Springs	6	0	\$213,833	--
Farmington	9	18	\$162,111	\$93,020
Fayetteville	223	201	\$195,518	\$146,922
Gentry	16	7	\$78,866	\$78,802
Goshen	3	7	\$205,989	\$197,439
Greenland	16	18	\$115,572	\$78,425
Johnson	2	26	\$368,213	\$226,363
Lincoln	6	0	\$117,997	--
Little Flock	2	3	\$266,675	\$93,333
Lowell	13	1	\$302,982	\$198,756
Pea Ridge	75	0	\$111,945	--
Prairie Grove	19	9	\$113,947	\$100,429
Rogers	305	154	\$210,399	\$160,065
Siloam Springs	42	33	\$125,534	\$139,869
Springdale	147	111	\$218,367	\$165,543
West Fork	8	5	\$124,531	\$128,200
Northwest Arkansas	1,405	1,182	\$178,791	\$152,816

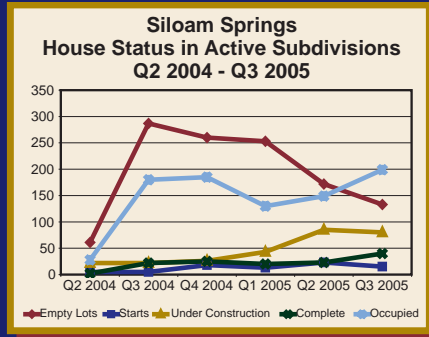
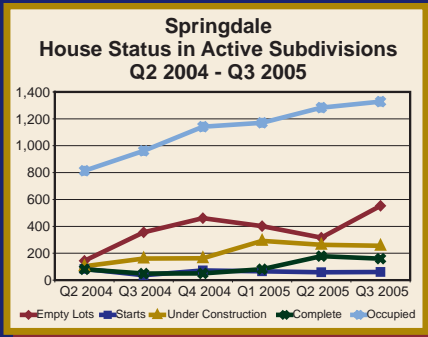
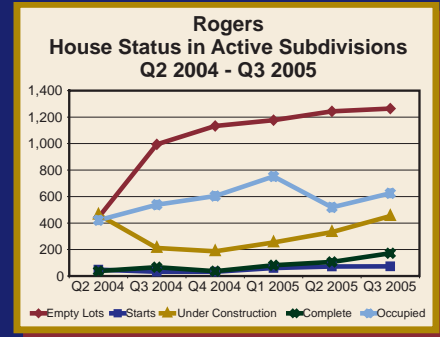
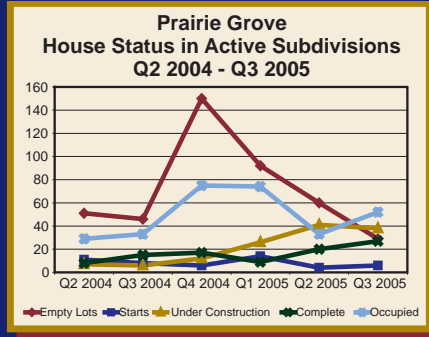
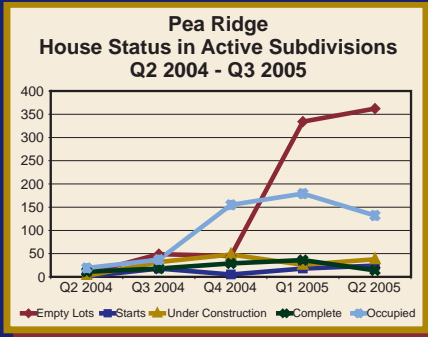
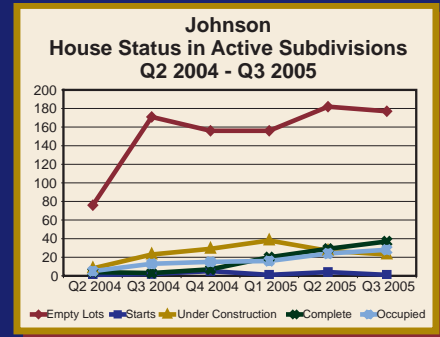
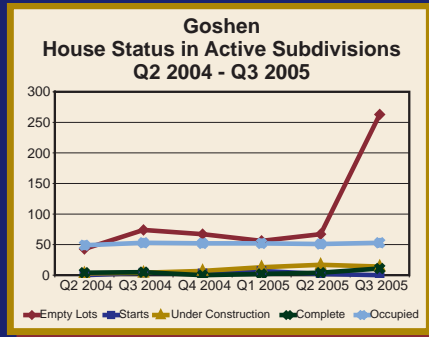
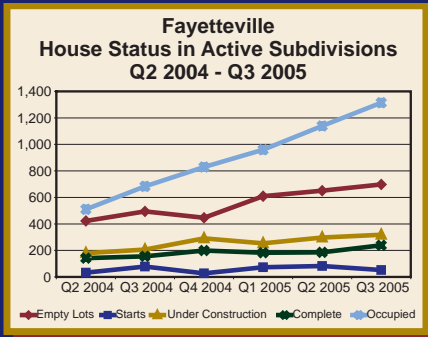
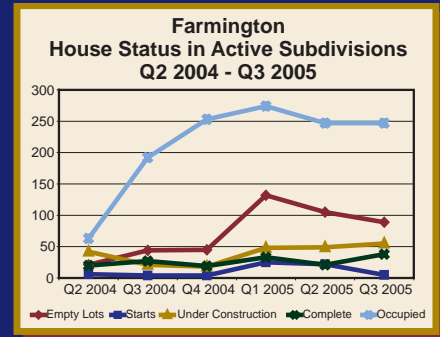
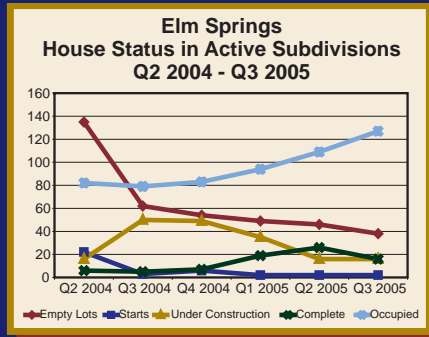
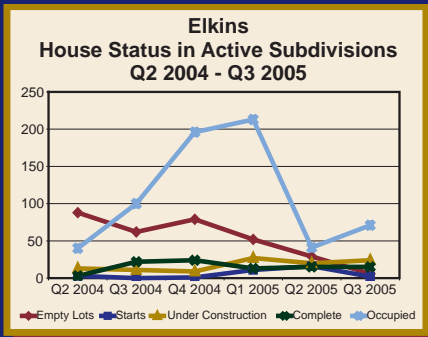
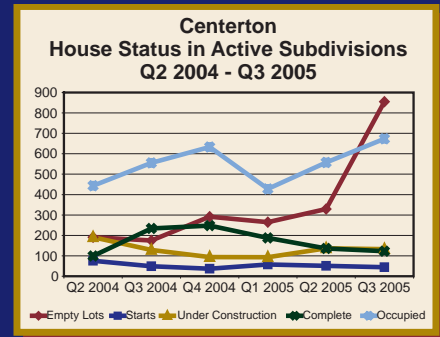
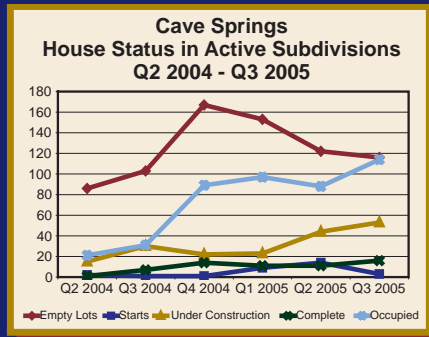
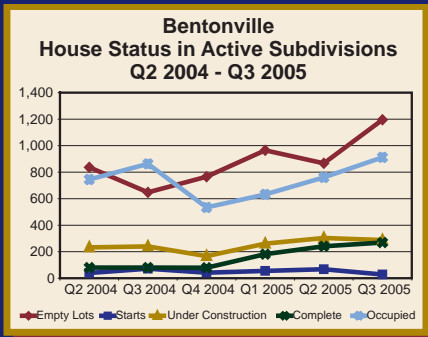
Benton County Number of Houses Sold Q2 2004 - Q3 2005



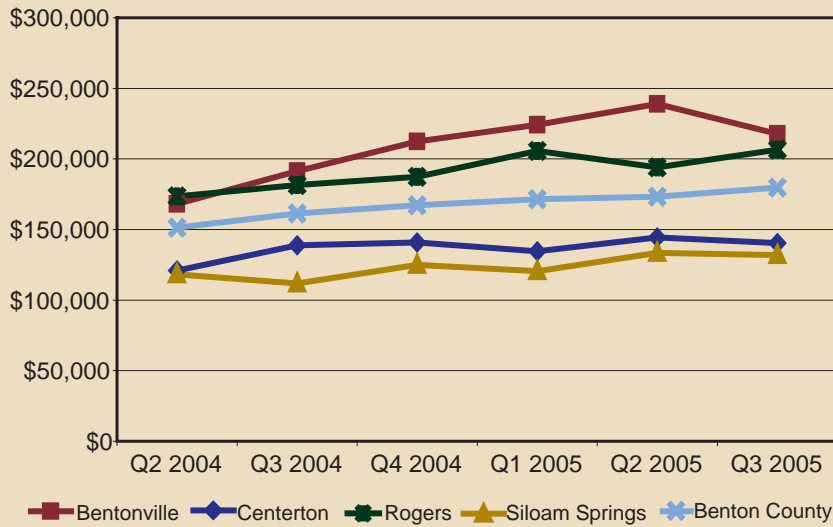
Washington County Number of Houses Sold Q2 2004 - Q3 2005



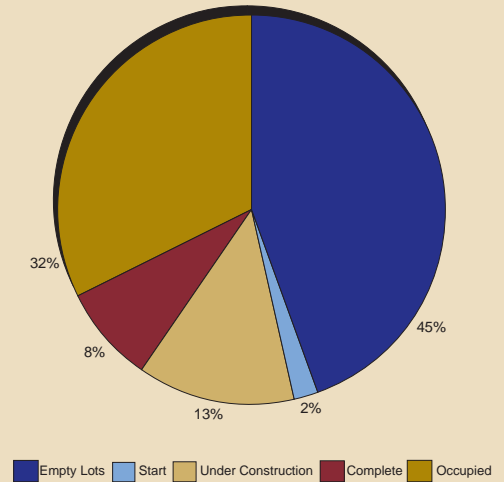
House Status Trends by City



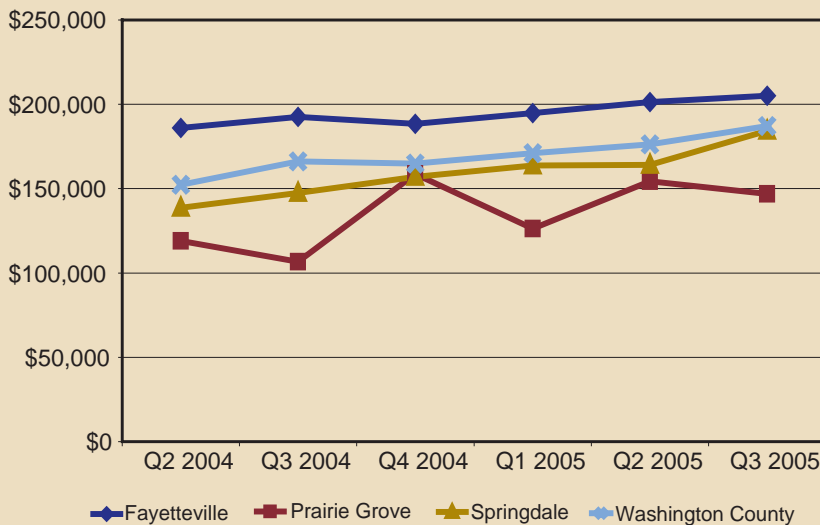
Benton County Average Price of Houses Sold Q2 2004 - Q3 2005



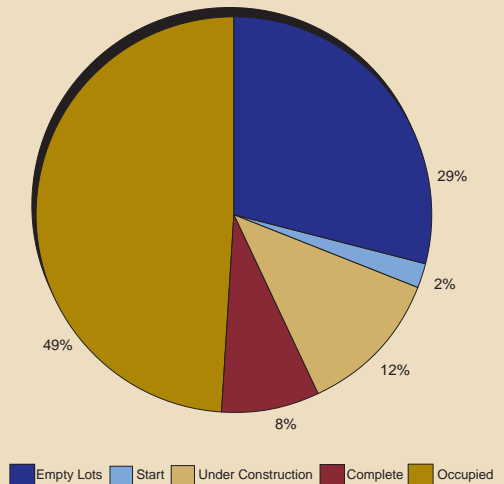
Benton County Status of Houses in Active Subdivisions by Percentage Q3 2005



Washington County Average Price of Houses Sold Q2 2004 - Q3 2005



Washington County Status of Houses in Active Subdivisions by Percentage Q3 2005



House Status in Active Subdivisions and Coming Lots from Major Cities Q2 2005

City	Empty Lots	Starts	Under Construction	Complete	Occupied	Absorbed Lots	Total Lots in Active Subdivisions	Approved Lots, Not Yet Active
Bentonville	1,196	28	288	269	912	160	2,693	3,301
Centerton	855	44	133	123	673	119	1,805	4,000
Fayetteville	698	52	318	239	1,314	197	2,597	1,974
Prairie Grove	29	6	38	27	52	20	152	1,213
Rogers	1,264	73	453	172	625	111	2,587	1,847
Siloam Springs	133	15	80	40	199	53	467	710
Springdale	553	61	356	160	1,328	224	2,358	2,867