

THE SKYLINE REPORT

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November 2007 Highlights

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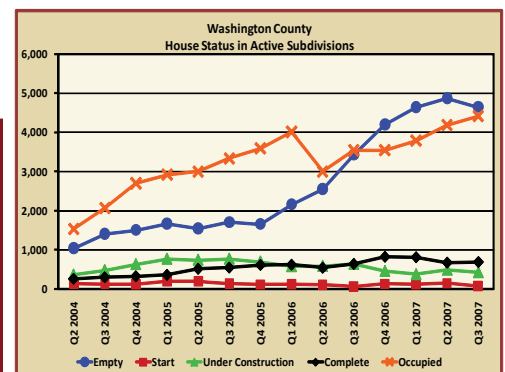
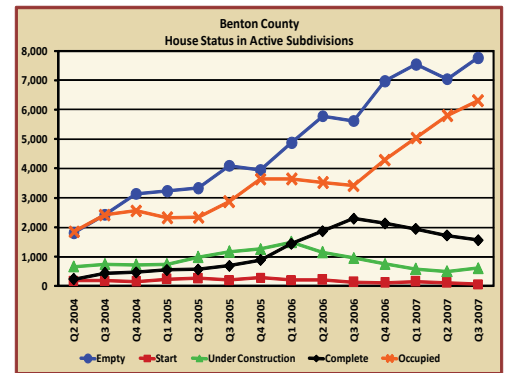
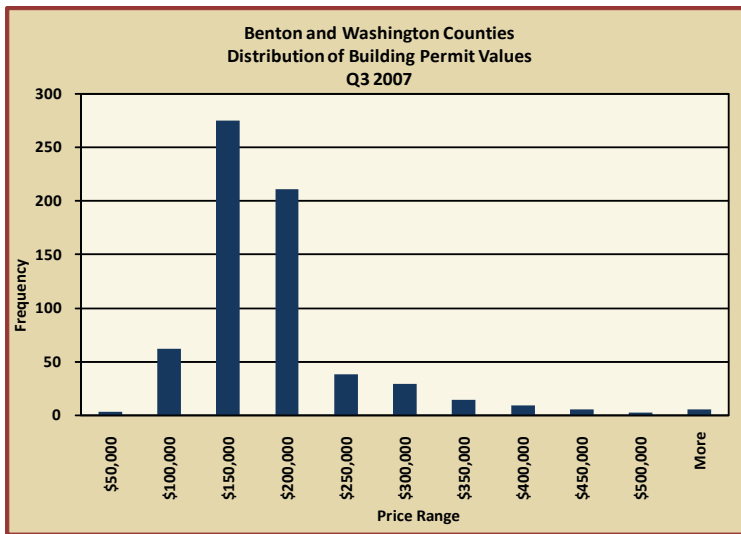
Residential Real Estate Market Summary for Benton and Washington Counties

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

Highlights from the Third Quarter of 2007

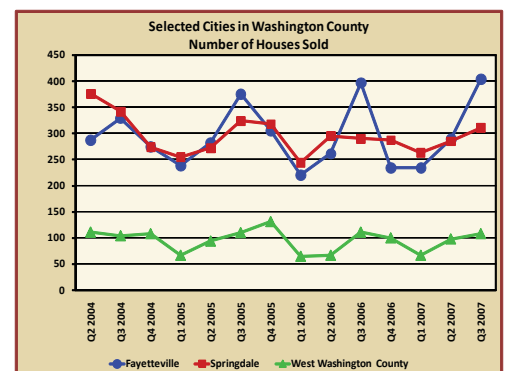
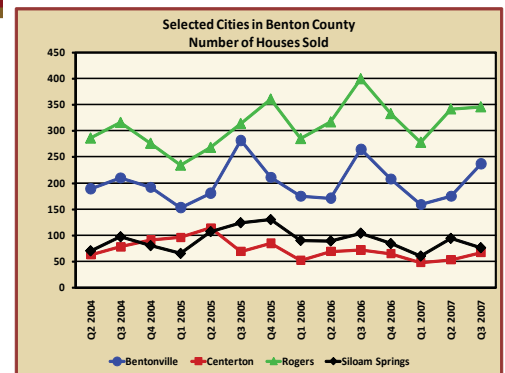
- In the third quarter of 2007 in Northwest Arkansas, there were 653 building permits issued, down from 870 issued in the third quarter of 2006.
- There were more building permits issued in the third quarter of 2007 than in the third quarter of 2006 in Fayetteville, Rogers, and Siloam Springs and fewer in Bella Vista, Bentonville, Centerton, and Springdale.
- There were 26,613 lots in the 356 active subdivisions in Northwest Arkansas in the third quarter of 2007.
- From the second to the third quarter of 2007, 1,106 houses in active subdivisions became occupied. This absorption rate is a decline from the second quarter 2007 total of 1,166 and an increase from the third quarter 2006 total of 944.
- Using the most recent annual absorption rate implies that the supply of remaining lots in Northwest Arkansas active subdivisions is sufficient for 38.3 months, down from 42.1 months in the second quarter of 2007.
- In the third quarter of 2007, there were 2,276 complete, but unoccupied houses, a decline from 2,411 in the second quarter. Benton County experienced a decline of 8.8 percent in available complete inventory from the second quarter of 2007, and a decline of 31.7 percent from the third quarter of 2006. In comparison, Washington County experienced a 2.3 percent inventory increase over the past quarter and a cumulative increase of 7.7 percent over the past year.
- There were an additional 18,623 residential lots that have been at least preliminarily approved in Northwest Arkansas. Adding these proposed lots to those in active subdivisions yields 87.4 months of inventory in Northwest Arkansas.
- From May 16, 2007 to August 15, 2007, there were 2,015 existing houses sold in Benton and Washington Counties. This is a decline of 9.5 percent from the same time period in 2006.
- In the third quarter of 2007 in Northwest Arkansas, the average sales price of existing houses declined from the third quarter 2006 levels by 1.2 percent in Washington County and increased from the third quarter 2006 levels by 2.5 percent in Benton County.

Residential Market Trends

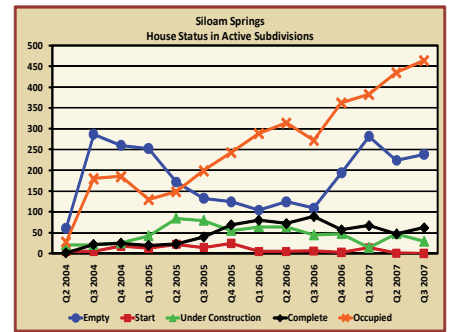
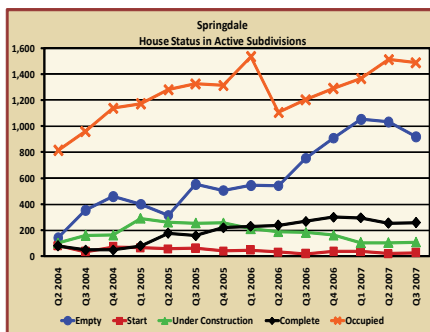
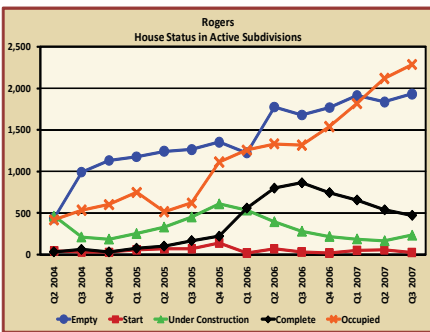
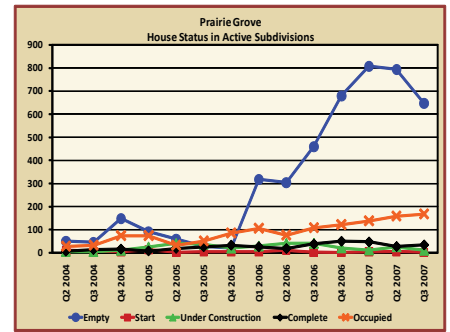
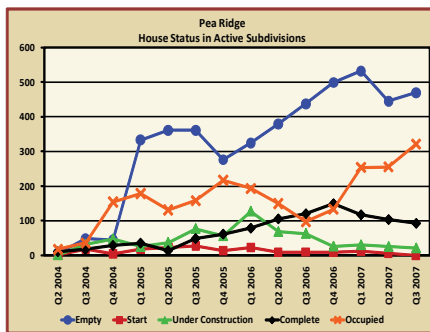
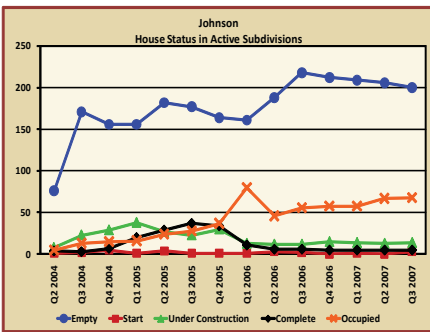
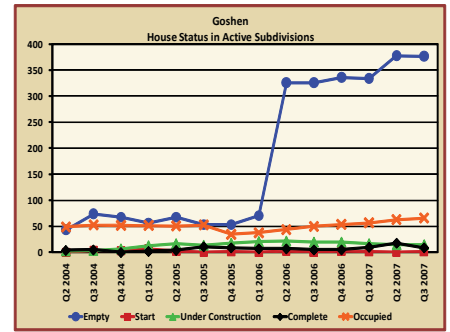
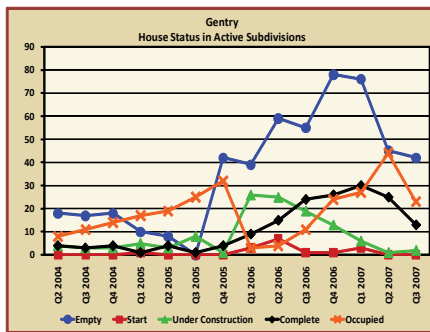
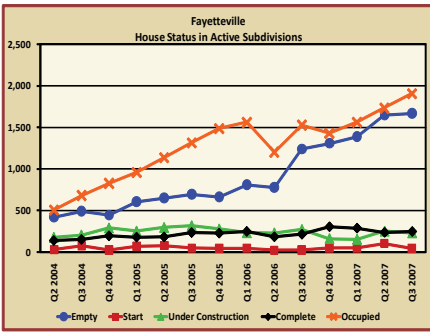
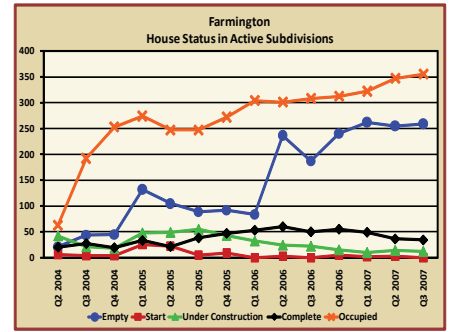
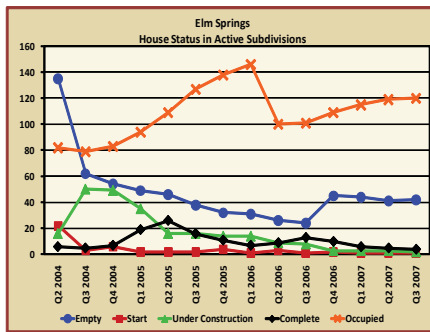
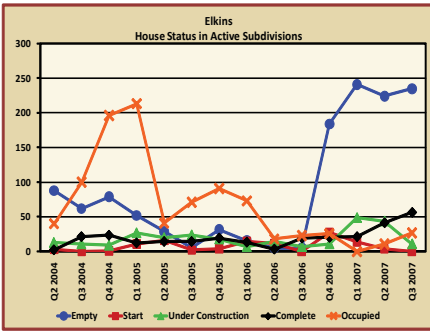
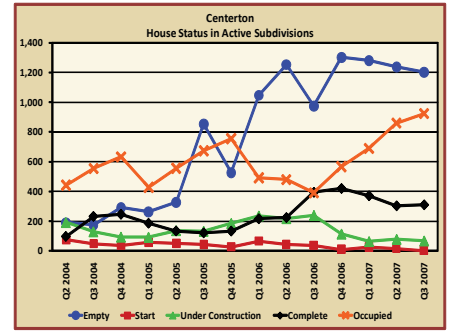
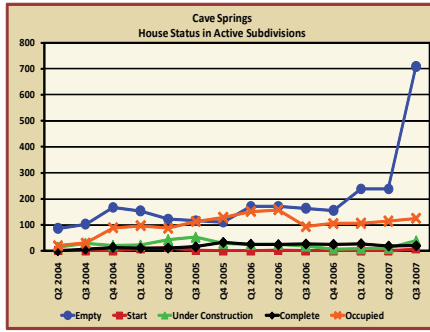
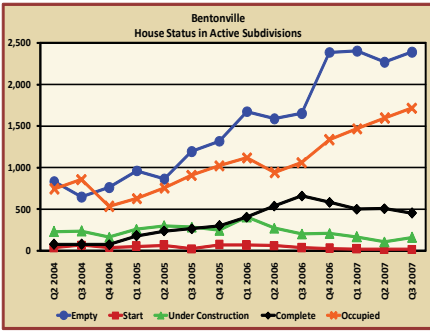


Benton and Washington Counties Number and Average Value of Residential Building Permits Q3 2006 and Q3 2007

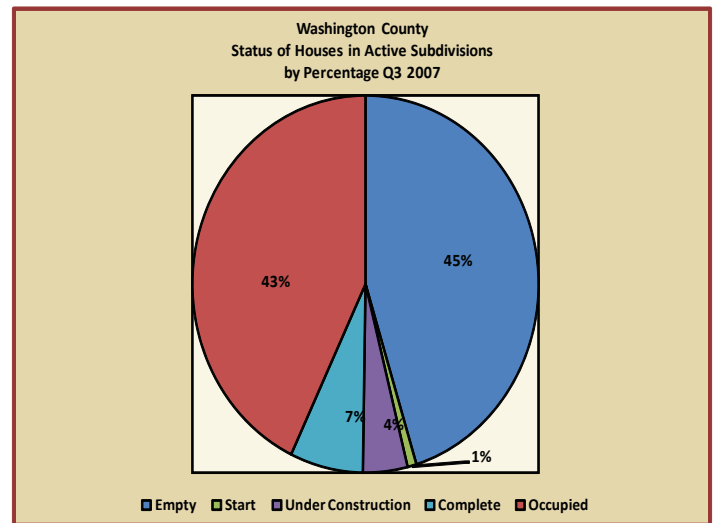
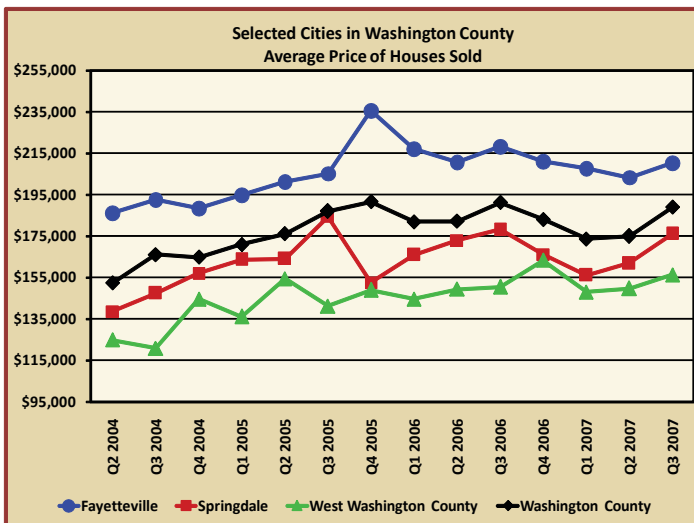
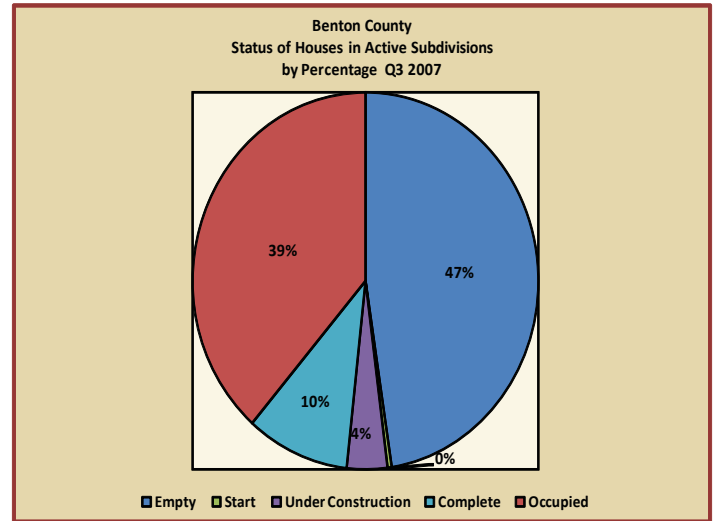
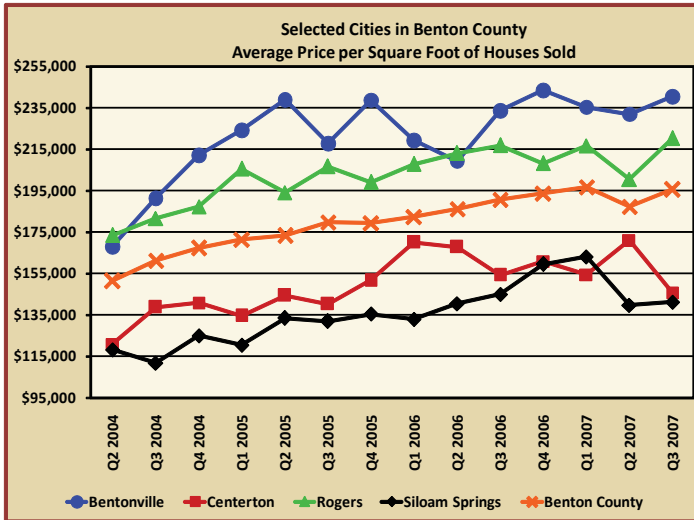
City	Q3 2006 Number of Building Permits	Q3 2007 Number of Building Permits	Q3 2006 Average Value of Building Permits	Q3 2007 Average Value of Building Permits
Bella Vista	130	47	\$168,184	\$206,143
Bentonville	144	118	\$177,736	\$176,138
Bethel Heights	12	6	\$105,404	\$137,000
Cave Springs	1	45	\$500,000	\$144,268
Centerton	80	28	\$115,973	\$134,998
Decatur	0	0	--	--
Elkins	2	NA	\$90,234	NA
Elm Springs	3	7	\$203,333	\$167,857
Farmington	6	0	\$124,833	--
Fayetteville	99	122	\$184,990	\$164,455
Gentry	0	6	--	\$105,500
Goshen	0	3	--	\$268,763
Gravette	0	0	--	--
Greenland	0	2	--	\$160,000
Johnson	11	5	\$385,146	\$442,041
Lincoln	9	2	\$113,866	\$108,323
Little Flock	0	2	--	\$190,000
Lowell	14	5	\$232,632	\$162,656
Pea Ridge	50	18	\$97,507	\$99,851
Prairie Grove	21	11	\$125,048	\$78,909
Rogers	71	102	\$162,734	\$143,923
Siloam Springs	8	24	\$151,750	\$133,723
Springdale	196	95	\$169,826	\$188,635
Tontitown	9	1	\$273,654	\$574,848
West Fork	4	4	\$107,500	\$107,500
Northwest Arkansas	870	653	\$164,736	\$164,877



Residential Market Trends



Residential Market Trends



Selected House Status in Active Subdivisions and Coming Lots Q3 2007

City	Empty Lots	Starts	Under Construction	Complete, but Unoccupied	Occupied	Total Lots in Active Subdivisions	Absorbed Lots	Approved Lots, Not Yet Active
Bentonville	2,390	22	162	455	1,721	4,750	187	2,757
Centerton	1,202	3	68	312	923	2,508	81	2,534
Fayetteville	1,669	48	232	252	1,906	4,107	211	3,160
Rogers	1,933	27	234	475	2,285	4,954	249	2,240
Siloam Springs	239	0	30	62	464	795	31	1,243
Springdale	920	27	109	259	1,490	2,805	85	3,718
West Washington County	1,079	6	39	100	642	1,866	45	973

