




THE SKYLINE REPORT

SPONSORED BY ARVEST BANK

November 2009 Highlights

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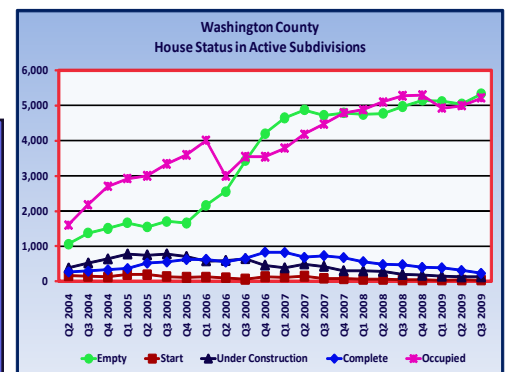
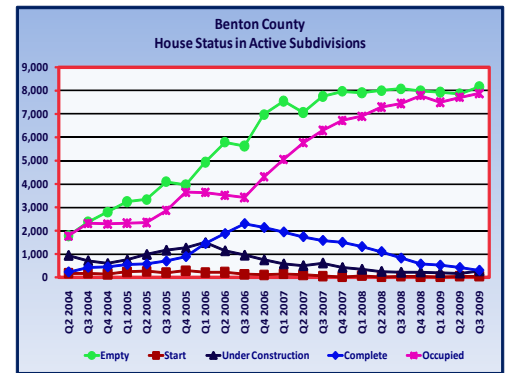
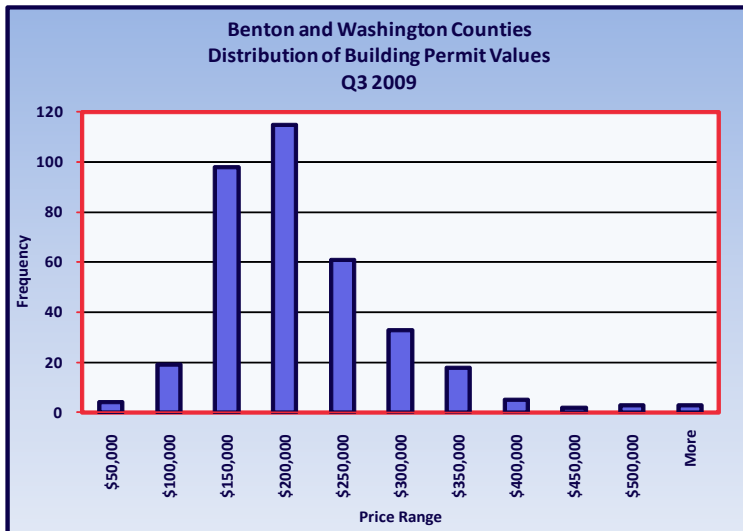
Residential Real Estate Market Summary for Benton and Washington Counties

This report is the twenty-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 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 2009

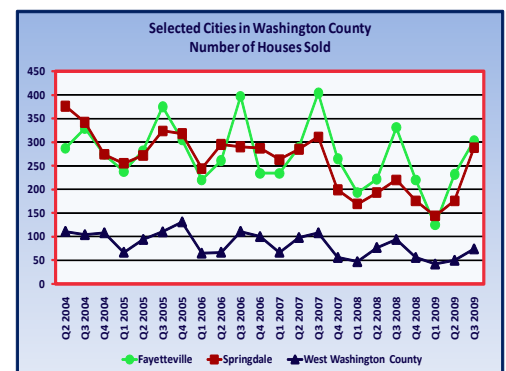
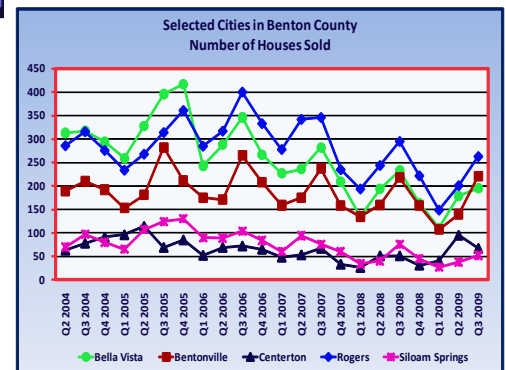
- There were 361 residential building permits issued in Northwest Arkansas from June to August 2009, up from 325 building permits issued in the same period last year. Among these, Fayetteville accounted for 21.6 percent and Rogers for 19.7 percent.
- There were 27,630 lots in the 387 active subdivisions in Northwest Arkansas in the third quarter.
- No new construction or progress in existing construction has occurred in the last four quarters in 101 out of the 387 active subdivisions in Northwest Arkansas.
- From the second quarter to the third quarter of 2009, 486 houses in active subdivisions became occupied. This absorption rate is an increase of 28.6 percent from the second quarter, but a decline of 36.1 percent from the third quarter of 2008.
- Using the most recent annual absorption rate implies that the supply of remaining lots in Northwest Arkansas active subdivisions is sufficient for 101.5 months, up from a revised 84.7 months in the second quarter.
- In 122 out of the 387 subdivisions in Northwest Arkansas, no absorption has occurred in the last four quarters.
- There were an additional 5,998 residential lots that have been at least preliminarily approved in Northwest Arkansas. Adding these proposed lots to those in active subdivisions yields 143.4 months of inventory in Northwest Arkansas.
- From May 16 to August 15, 2009, there were 1,617 houses sold in Benton and Washington Counties. This is a decline of 2.7 percent from the same time period in the previous year.
- There were 5,135 houses listed for sale in the MLS database as of September 1, 2009. These houses had an average list price of \$244,690.
- In the third quarter of 2009 in Northwest Arkansas, the average sales price of existing houses declined from the third quarter 2008 level by 8.5 percent in Benton County and by 7.0 percent in Washington County.
- Out of the 1,617 houses sold in the third quarter, 298 were new construction. These newly constructed houses had average sold prices that were 129.5 percent and 112.6 percent of the overall Benton and Washington county average prices, respectively.

Residential Market Trends

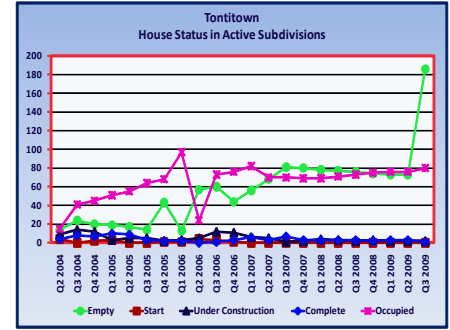
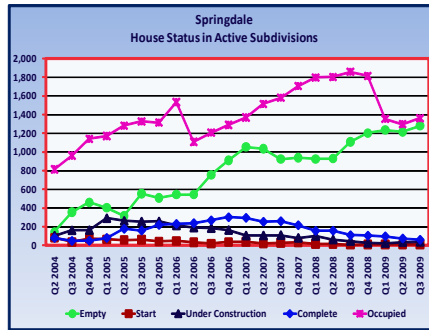
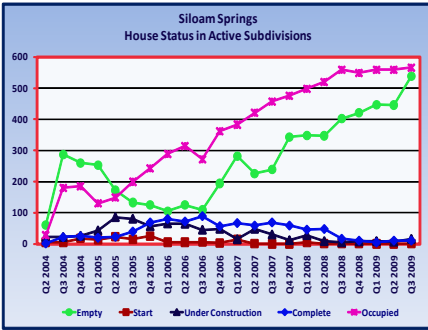
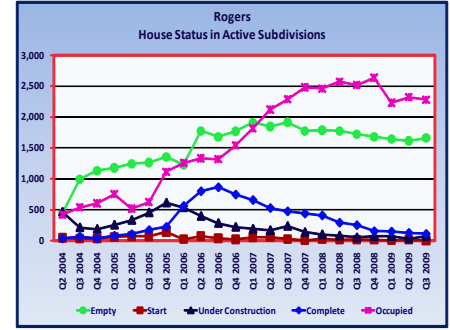
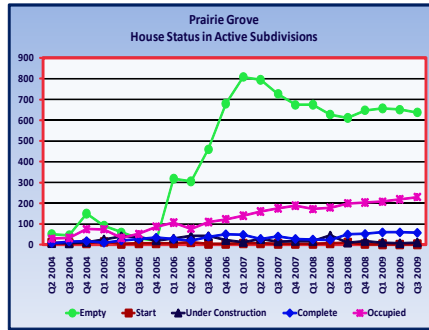
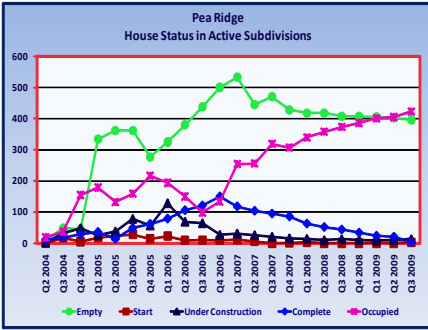
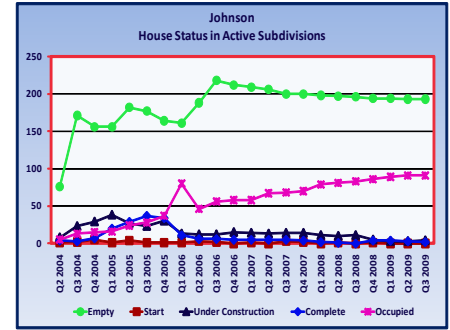
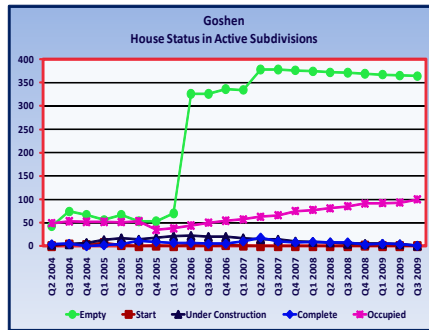
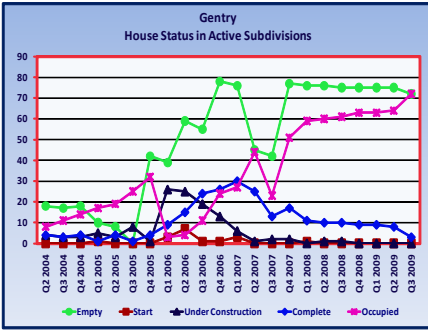
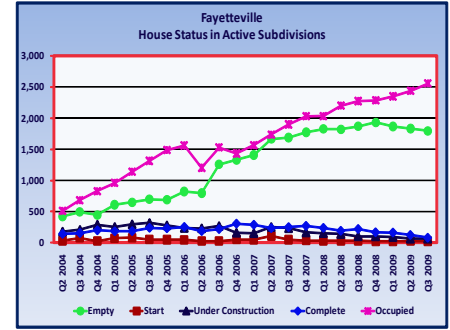
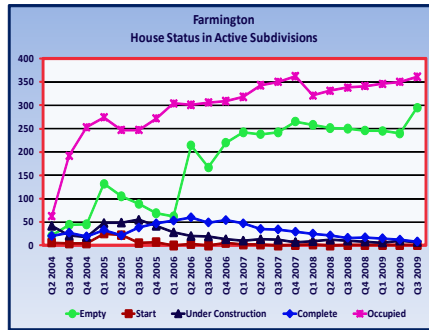
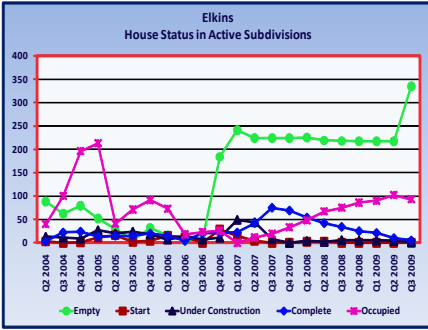
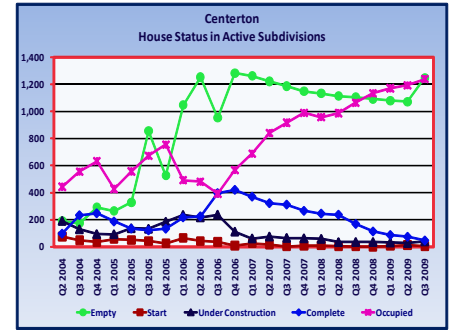
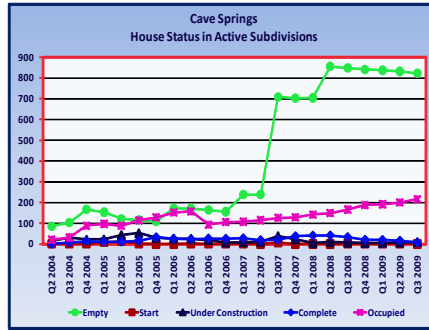
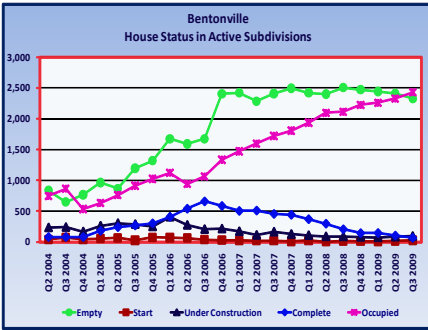


Benton and Washington Counties Number and Average Value of Residential Building Permits Q3 2008 and Q3 2009

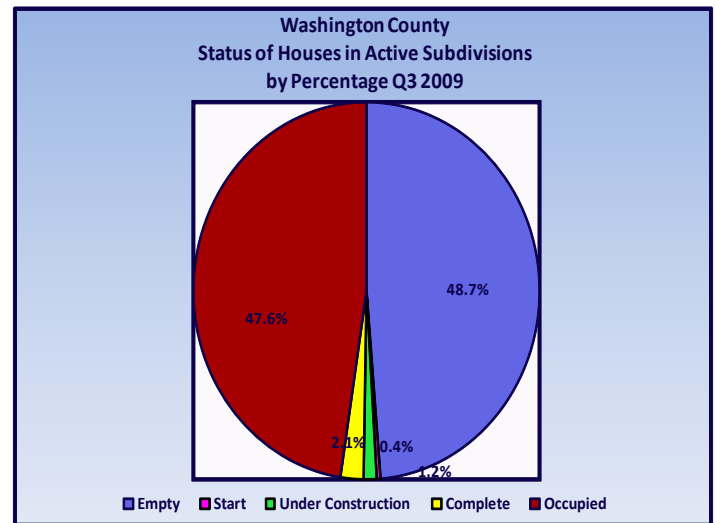
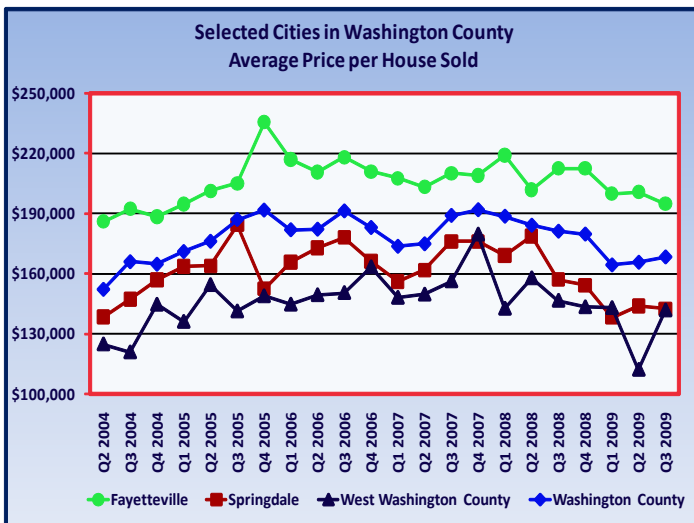
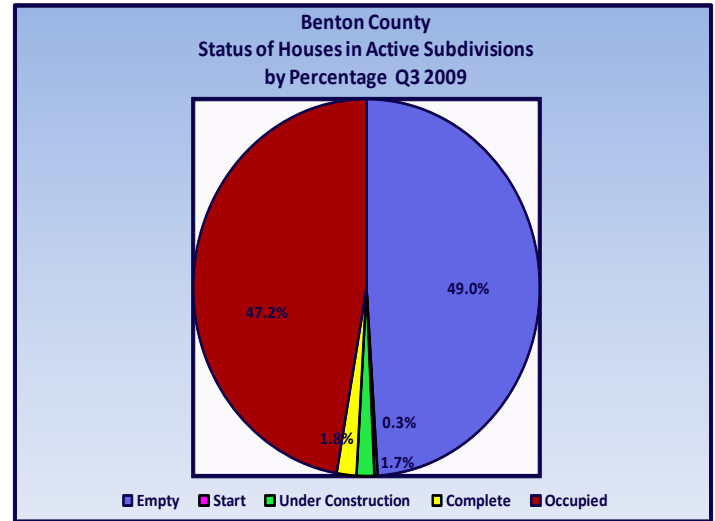
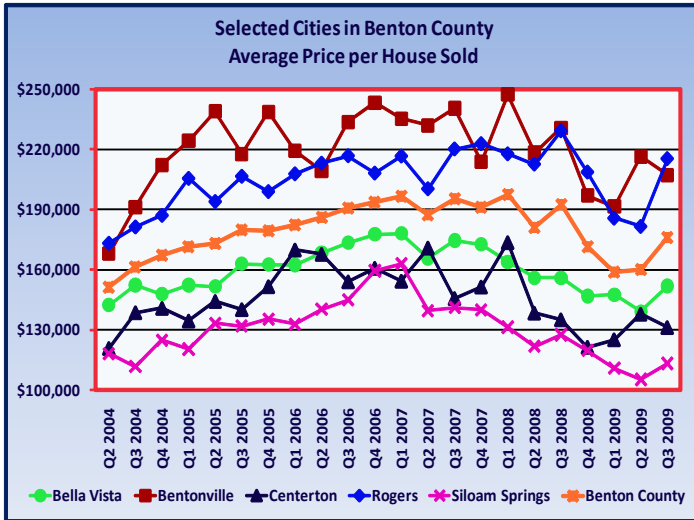
| City | Q3 2009 Number of Building Permits | Q3 2008 Number of Building Permits | Q3 2009 Average Value of Building Permits | Q3 2008 Average Value of Building Permits |
|--------------------|---|---|--|--|
| Bella Vista | 22 | 30 | \$172,878 | \$178,251 |
| Bentonville | 68 | 92 | \$204,528 | \$197,862 |
| Bethel Heights | 1 | 0 | \$65,600 | -- |
| Cave Springs | 12 | 8 | \$161,373 | \$142,669 |
| Centerton | 13 | 12 | \$187,620 | \$98,816 |
| Decatur | 0 | 0 | -- | -- |
| Elkins | 0 | 3 | -- | \$146,667 |
| Elm Springs | 2 | 0 | \$165,000 | -- |
| Farmington | 3 | 2 | \$196,255 | \$217,692 |
| Fayetteville | 78 | 90 | \$188,725 | \$162,539 |
| Gentry | 0 | 1 | -- | \$84,000 |
| Goshen | 2 | 0 | \$226,358 | -- |
| Gravette | 0 | 1 | -- | \$80,000 |
| Greenland | 0 | 0 | -- | -- |
| Johnson | 2 | 2 | \$470,379 | \$192,500 |
| Lincoln | 0 | 0 | -- | -- |
| Little Flock | 0 | 1 | -- | \$400,000 |
| Lowell | 11 | 0 | \$165,938 | -- |
| Pea Ridge | 2 | 0 | \$98,670 | -- |
| Prairie Grove | 11 | 14 | \$87,018 | \$79,121 |
| Rogers | 71 | 37 | \$189,042 | \$173,507 |
| Siloam Springs | 10 | 8 | \$111,377 | \$112,730 |
| Springdale | 47 | 18 | \$215,116 | \$211,247 |
| Tontitown | 5 | 4 | \$346,935 | \$538,350 |
| West Fork | 1 | 2 | \$175,000 | \$122,500 |
| Northwest Arkansas | 361 | 325 | \$190,363 | \$175,265 |



Residential Market Trends



Residential Market Trends



Selected House Status in Active Subdivisions and Coming Lots Q3 2009

| City | Empty Lots | Starts | Under Construction | Complete, but Unoccupied | Occupied | Total Lots in Active Subdivisions | Absorbed Lots | Approved Lots, Not Yet Active |
|------------------------|------------|--------|--------------------|--------------------------|----------|-----------------------------------|---------------|-------------------------------|
| Bentonville | 2,329 | 28 | 93 | 66 | 2,429 | 4,945 | 101 | 1,248 |
| Centerton | 1,248 | 6 | 40 | 49 | 1,239 | 2,582 | 46 | 920 |
| Fayetteville | 1,795 | 24 | 65 | 80 | 2,556 | 4,520 | 118 | 1,124 |
| Rogers | 1,661 | 5 | 74 | 111 | 2,280 | 4,131 | 41 | 638 |
| Siloam Springs | 538 | 1 | 16 | 11 | 566 | 1,132 | 7 | 135 |
| Springdale | 1,281 | 10 | 36 | 61 | 1,361 | 2,749 | 64 | 715 |
| West Washington County | 1,125 | 3 | 18 | 80 | 767 | 1,993 | 25 | 327 |

