

THE SKYLINE REPORT

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February 2008 Highlights

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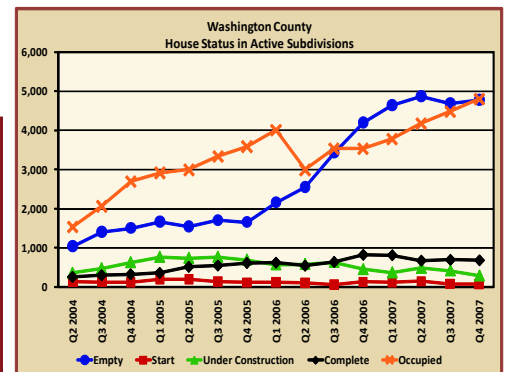
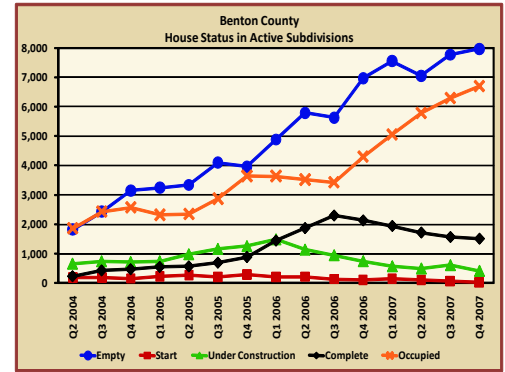
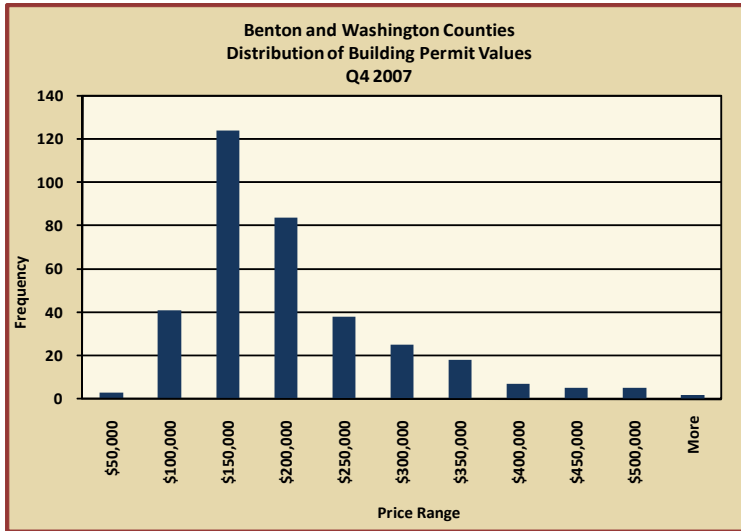
Residential Real Estate Market Summary for Benton and Washington Counties

This report is the fifteenth 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. The Skyline Report includes the information that is necessary to help market participants make good decisions.

Highlights from the Fourth Quarter of 2007

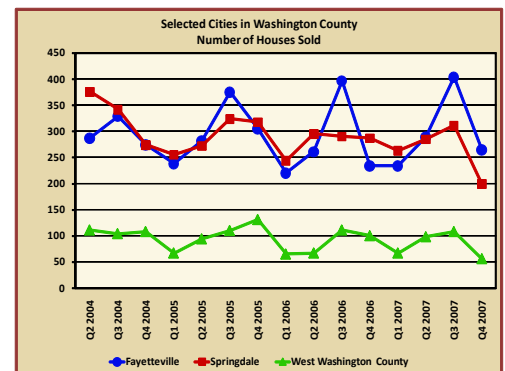
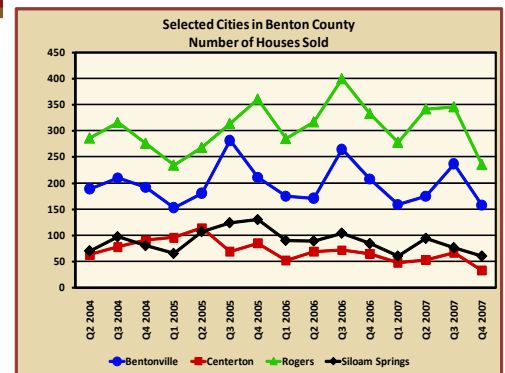
- Fayetteville accounted for 26 percent, Springdale for 16 percent, Rogers for 13 percent, and Bentonville for 12 percent of the 352 Northwest Arkansas residential building permits issued from September to November 2007.
- There were 27,309 lots in the 354 active subdivisions in Northwest Arkansas in the fourth quarter.
- From the third to the fourth quarter of 2007, 798 houses in active subdivisions became occupied. This absorption rate is a decline from the third quarter 2007 total of 1,042 and from the fourth quarter 2006 total of 1,121.
- Using the most recent annual absorption rate implies that the supply of remaining lots in Northwest Arkansas active subdivisions is sufficient for 44.9 months, up from 42.0 months in the third quarter of 2007.
- In the fourth quarter of 2007, there were 2,210 complete but unoccupied houses, a decline from 2,276 in the third quarter. Benton County experienced a decline of 3.6 percent in available complete inventory from the third quarter of 2007, and a decline of 29.0 percent from the fourth quarter of 2006. In comparison, Washington County experienced a 2.0 percent inventory decrease over the past quarter and a cumulative decrease of 17.0 percent over the past year.
- There were an additional 18,856 residential lots that have been at least preliminarily approved in Northwest Arkansas. Adding these proposed lots to those in active subdivisions yields a whopping 98.5 months of inventory in Northwest Arkansas.
- From August 16, 2007 to November 15, 2007, there were 1,357 existing houses sold in Benton and Washington Counties. This is a decline of 23.9 percent from the same time period in 2006.
- In the fourth quarter of 2007 in Northwest Arkansas, the average sales price of existing houses declined from fourth quarter 2006 levels by 2.2 percent in Benton County and increased by 4.6 percent in Washington County.

Residential Market Trends

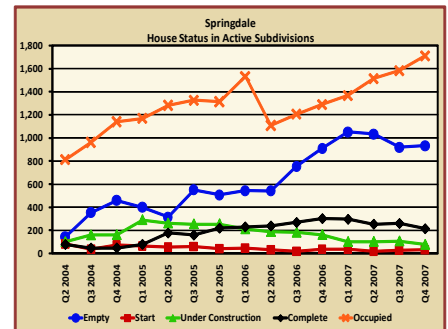
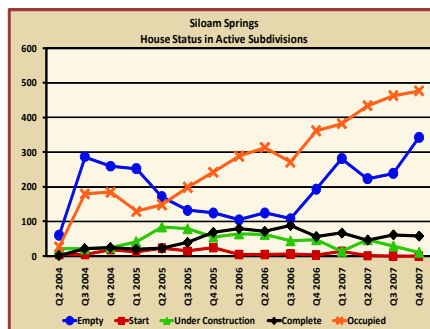
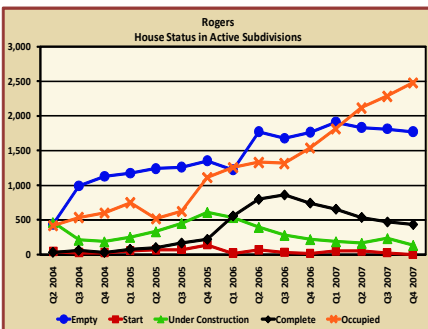
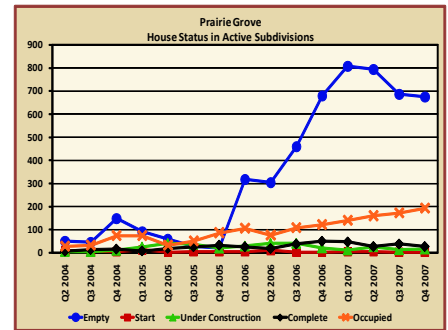
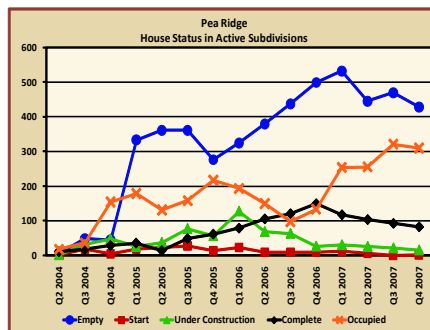
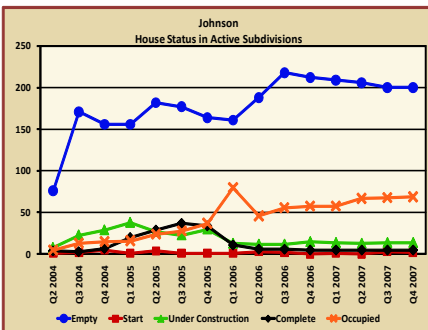
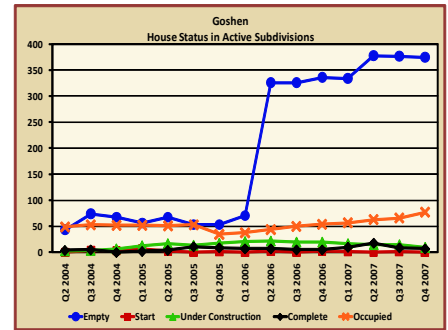
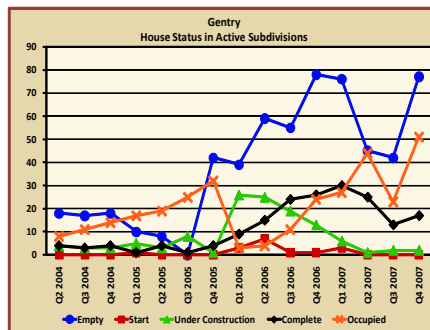
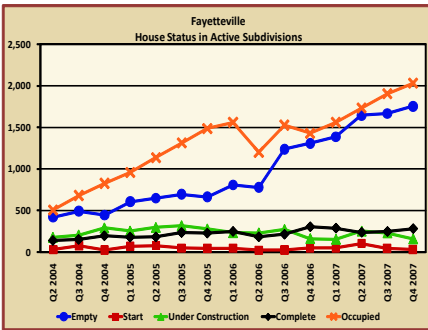
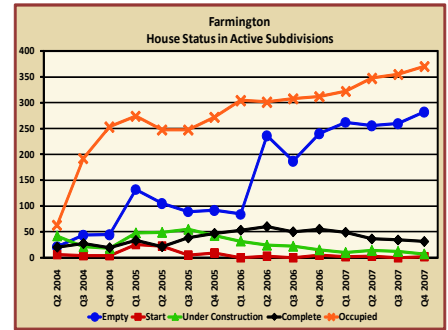
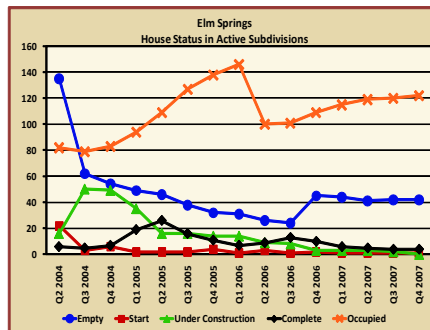
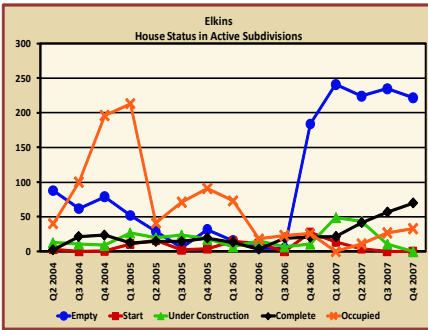
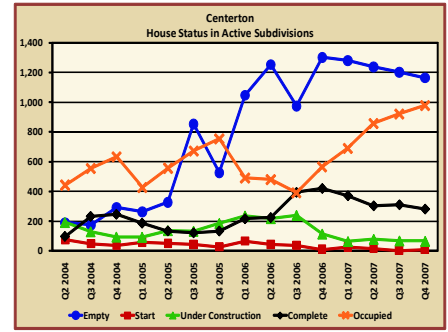
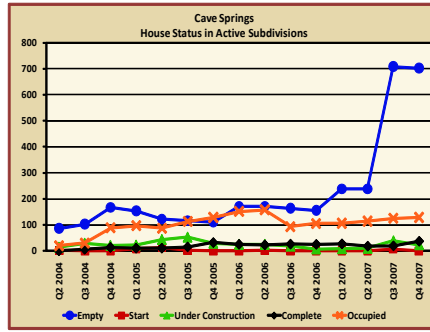
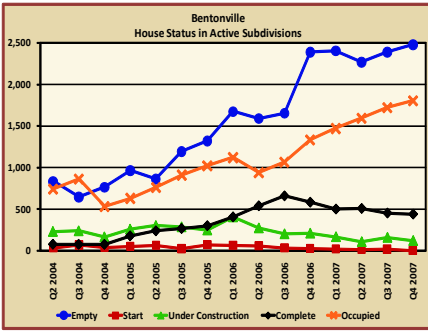


Benton and Washington Counties Number and Average Value of Residential Building Permits Q4 2006 and Q4 2007

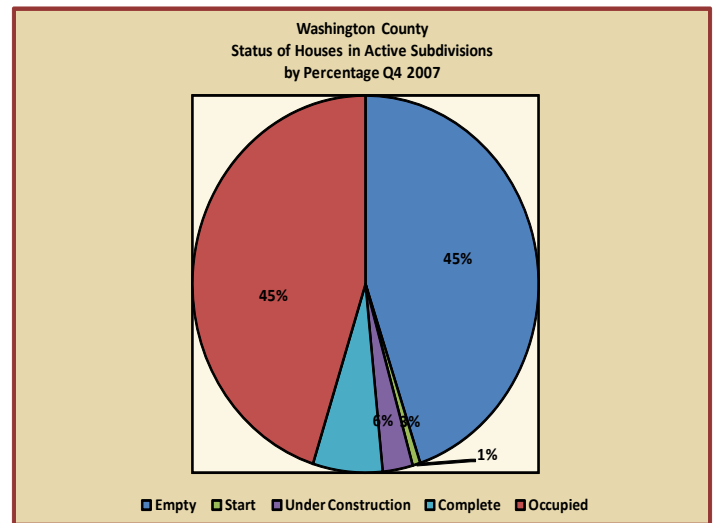
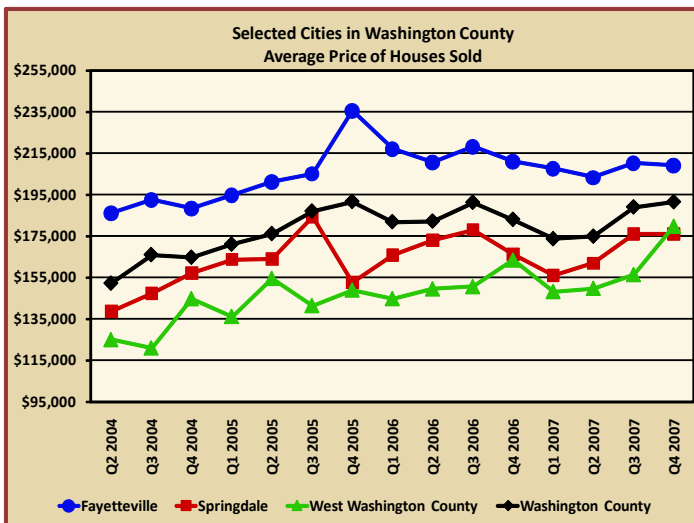
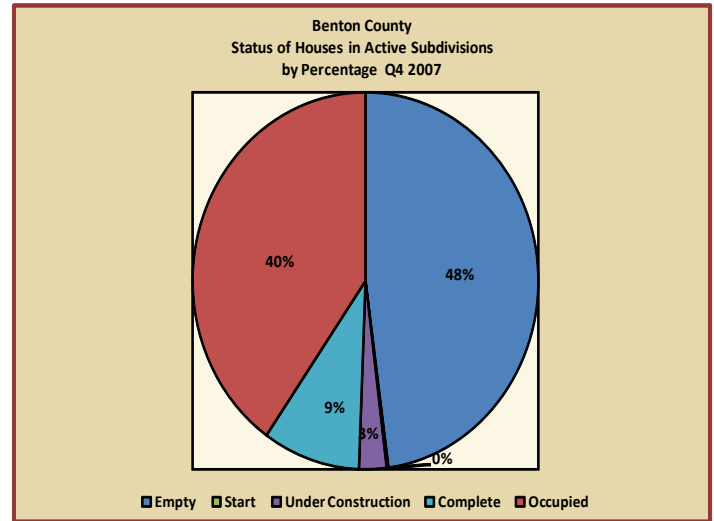
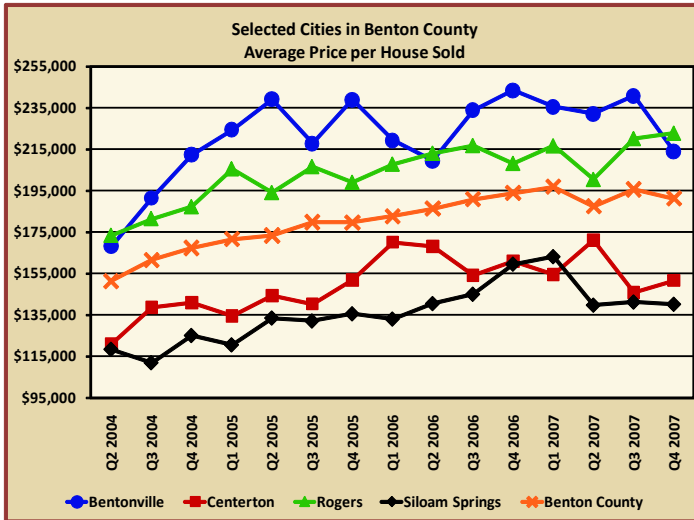
City	Q4 2006 Number of Building Permits	Q4 2007 Number of Building Permits	Q4 2006 Average Value of Building Permits	Q4 2007 Average Value of Building Permits
Bella Vista	88	24	\$174,865	\$153,504
Bentonville	104	42	\$197,033	\$235,335
Bethel Heights	71	7	\$101,914	\$59,643
Cave Springs	2	1	\$190,000	\$350,000
Centerton	52	36	\$106,883	\$104,058
Decatur	1	0	\$200,000	--
Elkins	49	4	\$77,876	\$77,578
Elm Springs	6	0	\$170,281	--
Farmington	0	0	--	--
Fayetteville	106	91	\$191,460	\$176,977
Gentry	7	1	\$83,571	\$90,000
Goshen	1	2	\$316,137	\$417,714
Gravette	3	0	\$130,000	--
Greenland	1	0	\$125,000	--
Johnson	9	0	\$328,028	--
Lincoln	2	1	\$96,980	\$94,315
Little Flock	1	2	\$280,000	\$181,580
Lowell	3	6	\$303,452	\$176,183
Pea Ridge	20	10	\$106,544	\$94,944
Prairie Grove	3	0	\$246,667	--
Rogers	39	45	\$136,402	\$177,293
Siloam Springs	36	17	\$101,910	\$135,232
Springdale	109	55	\$197,678	\$209,376
Tontitown	3	8	\$219,940	\$394,325
West Fork	9	0	\$133,333	--
Northwest Arkansas	725	352	\$159,179	\$178,505



Residential Market Trends



Residential Market Trends



Selected House Status in Active Subdivisions and Coming Lots Q4 2007

City	Empty Lots	Starts	Under Construction	Complete, but Unoccupied	Occupied	Total Lots in Active Subdivisions	Absorbed Lots	Approved Lots, Not Yet Active
Bentonville	2,479	6	123	442	1,805	4,855	105	2,724
Centerton	1,165	9	66	283	979	2,061	76	2,534
Fayetteville	1,756	34	160	287	2,031	4,268	128	3,397
Rogers	1,775	7	137	439	2,478	4,836	194	2,217
Siloam Springs	343	0	12	58	477	890	34	1,291
Springdale	933	32	80	215	1,711	2,791	131	3,785
West Washington County	1,129	8	32	90	689	1,948	43	973

