

THE SKYLINE REPORT

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February 2009 Highlights

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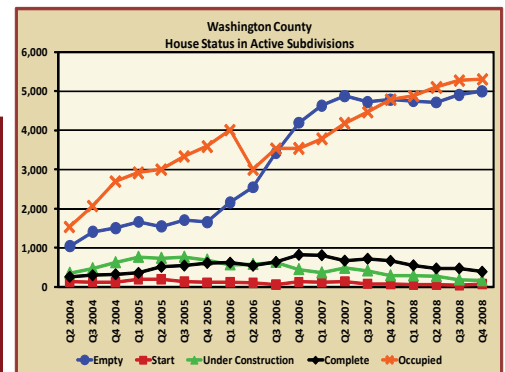
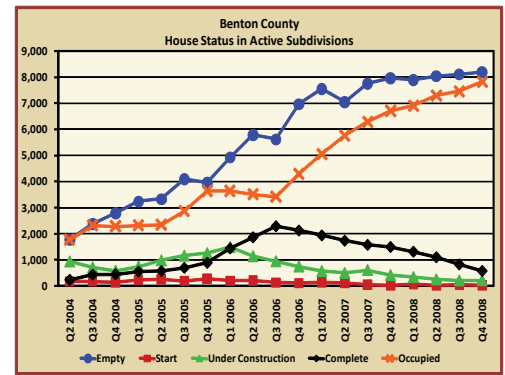
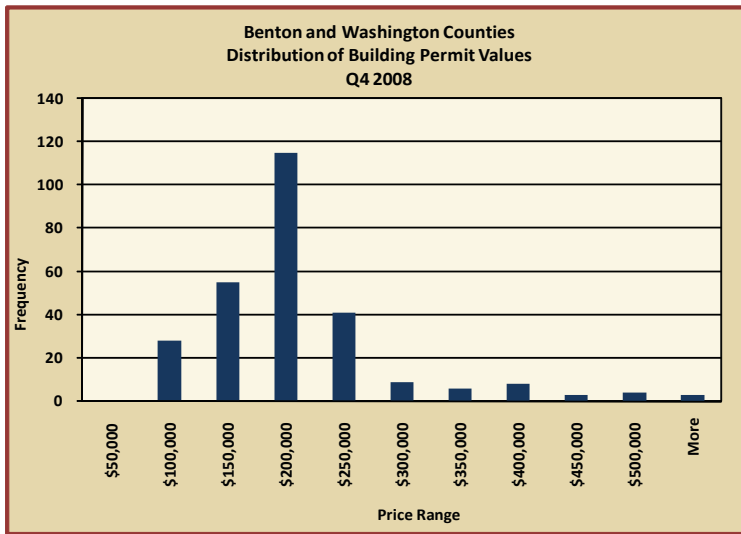
Residential Real Estate Market Summary for Benton and Washington Counties

This report is the nineteenth 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 Fourth Quarter of 2008

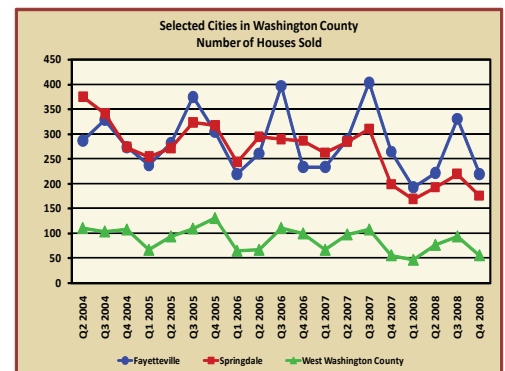
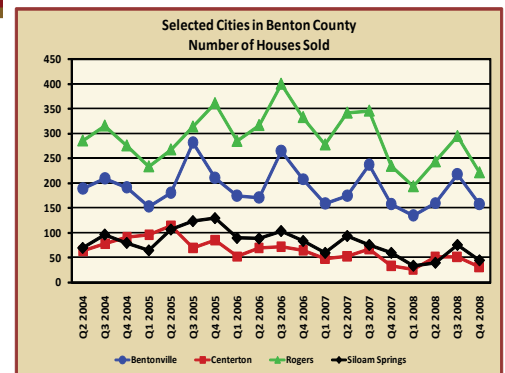
- There were 270 residential building permits issued in Northwest Arkansas from September to November 2008, down from 352 building permits issued in the same period last year. Among these, Fayetteville accounted for 30.4 percent.
- There were 27,840 lots in the 368 active subdivisions in Northwest Arkansas in the fourth quarter.
- From the third quarter to the fourth quarter of 2008, 613 houses in active subdivisions became occupied. This absorption rate is a decline from the revised third quarter 2008 total of 765 and a decline from the fourth quarter 2007 total of 794.
- Using the most recent annual absorption rate implies that the supply of remaining lots in Northwest Arkansas active subdivisions is sufficient for 59.6 months, up from a revised 56.8 months in the third quarter of 2008.
- In the fourth quarter of 2008, there were 980 complete but unoccupied houses, a decline from 1,316 in the third quarter. Benton County experienced a decline of 30.2 percent in available complete inventory from the third quarter of 2008, and a decline of 61.4 percent from the fourth quarter of 2007. In comparison, Washington County experienced a 17.5 percent inventory decline over the past quarter and a cumulative decrease of 41.3 percent over the past year.
- There were an additional 9,808 residential lots that have been at least preliminarily approved in Northwest Arkansas. Adding these proposed lots to those in active subdivisions yields 99.4 months of inventory in Northwest Arkansas.
- From August 16, 2008 to November 15, 2008, there were 1,179 existing houses sold in Benton and Washington Counties. This is a decline of 13.2 percent from the same time period in the previous year.
- In the fourth quarter of 2008 in Northwest Arkansas, the average sales price of existing houses declined from fourth quarter 2007 levels by 10.4 percent in Benton County and by 6.3 percent in Washington County.

Residential Market Trends

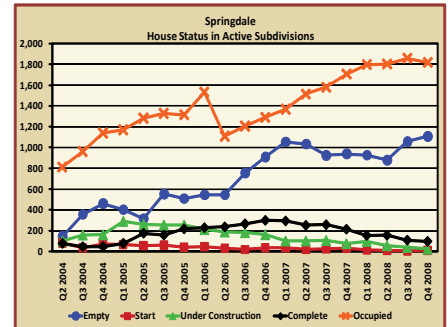
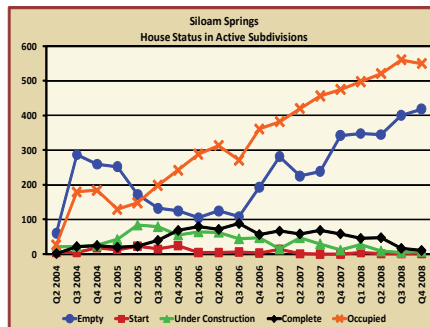
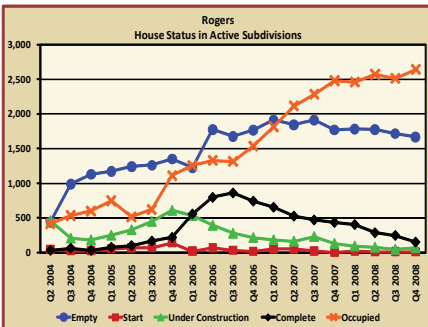
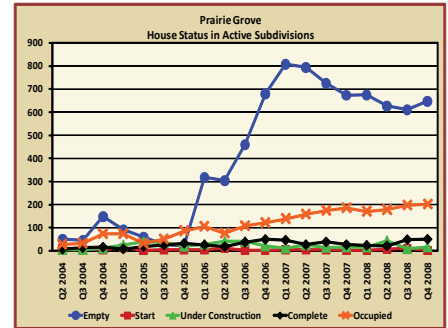
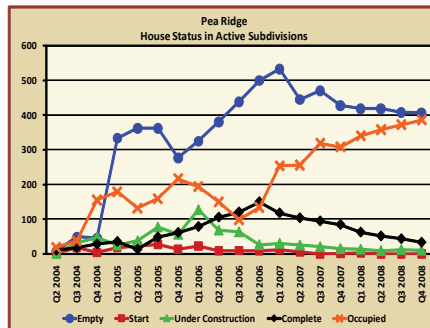
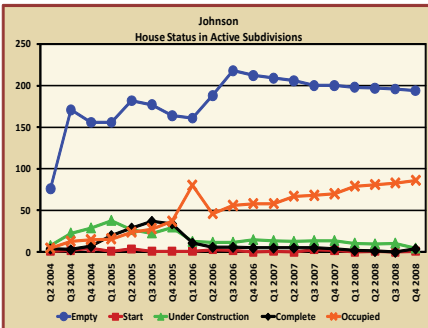
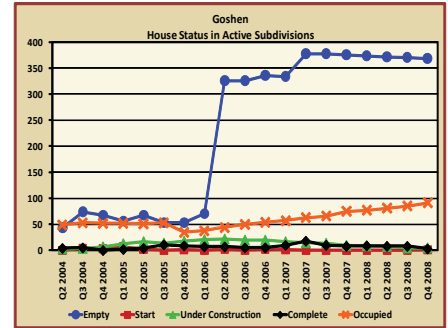
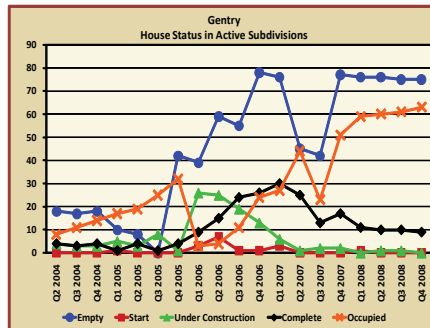
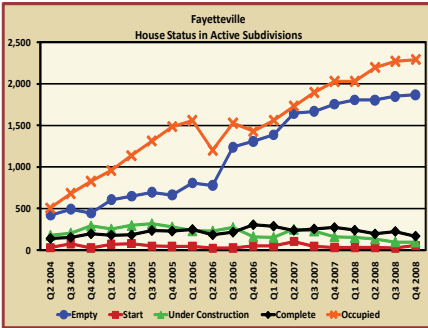
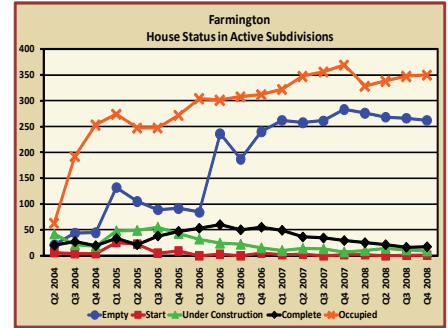
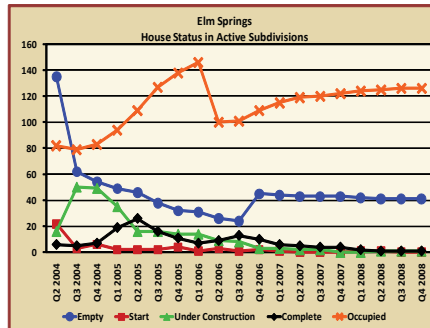
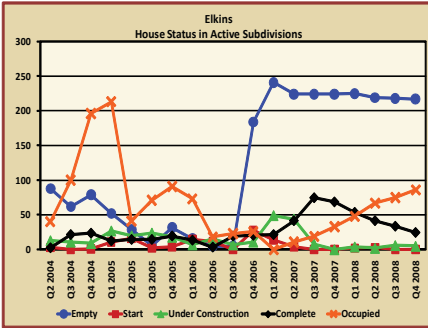
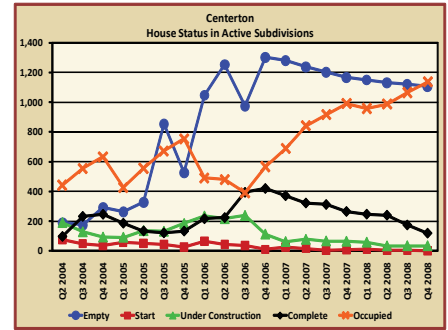
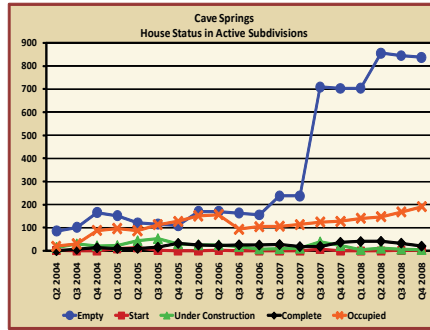
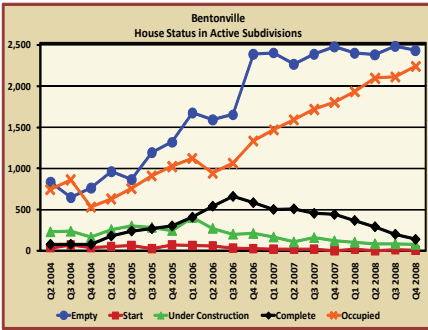


Benton and Washington Counties Number and Average Value of Residential Building Permits Q4 2007 and Q4 2008

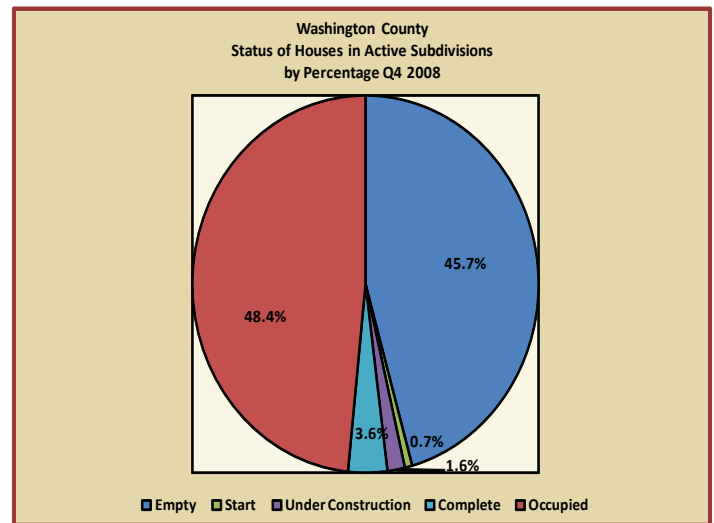
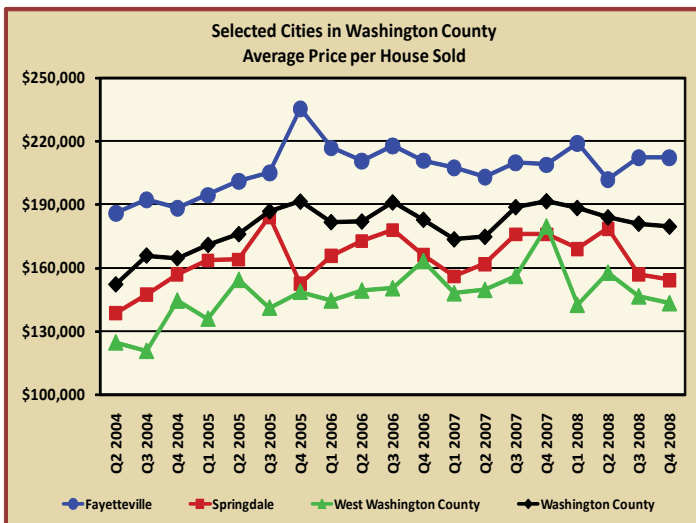
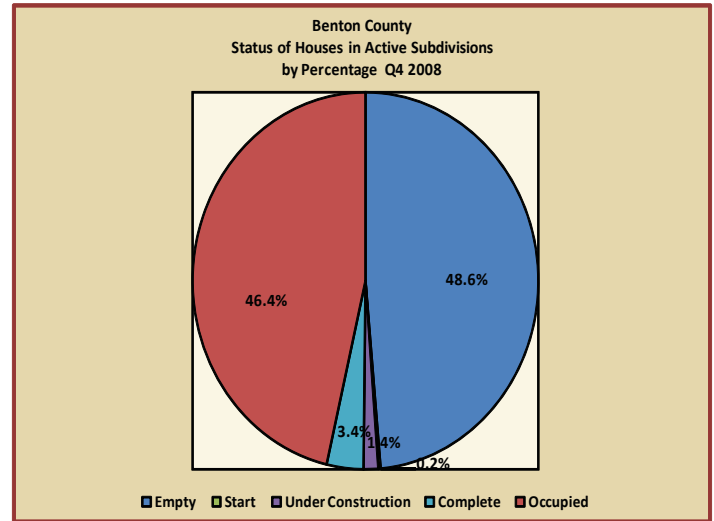
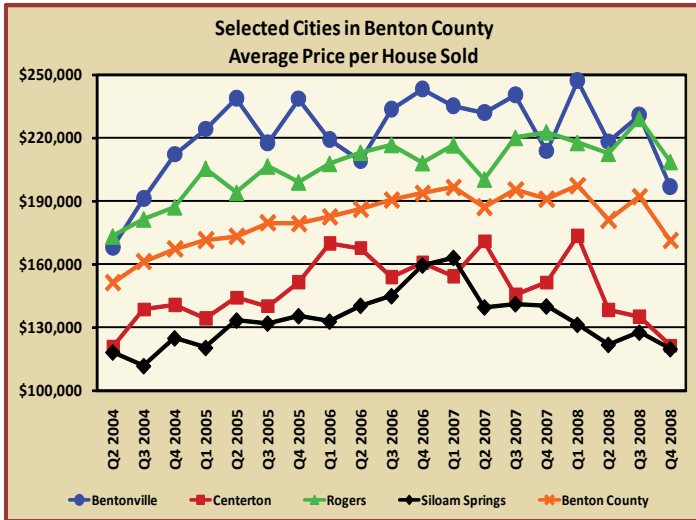
City	Q4 2007 Number of Building Permits	Q4 2008 Number of Building Permits	Q4 2007 Average Value of Building Permits	Q4 2008 Average Value of Building Permits
Bella Vista	24	22	\$153,504	\$209,629
Bentonville	42	54	\$235,335	\$209,700
Bethel Heights	7	0	\$59,643	--
Cave Springs	1	4	\$350,000	\$100,000
Centerton	36	8	104057.5	\$91,642
Decatur	0	0	--	--
Elkins	4	0	\$77,578	--
Elm Springs	0	0	--	--
Farmington	0	0	--	--
Fayetteville	91	82	\$176,977	\$187,163
Gentry	1	0	\$90,000	--
Goshen	2	1	\$417,714	\$240,152
Gravette	0	0	--	--
Greenland	0	0	--	--
Johnson	0	0	--	--
Lincoln	1	0	\$94,315	--
Little Flock	2	2	\$181,580	\$247,500
Lowell	6	2	\$176,183	\$253,101
Pea Ridge	10	4	\$94,944	\$93,978
Prairie Grove	0	8	--	\$81,976
Rogers	45	42	\$177,293	\$177,682
Siloam Springs	17	1	\$135,232	\$172,860
Springdale	55	37	\$209,376	\$189,195
Tontitown	8	3	\$394,325	\$456,999
West Fork	0	0	--	--
Northwest Arkansas	352	270	\$178,505	\$187,763



Residential Market Trends



Residential Market Trends



Selected House Status in Active Subdivisions and Coming Lots Q4 2008

City	Empty Lots	Starts	Under Construction	Complete, but Unoccupied	Occupied	Total Lots in Active Subdivisions	Absorbed Lots	Approved Lots, Not Yet Active
Bentonville	2,436	12	80	140	2,241	4,909	134	1,347
Centerton	1,105	1	36	121	1,138	2,401	72	1,241
Fayetteville	1,870	58	100	171	2,293	4,492	131	1,769
Rogers	1,671	14	73	157	2,642	4,557	126	1,016
Siloam Springs	419	1	8	11	551	990	7	754
Springdale	1,108	11	26	100	1,816	3,061	47	1,349
West Washington County	1,103	5	31	81	713	1,933	21	1,207

