THE SKYLINE REPORT

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University of Arkansas
Sam M. Walton College of Business
Center for Business & Economic Research

First Half of 2017
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Commercial Real Estate Market Summary for Benton and Washington Counties

This report is the thirty-seventh edition of the Skyline Report for Benton and Washington Counties—Commercial 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 commercial real estate market. The information contained in the Skyline Report is critical for lenders, developers, contractors, and potential lessees. The Northwest Arkansas commercial real estate market is fragmented with many local and national commercial real estate professionals competing to serve the needs of a burgeoning business community. Having current information and analysis provides a competitive advantage over those who make decisions without the benefit of hard data.

Highlights from the First Half of 2017

- In the first half of 2017, 815,546 square feet of commercial space were absorbed, while 327,845 new square feet were added, netting positive absorption of 487,701 square feet in the Northwest Arkansas market and an overall vacancy rate of 10.5 percent, down from 11.7 percent in the second half of 2016.
- 206,304 new square feet were added in the office submarket, while 326,234 square feet were absorbed, leading to net positive absorption of 119,930 square feet in the first half of 2017. The office vacancy rate decreased to 10.4 percent from 11.4 percent in the second half of 2016.
- Within the retail submarket, there was overall positive absorption of 187,369 square feet, while 121,541 new square feet entered the market, leading to positive net absorption of 65,828 square feet. The retail vacancy rate decreased to 8.7 percent in the first half of 2017 from 9.4 percent in the second half of 2016.
- The warehouse submarket had positive absorption of 157,998 square feet, while no new square feet were added in the first half of 2017. The Northwest Arkansas warehouse vacancy rate decreased from 8.1 percent in the second half of 2016 to 7.6 percent in the first half of 2017.
- In the office/retail submarket, there was positive absorption of 40,180 square feet, while no new square feet of office/retail space entered the market in the first half of 2017. The vacancy rate decreased from 11.0 percent in the second half of 2016 to 10.0 percent in the first half of 2017.
- From January 1 to June 30, 2017, there were $116,812,224 in commercial building permits issued in Northwest Arkansas. In comparison, there were $206,485,385 in permits issued in the first half of 2016.

Report Structure

The Skyline Report presents an analysis of data from three primary sources. Information on the entire population of commercial property is gathered from the offices of the Benton and Washington County Assessors. These data sets are then filtered to exclude properties that are not part of the competitive leasing market. These excluded properties include owner-occupied buildings and other dedicated spaces. Additionally, commercial properties that do not meet certain minimum size criteria (detailed on page 56) are also filtered from the base of commercial properties considered. As a second source of data, building permit information is collected from the relevant divisions in Northwest Arkansas city governments. Finally, availability, lease rates, and other characteristics of competitive commercial properties are obtained from a panel of the largest commercial property owners and managers in Northwest Arkansas. Each of the three types of information that is collected gives a unique but critical perspective of the local commercial property market. Without understanding what the universe of commercial properties looks like at the beginning of a period, the scale of available space for lease is meaningless. Likewise, the data that come from building permits paint a picture of what market additions are imminent. Only after setting the stage with these two perspectives do vacancy rates and market absorption numbers have real value.

In order to provide yet another level of perspective on the Northwest Arkansas commercial property market, the Skyline Report contains an overview of national and regional macroeconomic conditions. Ultimately, the real estate market is subject to the same fundamental forces that shape the rest of the economy, so having a broader view of current issues provides insights into potential challenges and opportunities for commercial property development.

To this end, the Skyline Report begins with an economic overview. First, national output and employment issues are discussed, followed by the discussion of short-term and long-term interest rate prospects. Then, recent regional economic statistics, focusing on regional employment trends, are presented. After the economic overview, the results of some focus group discussions with commercial property developers and managers are summarized in order to supplement the hard data with anecdotal evidence from market participants about regional trends.

After the summary of local perceptions, the first half of 2017 numbers for total commercial property square feet and building permit data are presented. Within the total square feet table, a breakdown of property type by city is provided. Also, the square footage of competitive commercial property for which the 256 panelists provide information is broken down by city and the percentage of coverage of the competitive market is calculated. A table containing publicly announced new commercial real estate projects is presented after the summary of building permit data. This table is meant to provide an indication of the future direction of the Northwest Arkansas commercial property market. As many of these projects are still in the conceptual phase, hard data is incomplete and subject to change. This period, the announced data was examined particularly closely. Project locations were checked and developers were contacted regarding the projects from the previous Skyline report.

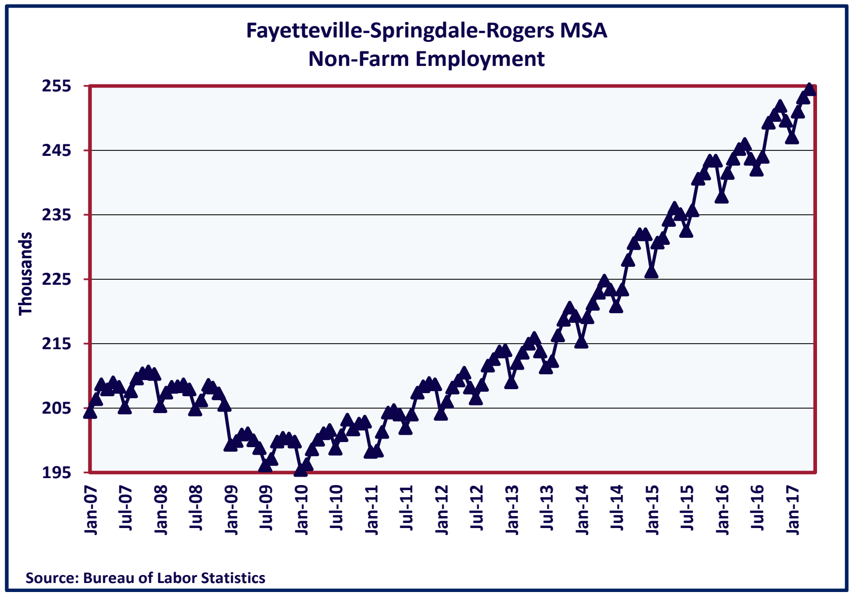
Following the tables of announced commercial projects, hotels, and restaurants is a trend summary that includes information about vacancy rate and available space trends. There are also three tables summarizing the results from the most recent time periods. The first table presents vacancy rates by submarket for the first half of 2017, and both the second half and first half of 2016. The second table presents net absorption by submarket and the third table presents available square footage by submarket for the same time periods. These tables are the foundation for the performing trend analysis and for separating the seasonal effects from real effects. The results in the tables are referred to throughout the remainder of the Skyline Report.

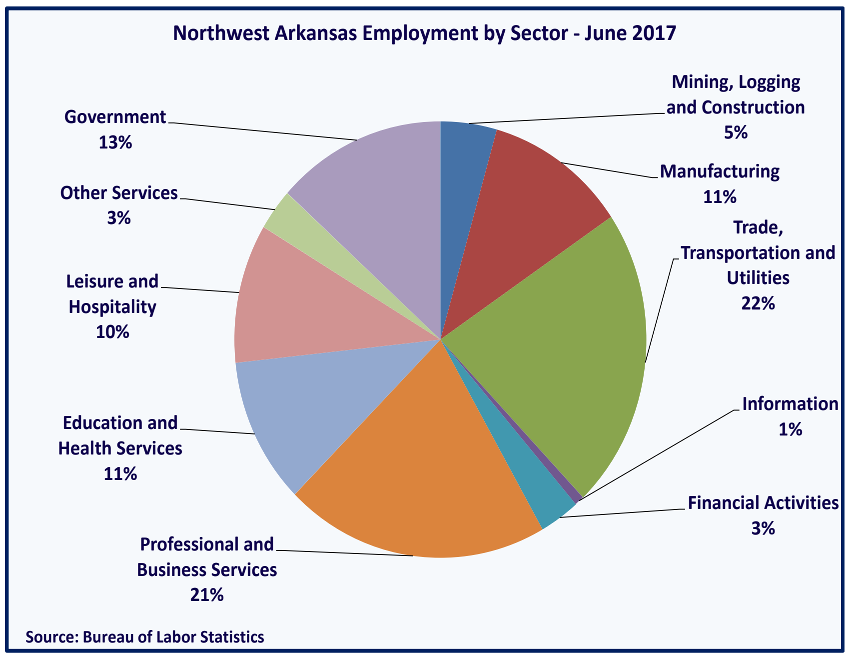
The next four sections present analyses of Northwest Arkansas submarkets by type of space. The office submarket is examined first, followed by the office/retail, retail, warehouse, office/warehouse, and retail/warehouse submarkets. Following these sections are commercial property summary statistics by city. There are sections for Bella Vista, Bentonville, Fayetteville, Lowell, Rogers, Siloam Springs, and Springdale.

Finally, a section on how to interpret the numbers contained in the report and a description of the commercial property classification system are offered.

By aggregating and analyzing data from a variety of sources, the Skyline Report is unique in its perspective on the Northwest Arkansas commercial property market. The information should be useful to anyone with an interest in the current workings and projected course of commercial real estate in Benton and Washington Counties.

Economic Overview





It is helpful to look at some key macroeconomic statistics in order to get a sense of the Northwest Arkansas commercial real estate market. The rate of activity in the Northwest Arkansas commercial real estate market is dependent upon two general factors: those that are specific to the region and those that are national in nature. The following discussion highlights some of the statistics that indicate the direction of the macroeconomy.

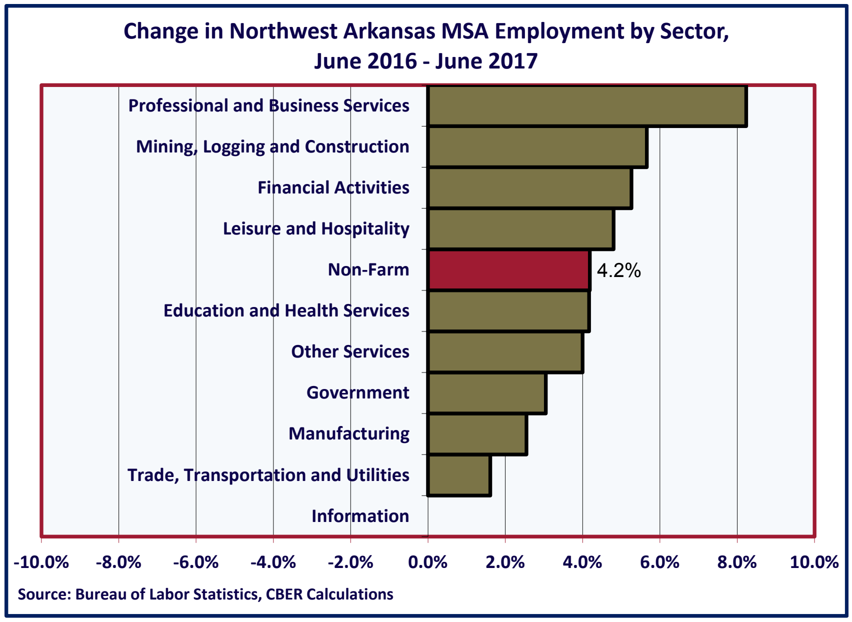
Gross Domestic Product

In the second quarter of 2017, real GDP increased by 2.6 percent according to advance estimates released by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). Real GDP increased by 1.2 percent in the first quarter of 2017. The increase in real GDP in the second quarter primarily reflected positive contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports, and federal government spending that were partly offset by negative contributions from private residential fixed investment, private inventory investment, and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased. The acceleration in real GDP growth in the second quarter reflected a smaller decrease in private inventory investment, an acceleration in PCE, and an upturn in federal government spending. These movements were partly offset by a downturn in residential fixed investment and decelerations in exports and in nonresidential fixed investment.

Employment

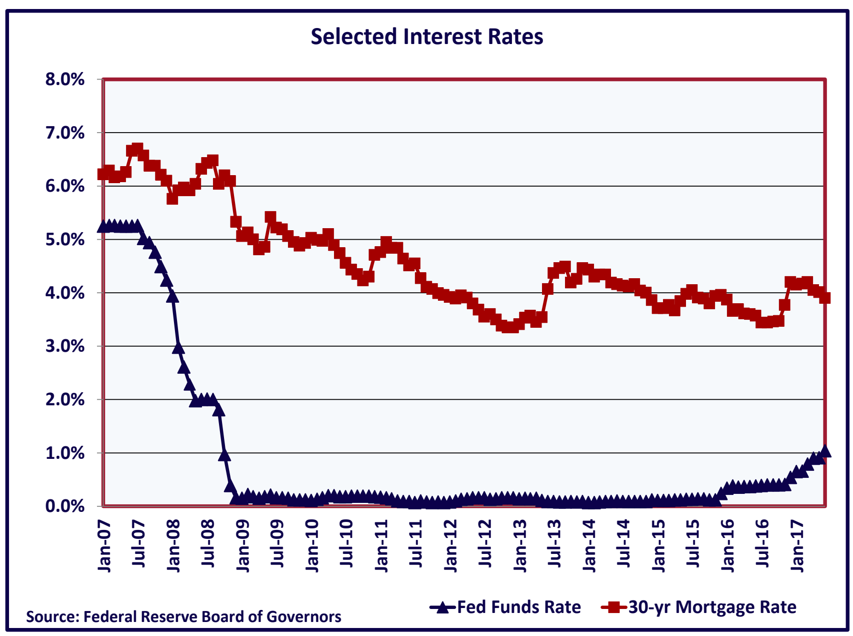
The Northwest Arkansas employment situation is extremely important to the health of the real estate market. The most recent data show that employment in the Northwest Arkansas region was at 253,900 in June 2017, up 4.2 percent from June 2016. According to the U.S. Bureau of Labor Statistics (BLS), the unemployment rate in Northwest Arkansas was at 2.5 percent in May 2017. This is down from the May 2016 rate of 2.9 percent. The unemployment rate has remained under 4.0 percent since August of 2015. The unemployment rate in Northwest Arkansas continues to be lower than both the state (3.3 percent) and national (4.1 percent) unadjusted rates.

With the purpose of exploring more closely the composition of job growth in Northwest Arkansas, two additional figures are provided. The first shows the June 2017 Fayetteville-Springdale-Rogers MSA employment breakdown by sector. As the pie chart shows, trade, transportation, and utilities had the largest share of employment (22 percent) in Northwest Arkansas followed by professional and business services (21 percent), government (13 percent), manufacturing (11 percent), education and health services (11 percent), and leisure and hospitality (10 percent). The other figure shows the annual percentage change in the metro area's employment by sector from June 2016 to June 2017. Total nonfarm employment increased by 4.2 percent during that time. Employment in professional and business services, construction, financial activities, leisure and hospitality grew more quickly than 4.2 percent. Education and health services, other services, government, manufacturing, and trade, transportation, and utilities grew slower than 4.2 percent while the information sector remained unchanged from June 2016 to June 2017.



Interest Rates

The Federal Funds rate averaged 1.04 percent in June 2017. The ten year constant maturity Treasury bill had an interest rate of 2.19 percent in June 2017, up from 1.64 percent in June 2016. The positive spread between the ten year rate and the federal funds rate narrowed a little from a year ago, but remains positive as both rates have increased. The Federal Reserve Open Market Committee decided to increase the target range for the federal funds rate to 1.00 to 1.25 percent. The stance of monetary policy remains accommodative, thereby supporting further improvement in labor market conditions and a sustained return to 2 percent inflation. The accompanying figure shows the Federal Funds rate and the thirty year mortgage rate since January 2007.



Local Perceptions of the Northwest Arkansas Commercial Property Market

In each reporting period, Center for Business and Economic Research staff members have conversations with a dozen or so commercial developers and/or property managers to gain their ground-level insights on the current commercial real estate market in Benton and Washington counties.The multi-year trend of universal optimism among panelists about growth and development opportunities throughout Northwest Arkansas weakened a little bit in the last report but, strengthened again this time. Well into the second quarter, a strong majority continues to believe 2017 will be another excellent growth year in the commercial real estate market and a majority of respondents continue to anticipate slowing absorption and building by the end of 2018. While there is still universal acknowledgement that another slowdown will likely occur in the medium term, almost all of the panelists continue to believe the correction will be quite mild unless there are severe unanticipated national and global economic issues. This report period the wide ranging conversations included discussions about supply and demand in the office, retail, and warehouse markets including the impact of increasing construction costs on lease rate. The conversations also focused on the impact of the Walton Family Foundation's investments in Northwest Arkansas' downtowns and the trail system, the property acquisitions by Walmart in Bentonville, and the impact of the merger between Hunt Ventures and Sage Partners.

Office demand continues to be strong according to most respondents, particularly for new Class A and medical office space. Respondents do not anticipate much difficulty in absorbing all of the office space that is currently under construction or highly likely to begin construction in 2017. 'Hot spot' areas for Class A office development include Pinnacle, downtown Bentonville, and near large Walmart office complexes. Medical office panelists highlighted west Springdale where Arkansas Children's Hospital is being constructed and the new Mercy Health System complex is planned. Additionally, for medical office space, respondents mentioned the increasing number of clinics being built by Mercy Health, Northwest Health, and Washington Regional Systems around Northwest Arkansas to meet the demands of a growing population. The demand for Class A office space was driven by the continued expansion of successful firms already located in Northwest Arkansas, firms becoming more willing to move up from Class B to Class A space, and the entrance of new firms into Northwest Arkansas looking for Class A office space. The Class B office market is considered fairly stable, and the price differentiation between Class A and Class B is thought by panelists to be very healthy for leasing in this submarket. No respondents see a need for new leasable Class B office space to be built.

Respondents also commented on the significant financial investments being made by out of state entities buying property, for example Bentonville Plaza and a group of Dean Eisma's properties in Northwest Arkansas. They believe this will continue to firm up market prices as well as lease rates, as buyers are willing to accept lower cap rates for these purchases now with the expectation that lease rate increases will boost cap rates in the future. Additionally, panelists mentioned the potential for significant capital investments, of several hundred thousand square feet of commercial space, by very wealthy out of state individuals and business entities. The significant amount of vacant office space continues to be a concern looking into the future. Respondents believe much of the space will either be repurposed or eventually razed and new developments created in their place. According to respondents the increasing cost of construction was mostly due to a shortage in subcontracting crews created in turn by a shortage in skilled labor to staff more crews. Theses costs are part of the reason why new Class A lease rates are pushing into the upper $20 range. Additionally, lease rates are going up as the level of amenities in new Class A space are increasing, bringing some of the newer office buildings in Northwest Arkansas much closer to true Class A level space. "Another sign of a maturing market" was a phrase several respondents used during this report periods conversations.

In the retail submarket, panelists continue to see demand for new space in areas with a lot of traffic such as: Bentonville's Walton Boulevard just before and after Rainbow Curve; in Rogers in the Pinnacle area on both sides off I-49 and Pleasant Crossing; in West Springdale off exits 72 and 73 going all the way to Har-ber Meadows, and in Fayetteville's Steele Crossing, Wedington west of I-49, College Avenue, the Mission and Crossover area, and Martin Luther King Boulevard from the university towards Farmington. One area identified as having immediate future demand was in Bentonville around SW I Street and SW Regional Airport Boulevard. Restaurants, nail salons, and other personal service business that cannot be acquired on the internet, are the drivers for demand in these new retail spaces. Many respondents are concerned about the future of big box retailers but were less concerned with prospects for discount retailers. There is the same concern about old vacant retail space as there is in the office market about old vacant space. A few respondents even talked about the Northwest Arkansas Mall being razed and turned into a modern mixed use development at some time in the future. Many respondents talked about the increasing costs of construction driving up the lease rates of new retail strip mall space into the high $20 or low $30 per square foot range. They expressed concern that many businesses can't generate the sales volume needed to pay the higher lease rates. These concerns extend even to franchise restaurants that are often able to pay above market lease rates. Again, the phrase 'sign of a maturing market', was mentioned in discussing whether the consumers will be willing to pay higher prices as business owners' lease rates go up.

Demand for new warehouse space is considered very solid by respondents, with a much lower chance of overbuilding as there are so few builders in this submarket. Much of the new demand and matching supply is in the large Class A warehouse market, as the need for distribution continues to grow. Several respondents also talked about the demand for smaller Class B warehouse space and the smaller retail/warehouse and office/warehouse space (or flex space) for small businesses who do not need over 10,000 square feet. This submarket is considered to be underserved, without many builders willing to construct new space of this type. Repurposing of other space was discussed but some respondents mentioned possible zoning issues in allowing vacant retail or office space to be converted to small flex space. Again, construction costs are a key factor in this situation according to many panelists. For the large Class A warehouse buildings, lease rates are moving to over $5 a square foot, but due to economies of scale builders are still able to turn a profit. For smaller buildings some respondents believe lease rates are going to need to be above $7 a square foot to make it profitable to build but, there is concern about tenants' ability to afford this this price point.

A point of great excitement, as it has been for the past few report periods, is about the investments the Walton Family Foundation has been making across Northwest Arkansas. The major cities' downtown cores are benefiting from these investments and respondents feel that many other builders and developers are going to continue to piggyback upon these initial investments and drive further growth. A significant number of panelists are also talking about the trail system being monetized in new office, retail, and multifamily developments occurring adjacent to the trail. The bike shops, pubs, and restaurants were mentioned specifically. The sense of confidence in the development community brought on by the Walton Family Foundation's investment was very clearly expressed by every panelist.

Walmart's property acquisitions in Bentonville was the subject of much speculation about potential opportunities among the respondents. Respondents believed Walmart was either going to build a new home office, or a tech campus as being a possibility, or just another office complex that could be used in different ways. The panelists were bullish on the possibilities of offices to house more firms providing services to Walmart, as well as potential vendor expansion as Walmart grows its online presence and increases its demand for tech services. A few also felt this might provide infrastructure support for Walmart's 'Made in America' campaign. Additionally, a few mentioned the opportunity to lease space to tenants leaving office space Walmart bought up.

A big conversation this report period was regarding the Hunt Ventures and Sage Partners merger. All the panelists weighed in with thoughts on whether this merger will have an impact on the commercial real estate market in Northwest Arkansas, in either the leasing side or the development side. Among the few negative perceptions, there were concers about potential conflicts of interest (which may end up meaning more opportunities for other leasing agencies). Other concerns revolved around whether Mrs. Hunt would be led into projects that were not in the best interest of the Hunt Ventures side of the partnership, or whether she might be slowed down in developing new projects that might instead be steered towards the Sage side where there are relationships with other large developers. However, a majority of the panelists felt the impact on the market would either be positive or quite negligible. In terms of the leasing side of the equation the phrase 'sign of a maturing market' popped up repeatedly. These respondents believe the talent level of commercial realtors being developed in Northwest Arkansas will grow even faster with this merger as the skills grow within this new organization and competitors will also have to respond with talent growth and development. On the supply-demand side, respondents suggested that the newly merged organization will bring even more skill and attention to the entire development process and any new developments will be even more likely to succeed than previous Hunt Venture developments. Also, there is a tremendous amount of respect given to Mrs. Hunt and her top staff regarding good decision making. Another positive is the potential synergies between the two organizations as they leverage the significant connections held by each separate firm. Some panelists discounted the impact of the merger on the development market.

Even though respondents continue to mention a potential slowdown in the future, the timeframes vary, with expectations of a slowdown being pushed to 2018-2020. There is a consensus that when the downturn inevitably happens it will be relatively mild, especially compared to the Great Recession. The overall tone remained positive, and as always, respondents mentioned the fundamental drivers of Northwest Arkansas: Walmart and the Walton Family, the University of Arkansas and the education sector, J.B. Hunt, Hunt Ventures, and the transportation sector, and Tyson Foods and the food industry sector provide respondents a strong sense of stability for the region. The medical and health care sectors are also considered strong growth areas, and several panelists believe Northwest Arkansas is just beginning a long period of commercial building in this submarket.

Local Perceptions

Looking into the future, respondents continue to be excited about the growth of regional amenities, particularly the trail system and bike infrastructure, connecting Northwest Arkansas, and stimulating tourism.

Positive Factors:

1. Continued population growth in the MSA.
2. Growth of existing businesses creating demand for new Class A office space.
3. Strong demand for retail space in several hot locations.
4. Potential opportunity for speculative warehouse space.
5. Leveraging the trail system as a selling point for commercial space.
6. Continuing creation of amenities in Northwest Arkansas.
7. Continued attention to the MSA by national retailers and investors.
8. Further media coverage of Northwest Arkansas as a good place to work and live.
9. Strong multifamily housing market potential across Northwest Arkansas.

Negative Factors

1. Increased construction costs.
2. Potential overbuilding of Class A office by the end of 2018.
3. Consolidation of CPG firms, leading to less vendor space demand.
4. Shift to work stations and away from offices leading to less office demand.
5. Overhang of existing Class B office space.
6. Overhang of existing class B and C retail space.
7. Poor quality of existing available warehouse space.
8. Potential skilled labor shortage.
9. Overbuilding of the student housing market around the University of Arkansas.

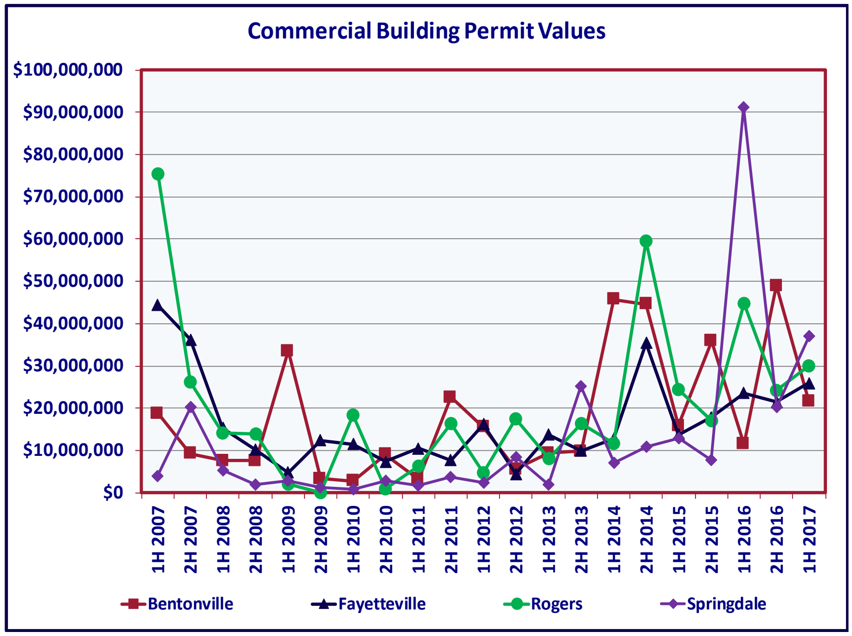
Inventory and Building Permits

Categories of Commercial Properties

The Northwest Arkansas commercial market is divided into eight major categories of space:

1. Lab – a workplace for conducting scientific research;
2. Industrial—space that is appropriate for the manufacturing of goods;
3. Office—space where business professionals work;
4. Office/Retail—space that can be configured as either office or retail space or both;
5. Office/Warehouse—space that can be configured as either office or warehouse space or both;
6. Retail—space where goods and services can be offered and sold to the public;
7. Retail/Warehouse—space where goods and services can be offered, sold, and stored;
8. Warehouse—space where goods can be stored until distributed.

Further, analysts at the Center for Business and Economic Research have classified individual office, office/retail, retail buildings, and warehouse into three categories: Class A, Class B, and Class C. A description of the methodology used to classify buildings is included at the end of this report. Class A space is the highest quality space available in the Northwest Arkansas market. Class B properties encompass a wide range of spaces, which have lease rates that cluster around the market average. Finally, Class C space describes properties that have subaverage lease rates and amenities.



Local Commercial Property Inventory and Building Permit Data

The table on the following page presents the total competitive commercial property inventory in Northwest Arkansas that meets minimum square footage requirements as of June 30, 2017. For the first half of 2017, the Skyline Report covered 99.9 percent of the total competitive commercial property population in Northwest Arkansas. Some cities had more complete coverage than others.

Building permit data from the past ten years is presented for six major cities in Northwest Arkansas. Building permit data are seasonal in nature and show large fluctuations in square footage and value from quarter to quarter. Moreover, any particularly large project can skew the numbers immensely. Building permit data are also city-specific. Only the cities of Bentonville, Fayetteville, and Siloam Springs present square footage data, while only Bentonville and Fayetteville break out the different types of commercial property. A standardization of building permit applications in the region would provide superior data for comparison purposes.

From January 1 to June 30, 2017, there were just over $116.8 million in commercial building permits issued in six major cities in Northwest Arkansas, Bentonville, Fayetteville, Lowell, Rogers, Siloam Springs, and Springdale. In the first quarter of 2017, just over $51.2 million in commercial building permits were issued. In the second quarter, just over $65.5 million in building permits were issued. In the first half of 2017, Springdale had the greatest share of building permts with 31.8 percent. Rogers followed with 25.7 percent, then Fayetteville with 22.2 percent, and Bentonville with 18.5 percent. Siloam Springs and Lowell accounted for 1.7 and 0.1 percent, respectively.

A table of announcements of new commercial projects is included as an indication of the future direction of the Northwest Arkansas commercial market. The list is not exhaustive, but represents an effort to gather data at a step before the official permitting process. The managers and owners of many of these properties have provided the Center for Business and Economic Research with information about these buildings, but until construction is complete, they do not appear in the aggregated total square footage and available square footage calculations.

Inventory

Some of the properties listed are actually under construction, while others are only in the concept phase. The Center researchers examined the announced data closely this reporting period and project locations were checked and developers were contacted regarding the projects from the last Skyline report. The conceptual category means that the developer still feels the project is viable, but there are many uncertainties regarding funding, leasing, timing, etc., so there is no established timeline.

Following the announced properties table is a list of the existing hotel properties in Northwest Arkansas, detailed by city. In the first half of 2017, there were 6,329 standard rooms and 2,172 suites in Northwest Arkansas. Bentonville had the most standard rooms with 1,865 while Rogers had the most suites with 963. Additionally, graphs that describe the development of hotels in Northwest Arkansas over time are provided below the hotels list. Announced new hotel properties are detailed in a table following the existing hotel properties. Respondents felt that Northwest Arkansas can slowly absorb several more 100 - 200 bed hotels, but the market is not ready for another large hotel. Finally, lists of announced new and closed restaurant properties follow the hotel information.

Total Square Feet and Coverage of Competitive Commercial Properties

	Industrial[1]	Office[1]	Retail[1]	Warehouse[1]	Total[1]	Panel Total Square Feet[2]	Panel Coverage[2]
Bella Vista	--	129,924	242,600	90,964	463,488	426,623	92.0%
Bentonville	31,300	4,188,524	1,108,202	1,801,352	7,129,378	7,375,433	103.5%
Fayetteville	1,076,079	3,422,458	4,273,458	2,025,930	10,797,925	10,777,833	99.8%
Lowell	101,970	352,742	172,208	1,049,398	1,676,318	1,631,482	97.3%
Rogers	1,088,888	2,977,689	4,466,357	2,867,440	11,400,374	11,493,343	100.8%
Siloam Springs	329,942	195,261	645,029	340,615	1,510,847	1,483,828	98.2%
Springdale	1,714,565	1,556,326	2,471,211	2,892,789	8,634,891	8,394,854	97.2%
Northwest Arkansas	4,342,744	2,822,924	13,379,065	11,068,488	41,613,221	41,583,396	99.9%

[1]Source: Benton and Washington County offices of the Assessor. The total square feet represent the population of competitive commercial properties that meet the baseline criteria set out on page 51 of this report.
[2]Source: Panel of 256 large Northwest Arkansas commercial property owners and managers.

Building Permits

Commercial Building Permit Data by City

	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
April - June 2017	$14,303,886	$11,372,807	$0	$24,408,936	$1,412,000	$14,033,069	$65,530,698
Jan - March 2017	$7,336,615	$14,513,326	$84,000	$5,648,091	$576,141	$23,123,353	$51,281,526
Oct. - Dec. 2016	$15,844,261	$9,443,954	$4,445,138	$8,574,715	$0	$3,813,727	$42,121,795
July - Sept. 2016	$33,180,166	$12,004,863	$14,474,766	$15,710,115	$3,339,470	$16,415,992	$95,125,372
April - June 2016	$3,186,128	$21,574,412	$4,617,536	$9,205,408	$20,222,189	$87,682,358	$146,488,031
Jan - March 2016	$8,282,426	$2,018,785	$10,653,719	$35,473,387	$0	$3,569,037	$59,997,354
Oct. - Dec 2015	$29,243,802	$10,076,938	$23,090,780	$7,179,197	$1,030,000	$6,980,305	$77,601,022
July - Sept. 2015	$6,656,778	$7,819,300	$2,772,080	$9,939,946	$7,303,878	$707,070	$35,199,052
April - June 2015	$8,520,763	$9,878,384	$2,437,861	$20,234,817	$6,095,000	$4,157,720	$51,324,545
Jan - March 2015	$7,316,156	$3,829,883	$0	$4,115,779	$0	$8,617,653	$23,879,471
Oct. - Dec 2014	$15,077,940	$23,716,086	$942,443	$41,437,354	$298,450	$5,456,402	$86,928,675
July - Sept. 2014	$29,512,908	$11,744,678	$1,375,887	$18,199,323	$420,000	$5,311,744	$66,564,540
April - June 2014	$14,880,491	$6,352,097	$299,768	$8,944,856	$700,000	$6,286,894	$37,464,106
Jan. - March 2014	$30,816,399	$6,462,060	$0	$2,620,482	$0	$807,905	$40,706,846
Oct. - Dec. 2013	$5,614,108	$5,227,632	$1,662,604	$4,322,282	$0	$18,725,840	$35,552,466
July - Sept 2013	$4,147,738	$4,642,389	$0	$12,137,965	$0	$6,472,554	$27,400,646
April - June 2013	$9,413,479	$3,035,704	$0	$3,930,130	$2,165,090	$1,572,774	$20,117,177
Jan. -March 2013	$0	$10,686,133	$0	$4,122,942	$0	$359,328	$15,168,403
Oct - Dec. 2012	$4,327,940	$3,953,149	$0	$8,474,647	$1,795,000	$5,378,894	$23,929,630
July - Sept. 2012	$1,221,000	$537,447	$0	$9,026,238	$2,083,115	$3,121,673	$15,989,473
April - June 2012	$13,126,525	$15,157,427	$0	$3,702,000	$0	$0	$31,985,952
Jan. -March 2012	$2,386,772	$1,015,056	$709,949	$1,027,000	$0	$2,373,879	$7,512,656
Sept. - Dec. 2011	$21,094,402	$5,907,082	$0	$16,450,594	$0	$1,455,757	$44,907,875
June - August 2011	$1,445,222	$1,763,872	$404,493	$0	$500,000	$2,328,979	$6,442,566
March 2011 - May 2011	$1,773,228	$9,552,146	$150,000	$1,614,000	$0	$0	$13,089,374
Dec. 2010 - Feb. 2011	$1,469,162	$915,280	$438,289	$4,616,536	$22,997,000	$1,803,778	$32,240,045
Sept. - Nov. 2010	$7,214,903	$2,623,509	$941,017	$958,000	$6,005,000	$1,898,944	$19,641,373
June - August 2010	$1,846,518	$4,679,537	$0	$0	$0	$892,252	$7,418,307
March - May 2010	$2,661,860	$11,450,334	$100,000	$6,055,000	$1,296,000	$798,774	$22,361,968
Dec. 2009 - Feb. 2010	$105,030	$0	$255,505	$12,224,147	$0	$0	$12,584,682
Sept. - Nov. 2009	$0	$10,005,337	$330,803	$7,000	$379,711	$1,139,928	$11,862,779
June - August 2009	$3,336,498	$2,403,905	$0	$70,000	$215,000	$37,460	$6,062,863
March - May 2009	$33,171,420	$1,368,907	$50,112	$1,500,000	$400,000	$1,194,175	$37,684,614
Dec. 2008 - Feb. 2009	$344,325	$3,403,704	$1,766,386	$545,000	$0	$1,596,349	$7,655,764
Sept. - Nov. 2008	$3,908,853	$3,588,389	$0	$6,411,775	$0	$0	$13,909,017
June - August 2008	$3,689,476	$6,548,894	$1,019,000	$7,579,500	$1,006,596	$1,861,390	$21,704,856
March - May 2008	$153,000	$3,152,132	$4,075,075	$4,179,000	$0	$1,395,524	$12,954,731
Dec. 2007 - Feb. 2008	$7,400,153	$12,125,756	$0	$9,995,030	$3,200,000	$3,970,299	$36,691,238
Sept. - Nov. 2007	$8,075,766	$27,923,695	$4,455,275	$533,200	$0	$0	$40,987,936
June - August 2007	$1,194,440	$8,309,014	$48,927	$25,668,347	$2,575,178	$20,375,131	$58,171,037
March - May 2007	$10,082,817	$20,962,887	$8,277,328	$15,727,729	$3,019,500	$3,960,747	$62,031,008
Dec. 2006 - Feb. 2007	$8,725,598	$23,406,927	$4,709,086	$59,642,734	$25,000	$0	$96,509,345

New Commercial Projects

Announcements of New Commercial Projects

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Mercy Clinic	Bella Vista	Mercy Health Systems	Medical	4-6,000	Conceptual
Northwest Health Systems Clinic	Bella Vista	Greg Taylor	Medical	6,000	Conceptual
Sisters of Mercy Multispeciality Clinic	Bella Vista	Sisters Of Mercy Health Systems	Medical		Conceptual
Walmart Supercenter	Bella Vista	Wal-Mart Stores Inc	Retail		Conceptual
Tufco Warehouse	Benton Cty	Tufco	Warehouse	20,000	Conceptual
28th St Warehouse	Bentonville	Ivan Crossland & Bill McClard	Warehouse	130,000	Summer 2017
319 S Walton	Bentonville	Randy Crossno	Office	15,115	Conceptual
8777 Airport Road Retail	Bentonville	Flake-Kelley	Retail	13,322	Conceptual
8W Center	Bentonville	Troy Link	Commercial	80,000	Done
Adair Creative Offices-Main St.	Bentonville	David Adair and Zach Kennedy	Office	17,415	Summer 2017
Airport Road Retail	Bentonville	Flake-Kelley	Retail	18,109	Summer 2017
Arvest Bank Uptown Village	Bentonville	Arvest Bank	Bank		Conceptual
Aspen Park	Bentonville		Commercial	87,893	2017
Bentonville Commercial Building	Bentonville	Dean Eisma	Commercial	50,000	Conceptual
Bentonville Flight Center	Bentonville	Municipal Airport	Commercial		Conceptual
Bentonville Merchant North-Central	Bentonville		Office		Conceptual
Bentonville Merchant South-Central	Bentonville		Office		Conceptual
Bentonville Plaza II	Bentonville	Square Deal Capital	Commercial	250,000	Conceptual
BOS Park Phase 1	Bentonville	D. Duncan, J. Lykins, C. Palmer	Commercial	20,000	Fall 2017
Bozeman Development Building	Bentonville	Josh Kyles	Mixed Use	80,000	Conceptual
Burris Office Building	Bentonville	Dave Burris	Office	3,400	Done
Cadence Group-Central	Bentonville	Cadence Group	Office		Conceptual
Childrens Acadamy on I St.	Bentonville		School		Conceptual
Conv Store @ 14th and S. Walton	Bentonville		Retail	5,200	Conceptual
Convention Center	Bentonville	Brian Bahr	Convention Center	75,000	Conceptual
Cottonwood	Bentonville	Dean Eisma	Office	9,500	Done
Crossmar Supplier Park II	Bentonville	Cross Mar and Glass Investments	Warehouse	200,000	Late 2017
Crossmar Supplier Park III	Bentonville	Cross Mar and Glass Investments	Warehouse	150,000	Conceptual
Crossmar Supplier Park IV	Bentonville	Cross Mar and Glass Investments	Warehouse	200,000	Conceptual
Crossmar Supplier Park V	Bentonville	Cross Mar and Glass Investments	Warehouse	200,000	Conceptual
Crossmar Supplier Park VI	Bentonville	Cross Mar and Glass Investments	Warehouse	200,000	Conceptual
Crystal Flats	Bentonville	Cindy Springs, LLC	Commercial		Conceptual
District at SW 4th and C	Bentonville		Commercial		Conceptual
Dream of Central	Bentonville	SPREG	Commercial		Conceptual
First Security Bank-Downtown	Bentonville	First Security Bank	Commercial	9,716	2018
Fountain Plaza Office- Hersey	Bentonville	Jeannie Fleeman	Office	46,500	Late 2017
Fountain Plaza Office II	Bentonville	Jeannie Fleeman	Office	12,500	May 2018
Haxton District West	Bentonville	Neil Greenhaw	Commercial	10,000	Done
Haxton District West II	Bentonville	Neil Greenhaw	Commercial	11,200	Conceptual
Helen R. Walton CEC	Bentonville	Walton Family Foundation	Education	43,700	Conceptual
Lakeside Center North	Bentonville	Bob Hopmann	Office	67,000	Conceptual
Legacy Bank	Bentonville	Legacy Bank	Bank	6,000	Late 2017
Little Life Lessons Academy	Bentonville		Daycare		Conceptual
Macadoodles Plaza I	Bentonville	Roger Gilhaus	Retail	13,050	Done
Macadoodles Plaza II	Bentonville	Roger Gilhaus	Office	16,500	Conceptual
Main Street Crossing I	Bentonville	Matt Sitton	Retail	6,300	Late 2017
Main Street Crossing II	Bentonville	Matt Sitton	Retail	2,757	Late 2017
Mercy Clinic-North Walton Blvd	Bentonville	Mercy Health Systems	Medical	7,000	Early 2018
Mercy Clinic-Southwest I	Bentonville	Mercy Health Systems	Medical	13,800	Early 2018
Metro Market 2	Bentonville	Matt Mawby	Retail	6,504	Done
Metro Market 3	Bentonville	Matt Mawby	Retail	7,836	Done
Mojo Marketing-22nd st	Bentonville	Nicole and David Trudo	Commercial	10,425	Fall 2017
Movie Theatre	Bentonville	NWA Downtown Revital Fund	Movie Theatre	15,761	Summer 2017

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
North Walton Development	Bentonville	Rich Grubbs	Retail	3,420	Late 2017
North Walton Development II	Bentonville	Rich Grubbs	Retail	2,697	Late 2017
North Walton Development III	Bentonville	Rich Grubbs	Retail	3,489	Late 2017
Northwest Health Systems Clinic	Bentonville	Greg Taylor	Medical	15,000	Late 2017
NWA DRF Mixed Use Building	Bentonville	NWA Downtown Revital Fund	Mixed Use	16,230	Summer 2017
NWAAC Building	Bentonville	NWACC	School	16,000	Conceptual
Project Maple	Bentonville	Walmart	Commercial	1,270,000	Conceptual
Retail Building on Hwy 12	Bentonville	Josh Kyles	Retail	5,000	Conceptual
Rice Office Complex I	Bentonville	Crossmar Investments	Office	71,500	Late 2017
Rice Office Complex II	Bentonville	Crossmar Investments	Office	70,000	Conceptual
Rice Office Complex III	Bentonville	Crossmar Investments	Office	70,000	Conceptual
Rice Office Complex IV	Bentonville	Crossmar Investments	Office	70,000	Conceptual
Sam's Club Layout Center	Bentonville	Ivan Crossland	Office	220,000	Conceptual
SDI Realty Retail Development	Bentonville	SDI Realty	Retail	6,500	Conceptual
Shelley Parson Insurance	Bentonville		Office		Conceptual
Shoppes at Uptown Village	Bentonville		Retail	6,000	Conceptual
Simpson Office building	Bentonville	Chance Simpson	Office	21,000	Conceptual
South Main Development	Bentonville	Chip Chambers	Mixed Use	16,000	Late 2017
Speedy Splash Car Wash	Bentonville	Speey Car Wash	Retail	5,864	Done
Superior Auto Group Dealership	Bentonville	David Slone	Commercial		Conceptual
SW Elm Tree Road Development	Bentonville				Conceptual
Tar & DOK	Bentonville		Commercial		Conceptual
Thaden School	Bentonville	Walton Family Foundation	School		Summer 2017
The Incubator Phase I	Bentonville	Terry Carson	Commercial	94,250	Conceptual
The Incubator Phase II	Bentonville	Terry Carson	Commercial	51,550	Conceptual
Vernetti Law Group Office-Central	Bentonville	Vernetti Law Group	Office		Conceptual
Versalab Offices	Bentonville		Office		Conceptual
Vogel Commercial Development	Bentonville	Ross and Steve Vogel	Commercial	38,000	Conceptual
Women's Health Associates	Bentonville	Jeannie Fleeman	Medical	9,070	Done
Pack Shack	Cave Spgs	Bret Raymond	Commercial	7,000	Done
Bravis Marketing Building	Centerton	Bradshaw Properties	Office	21,000	February 2018
First Security Bank-Hwy 102	Centerton	First Security Bank	Bank		Late 2017
United Bank Branch-Hwy 102	Centerton	United Bank	Bank		Early 2018
Willow Crossing I	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Willow Crossing II	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Altitude Trampoline Park	Fayetteville	Haithan Alley	Retail	28,000	Late 2017
Ar-Canna Complex	Fayetteville	Brian Faught	Commercial	35,000	Conceptual
Black Forest Retail	Fayetteville	Clinton Bennett	Retail	17,301	Conceptual
Climb Fayetteville	Fayetteville	Lance Brock and Drew Sloss	Retail	19,000	Delayed
Cross Church	Fayetteville	Cross Church	Church	57,500	Fall 2017
Crossover Retail Development	Fayetteville	Bob Hopmann	Retail	5,075	2018
Fitness One-Wedington	Fayetteville		Retail	45,000	Late 2017
Focused Family Eye Care	Fayetteville	M. Waggoner and Isem Brewer	Medical Office	4,830	Done
Huntsville Road Retail Development	Fayetteville	Clint McDonald	Retail		Conceptual
Indoor Climbing and Fitness Center	Fayetteville	Dennis Nelms	Retail		Conceptual
JGBG	Fayetteville	Jody Thornton	Commercial	12,000	Done
Kum and Go	Fayetteville	Kum and Go	Retail		Conceptual
Kum and Go	Fayetteville	Kum and Go	Retail		Conceptual
LaFargue Plaza	Fayetteville	CBRE	Retail	6,500	Done
Lumiere	Fayetteville	G. Billingsley, R. Cully, and B. Hill	Retail	15,000	Late 2017
Mana Clinic-N College Ave	Fayetteville	MANA Health	Medical	3,300	Conceptual
Mission Market	Fayetteville	Stuart Collier and Clay Morton	Retail	8,000	Summer 2017
Mt. Comfort Office Building	Fayetteville		Office	3,487	Done

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
New School Expansion	Fayetteville	New School	School	72,000	2017
Northwest Health Systems Clinic	Fayetteville	Greg Taylor	Medical	5-10,000	Conceptual
OurPharma	Fayetteville	Dr. Peter Kohler	Manufacturing	10,000	Conceptual
Pacific Vet Group Industrial	Fayetteville	Pacific Vet Group	Manufacturing		Conceptual
Poplar and Leverett Development	Fayetteville	Taite Coates and Tommy Kilbride	Commercial		Conceptual
Presidential Conversions Office	Fayetteville	John Wilson	Office	12,000	Conceptual
Prism Education Center	Fayetteville	Prism Education Center	School		Fall 2017
Shoppes at the Bluffs	Fayetteville	Mathias Properties	Retail	46,519	Conceptual
Sims-Renner Office-Waterside	Fayetteville	Sims-Renner Insurance	Office		Conceptual
Springhouse Village Retirement Com.	Fayetteville	Elizabeth Link	Medical		Conceptual
The New School Academic Building	Fayetteville	The New School	School	65,000	August 2017
TheatreSquared Facilty	Fayetteville	TheatreSquared	Commercial	51,500	2019
Uptown Apartments Retail	Fayetteville	SPREG	Retail	17,000	Summer 2017
Victory Commons	Fayetteville	Tracy Hoskins and Allied Bank	Commercial		Conceptual
Washington Regional Complex-Gregg	Fayetteville	WRMC	Medical	23,850	Early 2019
Washington Regional Medical Office	Fayetteville	WRMC	Medical Office	67,000	Done
West Lot Development	Fayetteville	Alex Blass and Hunter Haynes	Retail	30,000	Conceptual
West Van Asche Development	Fayetteville	Tom Terminella	Commercial		Conceptual
Willow Bend at Clear Creek	Fayetteville	Trey Jackson and McCrary Lowe	Assisted Living	120,000	Conceptual
World Domination Building	Fayetteville	Sammie Stephenson	Commercial	9,000	Conceptual
Johnson Square	Johnson	W. Davis, B. Hill, M. Hooker	Commercial	150,000	Conceptual
Washingon Regional Urgent Care	Johnson	WRMC	Medical Office		Done
Central Research Inc	Lowell	Johnny and Scott Dillard	Office		Conceptual
Delta Systems and Automation	Lowell	Delta Systems	Office/Warehouse	85,000	Done
Fed Ex	Lowell	The Westmoreland Co.	Warehouse	250,000	Summer 2017
Firebird II	Lowell	Bill McClard	Warehouse	60,000	Conceptual
Harps Grocery Store	Lowell	Harps Food Stores Inc.	Retail	32,000	Conceptual
J.B. Hunt Office Tower	Lowell	J.B. Hunt	Office	133,000	Summer 2017
Metro Appliances	Lowell	Metro Appliances and More	Retail	120,000	Done
Presidential Ave Development	Lowell	AVAD3	Commercial		Conceptual
Regional Sports Complex	Lowell	Life Wellness USA	Recreation	230,000	Conceptual
Source Gas	Lowell	Source Gas	Commercial		Conceptual
Sunbelt Rentals	Lowell	HGJ Properties	Commercial		Conceptual
Mercy Medical Campus	N Wash Cty	Mercy Health Systems	Medical	25,000	Conceptual
Planetarium	NWA	Katherine Auld	Museum	40,000	Conceptual
Solve For Food Innovation Lab	NWA	Keith Larson	Lab	20,000	Conceptual
Mercy Clinic	Pea Ridge	Mercy Health Systems	Medical	4-14,000	Conceptual
17th Street Project, Building 1	Rogers	Mathias Properties	Warehouse	16,000	Late 2017
18th Street Project, Building 2	Rogers	Mathias Properties	Warehouse	15,000	Late 2017
19th Street Project, Building 3	Rogers	Mathias Properties	Warehouse	30,000	Late 2017
20th Street Project, Building 4	Rogers	Mathias Properties	Warehouse	30,000	Late 2017
All Pets Animal Hospital	Rogers	John Carney	Veterinarian	6,000	Late 2017
Arabella of Rogers	Rogers	Abby Development	Medical	295,000	Late 2018
Arkansas Arts Academy Expansion	Rogers	Arkansas Arts Academy	School	63,000	Late 2017
Arvest Bank - District at Pinnacle Hills	Rogers	Arvest Bank	Office	24,000	Conceptual
At Home-27th ST	Rogers	At Home Group, Inc	Retail	108,490	Conceptual
Beatty Office Park	Rogers	Rob Coleman	Office		Conceptual
Bedding Mart	Rogers	Matt Sitton	Retail	5,000	Done
Center Point Lot 12	Rogers	David Boener	Retail	18,385	Delayed
Cheyenne Furniture Office-Pinnacle	Rogers	John Schmelzle	Office	18,000	September 2017
Country Club Plaza Office	Rogers	LaFrance Family	Office	16,249	Conceptual
Daisy Expansion	Rogers	Daisy	Commercial	114,620	Late 2017

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Devereaux Office Building	Rogers	Dewitt Smith III	Office	40,000	Conceptual
District at Pinnacle Hills I	Rogers	Whisenvest	Office	32,275	September 2017
District at Pinnacle Hills II	Rogers	Whisenvest	Retail	15,227	Done
District at Pinnacle Hills III	Rogers	Whisenvest	Office	32,275	Conceptual
District at Pinnacle Hills IV	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills V	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills VI	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills VII	Rogers	Whisenvest	Retail	25,000	Conceptual
Enterprise Vision Tech	Rogers	Stephan Hart	Office	5,000	Done
Fox Trail Distillery-Promenade	Rogers	James Tinnin Jr.	Commercial	15,000	Late 2017
Gateway Plaza	Rogers	Flake-Kelley	Commercial	39,600	Conceptual
Georgia Primrose Preschool	Rogers	Hunter and Katie Hart	Daycare	12,200	Done
Grand Brook Memory Care	Rogers	Constant Care Management	Medical	28,000	Summer 2017
Grand Savings Bank	Rogers	Grand Savings Bank	Bank		August 2017
Grove Retail Center	Rogers	Harold Crye	Retail	14,280	Conceptual
Harbor Frieght Tools	Rogers		Retail		Conceptual
Hunt Mixed Use Complex	Rogers	Sage Partners	Commercial	100-150,000	Conceptual
Hunt Tower Two	Rogers	Sage Partners	Office	150-200,000	Conceptual
Jeffries Eye Clinic	Rogers	Jeffries Eye Associates	Medical Office	12,980	Done
Loving Choices	Rogers	Loving Choices	Medical Office	4,165	Done
Magnolia Place Alzheimers Care	Rogers	JEA Senior Living	Medical Office	34,556	Conceptual
Mana Clinic-Pinnacle Hills	Rogers	MANA Health	Medical		December 2017
Med Express	Rogers		Medical		Conceptual
Mercy Hospital Patient Tower	Rogers	Mercy Health Systems	Medical	279,000	August 2019
Metropark Office Building II	Rogers	Hunter Haynes & Sage Partners	Commercial	25,000	Conceptual
Metropark Office Building III	Rogers	Sage Partners	Office	15,000	Conceptual
New Hope Plaza	Rogers	Tim Salmonson	Retail	23,000	Conceptual
Nolan Caddell Reynolds Office	Rogers	Nolan Caddell Reynolds	Office		Conceptual
Northwest Medical Systems Clinic	Rogers	Greg Taylor	Medical	5-10,000	Conceptual
NWA Regional Animal Hospital	Rogers	NWA Regional Animal Hospital	Office	21,432	Conceptual
Pinnacle Promenade Point III	Rogers	Sage Partners	Office	40,000	Conceptual
Pleasant Crossing Commons, Phase II	Rogers	Matt Sitton	Retail	60,600	Conceptual
Pleasant Crossing Commons, Phase III	Rogers	Matt Sitton	Retail	87,881	Conceptual
Pleasant Crossing Retail Building	Rogers	Whisenvest	Retail	10,000	Conceptual
Pleasant Grove Retail Building 1	Rogers	Harold Crye	Retail	18,000	Conceptual
Pleasant Grove Retail Building 2	Rogers	Cr Crawford	Retail	14,000	Conceptual
Primrose of Rogers	Rogers	Primrose Retirement Communities	Medical	88,000	Summer 2017
Redi-Mix Concrete 8th St Plant	Rogers	Redi-Mix Concrete	Industrial		Conceptual
Rogers Liquors	Rogers	Sopheak Srunn	Retail	11,800	Summer 2017
Rogers Skilled Nursing and Rehab	Rogers	Emeritus Co.	Medical	57,000	May 2017
Ryzabuv	Rogers	Case Lawrence	Retail	30,000	Conceptual
Sisters of Mercy Primary Care Office	Rogers	Sisters Of Mercy Health Systems	Medical		Conceptual
Skyline 2	Rogers	Ed Belto	Office	54,000	Conceptual
South Promenade Nursing Home	Rogers	Michael Martel	Nursing Home	50,000	2017
Stoney Brook Development	Rogers	Clinton Bennett	Commercial		Conceptual
Take 5 Oil	Rogers	Malek Elkhoury	Retail	1,800	Conceptual
The Fields at Pinnacle I A	Rogers	Chad and Monika Hatfield	Office	42,260	Done
The Fields at Pinnacle I B	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle I C	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle I D	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle II	Rogers	Chad and Monika Hatfield	Commercial		Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
The Grove Retail	Rogers	Paul Pursey	Retail	7,000	Late 2017
Trulove Construction Vehicle Storage	Rogers	Trulove Construction	Warehouse		Conceptual
Violin Studio and Repair Shop	Rogers	SMEK LLC	Retail		Conceptual
Wal-Mart Market Downtown	Rogers	Wal-Mart Stores Inc	Retail		Conceptual
Walnut Crossing	Rogers	Greg House	Commercial	50,000	Conceptual
Wilson-Coker Office Building	Rogers	Wilson-Coker Wealth Management	Office		Conceptual
Barnett Warehouse	Sil Springs	Jonathan Barnett	Warehouse	67,950	Conceptual
Crye-Leike Office	Sil Springs	Crye-Leike Realtors	Office	6,500	Conceptual
Holly Street Crossing	Sil Springs	Ted Viala	Commercial		Conceptual
Ozark Dermatology Clinic	Sil Springs	Ozark Dermatology	Medical Office	4,000	Done
Pharmacy and Medical Office	Sil Springs	Lykins Leasing	Medical Office	18,480	Conceptual
Plaza at the Springs	Sil Springs	Jason Pullman	Retail	11,200	Summer 2017
Progress Plaza Phase II	Sil Springs	Brown Cow LLC	Medical Office	11,250	Conceptual
Anders Office Building	Springdale	Sterling Park Anders	Office	16,000	Late 2017
Arkansas Children’s Hospital	Springdale	Arkansas Children’s Hospital	Medical	233,613	2018
Arkansas Childrens Phase II	Springdale	Arkansas Children’s Hospital	Medical		Conceptual
Carpet One-Wagon Wheel	Springdale	Fadil Bayyari	Retail	5,000	Conceptual
Diesel Downs, Lots 4, 5	Springdale	Raymond Merrill	Commercial		Conceptual
Diesel Downs, Lots 6, 7	Springdale	Murphy-Hoffman Co.	Commercial		Conceptual
Edward’s Properties on Powell	Springdale	Edwards Properties	Retail/Warehouse	19,000	Conceptual
Edwards Warehouse I	Springdale	Joe Edwards	Warehouse	40,000	Conceptual
Edwards Warehouse II	Springdale	Joe Edwards	Warehouse	21,000	Conceptual
First State Bank	Springdale	First State Bank	Bank		Conceptual
Fish and Game Center	Springdale	Arkansas Game and Fish Dept	Government	12,000	Conceptual
Freddy’s Retail Center	Springdale	Michael O’Shaunessy	Retail		Conceptual
Geels Paint	Springdale	Geels Paint	Commercial		
Goad Spgs Road Retail Development	Springdale	DuWayne Eoff	Retail	120,000	Conceptual
Hall Crossing Retail Building 1	Springdale	Jason Pullman	Retail	8,000	Done
Hall Crossing Retail Building 2	Springdale	Jason Pullman	Retail	3,000	Conceptual
Health and Speech Clinic	Springdale		Medical		Conceptual
Imperial Coffee and Vending	Springdale	Imperial Coffe and Vending	Warehouse	40,000	Summer 2017
Love’s Travel Center	Springdale	Love’s	Retail		Conceptual
Lynch Prairie Cove Office Building	Springdale	Wheaton Construction	Medical Office	4,000	Spring 2017
Mercy Clinic	Springdale	Mercy Health Systems	Medical Office	30,000	Conceptual
Mercy NWA Campus	Springdale	Mercy Health Systems	Medical Office		Conceptual
Monitor Warehouse	Springdale	RPH	Warehouse		Conceptual
Northwest Technical Institute	Springdale	NTI	School	31,000	Conceptual
NWACC	Springdale	NWACC	School		Conceptual
NWACC-Washington County Campus	Springdale	NWACC	School	50,000	2018
Owen’s Optometry	Springdale		Medical		
Ozark Business Park Building 1	Springdale	Mathias Properties	Office/Warehouse	52,093	Late 2017
Ozark Business Park Building 2	Springdale	Mathias Properties	Office/Warehouse	18,735	Late 2017
Ozark Business Park Building 3	Springdale	Mathias Properties	Office/Warehouse	13,650	Late 2017
Ozark Business Park Building 4	Springdale	Mathias Properties	Office/Warehouse	14,000	Late 2017
Ozark Business Park Building 5	Springdale	Mathias Properties	Office/Warehouse	7,000	Late 2017
Ozark Business Park Building 6	Springdale	Mathias Properties	Office/Warehouse	7,000	Late 2017
Ozark Business Park Building 7	Springdale	Mathias Properties	Office/Warehouse	12,600	Late 2017
Ozark Business Park Building 8	Springdale	Mathias Properties	Office/Warehouse	6,000	Late 2017
Ozark I	Springdale	Mathias Properties	Warehouse	76,000	Conceptual
Ozark II	Springdale	Mathias Properties	Warehouse	8,200	Conceptual
Ozark III	Springdale	Mathias Properties	Warehouse	11,200	Conceptual
Ozark IV	Springdale	Mathias Properties	Office	32,000	Conceptual
Petra Allied Health School	Springdale	Petra Allied Health	School		Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Piney Ridge Treatment Facility	Springdale	Acadia Health	Medical	110,000	Conceptual
Rockline Expansion	Springdale	Rockline Industries	Manufacturing		
Sam's Club	Springdale	Wal-Mart Stores Inc	Retail	136,000	Done
Shoppes at Elm Springs	Springdale	JP Companies	Retail	11,000	Conceptual
Storm Orthodontics	Springdale	Darrin Storm	Medical Office	5,670	Conceptual
Taco's for Life Shopping Center	Springdale	J.R. Nix	Commercial		Conceptual
Tyson Downtown Office	Springdale	Tyson Foods	Office	39,091	2017
Tyson Incubation Center	Springdale	Tyson Foods	Industrial	78,392	Mid 2017
Waco Title	Springdale	Waco Title	Office	15,000	October 2017
Waterstone Counseling Center-48th	Springdale	Sean McDonald	Medical	6,000	Conceptual
Workman's Travel Center	Springdale	Sean Brister	Retail	14,000	Conceptual
Admiral Moving Service	Tontitown	Bill Locke	Warehouse	50,000	Done
Edward's Properties on Powell	Tontitown	Edwards Properties	Commercial	10,000	Conceptual
Paschal Heating Office	Tontitown	Charley Boyce	Office	45,000	Summer 2017

Hotels

Existing Hotels

Property Name	City	Number of Standard Rooms	Number of Suites
21c Hotel	Bentonville	98	6
Best Western Bentonville Inn	Bentonville	55	0
Best Western Castle Rock Suites	Bentonville	84	0
Comfort Inn	Bentonville	64	0
Comfort Inn-I-49-Bentonville	Bentonville	115	0
Comfort Suites	Bentonville	120	0
Courtyard Bentonville	Bentonville	90	0
Days Inn & Suites	Bentonville	63	0
DoubleTree Guest Suites	Bentonville	0	140
Four Points by Sheraton	Bentonville	99	6
Hartland Motel of Bentonville	Bentonville	31	0
Hilton Garden Inn	Bentonville	133	0
Holiday Inn Express Hotel & Suites	Bentonville	84	0
La Quinta Inn & Suites	Bentonville	107	0
Laughlin Bed & Breakfast	Bentonville	5	1
Merchant Flats on 8th	Bentonville	10	0
Microtel	Bentonville	78	0
Pines Motel	Bentonville	9	0
Red Roof Inns	Bentonville	103	0
South Walton Suites	Bentonville	56	0
Springhill Suites By Marriott	Bentonville	67	0
Suburban Extended Stay	Bentonville	0	118
Super 8 Motel-Bentonville/Rogers	Bentonville	52	0
The Links at Bentonville Apts.	Bentonville	41	0
Towneplace Suites by Marriott	Bentonville	78	0
Value Place Extended Stay	Bentonville	121	0
Wingate Inn Bentonville	Bentonville	102	0
Best Western Windsor Suites	Fayetteville	66	0
Candlewood Suites	Fayetteville	0	78
Chief Motel	Fayetteville	31	1
Comfort Inn-Fayetteville	Fayetteville	60	0
Country Inn & Suites By Carlson	Fayetteville	40	25
Courtyard by Marriot	Fayetteville	110	4
Dickson Street Inn	Fayetteville	8	2
Hampton Inn	Fayetteville	87	8
Hilton Garden Inn	Fayetteville	90	25
Hi-Way Inn Motel	Fayetteville	24	0
Holiday Inn Express	Fayetteville	77	33
Homewood Suites	Fayetteville	0	96
Inn at Carnall Hall	Fayetteville	49	0
La Quinta Inn & Suites	Fayetteville	61	0
Motel 6	Fayetteville	98	0
Pratt Place Inn	Fayetteville	0	7
Quality Inn	Fayetteville	48	10
Red Roof Inns	Fayetteville	104	1
Regency 7 Motel	Fayetteville	29	3
Sleep Inn of Fayetteville	Fayetteville	62	0
Stay Inn Style	Fayetteville	6	0
Staybridge Suites	Fayetteville	0	109
Super 8 Motel	Fayetteville	83	0
The Chancellor Hotel	Fayetteville	191	17
Value Place Hotel	Fayetteville	121	0
Inn At the Mill	Johnson	38	8

Existing Hotels (Cont.)

Property Name	City	Number of Standard Rooms	Number of Suites
Marriot Townplace	Johnson	0	94
Ramada Inn Lowell	Lowell	51	0
Colonial Motel	Prairie Grove	8	0
Aloft	Rogers	130	1
Best Value Inn & Suites	Rogers	127	0
Candlewood Suites	Rogers	118	12
Country Inn & Suites	Rogers	68	42
Embassy Suites	Rogers	0	400
Fairfield Inn Rogers	Rogers	99	0
Guest Inn	Rogers	42	0
Hampton Inn	Rogers	122	0
Hartland Lodge	Rogers	28	0
Holiday Inn	Rogers	0	127
Homewood Suites	Rogers	126	83
Hyatt Place	Rogers	104	0
Mainstay Suites	Rogers	0	99
Microtel	Rogers	52	0
Ranch-O-Tel Motel	Rogers	21	0
Regency 7 Motel	Rogers	31	0
Residence Inn by Marriott	Rogers	88	0
Rocky Branch Resort	Rogers	14	0
Simmons Suites	Rogers	0	115
Staybridge Suites	Rogers	83	83
Super 8 Motel	Rogers	34	0
Tanglewood Lodge	Rogers	30	0
Town & Country Inn	Rogers	86	1
Travelers Inn	Rogers	82	0
Best Value	Siloam Springs	19	26
Hampton Inn	Siloam Springs	66	0
Hereford Motel	Siloam Springs	10	0
Holiday Inn Express Hotel & Suites	Siloam Springs	62	18
Stone Inn’s	Siloam Springs	43	0
Super 7 Inn	Siloam Springs	46	0
Super 8 Motel	Siloam Springs	30	0
Best Rest	Springdale	100	17
Comfort Suites Springdale	Springdale	0	69
DoubleTree Club Hotel of Springdale	Springdale	74	11
Executive Inn	Springdale	90	0
Extended Stayamerica	Springdale	101	0
Fairfield Inn and Suites	Springdale	40	34
Hampton Inn & Suites	Springdale	67	35
Hartland Lodge	Springdale	29	0
Hartland Motel	Springdale	29	0
Hill Top Inn	Springdale	30	0
Holiday Inn	Springdale	180	26
Journey’s Inn	Springdale	30	0
Laquinta Inn & Suites	Springdale	88	12
Magnolia Gardens Inn (B&B)	Springdale	10	0
Motel 8	Springdale	30	0
Residence Inn	Springdale	0	72
Scottish Inns	Springdale	33	24
Sleep Inn & Suites	Springdale	0	72

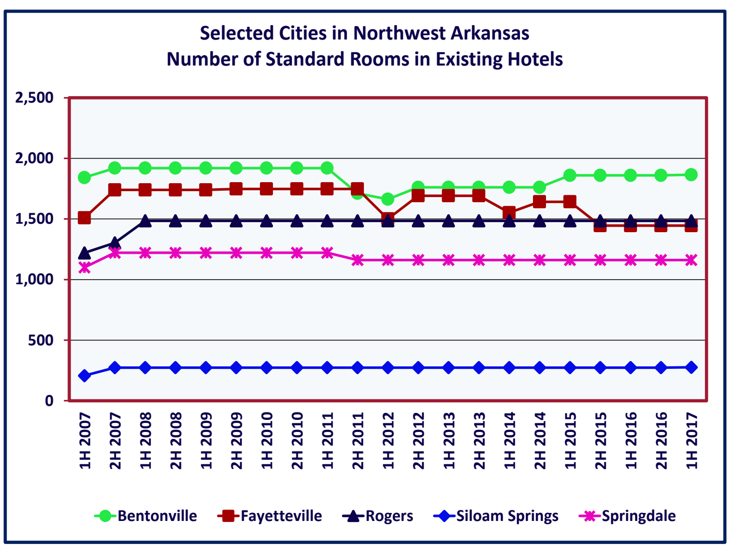
Hotels

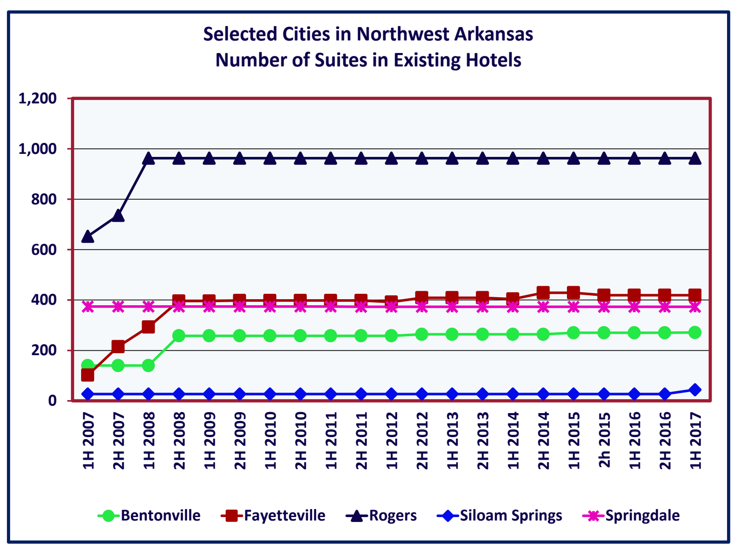
Existing Hotels Summary (Cont.)

City		Number of Standard Rooms	Number of Suites
Springdale Inn	Springdale	50	0
Super 8 Motel	Springdale	59	1
Value Place Hotel	Springdale	121	0

Existing Hotels by City

City	Number of Standard Rooms	Number of Suites
Bentonville	1,865	271
Fayetteville	1,445	419
Johnson	38	102
Lowell	51	0
Prairie Grove	8	0
Rogers	1,485	963
Siloam Springs	276	44
Springdale	1,161	373
Northwest Arkansas	6329	2172





Hotels

Announced Coming Hotels

Property Name	City	Owner	Number of Rooms	Expected Completion
Sheraton Bentonville Plaza	Bentonville	Starwood Hotels	234	Conceptual
District at Pinnacle	Rogers	Whisenvest/Marriot		Conceptual
Element Hotel	Bentonville	Shash Goyal	107	August 2017
Home 2 Suites by Hilton	Springdale	Narry Krushiker	119	Summer 2018
Fairfield Inn and Suites	Fayetteville	Shash Goyal	94	November 2017
Unnamed Hotel-Wedington	Fayetteville	Narry Krushiker	100-200	Conceptual
Fields at Pinnacle Hotel	Rogers	Chad and Monika Hatfield		Conceptual
Piney Creek Ranch	Fayetteville	Andi and Jeremy Pratt		Conceptual
Unnamed Hotel-Downtown Bentonville	Bentonville			Conceptual

Restaurants

Announced Coming Restaurants

Property Name	Location (City)	Owner	Expected Completion
Coffee Shop and Ice Cream Parlor	Bella Vista	Roger Gildehaus	--
Loves Donuts	Bella Vista		Done
Angus Jack	Benton County	Ian and Jean Cairns	Conceptual
Jason's Deli	Benton County	Bourke Harvey	--
Unnamed Restaurant and Winery	Benton County	CEI Engineering	Conceptual
7 Brew Coffee Company-Central	Bentonville		Done
Big Whiskey's American Restaurant	Bentonville	Shane Miller	Done
Bike Rack Brewing II	Bentonville		Done
Butcher and Pint	Bentonville		Done
Core Brewing Company	Bentonville	Jesse Core	Done
Crystal Flats Restaurant	Bentonville	Cindy Springs, LLC	Conceptual
Dickey's Barbecue Pit	Bentonville	Jared Thompson	Delayed
Einsteins Bagels-8W Center	Bentonville		Done
Fiamma 1873	Bentonville	Angelo Amabile	Done
Great American Taco	Bentonville		Done
Hello Cocoa	Bentonville	Ropeswing Group	Done
JJ's Grill Downtown Bentonville	Bentonville	Jody Thornton	Conceptual
King Burrito	Bentonville		Done
Larry's Pizza	Bentonville		Done
Louise	Bentonville	Ropeswing Group	Conceptual
Main Street Crossing Restaurant	Bentonville	Matt Sitton	Late 2017
Ozark Mountain Bagels	Bentonville	Roger Gildehaus	Done
Reggie's Pizzeria-SW Regional Airport	Bentonville		Late 2017
Smash Burger	Bentonville		Done
Snack Lab	Bentonville	Emily Amadon and Bobby Bland	Done
Stonemill Bakery	Bentonville	Dana and Terry Comer	Done
The Buttered Biscuit	Bentonville	Sam and Anna Russell	April 2017
Tropical Smoothe-8W Center	Bentonville		Done
Unnamed Restaurant on 3rd and Blake	Bentonville	Ropeswing Group	Late 2017
Urban Edge	Bentonville		2017
Wendy's-S Walton Blvd	Bentonville	Wendy's	Late 2017
Ye Olde King Pizza	Bentonville		Done
Yeyo's Mexican Grill-8th St Market	Bentonville		Fall 2017
Las Fajitas	Bethel Heights	Ruiz Avalar	Summer 2017
Rib Crib	Centerton	Rib Crib	Conceptual
Starbucks	Centerton		Done
Taco Bell	Centerton		Late 2017
Apple Blossom South Fayetteville	Fayetteville	Matthew Petty, Sammie Stephenson, Michael Ward	Delayed
Arsagas on MLK	Fayetteville	Cary Arsaga	Delayed
Axis Lounge-Downtown	Fayetteville	Ben	Summer 2017
Boulder Coffee College Ave	Fayetteville	Amber Dietrich	Summer 2017
Boulder Coffee Garland Ave	Fayetteville	Amber Dietrich	Summer 2017
Burgerhaus	Fayetteville	Mohammed Khaldi	Done
Burrito Loco-Fayetteville Square	Fayetteville		Summer 2017
Chuy's	Fayetteville	Mike Young and John Zapp	Conceptual
Citizen, The	Fayetteville	Lane Coleman, Knox McCorquodale, Wilson Wood	Delayed
Core Public House	Fayetteville	Jesse Core	Summer 2017
Dairy Queen-Crossover	Fayetteville	Dairy Queen	2018
Dirty Apron Bakehouse	Fayetteville		Done
Fuzzy's Taco Shop	Fayetteville	Danny Wintz	Done
Grillehouse Steak and Seafood	Fayetteville	Clint Boutwell	Fall 2017
Hoppin' Johns Bar & Grill	Fayetteville	Michael C. Roach	Summer 2017

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Date Closed	
Hurts Donut Co	Fayetteville	Tim and Kas Clegg	Done
Inta Juice-College	Fayetteville	Inta Juice	August 2017
Jimmy's Egg	Fayetteville	Hunter Boelte	Done
JJ's Beer Garden	Fayetteville	Jody Thornton	Done
John Daly's	Fayetteville	John Daly	Conceptual
K-Fash	Fayetteville		Done
Mexico Viejo	Fayetteville		2017
MJ Pizzeria	Fayetteville	Miles James	Conceptual
Panera Bread	Fayetteville	Panera Bread	2017
Papa John's	Fayetteville		
PDQ Chicken	Fayetteville		Conceptual
Pickleman's Gourmet Cafe	Fayetteville	Allen Wells	August 2017
RazorHot Chicken	Fayetteville	Nikki and Todd Golden	Summer 2017
Roma	Fayetteville	Scott Bowman	Conceptual
Shipleys MLK	Fayetteville	Shipleys	Conceptual
Sit & Spin	Fayetteville	Ben Gitchal and Hannah Withers	Done
Smoothie King-Joyce	Fayetteville	Thuc Tran	Summer 2017
Southern Food Company-Wedington	Fayetteville		Done
Starbucks on College	Fayetteville	Haag-Brown	Summer 2017
Taco Bell Cantina	Fayetteville	Sam Fiori	Done
Unnamed Restaurant in ex-Hooters	Fayetteville	Jeff Bishop	Conceptual
Unnamed Restaurant-Crossover	Fayetteville	Bob Hopmann	2018
Unnamed Restaurant-Old Ruby Tuesday	Fayetteville	Rodney Coats and Brian Smith	Conceptual
Uptown Restaurant 1-Italian	Fayetteville	Specialized Real Estate Group	Summer 2017
Uptown Restaurant 2	Fayetteville	Specialized Real Estate Group	Summer 2017
Uptown Restaurant 3	Fayetteville	Specialized Real Estate Group	Summer 2017
Western Themed Restaurant on Dickson	Fayetteville	Dave Bass	2017
Burger King	Lowell	3G Capital	Summer 2017
Wendy's	Lowell	Wendy's	Conceptual
Top Golf	Northwest Arkansas	Topgolf	Conceptual
Yellow Rocket Concepts BBQ	Northwest Arkansas	Scott McGehee	Conceptual
7 Brew Coffee Company-Village	Rogers		Done
7 Brew Coffee-Walnut	Rogers		Conceptual
Angus Jack-Airport Blvd	Rogers		Summer 2017
Anime Café	Rogers		2017
Big OrangeNorthwest-Promenade	Rogers	Yellow Rockets Concepts	Summer 2017
Cabanas Restaurant	Rogers		Done
Chik-fil-A-Pinnacle Hills	Rogers	Chik-fil-A	Spring 2018
Chipotle	Rogers		Summer 2017
Cici's Pizza	Rogers		Done
Curry Restaurant	Rogers		Conceptual
Dave & Busters	Rogers	David Faulkner	Conceptual
Domino's Pizza-Pinnacle	Rogers	Brent Medders	Conceptual
Don Pedros Carnitas	Rogers		Done
El Puerco	Rogers		Summer 2017
Growlers	Rogers	Whisenvest	Done
Juicy Tails-Pinnacle	Rogers	Whisenvest	Done
Krystal Burger	Rogers	Smitco Eateries	Delayed
Local Lime-Promenade	Rogers	Yellow Rockets Concepts	Late 2017
Loves Donuts	Rogers		Done
Me Latte Chocolate	Rogers	Sopheak Srunn	Done
MidiCi-Promenade	Rogers	MidiCi	Summer 2017

Announced Coming Restaurants (cont.)

Property Name	City	Date Closed	
Mirabella's Table	Rogers	Carl Garrett	Done
Neighbors Mill Restaurant	Rogers	Michael Brooks	Fall 2017
Nothing But bundt	Rogers		Done
NWA Fresh Donuts	Rogers		Done
Old Chicago Pizza and Tap-Pleasant Grove	Rogers	A.J. Nursariwala	Fall 2017
Onyx Coffee Lab	Rogers	Jon Allen	2018
Pattaya	Rogers		Done
Smitty's Garage Burger and Beer-48th St	Rogers	Whisenvest	Done
Taco's 4 Life-Pinnacle	Rogers	Whisenvest	Late 2017
Apple Bee's	Siloam Springs	Apple Bee's Inc	Conceptual
Burger King	Siloam Springs		Done
Chickadee's	Siloam Springs		Done
Creekside Taproom	Siloam Springs		Done
E & L's Café	Siloam Springs		Done
Freddy's Frozen Custard and Steakburger	Siloam Springs	3PRG Real Estate LLC	Late 2017
Matador Restaurant	Siloam Springs		Done
Panda Express	Siloam Springs		Done
Pieology	Siloam Springs		Done
Pour Jon's Coffee Shop	Siloam Springs		Done
Pure Joy Ice Cream Shop	Siloam Springs		Done
Waffle House	Siloam Springs		Done
Ana Marie's Bakery	Springdale	Javier Chavez	Summer 2017
Azul Tequila-Elm Springs	Springdale	Gayla Byrd	Fall 2017
Chik-fil-A	Springdale	Chik-fil-A	Summer 2018
Cotton Patch Café-Sunset	Springdale		Summer 2017
Dunkin Donuts - Elm Springs	Springdale	Jack Goering IV and Greg Vasey	Done
Shipleys Elm Springs	Springdale	Shipleys	Conceptual
Slim Chicken	Springdale		Delayed
Super Donuts	Springdale		Done
Taco's 4 Life-Sunset	Springdale	J.R. Nix	Fall 2017
Waffle House	Springdale	Waffle House	Fall 2017
Boulder Coffee	Tontitown		Summer 2017
Domino's Pizza	Tontitown		Done
Jose's Southwest Grill	Tontitown	Doug Allen	Done
Loves Donuts	Tontitown		Done
Pie Five Pizza	Unkn. Locations	Rob Byford	Conceptual
Smoothie Kings-3 more	Unkn. Locations	Thuc Tran	2017

Restaurants

Closed Restaurants

Property Name	City	Date Closed
Flying Burrito-Wedington	Fayetteville	July 2016
Local’s 479	Fayetteville	August 2016
Big Star	Fayetteville	August 2016
Electric Cowboy	Fayetteville	August 2016
Ruby Tuesday	Bentonville	August 2016
Ruby Tuesday	Fayetteville	August 2016
City Pizzaria and Salad Bar	Fayetteville	October 2016
Bambudda	Rogers	November 2016
Deluxe Burger	Rogers	November 2016
Bouchee Bistro	Fayetteville	November 2016
Ozzys Pizza	Fayetteville	December 2016
Tilted Kilt	Fayetteville	December 2016
TJ’s Sandwich Shop	Fayetteville	January 2017
Kraken Killer Seafood	Fayetteville	February 2017
Dink’s BBQ	Bentonville	March 2017
Four Corners Kitchen	Fayetteville	April 2017
Texas Land and Cattle	Bentonville	May 2017
Restaurant on the Corner	Fayetteville	May 2017
Denny’s	Fayetteville	June 2017
Grillehouse Steak and Seafood	Fayetteville	June 2017
Dixie Café	Rogers	June 2017
Dickeys BBQ	Siloam Springs	June 2017
Golden Dragon Palace	Springdale	June 2017
Inta Juice-MLK	Fayetteville	July 2017

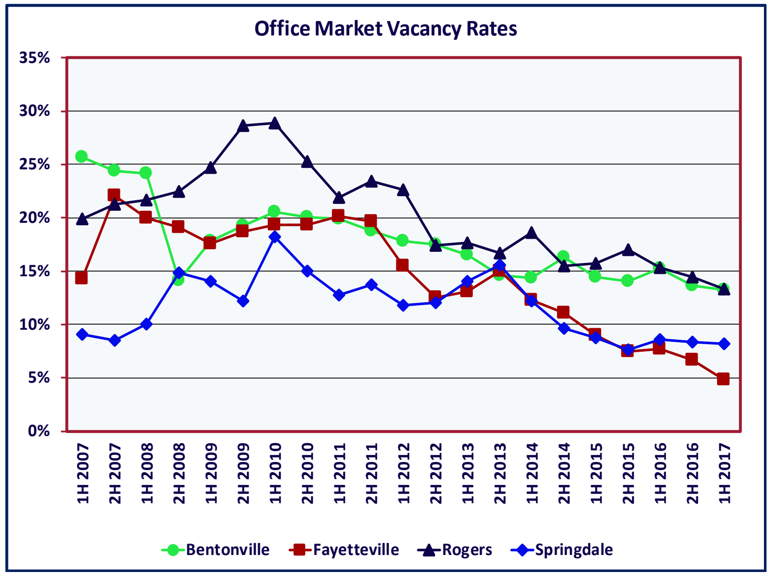
Commercial Market Trends

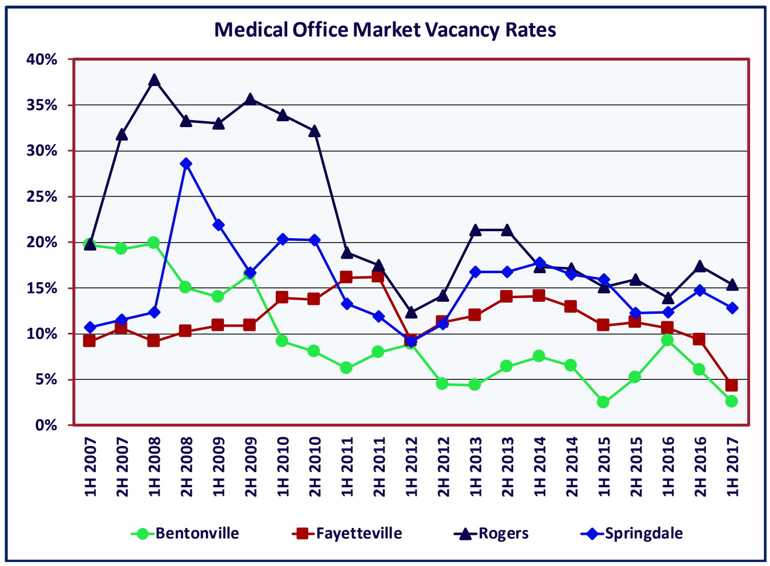
This version of the Commercial Skyline Report presents data that have been collected since 2007. Annual comparisons are made to minimize the effects of attributing too much weight to seasonal changes. The accompanying graphs show how vacancy rates and available square footage have changed in each submarket over the past twelve years. Also, a table presents the total absorption over the past year by city and submarket. The following three pages have tables with more detailed information about vacancy rates, net absorption, and available space.

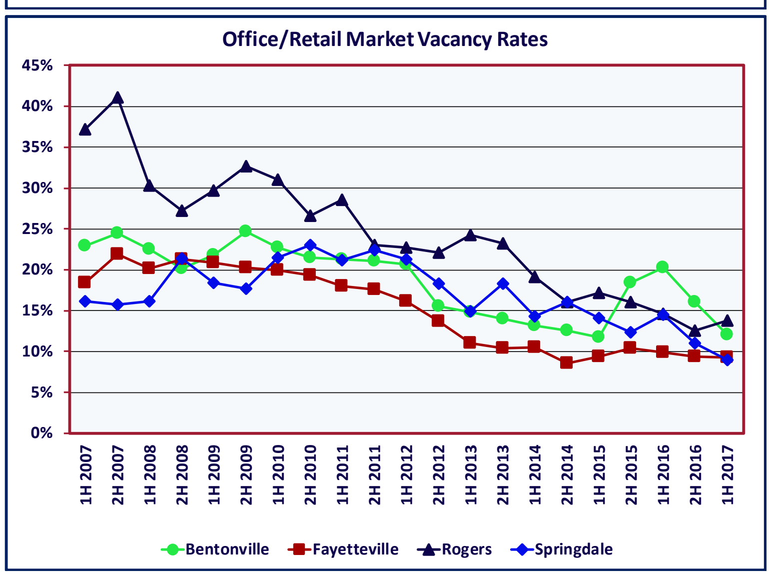
Available office square footage in Northwest Arkansas decreased from 1,425,951 square feet in the first half of 2016 to 1,212,554 square feet in the first half of 2017. In the past year, 362,237 new square feet of office space were added, with Fayetteville having the most with 142,000 square feet, and Bentonville adding another 124,151 square feet. There was net positive absorption of 235,393 square feet in Northwest Arkansas during the past year. Fayetteville accounted for the greatest amount of net positive absorption with 81,611 square feet, while Bentonville accounted for another 63,737 square feet. The overall Northwest Arkansas office vacancy rate declined from 12.7 percent to 10.4 percent, from the first half of 2016 to the first half of 2017.

In Northwest Arkansas, 431,432 square feet of office/retail space were available in the first half of 2017, down from 575,008 square feet in the first half of 2016. The office/retail market experienced positive net absorption of 104,037 square feet in the past year. Bentonville accounted for the most with 45,614 square feet of the positive net absorption from the first half of 2016 to the first half of 2017. Springdale added 27,645 square feet of positive net absorption while Rogers had negative net absorption of 1,446 during this period. There were no new office/retail space added within the past year. The overall Northwest Arkansas office/retail vacancy rate decreased 3.2 percentage points from 13.2 percent in the first half of 2016 to 10.0 percent in the first half of 2017.

In the first half of 2017, 850,647 square feet of retail space were available in Northwest Arkansas, up from 823,767 square feet in the first half of 2016. The retail market had positive net absorption of 131,014 square feet in the past twelve months. Fayetteville accounted for 57,451 square feet and Springdale accounted for another 52,118 square feet of positive net absorption. Bentonville accounted for 19,697 square feet of negative net absorption. There were 257,169 new square feet of retail space



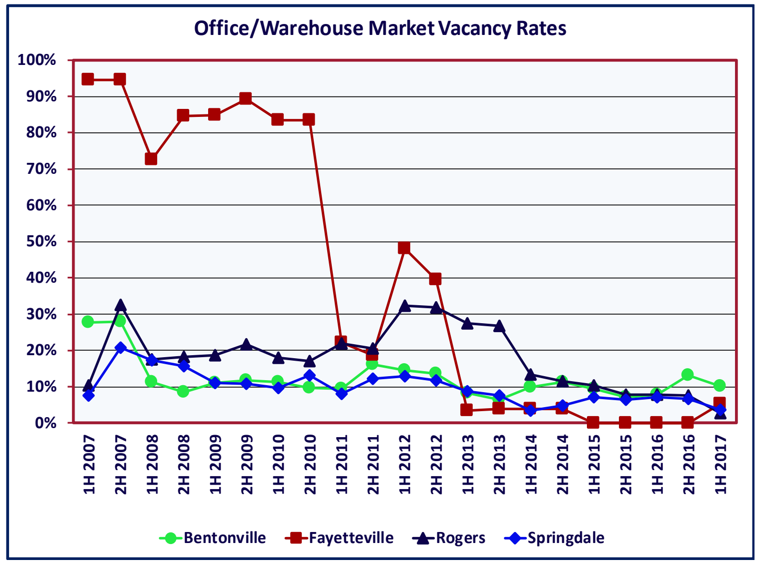


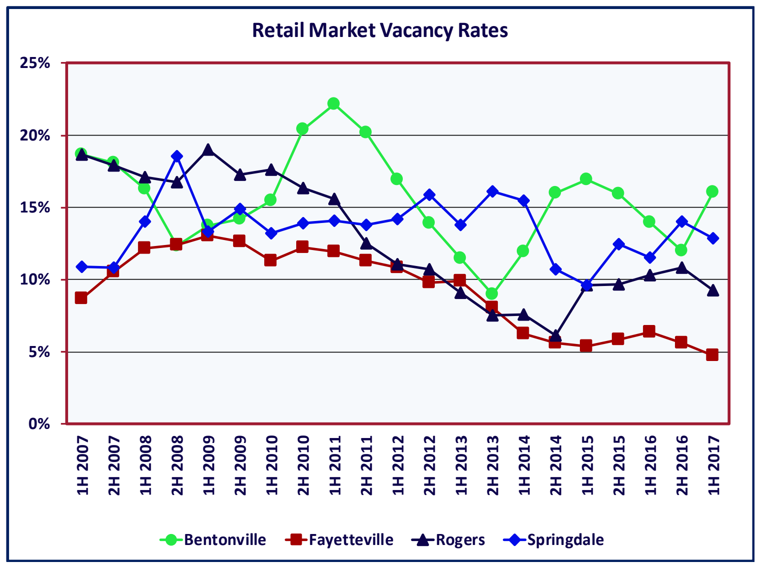


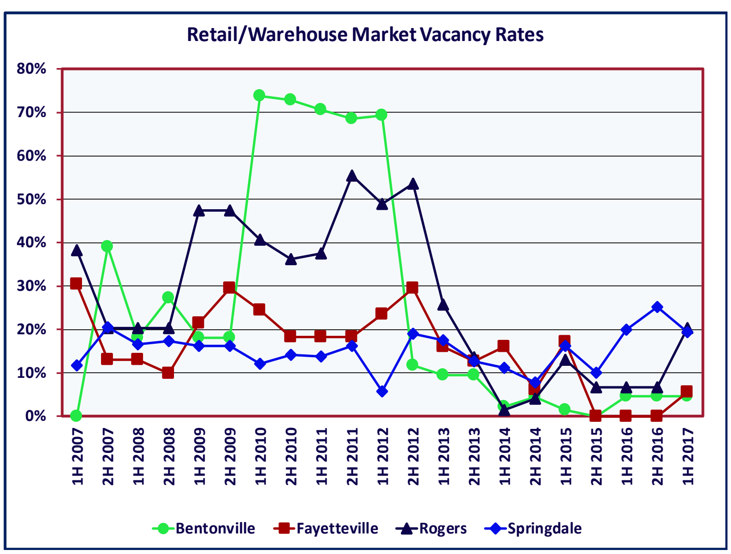
added to the Northwest Arkansas market during the past year, with Rogers accounting for 96,944 square feet, while Bentonville and Siloam Springs accounted for 61,263 square feet and 58,146 square feet, respectively. The overall Northwest Arkansas retail vacancy rate decreased 0.5 percentage points from 9.2 percent in the first half of 2016 to 8.7 percent in the first half of 2017.

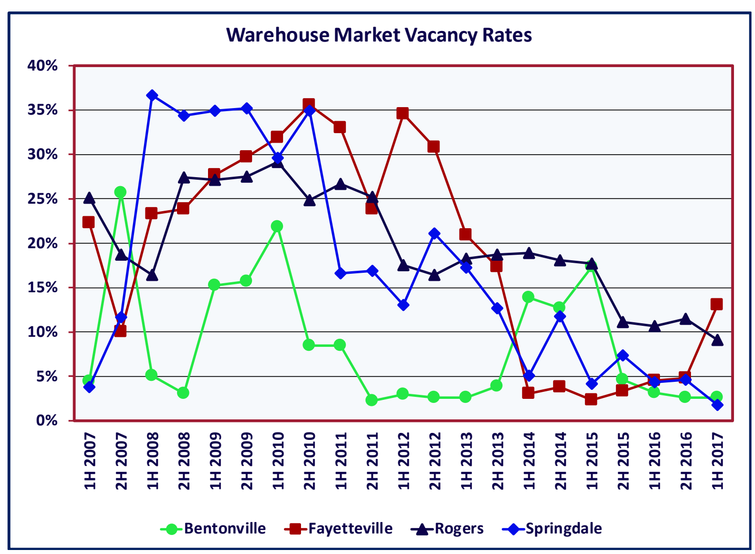
In the Northwest Arkansas warehouse market, available square footage decreased from 653,006 in the first half of 2016 to 647,799 in the first half of 2017.[1] The warehouse market experienced positive net absorption of 157,236 square feet during the past year. Rogers accounted for 134,226 square feet of the positive net warehouse absorption, while Springdale had another 88,140 square feet of positive net absorption in the last year in the warehouse market. 250,000 square feet of new warehouse space were added to the Northwest Arkansas market during the past year, all of it in Rogers. Vacancy rates declined by 0.4 percentage points from 8.0 percent to 7.6 percent over the same period.

1. Respondents indicated that an additional 250,000 square feet of quality, leased warehouse space is available for sublease in Rogers.





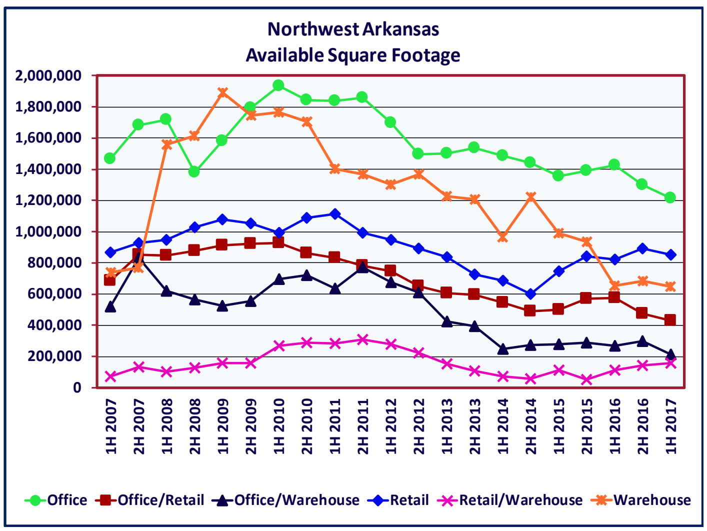


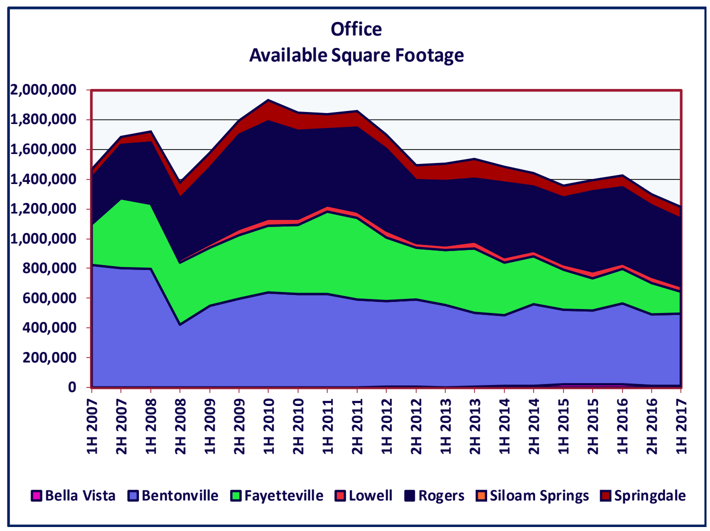


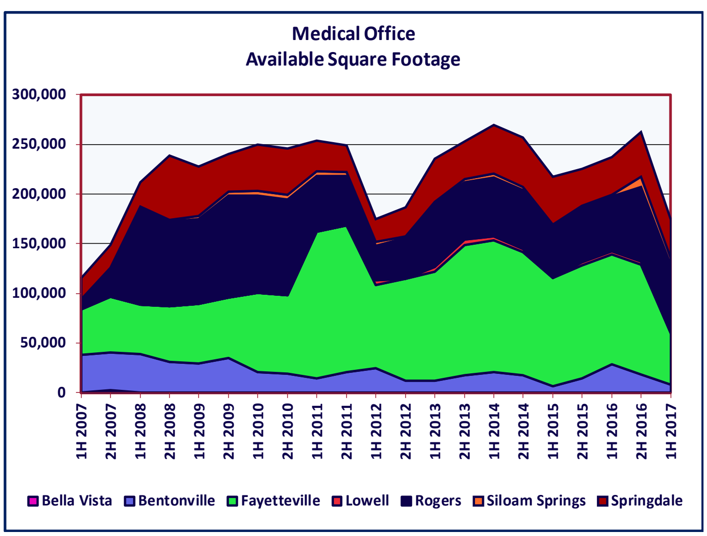
Commercial Market Trends

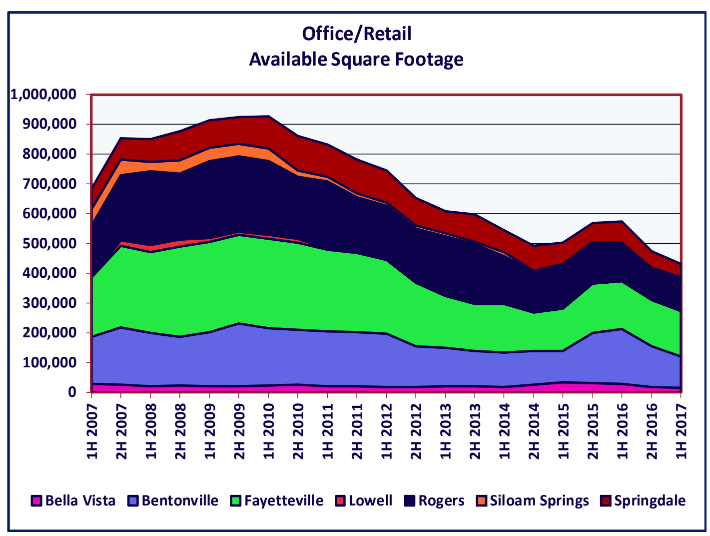
Net Twelve Month Absorption by Submarket 2H 2016 - 1H 2017

City	Office	Office/Retail	Retail	Warehouse
Bella Vista	1,793	12,289	11,500	0
Bentonville	63,737	45,614	-19,697	12,000
Fayetteville	81,611	16,360	57,451	-99,130
Lowell	10,477	0	800	22,000
Rogers	56,331	-1,446	39,592	134,226
Siloam Springs	8,134	3,575	-10,750	0
Springdale	13,310	27,645	52,118	88,140
Northwest Arkansas	235,393	104,037	131,014	157,236

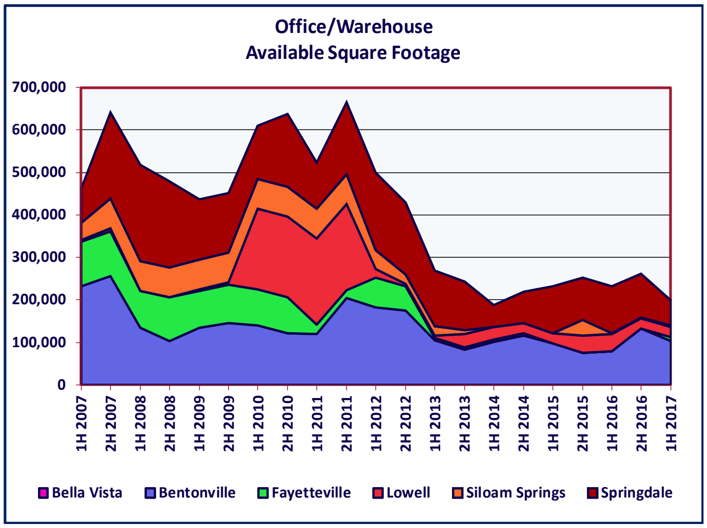


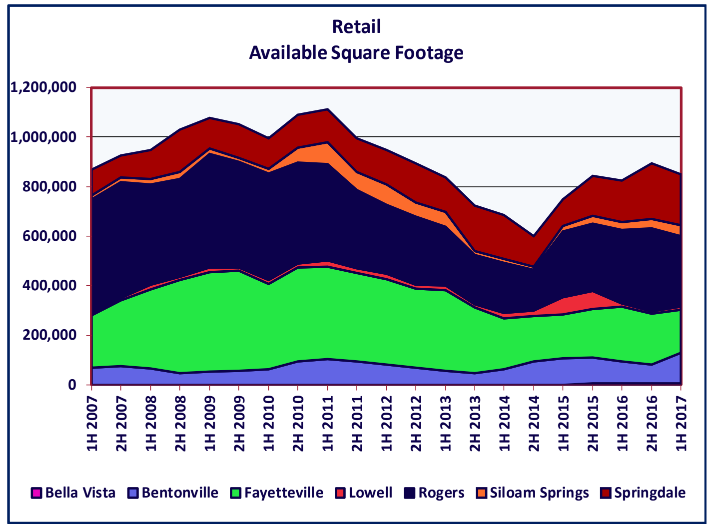


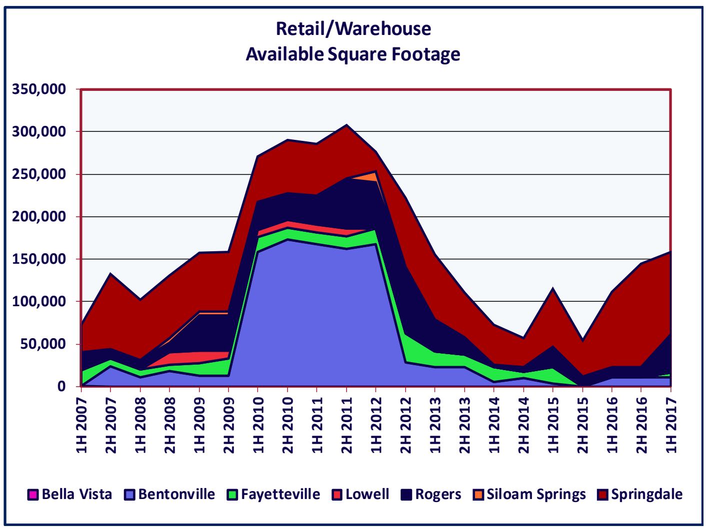


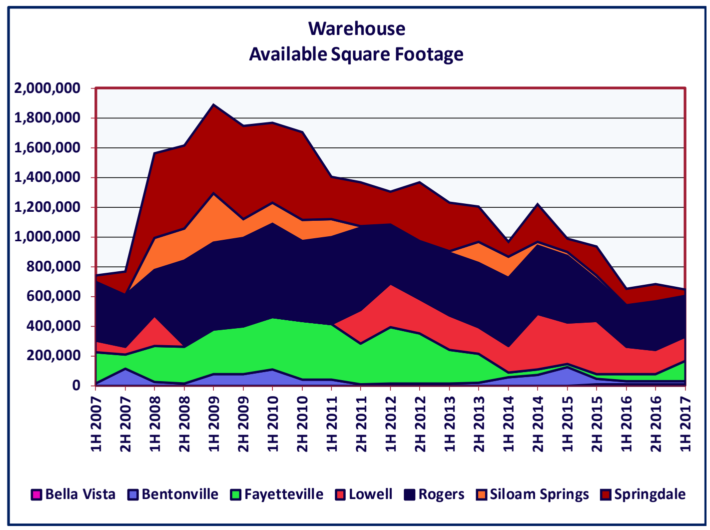


Commercial Market Trends









Commercial Market Trends

Vacancy Rates by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2016	27.9%	15.2%	7.7%	11.9%	15.3%	10.6%	8.6%	12.7%
2H 2016	14.6%	13.6%	6.7%	13.3%	14.4%	6.8%	8.4%	11.4%
1H 2017	14.6%	13.2%	4.9%	10.1%	13.3%	5.3%	8.2%	10.4%
Medical Office								
1H 2016	0.0%	9.3%	10.6%	3.9%	13.9%	1.1%	12.3%	10.5%
2H 2016	0.0%	6.0%	9.4%	3.9%	17.4%	8.7%	14.7%	10.8%
1H 2017	0.0%	2.5%	4.3%	3.9%	15.4%	5.7%	12.8%	7.1%
Office/Retail								
1H 2016	9.7%	20.3%	9.9%	0.0%	14.7%	5.8%	14.5%	13.2%
2H 2016	6.0%	16.1%	9.4%	0.0%	12.6%	5.8%	11.0%	11.0%
1H 2017	5.6%	12.0%	9.2%	0.0%	13.8%	3.4%	8.9%	10.0%
Office/Warehouse								
1H 2016		7.8%	0.0%	36.8%	7.8%	1.7%	7.1%	7.8%
2H 2016		13.2%	0.0%	22.7%	7.6%	1.7%	6.6%	8.7%
1H 2017		10.2%	5.3%	22.7%	2.9%	3.4%	3.8%	6.2%
Retail								
1H 2016	20.2%	13.9%	6.4%	9.8%	10.3%	9.1%	11.6%	9.2%
2H 2016	14.1%	12.0%	5.6%	9.2%	10.8%	9.7%	14.0%	9.4%
1H 2017	14.1%	16.1%	4.8%	9.2%	9.3%	10.1%	12.9%	8.7%
Retail/Warehouse								
1H 2016		4.6%	0.0%	0.0%	6.7%	0.0%	19.9%	10.6%
2H 2016		4.6%	0.0%	0.0%	6.7%	0.0%	25.2%	13.3%
1H 2017		4.6%	5.5%	0.0%	20.4%	0.8%	19.4%	13.9%
Warehouse								
1H 2016	35.1%	3.1%	4.6%	20.2%	10.6%	4.2%	4.4%	8.0%
2H 2016	35.1%	2.6%	4.8%	17.5%	11.5%	4.2%	4.6%	8.1%
1H 2017	35.1%	2.6%	13.0%	17.8%	9.1%	4.1%	1.8%	7.6%

Net Absorption by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2016	0	-50,687	-10,672	5,508	26,309	0	-795	-30,337
2H 2016	1,793	54,796	18,880	0	28,271	5,634	6,089	115,463
1H 2017	0	8,941	62,731	10,477	28,060	2,500	7,221	119,930
Medical Office								
1H 2016	0	-14,187	2,772	0	0	0	-690	-12,105
2H 2016	0	9,955	-6,058	0	-16,602	-8,700	-7,210	-28,615
1H 2017	0	10,462	59,018	0	9,388	3,500	5,800	88,168
Office/Retail								
1H 2016	3,075	-17,482	7,391	0	16,362	-2,075	-27,790	-20,519
2H 2016	11,122	13,397	11,669	0	10,483	25	17,161	63,857
1H 2017	1,167	32,217	4,691	0	-11,929	3,550	10,484	40,180
Office/Warehouse								
1H 2016		-4,000	0	0	0	35,007	1,581	32,588
2H 2016		-56,200	0	15,200	2,000	0	7,550	-31,450
1H 2017		29,727	0	0	22,717	-2,000	43,200	93,6440
Retail								
1H 2016	0	11,402	-21,699	59,256	-24,720	0	6,504	30,743
2H 2016	11,500	11,351	22,706	800	-8,672	-8,600	36,101	65,186
1H 2017	0	-31,048	34,745	0	48,264	-2,150	16,017	65,8286
Retail/Warehouse								
1H 2016		-3,500	0	0	0	0	-19,940	-23,440
2H 2016		0	0	0	0	0	1,529	1,529
1H 2017		0	-5,100	0	-28,000	-500	25,326	-8,274
Warehouse								
1H 2016	0	11,800	-12,000	173,791	17,040	13,360	79,410	283,401
2H 2016	0	12,000	-6,400	25,000	-44,202	0	12,840	-762
1H 2017	0	0	-92,730	-3,000	178,428	0	75,300	157,998

Commercial Market Trends

Available Square Footage by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2016	24,274	542,394	231,275	38,051	494,527	15,634	79,796	1,425,951
2H 2016	10,981	480,098	209,537	44,051	469,256	10,000	77,107	1,301,030
1H 2017	10,981	484,885	150,856	33,574	446,996	8,000	77,262	1,212,554

Medical Office								
1H 2016	0	28,417	110,822	3,250	55,414	1,300	37,736	236,939
2H 2016	0	18,462	110,580	3,250	75,016	10,000	44,946	262,254
1H 2017	0	8,000	51,562	3,250	65,628	6,500	39,146	174,0864

Office/Retail								
1H 2016	28,736	185,269	159,413	0	120,814	8,675	72,101	575,008
2H 2016	17,614	137,731	154,044	0	100,513	8,650	54,940	473,492
1H 2017	16,447	105,514	151,273	0	108,642	5,100	44,456	431,432

Office/Warehouse								
1H 2016		79,720	0	39,600	36,539	2,000	110,325	268,184
2H 2016		132,220	0	24,400	36,539	2,000	102,775	297,934
1H 2017		102,493	8,900	24,400	13,822	4,000	59,575	213,190

Retail								
1H 2016	5,320	88,818	221,765	12,370	297,324	31,000	167,170	823,767
2H 2016	5,320	77,467	203,230	11,570	333,906	39,600	221,340	892,433
1H 2017	5,320	123,515	175,027	11,570	286,242	41,750	207,223	850,647

Retail/Warehouse								
1H 2016		11,000	0	0	11,680	0	89,095	111,775
2H 2016		11,000	0	0	11,680	0	121,728	144,408
1H 2017		11,000	5,100	0	45,280	500	96,402	158,282

Warehouse								
1H 2016	6,480	25,034	44,000	185,230	263,847	14,275	114,140	653,006
2H 2016	6,480	21,034	50,400	160,230	311,889	14,275	120,004	684,312
1H 2017	6,480	21,034	136,730	163,230	261,346	14,275	44,704	647,799

Office

In the first half of 2017, the office properties included in the Skyline Report panel had a vacancy rate of 10.4 percent, a decrease from the 11.4 percent in the second half of 2016. Of the 11,647,906 square feet of Northwest Arkansas properties examined, 1,212,554 square feet were available. From the second half of 2016 to the first half of 2017, 206,304 square feet of new space entered the market, while 326,234 square feet became occupied, netting positive absorption of 119,930 square feet for the Northwest Arkansas office market.

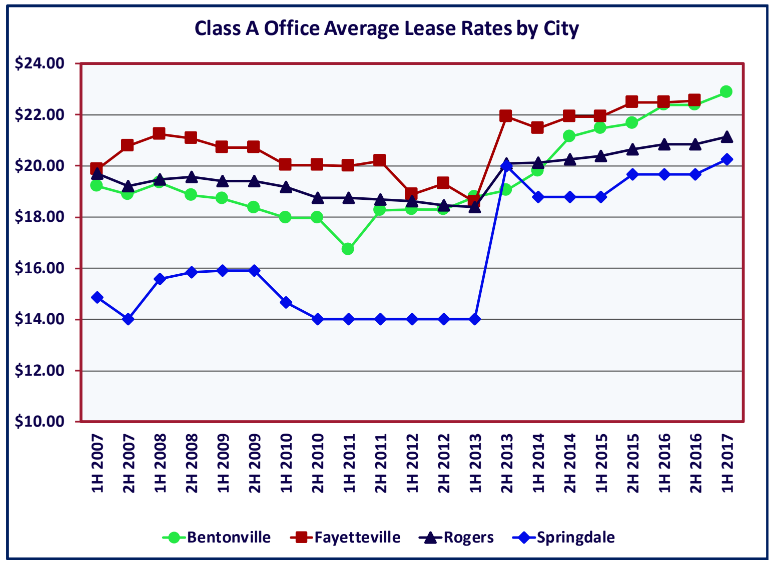
Bentonville had the most available square feet of office space at 484,885, out of its total office space of 3,671,970 square feet in the first half of 2017. 71.1 percent of the available office space was Class B. There were 124,151 new square feet added during this time. The Bentonville office market had net positive absorption of 8,941 square feet. That included net positive absorption of 60,882 square feet in the Class B submarket and a negative net absorption of 59,217 square feet in the Class A submarket.

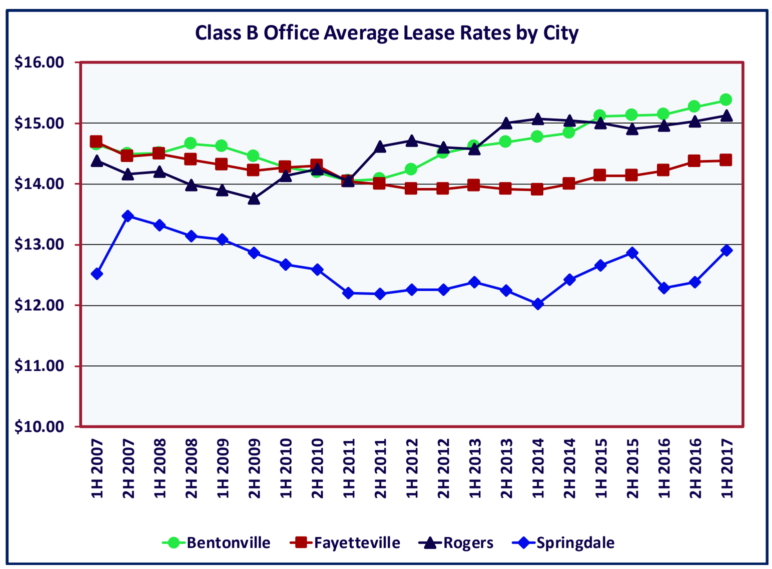
Rogers had 3,361,958 square feet of total office space, with available square feet at 446,996, in the first half of 2017. 53.4 percent of the available space was in the Class A submarket. 66,760 square feet of new office space were added during this time. The Rogers office market had net positive absorption of 28,060 square feet in the first half of 2017, with the Class C space contributing 17,211 square feet of positive net absorption, while the medical offices had 9,388 of positive net absorption during the first half of 2017.

Fayetteville had 150,856 square feet of available space, out of its total office space of 3,109,379 square feet in the first half of 2017. 41.6 percent of the available space was in the Class B submarket. There were 6,500 new square feet of office space added in the first half of 2017, all in the medical office submarket. The Fayetteville office market had net positive absorption of 62,731 square feet, with 59,018 square feet coming in the medical office submarket.

Office Lease Rates Average Range by City

	Class A	Class B	Class C	Medical
Bentonville	$22.34 - $23.40	$15.12 - $15.64	$10.18 - $10.32	$16.30 - $16.90
Fayetteville	$20.40 - $24.72	$14.13 - $14.63	$11.31 - $12.51	$15.48 - $17.39
Rogers	$20.08 - $22.22	$14.84 - $15.34	$9.23 - $9.76	$14.23 - $14.56
Springdale	$20.01 - $20.51	$12.33 - $13.49	$9.245 - $9.89	$13.88 - $14.19

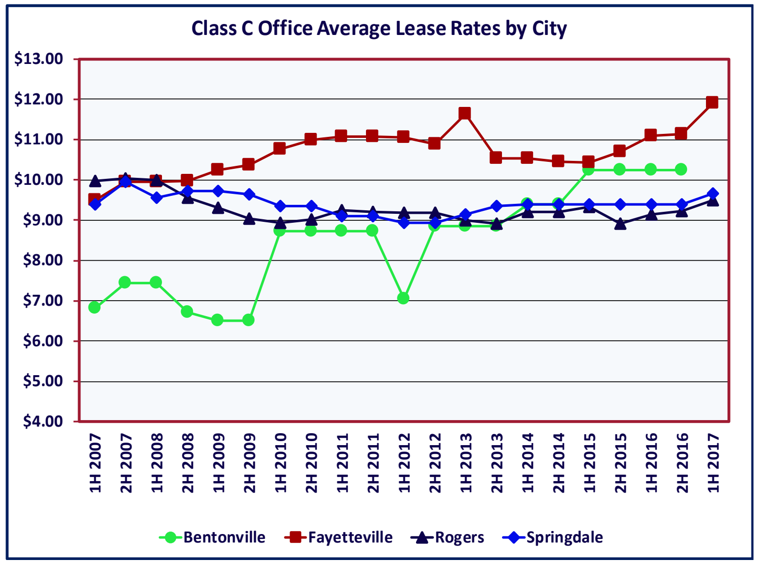


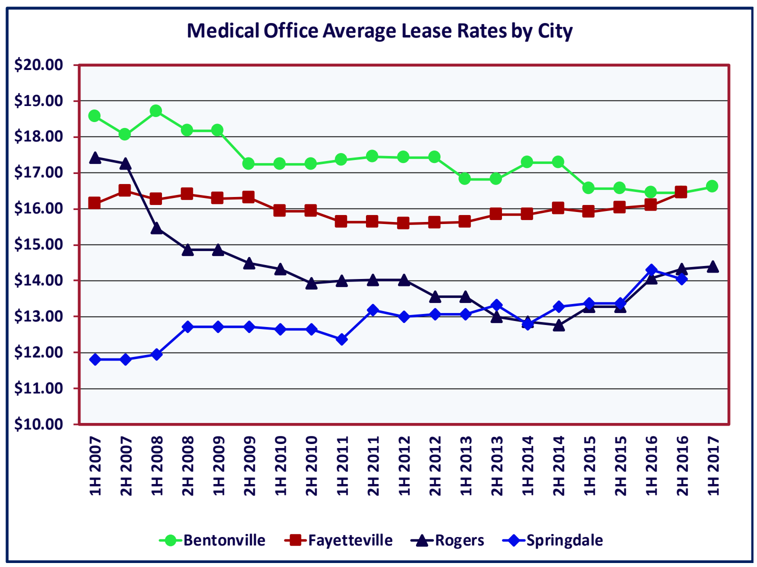


Office

Springdale had 945,472 square feet of total office space, with 77,262 square feet of it available in the first half of 2017. 50.7 percent was medical office space. There were 8,893 square feet of new office space added in the first half of 2017. There was positive net absorption of 7,221 square feet in the Springdale office market in the first half of 2017.

In the first half of 2017, average reported lease rates for Class A office space was highest in Bentonville at $22.87, Fayetteville remained at $22.56, Rogers increased $0.31 to $21.15, and Springdale (with very limited Class A space) increased by $0.57 to $20.26. Average reported lease rates for Class B office space, increased slightly in each city, and was highest in Bentonville at $15.38. Rogers was at $15.14, Fayetteville was at $14.38, and Springdale had the lowest reported average lease rates at $12.91. Reported average lease rates for Class C office were highest in Fayetteville at $11.91 after a $0.77 increase. Bentonville remained at $10.25, Springdale increased to $9.67, and Rogers increased to $9.50. Reported average medical office space lease rates were highest in Bentonville after an increase of $0.15, at $16.60. Fayetteville declined slightly to $16.44, Rogers increased to $14.40. Springdale, remaining stable at $14.04, was the lowest.





Office

Office Space Characteristics by Class and City

Class A	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption	Months of Inventory
Bentonville	688,187	94,503	13.7%	46,364	105,581	-59,217	--
Fayetteville	409,222	25,289	6.2%	2,873	0	2,873	53
Rogers	1,783,788	238,609	13.4%	42,821	42,260	561	2,552.0
Springdale	104,394	4,076	3.9%	4,817	8,893	-4,076	--
Class B							
Bentonville	2,566,857	344,570	13.4%	70,382	9,500	60,882	34.0
Fayetteville	1,259,507	62,826	5.0%	-3,364	0	-3,364	--
Rogers	796,491	79,351	10.0%	15,400	14,500	900	529.0
Springdale	382,914	24,610	6.4%	1,997	0	1,997	73.9
Class C							
Bentonville	101,838	37,812	37.1%	-3,186	0	-3,186	--
Fayetteville	245,136	11,179	4.6%	4,204	0	4,204	16.0
Rogers	354,776	63,408	17.9%	17,211	0	17,211	22.1
Springdale	153,221	9,430	6.2%	3,500	0	3,500	16.2
Medical							
Bentonville	315,088	8,000	2.5%	19,532	9,070	10,462	4.6
Fayetteville	1,195,514	51,562	4.3%	65,518	6,500	59,018	5.2
Rogers	426,903	65,628	15.4%	19,388	10,000	9,388	41.9
Springdale	304,943	39,146	12.8%	5,800	0	5,800	40.5

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

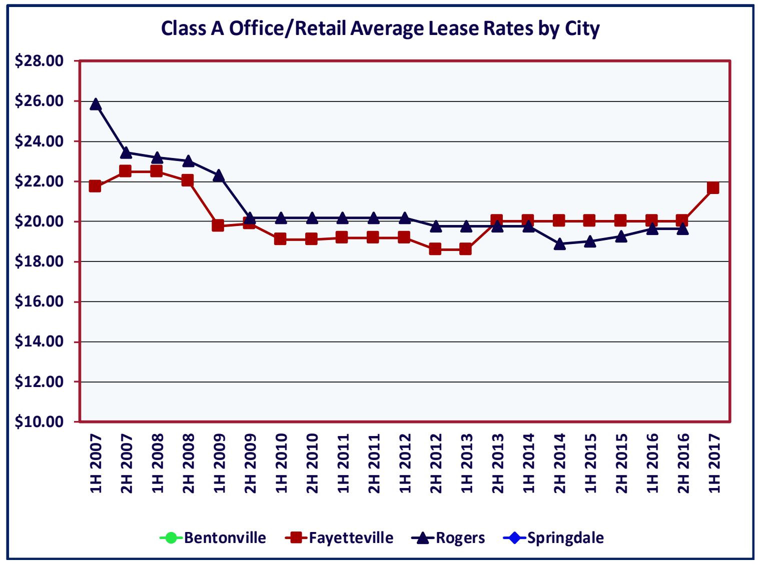
Office/Retail

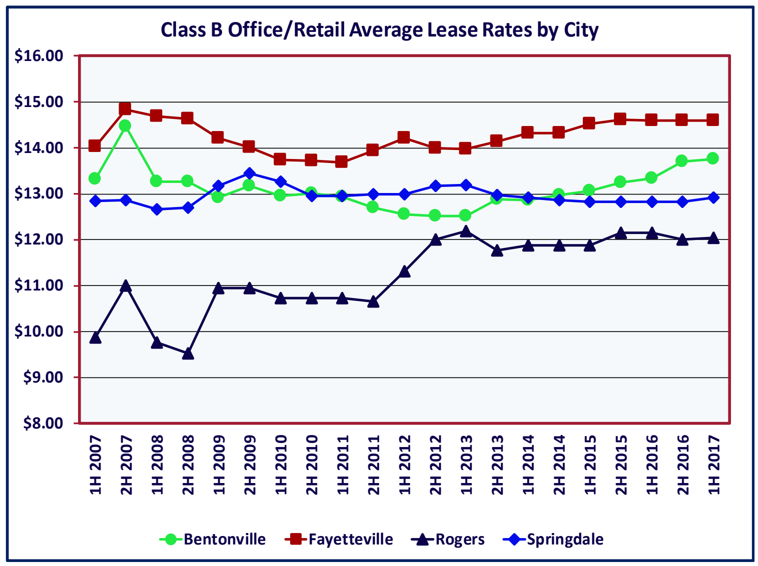
In the first half of 2017, the office/retail properties included in the Skyline Report sample had a vacancy rate of 10.0 percent, a decrease from 11.0 percent in the second half of 2016. Of the over 4.3 million square feet of Northwest Arkansas properties examined, 431,432 square feet were available.

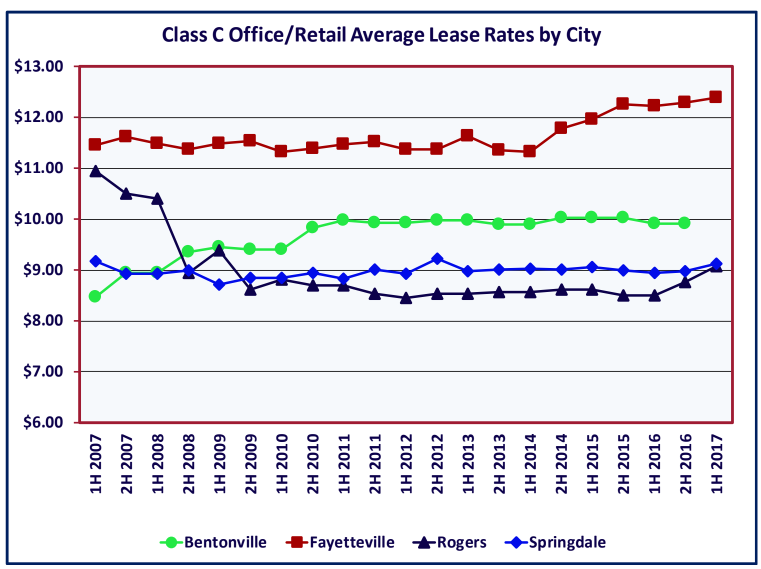
From the second half of 2016 to the first half of 2017, new office/retail space were added in Northwest Arkansas. There was net positive absorption of 40,180 square feet in the first half of 2017. Bentonville had the most positive net absorption with 32,217 square feet, while Springdale had positive net absorption of 10,484 square feet.

Fayetteville had the largest amount of available square feet in the office/retail submarket with 151,273 square feet in the first half of 2017, while Rogers contributed with 108,642 square feet available. The vacancy rate was highest in Rogers at 13.8 percent, while the vacancy rate in Bentonville was 12.0 percent.

The office/retail space reported average lease rates in the first half of 2017 were highest in the Fayetteville Class A submarket increasing \$1.67 to \$21.67. The average Class A lease rate in Rogers remained \$19.63. In the Class B submarket, Fayetteville was the most expensive at \$14.59, followed by Bentonville at \$13.76, Springdale at \$12.92, and Rogers at \$12.05, was the lowest. In the Class C submarket, the average lease rate was highest in Fayetteville at \$12.39. In Bentonville, the average was \$10.29 after an increase of \$0.38, in Springdale the rate was \$9.13, and Rogers was the still the least expensive at \$9.08, even after an increase of \$0.32.







Office/Retail

Office/Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	--	$13.07 - $14.45	$9.52 - $10.30
Fayetteville	$19.00 - $24.33	$13.72 - $15.46	$11.52 - $13.26
Rogers	$19.38 - $19.88	$11.80 - $12.30	$8.15 - $10.00
Springdale	--	$12.23 - $13.60	$8.53 - $9.72

Office/Retail Space Characteristics by Class and City

Class A	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption	Months of Inventory
Bentonville	--	--	--	--	--	--	--
Fayetteville	69,307	6,000	8.7%	-2,700	0	-2,700	--
Rogers	133,127	15,722	11.8%	-2,500	0	-2,500	--
Springdale	--	--	--	--	--	--	--
Class B							
Bentonville	796,850	105,514	0	29,417	0	29,417	21.5
Fayetteville	1,175,272	110,533	0	14,601	0	14,601	45.4
Rogers	382,150	62,235	0	4,946	0	4,946	75.5
Springdale	226,956	17,282	0	12,234	0	12,234	8.5
Class C							
Bentonville	82,234	0	0.0%	2,800	0	2,800	0.0
Fayetteville	393,066	34,740	8.8%	-7,210	0	-7,210	--
Rogers	270,052	30,685	11.4%	-14,375	0	-14,375	--
Springdale	270,629	27,174	10.0%	-1,750	0	-1,750	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Retail

In the first half of 2017, the retail properties included in the Skyline Report panel had a vacancy rate of 8.7 percent, down from 9.4 percent in the second half of 2016. Of the more than 9.7 million square feet of Northwest Arkansas retail properties examined, 850,647 square feet were available. 121,541 square feet of new retail space were added in Northwest Arkansas. There was positive net absorption of 65,828 square feet in the first half of 2017.

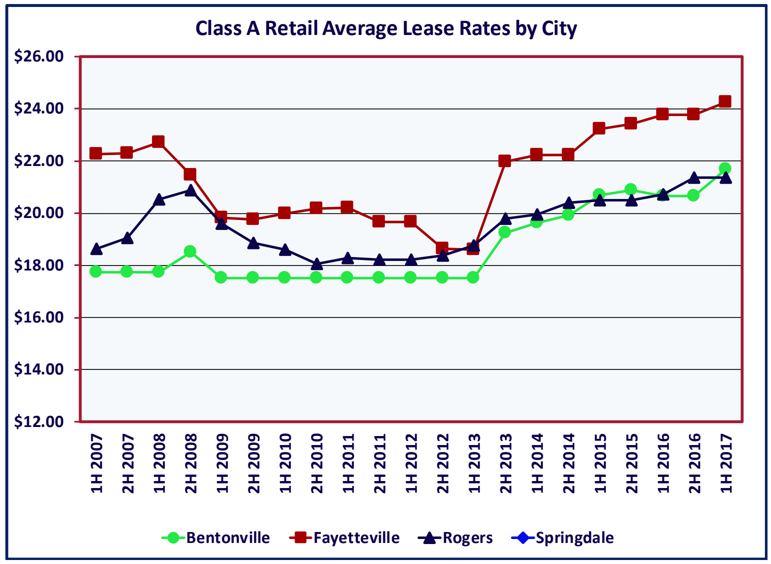
In the first half of 2017, Fayetteville had a retail vacancy rate of 4.8 percent, down from 5.6 percent in the second half of 2016, with 175,027 available square feet out of a total of 3,683,376. 32,816 new square feet were added and there was reported positive net absorption of 34,745 square feet in the Fayetteville retail market in the first half of 2017.

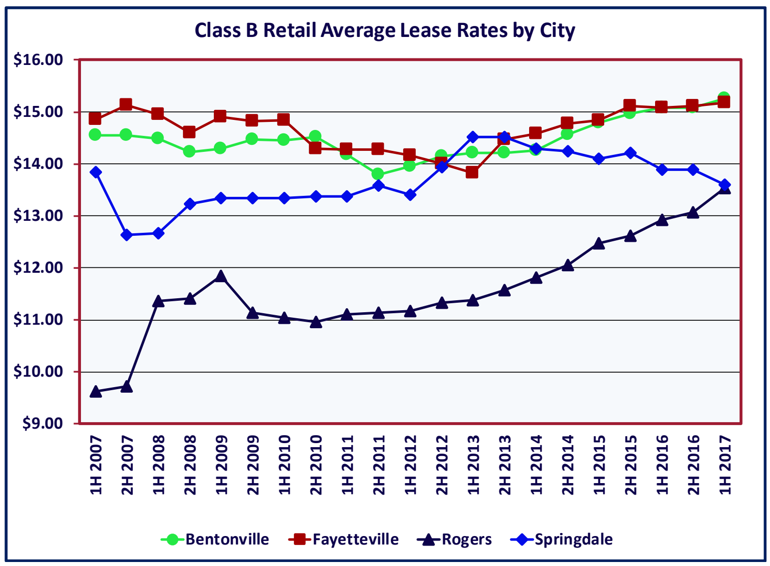
The Rogers market had 286,242 square feet of available retail space out of a total of 3,084,590 square feet, for a vacancy rate of 9.3 percent in the first half of 2017. This was a decrease from the 10.8 percent rate in the second half of 2016. 22,500 square feet of new retail space were added in Rogers, resulting in a positive net absorption of 48,264 square feet.

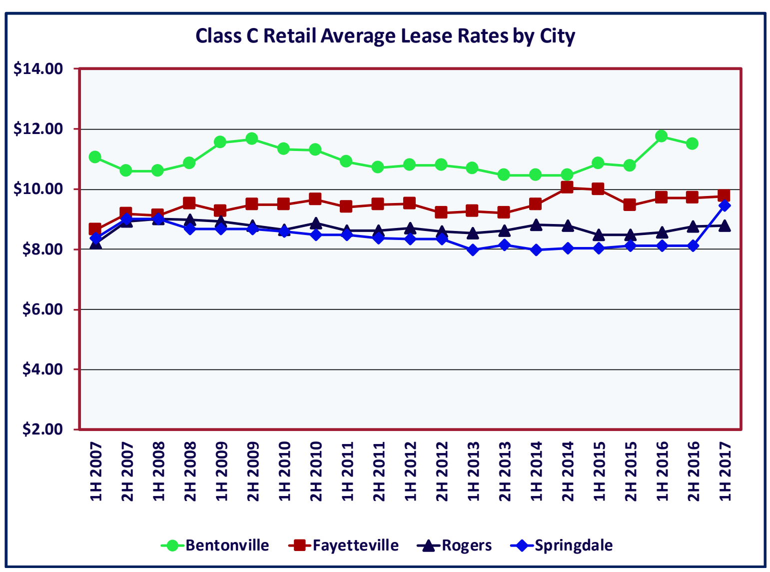
Bentonville had 768,401 total square feet and 123,515 available square feet of retail space in the first half of 2017, resulting in a vacancy rate of 16.1 percent. This represented an increase from the rate of 12.0 percent in the second half of 2016. 58,225 square feet of new retail space were added to the Bentonville market resulting in a negative net absorption of 31,048 square feet.

There were 207,223 square feet of available retail space out of a total of 1,609,842 square feet in Springdale in the first half of 2017. This implied a vacancy rate of 12.9 percent, down from 14.0 percent in the second half of 2016. 8,000 square feet of new retail space were added during the first half of 2017 and there was positive net absorption of 16,017 square feet.

In the Class A retail submarket Fayetteville still had the highest average reported lease rates







of $24.25, after an increase of $0.48. The average rate in Rogers decreased by $0.01 to $21.37, and Bentonville increased by $1.04 to $21.70. After an increase of $0.19 Class B retail average lease rates were highest in Bentonville at $15.26. Fayetteville was at $15.19, Springdale decreased $0.29 to $13.60, and Rogers was the lowest at $13.53, after increasing $0.46. Class C average reported lease rates remained the highest in Bentonville at $11.37 after decreasing $0.12. Fayetteville was at $9.77, after an increase of $1.36, Springdale was at $9.47, leaving Rogers the lowest at $8.80, and in the first half of 2017.

Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	$20.30 - $23.1	$14.96 - $15.56	$10.95 - $11.79
Fayetteville	$23.62 - $24.88	$14.61 - $15.76	$9.50 - $10.03
Rogers	$20.65 - $22.09	$13.03 - $14.03	$8.64 - $8.96
Springdale	$11.24 - $11.91	$13.38 - $13.82	$9.03 - $9.90

Retail Space Characteristics by Class and City

Class A	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption	Months of Inventory
Bentonville	205,053	53,464	26.1%	21,509	45,225	-23,716	--
Fayetteville	1,955,003	66,156	3.4%	-1,636	9,986	-11,622	--
Rogers	1,896,463	123,888	6.5%	10,451	15,500	-5,049	--
Springdale	--	--	--	--	--	--	--
Class B							
Bentonville	412,004	51,725	12.6%	6,168	13,000	-6,832	--
Fayetteville	1,278,884	82,101	6.4%	23,091	22,830	261	1,887.4
Rogers	656,854	114,630	17.5%	27,637	7,000	20,637	33.3
Springdale	1,019,873	124,292	12.2%	5,872	0	5,872	127.0
Class C							
Bentonville	151,344	18,326	12.1%	-500	0	-500	--
Fayetteville	449,489	26,770	6.0%	46,106	0	46,106	3.5
Rogers	531,273	47,724	9.0%	32,676	0	32,676	8.8
Springdale	950,215	26,000	2.7%	0	0	0	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Warehouse

Warehouse

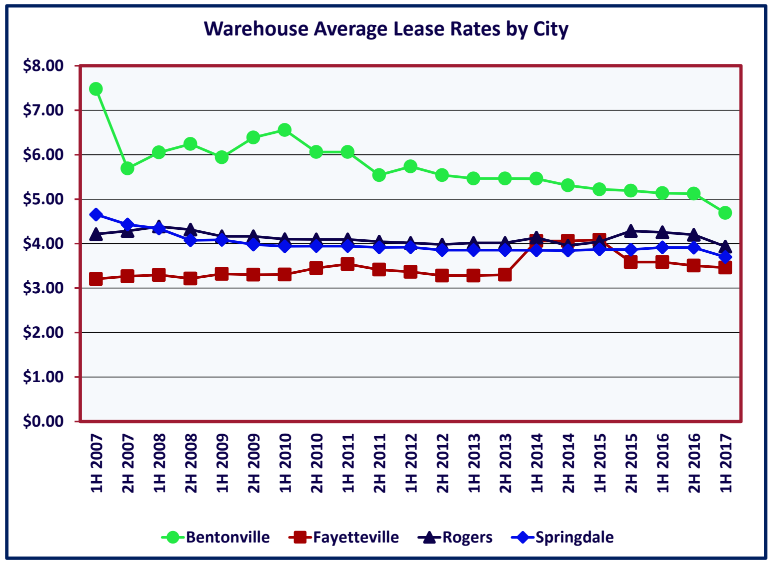
For the first time CBER staff, classified warehouse space into Class A, B, and C. Local experts were consulted ahead of time as CBER staff developed standards for classification based on height, construction materials, docks, courtyards, sprinklers, and location. During the classification process some properties were identified as having had their functions changed and were reclassified into the office/warehouse or retail/warehouse categories.

In the first half of 2017, the warehouse properties included in the Skyline Report panel had a vacancy rate of 7.6 percent, down from 8.1 percent in the second half of 2016. Of the 8,503,459 square feet of warehouse space examined, 647,799 square feet were available.[2] There was no new square feet of warehouse space added in the first half of 2017, and there was positive net absorption of 157,998 square feet. However, a significant amount of newly constructed warehouse space, approaching 400,000 square feet, is expected on the market in the second half of 2017.

Bentonville had 798,617 total square feet of space and 70.9 percent of it was Class A. Only 21,034 square feet of warehouse space was available in the first half of 2017 resulting in vacancy rate of 2.6 percent. Most of the available space was Class C. There was no absorption in this report period.

There was 1,048,218 total square feet of warehouse space in Fayetteville in the first half of 2017 and 61.1 percent of it was Class B. The vacancy rate was 13.0 percent, as 136,730 square feet of warehouse space was available. A majority of the available space was Class A. There was negative net absorption of 92,730 square feet. Class A warehouse had negative absorption of 107,730 square feet and Class B had positive net absorption of 15,000 square feet.

163,230 square feet of warehouse space was available in Lowell out of 917,393 total square feet of warehouse space. 56.3 percent of the total



warehouse space was Class A as was over half the vacant space. The resulting vacancy rate was 17.8 percent. There was negative net absorption of 3,000 square feet, as the negative net absorption of 53,000 square feet of Class A space was almost matched by 50,000 square feet of positive net absorption in the Class C warehouse market in the first half of 2017.

Rogers had 2,867,279 square feet of warehouse space, of which 51.0 percent is Class A. 261,346 square feet was available and a majority of it was Class C space, leading to a vacancy rate of 9.1 percent. There was positive net absorption of 178,428 square feet, all of it Class C, in the first half of 2017.

Springdale had 1,229,037 square feet of warehouse space, of which 49.1 percent is Class B. 44,704 square feet was available and over half of it was Class C space, leading to a vacancy rate 1.8 percent. There was positive net absorption of 75,300 square feet, all of it Class B, in the first half of 2017.

The average reported warehouse lease rates decreased by $0.04 in Fayetteville, by $0.21 in Springdale, and by $0.27 in Rogers. Bentonville continued to have the highest reported lease rate at $4.69, after a decrease of $0.44 in the first half of 2017. It is interesting to note that the highest lease rates are not necessarily in the Class A warehouse submarket. According to Skyline report respondents this is mostly due to economies of scale in the Class A submarket, which includes mostly large warehouse space, over 50,000 square feet.

2 Respondents indicated that an additional 250,000 square feet of quality, leased warehouse space is available for sublease in Rogers.

Warehouse Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	$4.37 - $4.92	$4.63 - $4.88	--
Fayetteville	$4.25 - $4.25	$3.37 - $3.73	$3.03 - $3.20
Rogers	$3.51 - $3.51	$4.41 - $4.59	$3.67 - $3.95
Springdale	$3.42 - $4.25	$3.23 - $3.69	$3.76 - $3.91

Warehouse Space Characteristics by Class and City

Class A	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption	Months of Inventory
Bentonville	566,283	1,200	0.2%	0	0	0	--
Fayetteville	187,730	107,730	57.4%	-107,730	0	-107,730	--
Rogers	1,462,500	0	0.0%	0	0	0	--
Springdale	325,200	0	0.0%	0	0	0	--
Class B							
Bentonville	220,500	8,000	3.6%	0	0	0	--
Fayetteville	640,348	25,000	3.9%	15,000	0	15,000	10.0
Rogers	406,608	68,086	16.7%	0	0	0	--
Springdale	1,229,037	18,704	0.0%	75,300	0	75,300	1.5
Class C							
Bentonville	11,834	11,834	100.0%	0	0	0	--
Fayetteville	220,140	4,000	1.8%	0	0	0	--
Rogers	998,171	193,260	19.4%	178,428	0	178,428	6.5
Springdale	950,215	26,000	0.0%	0	0	0	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

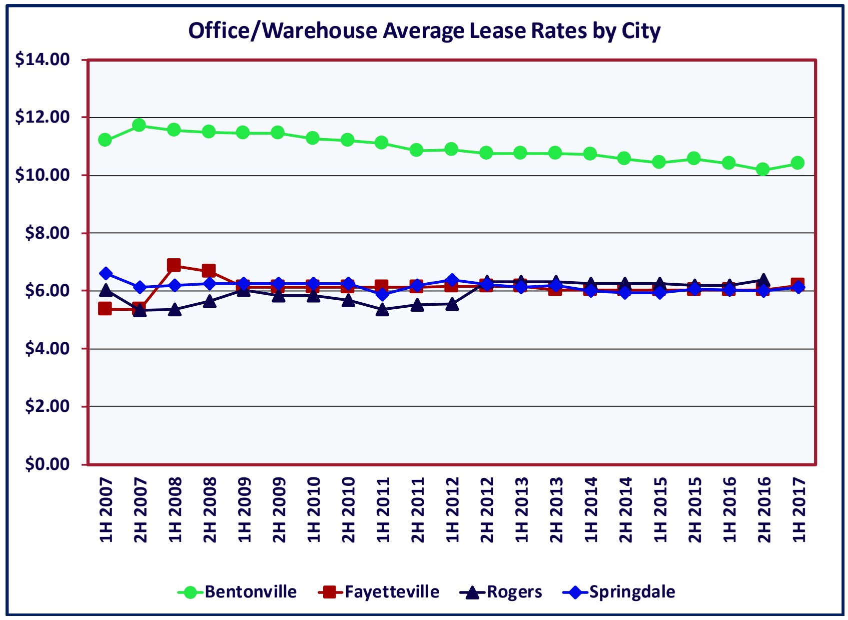
Other Categories

Office/Warehouse

The Skyline Report panelists reported on 3,450,446 square feet of office/warehouse space, with 213,190 total square feet available in the first half of 2017. The vacancy rate in the office/warehouse submarket decreased from 8.7 percent in the second half of 2016 to 6.2 percent in the first half of 2017. No new square feet of office/warehouse space entered the market in Northwest Arkansas during the first half of 2017.

The office/warehouse submarket in Northwest Arkansas experienced positive net absorption of 93,644 square feet during the first half of 2017. Bentonville and Springdale with 102,493 square feet and 59,575 square feet, respectively, had the bulk of the available office/warehouse space in Northwest Arkansas.

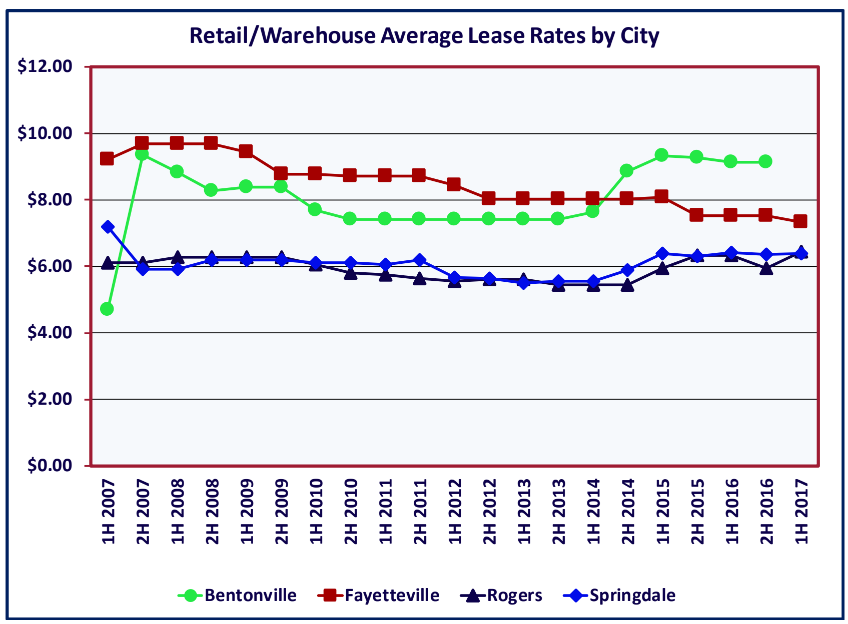
In the first half of 2017, Bentonville continued to have the highest reported average lease rate at $10.41 after an increase of $0.23. Rogers remained at $6.39, while average reported lease rates increased modestly by $0.17 to $6.19 in Fayetteville and by $0.11 to $6.12 in Springdale.



Retail/Warehouse

The Skyline Report panelists reported on 1,139,712 square feet of retail/warehouse space in the first half of 2017. A total of 158,282 square feet was available in Northwest Arkansas. No new square feet entered the market during this time. The vacancy rate in the retail/warehouse submarket increased from 13.3 percent in the second half of 2016 to 13.9 percent in the first half of 2017.

From the second half of 2016 to the first half of 2017, there was negative net absorption of 8,274 square feet of retail/warehouse space in Northwest Arkansas. Springdale had the majority of the available retail/warehouse space with 96,402 square feet.



Other Categories

Bentonville continued to have the highest average lease rate in this market at $9.13. Reported retail/warehouse average lease rates decreased in Fayetteville by $0.19 down to $7.33, while they increased by $0.51 to $6.45 in Rogers and by $0.05 to $6.39 in Springdale in the first half of 2017.

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Bentonville continued to have the highest average lease rate in this market at $9.13. Reported retail/warehouse average lease rates remained relatively stable in the other cities in the second half of 2016.

Other Lease Rates Average Range by City

	Office/Warehouse	Retail/Warehouse
Bentonville	$9.76 - $11.06	$8.81 - $9.45
Fayetteville	$5.70 - $6.68	$6.76 - $7.89
Rogers	$6.24 - $6.54	$6.31 - $6.59
Springdale	$5.44 - $6.79	$6.12 - $6.66

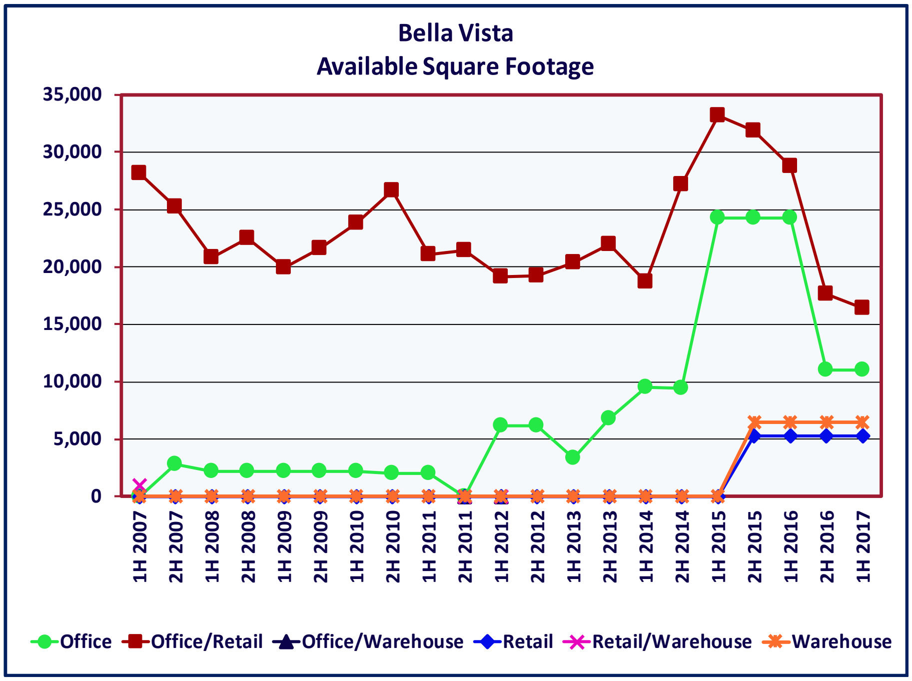
Other Space Characteristics by Class and City

Warehouse	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption	Months of Inventory
Bentonville	798,617	21,034	2.6%	0	0	0	--
Fayetteville	1,048,218	136,730	13.0%	-92,730	0	-92,730	--
Rogers	2,867,279	261,346	9.1%	178,428	0	178,428	8.8
Springdale	2,504,452	44,704	1.8%	75,300	0	75,300	3.6
Office/Warehouse							
Bentonville	1,000,295	102,493	10.2%	29,727	0	29,727	20.7
Fayetteville	169,072	8,900	5.3%	0	0	0	--
Rogers	483,402	13,822	2.9%	22,717	0	22,717	3.7
Springdale	1,571,684	59,575	3.8%	43,200	0	43,200	8.3
Retail/Warehouse							
Bentonville	240,726	11,000	4.6%	0	0	0	--
Fayetteville	92,040	5,100	5.5%	-5,100	0	-5,100	--
Rogers	222,050	45,280	20.4%	-28,000	0	-28,000	--
Springdale	497,556	96,402	19.4%	25,326	0	25,326	22.8

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Bella Vista

- From January 1 to June 30, 2017, no new commercial building permits were issued in Bella Vista.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 426,623 square feet of commercial space in Bella Vista in the first half of 2017.
- In the first half of 2017, Bella Vista experienced positive net absorption of 1,167 square feet, all in office/retail.
- There was no space added to the Bella Vista commercial market in the first half of 2017.
- Reported average lease rates in Bella Vista in the first half of 2017 decreased modestly in the office submarket and remained relatively stable in the other submarkets.



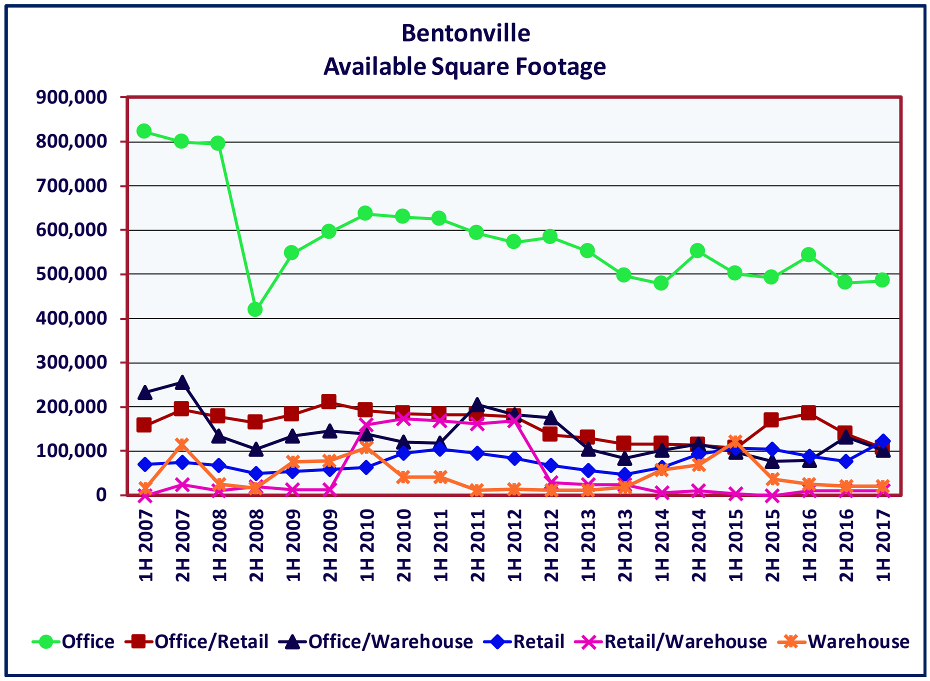
Bella Vista Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	--	--	--	--	--	--	--	--
Office	$12.59 - $13.09	75,389	10,981	14.6%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	$13.68 - $13.68	64,025	7,721	12.1%	0	0	0	--
Class C	$11.00 - $11.00	3,260	3,260	100.0%	0	0	0	--
Medical	$12.00 - $14.00	8,104	0	0.0%	0	0	0	--
Office/Retail	$10.27 - $13.20	294,928	16,447	5.6%	1,167	0	1,167	84.6
Class A	--	--	--	--	--	--	--	--
Class B	$10.27 - $13.20	284,344	13,707	4.8%	1,167	0	1,167	70.5
Class C	--	10,584	2,740	25.9%	0	0	0	--
Office/Warehouse	--	--	--	--	--	--	--	--
Retail	$9.82 - $9.82	37,820	5,320	14.1%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	$9.82 - $9.82	37,820	5,320	14.1%	0	0	0	--
Class C	--	--	--	--	--	--	--	--
Retail/Warehouse	--	--	--	--	--	--	--	--
Warehouse	$1.00 - $2.70	18,486	6,480	35.1%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	--	--	--	--	--	--	--	--
Class C	1.00 - $2.70	18,486	6,480	35.1%	0	0	0	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Bentonville

- From January 1 to June 30, 2017, Bentonville issued $21,640,501 worth of building permits for new commercial space. The first half of 2017 value was 88.7 percent higher than the first half of 2016 value of $11,468,554. Bentonville accounted for 18.5 percent of the commercial permits issued in Northwest Arkansas during the first half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 7,375,433 square feet of commercial space in Bentonville in the first half of 2017.
- In the first half of 2017, Bentonville experienced absorption of 222,213 square feet, while 182,376 new square feet of office space were added, yielding net absorption of 39,837 square feet.
- The office/retail market had the greatest amount of positive net absorption with 32,217 square feet, with the office/warehouse submarket adding an additional 29,727 square feet of positive net absorption. However, the retail market had significant negative net absorption of 31,048 square feet in the first half of 2017.



- Reported vacancy rates from the second half of 2016 to the first half of 2017 decreased in the office, medical office, office/retail, and office/ware-

Bentonville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	$4.50 - $4.50	16,340	0	0.0%	0	0	0	--
Office	$15.62 - $16.17	3,671,970	484,885	13.2%	133,092	124,151	8,941	325.4
Class A	$22.34 - $23.40	688,187	94,503	13.7%	46,364	105,581	-59,217	--
Class B	$15.12 - $15.64	2,566,857	344,570	13.4%	70,382	9,500	60,882	34.0
Class C	$10.18 - $10.32	101,838	37,812	37.1%	-3,186	0	-3,186	--
Medical	$16.30 - $16.90	315,088	8,000	2.5%	19,532	9,070	10,462	4.6
Office/Retail	$12.47 - $13.74	879,084	105,514	12.0%	32,217	0	32,217	19.7
Class A	--	--	--	--	--	--	--	--
Class B	$13.07 - $14.45	796,850	105,514	13.2%	29,417	0	29,417	21.5
Class C	$9.52 - $10.30	82,234	0	0.0%	2,800	0	2,800	0.0
Office/Warehouse	$9.76 - $11.06	1,000,295	102,493	10.2%	29,727	0	29,727	20.7
Retail	$14.99 - $16.11	768,401	123,515	16.1%	27,177	58,225	-31,048	--
Class A	$20.30 - $23.1	205,053	53,464	26.1%	21,509	45,225	-23,716	--
Class B	$14.96 - $15.56	412,004	51,725	12.6%	6,168	13,000	-6,832	--
Class C	$10.95 - $11.79	151,344	18,326	12.1%	-500	0	-500	--
Retail/Warehouse	$8.81 - $9.45	240,726	11,000	4.6%	0	0	0	--
Warehouse	$4.48 - $4.90	798,617	21,034	2.6%	0	0	0	--
Class A	$4.37 - $4.92	566,283	1,200	0.2%	0	0	0	--
Class B	$4.63 - $4.88	220,500	8,000	3.6%	0	0	0	--
Class C	--	11,834	11,834	100.0%	0	0	0	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

house, increased in the retail submarket, and remained the same in the retail/ warehouse and warehouse submarket of Bentonville.

- Average reported lease rates increased noticeably in the following submarkets: by $1.04 in Class A retail, $0.49 in Class A office, $0.38 in Class C office/retail, $0.23 in the office/warehouse submarket, and $0.19, in the Class B retail submarket. Lease rates decreased by $0.44 in the warehouse submarket, partially due to reclassification of some properties into office/ warehouse and remained relatively stable in the other submarkets during this period. .

Downtown Bentonville

Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 239,209 square feet of office, office/retail, and retail space in Downtown Bentonville in the first half of 2017.

- There was negative net absorption of 501 square feet in Downtown Bentonville during the first half of 2017, 10,000 square feet of new space was added.
- Office space in Downtown Bentonville had a reported vacancy rate of 5.9 percent in the first half of 2017, down from 6.4 percent in the second half of 2016.
- The office/retail vacancy rate in Downtown Bentonville decreased from 12.6 percent to 12.0 in the first half of 2017.
- The reported retail vacancy rate for Downtown Bentonville properties remained at 0.0 percent in the first half of 2017. Average reported office lease rates increased by $0.94, while the other submarkets remained the same for Downtown Bentonville in the first half of 2017.

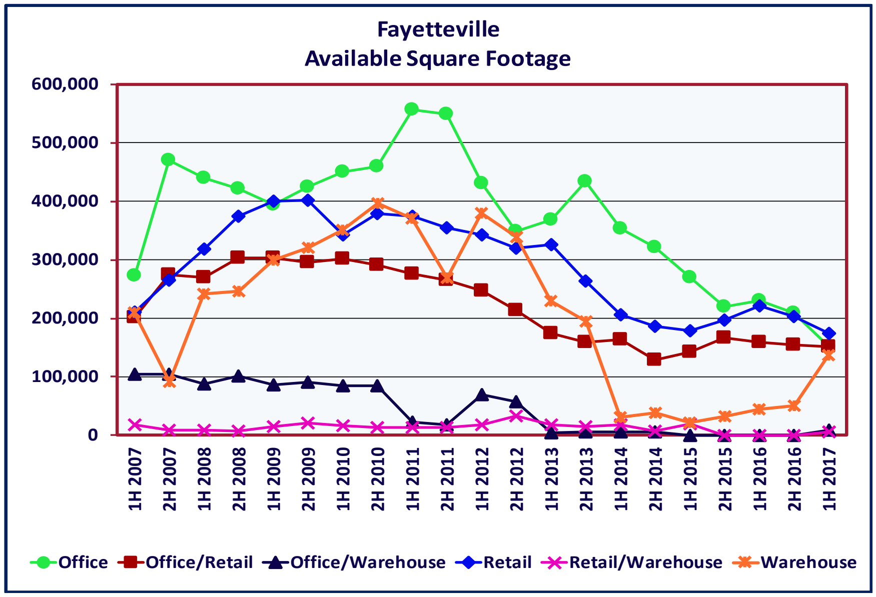
Downtown Bentonville Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$17.48 - $18.81	115,777	6,846	5.9%	9,499	10,000	-501	--
Office/Retail	$11.65 - $16.65	59,709	7,162	12.0%	0	0	0	--
Retail	$15.11 - $17.54	63,723	0	0.0%	0	0	0	--

[1]From all 1H 2017 respondents
[2]From 1H 2016 respondents who were also 2H 2016 respondents

Fayetteville

- From January 1 to June 30, 2017, Fayetteville issued building permits for $25,886,133 worth of new commercial space. The first half of 2017 value was 9.7 percent higher than the first half of 2016 value of $23,593,197. Fayetteville accounted for 22.2 percent of the commercial permits issued in Northwest Arkansas during the first half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 10,777,833 square feet of commercial space in Fayetteville in the first half of 2017.
- In the first half of 2017, Fayetteville experienced negative net absorption of 5,663 square feet. The office submarket had the greatest amount of positive net absorption with 62,731 square feet, followed by the retail submarket at 34,745 square feet. The warehouse submarket had negative net absorption of 92,730 square feet.



- 39,316 square feet of new space, including 32,816 square feet of retail office space and 6,500 square feet of medical office space, were added to the Fayetteville market in the first half of 2017.
- Observed vacancy rates in Fayetteville from the second half of 2016 to the first half of 2017 decreased for office, medical office, office/retail space, retail. Vacancy rates increased for warehouse, office/warehouse, retail/warehouse, and industrial.

Fayetteville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Lab	$21.33 - $22.33	75,603	25,000	33.1%	3,000	0	3,000	50.0
Industrial	$2.86 - $4.69	962,500	13,000	1.4%	-13,000	0	-13,000	--
Office	$14.37 - $15.57	3,109,379	150,856	4.9%	69,231	6,500	62,731	14.4
Class A	$20.40 - $24.72	409,222	25,289	6.2%	2,873	0	2,873	52.8
Class B	$14.13 - $14.63	1,259,507	62,826	5.0%	-3,364	0	-3,364	--
Class C	$11.31 - $12.51	245,136	11,179	4.6%	4,204	0	4,204	16.0
Medical	$15.48 - $17.39	1,195,514	51,562	4.3%	65,518	6,500	59,018	5.2
Office/Retail	$13.07 - $14.93	1,637,645	151,273	9.2%	4,691	0	4,691	193.5
Class A	$19.00 - $24.33	69,307	6,000	8.7%	-2,700	0	-2,700	--
Class B	$13.72 - $15.46	1,175,272	110,533	9.4%	14,601	0	14,601	45.4
Class C	$11.52 - $13.26	393,066	34,740	8.8%	-7,210	0	-7,210	--
Office/Warehouse	$5.70 - $6.68	169,072	8,900	5.3%	0	0	0	--
Retail	$13.99 - $14.92	3,683,376	175,027	4.8%	67,561	32,816	34,745	30.2
Class A	$23.62 - $24.88	1,955,003	66,156	3.4%	-1,636	9,986	-11,622	--
Class B	$14.61 - $15.76	1,278,884	82,101	6.4%	23,091	22,830	261	1,887.4
Class C	$9.50 - $10.03	449,489	26,770	6.0%	46,106	0	46,106	3.5
Retail/Warehouse	$6.76 - $7.89	92,040	5,100	5.5%	-5,100	0	-5,100	--
Warehouse	$3.34 - $3.58	1,048,218	136,730	13.0%	-92,730	0	-92,730	--
Class A	$4.25 - $4.25	187,730	107,730	57.4%	-107,730	0	-107,730	--
Class B	$3.37 - $3.73	640,348	25,000	3.9%	15,000	0	15,000	10.0
Class C	$3.03 - $3.20	220,140	4,000	1.8%	0	0	0	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2017 respondents

Fayetteville

- The Fayetteville Class A office/retail, Class C office and Class A retail submarkets had significant average lease rate increases of $1.67, $0.77 and $0.48, respectively, while all other lease rates were relatively stable from the second half of 2016 to the first half of 2017.

Downtown Fayetteville/ Dickson Street Area

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 976,530 square feet of office, office/retail, and retail space in the Downtown Fayetteville/Dickson Street area in the first half of 2017.
- There was negative net absorption of 15,594 square feet in the downtown Fayetteville area in the first half of 2017.
- There was no new space added in downtown Fayetteville during the first half of 2017.
- The office space in downtown Fayetteville had a reported vacancy rate of 3.0 percent in the first half of 2017, up from 2.2 percent in the second half of 2016 in accordance with negative net absorption of 3,457 square feet. This was lower than the overall Fayetteville office vacancy rate of 4.9 percent.
- The office/retail vacancy rate for downtown Fayetteville properties increased from 5.7 percent in the second half of 2016 to 8.3 percent in the first half of 2017. This compares to 9.2 percent in the same submarket for all of Fayetteville during the first half of 2017.
- The downtown Fayetteville retail vacancy rate increased 5.2 percent to 11.0 percent, with no net absorption of square feet, and was higher than the overall Fayetteville retail vacancy rate of 4.8 percent in the first half of 2017.
- Average reported lease rates in downtown Fayetteville increased in the office/retail submarket, while prices in the office and retail submarkets remained relatively unchanged during the past six months.

Uptown Fayetteville

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,090,489 square feet of office, office/retail, and retail space in Uptown Fayetteville in the first half of 2017.
- There was positive net absorption of 9,773 square feet of space during the first half of 2017 in Uptown Fayetteville with office space accounting for 26,469 square feet and retail accounting for a negative absorption of 16,696 square feet of this total.
- There was no new square feet of office space added to the Uptown Fayetteville commercial market in the first half of 2017.
- The office space in Uptown Fayetteville had a reported vacancy rate of 5.4 percent in the first half of 2017. This was lower than the second half of 2016 vacancy rate of 6.6 percent and was higher than the 4.9 percent vacancy rate for all of Fayetteville.
- In the first half of 2017, the office/retail vacancy rate in Uptown Fayetteville dropped to 0.0 percent. The vacancy rate was below the city average office/retail vacancy rate of 9.2 percent.
- Retail space in Uptown Fayetteville had a reported vacancy rate of 4.3 percent in the first half of 2017, an increase of 0.7 percentage points from the second half of 2016, and lower than the overall Fayetteville rate of 4.8 percent.
- Average reported lease rates in Uptown Fayetteville increased slightly

Fayetteville Downtown/Dickson Street Area Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$13.82 - $16.31	415,248	12,395	3.0%	-3,457	0	-3,457	--
Office/Retail	$14.43 - $16.93	474,903	39,222	8.3%	-12,137	0	-12,137	--
Retail	$12.19 - $13.88	86,379	9,543	11.0%	0	0	0	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

in the office and retail submarkets, while the office/retail submarket and remained relatively unchanged in the first half of 2017.

Martin Luther King, Jr. Boulevard Corridor

- In the first half of 2017, Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 494,892 square feet of office, office/retail, and retail space in the MLK Boulevard Corridor.
- There was 11,316 square feet of new commercial space added to southwest Fayetteville in the first six months of 2017.
- The MLK Boulevard Corridor of Fayetteville experienced a positive net absorption of 36,455 square feet of space, with retail space accounting for most of this total, in the first half of 2017.
- Office space in the MLK Boulevard Corridor of Fayetteville had a reported vacancy rate of 9.0 percent in the first half of 2017. This was higher than the overall office vacancy rate of 4.9 percent for all of Fayetteville.
- From the second half of 2016 to the first half of 2017, the office/retail vacancy rate increased to 10.4 percent in the MLK Boulevard Corridor of Fayetteville, and was higher than the overall city average rate of 9.2 percent.
- The vacancy rate for retail space in the MLK Boulevard Corridor was 14.1 percent in the first half of 2017, a decrease from the 41.9 percent in the second half of 2016. The retail vacancy rate for all of Fayetteville was much lower at 4.8 percent.
- Average reported lease rates in the MLK Boulevard Corridor increased slightly in the office/retail and retail submarket, and remained relatively unchanged in the office submarket in the first half of 2017.

Uptown Fayetteville Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$15.52 - $16.57	1,692,364	90,878	5.4%	26,469	0	26,469	20.6
Office/Retail	$16.40 - $16.53	78,087	0	0.0%	0	0	0	--
Retail	$17.84 - $18.57	2,320,038	100,700	4.3%	-16,696	0	-16,696	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

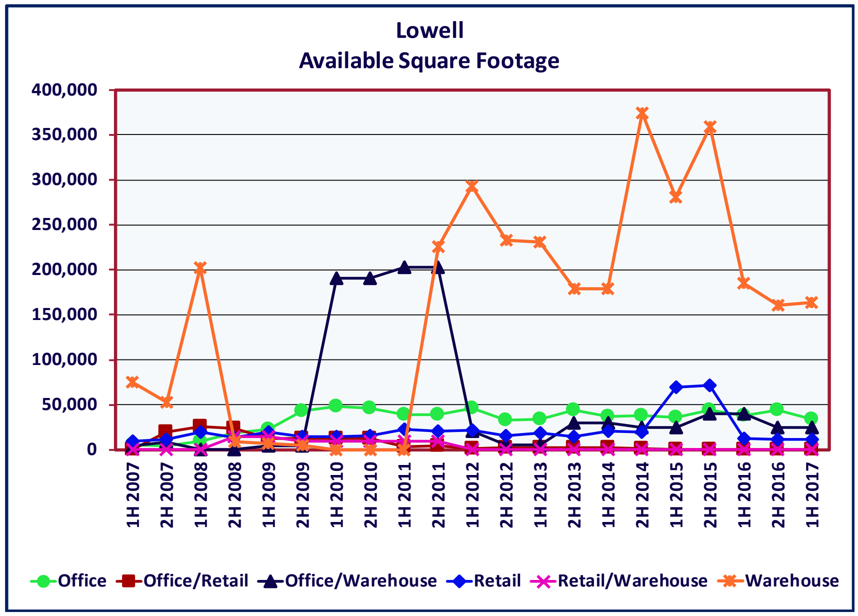
Fayetteville MLK Boulevard Corridor Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$10.75 - $10.75	30,393	2,735	9.0%	0	0	0	--
Office/Retail	$14.15 - $16.5	235,591	24,412	10.4%	-3,700	0	-3,700	--
Retail	$14.28 - $15.75	228,908	32,271	14.1%	51,471	11,316	40,155	4.8

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Lowell

- From January 1 to June 30, 2017, Lowell issued building permits for $84,000 worth of new commercial space. The first half of 2017 value was 99.4 percent lower than the first half of 2016 value of $15,271,255. Lowell accounted for 0.1 percent of building permits issued in Northwest Arkansas in the first half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,631,482 square feet of Lowell commercial space in the first half of 2017.
- In the first half of 2017, Lowell had positive net absorption of 7,477 square feet overall. The office submarket had the greatest amount of positive net absorption with 10,477 square feet, while the warehouse submarket had 3,000 square feet of negative net absorption.
- There were no square feet of new commercial space added in Lowell in the first half of 2017.



- Reported vacancy rates decreased in the office space, increased in the warehouse submarket, and remained the same in the other submarkets from the second half of 2016 to the first half of 2017.
- Average reported lease rates in Lowell from the second half of 2016 to the first half of 2017 increased in the office submarket but remained relatively stable in all other submarkets.

Lowell Commercial Real Estate Market Summary Statistics

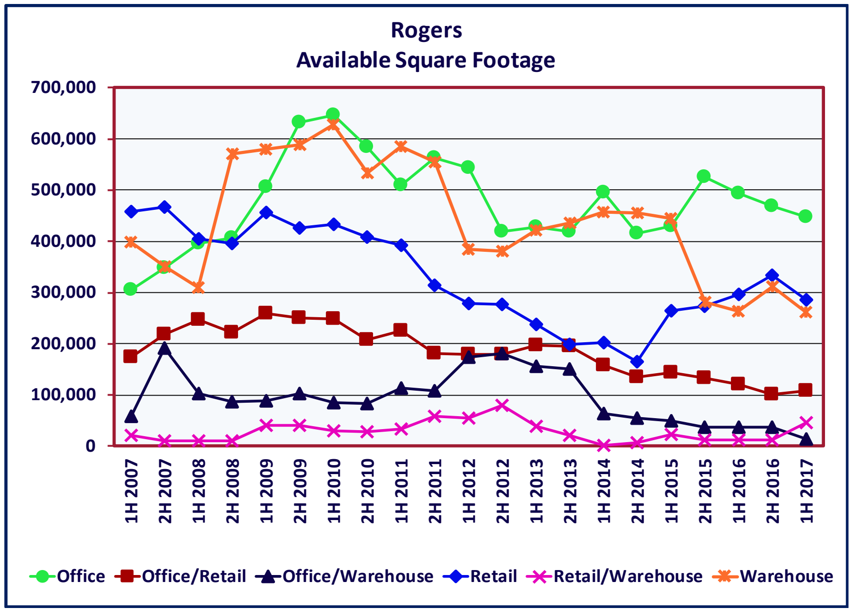
	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	--	57,180	0	0.0%	0	0	0	--
Office	$14.09 - $14.16	331,479	33,574	10.1%	10,477	0	10,477	19.2
Class A	$19.33 - $19.33	109,330	16,684	15.3%	-673	0	-673	--
Class B	$11.61 - $11.72	127,550	13,640	10.7%	5,150	0	5,150	15.9
Class C	$9.00 - $9.00	12,000	0	--	6,000	0	6,000	0.0
Medical	$18.00 - $18.00	82,599	3,250	3.9%	0	0	0	--
Office/Retail	$9.63 - $10.63	65,470	0	0.0%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	$11.67 - $13.00	48,310	0	0.0%	0	0	0	--
Class C	$3.50 - $3.50	17,160	0	0.0%	0	0	0	--
Office/Warehouse	$5.52 - $5.86	107,498	24,400	22.7%	0	0	0	--
Retail	$12.21 - $15.88	125,762	11,570	9.2%	0	0	0	--
Class A	--	50,000	0	0.0%	0	0	0	--
Class B	$12.21 - $15.88	75,762	11,570	15.3%	0	0	0	--
Class C	--	--	--	--	--	--	--	--
Retail/Warehouse	$10.19 - $10.19	26,700	0	0.0%	0	0	0	--
Warehouse	$3.67 - $3.67	917,393	163,230	17.8%	-3,000	0	-3,000	--
Class A	$3.64 - $3.64	516,756	88,000	17.0%	-53,000	0	-53,000	--
Class B	$3.85 - $3.85	221,637	75,230	33.9%	0	0	0	--
Class C	$2.95 - $2.95	179,000	0	0.0%	50,000	0	50,000	0.0

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Rogers

From January 1 to June 30, 2017, Rogers issued building permits for $30,057,027 worth of new commercial space. The first half of 2017 value was 32.7 percent lower than the first half of 2016 value of $44,678,795. Rogers accounted for 25.7 percent of the commercial permits issued in Northwest Arkansas during the first half of 2017.

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,493,343 square feet of commercial space in the first half of 2017.
- In the first half of 2017, Rogers had overall positive net absorption of 245,935 square feet. The warehouse submarket had the greatest amount of positive net absorption with 178,428 square feet, followed by the retail submarket with 48,264 square feet. The retail/warehouse submarket had the most negative net absorption with 28,000 square feet.



- In the first half of 2017, 89,260 square feet of new commercial space were added to the Rogers market. This included 66,760 square feet of office space and 22,500 square feet of retail space.
- Reported vacancy rates in the first half of 2017 decreased in the office, industrial, medical, retail, warehouse, lab, and office/warehouse submarkets, increased in the office/retail, and retail/warehouse.

Rogers Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Lab	$4.00 - $4.00	9,482	0	0.0%	9,482	0	9,482	0.0
Industrial	$3.95 - $3.95	679,253	278,818	41.0%	-1,087	0	-1,087	--
Office	$14.93 - $15.76	3,361,958	446,996	13.3%	94,820	66,760	28,060	95.6
Class A	$20.08 - $22.22	1,783,788	238,609	13.4%	42,821	42,260	561	2,552.0
Class B	$14.84 - $15.34	796,491	79,351	10.0%	15,400	14,500	900	529.0
Class C	$9.23 - $9.76	354,776	63,408	17.9%	17,211	0	17,211	22.1
Medical	$14.23 - $14.56	426,903	65,628	15.4%	19,388	10,000	9,388	41.9
Office/Retail	$10.86 - $12.08	785,329	108,642	13.8%	-11,929	0	-11,929	--
Class A	$19.38 - $19.88	133,127	15,722	11.8%	-2,500	0	-2,500	--
Class B	$11.80 - $12.30	382,150	62,235	16.3%	4,946	0	4,946	75.5
Class C	$8.15 - $10.00	270,052	30,685	11.4%	-14,375	0	-14,375	--
Office/Warehouse	$6.24 - $6.54	483,402	13,822	2.9%	22,717	0	22,717	3.7
Retail	$13.28 - $14.12	3,084,590	286,242	9.3%	70,764	22,500	48,264	35.6
Class A	$20.65 - $22.09	1,896,463	123,888	6.5%	10,451	15,500	-5,049	--
Class B	$13.03 - $14.03	656,854	114,630	17.5%	27,637	7,000	20,637	33.3
Class C	$8.64 - $8.96	531,273	47,724	9.0%	32,676	0	32,676	8.8
Retail/Warehouse	$6.31 - $6.59	222,050	45,280	20.4%	-28,000	0	-28,000	--
Warehouse	$3.82 - $4.05	2,867,279	261,346	9.1%	178,428	0	178,428	8.8
Class A	$3.51 - $3.51	1,462,500	0	0.0%	0	0	0	--
Class B	$4.41 - $4.59	406,608	68,086	16.7%	0	0	0	--
Class C	$3.67 - $3.95	998,171	193,260	19.4%	178,428	0	178,428	6.5

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Rogers

- From the second half of 2016 to the first half of 2017, a significant increase of $0.51 occurred in the retail/warehouse submarket, while a significant decrease, of $0.27 occurred in the warehouse submarket. Both changes were partially a result of space reclassification. Modest increases were reported in Class B retail, Class C office/retail, Class A office, and Class C office submarkets. All other lease rates remained relatively unchanged.

Downtown Rogers

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 303,585 square feet of office, office/retail, and retail space in Downtown Rogers in the first half of 2017.
- No new commercial space was added to downtown Rogers in the first six months of 2017.
- The office space in Downtown Rogers had a positive net absorption of 13,696 square feet and had a vacancy rate of 18.7 percent in the first half of 2017. The downtown vacancy rate was higher than the overall average office vacancy rate for Rogers, which was 13.3 percent during the same period.
- The office/retail submarket had positive net absorption of 442 square feet. The vacancy rate decreased to 11.2 percent from the second half of 2016 rate of 18.9 percent in the downtown area as additional property entered in the database. This compares to a vacancy rate of 13.8 percent for all of Rogers.
- Downtown Rogers experienced a positive net absorption of 2,209 square feet of retail space during the first half of 2017. The average retail vacancy rate for downtown Rogers properties for the first half of 2017 decreased to 4.2 percent from 5.9 percent in the second half of 2016 as additional properties were added to the database, and was lower than the 9.3 percent average rate for all of Rogers.
- Average reported lease rates for downtown Rogers increased in all submarkets in the first half of 2017.

Rogers Interstate 49 Corridor

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,649,971 square feet of office, office/retail, and retail space along the Rogers I-49 corridor in the first half of 2017.
- 89,260 square feet of new commercial space were added to the Rogers I-49 corridor submarket in the first six months of 2017. This included 66,760 square feet of office space and 22,500 square feet of retail space.
- Office space along the Rogers I-49 corridor experienced negative net absorption of 36,125 square feet during the first half of 2017. The opening of the new J.B. Hunt office building in Lowll, led to less leasing in Rogers. The reported average vacancy rate was 18.0 percent in the first half of 2017, higher than the 10.3 percent rate in the second half of 2016. This was higher than the overall office vacancy rate for all of Rogers at 13.3 percent.
- Office/retail space along the Rogers I-49 corridor experienced a negative net absorption of 2,500 in the first half of 2017. The office/retail submarket had a 19.0 percent vacancy rate, an increase from the 6.6 percent reported in the second half of 2016. This compares to a vacancy rate of 13.8 percent for all of Rogers.
- There were 7,721 square feet of negative net absorption in the retail submarket for the Rogers I-49 corridor properties. The average retail vacancy rate for the first half of 2017 was 19.0 percent, an increase from 5.6 percent in the second half of 2016, and higher than the 9.3 percent average rate for all of Rogers.
- Average reported lease rates increased slightly in the office and retail submarkets and remained relatively stable in the office/retail submarket in the Rogers I-49 area in the first half of 2017.

Rogers Downtown Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$10.29 - $11.38	94,047	17,551	18.7%	13,696	0	13,696	7.7
Office/Retail	$9.00 - $11.68	68,836	7,722	11.2%	442	0	442	104.8
Retail	$10.48 - $11.90	140,702	5,888	4.2%	2,209	0	2,209	16.0

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Rogers

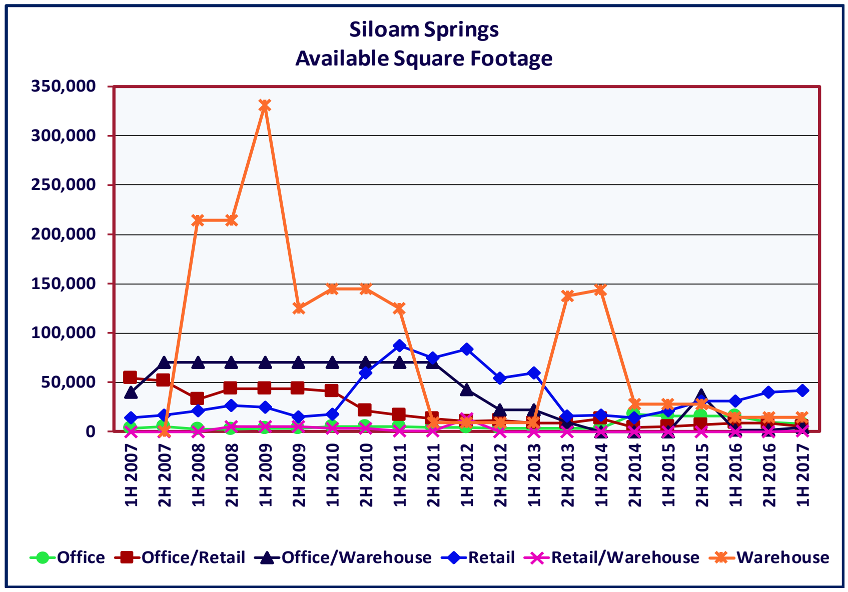
Rogers I-49 Corridor Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$18.45 - $19.58	2,362,330	269,901	18	30,635	66,760	-36,125	--
Office/Retail	$19.13 - $19.63	121,291	10,468	19	-2,500	0	-2,500	--
Retail	$18.81 - $20.04	2,166,350	128,660	19	14,779	22,500	-7,721	--

[1]From all 1H 2017 respondents
[2]From 1H 2017respondents who were also 2H 2016 respondents

Siloam Springs

- From January 1 to June 30, 2017, Siloam Springs issued commercial building permits worth $1,988,141. The first half of 2017 value was 90.2 percent lower than the first half of 2016 value of $20,222,189. Siloam Springs accounted for 1.7 percent of the commercial permits issued in Northwest Arkansas during the first half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,483,828 square feet of commercial space for Siloam Springs in the first half of 2017.
- No new commercial space was added to the Siloam Springs market in the first half of 2017.
- In the first half of 2017, Siloam Springs experienced overall positive net absorption of 1,400 square feet, with 3,550 square feet of this total occurring in the office/retail submarket. There was negative net absorption of 2,150 square feet in the retail submarket.



- Vacancy rates from the second half of 2016 to the first half of 2017 decreased in the office, medical, office/retail, and warehouse submarkets, increased in the retail, office/warehouse and retail/warehouse submarkets, and remained the same in the other submarkets.
- Average lease rates increased strongly, by $1.76 in the retail/warehouse submarket, and modestly in the office/retail and retail submarkets, and remained relatively unchanged in the others in the first half of 2017 in Siloam Springs.

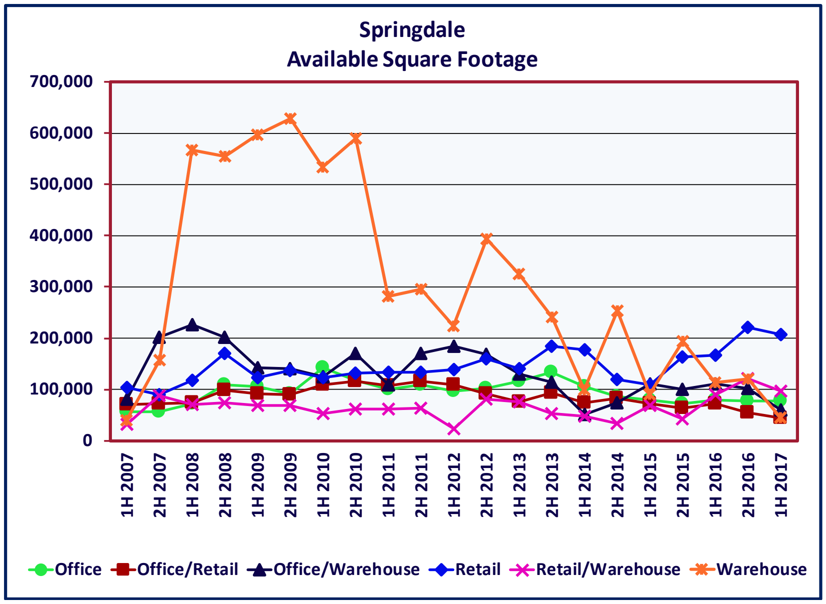
Siloam Springs Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	--	240,589	240,589	100.0%	0	0	0	--
Office	$12.27 - $13.70	152,259	8,000	5.3%	2,500	0	2,500	19.2
Class A	--	--	--	--	--	--	--	--
Class B	$8.20 - $10.89	27,355	1,000	3.7%	-1,000	0	-1,000	--
Class C	$6.27 - $6.33	10,400	500	4.8%	0	0	0	--
Medical	$15.11 - $16.31	114,504	6,500	5.7%	3,500	0	3,500	11.1
Office/Retail	$7.94 - $10.14	149,285	5,100	3.4%	3,550	0	3,550	8.6
Class A	$12.00 - $16.00	56,085	0	0.0%	0	0	0	--
Class B	$9.57 - $11.20	71,790	5,100	7.1%	2,800	0	2,800	10.9
Class C	$4.49 - $7.09	21,410	0	0.0%	750	0	750	0.0
Office/Warehouse	$3.05 - $3.30	118,495	4,000	3.4%	-2,000	0	-2,000	--
Retail	$9.74 - $10.49	413,546	41,750	10.1%	-2,150	0	-2,150	--
Class A	$22.00 - $22.00	19,622	9,150	--	-2,150	0	-2,150	--
Class B	$11.05 - $11.45	222,792	19,924	8.9%	0	0	0	--
Class C	$5.73 - $7.03	171,132	12,676	7.4%	0	0	0	--
Retail/Warehouse	$5.74 - $9.42	60,640	500	0.8%	-500	0	-500	--
Warehouse	$3.64 - $3.84	349,014	14,275	4.1%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	--	122,584	0	0.0%	0	0	0	--
Class C	$3.64 - $3.87	226,430	14,275	6.3%	0	0	0	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Springdale

- From January 1 to June 30, 2017, Springdale issued $37,156,422 worth of building permits for new commercial space. This was an decrease of 59.3 percent from the $91,251,395 issued in the first half of 2016. Springdale accounted for 31.8 percent of the commercial permits issued in Northwest Arkansas for the first half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 8,394,854 square feet of commercial space in Springdale in the first half of 2017.
- In the first half of 2017, there was 16,893 square feet of office space added to the Springdale market.
- In the first half of 2017, Springdale experienced positive net absorption of 197,548 square feet. The warehouse submarket had the greatest amount of positive net absorption with 75,300 square feet, while the office/warehouse submarket added positive net absorption of 43,200 square feet.
- Reported vacancy rates decreased in the industrial, office, medical office, office/retail, retail, warehouse, retail/warehouse, and office/warehouse submarkets, and lab remained the same in the first half of 2017.
- Average reported lease rates in Springdale showed a large increase of $1.36 in the Class C retail submarket, modest increases in all office, office/retail, office/warehouse, and retail/warehouse submarkets, while Class B retail and warehouse submarkets (partially due to reclassification of space) show declines, with all other lease rates remaining relatively stable from the second half of 2016 to the first half of 2017.



Springdale Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Lab	--	5,224	5,224	100.0%	0	0	0	--
Industrial	$4.91 - $5.76	763,039	296,069	38.8%	20,000	0	20,000	88.8
Office	$12.27 - $13.00	945,472	77,262	8.2%	16,114	8,893	7,221	64.2
Class A	$20.01 - $20.51	104,394	4,076	3.9%	4,817	8,893	-4,076	--
Class B	$12.33 - $13.49	382,914	24,610	6.4%	1,997	0	1,997	73.9
Class C	$9.245 - $9.89	153,221	9,430	6.2%	3,500	0	3,500	16.2
Medical	$13.88 - $14.19	304,943	39,146	12.8%	5,800	0	5,800	40.5
Office/Retail	$10.07 - $11.34	497,585	44,456	8.9%	10,484	0	10,484	25.4
Class A	--	--	--	--	--	--	--	--
Class B	$12.23 - $13.60	226,956	17,282	7.6%	12,234	0	12,234	8.5
Class C	$8.53 - $9.72	270,629	27,174	10.0%	-1,750	0	-1,750	--
Office/Warehouse	$5.44 - $6.79	1,571,684	59,575	3.8%	43,200	0	43,200	8.3
Retail	$26.00 - $26.00	1,609,842	207,223	12.9%	24,017	8,000	16,017	77.6
Class A	$11.24 - $11.91	8,000	8,000	--	0	8,000	-8,000	--
Class B	$13.38 - $13.82	1,019,873	124,292	12.2%	5,872	0	5,872	127.0
Class C	$9.03 - $9.90	950,215	26,000	2.7%	0	0	0	--
Retail/Warehouse	$6.12 - $6.66	497,556	96,402	19.4%	25,326	0	25,326	22.8
Warehouse	$3.56 - $3.84	2,504,452	44,704	1.8%	75,300	0	75,300	3.6
Class A	$3.42 - $4.25	325,200	0		0	0	0	--
Class B	$3.23 - $3.69	1,229,037	18,704		75,300	0	75,300	1.5
Class C	$3.76 - $3.91	950,215	26,000		0	0	0	--

Springdale

Downtown Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 312,452 square feet of office, office/retail, and retail space in downtown Springdale in the first half of 2017.
- There were no new square feet of commercial property added to downtown Springdale in the first half of 2017.
- There was a negative net absorption of 2,500 square feet in the office market in downtown Springdale in the first half of 2017. The office space in downtown Springdale had an average vacancy rate of 10.0 percent, higher than the 0.8 percent in the second half of 2016. The rate was higher than the overall Springdale average office vacancy rate of 8.2 percent.
- With no net absorption, 9.0 percent of all reported office/retail space was available in downtown Springdale. This compares to 8.9 percent vacancy rate for all of Springdale.
- Retail space in downtown Springdale had a negative net absorption of 5,216 square feet in the first half of 2017. The vacancy rate increased to 10.0 percent from the 1.8 percent in the second half of 2016, and was lower than the average retail vacancy rate for all of Springdale at 12.9 percent in the first half of 2017.
- Average reported lease rates for downtown Springdale increased in all submarkets in the first half of 2017.

West Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 725,355 square feet of office, office/retail, and retail space in West Springdale in the first half of 2017. There were 16,893 new square feet of retail space added to West Springdale in the first half of 2017.
- The office space in West Springdale had a negative net absorption of 5,616 square feet in the first half of 2017. The vacancy rate was 6.8 percent which was lower than the city average office vacancy rate of 8.2 percent.
- The office/retail submarket had a positive net absorption of 2,450 square feet in the first half of 2017. The vacancy rate in West Springdale was 14.2 percent in the first half of 2017, a decrease of 4.4 percentage points from the second half of 2016. The rate was above the overall city average office/retail vacancy rate of 8.9 percent.
- The retail vacancy rate for West Springdale properties increased by 2.5 percentage points to 7.9 percent in the first half of 2017, as there was negative net absorption of 13,500 square feet. The rate was below the city average retail vacancy rate of 12.9 percent.
- Average reported lease rates for WestSpringe increased in the office and retail submarkets while remained relatively unchanged in the office/retail submarket in the first half of 2017.

Downtown Springdale Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$9.56 - $10.70	215,180	4,150	10	-2,500	0	-2,500	--
Office/Retail	$8.75 - $11.50	4,854	3,732	9	0	0	0	--
Retail	$10.13 - $12.13	92,418	8,716	10	-5,216	0	-5,216	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

West Springdale Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$15.80 - $16.25	133,201	9,116	6.8%	3,277	8,893	-5,616	--
Office/Retail	$13.75 - $14.25	55,550	7,890	14.2%	2,450	0	2,450	19.3
Retail	$12.80 - $13.20	536,604	42,210	7.9%	-5,500	8,000	-13,500	--

[1]From all 1H 2017 respondents
[2]From 1H 2017 respondents who were also 2H 2016 respondents

Interpretation

The methodology that is used to produce the Skyline report has been designed to elicit the most useful, comprehensive, and up-to-date information available about the Northwest Arkansas commercial real estate market. Data comes from three primary sources that complement one another. Each source, however, has limitations, and as such, results should be compared and interpreted carefully.

The first level of data that the Skyline report contains comes directly from the offices of the Washington and Benton County Assessors. The Benton County Assessor Office uses Apprentice Information Systems as the subcontractor to handle data requests. On a semi-annual basis, Center for Business and Economic Research staff members acquire databases containing listings of all real estate parcels within each county. The information contained in these databases is sorted by type and by size. In order to determine the population of commercial properties of interest, properties that do not meet the following minimum criteria are eliminated from consideration:

Banks: 20,000 square feet
Department Stores: 20,000 square feet
Discount Stores: 20,000 square feet
Industrial Buildings: 20,000 square feet
Markets: 20,000 square feet
Office Buildings: 5,000 square feet
Medical Office Buildings: 5,000 square feet
Retail Buildings: 10,000 square feet
Community Shopping Centers: 5,000 square feet
Neighborhood Shopping Centers: 5,000 square feet
Warehouses: 20,000 square feet

Next, properties are individually examined to determine if they are part of the competitive commercial property market. Owner-occupied and other dedicated spaces are eliminated from the base of properties that the Skyline Report examines.

The second source of data that helps comprise the Skyline Report is building permit reports from the cities of Northwest Arkansas. Each city has its own reporting requirements for building permits, which makes in-depth comparisons on a city-by-city basis impossible. Bentonville and Fayetteville have the most comprehensive building permits, which include information on the square footage of buildings and their uses in addition to the value of the permit and identifying characteristics of the property. The other cities in Northwest Arkansas only report the building address, contractor name, and value of the permit. In general, property owner or developer names are not included on building permits in Northwest Arkansas. Building permits also do not provide any sense of the estimated time of completion of a project or availability for leasing.

The third source of data for the Skyline report is a panel of large commercial property owners and managers. These individuals are responsible for the bulk of the competitive commercial properties in Northwest Arkansas. The Center for Business and Economic Research staff gather information on square footage available to the market, lease rates, and other property characteristics from the panelists. In the first half of 2017, 256 panelists provided data on 1,905 competitive properties across Benton and Washington Counties. Data are excluded for owner-occupied and dedicated spaces so that the total square feet, available square feet, and lease rates represent only a sample from properties that are currently or potentially available for lease. Vacancy rates are calculated from the sample of 1,905 properties and are assumed to be representative of the larger competitive commercial property market.

The panel participants vary somewhat from report to report as new contributors are added and as previous contributors fail to respond for new requests for information. Time trend analysis is dependent on having a consistent base of information so that apples-to-apples comparisons can be made. Absorption rates are only calculated for properties that are part of a matched sub-sample—that is, there must have been information received about a particular property in both recent reporting periods for the number to be included in the calculated property absorption rates. The one exception to this rule is for new properties that are completed and come online for leasing in the most recent half year.

In order to supplement the information that is directly received from the panelists, Center researchers also depend on business publications, public websites, and MLS data.

Classification

In order to compare similar spaces, the Center for Business and Economic Research has developed a classification system for office, office/retail, retail spaces and warehouses. These classes rate the quality of each building in terms of the following criteria: age, quality of construction, location, and included amenities.

Class A space represents the most prestigious buildings available in the Northwest Arkansas market. These spaces are new or newly renovated, made of the best quality materials, with brick, masonry, or glass exteriors. Class A buildings are located in highly accessible locations with easy access to major clients or customers.

Class B space includes buildings that compete for a wide range of uses, including much of the Walmart vendor community. These spaces have average range rents. The buildings are attractive, but not necessarily brand new, and have a lower level of material quality than Class A buildings. Many amenities are not included in the base lease price of Class B buildings.

Class C space is adequate for users that require functional space for their businesses, but not above average locations, materials, or amenities. These buildings are often older and have lease rates that are below average.