



THE SKYLINE REPORT

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First Half of 2019 August 2019

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Commercial Real Estate Market Summary for Benton and Washington Counties

This report is the fortieth 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 2019

- In the first half of 2019, there was 472,451 square feet of positive absorption, while 371,243 new square feet were added, leading to net positive absorption of 101,208 square feet in the Northwest Arkansas market and an overall vacancy rate of 11.0 percent, up from 10.9 percent in the second half of 2018.
- 107,766 new square feet were added in the office submarket, while 110,618 square feet were absorbed, leading to net positive absorption of 2,852 square feet in the first half of 2019. The office vacancy rate increased to 8.6 percent from 8.4 percent in the second half of 2018.
- Within the retail submarket, there was overall positive absorption of 166,322 square feet, while 67,692 new square feet entered the market, leading to positive net absorption of 98,630 square feet. The retail vacancy rate decreased to 10.8 percent in the first half of 2019 from 11.5 percent in the second half of 2018.
- The warehouse submarket had overall positive absorption of 108,826 square feet, while 131,673 new square feet were added. In the first half of 2019, leading to a negative net absorption of 22,847 square feet. The Northwest Arkansas warehouse vacancy rate increased from 9.9 percent in the second half of 2018 to 10.3 percent in the first half of 2019.
- In the office/retail submarket, there was net positive absorption of 26,970 square feet, while 3,850 new square feet of office/retail space entered the market in the first half of 2019. The vacancy rate remained at 10.9 percent from the second half of 2018 to the first half of 2019.
- From January 1 to June 30 2019, there were \$166,399,515 in commercial building permits issued in Northwest Arkansas. In comparison, there were \$169,794,659 in permits issued in the second half of 2018.

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. During this report period a major reclassification of space occurred, which impacts the quantity of A,B, and C space, as well as lease rates in each submarket. 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. Continuing in the first half of 2019, the city of Johnson and office/warehouse, retail/warehouse, and warehouse space in Tontitown, which was integrated into Springdale, were added.

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 2019 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 237 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 and second half of 2018, and the first half of 2019. 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, Johnson, 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 macro economy.

Gross Domestic Product

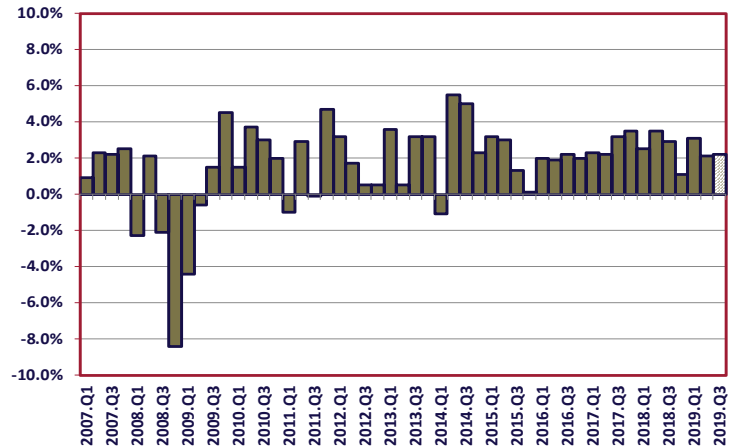
In the second quarter of 2019, real GDP increased by 2.1 percent according to advance estimates released by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). Real GDP increased by 3.1 percent in the first quarter of 2019. The increase in real GDP in the second quarter reflected positive contributions from personal consumption expenditures (PCE), federal government spending, and state and local government spending that were partly offset by negative contributions from private inventory investment, exports, nonresidential fixed investment and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased. The deceleration in real GDP in the second quarter reflected downturns in inventory investment, exports, and nonresidential fixed investment. These downturns were partly offset by accelerations in PCE and federal government spending.

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 264,200 in June 2019, up 3.2 percent from June 2018. According to the U.S. Bureau of Labor Statistics (BLS), the unemployment rate in Northwest Arkansas was at 2.6 percent in June 2019, lower than the 3.0 percent unemployment rate in June 2018. 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 (3.6 percent) and national (3.8 percent) unadjusted rates.

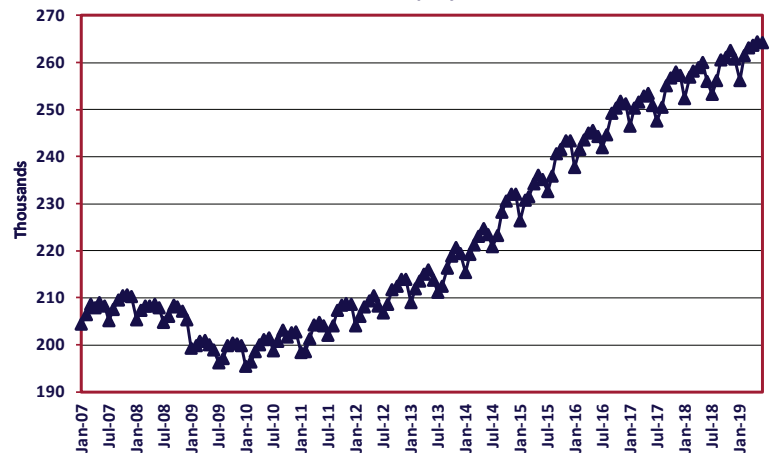
With the purpose of exploring more closely the composition of job growth in Northwest Arkansas, two additional figures (on the previous page) are provided. The first shows the June 2019

Real U.S. Gross Domestic Product Growth Rate



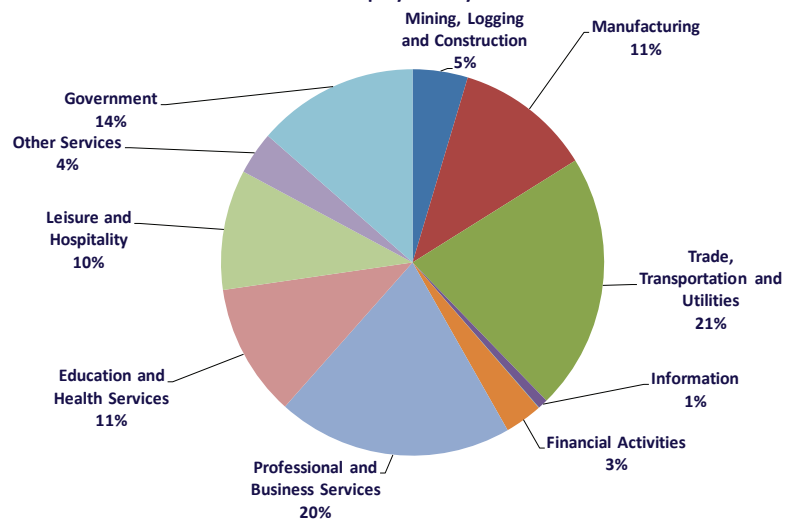
Source: U.S. Commerce Department, Bureau of Economic Analysis, June 2019 NABE Outlook

Fayetteville-Springdale-Rogers MSA Non-Farm Employment



Source: Bureau of Labor Statistics

Northwest Arkansas Employment by Sector - June 2019

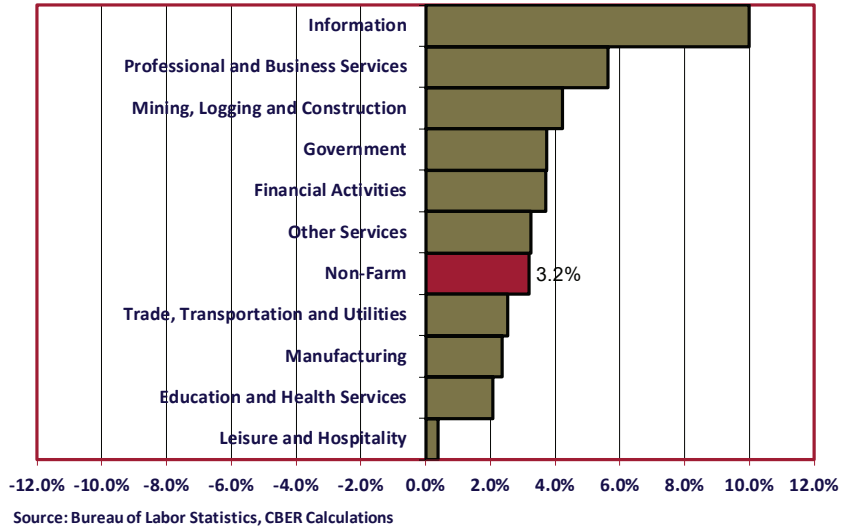


Source: Bureau of Labor Statistics

Economic Overview

Fayetteville-Springdale-Rogers MSA employment breakdown by sector. As the pie chart shows, trade, transportation, and utilities had the largest share of employment (21 percent) in Northwest Arkansas followed by professional and business services (20 percent), government (14 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 2018 to June 2019. Total nonfarm employment increased by 3.2 percent during that time. Employment in information, professional and business services, construction, government, financial activities and other services sectors grew more quickly than 3.2 percent. The trade, transportation and utilities sector, manufacturing, education and health services, and leisure and hospitality sectors grew slower than 3.2 percent.

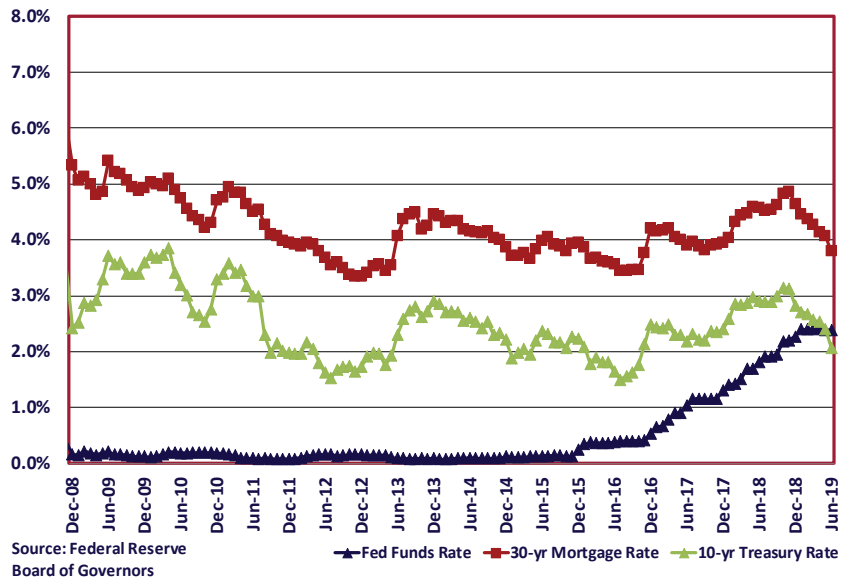
Change in Northwest Arkansas MSA Employment by Sector, June 2018 - June 2019



Interest Rates

The Federal Funds rate averaged 2.38 percent in June 2019. The ten-year constant maturity Treasury bill had an interest rate of 2.07 percent in June 2019, down from 2.91 percent in June 2018. The positive spread between the ten-year rate and the federal funds rate has disappeared from a year ago and the spread has turned negative. The Federal Reserve Open Market Committee decided to decrease the target range for the federal funds rate from 2.25 to 2.00 percent. The Committee holds that sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective are the most likely outcomes of their decision. The accompanying figure shows the Federal Funds rate and the thirty-year mortgage rate since December 2008. The 30-year mortgage rate was 3.80 percent in June 2019.

Selected Interest Rates



Local Perceptions

Local Perceptions of the Northwest Arkansas Commercial Property Market

In each reporting period, Center for Business and Economic Research staff members discuss market conditions with some commercial developers and/or property managers to gain insights into the current commercial real estate market in Benton and Washington counties. In the first half of 2019 the overall mood remained very positive. The building of the new Walmart Campus, infrastructure, and reclassification of space in A, B, and C categories were major discussion topics with the respondents. In addition to discussing demand and supply issues, the major concern this report period was that construction costs would increase for the foreseeable future. Walmart's announcement of a timeline and initial plans for the new Home Office campus was a dominant topic in discussions. The panelists universally expressed very positive thoughts about the impact of the new campus for the future of Northwest Arkansas. They feel it will lead to synergistic growth with new companies coming to Northwest Arkansas and more talent being attracted and retained in Northwest Arkansas. Talent retention in Northwest Arkansas was always mentioned in conjunction with comments about the Walton, Hunt, and Tyson Families investing in amenities such as trails, downtowns, arts, education, and hospitality. Respondents also feel that Walmart's investment in new high end space will spur other Fortune 500 firms to upgrade their own space in the region as well as continue to lead to more new Class A office construction. Several panelists said they either know for certain or believe many developers will push development plans ahead to avoid competition with the Walmart Home Office for scarce construction resources. Most respondents feel that demand is strong enough to absorb Class A office space that is currently under construction or will be

in the next year. However, a few of the respondents think the market for Class A space is going to be overbuilt because of this trend to build sooner, and it will take a few more years to absorb this coming space.

Panelists also discussed the approximately 500,000 square feet of space that Walmart is leasing in preparation for moving its employees from the old to the new Home Office campus. Currently, respondents feel very positive about all the leasing as it creates demand and leads to opportunities for new construction, but there are concerns about what will happen in 5 to 7 years when the new Walmart campus is completed. Only a few panelists feel Walmart will continue the leases, while more panelists are worried about a potential glut at that time. However, a couple of respondents downplayed concerns of a glut because much of the space is converted warehouse space that can go back to warehouse, therefore avoiding an oversupply in the office market.

The construction of the Home office also raised potential concerns. Several panelists said the demolition and infrastructure phase of the Home Office construction would severely tighten the availability of contractors and labor for other construction projects, since there are only a few firms who do dirt work. Several respondents were concerned that there will be an extreme shortage in the local construction labor force when vertical construction begins. However, some think this potential shortage will be mitigated by Walmart hiring contractors and construction workers as Northwest Arkansas does not have a deep enough labor pool for the scale of construction. Also, it was suggested that local firms will not devote all their resources to Walmart due to long term relationships with local developers that they do not want to jeopardize. Another consideration was housing for all the temporary workers and many respondents see a potential bump in the hospitality and short term rental markets.

Concerns about infrastructure issues in both small and large cities were brought up by panelists. As expected, developers of outlying residential communities are facing high infrastructure costs of bringing sewer, water, gas, and electricity lines. However, panelists pointed out that many cities are demanding higher fees and more costs being born by the developers than in the past. Some of these panelists pointed out that these additional infrastructure costs were a contributing factor in making it harder to build affordable work force housing. Panelists pointed out that it is more expensive to build in cities with septic and step-septic systems because lots have to be larger also cannot accommodate the same density as a waste treatment sewer system. However, some stakeholders in those communities might prefer the limitations on development that come with having only septic waste systems. Highfill and Farmington were highlighted as smaller cities that are being very proactive with sewer and water infrastructure in anticipation of further residential development.

Commercial builders also discussed infrastructure issues such as cities demanding higher fees and that more of the initial costs be borne by the developers, even if the cities eventually own the newly constructed infrastructure. Many commercial respondents said they were not yet running into any water or sewer capacity issues or lack of gas and electricity, at this time. However, some of the recent infrastructure issues include: three water capacity issues in Pinnacle, one of which cost over \$250,000, water capacity issue in Lowell that also cost over \$250,000, and the Walmart Home Office campus needing to increase water and sewer main line capacity. The consensus is that developers will need to pay close attention to the infrastructure needs of their projects even in well developed areas such as Pinnacle. In the first half of 2019 CBER staff undertook the second major reclassification of A, B, and C space since the inception of the Skyline Report in 2004, with panelists who

Local Perceptions

are experts in the field. Panelists suggested that CBER researchers consider Northwest Arkansas as a single market, not as separate cities when classifying space. They also felt that there was far too much space classified as A space in all of the classed submarkets: office, office/retail, retail, and warehouse and suggested A office space characteristics include building quality, usually multiple stories, effective age, amenities of which adequate parking is the most important followed by walkability to restaurants, and then general location. With respect to retail space the panelists were very much in agreement that location, traffic, and demand by national and credit worthy tenants drives classification. For example, panelists agreed that the Northwest Arkansas Mall was no longer A retail space, but said if there was successful leasing of the Sears building post sale, and interior space, the Mall can be Class A again. Panelists were unanimous in suggesting that there is no Class A retail in Springdale or Siloam Springs due to overall demand factors and lack of national tenants when comparing those locations to areas such as Pinnacle and Pleasant Crossing in Rogers, and the Spring Creek area in Fayetteville. There was a strong consensus that stand alone high lease rate buildings are not Class A since they are not destination retail locations with car traffic. Most panelists agree that Class A warehouse space needs to be tilt concrete or metal buildings with ESFR sprinkler systems, at least 24 feet of racking space, multiple loading docks, and a small, nice office. Multifamily construction raised some concerns among panelists as there are still thousands of units in the pipeline, but the respondents who specialize in multifamily construction feel that demand remains strong and projects currently under construction, or close to breaking ground will continue to have healthy absorption rates. There was some concern expressed for projects following the Pinnacle Heights development, in the Pinnacle area, as well as

projects in west Bentonville and Centerton, as well as in the student housing market in Fayetteville with the addition of The Avenue and Cottages at Hollywood. New construction Class B office space is seeing a resurgence as panelists point out the growing lease price differential, \$5 to \$8 a square foot, between new Class B and new Class A office space. Venture Park on the border of Bentonville and Rogers and the new Vantage development in Fayetteville are examples. The high costs of construction for the foreseeable future is the single greatest worry panelists have looking into the future. Higher costs translate into higher lease rates and panelists worry that absorption might be affected in the future. Finding ways to build a more substantial skilled trade labor force is one thing panelists are hoping for from the educational sector in the state. Trade and tariff concerns were the major national concern mentioned by panelists that poses a threat to future economic growth. The consensus remains that a potential downturn will be relatively mild especially compared to the Great Recession.

The overall tone of the conversations remained positive as respondents foresee continuing growth opportunities in Northwest Arkansas. Respondents remain excited about the expansion of the trail system and bike infrastructure connecting Northwest Arkansas, the rapidly growing mountain bike trails, as well as other regional amenities including a growing fine dining scene, new ethnic restaurants, additional entertainment venues like Top Golf complementing the AMP, and various climbing and trampoline facilities. As always respondents mentioned that a strong sense of stability in the region was provided by the major economic drivers like, Walmart and the retail sector, the University of Arkansas and the education sector, J. B. Hunt, and the transportation sector, and Tyson Foods and the food industry sector.

Positive Factors:

- Continued population growth in the MSA.
- Construction of the new Walmart Home Office.
- Growth of existing businesses creating demand for new Class A office space.
- Growth in the healthcare sector creating demand for new Medical Office space.
- Development of mixed use live-work-play communities.
- Leveraging the trail system as a selling point for commercial space.
- Continuing creation of amenities in Northwest Arkansas.
- Increasing attention to the MSA by national investors.
- Continuing media coverage of Northwest Arkansas as a good place to work and live.

Negative Factors

- Increased construction costs and skilled labor shortage.
- Impact of Walmart Home Office on construction costs.
- Lease rate increases outpacing small firm's ability to pay.
- Potential overbuilding of Class A office by the beginning of 2020.
- Shift to work stations leading to less office demand.
- Overhang of existing class B and C retail space.
- Overbuilding of the student housing market around the University of Arkansas.
- Possible overbuilding of nonstudent multifamily housing in Benton County.
- Infrastructure costs.
- Overbuilding of the student housing market around the University of Arkansas.
- Possible overbuilding of nonstudent multifamily housing in Benton County.
- Infrastructure costs.

Inventory and Building Permits

Categories of Commercial Properties

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

Lab – a workplace for conducting scientific research;

Industrial—space that is appropriate for the manufacturing of goods;

Office—space where business professionals work;

Office/Retail—space that can be configured as either office or retail space or both;

Office/Warehouse—space that can be configured as either office or warehouse space or both;

Retail—space where goods and services can be offered and sold to the public;

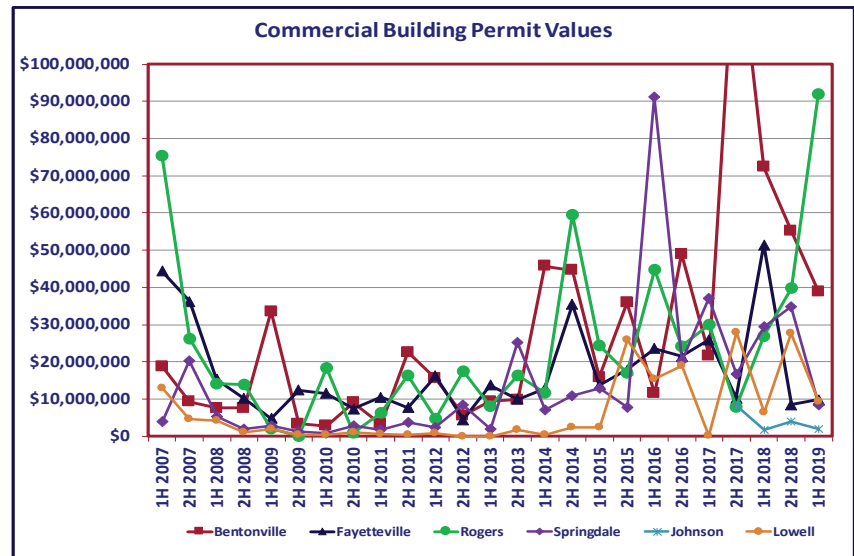
Retail/Warehouse—space where goods and services can be offered, sold, and stored;

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 sub-average 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, 2019. For the first half of 2019, the Skyline Report covered 99.6 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 seven 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, 2019, there were just \$166.4 million in commercial building permits issued in seven major cities in Northwest Arkansas, Bentonville, Fayetteville, Johnson, Lowell, Rogers, Siloam Springs, and Springdale. In the first quarter of 2019, just under \$89.7 million in commercial building permits were issued.

In the second quarter, just over \$76.7 million in building permits were issued. In the first half of 2019, Rogers had the greatest share of building permits with 55.3 percent. Bentonville followed with 23.4 percent, then Fayetteville with 5.9 percent, and Lowell with 5.5 percent. Springdale, Siloam Springs, and Johnson accounted for 5.0, 3.7, and 1.2 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. 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

Inventory

the developer still feels the project is viable, but there are many uncertainties regarding funding, leasing, timing, etc., which results in an undetermined 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 2019, there were 6,371 standard rooms and 2,442 suites in Northwest Ar-

kansas. 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 continue to feel that Northwest Arkansas

can slowly absorb few more 100 - 200 bed hotels, in the proper locations, but the market is still 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	4,328,497	1,150,913	2,219,352	7,730,062	7,771,630	100.5%
Fayetteville	1,076,079	3,460,732	4,386,820	2,293,086	11,216,717	11,111,222	99.1%
Johnson	--	316,424	115,189	106,164	537,777	535,698	99.6%
Lowell	101,970	352,742	172,208	1,368,298	1,995,218	2,026,871	101.6%
Rogers	1,088,888	3,169,587	4,504,045	2,940,016	11,702,536	11,892,944	101.6%
Siloam Springs	329,942	210,261	727,832	340,615	1,608,650	1,576,411	98.0%
Springdale	1,902,597	1,559,054	2,361,580	4,517,347	10,340,578	10,069,234	97.4%
Northwest Arkansas	4,530,776	13,527,221	13,661,187	13,875,842	45,595,026	45,410,633	99.6%

¹Source: 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 56 of this report.

²Source: Panel of 237 large Northwest Arkansas commercial property owners and managers.



Building Permits

Commercial Building Permit Data by City

	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2004	\$33,688,757	\$6,895,991		\$10,438,139	\$22,223,774	\$2,181,393	\$7,565,477	\$82,993,531
1H 2005	\$11,815,506	\$34,051,900		\$1,980,789	\$56,706,466	\$1,313,700	\$18,083,357	\$123,951,718
2H 2005	\$81,880,093	\$9,953,983		\$4,942,568	\$110,678,804	\$350,000	\$18,982,434	\$226,787,882
1H 2006	\$47,697,359	\$42,111,014		\$13,283,454	\$80,719,664	\$3,815,000	\$14,474,460	\$202,100,951
2H 2006	\$23,419,099	\$28,869,112		\$2,303,434	\$34,626,003	\$6,428,000	\$25,663,800	\$121,309,448
1H 2007	\$18,808,415	\$44,369,814		\$12,986,414	\$75,370,463	\$3,044,500	\$3,960,747	\$158,540,353
2H 2007	\$9,270,206	\$36,232,709		\$4,504,202	\$26,201,547	\$2,575,178	\$20,375,131	\$99,158,973
1H 2008	\$7,553,153	\$15,277,888		\$4,075,075	\$14,174,030	\$3,200,000	\$5,365,823	\$49,645,969
2H 2008	\$7,598,329	\$10,137,283		\$1,019,000	\$13,991,275	\$1,006,596	\$1,861,390	\$35,613,873
1H 2009	\$33,515,745	\$4,772,611		\$1,816,498	\$2,045,000	\$400,000	\$2,790,524	\$45,340,378
2H 2009	\$3,336,498	\$12,409,242		\$330,803	\$77,000	\$594,711	\$1,177,388	\$17,925,642
1H 2010	\$2,766,890	\$11,450,334		\$355,505	\$18,279,147	\$1,296,000	\$798,774	\$34,946,650
2H 2010	\$9,061,421	\$7,303,046		\$941,017	\$958,000	\$6,005,000	\$2,791,196	\$27,059,680
1H 2011	\$3,242,390	\$10,467,426		\$588,289	\$6,230,536	\$22,997,000	\$1,803,778	\$45,329,419
2H 2011	\$22,539,624	\$7,670,954		\$404,493	\$16,450,594	\$500,000	\$3,784,736	\$51,350,401
1H 2012	\$15,513,297	\$16,172,483		\$709,949	\$4,729,000	\$0	\$2,373,879	\$39,498,608
2H 2012	\$5,548,940	\$4,490,596		\$0	\$17,500,885	\$3,878,115	\$8,500,567	\$41,003,802
1H 2013	\$9,413,479	\$13,721,837		\$0	\$8,053,072	\$2,165,090	\$1,932,102	\$35,285,580
2H 2013	\$9,761,846	\$9,870,021		\$1,662,604	\$16,460,247	\$0	\$25,198,394	\$62,953,112
1H 2014	\$45,696,890	\$12,814,157		\$299,768	\$11,565,338	\$700,000	\$7,094,799	\$78,170,952
2H 2014	\$44,590,848	\$35,460,764		\$2,318,330	\$59,636,677	\$718,450	\$10,768,146	\$153,493,215
1H 2015	\$15,836,919	\$13,708,267		\$2,437,861	\$24,350,596	\$6,095,000	\$12,775,373	\$75,204,016
2H 2015	\$35,900,580	\$17,896,238		\$25,862,860	\$17,119,143	\$8,333,878	\$7,687,375	\$112,800,074
1H 2016	\$11,468,554	\$23,593,197		\$15,271,255	\$44,678,795	\$20,222,189	\$91,251,395	\$206,485,385
2H 2016	\$49,024,427	\$21,448,817		\$18,919,904	\$24,284,830	\$3,339,470	\$20,229,719	\$137,247,167
1H 2017	\$21,640,501	\$25,886,133		\$84,000	\$30,057,027	\$1,988,141	\$37,156,422	\$116,812,224
2H 2017	\$138,360,495	\$10,228,463	\$8,073,170	\$27,871,066	\$7,774,327	\$3,275,935	\$16,601,415	\$212,184,871
1H 2018	\$72,307,096	\$51,400,262	\$1,605,452	\$6,430,700	\$26,981,881	\$1,934,066	\$29,449,799	\$190,109,255
2H 2018	\$55,161,056	\$8,507,982	\$3,873,492	\$27,580,755	\$39,814,429	\$39,080	\$34,817,865	\$169,794,659
1H 2019	\$38,912,450	\$9,798,461	\$1,956,100	\$9,227,306	\$92,084,379	\$6,074,608	\$8,346,211	\$166,399,515

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
Sisters of Mercy Multispecialty Clinic	Bella Vista	Sisters Of Mercy Health Systems	Medical		Conceptual
Boat Storage Buildings	Benton Cty	Robert and Travis Pennington	Warehouse	8,400	Conceptual
Tufco Warehouse	Benton Cty	Tufco	Warehouse	20,000	Conceptual
14th Street Commercial Building	Bentonville	Flake-Kelley	Commercial	4,500	Conceptual
305 Main Street	Bentonville	Chip Chambers	Office	15,000	Conceptual
319 S Walton	Bentonville	Randy Crossno	Office	15,115	Conceptual
8777 Airport Road Retail	Bentonville	Flake-Kelley	Retail	13,322	Conceptual
Ankle & Foot Center of Mid-America	Bentonville	Ankle & Foot Ctr of Mid-America	Medical Office	4,000	Conceptual
Arvest Bank Uptown Village	Bentonville	Arvest Bank	Bank		Conceptual
Aspen Park	Bentonville		Commercial	87,893	Conceptual
Beau Chene Crossing	Bentonville	Sage Partners	Office	54,000	Conceptual
Benton County Courthouse	Bentonville	Benton County	Court House	86,000	Conceptual
Bentonville Brewing Co	Bentonville	Ropeswing; Katie Boykin	Commercial	21,600	Late 2019
Bentonville Emergency Call Center	Bentonville	City of Bentonville	Office	23,300	Done
Bentonville Flight Center	Bentonville	Municipal Airport	Commercial		Conceptual
Bentonville Merchant North-Central	Bentonville		Office		Conceptual
Bentonville Merchant South-Central	Bentonville		Office		Conceptual
Best Joy Office on J	Bentonville	Best Joy LLC	Office	7,000	Conceptual
Blake Street House	Bentonville	RopeSwing	Social Club	18,400	Summer 2019
BOS Park Self Storage	Bentonville	D Duncan, J Lykins, C Palmer	Commercial	104,200	Conceptual
Burckart Office Building	Bentonville	Bill Burckart	Office		Conceptual
Cadence Group-Central	Bentonville	Cadence Group	Office		Conceptual
Celebration Plaza	Bentonville		Commercial		Done
Childrens Academy on I St.	Bentonville		School		Conceptual
City U	Bentonville	Bentonville Housing, LLC	Commercial	5,000	Conceptual
Convention Center	Bentonville	Brian Bahr	Convention Center	75,000	Conceptual
Crossmar Supplier Park III	Bentonville	Cross Mar and Glass Investments	Warehouse	175,000	Late 2019
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, Phase I	Bentonville	Cindy Springs, LLC	Commercial	15,382	Late 2019
District at SW 4th and C	Bentonville		Commercial		Conceptual
Elevator Building on 3rd Street	Bentonville	Flake-Kelley	Office	12,000	Conceptual
EMC Building	Bentonville	Emergent Property Management	Office/Retail	5,000	Conceptual
First Security Bank-Downtown	Bentonville	First Security Bank	Commercial	9,716	Fall 2019
Fountain Plaza Office II	Bentonville	Jeannie Fleeman	Office	12,500	Fall 2019
Generations Bank	Bentonville	Jon Harrell	Bank	12,000	Late 2019
Helen R. Walton Childrens Center	Bentonville	Helen R. Walton Childrens Center	Education	43,700	Done
Hogwild Development	Bentonville	Hogwild	Commercial		Conceptual
Hwy 72 Warehouse	Bentonville	Matt Ahart, NAI Capstone	Office/Warehouse	30,000	Conceptual
J3 Phase II	Bentonville	SREG	Commercial	100,000	Conceptual
KCG BV Veterinary Clinic	Bentonville	KCG BV LLC, Kelsey Kreher	Medical Office		Conceptual
Lamplighter Dev-The Ellington	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	30,000	Late 2019
Lamplighter Dev-The Hancock	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial		Conceptual
Lamplighter Dev-The Marsalis	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	15,000	Done
Little Life Lessons Academy	Bentonville		Daycare		Conceptual
Live/Work Artist Space	Bentonville	Walton Family Foundation	Commercial		Conceptual
Macadoodles Plaza II	Bentonville	Roger Gilhaus	Office	16,500	Conceptual
Main Street Office	Bentonville	Sage Partners	Office	18,000	Late 2019
Municipal Drive Warehouse	Bentonville	Matt Ahart, NAI Capstone	Office/Warehouse	36,046	Conceptual
North Walton Development	Bentonville	Rich Grubbs	Retail	3,420	Delayed

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
North Walton Development II	Bentonville	Rich Grubbs	Retail	2,697	Delayed
North Walton Development III	Bentonville	Rich Grubbs	Retail	3,489	Delayed
NWAAC Building	Bentonville	NWACC	School	16,000	Conceptual
Old Walmart Home Office	Bentonville	Walmart	Commercial		Conceptual
Pioneer Woman Office	Bentonville	Dean Eisma	Commercial	8,000	Conceptual
Public Works Building	Bentonville	City of Bentonville	Office	4,000	2019
ROC Offices, Building I	Bentonville	Crossmar Investments	Office	48,600	Fall 2019
ROC Offices, Building III	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Building IV	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Building V	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Building II	Bentonville	Crossmar Investments	Office	48,600	Fall 2019
Rose Properties	Bentonville	Larry Rose	Commercial		Conceptual
Sam's Club Childcare Center	Bentonville	WalMart Stores Inc	Daycare	17,500	Fall 2019
SDI Realty Retail Development	Bentonville	SDI Realty	Retail	6,500	Conceptual
Shelley Parson Insurance	Bentonville		Office		Conceptual
Simpson Office building	Bentonville	Chance Simpson	Office	21,000	Conceptual
Stagecoach Road Strip Center	Bentonville		Office/Retail	9,000	Conceptual
Suite Spaces Development	Bentonville	William Oldham	Commercial	10,000	Conceptual
Superior Auto Group Dealership	Bentonville	David Slone	Commercial		Conceptual
SW Elm Tree Road Development	Bentonville				Conceptual
Tar & DOK	Bentonville		Commercial		Conceptual
The Incubator Phase I	Bentonville	Terry Carson	Commercial	94,250	Conceptual
The Incubator Phase II	Bentonville	Terry Carson	Commercial	51,550	Conceptual
Valvoline Project	Bentonville	Valvoline			Late 2019
Verneti Law Group Office-Central	Bentonville	Verneti Law Group	Office		Conceptual
Versalab Offices	Bentonville		Office		Conceptual
Vogel Commercial Development	Bentonville	Ross and Steve Vogel	Commercial	38,000	Conceptual
Walmart Headquarters	Bentonville	Walmart	Office		2024-26
Weworks Office Building	Bentonville	Josh Kyles	Mixed Use	200,000	Late 2020
Willow Crossing I	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Willow Crossing II	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Elevate Elite Sports Training Academy	Farmington	Clarice and Manuel Whitmore	Gym		Conceptual
Animal Hospital	Fayetteville		Medical	10,250	Conceptual
Anthony Timberlands Ctr for Design	Fayetteville	University of Arkansas	School	50,000	Conceptual
Ar-Canna Complex	Fayetteville	Brian Faught	Commercial	35,000	Conceptual
Black Forest Retail	Fayetteville	Clinton Bennett	Retail	17,301	Conceptual
Bolder Coffee Retail Development	Fayetteville	Tom Smith	Retail	5,075	Fall 2019
Cancer Support Home	Fayetteville	WRMC	Medical		Conceptual
Christian Brothers Automotive	Fayetteville	Christian Brothers	Retail		Done
Climb Fayetteville	Fayetteville	L Brock, D Nelms, D Sloss	Retail	19,000	Delayed
Cosmic Cowboy Studio	Fayetteville	Benjamin Meade	Commercial		Conceptual
Flake-Kelley Office Building	Fayetteville	Matt Dearnley	Office	60,000	Conceptual
Fossil Cove Building	Fayetteville	Ben Mills	Commercial	7,500	Conceptual
Hillcrest Towers Commercial	Fayetteville	Fayetteville Housing Authority	Commercial		Conceptual
Huntsville Road Retail Development	Fayetteville	Clint McDonald	Retail		Conceptual
Kum and Go	Fayetteville	Kum and Go	Retail		Conceptual
Live/Work Artist Space	Fayetteville	Walton Family Foundation	Commercial		Conceptual
Markham Hill	Fayetteville	Specialized Real Estate Group	Commercial	17,000	Conceptual
Mission Heights	Fayetteville	Sage Partners	Retail	13,398	Conceptual
Northwest Health Systems ER	Fayetteville	Tyler Wilson	Medical	10,372	Fall 2019
OurPharma	Fayetteville	Dr. Peter Kohler	Manufacturing	10,000	Conceptual
Pacific Vet Group Industrial	Fayetteville	Pacific Vet Group	Manufacturing		Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Poplar and Leverett Development	Fayetteville	Taite Coates and Tommy Kilbride	Commercial		Conceptual
Presidential Conversions Office	Fayetteville	John Wilson	Office	12,000	Conceptual
Shoppes at the Bluffs	Fayetteville	Mathias Properties	Retail	46,519	Conceptual
Sims-Renner Office-Waterside	Fayetteville	Sims-Renner Insurance	Office		Conceptual
Springhouse Retail	Fayetteville	Sage Partners	Retail	14,250	Conceptual
Springhouse Village Retirement	Fayetteville	Elizabeth Link	Medical		2019
TheatreSquared Facility	Fayetteville	TheatreSquared	Commercial	51,500	June 2019
Unnamed Mathias Dev on Mission	Fayetteville	Mathias Properties	Commercial		Conceptual
Unnamed Mixed Use Development	Fayetteville	Neal Pendergraft	Commercial	450,000	Conceptual
Vantage Drive Office Park Building II	Fayetteville	D Erstine, C Bennett, Kyle Naples	Office	14,000	Conceptual
Vantage Drive Office Park Building III	Fayetteville	D Erstine, C Bennett, Kyle Naples	Office	16,000	Conceptual
Vantage Drive Office Park Buildings IV	Fayetteville	D Erstine, C Bennett, Kyle Naples	Office	16,000	Conceptual
Vantage Drive Office Park Building I	Fayetteville	D Erstine, C Bennett, Kyle Naples	Office	38,000	Fall 2019
Victory Commons	Fayetteville	Tracy Hoskins and Allied Bank	Commercial		Conceptual
Washington Regional Expansion	Fayetteville	WRMC	Medical Office	40,900	2020
Washington Regional Support Home	Fayetteville	WRMC	Commercial		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
Simmons Chicken Plant	Gentry	Simmons Prepared Foods	Industrial	315,000	Late 2019
Merchant Brands Warehouse	Gravette	Jackson Bird	Warehouse	30,000	Conceptual
Johnson Square	Johnson	W Davis, Bob Hill, Morgan Hooker	Commercial	80,000	Conceptual
Johnson Square Bld 2	Johnson	W Davis, Bob Hill, Morgan Hooker	Retail	10,500	Early 2020
KFSM-TV Office	Johnson	Kyle Naples	Office	26,500	Done
Arkie Lures	Lowell	Bob and Mary Ann Carnes	Commercial	36,000	Done
Centergate, Building I	Lowell	IDO Arkansas, R Stephens; Sage	Retail/Warehouse	84,565	Late 2019
Centergate, Building II	Lowell	IDO Arkansas, R Stephens; Sage	Retail/Warehouse	100,000	Conceptual
Central Research Inc	Lowell	Johnny and Scott Dillard	Office		Conceptual
Grant Place Flex Building	Lowell	Sumer Brandon	Commercial	12,000	Fall 2019
J.B. Hunt Office Tower III	Lowell	J.B. Hunt	Office	100,000	October 2019
J.B. Hunt Office Tower IV	Lowell	J.B. Hunt	Office	40,000	Conceptual
Lowell Historical Museum	Lowell	City of Lowell	Museum	10,000	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
TZZ Event Center	Lowell	TZZ Event Center	Commercial		Conceptual
Mercy Medical Campus	N Wash Cty	Mercy Health Systems	Medical	25,000	Conceptual
Planetarium	NWA	Katherine Auld	Museum	120,000	2020
Solve For Food Innovation Lab	NWA	Keith Larson, Greg Spragg	Lab	20,000	Conceptual
AMP Expansion	Rogers	Walton Arts Center	Event Space	15,000	2020
Animal Medical Center	Rogers	Drs D Dickey & K Fugett, H Haynes	Animal Hospital	6,000	Late 2019
Arabella of Rogers	Rogers	Abby Development	Medical	295,000	2019
Arkansas Athletics Sports Complex	Rogers	Arkansas Athletics Outreach	Sports Complex	51,600	2020
Arvest Bank - District at Pinnacle Hills	Rogers	Arvest Bank	Office	26,238	Summer 2019
Beaty Office Park II	Rogers	Lance Beaty	Office	15,000	Conceptual
Beaty Office Park III	Rogers	Lance Beaty	Office	7,500	Conceptual
Beaty Office Park IV	Rogers	Lance Beaty	Office	5,000	Conceptual
Car Wash on Eagle Way	Rogers	Boen-Kemp Construction	Retail		Done
Center Point Lot 12	Rogers	David Boener	Retail	18,385	Delayed
Discount Tire	Rogers	Discount Tire Co	Retail	8,192	Fall 2019
District at Pinnacle Hills IV	Rogers	Whisenvest	Office	44,900	Done
District at Pinnacle Hills V	Rogers	Whisenvest	Office	44,900	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
District at Pinnacle Hills VI	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills VII	Rogers	Whisenvest	Retail	25,000	Conceptual
Dollar Tree	Rogers	Matt Sitton	Retail	8,000	Winter 2019
Duluth Trading Co	Rogers	Goldie Russell	Retail	10,000	Done
Eight Centre, Phase II, Bldg 1	Rogers	Dan Dykema	Commercial	10,000	2019
Eight Centre, Phase II, Bldg 2	Rogers	Dan Dykema	Commercial	10,000	2019
Eight Centre, Phase II, Bldg 3	Rogers	Dan Dykema	Commercial	12,000	2019
Everest Rehabilitation Hospital	Rogers	Everest Rehab LLC	Medical Office	40,868	Fall 2019
Fox Trail Distillery-Promenade	Rogers	James Tinnin Jr.	Commercial	15,000	Done
Gateway Plaza	Rogers	Flake-Kelley	Commercial	39,600	Conceptual
Glide Xpress Carwash	Rogers		Commercial		Conceptual
Goddard School	Rogers	Brooks Coatney	School	8,925	Fall 2019
Harbor Frieight Tools	Rogers		Retail		Conceptual
Hudson Warehouse	Rogers	Matt Ahart, NAI Capstone	Warehouse	30,000	Conceptual
Hull Dermatology	Rogers	Hull Dermatology	Office		Conceptual
Legends Cross-fit	Rogers	John Westling	Commercial	12,000	November 2019
Legends Soccer Field	Rogers	John Westling	Commercial	27,000	November 2019
Lewis & Clark-Pinnacle	Rogers	Sage Partners	Retail		Conceptual
Life Church	Rogers	Life Church	Church	37,377	Late 2019
Live/Work Artist Space	Rogers	Walton Family Foundation	Commercial		Conceptual
Magnolia Farms Building I	Rogers	Margaret Molleston and H Haynes	Office	85,000	2019
Magnolia Farms Campus	Rogers	Margaret Molleston and H Haynes	Commercial	400,000	Conceptual
Magnolia Place Alzheimers Care	Rogers	JEA Senior Living	Medical Office	34,556	Conceptual
Med Express	Rogers		Medical		Conceptual
Mercy Hospital Patient Tower	Rogers	Mercy Health Systems	Medical	279,000	August 2019
Metal Roofing Sales	Rogers	Metal Roofing Sales	Industrial	30,400	Conceptual
Metropark Office Building III	Rogers	Hunter Haynes & Sage Partners	Commercial	25,000	Conceptual
Metropark Office Building III	Rogers	Sage Partners	Office	15,000	Conceptual
Metropark Office Building IV	Rogers	Hunter Haynes & Sage Partners	Commercial	60,000	Conceptual
Mill Creek Manor Nursing Home	Rogers		Nursing Home		Done
Nabholz Expansion	Rogers	Nabholz	Office	7,500	Conceptual
New Hope Plaza	Rogers	Tim Salmonson	Retail	23,000	Conceptual
Nolan Caddell Reynolds Office	Rogers	Nolan Caddell Reynolds	Office		Conceptual
Northern Tools + Equipment	Rogers	Whisenvest	Commercial	20,047	Fall 2019
Northgate Plaza I	Rogers	Hunt Ventures	Office	100,000	Fall 2019
Northgate Plaza II	Rogers	Hunt Ventures	Office	40,000	Fall 2019
Northwest Medical Systems Clinic	Rogers	Greg Taylor	Medical	5-10,000	Conceptual
NWA Groundservices Bld 1	Rogers	Alex Blass	Office/Warehouse	35,000	Late 2019
NWA Groundservices Bld 2	Rogers	Alex Blass	Office/Retail	20,000	Conceptual
NWA Regional Animal Hospital	Rogers	NWA Regional Animal Hospital	Office	21,432	Conceptual
One Uptown Mixed Use	Rogers	Laurice Hachem and Bobby Ehardt	Commercial	69,000	Conceptual
One Uptown Office	Rogers	Laurice Hachem and Bobby Ehardt	Office	100,000	2020
Pinnacle Heights	Rogers	Hunt Ventures, Sage, Urban5	Retail	30,500	2021
Pinnacle Knoll II	Rogers	Sage Partners	Office	80,000	Conceptual
Pinnacle Point Office Complex	Rogers	Clinton Bennett and David Erstine	Office	40,000	Conceptual
Pinnacle Promenade Out Building	Rogers	David Faulkner	Retail	12,000	Done
Pinnacle Village Office	Rogers	Alex Blass	Office	300,000	Conceptual
Pinnacle Village Retail	Rogers	Alex Blass	Retail	80-100,000	Conceptual
Plaza Tire	Rogers	Flake-Kelley	Commercial	8,734	2019
Pleasant Crossing, Phase II Bld 5	Rogers	Matt Sitton	Retail	14,000	Fall 2019
Pleasant Crossing, Phase II, Bld 4	Rogers	Matt Sitton	Retail	6,080	Summer 2019
Pleasant Crossing, Phase VI	Rogers	Matt Sitton	Retail	22,000	Fall 2019

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Pleasant Crossing Retail Building	Rogers	Whisenvest	Retail	10,000	Conceptual
R Squared Commercial Center	Rogers	Jeff Pederson	Retail	4,650	Done
Redi-Mix Concrete 8th St Plant	Rogers	Redi-Mix Concrete	Industrial		Conceptual
Ryzabuv	Rogers	Case Lawrence	Retail	30,000	Conceptual
Signature Bank Pinnacle Hills	Rogers	Kristen Boozman, John Schmelzle	Office	18,000	Done
Sisters of Mercy Primary Care Office	Rogers	Sisters Of Mercy Health Systems	Medical		Conceptual
Skyline 2	Rogers	Ed Belto	Office	54,000	Conceptual
Southern Hills Office Building	Rogers		Office		Conceptual
Stabil-Loc Headquarters	Rogers	Lynn and Steven Patton	Office		Conceptual
Stoney Brook Development	Rogers	Clinton Bennett	Commercial		Conceptual
Storage World	Rogers	Storage World	Commercial	103,305	Conceptual
Take 5 Oil	Rogers	Malek Elkhoury	Retail	1,800	Conceptual
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
Topgolf	Rogers	Hunt Ventures	Retail	47,424	2020
Transplace	Rogers	Hunter Haynes	Office	148,200	2021
Trulove Construction Vehicle Storage	Rogers	Trulove Construction	Warehouse		Conceptual
Uptown Square Office	Rogers	S.C. Bodner	Office	7,500	Late 2019
Uptown Square Retail	Rogers	S.C. Bodner	Retail	20,000	Late 2019
U-Storage	Rogers	U-Storage	Commercial	94,795	Conceptual
Venture Park I	Rogers	Todd Fleeman and David Erstine	Office	20,000	Fall 2019
Venture Park II	Rogers	Todd Fleeman and David Erstine	Office	20,000	Conceptual
Venture Park III	Rogers	Todd Fleeman and David Erstine	Office	20,000	Conceptual
Venture Park IV	Rogers	Todd Fleeman and David Erstine	Office	20,000	Conceptual
Venture Park V	Rogers	Todd Fleeman and David Erstine	Office	20,000	Conceptual
Violin Studio and Repair Shop	Rogers	SMEK LLC	Retail		Conceptual
Wilson-Coker Office Building	Rogers	Wilson-Coker Wealth Management	Office		Conceptual
Arkansas Early Learning Center	Sil Springs		School	8,324	Conceptual
Barnett Warehouse	Sil Springs	Jonathan Barnett	Warehouse	67,950	Conceptual
Black Hills Operation Center	Sil Springs	Black Hills Energy	Warehouse	10,000	Early 2020
Crye-Leike Office	Sil Springs	Crye-Leike Realtors	Office	6,500	Conceptual
Holly Street Crossing	Sil Springs	Ted Viala	Commercial		Conceptual
Pharmacy and Medical Office	Sil Springs	Lykins Leasing	Medical Office	18,480	Conceptual
Progress Plaza Phase II	Sil Springs	Brown Cow LLC	Medical Office	11,250	Conceptual
Starbucks Center	Sil Springs	Haag Brown	Retail	5,590	Summer 2019
56th Street Office Building	Springdale	C.L. George and Sons	Office	75,000	Conceptual
Anders Office Building	Springdale	Sterling Park Anders	Office	16,000	Conceptual
Arkansas Childrens Phase II	Springdale	Arkansas Children's Hospital	Medical		Conceptual
BNSF Office 2	Springdale	BNSF	Office	30,000	Sept 2019
Bulldog Commercial	Springdale	Rick Oliver	Commercial		Conceptual
Career Academy	Springdale	Edwards Properties	Retail/Warehouse	10,000	Done
Carroll Electric Service Center	Springdale	Carroll Electric Cooperative	Warehouse		Done
Criminal Justice Facility	Springdale	City of Springdale	Office		2020
Diesel Downs, Lots 4, 5	Springdale	Raymond Merrill	Commercial		Conceptual
Diesel Downs, Lots 6, 7	Springdale	Murphy-Hoffman Co.	Commercial		Conceptual
Dollar General	Springdale	Dollar General	Retail	5,500	Done
Edwards Warehouse I	Springdale	Edwards Properties	Warehouse	40,000	Conceptual
Edwards Warehouse II	Springdale	Edwards Properties	Warehouse	21,000	Conceptual
First State Bank	Springdale	First State Bank	Bank		Conceptual
Fish and Game Center	Springdale	Arkansas Game and Fish Dept	Government	27,000	2020

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Freddy's Retail Center	Springdale	Michael O'Shaunessy	Retail		Conceptual
Geels Paint	Springdale	Geels Paint	Commercial		Conceptual
George's Office Building	Springdale	George's	Office	75,000	Conceptual
Goad Springs Road Retail	Springdale	DuWayne Eoff	Retail	120,000	Conceptual
H.C. Schmieding Office	Springdale	Chris Crysiewicz	Office		Conceptual
Hall Crossing Retail Building 2	Springdale	Jason Pullman	Retail	3,000	Conceptual
Health and Speech Clinic	Springdale		Medical		Conceptual
Highlands Oncology-Park Plaza	Springdale	Kathey Rhoads	Medical Office	125,000	Spring 2020
Live/Work Artist Space	Springdale	Walton Family Foundation	Commercial		Conceptual
Love's Travel Center	Springdale	Love's	Retail		Conceptual
Lynch Prairie Building	Springdale	Flake-Kelley	Office	8,100	Fall 2019
Mercy Clinic East	Springdale	Mercy Health Systems	Medical Office		Conceptual
Mercy NWA Campus	Springdale	Mercy Health Systems	Medical Office	63,000	August 2019
Mercy NWA Campus, Phase II	Springdale	Mercy Health Systems	Medical Office		Conceptual
Monitor Warehouse	Springdale	RPH	Warehouse		Conceptual
Northwest Technical Institute-Ammonia	Springdale	NWTI	School	19,000	Late 2019
Northwest Technical Institute-Welding	Springdale	NWTI	School	13,000	Late 2019
NWACC- Integrated Design Lab	Springdale	NWACC	School	24,000	Fall 2019
NWACC-Washington County Campus	Springdale	NWACC	School	38,000	Fall 2019
Old Missouri Office Warehouse	Springdale	Phil Taldo	Office/Warehouse	9,600	Conceptual
Owen's Optometry	Springdale		Medical		Conceptual
Parkway Plaza I	Springdale	Sage Partners and Griffen Co	Office	46,000	Conceptual
Petra Allied Health School	Springdale	Petra Allied Health	School		Conceptual
Piney Ridge Treatment Facility	Springdale	Acadia Health	Medical	110,000	Conceptual
Pro-Fab	Springdale	Dave Beavert	Industrial	15,000	Conceptual
Rexall	Springdale	Mathias Properties	Warehouse	21,000	Done
Rockline Expansion	Springdale	Rockline Industries	Manufacturing		
Sam's Furniture	Springdale	Mathias Properties	Retail	50,000	Done
Shoppes at Elm Springs	Springdale	JP Companies	Retail	11,000	Conceptual
Speedy Splash Car Wash-Butterfield	Springdale	The McLain Group	Retail		Conceptual
Speedy Splash Car Wash-Elm Springs	Springdale	The McLain Group	Retail		Conceptual
Springdale Municipal Campus	Springdale	City of Springdale	Municipal Building	80,000	
Storm Orthodontics	Springdale	Darrin Storm	Medical Office	5,670	Conceptual
Sunset West Plaza	Springdale	Burke Larkin and Alan Cole	Retail	11,300	Done
TruTrak	Springdale	Andrew Barker	Warehouse	12-16,000	Fall 2019
Tyson Tech Center	Springdale	Tyson Foods	Office		2019
West Point Commercial Development	Tontitown	3E Development, Tom Joseph	Warehouse	300,000	Conceptual
4012 Old Wire	Wash Cty	Patrick Tobin	Commercial		Conceptual
Native Flower Growing Facility	Wash Cty	Kendra and Tom Smith	Commercial	19,520	Conceptual

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
Element	Bentonville	0	107
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
Fairfield Inn and Suites	Fayetteville	50	44
Hampton Inn	Fayetteville	87	8
Hilton Garden Inn	Fayetteville	90	25
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

Hotels

Existing Hotels (Cont.)

Property Name	City	Number of Standard Rooms	Number of Suites
Value Place Hotel	Fayetteville	121	0
Inn At the Mill	Johnson	54	8
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
Home 2 Suites by Hilton	Springdale	0	119
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

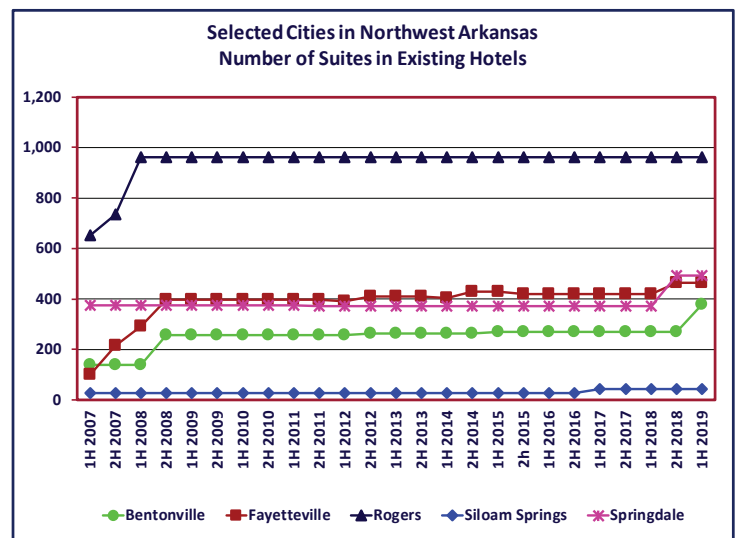
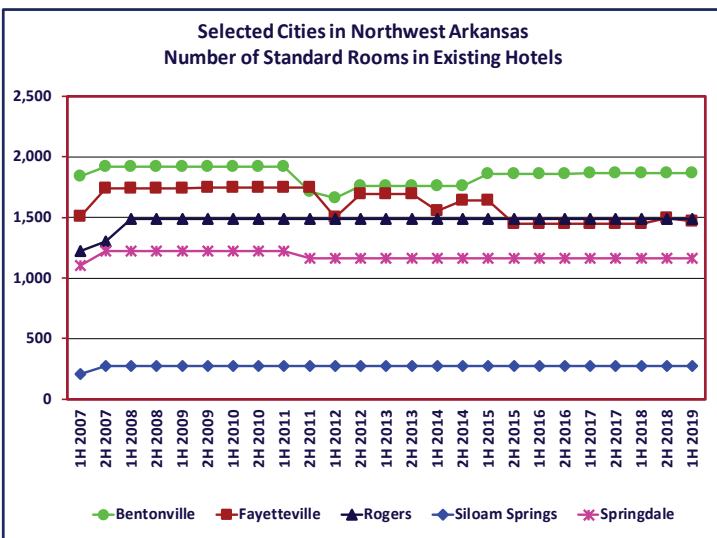
Hotels

Existing Hotels (Cont.)

Property Name	City	Number of Standard Rooms	Number of Suites
Residence Inn	Springdale	0	72
Scottish Inns	Springdale	33	24
Sleep Inn & Suites	Springdale	0	72
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	378
Fayetteville	1,471	463
Johnson	54	102
Lowell	51	0
Prairie Grove	8	0
Rogers	1,485	963
Siloam Springs	276	44
Springdale	1,161	492
Northwest Arkansas	6,371	2,442



Hotels

Announced Coming Hotels

Property Name	City	Owner	Number of Rooms	Expected Completion
Sunset Hotel	Bella Vista	Cooper Communities		Conceptual
Avid Hotel	Bentonville	Hi-Tech Hospitality	87	2020
C Street Hotel	Bentonville	Osage Hospitality	150-200	2020
Element Hotel	Bentonville	Shash Goyal	107	Done
Home 2 Suites by Hilton	Bentonville	Narry Krushiker	119	2020
Old Home Office Property	Bentonville	Walmart		Conceptual
Tuckers Corner Hotel	Bentonville	Blue Crane	100-200	2020
Avid Hotel	Fayetteville	IHG	82	Conceptual
Hyatt Place-Steele Crossing	Fayetteville	B&T Hospitality Management		Conceptual
Markham Hill	Fayetteville	SREG	80	Conceptual
Marriot-Residence Inn	Fayetteville	Narry Krushiker	200	2020
Piney Creek Ranch	Fayetteville	Andi and Jeremy Pratt		Conceptual
Inn at the Mill Expansion	Johnson	Jesse Burkes and John Stewart	16	Done
Pinnacle Courtyard by Marriot	Rogers	Narry Krushiker	121	2019
District at Pinnacle	Rogers	Whisenvest		Conceptual
Magnolia Farms Hotel	Rogers	Hunter Haynes		Conceptual
Pinnacle Heights Boutique Hotel	Rogers	Jonelle Hunt, Andrew and David Burnett		2021
Parkway Plaza Hotel	Springdale	Sage Partners and Griffin Co		Conceptual
Springdale Hotels LLC	Springdale	Vipulkumar Patel		Conceptual
Pinnacle Village	Rogers	Alex Blass	115	Conceptual



Restaurants

Announced Coming Restaurants

Property Name	Location (City)	Owner	Expected Completion
Coffee Shop and Ice Cream Parlor	Bella Vista	Roger Gildehaus	--
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
Aoi Sushi	Bentonville	Aoi Sushi	Done
Coler Mountain Café	Bentonville	Erin Rushing	2019
Crystal Flats Restaurant	Bentonville	Cindy Springs, LLC	Conceptual
Dickey's Barbecue Pit	Bentonville	Jared Thompson	Delayed
JJ's Grill Downtown Bentonville	Bentonville	Jody Thornton	Conceptual
Let's Eat	Bentonville		Done
Meld Kitchen	Bentonville	Meld Kitchen	Done
Old Home Office Property	Bentonville	Walmart	Conceptual
Ramen Bar	Bentonville	Ropeswing Group	Conceptual
Saltgrass	Bentonville	Eric Boen and Jeff Kemp	Fall 2019
U.S. Pizza	Bentonville	Esther and Hunter McClellan and Don Henderson	Conceptual
Unnamed Restaurant on 3rd and Blake	Bentonville	Ropeswing Group	Conceptual
Urban Edge Development Restaurant	Bentonville	Richard Grubbs	Conceptual
Popeye's	Centerton	Jordan Jeter	Fall 2019
Waffle House	Centerton	Waffle House	Done
Taco Bell	Farmington	K-Mac	Done
Arsagas in Greenhouse Grille	Fayetteville	Cary Arsaga	Conceptual
Arsagas on MLK	Fayetteville	Cary Arsaga	Open
Bolder Coffee-College	Fayetteville		2019
Bolder Coffee-Crossover	Fayetteville	Tom Smith	2019
Boston Mountain Brewing	Fayetteville	Sam Grincer and Matt Thompson	Done
Brian's Knockout Breakfast Bakery	Fayetteville		Done
Carrera Coffee Company	Fayetteville	Miles James	2019
Cheba Hut 1	Fayetteville	Hunter and Darcie Fletcher, Scott Jennings	2020
Cheba Hut 2	Fayetteville	Hunter and Darcie Fletcher, Scott Jennings	2020
Cheers at the OPO	Fayetteville	Curtis Arnold	Done
Chicken Salad Chick	Fayetteville	Stacy Brown	Summer 2019
Chuy's	Fayetteville	Mike Young and John Zapp	Conceptual
Citizen, The	Fayetteville	Lane Coleman, Knox McCorquodale, Wilson Wood	Delayed
Dairy Queen - MLK	Fayetteville	Dairy Queen	Done
Dairy Queen-Crossover	Fayetteville	Tom Smith	Summer 2019
Doomsday Coffee	Fayetteville	Doomsday Coffee	Done
Eureka Pizza on Mission relocation	Fayetteville	Rolf Wilkins	Summer 2019
Feed and Folly	Fayetteville	Chase Lewis	Fall 2019
First Watch	Fayetteville	Joseph Hulston and James Tillman	Summer 2019
Flying Burger and Seafood	Fayetteville	Flying Burger and Seafood	Delayed
Good Dog Café	Fayetteville	Micah and Tryphina Szabo	Done
Insomnia Cookies	Fayetteville	Insomnia Cookies	Done
John Daly's	Fayetteville	John Daly	Conceptual
Juice Palm-Dickson	Fayetteville	Omar Kasim	Done
Mess Hall 45	Fayetteville	Nathan Jendeski	Summer 2019
MJ's Bistro	Fayetteville	Miles James	Late 2019
Mojo's Pints and Pies	Fayetteville	Cley McCoy	Summer 2019
Nomads Trailside	Fayetteville	Nomads Music Lounge	Done
Ohana Poke	Fayetteville	Monroe Capital	Done
PDQ Chicken	Fayetteville		Done
Penguin Point	Fayetteville	U.S. Assets, Inc	Done
Qdoba-Joyce	Fayetteville	Qdoba	Done

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Owner	Completion
Roma	Fayetteville	Scott Bowman	Conceptual
Shipleys MLK	Fayetteville	Shipleys	Conceptual
Smokin A's	Fayetteville	Drake Field	Done
Spoon Korean	Fayetteville	KJ's Korean Restaurant	Done
Thai Spice	Fayetteville	Sean Casey	Done
Tony's NY Style Pizza	Fayetteville	Zach Jacobs	Summer 2019
Torchy's Tacos	Fayetteville	Torchy's Tacos	Summer 2019
Tula	Fayetteville	Rodney Barnes	Delayed
Twin Creeks Village Restaurant	Fayetteville	Eric Boen and Jeff Kemp	Conceptual
Unnamed Restaurant on Crossover	Fayetteville	The McClain Group	Conceptual
Walk-On's	Fayetteville	Chris McJunkins	Conceptual
Wing Stop	Fayetteville	Monroe Capital	Fall 2019
Bloomington Ave Food Truck Court	Lowell	Joe Rheingans	Conceptual
Lowell Historical Museum Café	Lowell	City of Lowell	2019
Wendy's	Lowell	Wendy's	Conceptual
Yellow Rocket Concepts BBQ	Northwest Arkansas	Scott McGehee	Conceptual
1907-Heirloom	Rogers	Jason Paul	Done
1907-Loblolly Creamery	Rogers	Morgan Hooker	Fall 2019
1907-Onyx Coffee Lab	Rogers	Jon Allen	Done
1907-The Foreman Bar	Rogers	Morgan Hooker	Done
1907-Yeyo's	Rogers	Morgan Hooker	Fall 2019
7 Brew - Hudson	Rogers		Fall 2019
7 Brew Coffee-Walnut	Rogers		Conceptual
Betty's: A Chicken Kitchen	Rogers	Alan Cole	Fall 2019
Burger King	Rogers	L.W. Clark, Inc	Done
China Café	Rogers	Alan Cole	Done
Culver's Restaurant	Rogers	Culver's; Alan Cole	2020
Curry Restaurant	Rogers		Conceptual
Dairy Queen	Rogers	Aimee and Terry Sims	Conceptual
Krystal Burger	Rogers	Smitco Eateries	Delayed
MoonBroch Brewing Restaurant	Rogers	Cassy Grover, Jeff Pettus, Kyle Reidy	Done
One Uptown Restaurants	Rogers	Hachem Investments	Conceptual
Parkside Public Burgers	Rogers		Done
Pickleman's Gourmet Cafe	Rogers	David Faulkner	Done
Pinnacle Heights Restaurants	Rogers	Hunt Ventures, Sage Partners, Urban5	2021
Pinnacle Village Restaurants	Rogers	Alex Blass	Conceptual
Popeye's	Rogers	Popeye's	2019
Popeye's-Pleasant Crossing	Rogers	Burke Larkin	Conceptual
Saltgrass	Rogers	Hunt Ventures and Landry's Inc	Fall 2019
Sharkeys	Rogers	Sage Partners	Conceptual
Top Golf	Rogers	Hunt Ventures	Fall 2019
Torchy's Tacos	Rogers	Jeremy Smith	November 2019
U.S. Pizza	Rogers	Esther and Hunter McClellan and Don Henderson	2019
Waffle House	Rogers	Waffle House	Done
Apple Bee's	Siloam Springs	Apple Bee's Inc	Conceptual
Dairy Queen	Siloam Springs	Aimee and Terry Sims	July 2019
Italian Bistro	Siloam Springs		Done
Jimmy John's	Siloam Springs		Done
Popeyes Chicken	Siloam Springs		Done
Starbucks	Siloam Springs	Haag Brown	Summer 2019

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Owner	Completion
Taco Bueno	Siloam Springs		Fall 2019
Tintos & Tapas	Siloam Springs		Done
MJ Pizzeria-Downtown	Springdale	Miles James	Summer 2019
Mothership	Springdale		Done
Pizza Hut	Springdale		2019
Shipleys Elm Springs	Springdale	Shipleys	Conceptual
U.S. Pizza	Springdale	Esther and Hunter McClellan and Don Henderson	Done
7 Brew Coffee-Hwy 412	Tontitown		Summer 2019
Dairy Queen	Tontitown	Aimee and Terry Sims	Conceptual
Pie Five Pizza	Unkn. Locations	Rob Byford	Conceptual
Smoothie Kings-2 more	Unkn. Locations	Thuc Tran	Conceptual



Restaurants

Closed Restaurants

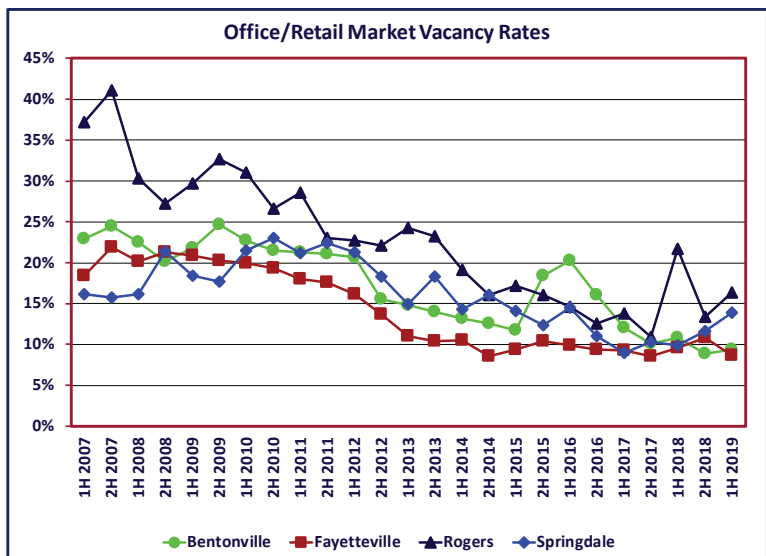
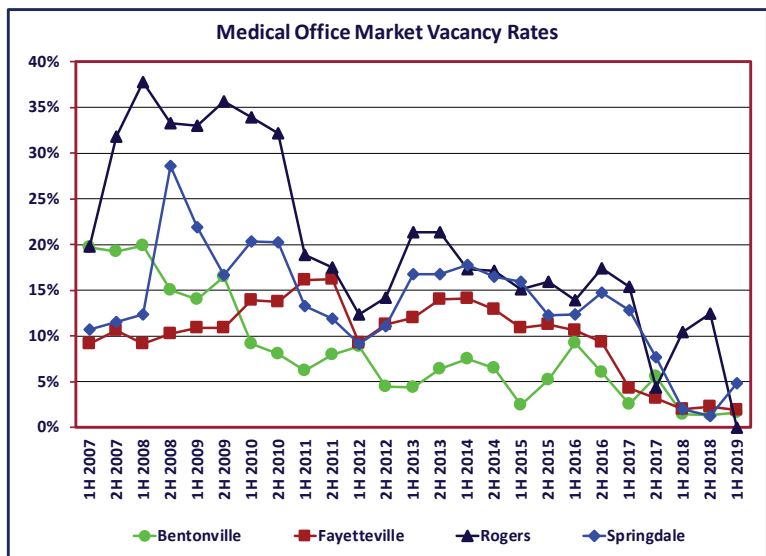
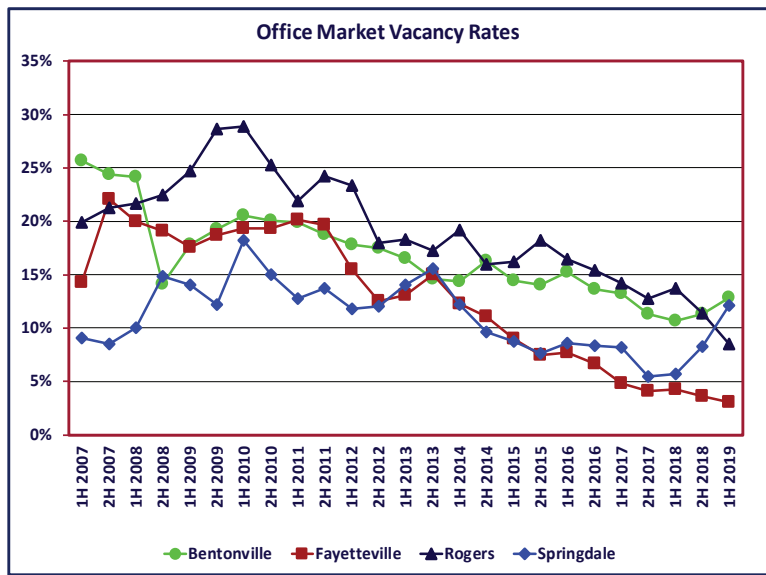
Property Name	City	Date Closed
Great American Taco	Bentonville	September 2018
Applebee's	Fayetteville	October 2018
Deluxe Burger-College	Fayetteville	October 2018
Haug Haus Brewing Co	Fayetteville	October 2018
Burrito Loco-MLK	Fayetteville	November 2018
Burrito Loco-Square	Fayetteville	November 2018
Waffle House-Dickson	Fayetteville	November 2018
Blackboard Grocery	Fayetteville	December 2018
Los Hermanos	Fayetteville	December 2018
Taco Bell	Fayetteville	December 2018
Long John Silvers	Siloam Springs	December 2018
Natural State Sandwichs	Springdale	January 2019
Core Pub	Bentonville	Februray 2019
Core Pub	Fayetteville	Februray 2019
Core Pub	Rogers	Februray 2019
Core Pub	Springdale	March 2019
Core Pub	Fayetteville	April 2019
Fuzzy's Taco Shop	Fayetteville	April 2019
Red Curry	Rogers	April 2019
Houlihans	Rogers	May 2019
New American	Fayetteville	June 2019
Hardee's	Rogers	June 2019
Subway	Rogers	June 2019
Wasabi	Rogers	June 2019
Long John Silvers	Springdale	July 2019

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. Additionally, the city of Johnson, and the Tontitown office/warehouse, retail/warehouse, and warehouse were added to the Northwest Arkansas data base. Also during this report period a major reclassification of space occurred, which impacts the quantity of A,B, and C space and lease rates in those submarkets.

Available office square footage in Northwest Arkansas decreased from 1,080,835 square feet in the second half of 2018 to 1,057,122 square feet in the first half of 2019. In the past year, 244,160 new square feet of office space were added, with Rogers having the most with 110,242 square feet, Bentonville adding another 58,867 square feet, and Johnson adding 45,060 square feet. There was net positive absorption of 67,914 square feet of office space in Northwest Arkansas during the past year. Rogers accounted for the greatest amount of net positive absorption with 139,246 square feet, while Fayetteville accounted for another 39,504 square feet. However, Bentonville and Springdale had net negative absorption of 61,796 and 42,153 square feet, respectively, during the same period. The overall Northwest Arkansas office vacancy rate declined by 0.6 percent from 9.2 percent to 8.6 percent, from the first half of 2018 to the first half of 2019.

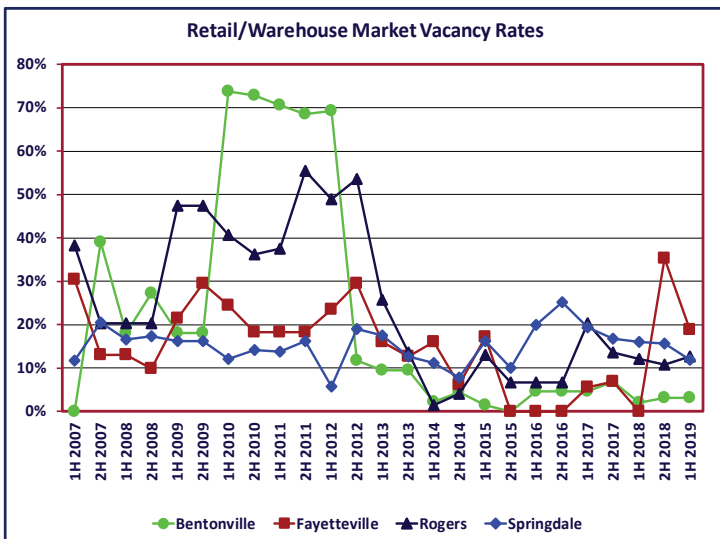
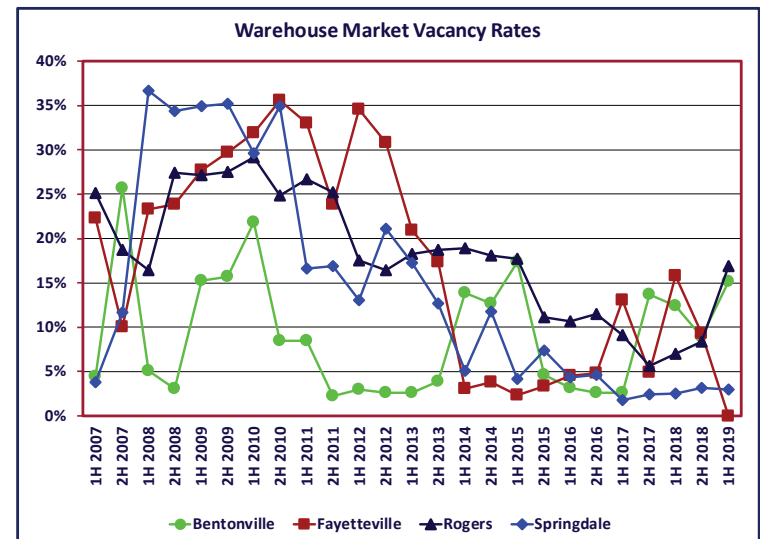
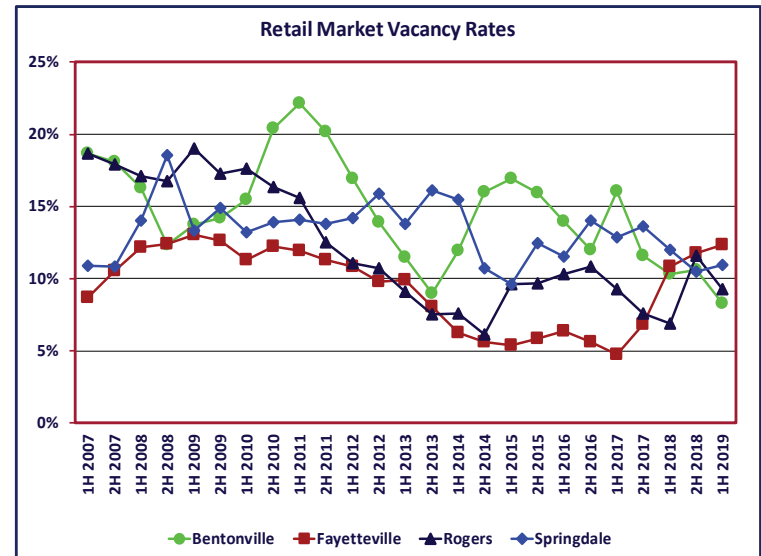
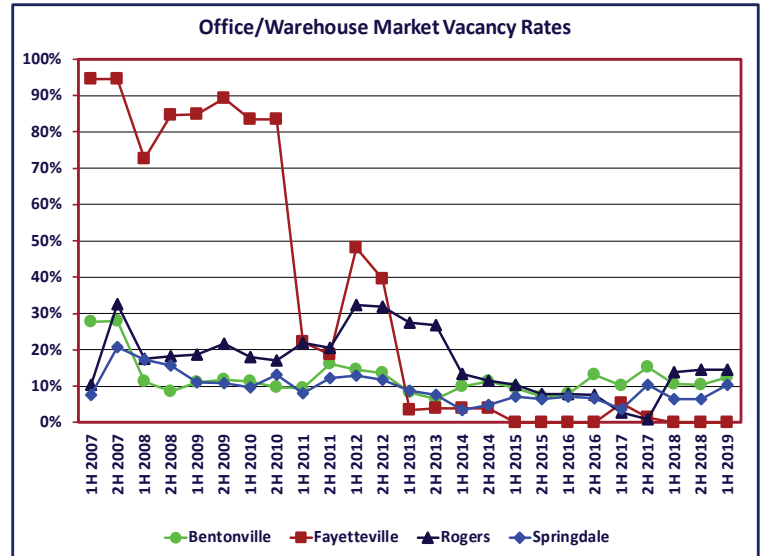
In Northwest Arkansas, 475,116 square feet of office/retail space were available in the first half of 2019, down from 517,679 square feet in the first half of 2018. The office/retail market experienced net positive absorption of 4,627 square feet in the past year. Fayetteville accounted for 28,312 square feet of the positive net absorption over the past year. Bentonville had an additional 18,877 square feet of positive net absorption. Rogers had negative net absorption of 18,929 square feet during this period. There was 3,850 new square feet of office/retail space added within the past year, all in Bentonville. The overall Northwest Arkansas office/retail vacancy rate decreased 0.8 percentage points from 11.7 percent in the first half of 2018 to 10.9 percent in the first half of 2019.



Commercial Market Trends

In the first half of 2019, 1,111,719 square feet of retail space were available in Northwest Arkansas, up from 960,743 square feet in the first half of 2018. The retail market had net positive absorption of 19,188 square feet in the past twelve months. Rogers accounted for 25,060 square feet and Bentonville added another 15,707 square feet of positive net absorption. Fayetteville had 27,878 square feet of negative net absorption during this time period. There were 95,767 new square feet of retail space added to the Northwest Arkansas market during the past year, with Springdale accounting for 62,250 square feet, while Rogers and Bentonville accounted for 17,680 square feet and 15,837 square feet, respectively. The overall Northwest Arkansas retail vacancy rate increased 1.1 percentage points from 9.7 percent in the first half of 2018 to 10.8 percent in the first half of 2019.

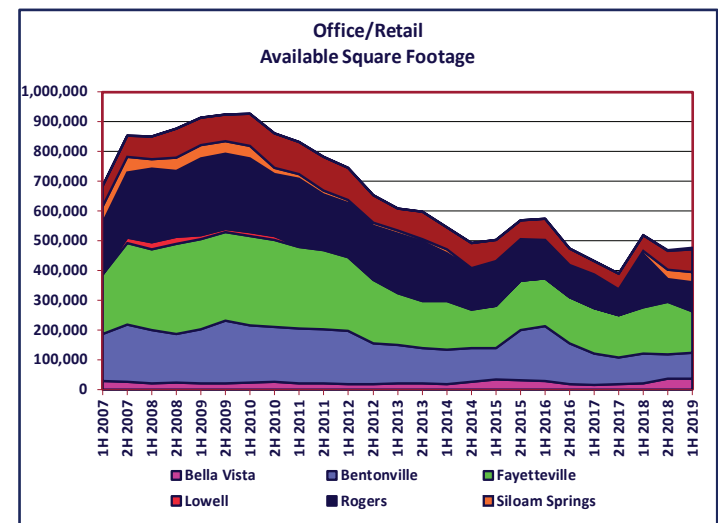
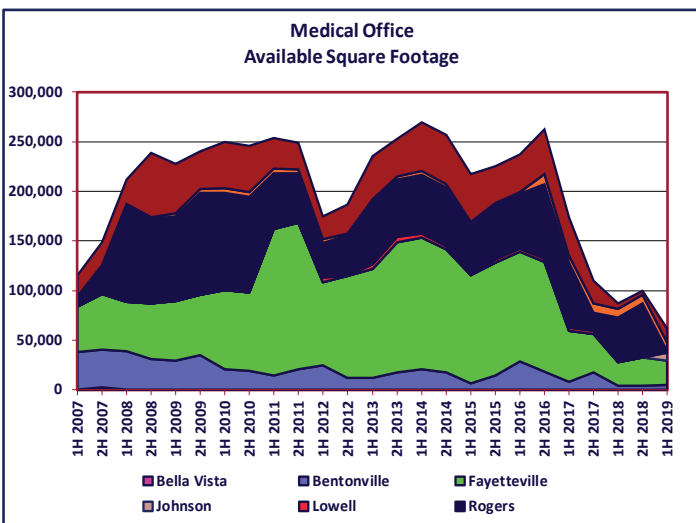
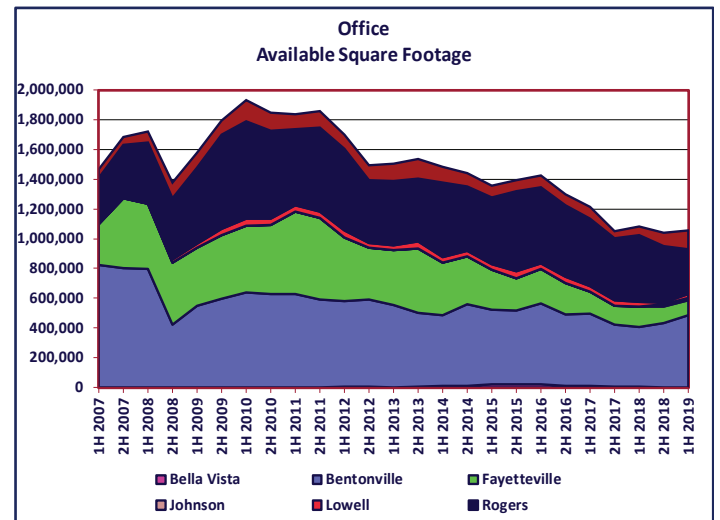
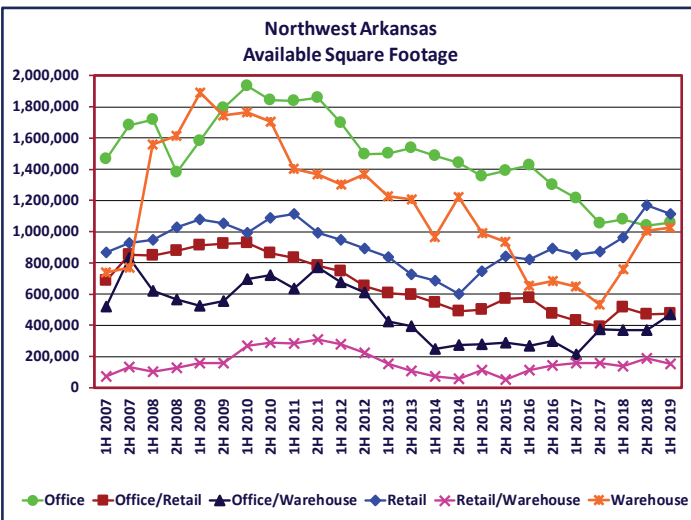
In the Northwest Arkansas warehouse market, available square footage increased from 760,892 in the first half of 2018 to 1,027,460 in the first half of 2019. The warehouse market experienced negative net absorption of 195,500 square feet during the past year. Rogers accounted for 280,953 square feet of the negative net warehouse absorption, and Lowell had another 116,575 of negative net absorption. Fayetteville accounted for 194,465 square feet of positive net absorption in the last year in the warehouse market. 219,938 square feet of new warehouse space were added to the Northwest Arkansas market during the past year, with Springdale having 95,673 square feet and Bentonville accounting for another 88,265 new square feet. Vacancy rates increased by 2.2 percentage points from 8.1 percent to 10.3 percent over the same period.



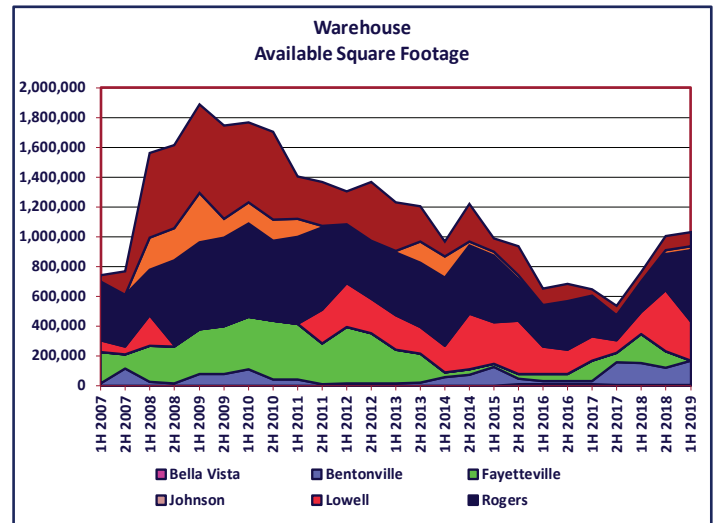
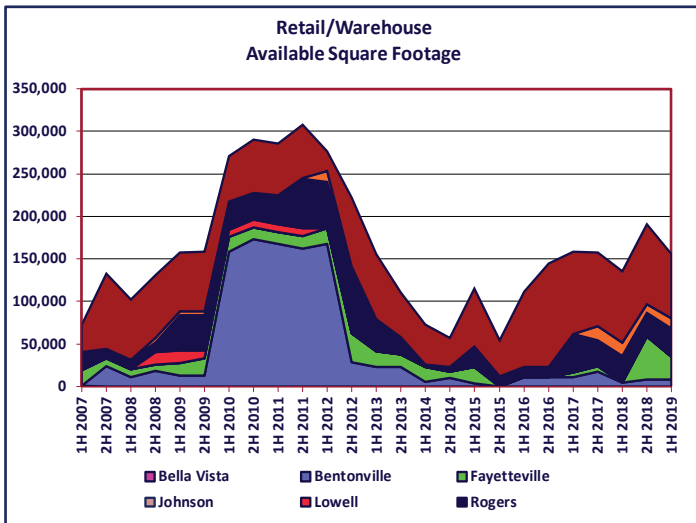
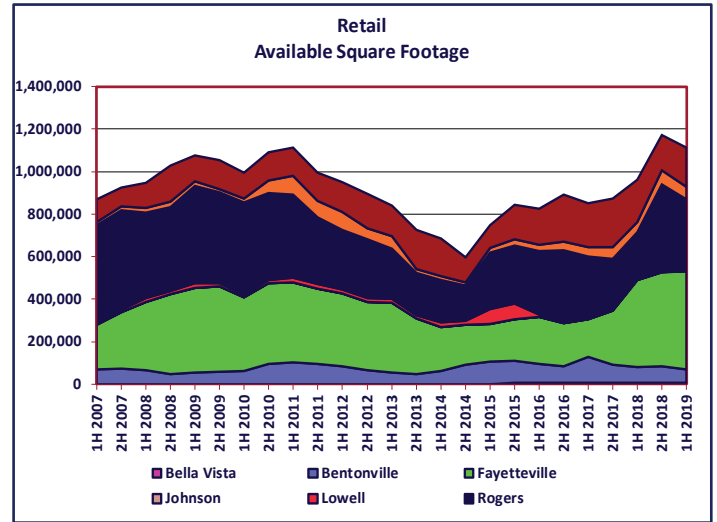
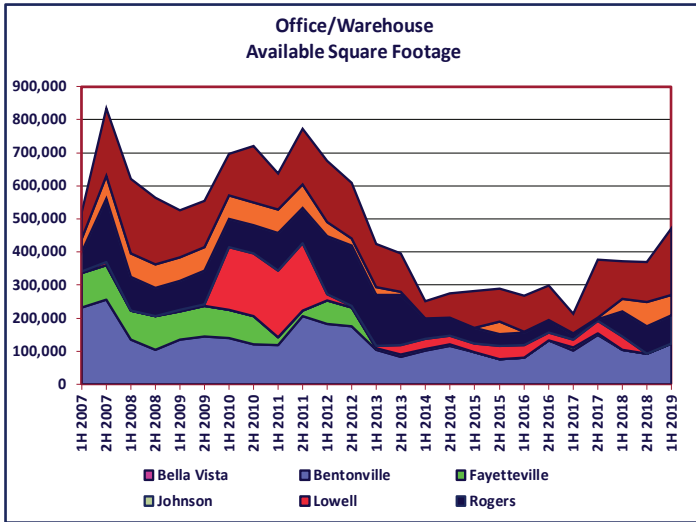
Commercial Market Trends

Net Twelve Month Absorption by Submarket 2H 2018 - 1H 2019

City	Office	Office/Retail	Retail	Warehouse
Bella Vista	4,421	-16,397	0	0
Bentonville	-61,796	18,877	15,707	-15,800
Fayetteville	39,504	28,312	-27,878	194,465
Johnson	-12,107	0	0	0
Lowell	1,199	-1,440	1,951	-116,575
Rogers	139,246	-18,929	25,060	-280,953
Siloam Springs	-400	-1,068	-3,566	4,900
Springdale	-42,153	-4,728	7,914	18,463
Northwest Arkansas	67,914	4,627	19,188	-195,500



Commercial Market Trends



Commercial Market Trends

Vacancy Rates by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2018	10.2%	10.7%	4.3%		8.9%	13.7%	5.4%	5.7%	9.2%
2H 2018	4.4%	11.3%	3.6%		3.5%	11.4%	6.1%	8.3%	8.4%
1H 2019	4.4%	12.8%	3.1%	6.6%	7.0%	8.5%	7.0%	12.1%	8.6%
Medical Office									
1H 2018	0.0%	1.4%	2.0%		0.0%	10.4%	7.9%	2.0%	3.6%
2H 2018	0.0%	1.3%	2.3%	0.0%	0.0%	12.4%	7.9%	1.3%	3.8%
1H 2019	0.0%	1.7%	1.9%	4.3%	2.1%	0.0%	7.9%	4.8%	2.3%
Office/Retail									
1H 2018	6.8%	10.8%	9.6%		1.5%	21.7%	7.0%	9.9%	11.7%
2H 2018	12.4%	8.9%	10.9%	5.1%	1.5%	13.4%	15.1%	11.7%	10.9%
1H 2019	12.4%	9.4%	8.6%	5.1%	3.0%	16.3%	16.1%	13.9%	10.9%
Office/Warehouse									
1H 2018		10.6%	0.0%		36.8%	13.9%	30.6%	6.4%	10.0%
2H 2018		10.3%	0.0%	0.0%	0.0%	14.4%	60.0%	6.5%	9.7%
1H 2019		12.4%	0.0%	0.0%	0.0%	14.5%	51.5%	10.3%	11.8%
Retail									
1H 2018	14.1%	10.3%	10.8%		9.6%	6.9%	11.1%	12.0%	9.7%
2H 2018	14.1%	10.6%	11.8%	0.0%	12.8%	11.6%	14.3%	10.5%	11.5%
1H 2019	14.1%	8.3%	12.3%	4.5%	12.8%	9.3%	13.1%	10.9%	10.8%
Retail/Warehouse									
1H 2018		1.9%	0.0%		0.0%	12.2%	18.1%	16.1%	10.9%
2H 2018		3.2%	35.3%	0.0%	0.0%	10.9%	12.4%	15.7%	14.0%
1H 2019		3.2%	18.9%	0.0%	0.0%	12.7%	13.1%	12.0%	11.0%
Warehouse									
1H 2018	19.5%	12.4%	15.8%		11.9%	7.0%	1.6%	2.5%	8.1%
2H 2018	19.5%	9.0%	9.3%	0.0%	32.0%	8.4%	7.3%	3.2%	9.9%
1H 2019	19.5%	15.1%	0.0%	0.0%	20.0%	16.9%	7.4%	2.9%	10.3%

Commercial Market Trends

Net Absorption by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2018	0	36,510	7,276		3,930	-29,811	0	931	18,836
2H 2018	4,421	-15,621	11,932	-5,800	13,056	62,788	0	-5,714	65,062
1H 2019	0	-46,175	27,572	-6,307	-11,857	76,458	-400	-36,439	2,852
Medical Office									
1H 2018	0	0	14,592		3,250	-25,890	0	17,170	9,122
2H 2018	0	0	-4,179	0	0	-17,619	0	2,000	-19,798
1H 2019	0	-1,200	18,773	-7,519	-1,707	44,748	0	-9,750	43,345
Office/Retail									
1H 2018	-1,100	-6,227	-10,372		0	-83,091	-1,000	3,302	-98,488
2H 2018	-16,397	23,021	-10,806	0	0	-21,302	0	3,141	-22,343
1H 2019	0	-4,144	39,118	0	-1,440	2,373	-1,068	-7,869	26,970
Office/Warehouse									
1H 2018		46,601	2,500		0	-73,237	-32,573	61,920	5,211
2H 2018		11,150	0	0	39,600	-6,100	-35,000	38,519	48,169
1H 2019		-31,213	0	0	0	-322	10,080	-18,913	-40,368
Retail									
1H 2018	0	8,335	-153,777		0	20,595	7,250	27,571	-90,026
2H 2018	0	-2,710	-20,051	0	1,951	-60,774	-9,524	11,666	-79,442
1H 2019	0	18,417	-7,827	0	0	85,834	5,958	-3,752	98,630
Retail/Warehouse									
1H 2018		12,647	6,404		0	-400	1,000	2,000	21,651
2H 2018		0	0	0	0	3,200	5,000	-2,100	6,100
1H 2019		-48	23,696	0	0	216	-1,100	25,268	48,032
Warehouse									
1H 2018	0	8,000	-134,465		-58,595	-39,775	0	14,500	-210,335
2H 2018	0	33,000	80,000	0	-263,590	-39,898	4,900	12,935	-172,653
1H 2019	0	-48,800	114,465	0	147,015	-241,055	0	5,528	-22,847

Commercial Market Trends

Available Square Footage by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2018	7,721	400,252	135,284		30,100	443,885	9,000	54,593	1,080,835
2H 2018	3,300	427,582	113,552	13,190	11,788	373,847	9,000	87,807	1,040,066
1H 2019	3,300	482,211	98,764	19,497	23,645	291,115	10,650	127,940	1,057,122
Medical Office									
1H 2018	0	4,000	24,110		0	44,379	9,000	5,750	87,239
2H 2018	0	4,000	28,289	0	0	54,748	9,000	3,750	99,787
1H 2019	0	5,200	24,500	7,519	1,707	0	9,000	13,500	61,426
Office/Retail									
1H 2018	20,124	100,959	155,762		1,440	177,059	11,478	50,857	517,679
2H 2018	36,521	82,720	175,499	3,332	1,440	76,015	29,478	64,216	469,221
1H 2019	36,521	86,864	140,081	3,332	2,880	95,475	31,746	78,217	475,116
Office/Warehouse									
1H 2018		103,634	0		39,600	77,537	36,573	114,300	371,644
2H 2018		92,484	0	0	0	83,637	71,573	122,882	370,576
1H 2019		123,697	0	0	0	83,959	61,493	203,349	472,498
Retail									
1H 2018	5,320	75,868	410,130		7,820	214,986	48,956	197,663	960,743
2H 2018	5,320	79,733	441,881	0	11,125	402,581	63,880	166,997	1,171,517
1H 2019	5,320	63,097	463,380	2,400	11,125	322,647	59,281	184,469	1,111,719
Retail/Warehouse									
1H 2018		4,888	0		0	30,600	15,860	84,402	135,750
2H 2018		7,768	51,000	0	0	27,400	10,860	94,002	191,030
1H 2019		7,816	27,304	0	0	32,692	11,960	75,604	155,376
Warehouse									
1H 2018	3,600	146,034	194,465		146,770	201,669	4,900	63,454	760,892
2H 2018	3,600	113,034	114,465	0	410,360	241,567	24,040	97,547	1,004,613
1H 2019	3,600	161,834	0	0	263,345	482,622	24,040	92,019	1,027,460

Office

In the first half of 2019, the office properties included in the Skyline Report panel had a vacancy rate of 8.6 percent, an increase from 8.4 percent in the second half of 2018. Of the 12,300,117 square feet of Northwest Arkansas properties examined, 1,057,122 square feet were available. In the first half of 2019, 107,766 square feet of new space entered the market, while 110,618 square feet became occupied, netting positive absorption of 2,852 square feet for the Northwest Arkansas office market.

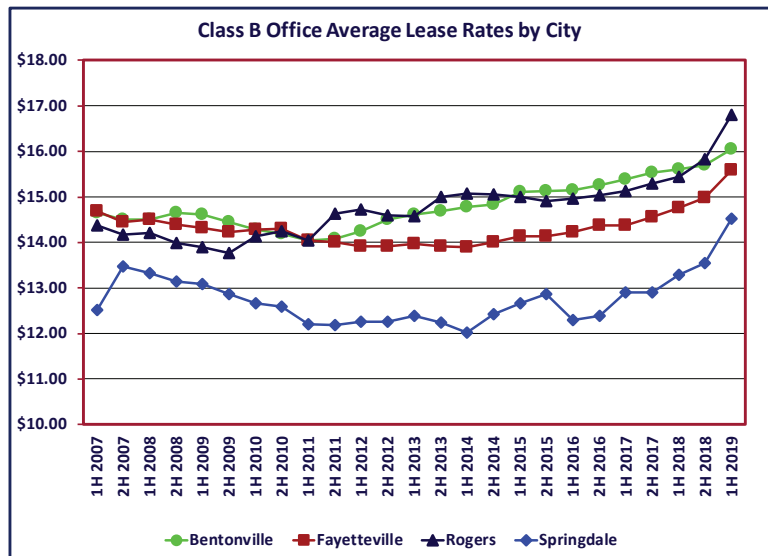
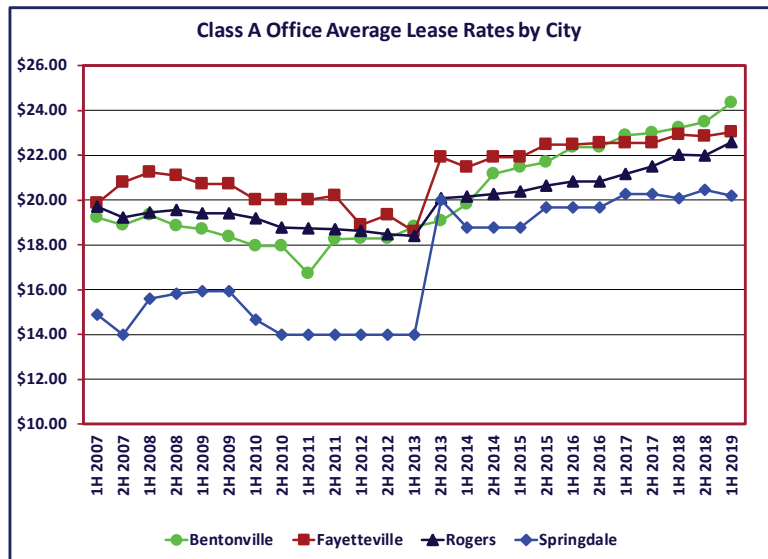
Bentonville had the most available square feet of office space at 482,211, out of its total office space of 3,761,753 square feet in the first half of 2019. 75.9 percent of the available office space was Class B. There was no new office space added during this time. The Bentonville office market had net negative absorption of 46,175 square feet with Class B office space contributing 28,286 square feet of negative net absorption. There was also net negative absorption of 12,037 and 4,652 square feet in the Class A and Class C submarkets, respectively.

Rogers had 3,405,207 square feet of total office space, with available square feet at 291,115 in the first half of 2019. 44.7 percent of the available space was in the Class B submarket. 56,380 square feet of new office space were added during this time. The Rogers office market had a net positive absorption of 76,458 square feet in the first half of 2019, with the Class A submarket adding 35,437 square feet of positive net absorption. The Class B submarket had negative net absorption of 19,930 square feet during the first half of 2019.

Fayetteville had 98,764 square feet of available space, out of its total office space of 3,216,178 square feet. In the first half of 2019, 49.9 percent of the available space was in the Class B submarket. There were 24,886 square feet of new office space added in the first half of 2019. The Fayetteville office market had net positive absorption of

Office Lease Rates Average Range by City

	Class A	Class B	Class C	Medical
Bentonville	\$23.51 - \$25.21	\$15.80 - \$16.28	\$13.07 - \$13.21	\$15.78 - \$16.38
Fayetteville	\$20.68 - \$25.39	\$15.26 - \$15.92	\$12.23 - \$13.22	\$16.28 - \$18.03
Rogers	\$21.97 - \$23.18	\$16.39 - \$17.23	\$10.46 - \$11.26	\$15.02 - \$15.19
Springdale	\$19.68 - \$20.68	\$14.16 - \$14.89	\$9.65 - \$10.61	\$14.50 - \$14.54



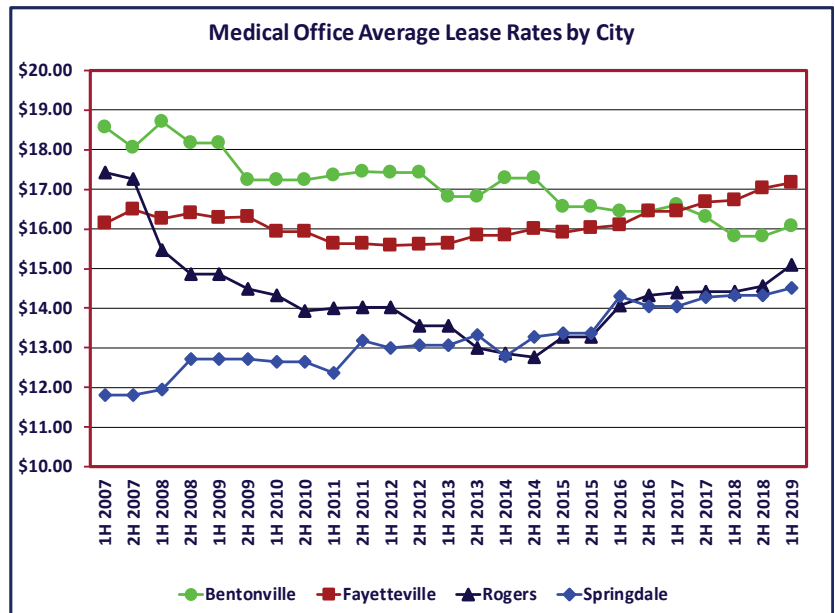
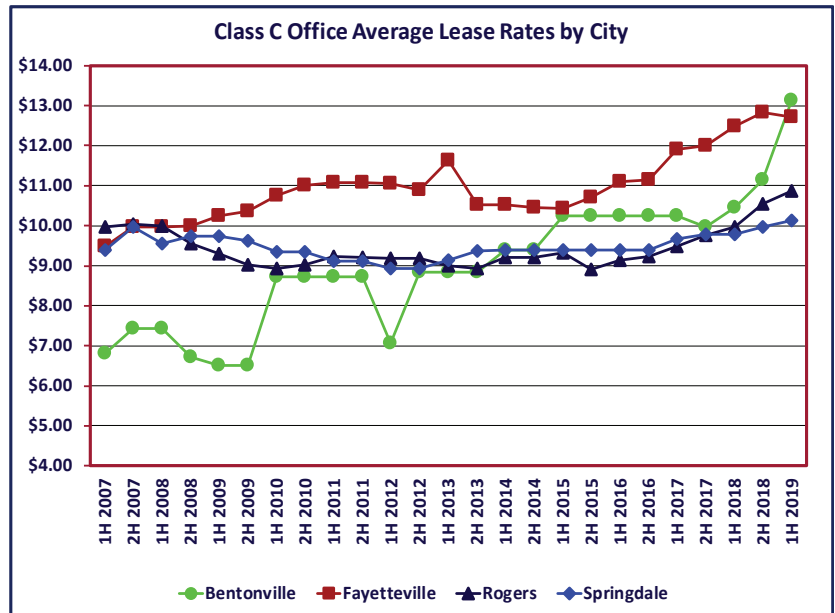
27,252 square feet, with 10,160 square feet coming in the Class C office submarket, while the Class B office submarket had net negative absorption of 1,961 square feet.

Springdale had 1,058,200 square feet of total office space, with 127,940 square feet of it available in the first half of 2019. 73.7 percent was Class B office space.

Office

There were no new square feet of office space added during the first half of 2019. There was negative net absorption of 36,439 square feet in the Springdale office market in the first half of 2019.

In the first half of 2019, including a reclassification of space, average reported lease rates for Class A office space was highest in Bentonville increasing by \$0.88 to \$2.36, Fayetteville increased by \$0.19 to \$23.04, Rogers increased by \$0.59 to \$22.58, and Springdale decreased by \$0.27 to \$20.18. Average reported lease rates for Class B office space, increased in each city, and was highest in Rogers at \$16.81. Bentonville was at \$16.04, Fayetteville was at \$15.59, and Springdale remained with the lowest reported average lease rates at \$14.52. Reported average lease rates for Class C office were highest in Bentonville at \$13.14. Fayetteville was at \$12.73, Rogers increased to \$10.86, and Springdale increased to \$10.13. Reported average medical office space lease rates were highest in Fayetteville after an increase of \$0.13, at \$17.16. Bentonville increase to \$1.08, Rogers increased to \$15.11 and Springdale, increased to \$14.52, 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	711,601	75,533	10.6%	-12,037	0	-12,037	--
Fayetteville	409,222	2,262	0.6%	600	0	600	22.6
Rogers	1,707,755	125,606	7.4%	91,817	56,380	35,437	21.3
Springdale	95,501	217	0.2%	0	0	0	--
Class B							
Bentonville	2,368,585	366,067	15.5%	-28,286	0	-28,286	--
Fayetteville	1,077,361	49,282	4.6%	5,039	7,000	-1,961	--
Rogers	986,215	130,148	13.2%	-19,930	0	-19,930	--
Springdale	492,484	94,340	19.2%	-13,082	0	-13,082	--
Class C							
Bentonville	369,310	35,411	9.6%	-4,652	0	-4,652	--
Fayetteville	457,034	22,720	5.0%	10,160	0	10,160	13.4
Rogers	288,643	35,361	12.3%	16,203	0	16,203	13.1
Springdale	191,726	19,883	10.4%	-13,607	0	-13,607	--
Medical							
Bentonville	312,257	5,200	1.7%	-1,200	0	-1,200	--
Fayetteville	1,272,561	24,500	1.9%	36,659	17,886	18,773	7.8
Rogers	422,594	0	0.0%	44,748	0	44,748	0.0
Springdale	278,489	13,500	4.8%	-9,750	0	-9,750	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.



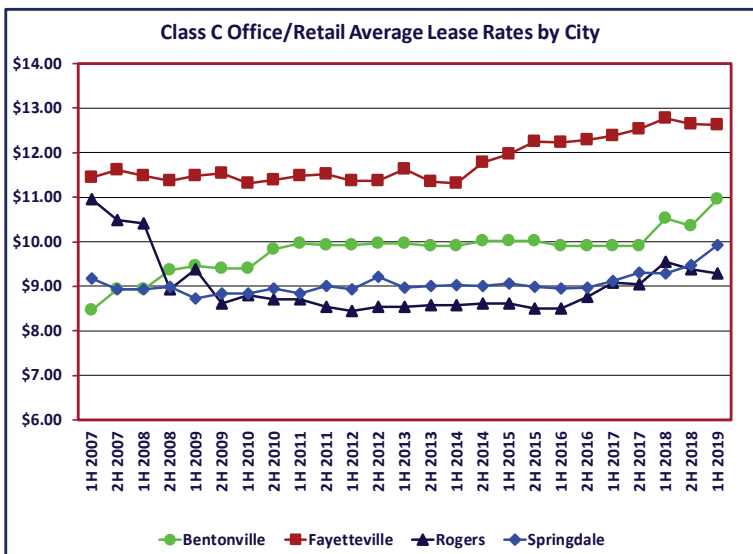
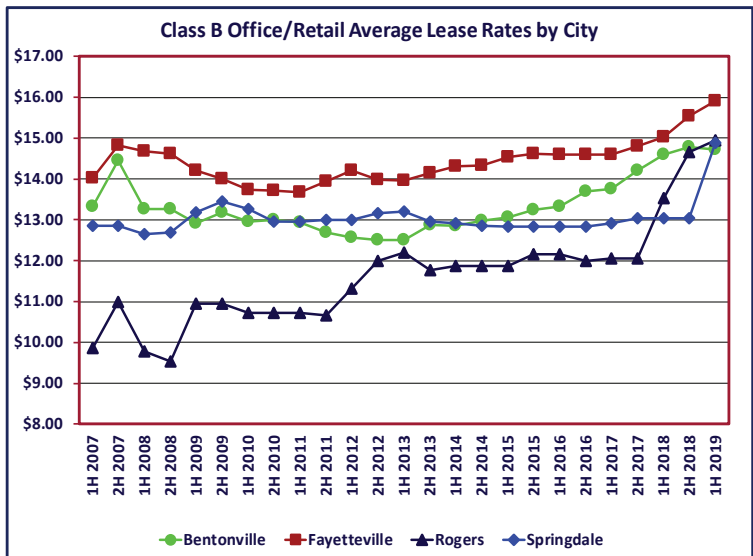
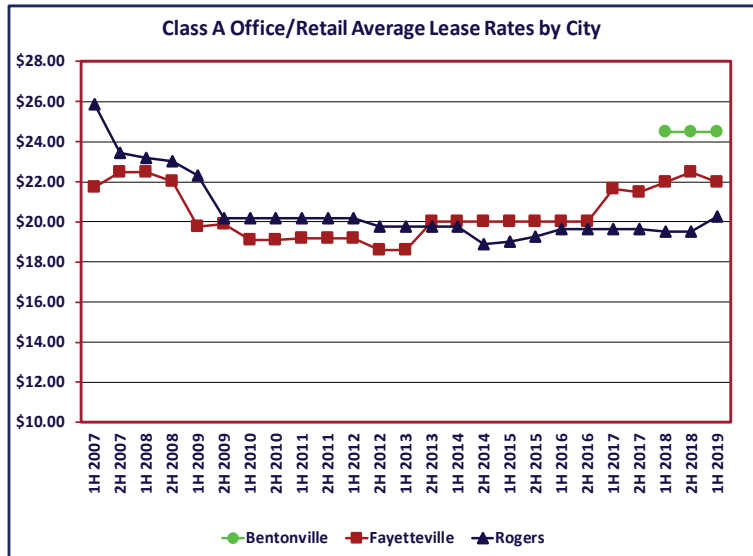
Office/Retail

In the first half of 2019, the office/retail properties included in the Skyline Report sample had a vacancy rate of 10.9 percent, unchanged from the second half of 2018. Of the 4,345,463 square feet of Northwest Arkansas properties examined, 475,116 square feet were available.

From the second half of 2018 to the first half of 2019, 3,850 square feet of new office/retail space were added in Northwest Arkansas. There was a positive net absorption of 26,970 square feet in the first half of 2019. Springdale had the most negative net absorption with 7,869 square feet, Bentonville added negative net absorption of 4,144 square feet, while Fayetteville had the most positive net absorption at 39,118 square feet.

Fayetteville had the largest amount of available square feet in the office/retail submarket with 140,081 square feet. In the first half of 2019, while Rogers contributed with 95,475 square feet available. The vacancy rate was highest in Rogers at 16.3 percent, while the vacancy rate in Siloam Springs was 16.1 percent.

The office/retail space reported average lease rates in the first half of 2019 were highest in the Bentonville Class A submarket remaining at \$24.50. The average Class A lease rate in Fayetteville decreased to \$22.00, while Rogers increased to \$20.75. In the Class B submarket, Fayetteville was still the most expensive at \$15.91 after an increase of \$0.37, followed by Rogers at \$14.94, after an increase of \$0.28, Springdale at \$14.89 after an increase of \$1.84, mostly due the reclassification of space, and Bentonville at \$14.73, was the lowest. In the Class C submarket, the average lease rate was highest in Fayetteville at \$12.63. In Bentonville, the average was \$10.95, in Springdale the rate was \$9.94, and Rogers was the least expensive at \$9.28.



Office/Retail

Office/Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$21.00 - \$28.00	\$14.18 - \$15.28	\$10.66 - \$11.24
Fayetteville	\$19.00 - \$25.00	\$15.24 - \$16.58	\$11.66 - \$13.59
Rogers	\$19.50 - \$21.00	\$13.94 - \$15.94	\$8.46 - \$10.10
Springdale	--	\$13.67 - \$16.11	\$9.64 - \$10.23



Office/Retail Space Characteristics by Class and City

Class	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption	Months of Inventory
Class A							
Bentonville	36,864	0	--	0	0	0	--
Fayetteville	57,307	1,000	1.7%	500	0	500	12.0
Rogers	110,651	9,093	8.2%	-3,125	0	-3,125	--
Springdale	--	--	--	--	--	--	--
Class B							
Bentonville	738,347	79,949	0	-5,894	3,850	-9,744	--
Fayetteville	1,139,626	98,821	0	28,122	0	28,122	21.1
Rogers	181,013	46,654	0	-2,002	0	-2,002	--
Springdale	152,569	20,596	0	6,870	0	6,870	18.0
Class C							
Bentonville	146,544	6,915	4.7%	5,600	0	5,600	7.4
Fayetteville	426,196	40,260	9.4%	10,496	0	10,496	23.0
Rogers	293,523	39,728	13.5%	7,500	0	7,500	--
Springdale	411,222	57,621	14.0%	-14,739	0	-14,739	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Retail

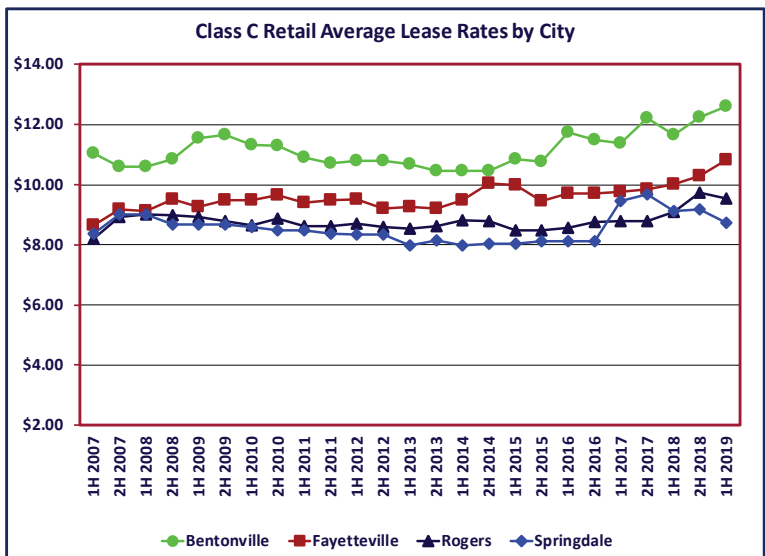
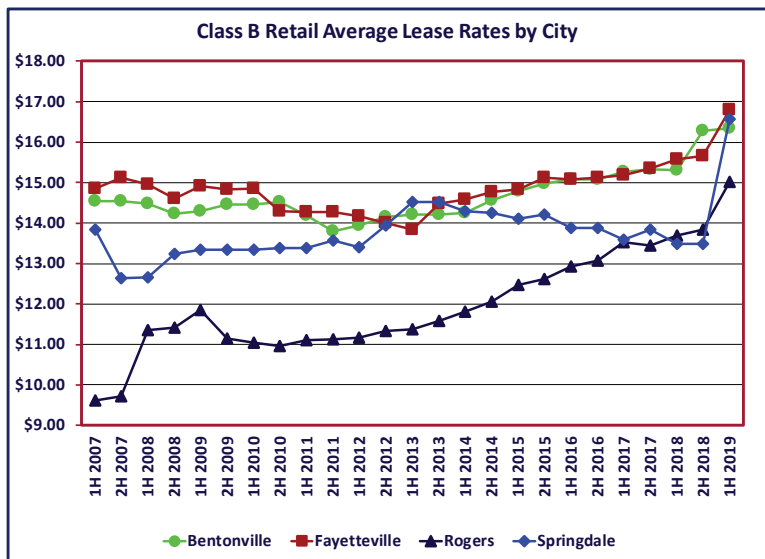
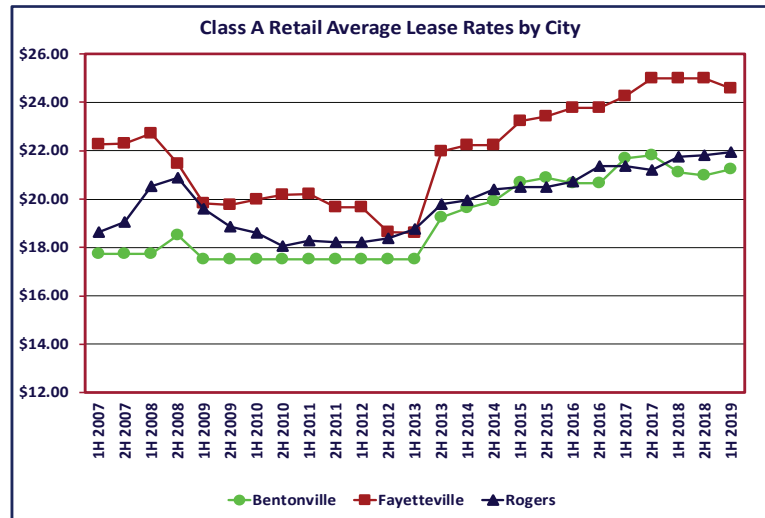
In the first half of 2019, the retail properties included in the Skyline Report panel had a vacancy rate of 10.8 percent, down from 11.5 percent in the second half of 2018. Of the 10,315,681 square feet of Northwest Arkansas retail properties examined, 1,111,719 square feet were available. 67,692 square feet of new retail space were added in Northwest Arkansas. There was positive net absorption of 98,630 square feet in the first half of 2019.

In the first half of 2019, Fayetteville had a retail vacancy rate of 12.3 percent, up from 11.8 percent in the second half of 2018, with 463,380 available square feet out of a total of 3,759,457. No new square feet were added and there was reported negative net absorption of 7,827 square feet in the Fayetteville retail market in the first half of 2019.

The Rogers market had 322,647 square feet of available retail space out of a total of 3,478,628 square feet, for a vacancy rate of 9.3 percent in the first half of 2019. This was a decrease from the 11.6 percent rate in the second half of 2018. 5,442 square feet of new retail space were added in Rogers, contributing to a positive net absorption of 85,834 square feet.

Bentonville had 760,466 total square feet and 63,097 available square feet of retail space. In the first half of 2019, resulting in a vacancy rate of 8.3 percent. This represented a decrease from the rate of 10.6 percent in the second half of 2018. There was no new retail space added to the Bentonville market which had positive net absorption of 18,417 square feet.

There were 184,469 square feet of available retail space out of a total of 1,687,740 square feet in Springdale in the first half of 2019. This implied a vacancy rate of 10.9 percent, up from 10.5 percent in the second half of 2018. 62,250 square feet of retail space were added during the second half of 2018, and there was negative net absorption of 3,752 square feet. During this half, all Class A retail in Springdale was re-classified to Class B based on discussion with local developers.



Retail

In the Class A retail submarket Fayetteville had the highest average reported lease rate at \$24.58 after a decrease of \$0.43. Rogers had an average reported lease rate of \$21.94, after an increase of \$0.11. The average rate in Bentonville increased slightly to \$21.25 After an increase of \$1.13, mostly due to reclassification of space, Class B retail average lease rates were highest in Fayetteville at \$16.80. Springdale, with an increase of \$3.08, also due primarily to reclassification of space, was at \$16.57, Bentonville increased to \$16.35, and Rogers was the lowest with an increase of \$1.18 to \$15.01. Class C average reported lease rates remained the highest in Bentonville at \$12.61 after increasing \$0.38. Fayetteville was at \$10.82, Rogers was at \$9.53, leaving Springdale the lowest at \$8.75 in the first half of 2019.

Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$20.29 - \$22.21	\$15.76 - \$16.94	\$12.11 - \$13.11
Fayetteville	\$23.75 - \$25.40	\$16.33 - \$17.26	\$10.67 - \$10.96
Rogers	\$21.07 - \$22.80	\$14.51 - \$15.51	\$9.39 - \$9.67
Springdale	--	\$16.13 - \$17.01	\$8.35 - \$9.14



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	177,727	27,415	15.4%	2,515	0	2,515	65.4
Fayetteville	1,130,393	45,758	4.0%	565	0	565	12.2
Rogers	1,511,198	53,680	3.6%	11,483	0	11,483	28.0
Springdale	--	--	--	--	--	--	--
Class B							
Bentonville	447,595	32,292	7.2%	15,902	0	15,902	12.2
Fayetteville	2,174,891	326,535	15.0%	-21,192	0	-21,192	--
Rogers	1,413,970	238,157	16.8%	55,928	5,442	50,486	28.3
Springdale	1,064,615	104,383	9.8%	65,598	62,250	3,348	187.1
Class C							
Bentonville	135,144	3,390	2.5%	0	0	0	--
Fayetteville	454,173	91,087	20.1%	12,800	0	12,800	42.7
Rogers	553,460	30,810	5.6%	23,865	0	23,865	7.7
Springdale	623,125	80,086	12.9%	-7,100	0	-7,100	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Warehouse

Warehouse

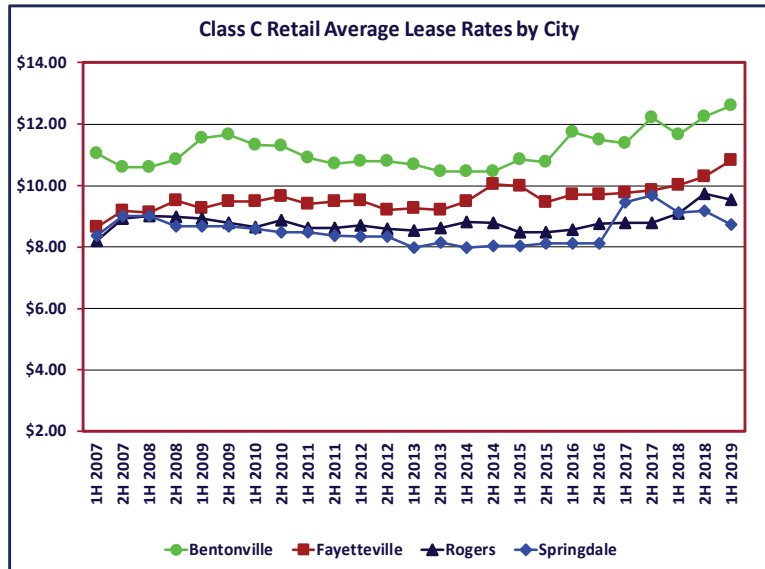
In the first half of 2019, the warehouse properties included in the Skyline Report panel had a vacancy rate of 10.3 percent, up from 9.9 percent in the second half of 2018. Of the 9,963,239 square feet of warehouse space examined, 1,027,460 square feet were available. There was 131,673 new square feet of warehouse space added in the first half of 2019, and there was negative net absorption of 22,847 square feet.

Bentonville had 1,068,462 total square feet of warehouse space and 74.0 percent of it was Class A warehouse space. 161,834 square feet of warehouse space, of which 150,000 square feet was Class A, was available in the first half of 2019. No new warehouse space was added to the Bentonville warehouse submarket in the first half of 2019, resulting in a vacancy rate of 15.1 percent up from 9.0 in the second half of 2018. There was negative net absorption of 48,800 square feet in this report period.

There was 1,152,499 total square feet of warehouse space in Fayetteville in the first half of 2019 and 64.6 percent of it was Class B warehouse space, due to some Class A being reclassified and some becoming owner-occupied. The vacancy rate was 0.0 percent, a decrease from 9.3 percent in the second half of 2018 as there was positive net absorption of 114,465 square feet.

263,345 square feet of warehouse space was available in Lowell out of 1,319,213 total square feet of warehouse space. 56.3 percent of the total warehouse space was Class B. 36,000 new square feet of warehouse space were added to the Lowell submarket in the first half of 2019, all Class B. After positive net absorption of 147,015 square feet, the resulting vacancy rate was 20.0 percent, down from 32.0 percent in the second half of 2018. In the first half of 2019, 128,215 square feet of the positive net absorption was in the Class B warehouse market while the remaining 18,800 square feet was in the Class A market.

Rogers had 2,862,731 square feet of warehouse space, of which 33.6 percent is Class A. 482,622



Warehouse

square feet was available and a majority of it, 428,618, was Class C space, leading to a vacancy rate of 16.9 percent, up from 8.4 percent in the second half of 2018. There was negative net absorption of 241,055 square feet, all from Class C, in the first half of 2019.

Springdale, including Tontitown warehouse, had 3,134,089 total square feet of warehouse space, of which 58.7 percent is Class B. 92,019 square feet was available and the majority of it, 60,750 square feet, was Class C space, leading to a vacancy rate of 2.9 percent, down from 3.2 percent in the second half of 2018. There was 95,673 square feet of new available space added to the Springdale warehouse submarket in the first half of 2019, all from the Class B market. There was a positive net absorption of 5,528 square feet, 2,000 in Class B and 3,528 in Class C during the first half of 2019.

The average reported warehouse lease rates increased by \$0.06 in Bentonville and \$0.02 in Springdale. The lease rates decreased in Fayetteville by \$0.06 and Rogers by \$0.04. Bentonville continued to have the highest

Warehouse Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$5.16 - \$5.51	\$4.68 - \$4.93	--
Fayetteville	--	\$3.65 - \$3.68	\$3.14 - \$3.31
Rogers	\$3.75 - \$3.75	\$4.61 - \$4.76	\$3.77 - \$3.82
Springdale	\$3.25 - \$3.25	\$3.68 - \$4.26	\$3.84 - \$4.12

reported lease rate at \$5.14, in the first half of 2019. 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.

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	791,073	150,000	19.0%	-48,800	0	-48,800	--
Fayetteville	--	--	--	--	--	--	--
Rogers	962,500	0	0.0%	0	0	0	--
Springdale	96,200	0	0.0%	0	0	0	--
Class B							
Bentonville	257,430	0	0.0%	0	0	0	--
Fayetteville	744,813	0	0.0%	114,465	0	114,465	0.0
Rogers	915,424	54,004	5.9%	0	0	0	--
Springdale	1,839,097	31,269	1.7%	97,673	95,673	2,000	93.8
Class C							
Bentonville	19,959	11,834	59.3%	0	0	0	--
Fayetteville	407,686	0	0.0%	0	0	0	--
Rogers	984,807	428,618	43.5%	-241,055	0	-241,055	--
Springdale	1,198,792	60,750	5.1%	3,528	0	3,528	103.3

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Other Categories

Office/Warehouse

The Skyline Report panelists reported on 3,993,957 square feet of office/warehouse space 472,498 total square feet available in the first half of 2019. The vacancy rate in the office/warehouse submarket increased from 9.7 percent in the second half of 2018 to 11.8 percent in the first half of 2019. 34,662 of new square feet of office/warehouse space entered the market in Northwest Arkansas during the first half of 2019.

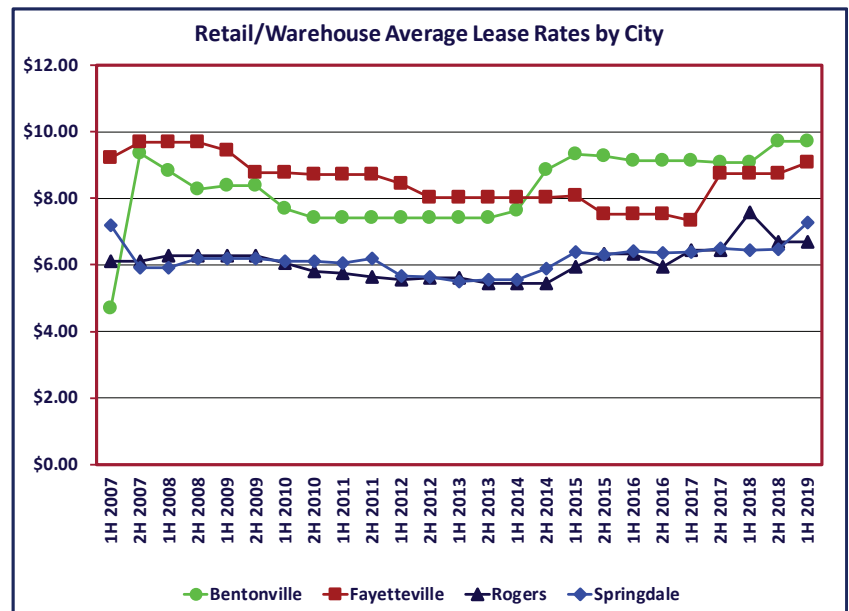
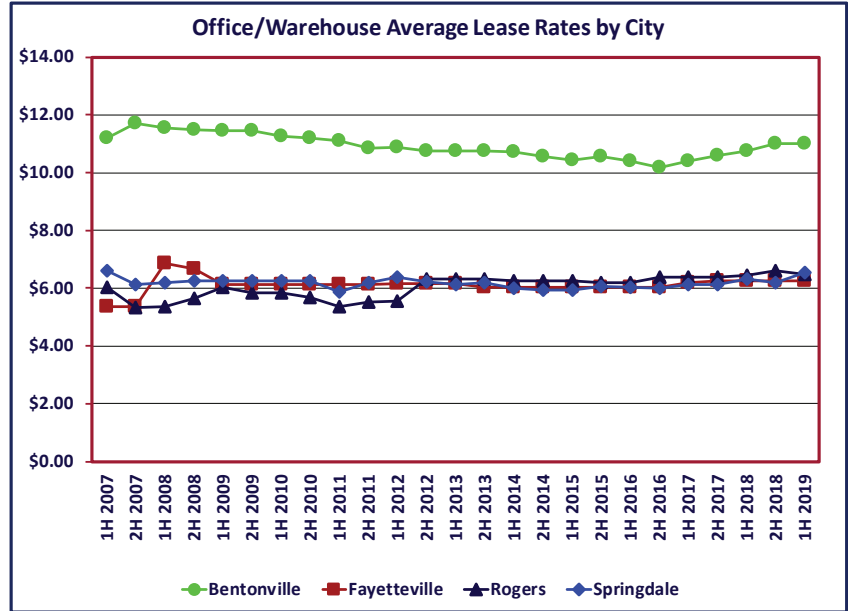
The office/warehouse submarket in Northwest Arkansas experienced negative net absorption of 40,368 square feet during the first half of 2019. Bentonville and Springdale with 123,697 square feet and 203,349 square feet, respectively, had the bulk of the available office/warehouse space in Northwest Arkansas.

In the first half of 2019, Bentonville continued to have the highest reported average lease rate at \$11.00. Springdale increased \$0.36 to \$6.53, Rogers decreased to \$6.49, while average reported lease rates remained at \$6.24 in Fayetteville.

Retail/Warehouse

The Skyline Report panelists reported on 1,408,547 square feet of retail/warehouse space in the first half of 2019. A total of 155,376 square feet was available in Northwest Arkansas. Springdale had the most available retail/warehouse space with 75,604 square feet, while Rogers added 32,692 square feet to that total.

25,600 new square feet entered the market during this time. The vacancy rate in the retail/warehouse submarket decreased from 14.0 percent in the second half of 2018 to 11.0 percent in the first half of 2019.



Other Categories

From the second half of 2018 to the first half of 2019, there was positive net absorption of 48,032 square feet of retail/warehouse space in Northwest Arkansas, with Springdale accounting for 25,268 square feet of that total.

Bentonville continued to have the highest average lease rate in this market at \$9.73. Reported retail/warehouse average lease rates increased in Fayetteville to \$9.07, while they increased in Springdale by \$0.81 to \$7.28 and remained at \$6.70 in Rogers in the first half of 2019.

Other Lease Rates Average Range by City

	Office/Warehouse	Retail/Warehouse
Bentonville	\$10.35 - \$11.65	\$9.44 - \$10.01
Fayetteville	\$5.80 - \$6.68	\$8.61 - \$9.53
Rogers	\$6.37 - \$6.61	\$6.54 - \$6.86
Springdale	\$6.08 - \$6.98	\$6.98 - \$7.58

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	1,068,462	161,834	15.1%	-48,800	0	-48,800	--
Fayetteville	1,152,499	0	0.0%	114,465	0	114,465	0.0
Rogers	2,862,731	482,622	16.9%	-241,055	0	-241,055	--
Springdale	3,134,089	92,019	2.9%	101,201	95,673	5,528	99.9

Office/Warehouse

Bentonville	999,200	123,697	12.4%	-31,213	0	-31,213	--
Fayetteville	177,512	0	0.0%	0	0	0	--
Rogers	579,202	83,959	14.5%	-322	0	-322	--
Springdale	1,969,730	203,349	10.3%	15,749	34,662	-18,913	--

Retail/Warehouse

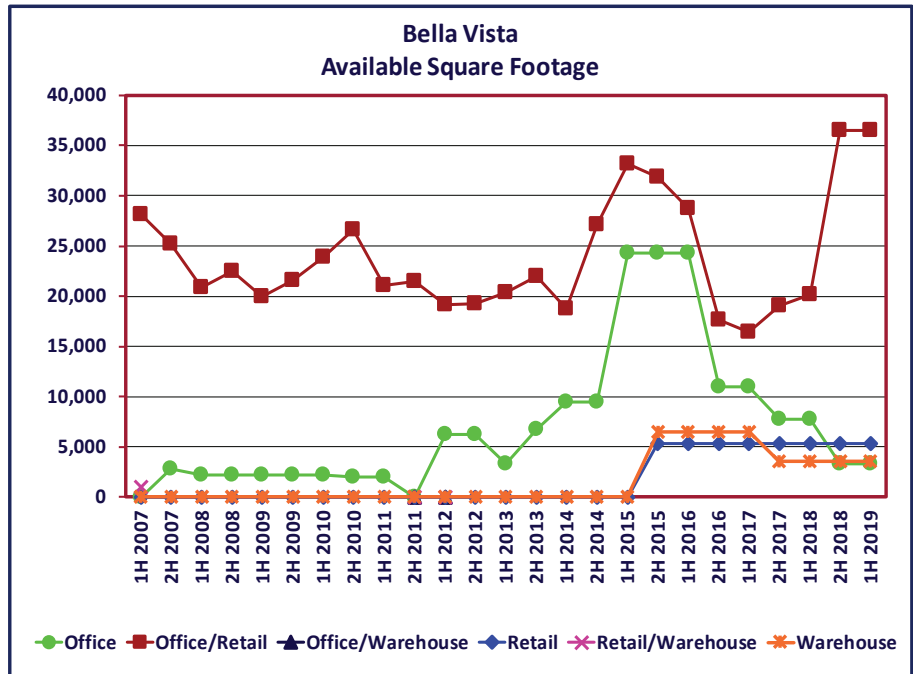
Bentonville	243,654	7,816	3.2%	-48	0	-48	--
Fayetteville	144,344	27,304	18.9%	23,696	0	23,696	6.9
Rogers	257,342	32,692	12.7%	216	0	216	908.1
Springdale	631,014	75,604	12.0%	50,868	25,600	25,268	18.0

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Bella Vista

- From January 1 to June 30, 2019, Bella Vista issued no new building permits for new commercial space.
- 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 2019.
- In the first half of 2019, Bella Vista did not experience any absorption.
- There was no space added to the Bella Vista commercial market in the first half of 2019. Reported average lease rates in Bella Vista in the first half of 2019 remained relatively stable.



Bella Vista Commercial Real Estate Market Summary Statistics

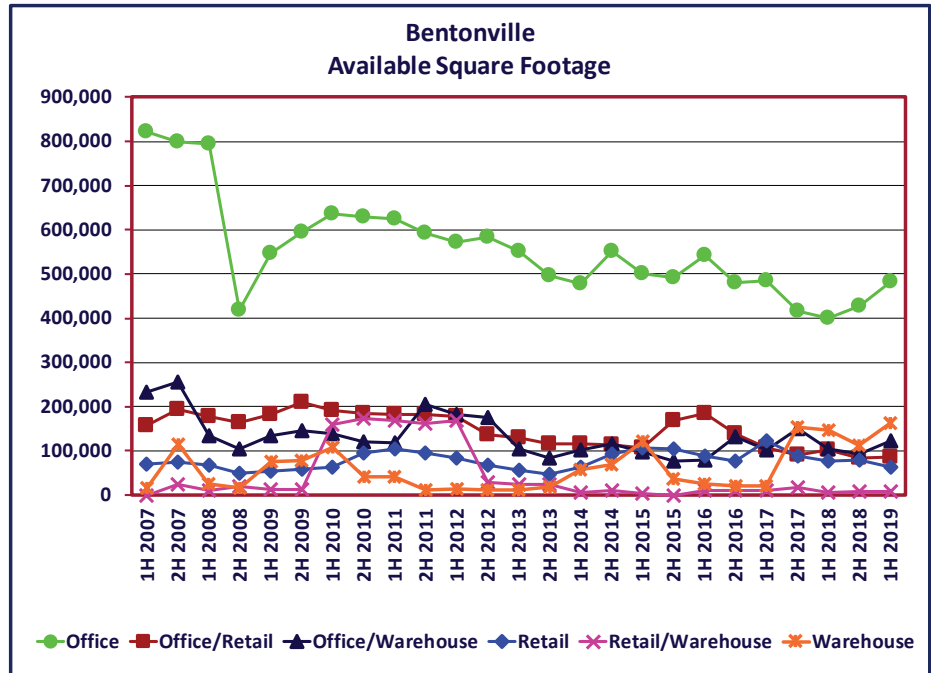
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Percent Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	--	--	--	--	--	--	--
Office	\$12.59 - \$13.09	75,389	3,300	4.4%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$13.68 - \$13.68	64,025	3,300	5.2%	0	0	0	--
Class C	\$11.00 - \$11.00	3,260	0	0.0%	0	0	0	--
Medical	\$12.00 - \$14.00	8,104	0	0.0%	0	0	0	--
Office/Retail	\$10.37 - \$13.41	294,928	36,521	12.4%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$10.37 - \$13.41	284,344	34,651	12.2%	0	0	0	--
Class C	--	10,584	1,870	17.7%	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	3,600	19.5%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	--	--	--	--	--	--	--	--
Class C	\$1.00 - \$2.70	18,486	3,600	19.5%	0	0	0	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Bentonville

- From January 1 to June 30, 2019, Bentonville issued \$38,912,450 worth of building permits for new commercial space. The first half of 2019 value was 29.5 percent lower than the second half of 2018 value of \$55,161,056. Bentonville accounted for 23.4 percent of the commercial permits issued in Northwest Arkansas during the first half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 7,771,630 square feet of commercial space in Bentonville in the first half of 2019.
- In the first half of 2019, Bentonville experienced negative absorption of



Bentonville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Percent 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	\$16.18 - \$16.73	3,761,753	482,211	12.8%	-46,175	0	-46,175	--
Class A	\$23.51 - \$25.21	711,601	75,533	10.6%	-12,037	0	-12,037	--
Class B	\$15.80 - \$16.28	2,368,585	366,067	15.5%	-28,286	0	-28,286	--
Class C	\$13.07 - \$13.21	369,310	35,411	9.6%	-4,652	0	-4,652	--
Medical	\$15.78 - \$16.38	312,257	5,200	1.7%	-1,200	0	-1,200	--
Office/Retail	\$13.67 - \$14.87	921,755	86,864	9.4%	-294	3,850	-4,144	--
Class A	\$21.00 - \$28.00	36,864	0	--	0	0	0	--
Class B	\$14.18 - \$15.28	738,347	79,949	10.8%	-5,894	3,850	-9,744	--
Class C	\$10.66 - \$11.24	146,544	6,915	4.7%	5,600	0	5,600	7.4
Office/Warehouse	\$10.35 - \$11.65	999,200	123,697	12.4%	-31,213	0	-31,213	--
Retail	\$15.95 - \$17.25	760,466	63,097	8.3%	18,417	0	18,417	20.6
Class A	\$20.29 - \$22.21	177,727	27,415	15.4%	2,515	0	2,515	65.4
Class B	\$15.76 - \$16.94	447,595	32,292	7.2%	15,902	0	15,902	12.2
Class C	\$12.11 - \$13.11	135,144	3,390	2.5%	0	0	0	--
Retail/Warehouse	\$9.44 - \$10.01	243,654	7,816	3.2%	-48	0	-48	--
Warehouse	\$4.98 - \$5.30	1,068,462	161,834	15.1%	-48,800	0	-48,800	--
Class A	\$5.16 - \$5.51	791,073	150,000	19.0%	-48,800	0	-48,800	--
Class B	\$4.68 - \$4.93	257,430	0	0.0%	0	0	0	--
Class C	--	19,959	11,834	59.3%	0	0	0	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Bentonville

108,113 square feet, while 3,850 new square feet of space, all from office/retail, were added, yielding negative net absorption of 111,963 square feet.

- The retail market had the greatest amount of positive net absorption with 18,417 square feet. However, the warehouse and office markets had significant negative net absorption of 48,800 and 46,175 square feet, respectively, in the first half of 2019.
- Reported vacancy rates from the second half of 2018 to the first half of 2019 decreased in the retail submarket, increased in the office, medical office, office/retail, office/warehouse, and warehouse submarkets while remaining the same in the retail/warehouse submarket in Bentonville.
- Average reported lease rates increased noticeably in the following submarkets: by \$0.88 in the Class A office, \$1.99 in the Class C office, and \$0.60 in the Class C office/retail submarkets and remained relatively stable in the other submarkets during this period.

- There was negative net absorption of 1,064 square feet in Downtown Bentonville during the first half of 2019, while 3,850 square feet of new space was added.
- Office space in Downtown Bentonville had a reported vacancy rate of 10.8 percent. In the first half of 2019, up from 9.7 percent in the second half of 2018.
- The office/retail vacancy rate in Downtown Bentonville increased from 4.2 percent to 6.5 percent in the first half of 2019. There was 9.6 percent reported retail vacancy for Downtown Bentonville properties in the first half of 2019. Average reported office lease rates increased by \$0.99, office/retail increased by \$0.40 while the average reported

lease rate in the retail submarket increased by \$1.02 in Downtown Bentonville in the first half of 2019.

Downtown Bentonville

Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 830,286 square feet of office, office/retail, and retail space in Downtown Bentonville in the first half of 2019.



Downtown Bentonville Summary Statistics

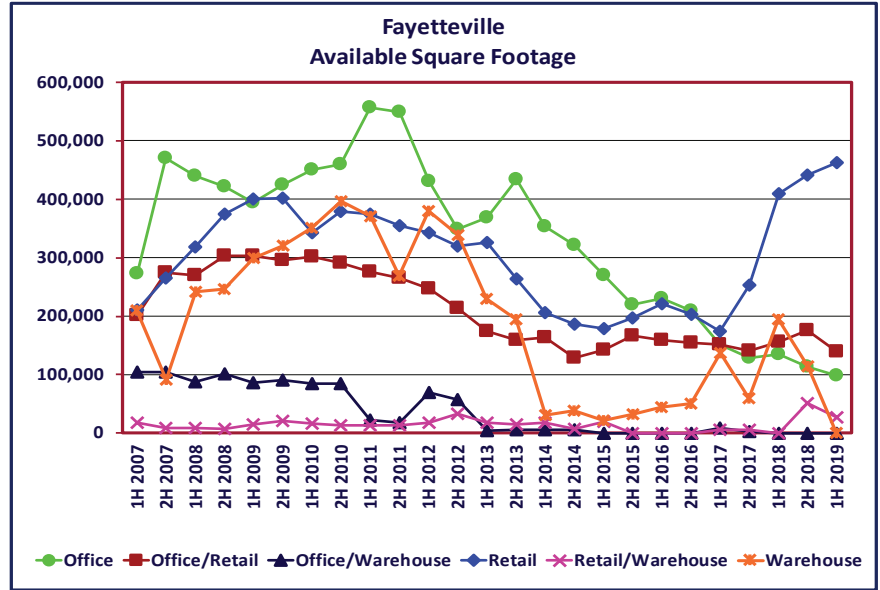
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Office	\$19.24 - \$20.46	602,112	64,869	10.8%	-10,945	0	-10,945	--
Office/Retail	\$17.11 - \$19.86	130,944	8,452	6.5%	10,850	3,850	7,000	7.2
Retail	\$16.64 - \$18.33	97,230	9,300	9.6%	2,881	0	2,881	19.4

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Fayetteville

- From January 1 to June 30, 2019, Fayetteville issued building permits for \$9,798,461 worth of new commercial space. The first half of 2019 value was 15.2 percent higher than the second half of 2018 value of \$8,507,982 Fayetteville accounted for 5.9 percent of the commercial permits issued in Northwest Arkansas during the first half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,111,222 square feet of commercial space in Fayetteville in the first half of 2019.
- In the first half of 2019, Fayetteville experienced positive net absorption of 197,024 square feet. The warehouse submarket had the greatest amount of positive net absorption with 114,465



square feet, followed by the office/retail submarket at 39,118 square feet.

The retail submarket had negative net absorption of 7,827 square feet.

Fayetteville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Net Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Lab	\$20.92 - \$22.92	75,603	11,182	14.8%	0	0	0	--
Industrial	\$3.80 - \$3.88	962,500	0	0.0%	0	0	0	--
Office	\$14.99 - \$16.22	3,216,178	98,764	3.1%	52,458	24,886	27,572	21.5
Class A	\$20.68 - \$25.39	409,222	2,262	0.6%	600	0	600	22.6
Class B	\$15.26 - \$15.92	1,077,361	49,282	4.6%	5,039	7,000	-1,961	--
Class C	\$12.23 - \$13.22	457,034	22,720	5.0%	10,160	0	10,160	13.4
Medical	\$16.28 - \$18.03	1,272,561	24,500	1.9%	36,659	17,886	18,773	7.8
Office/Retail	\$13.86 - \$15.48	1,623,129	140,081	8.6%	39,118	0	39,118	21.5
Class A	\$19.00 - \$25.00	57,307	1,000	1.7%	500	0	500	12.0
Class B	\$15.24 - \$16.58	1,139,626	98,821	8.7%	28,122	0	28,122	21.1
Class C	\$11.66 - \$13.59	426,196	40,260	9.4%	10,496	0	10,496	23.0
Office/Warehouse	\$5.80 - \$6.68	177,512	0	0.0%	0	0	0	--
Retail	\$15.08 - \$15.85	3,759,457	463,380	12.3%	-7,827	0	-7,827	--
Class A	\$23.75 - \$25.40	1,130,393	45,758	4.0%	565	0	565	--
Class B	\$16.33 - \$17.26	2,174,891	326,535	15.0%	-21,192	0	-21,192	--
Class C	\$10.67 - \$10.96	454,173	91,087	20.1%	12,800	0	12,800	42.7
Retail/Warehouse	\$8.61 - \$9.53	144,344	27,304	18.9%	23,696	0	23,696	6.9
Warehouse	\$3.43 - \$3.52	1,152,499	0	0.0%	114,465	0	114,465	0.0
Class A	\$4.38 - \$4.38	--	--	--	--	--	--	--
Class B	\$3.65 - \$3.68	744,813	0	0.0%	114,465	0	114,465	0.0
Class C	\$3.14 - \$3.31	407,686	0	0.0%	0	0	0	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Fayetteville

- A total of 24,886 square feet of new commercial space - all office space - was added to the Fayetteville market in the first half of 2019.
- Observed vacancy rates in Fayetteville from the second half of 2018 to the first half of 2019 decreased for the office, medical office, office/retail, retail/warehouse, and warehouse submarkets. Vacancy rates increased for retail space.
- The Fayetteville Class B office and Class B and Class C retail submarkets had significant average lease rate increases of \$0.61, \$1.13, and \$0.52 respectively, while all other lease rates were relatively stable from the second half of 2018 to the first half of 2019.

Downtown Fayetteville/ Dickson Street Area

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,082,792 square feet of office, office/retail, and retail space in the Downtown Fayetteville/Dickson Street area in the first half of 2019.
- There was positive net absorption of 8,003 square feet in the downtown Fayetteville area in the first half of 2019, as 9,517 square feet of office space was occupied
- There was no new space added in downtown Fayetteville during the first half of 2019.

- The office space in downtown Fayetteville had a reported vacancy rate of 2.4 percent in the first half of 2019, a decrease from 4.6 percent in the second half of 2018. The downtown vacancy rate was lower than the overall Fayetteville office vacancy rate of 3.1 percent.
- The office/retail vacancy rate for downtown Fayetteville properties increased from 4.1 in the second half of 2018 to 4.3 percent in the first half of 2019. This compares to 8.6 percent in the same submarket for all of Fayetteville during the first half of 2019.
- The downtown Fayetteville retail vacancy rate increased from 1.8 percent to 10.4 percent, with a negative net absorption of 3,877 square feet, and was lower than the overall Fayetteville retail vacancy rate of 12.3 percent in the first half of 2019.
- Average reported lease rates in downtown Fayetteville increased \$0.20 in the retail submarket, decreased \$0.16 in the office/retail submarket, and increased \$0.09 the office submarkets during the past six months.

Uptown Fayetteville

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,159,846 square feet of office, office/retail, and retail space in Uptown Fayetteville in the first half of 2019.

- There was negative net absorption of 28,757 square feet of space during the first half of 2019 in Uptown Fayetteville with retail space accounting for a negative absorption of 20,814 square feet and office space accounting for an additional 7,943 square feet of this total.
- There was 24,886 square feet of new commercial space, all office space, added to the Uptown Fayetteville commercial market in the first half of 2019.
- The office space in Uptown Fayetteville had a reported vacancy rate of 2.7 percent in the first half of 2019. This was higher than the second half of 2018 vacancy rate of 1.9 percent and lower than the 3.1 percent vacancy rate for all of Fayetteville.
- In the first half of 2019, the office/retail vacancy rate in Uptown Fayetteville remained at 4.0 percent from the second half of 2018. The vacancy rate was below the city average office/retail vacancy rate of 8.6 percent.



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	\$14.37 - \$17.05	427,286	10,445	2.4%	9,517	0	9,517	6.6
Office/Retail	\$15.14 - \$17.06	466,510	20,136	4.3%	2,363	0	2,363	51.1
Retail	\$15.63 - \$16.41	188,996	19,689	10.4%	-3,877	0	-3,877	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Fayetteville

- Retail space in Uptown Fayetteville had a reported vacancy rate of 13.1 percent in the first half of 2019, an increase from 12.2 percent in the second half of 2018, and higher than the overall Fayetteville rate of 12.3 percent.
- Average reported lease rates in Uptown Fayetteville increased \$0.16 in the office, remained constant in the office/retail and decreased \$0.53 in the retail submarket in the first half of 2019.
- There was no new commercial space added to southwest Fayetteville in the first six months of 2019.
- The MLK Boulevard Corridor of Fayetteville experienced a positive net absorption of 22,100 square feet of space, with office/retail space and retail space accounting for all of this total, in the first half of 2019.
- Office space in the MLK Boulevard Corridor of Fayetteville had a reported vacancy rate of 3.6 percent in the first half of 2019. This was higher than the overall office vacancy rate of 3.1 percent for all of Fayetteville.
- From the second half of 2018 to the first half of 2019, the office/retail vacancy rate decreased to 13.9 percent in the MLK Boulevard Corridor of Fayetteville, and was higher than the overall city average rate of 8.6 percent.
- The vacancy rate for retail space in the MLK Boulevard Corridor was 41.3 percent in the first half of 2019, a decrease from the 47.5 percent in the second half of 2018. The retail vacancy rate for all of Fayetteville was much lower at 12.3 percent.
- Average reported lease rates in the MLK Boulevard Corridor were unchanged in the office submarket, decreased \$0.81 in the office/retail submarkets and increased \$2.10 in the retail submarkets in the first half of 2019.

Martin Luther King, Jr. Boulevard Corridor

- In the first half of 2019, Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 498,010 square feet of office, office/retail, and retail space in the MLK Boulevard Corridor.

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	\$16.26 - \$17.38	1,726,422	46,592	2.7%	16,943	24,886	-7,943	--
Office/Retail	\$16.68 - \$16.81	81,348	3,261	4.0%	0	0	0	--
Retail	\$17.60 - \$18.35	2,352,076	307,788	13.1%	-20,814	0	-20,814	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 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	\$13.00 - \$13.00	27,993	1,000	3.6%	0	0	0	--
Office/Retail	\$13.72 - \$16.50	252,746	35,199	13.9%	8,600	0	8,600	24.6
Retail	\$16.36 - \$17.86	217,271	89,747	41.3%	13,500	0	13,500	39.9

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Johnson

- From January 1 to June 30, 2019 Johnson issued building permits for \$1,956,100 worth of new commercial space. The first half of 2019 value was 49.5 percent lower than the second half of 2018 value of \$3,873,492. Johnson accounted for 1.2 percent of the building permits issued in Northwest Arkansas in the first half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 535,698 square feet of Johnson commercial space in the first half of 2019.
- In the first half of 2019, Johnson had negative net absorption of 6,307 square feet all in the office market.
- There was 26,500 square feet of new office space added in Johnson in the first half of 2019.
- The office submarket in Johnson had a vacancy rate of 6.6 percent in the first half of 2019.
- Average reported lease rates in Johnson increased significantly in the Medical Office submarket by \$3.31 as more respondents reported more complete data, and by \$4.25 in the Class B retail submarket due to space reclassification.

Johnson Commercial Real Estate Market Summary Statistics

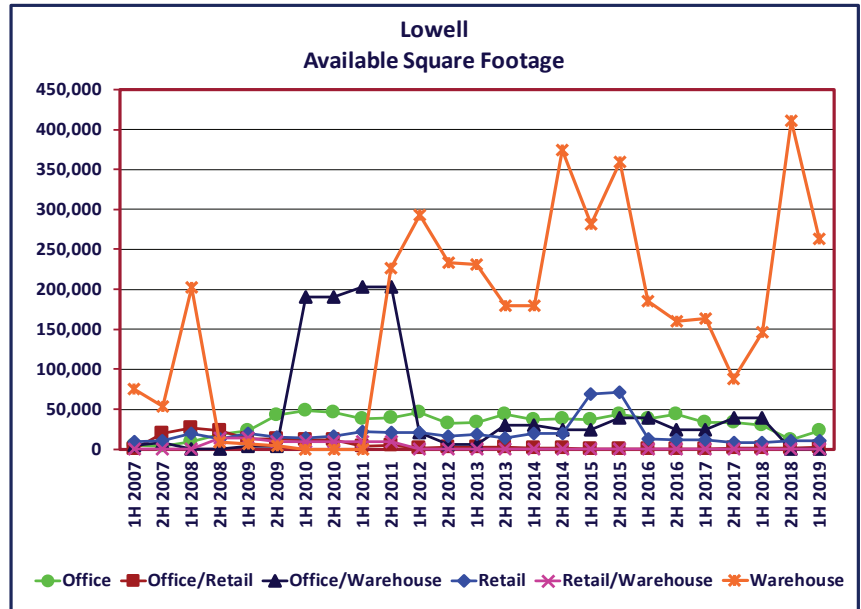
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	--	--	--	--	--	--	--
Office	\$21.59 - \$21.59	295,547	19,497	6.6%	20,193	26,500	-6,307	--
Class A	\$23.25 - \$23.25	72,373	9,978	13.8%	1,212	0	1,212	49.4
Class B	\$16.50 - \$16.50	31,300	0	0.0%	26,500	26,500	0	--
Class C	--	17,456	2,000	11.5%	0	0	0	--
Medical	\$22.19 - \$22.29	174,418	7,519	4.3%	-7,519	0	-7,519	--
Office/Retail	\$13.33 - \$15.00	65,451	3,332	5.1%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$13.33 - \$15.00	65,451	3,332	5.1%	0	0	0	--
Class C	--	--	--	--	--	--	--	--
Office/Warehouse	\$5.50 - \$5.50	31,340	0	0.0%	0	0	0	--
Retail	\$14.25 - \$15.00	53,335	2,400	4.5%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$15.00 - \$16.00	50,335	2,400	4.8%	0	0	0	--
Class C	\$12.00 - \$12.00	3,000	0	0.0%	0	0	0	--
Retail/Warehouse	--	8,420	0	0.0%	0	0	0	--
Warehouse	\$3.81 - \$4.86	81,605	0	0.0%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$3.89 - \$4.95	61,870	0	0.0%	0	0	0	--
Class C	\$3.50 - \$4.50	19,735	0	0.0%	0	0	0	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Lowell

- From January 1 to June 30, 2019, Lowell issued building permits for \$9,277,306 worth of new commercial space. The first half of 2019 value was 66.5 percent lower than the second half of 2018 value of \$27,580,755. Lowell accounted for 5.5 percent of building permits issued in Northwest Arkansas in the first half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 2,062,871 square feet of Lowell commercial space in the first half of 2019.
- In the first half of 2019, Lowell had positive net absorption of 143,518 square feet overall. The warehouse submarket had the greatest amount of positive net absorption with 147,015 square feet, while the office submarket had 11,857 square feet of negative net absorption.
- There was 36,000 square feet of new commercial space added in Lowell in the first half of 2019.



- Reported vacancy rates decreased in the office and warehouse submarkets, increased in the medical office, and office/retail submarkets, and remained the same in the other submarkets from the second half of 2018 to the first half of 2019.
- Average reported lease rates in Lowell from the second half of 2018 to the first half of 2019 increased significantly in the Class C office and Class C office/retail submarkets and remained relatively stable in all submarkets.

Lowell Commercial Real Estate Market Summary Statistics

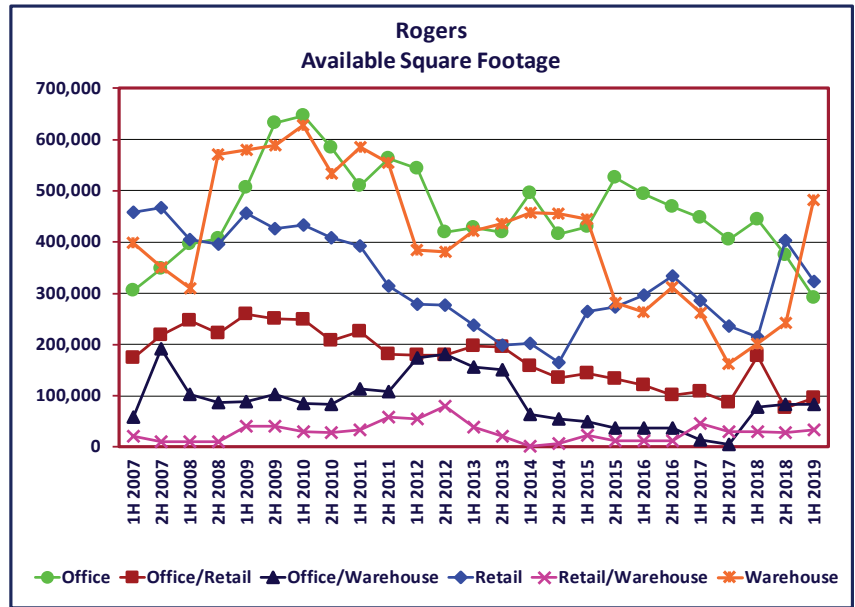
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Net Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	\$6.50 - \$6.50	75,280	8,300	11.0%	9,800	0	9,800	5.1
Office	\$14.25 - \$14.31	336,584	23,645	7.0%	-11,857	0	-11,857	--
Class A	\$19.33 - \$19.33	109,330	5,788	5.3%	0	0	0	--
Class B	\$12.75 - \$12.92	114,700	5,700	5.0%	-1,150	0	-1,150	--
Class C	\$9.88 - \$9.88	29,955	10,450	34.9%	-9,000	0	-9,000	--
Medical	\$18.00 - \$18.00	82,599	1,707	2.1%	-1,707	0	-1,707	--
Office/Retail	\$9.63 - \$10.63	94,446	2,880	3.0%	-1,440	0	-1,440	--
Class A	--	--	--	--	--	--	--	--
Class B	\$10.50 - \$12.50	43,100	2,880	6.7%	-1,440	0	-1,440	--
Class C	\$8.75 - \$8.75	51,346	0	0.0%	0	0	0	--
Office/Warehouse	\$5.52 - \$5.86	117,598	0	0.0%	0	0	0	--
Retail	\$12.21 - \$16.04	87,018	11,125	12.8%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$12.70 - \$17.30	76,962	11,125	14.5%	0	0	0	--
Class C	\$9.75 - \$9.75	10,056	0	0.0%	0	0	0	--
Retail/Warehouse	\$10.19 - \$10.19	32,732	0	0.0%	0	0	0	--
Warehouse	\$3.66 - \$3.70	1,319,213	263,345	20.0%	183,015	36,000	147,015	10.7
Class A	\$4.25 - \$4.25	397,832	35,000	8.8%	18,800	0	18,800	11.2
Class B	\$3.61 - \$3.64	742,381	58,595	7.9%	164,215	36,000	128,215	2.7
Class C	\$3.25 - \$3.25	179,000	169,750	94.8%	0	0	0	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Rogers

- From January 1 to June 30, 2019, Rogers issued building permits for \$92,084,379 worth of new commercial space. The first half of 2019 value was 131.3 percent higher than the second half of 2018 value of \$39,814,429. Rogers accounted for 55.3 percent of the commercial permits issued in Northwest Arkansas during the first half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,892,944 square feet of commercial space in the first half of 2019.
- In the first half of 2019, Rogers had overall negative net absorption of 76,496 square feet. The retail market had the greatest amount of positive net absorption with 85,834 square feet. The warehouse market had the most negative net absorption with 241,055 square feet.



- In the first half of 2019, 61,822 square feet of new commercial space were added to the Rogers market. This included 56,380 square feet of office space and 5,442 square feet of retail space.
- Reported vacancy rates in the first half of 2019 decreased in the office, medical office, and retail submarkets. Vacancy rates increased for office/retail, retail/warehouse, office/warehouse, and warehouse submarkets.

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%	0	0	0	--
Industrial	\$3.92 - \$3.92	715,165	111,272	15.6%	0	0	0	--
Office	\$15.98 - \$16.76	3,405,207	291,115	8.5%	132,838	56,380	76,458	22.8
Class A	\$21.97 - \$23.18	1,707,755	125,606	7.4%	91,817	56,380	35,437	21.3
Class B	\$16.39 - \$17.23	986,215	130,148	13.2%	-19,930	0	-19,930	--
Class C	\$10.46 - \$11.26	288,643	35,361	12.3%	16,203	0	16,203	13.1
Medical	\$15.02 - \$15.19	422,594	0	0.0%	44,748	0	44,748	0.0
Office/Retail	\$11.29 - \$13.04	585,187	95,475	16.3%	2,373	0	2,373	241.4
Class A	\$19.50 - \$21.00	110,651	9,093	8.2%	-3,125	0	-3,125	--
Class B	\$13.94 - \$15.94	181,013	46,654	25.8%	-2,002	0	-2,002	--
Class C	\$8.46 - \$10.10	293,523	39,728	13.5%	7,500	0	7,500	--
Office/Warehouse	\$6.37 - \$6.61	579,202	83,959	14.5%	-322	0	-322	--
Retail	\$13.76 - \$14.62	3,478,628	322,647	9.3%	91,276	5,442	85,834	22.6
Class A	\$21.07 - \$22.80	1,511,198	53,680	3.6%	11,483	0	11,483	28.0
Class B	\$14.51 - \$15.51	1,413,970	238,157	16.8%	55,928	5,442	50,486	28.3
Class C	\$9.39 - \$9.67	553,460	30,810	5.6%	23,865	0	23,865	7.7
Retail/Warehouse	\$6.54 - \$6.86	257,342	32,692	12.7%	216	0	216	908.1
Warehouse	\$4.02 - \$4.09	2,862,731	482,622	16.9%	-241,055	0	-241,055	--
Class A	\$3.75 - \$3.75	962,500	0	0.0%	0	0	0	--
Class B	\$4.61 - \$4.76	915,424	54,004	5.9%	0	0	0	--
Class C	\$3.77 - \$3.82	984,807	428,618	43.5%	-241,055	0	-241,055	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Rogers

- From the second half of 2018 to the first half of 2019, significant increases of \$0.59, \$0.99, \$0.56, and \$1.18 occurred in the Class A, B, and Medical office, Class A office/retail, and Class B retail submarkets, respectively. Modest increases were reported in Class C office, and Class B office/retail submarkets, while modest decreases were reported in the Class C retail and office/warehouse submarket. All other lease rates remained relatively unchanged.

Downtown Rogers

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 507,640 square feet of office, office/retail, and retail space in Downtown Rogers in the first half of 2019.
- No new commercial space was added to downtown Rogers in the second six months of 2018.
- The office space in Downtown Rogers had a negative net absorption of 2,444 square feet and had a vacancy rate of 16.9 percent in the first half of 2019. The downtown vacancy rate was higher than the overall average office vacancy rate for Rogers, which was 8.5 percent during the same period.
- The office/retail submarket experienced no net absorption. The vacancy rate increased to 11.9 percent from the second half of 2018 rate of 2.8 percent

in the downtown area, as more space was reported on. This compares to a vacancy rate of 16.3 percent for all of Rogers.

- Downtown Rogers experienced a positive net absorption of 19,399 square feet of retail space during the first half of 2019. The average retail vacancy rate for downtown Rogers properties for the first half of 2019 increased to 8.0 percent from 4.9 percent in the second half of 2018, and was lower than the 9.3 percent average rate for all of Rogers.
- Average reported lease rates for downtown Rogers increased \$0.19 in the office submarket, remained constant in the office/retail, and decreased \$0.52 in the retail submarkets in the first half of 2019.

Rogers Interstate 49 Corridor

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,810,220 square feet of office, office/retail, and retail space along the Rogers I-49 corridor in the first half of 2019.
- 56,380 square feet of new commercial space, all office space, were added to the Rogers I-49 corridor submarket in the first six months of 2019.
- Office space along the Rogers I-49 corridor experienced positive net absorp-

tion of 37,075 square feet during the first half of 2019. The reported average vacancy rate was 9.6 percent. In the first half of 2019, a decrease from the 10.8 percent rate in the second half of 2018. This was higher than the overall office vacancy rate for all of Rogers at 8.5 percent.

- Office/retail space along the Rogers I-49 corridor experienced a negative net absorption of 1,487 in the first half of 2019. The office/retail submarket had a 14.6 percent vacancy rate, an increase from the 12.7 percent reported in the second half of 2018. This compares to a vacancy rate of 16.3 percent for all of Rogers.
- There were 5,429 square feet of positive net absorption in the retail submarket for the Rogers I-49 corridor properties. The average retail vacancy rate for the second half of 2018 was 5.9 percent, a decrease from 6.2 percent in the second half of 2018, and higher than the 9.3 percent average rate for all of Rogers.
- Average reported lease rates increased \$0.68 in the office submarket, increased \$0.67 in the office/retail submarket and decreased \$0.11 in the retail submarket in the Rogers I-49 area in the first half of 2019.

Rogers Downtown Summary Statistics

	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Percent Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Office	\$11.72 - \$12.56	141,650	23,914	16.9%	0	0	-2,444	--
Office/Retail	\$8.53 - \$12.80	125,838	15,000	11.9%	0	0	0	--
Retail	\$10.91 - \$11.47	240,152	19,250	8.0%	0	0	19,399	6.0

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 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	\$19.90 - \$20.86	2,452,323	235,609	9.6%	0	56,380	37,075	38.1
Office/Retail	\$19.81 - \$20.71	145,727	21,347	14.6%	0	0	-1,487	--
Retail	\$19.22 - \$20.73	2,212,170	130,672	5.9%	0	0	5,429	144.4

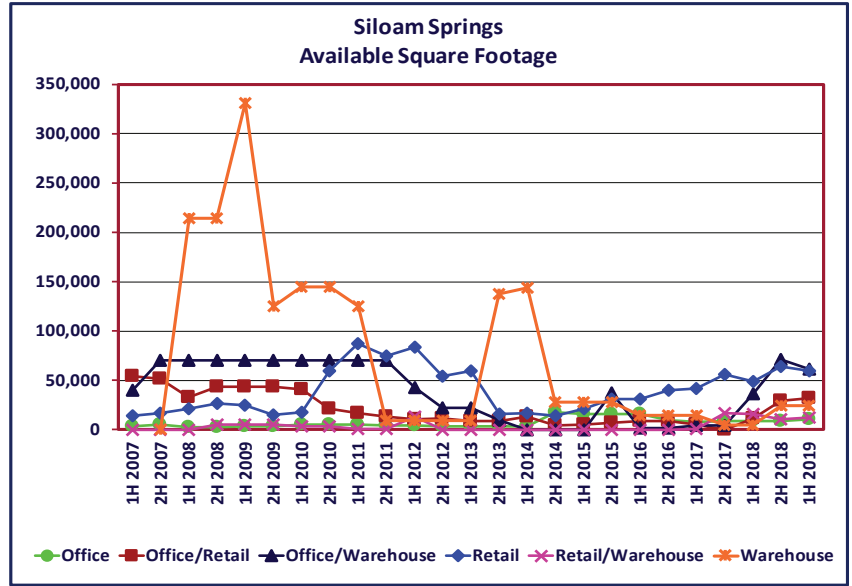
¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.



Siloam Springs

- From January 1 to June 30, 2019, Siloam Springs issued commercial building permits worth \$6,074,608. The first half of 2019 value was 15,444.0 percent higher than the second half of 2018 value of \$39,080. Siloam Springs accounted for 3.7 percent of the commercial permits issued in Northwest Arkansas during the first half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,576,411 square feet of commercial space for Siloam Springs in the first half of 2019.
- No new square feet of commercial space were added to the Siloam Springs market in the first half of 2019.
- In the first half of 2019, Siloam Springs experienced overall positive net absorption of 13,470 square feet. There was positive net absorption of 10,080 and 5,958 square feet in the office/warehouse and retail markets, respectively. There was negative net absorption of 1,100 square feet in the retail/warehouse submarket.



- Vacancy rates from the second half of 2018 to the first half of 2019 decreased in the office/warehouse and retail submarkets. Vacancy rates increased in the office, office/retail, office/warehouse, and retail/warehouse, and remained the same in the medical office submarket.
- Average lease rates increased significantly in the Class B and Medical office, Class B and C office/retail, and Class

B and C retail submarkets by \$3.20, \$0.78, \$0.92, \$1.12, \$6.30, and \$0.92, respectively, while decreasing \$1.62 in the Class C office submarket and remained relatively stable in the other submarkets in the first half of 2019 in Siloam Springs. Except for Medical office most of these changes were due to the reclassification of space.

Siloam Springs Commercial Real Estate Market Summary Statistics

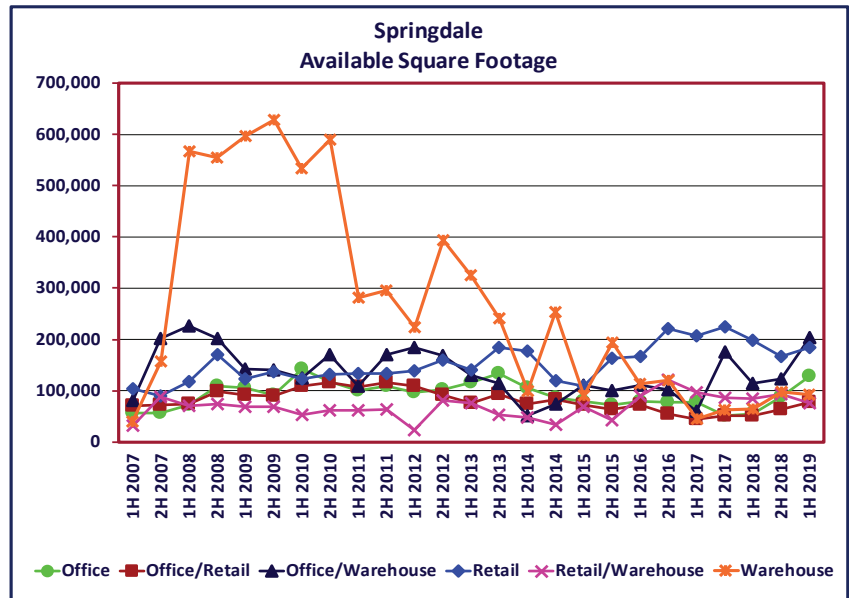
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	240,589	240,589	100.0%	0	0	0	--
Office	\$12.52 - \$14.11	151,259	10,650	7.0%	-400	0	-400	--
Class A	--	--	--	--	--	--	--	--
Class B	\$10.13 - \$11.92	30,355	1,650	5.4%	-400	0	-400	--
Class C	\$8.14 - \$10.17	6,400	0	0.0%	0	0	0	--
Medical	\$15.71 - \$17.01	114,504	9,000	7.9%	0	0	0	--
Office/Retail	\$8.33 - \$10.58	196,776	31,746	16.1%	-1,068	0	-1,068	--
Class A	--	--	--	--	--	--	--	--
Class B	\$10.36 - \$12.76	118,939	7,936	6.7%	-2,800	0	-2,800	--
Class C	\$7.07 - \$9.22	77,837	23,810	30.6%	1,732	0	1,732	82.5
Office/Warehouse	\$3.56 - \$3.81	119,375	61,493	51.5%	10,080	0	10,080	36.6
Retail	\$11.35 - \$11.96	451,217	59,281	13.1%	5,958	0	5,958	59.7
Class A	--	--	--	--	--	--	--	--
Class B	\$17.80 - \$17.80	136,163	14,900	10.9%	2,200	0	2,200	40.6
Class C	\$7.76 - \$8.71	315,054	44,381	14.1%	3,758	0	3,758	70.9
Retail/Warehouse	\$5.74 - \$9.42	91,041	11,960	13.1%	-1,100	0	-1,100	--
Warehouse	\$3.36 - \$3.69	326,154	24,040	7.4%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$3.00 - \$4.00	104,624	24,040	23.0%	0	0	0	--
Class C	\$3.43 - \$3.63	221,530	0	0.0%	0	0	0	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Springdale

- From January 1 to June 30, 2019, Springdale issued \$8,346,211 worth of building permits for new commercial space. This was a decrease of 76.0 percent from the \$34,817,865 issued in the second half of 2018. Springdale accounted for 5.0 percent of the commercial permits issued in Northwest Arkansas for the first half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 10,069,234 square feet of commercial space in Springdale in the first half of 2019.
- In the first half of 2019, there was 218,185 new square feet added to the Springdale market.
- In the first half of 2019, Springdale experienced negative net absorption of 58,038 square feet. The retail/warehouse submarket had the most positive net absorption with 25,268 square feet, while the warehouse contributed 5,528 square feet. The office market had the greatest amount of negative net absorption with 36,439 square feet.
- Reported vacancy rates decreased in the medical office, retail, and retail/warehouse submarkets. Vacancy rates increased in office, office/retail, office/warehouse and warehouse submarkets in the first half of 2019.



- Average reported lease rates in Springdale increased significantly by \$0.97, \$1.87, \$0.45, \$0.36, \$3.08, \$0.81 in the Class B office, Class B and C office/retail, office/warehouse, Class B retail, and the retail/warehouse submarkets, respectively, and decreased \$0.44, in the retail Class C submarket. All other lease rates remained relatively stable from

the second half of 2018 to the first half of 2019. The office, office/retail, and retail submarkets were impacted by the reclassification of space.

Springdale Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Net Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Lab	--	5,224	0	0.0%	0	0	0	--
Industrial	\$4.90 - \$5.56	1,019,446	345,025	33.8%	-21,861	0	-21,861	--
Office	\$12.88 - \$13.59	1,058,200	127,940	12.1%	-36,439	0	-36,439	--
Class A	\$19.68 - \$20.68	95,501	217	0.2%	0	0	0	--
Class B	\$14.16 - \$14.89	492,484	94,340	19.2%	-13,082	0	-13,082	--
Class C	\$9.65 - \$10.61	191,726	19,883	10.4%	-13,607	0	-13,607	--
Medical	\$14.50 - \$14.54	278,489	13,500	4.8%	-9,750	0	-9,750	--
Office/Retail	\$10.53 - \$11.52	563,791	78,217	13.9%	-7,869	0	-7,869	--
Class A	--	--	--	--	--	--	--	--
Class B	\$13.67 - \$16.11	152,569	20,596	13.5%	6,870	0	6,870	18.0
Class C	\$9.64 - \$10.23	411,222	57,621	14.0%	-14,739	0	-14,739	--
Office/Warehouse	\$6.08 - \$6.98	1,969,730	203,349	10.3%	15,749	34,662	-18,913	--
Retail	\$11.76 - \$12.59	1,687,740	184,469	10.9%	58,498	62,250	-3,752	--
Class A	--	--	--	--	--	--	--	--
Class B	\$16.13 - \$17.01	1,064,615	104,383	9.8%	65,598	62,250	3,348	187.1
Class C	\$8.35 - \$9.14	623,125	80,086	12.9%	-7,100	0	-7,100	--
Retail/Warehouse	\$6.98 - \$7.58	631,014	75,604	12.0%	50,868	25,600	25,268	18.0
Warehouse	\$3.76 - \$4.17	3,134,089	92,019	2.9%	101,201	95,673	5,528	99.9
Class A	\$3.25 - \$3.25	96,200	0	0.0%	0	0	0	--
Class B	\$3.68 - \$4.26	1,839,097	31,269	1.7%	97,673	95,673	2,000	93.8
Class C	\$3.84 - \$4.12	1,198,792	60,750	5.1%	3,528	0	3,528	103.3

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 respondents.

Springdale

Downtown Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 360,810 square feet of office, office/retail, and retail space in downtown Springdale in the first half of 2019. Some retail space was reclassified as office/retail space by respondents.
- There were no new square feet of commercial property added to downtown Springdale in the first half of 2019.
- There was a negative net absorption of 13,000 square feet in the office market in downtown Springdale in the first half of 2019. The office space in downtown Springdale had an average vacancy rate of 8.2 percent, lower than the 3.0 percent in the second half of 2018. The rate was lower than the overall Springdale average office vacancy rate of 12.1 percent.
- There was negative net absorption of 13,000 square feet. 31.2 percent of all reported office/retail space was

available in downtown Springdale, unchanged from the 31.2 in the second half of 2018. This compares to 10.9 percent vacancy rate for all of Springdale.

- Retail space in downtown Springdale had no net absorption in the first half of 2019. The vacancy rate increased from 6.6 percent in the second half of 2018 to 17.7 percent in the first half of 2019, and was higher than the average retail vacancy rate for all of Springdale at 10.9 percent in the first half of 2019.
- Average reported lease rates for downtown Springdale remained relatively unchanged for the office/retail market, increased for the office and decreased for the retail market in the first half of 2019.

West Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 924,075 square feet of office, office/retail, and retail space in West Springdale in the first half of 2019. There were 62,250 new square feet of retail space added to West Springdale in the first half of 2019.

- The office space had a negative net absorption of 3,240 square feet in the first half of 2019. The vacancy rate increased to 12.6 percent from 10.2 percent in the second half of 2018, and was higher than the city average office vacancy rate of 12.1 percent.
- The office/retail submarket had a negative net absorption of 509 square feet in the first half of 2019. The vacancy rate in West Springdale was 23.8 percent in the first half of 2019, an increase from the 23.4 percent from the second half of 2018. The rate was above the overall city average office/retail vacancy rate of 13.9 percent.
- The retail vacancy rate for West Springdale properties increased from 4.7 percent in the second half of 2018 to 5.0 percent in the first half of 2019, as there was negative net absorption of 5,052 square feet. The rate was below the city average retail vacancy rate of 10.9 percent.
- Average reported leases rates remained relatively the same for the office and office/retail markets. The retail market saw slight increases.

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	\$12.85 - \$13.60	250,578	20,600	8.2%	-13,000	0	-13,000	--
Office/Retail	\$10.67 - \$12.00	19,988	6,232	31.2%	0	0	0	--
Retail	\$8.87 - \$10.59	90,244	15,936	17.7%	0	0	0	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 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	\$15.33 - \$15.91	139,250	17,492	12.6%	-3,240	0	-3,240	--
Office/Retail	\$14.40 - \$16.00	120,550	28,695	23.8%	-509	0	-509	--
Retail	\$16.60 - \$18.00	664,275	33,226	5.0%	57,198	62,250	-5,052	--

¹From all 1H 2019 respondents.

²From 1H 2019 respondents who were also 2H 2018 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. This report period the city of Johnson

and the three types of warehouse space in Tontitown were added to the data base. 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 2019, 237 panelists provided data on 2,128 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 2,128 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.