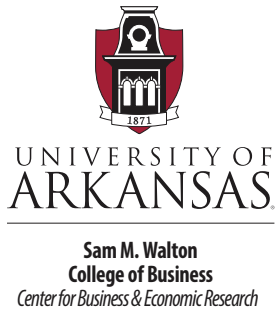




THE SKYLINE REPORT

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Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the fortieth edition of the Skyline Report for Benton and Washington Counties—Multifamily 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 multifamily real estate market. This study is a companion piece to the semiannual single-family residential and commercial Skyline Reports. As the population of the region grows, there is increased demand for all types of housing. Understanding the supply of multifamily housing opportunities is critical to clearly understand the overall residential market. There is a complex dynamic between multifamily housing, residential rental housing, and residential home ownership that is being influenced by several factors including: quantity of multifamily supply, quantity of rental housing, interest rates, underwriting standards, and unemployment rates, among others. The information contained in the following pages details the current condition of the multifamily market and sets the stage for future comparisons.

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Highlights from the First Half of 2019

- The vacancy rate for all multifamily properties in Northwest Arkansas decreased to 3.1 percent in the first half of 2019 from 3.5 percent in the second half of 2018. The rate was 3.9 percent in the first half of 2018.
- The decrease in regional vacancy rates was primarily due to decreased vacancy rates in Bentonville and Fayetteville as a result of absorption of new construction.
- The overall multifamily vacancy rate in Fayetteville decreased from 4.5 percent in the first half of 2018 to 3.9 percent in the first half of 2019. More than 4,100 additional rental units (20.6 percent of current inventory) have been announced or are under construction in new multifamily projects in Fayetteville.
- In Bentonville (including Centerton), vacancy rates decreased from 6.3 percent in the first half of 2018 to 3.1 percent in the first half of 2019. There are also more than 3,400 rental units (54.1 percent of current inventory) that have been announced or are under construction in new multifamily projects in Bentonville.
- Rogers had a decrease in vacancy rates from 2.8 percent in the first half of 2018 to 2.3 percent in the first half of 2019, as new units were absorbed. More than 3,000 additional rental units (55.1 percent of current inventory) have been announced or are under construction in the Rogers submarket.
- Siloam Springs vacancy rates increased from 1.0 percent vacancy rate in the first half of 2018 to 2.1 percent in the first half of 2019.
- In Springdale the vacancy rate decreased from 1.5 percent in the first half of 2018 to 1.3 percent in the first half of 2019 making it the lowest vacancy rate in Northwest Arkansas. More than 1,400 new rental units (21.4 percent of current inventory) have been announced or are under construction in multifamily projects in Springdale.
- In the first half of 2019, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$691.49, with the median lease also increasing to \$625.00 from \$605.00 in the second half of 2018.

Report Structure



The results of an in-depth data gathering process are presented and analyzed in this report. Data from three distinct sources were used to examine the characteristics of the Northwest Arkansas multifamily residential housing market. First, building permit data were examined to identify any multifamily units that were new to the market. Second, the databases from the Benton and Washington County Assessors' offices were searched to identify existing multifamily properties. Finally, a survey of the population of multifamily property managers was conducted in order to collect the characteristics of the Northwest Arkansas multifamily housing market.

The Skyline Report is structured in the following way. In the first section, a review of relevant economic statistics is presented to set a context for examining multifamily housing. In the section that follows the economic overview, regional comparisons are detailed. A short discussion about

condominium market is shown second, followed by two tables with announcements of coming multifamily projects. A section on multifamily building permits issued in the last twelve months follows. Next, there is an analysis of the data obtained from the Benton and Washington County Assessors' offices. The total number and the square footage of the population of multifamily properties in Northwest Arkansas are broken down by major city. Then, the coverage of the sample of Skyline Report survey respondents is discussed in relation to that population. Finally, vacancy rates, average and median unit sizes as well as average and median floor plan prices, all calculated from the survey sample, are presented on a regional basis.

The report then turns to a more detailed city-by-city analysis. For this report, Bentonville (now incorporating Centerton), Fayetteville, Rogers, Siloam Springs, and Springdale were examined.

In order to collect this specific information about Northwest Arkansas multifamily residential properties, Center for Business and Economic Research staff surveyed the population of multifamily property managers. To identify potential respondents, databases from the Washington and Benton County Assessors' offices were searched. Contact information was obtained where available and at least three phone contacts were attempted for each respondent. When no response was forthcoming, the properties were physically visited by a surveyor.

As the fortieth edition of the multifamily series of the Skyline Report, this study provides trend comparisons in vacancy rates, prices, unit sizes, and other multifamily property characteristics.

Economic Overview

It is helpful to look at some key macro-economic statistics in order to get a sense of the Northwest Arkansas multifamily real estate market. The rate of activity in the Northwest Arkansas multifamily 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.

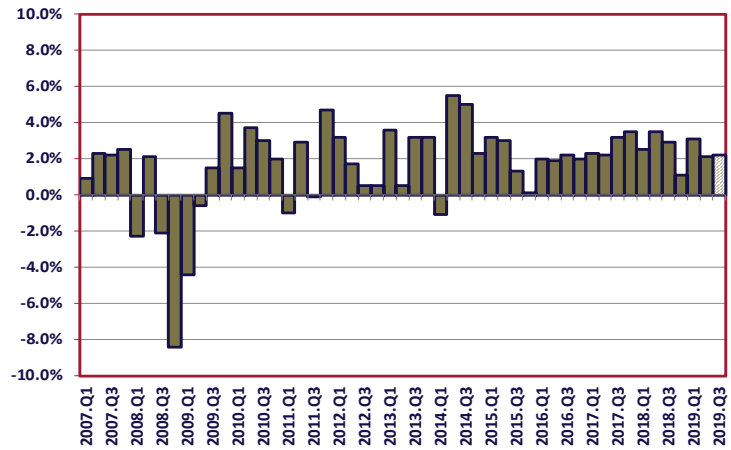
Gross Domestic Product

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

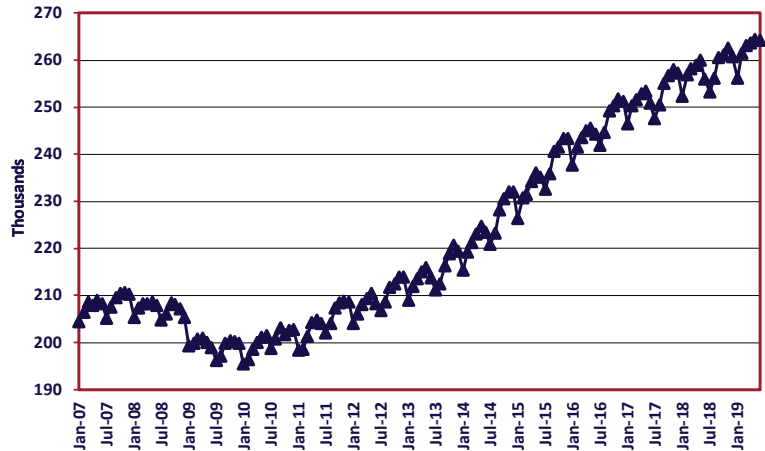
The Northwest Arkansas employment situation is extremely important to the health of the real estate market. The most recent data show that employment in the Northwest Arkansas region was at 264,200 in June 2019, up 3.2 percent from June 2018. According to the U.S. Bureau of Labor Statistics (BLS), the 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

Real U.S. Gross Domestic Product Growth Rate



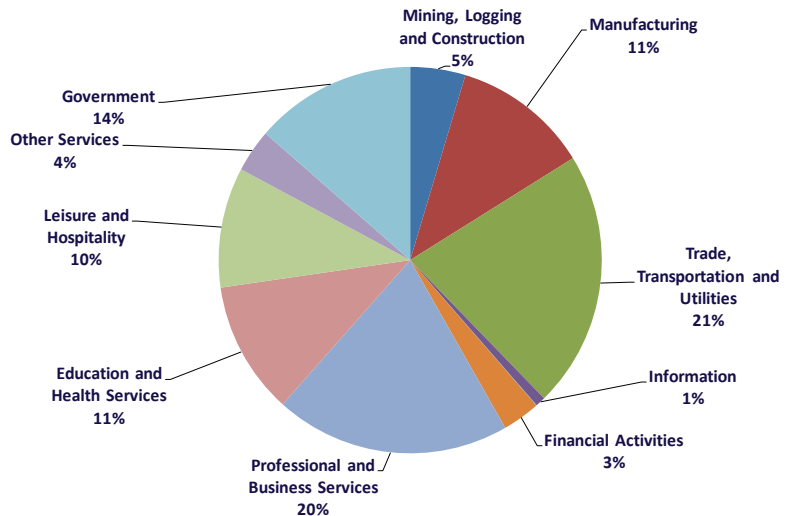
Source: U.S. Commerce Department, Bureau of Economic Analysis, June 2019 NABE Outlook

Fayetteville-Springdale-Rogers MSA Non-Farm Employment



Source: Bureau of Labor Statistics

Northwest Arkansas Employment by Sector - June 2019



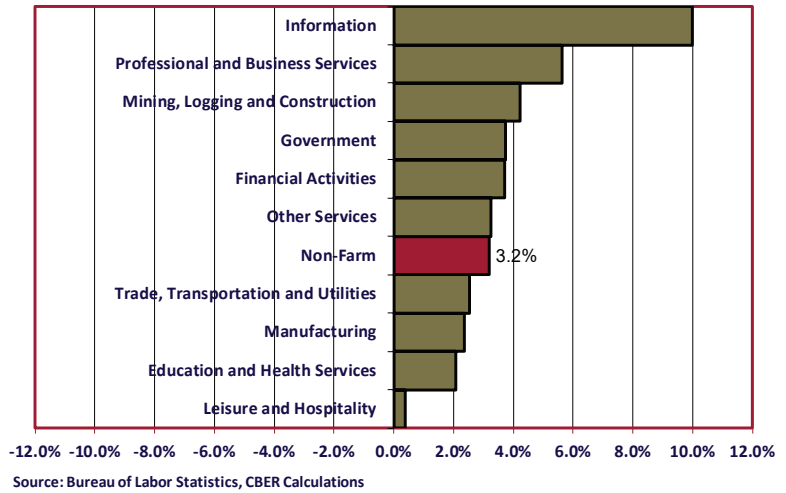
Source: Bureau of Labor Statistics

Economic Overview

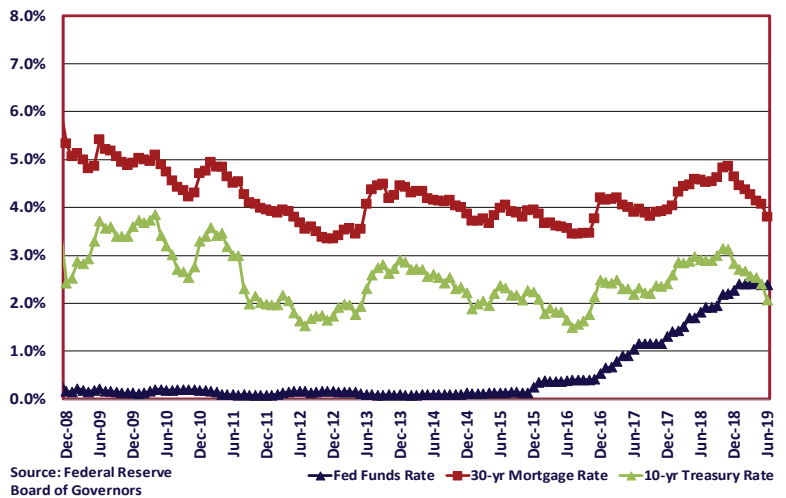
since August of 2015. The unemployment rate in Northwest Arkansas continues to be lower than both the state (3.6 percent) and national (3.8 percent) unadjusted rates.

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 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



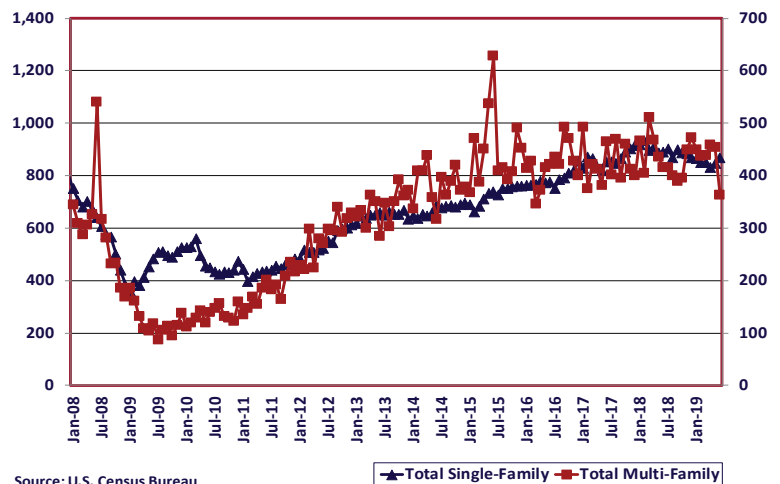
Selected Interest Rates



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 infla-

Number of National Building Permits



Economic Overview

tion 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.

Multifamily Building Permits

The U.S. Census Bureau estimates the issuance of building permits. The national level of multifamily building permits was a seasonally adjusted average rate (SAAR) of 363,000 in June 2019, a decrease of 20.0 percent from the May 2019 rate of 454,000, and a decrease of 12.5 percent from June 2018.

Regional Overview

Regional Overview

While increased demand from population growth, coupled with the overall low vacancy rate in the region, has driven the overall Northwest Arkansas multifamily market over the past decade, current building is also being driven by perceived demand for higher end apartment complexes, particularly in Benton County. Additionally, construction is still being driven by expected growth in the University of Arkansas's student population. Some multifamily builders feel that projects in a particular location close to campus, or with special amenities that might appeal to students, can also be successful by meeting the needs of the expanding University of Arkansas student population, as well as taking tenants from older complexes. The newer student housing complexes are not geared to be highly competitive in terms of pricing, although project developers assert the price differential is made up by all the utilities and amenities included in the lease rates. Additionally, the developers of new apartment complexes around the University of Arkansas are heavily recruiting in Texas for students who are accepting enrollment at the Fayetteville campus.

Multifamily housing serves multiple purposes in Northwest Arkansas. In Fayetteville, home of the University of Arkansas, the state's flagship institution of higher education, much of the supply of multifamily housing is designed to serve the increasing and ever-changing student population. In addition to providing student housing, multifamily properties also act as low-income housing for those whose financial status and credit ratings are not sufficient to purchase a single-family home, or for those who are still choosing to not purchase single family residences, even if they could do so. Additionally, the affordability of home ownership has begun

to stabilize. Coupled with rate increases in affordable single family rental housing, this may cause an increase in the demand for multifamily housing.

Multifamily properties also serve as transitional housing for those who are between single family residences. Additionally, in Rogers and Bentonville, a number of upscale properties with monthly leases comparable to, and even exceeding monthly mortgage payments are in the market. These properties are designed to provide easy accessibility to the commercial districts of the cities and to appeal to tenants looking to eliminate property maintenance responsibilities. These upscale properties pushed up average rents, but have leased strongly and no longer negatively impact vacancy rates.

Condominium Market

The growth in the condominium market in Northwest Arkansas remained slow in the past six months. Only a few small condominium projects have been completed during this time period. Additionally, the pipeline of coming condominiums has shrunk tremendously as projects have been cancelled due to lack of demand and financing issues.

Bentonville and Springdale have one announced condominium project each with 4 and 10 units, respectively. There is more leasing and lease-to-buy in existing condominium projects as well. Announced projects from previous periods, which were indicated as being indefinitely postponed, are not included in the report. If and when these projects are viable, they will be included in the announced projects tables.

Other Announced Projects

The business press was examined to formulate the attached table of announced new projects. These projects are in addition to projects with building permits that are mentioned below and should be considered jointly with the building permit information in order to get a firm picture about the supply that is coming onto the market. Expected supply, which could add over 3,400 rental units to the Bentonville market, over 4,100 units to the Fayetteville market, over 3,000 units to the Rogers market, and 1,400 units in the Springdale market, if all are built. In addition, the University of Arkansas has 5,732 beds, and a new dorm with over 700 beds is under construction for completion early as fall 2019. Further, Greek Life at the University of Arkansas currently has approximately 1,297 beds and is adding at least an additional 176 beds in the next year, with the expectation of at least one more chapter in the next three years.

The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months. Seven of the projects are located in Bentonville, five are in Fayetteville, five are in Rogers, three are in Siloam Springs, and one is in Springdale. These 19 projects had 107 building permits issued worth \$224,689,173. The largest project was in Rogers with Dodson Road Apartments which had 29 permits valued at \$39,540,666. Three other projects were valued at over \$20 million: In Bentonville, Crystal Flats had 3 permits valued at \$33,032,328 and Pointe at Bentonville, Phase II with 7 permits was valued at \$21,003,256; In Rogers, Pinnacle Heights had 4 permits valued at \$31,794,447.

Announced Projects and Permits

Announcements of New Projects

Complex Name	Developer	Construction Costs	Number of Units	City
Brick Avenue Apartments	SREG	\$31,500,000	252	Bentonville
Brownstones II	Jake Newell		6	Bentonville
City U	Bentonville Housing, LLC		364	Bentonville
Crystal Flats	Cindy Springs, LLC		615	Bentonville
Dunn & Davis Townhomes	Jake Newell		23	Bentonville
Elm Tree Townhouses			32	Bentonville
Eversole Trust Project	Eversole Revocable Trust		384	Bentonville
Glen Road Townhomes				Bentonville
I Street Luxury Apartments, Ph II	Affinite Management Services, BC Center LLC, Lonnie Funk, John Youngblood		118	Bentonville
Lamplighter District	Todd Renfrew		5	Bentonville
Old Home Office	Walmart			Bentonville
Park Central	Jake Newell		25	Bentonville
Phillips Park Townhomes				Bentonville
Pointe at Bentonville II	Richsmith Development		288	Bentonville
Rainbow Curve	Honey Creek Land & Cattle		96	Bentonville
Red Barn, PH II	Walton Family Enterprises		96	Bentonville
Roddey Residential Properties	Roddy Residential Properties		12	Bentonville
The District	Duley Group		12	Bentonville
The Parc at Bentonville, Phase 2	TCI Bentonville (Phil Swope)		184	Bentonville
Walton Crossing Apartments	Lindsey Development Co.		600	Bentonville
Yessur Townhomes	Yessur Investments LLC			Bentonville
Center Pointe West	Walker and Dunlop	\$21,780,000	199	Centerton
Water Color Phase II	Dave Pinson		130	Centerton
Backwater Cove	Pick It Construction		51	Fayetteville
Beachwood Village Cottages ,Phase II	Fountain Residential Partners		430 beds	Fayetteville
Cottages of Hollywood Fayetteville	Asset Campus Housing; Spectrum Living Solutions		650 Beds	
Delta Gamma House	Delta Gamma	\$12,490,000	84	Fayetteville
Farmers Co-op Apartments	SREG		220	Fayetteville
Grand Village at Clear Creek	1913 Capital		125	Fayetteville
Joyce and Old Missouri	Jeff Pederson			Fayetteville
Kappa Delta	Kappa Delta	\$11,700,000	92	Fayetteville
Macy Drive Townhomes	Tim Brisiel		57	Fayetteville
Markham Hill	SREG		257	Fayetteville
Morgan Manor Expansion	Fayetteville Housing Authority		58	Fayetteville
Mount Carmel Retirement Complex	Jimmy Elrod		25	Fayetteville
New Beginnings Community	Serve NWA		20	Fayetteville
Piney Creek Ranch	Andi and Jeremy Pratt			Fayetteville
Residences at Forest Hills	John Alford		72	Fayetteville
Sang Apartments	Dave Pinson		60	Fayetteville
Springhouse Village Retirement Community	John and Susan Foster		102	Fayetteville
Stadium Drive Residence Hall	University of Arkansas		710 Beds	Fayetteville
The Avenue	Haven Campus Communities		(185 units)652 Beds	Fayetteville
The Fairways	Lindsey Development Co.		240	Fayetteville
Twin Arch Apartments	Mark Zweig	\$1,200,000	17	Fayetteville
Vantage II Apartments	Lindsey Development Co.		140	Fayetteville
WAC Row Houses	Partners for Better Housing		12	Fayetteville

Announced Projects and Permits

Announcements of New Projects Cont.

Complex Name	Developer	Construction Costs	Number of Units	City
Willow Bend at Clear Creek	Trey Jackson and McCrary Lowe		106	Fayetteville
Johnson Square	Ward Davis, Bob Hill, Morgan Hooker		75	Johnson
Johnson Square Bld 2	Ward Davis, Bob Hill, Morgan Hooker		25	Johnson
Honeysuckle and Pleasant Grove	HGJ Properties		30	Lowell
Tuscany Vines	Jason Appel		99	Lowell
Dixieland Road Apartments	Carl Walker		15	Rogers
Flats at 1907	Ward Davis, Bob Hill, Morgan Hooker		49	Rogers
Gateway Senior Apartments	Gateway Homes		160	Rogers
Dodson Road Apartments/I-49 Apartments	Kirstin Rimes		242	Rogers
Laurel Ave Apartments	True Blue Properties		247	Rogers
Louisiana Properties-Dixieland	Louisiana Properties			Rogers
Magnolia Farms Apartments	Hunter Haynes		100	Rogers
North Valley West Townhomes	Kim Fugitt		19	Rogers
Palisades at Pleasant Grove Apartments, Phase II	Salter Properties		188	Rogers
Pinnacle Heights Apartments	Hunt Ventures, Sage Partners, Urban5		295	Rogers
Pinnacle Lofts, Phase I	Kingman Land LLC, Ron Pender, Bill Watkins		222	Rogers
Pinnacle Lofts, Phase II	Kingman Land LLC, Ron Pender, Bill Watkins		134	Rogers
Pinnacle Village	Alex Blass		400	Rogers
Promenade Commons	Sam Coryell, Hunter Haynes		128	Rogers
Reserve at Osage Creek	John Schmezle		144	Rogers
Rose Property Apartments	Edward Rose Properties		84	Rogers
Summer Ridge Townhomes	Tommy Mardis	\$5,340,000	50	Rogers
The District at Pinnacle	Whisinvest		275	Rogers
The Grove Phase III	Silver Development Co		24	Rogers
The Park at Olive Street			44	Rogers
Uptown Square	SC Bodner Co		260	Rogers
Chord Apartments	Matthew Zaidner, Matt Timboe, Derek Dewey,			Siloam Springs
Melgar Apartments	Lsandro Melgara		29	Siloam Springs
Downtown Apartments	Blue Crane		300	Springdale
East Emma Apartments	Tom Lindstrom		100	Springdale
Har-Ber Townhomes	Phil Taldo		25	Springdale
Nordale Terraces	Gary Stith		75	Springdale
Parkway Plaza Apartments	Phil Taldo		200	Springdale
Riggins Duplexes	Kevin Riggins		28	Springdale
San Jose Manor Apartments	Blue Crane		10	Springdale
Shiloh Springs	Mid America Management		76	Springdale
Trails at the Crossing	C.L. George and Sons, Lindsey Management		468	Springdale
Watson Store Lofts	Phil Taldo		6	Springdale
Wobble Lane Phase II	Dave Pinson		128	Springdale
Aspen Heights	Orchard Properties		60	Tontitown
Cascade Apartments	Orchard Properties		48	Tontitown
Henri Di Tonti Center	Norris Services & Construction		132	Tontitown
Tontitown 112 Apartments	Larry McCredy		264	Tontitown

Announced Projects and Permits

Multifamily Building Permits July 1, 2018 to June 30, 2019

Date	Complex or Developer	Number of Permits	Total Value of Permits	City
11/21/2018	Village at B Street	1	\$944,205	Bentonville
12/5/2018	Crystal Flats	3	\$33,032,328	Bentonville
2/5/2019	I Street Luxury Apartments	4	\$16,079,544	Bentonville
2/11/2019	Pointe at Bentonville, Ph. II	7	\$21,003,256	Bentonville
2/13/2019	Harbin Pointe, Ph. II	7	\$4,647,467	Bentonville
2/21/2019	Crystal Flats	2	\$7,701,846	Bentonville
7/11/2018	Cottages at Hollywood	6	\$14,013,124	Fayetteville
7/27/2018	Kappa Delta House	1	\$11,700,000	Fayetteville
12/20/2018	Leverett Gardens	2	\$1,083,133	Fayetteville
1/28/2019	Backwater Cove	4	\$8,435,158	Fayetteville
5/50/2019	Spring Street Townhouses	2	\$960,264	Fayetteville
9/7/2018	Gateway Senior Apartments	6	\$3,241,000	Rogers
9/14/2018	Palisades at Pleasant Crossing, Ph. II	15	\$19,428,000	Rogers
9/26/2018	Dodson Road Apartments	29	\$39,540,666	Rogers
12/10/2018	Pinnacle Heights	4	\$31,794,447	Rogers
1/14/2019	Frisco Apartments	1	\$763,679	Rogers
9/14/2018	Holly Street	4	\$1,409,520	Siloam Springs
2/27/2019	Melgar Apartments	4	\$1,850,000	Siloam Springs
5/1/2019	Talequah Townhomes	2	\$500,000	Siloam Springs
11/30/2018	The Peaks at Springdale	3	\$6,561,536	Springdale
	Total	107	\$224,689,173	

Multifamily Properties

Building permits give a good indication of the types and amounts of space that will become available on the market in the near future. However, to understand the existing inventory of multifamily properties, the Center for Business and Economic Research staff examined the property tax databases from the offices of the Benton and Washington County assessors. From those databases, parcels that were classified as multifamily residential were identified and then results were aggregated by complex to avoid double counting. Unfortunately, the databases do not include any measure of the number of units associated with a particular property, but rather the total square feet of any buildings on the parcels is provided. The number of properties by city and the total square feet of multifamily residential space are provided in the accompanying table.

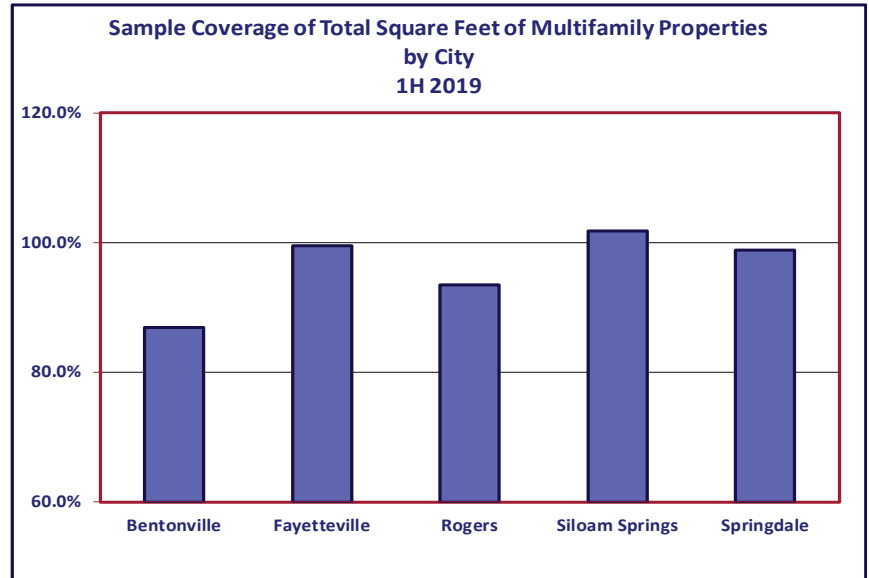
In the Skyline Report sample, Fayetteville had the most multifamily properties in Northwest Arkansas with 358, totaling over 10 million square feet. Following Fayetteville, in descending order from most multifamily properties to fewest in the sample were Bentonville (incorporating Centerton), Rogers, Springdale, and Siloam Springs. The total number of multifamily

properties with information reported in these cities other than Fayetteville in the first half of 2019 was 412 with a total size of over 14.9 million square feet.

The Center for Business and Economic Research staff attempted to obtain additional information about each of the multifamily residential properties in these five cities. A survey instrument was developed to ascertain the number of units in each property, the number of units currently available for lease, the types of different floor plans, the prices of different floor plans, lease durations, and the amenities

associated with each property. An online data collection tool was used to streamline the process and to make responding more convenient for apartment managers. The results from this surveying effort comprise the remainder of this report. In the first half of 2019, information was collected on 95.6 percent of the existing square footage of multifamily properties, a decrease from the 95.7 percent in the second half of 2018.

In the analysis that follows, it is important to remember that the survey sample disproportionately measures large properties with many units, rather than small multifamily



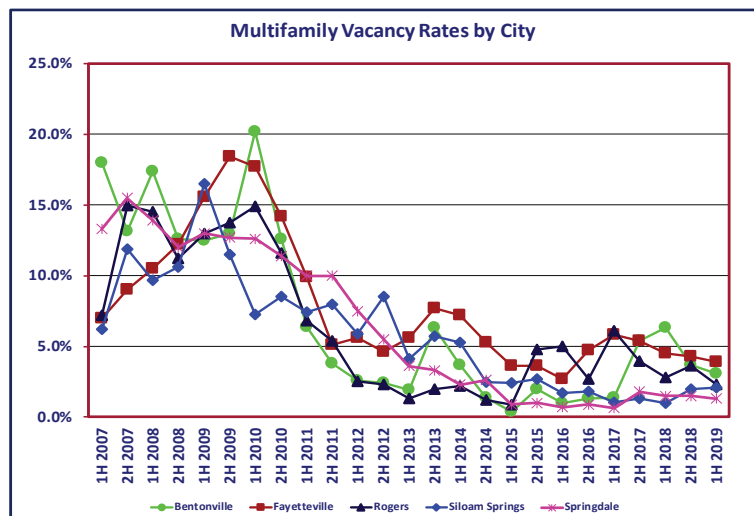
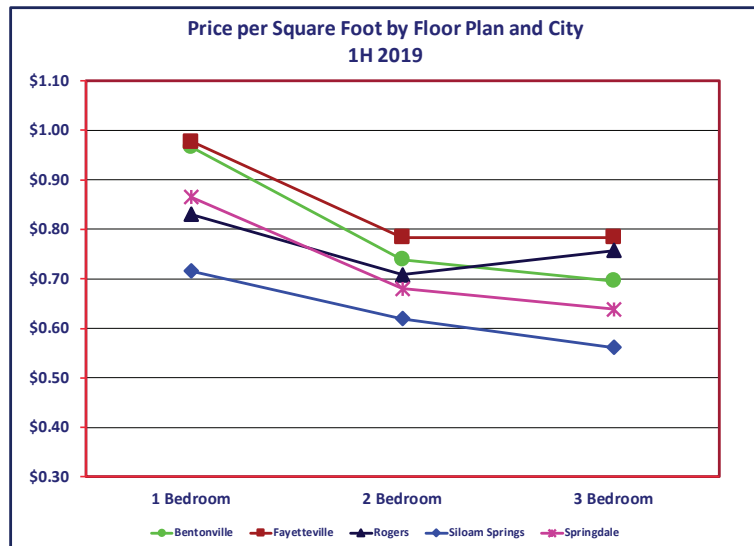
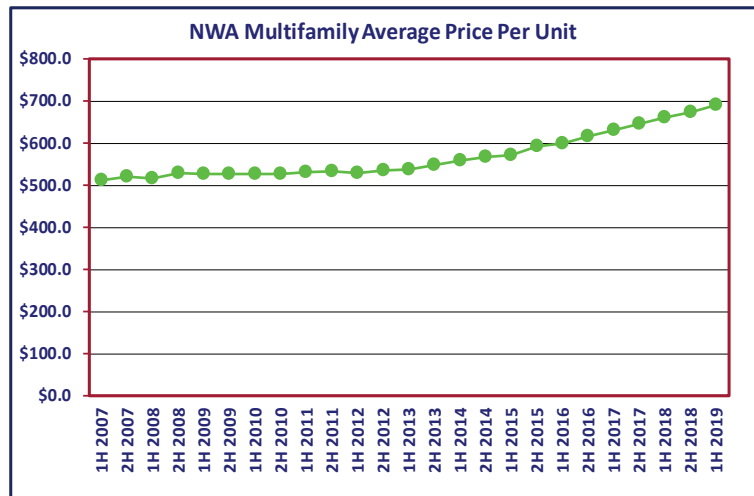
Total Inventory of Multifamily Properties and Sample Coverage First Half of 2019

City	Number of Multifamily Properties in County Assessor Databases	Total Square Feet of Multifamily Properties in County Assessor Databases	Number of Multifamily Properties in Sample	Total Square Feet of Multifamily Properties in Sample	Percent Coverage of Total Square Feet
Bentonville	154	5,477,943	140	4,764,791	87.0%
Fayetteville	324	10,187,767	358	10,135,518	99.5%
Rogers	158	5,530,158	108	5,167,254	93.4%
Siloam Springs	55	772,308	56	786,482	101.8%
Springdale	130	4,241,558	108	4,193,344	98.9%
Northwest Arkansas	821	26,209,734	770	25,047,389	95.6%

Multifamily Properties

properties. In as much as the large properties drive the market for multifamily housing, extrapolating the results to the entire population is entirely reasonable. Within the first half of 2019 survey respondents, there were 40,026 total units in 770 multifamily properties. These properties had a combined vacancy rate of 3.1 percent, down from 3.5 percent in the second half of 2018. The highest vacancy rate was in Fayetteville at 3.9 percent and the lowest vacancy rate was in Springdale at 1.3 percent. In the first half of 2019, Rogers had vacancy rates of 2.3 percent, Bentonville had vacancy rates of 3.1 percent, and Siloam Springs had vacancy rates of 2.1 percent respectively.

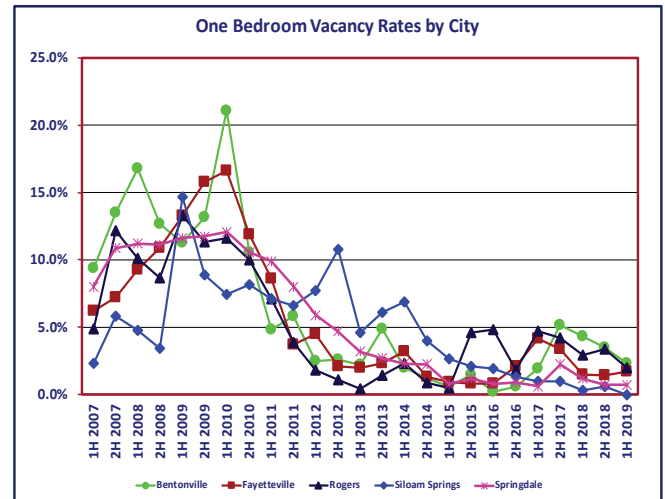
Within the sample, the average lease price per month in Northwest Arkansas was \$691.49, up from \$674.65 in the second half of 2018. Meanwhile, the average square footage increased to 873 square feet. The median lease price increased from \$605.00 to \$625.00 in the first half of 2019, while the median size of a unit increased to 825 square feet in the first half of 2019. The average monthly price per square foot of a multifamily property was \$0.79, increasing from \$0.78 in the second half of 2018, and the median price per square foot increased to \$0.76. Examining the price and square footage by floor plan yields other statistics: on a price per square foot basis, the least expensive floor plans, on average, were two and three bedrooms at \$0.73 and \$0.72 per month. The most expensive floor plans, on average, were “by the bed” floor plans in Fayetteville at an average price per square foot of \$1.50.



Multifamily Properties

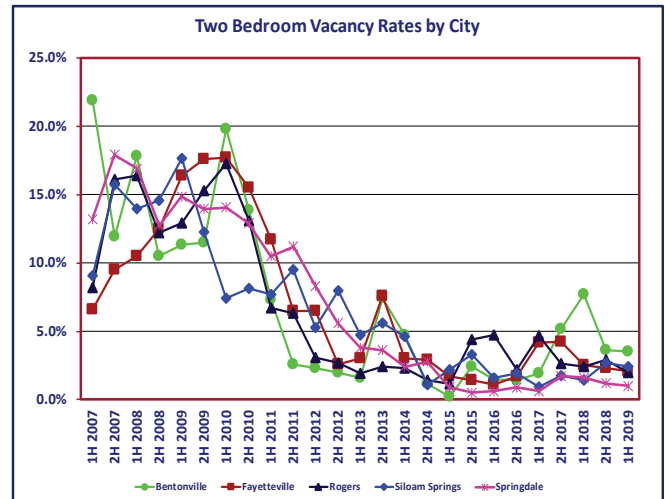
Sample Vacancy Rates - First Half of 2019

Market Area	Number of Apartment Complexes	Number of Units	1H 2019 Vacancy Rate	2H 2018 Vacancy Rate	1H 2018 Vacancy Rate
Bentonville	140	6,364	3.1%	3.7%	6.3%
Fayetteville	358	20,249	3.9%	4.3%	4.5%
Rogers	108	5,589	2.3%	3.6%	2.8%
Siloam Springs	56	1,192	2.1%	2.0%	1.0%
Springdale	108	6,632	1.3%	1.5%	1.5%
NWA	770	40,026	3.1%	3.5%	3.9%



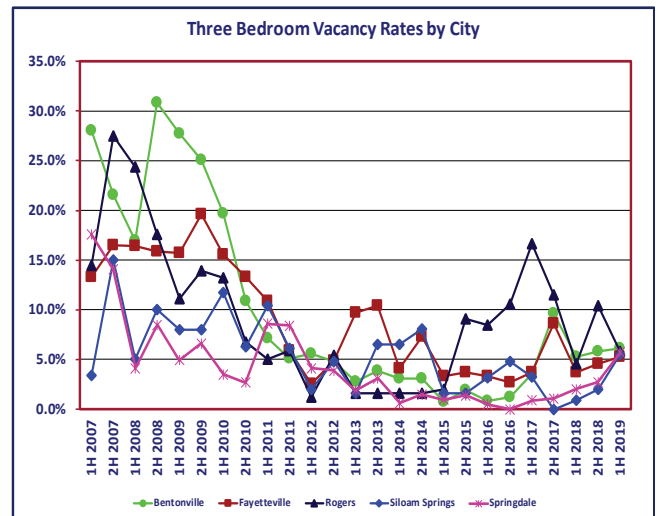
Average Size and Price by Floor Plan First Half of 2019

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	446	\$540.93	\$1.21
By the Bed	431	\$645.58	\$1.50
1 Bedroom	625	\$574.86	\$0.92
2 Bedroom	927	\$680.94	\$0.73
3 Bedroom	1,312	\$947.48	\$0.72
4 Bedroom	1,406	\$1,380.85	\$0.98
NWA	873	\$691.49	\$0.79



Median Size and Price by Floor Plan First Half of 2019

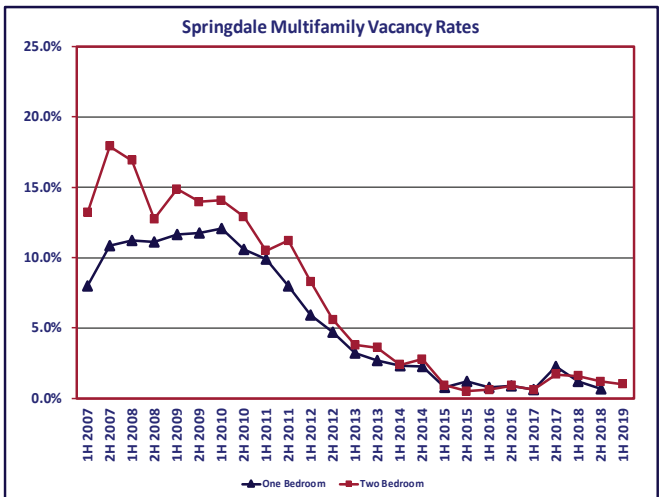
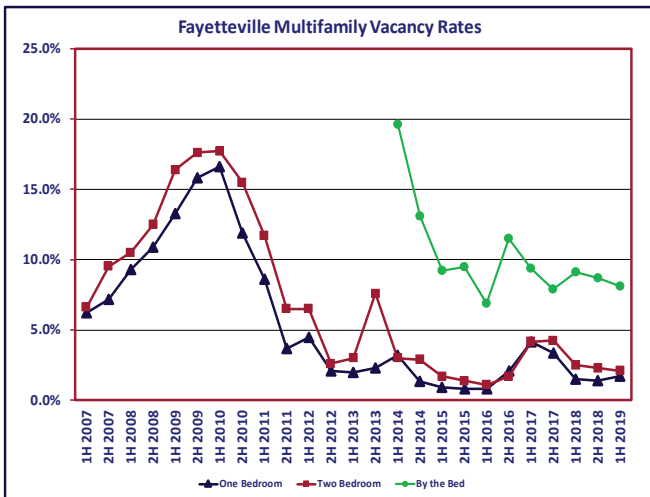
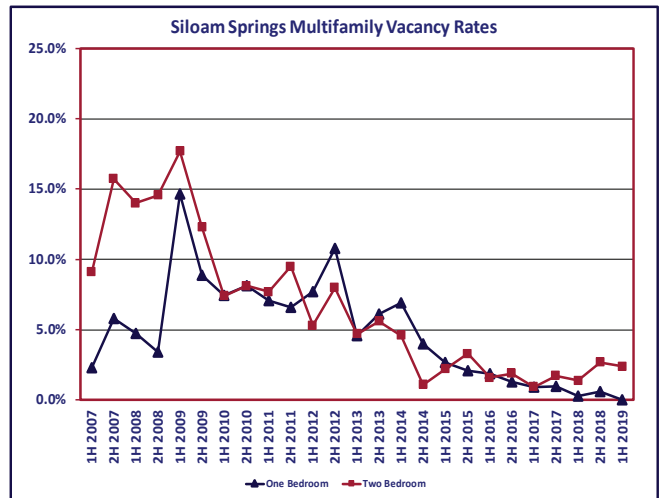
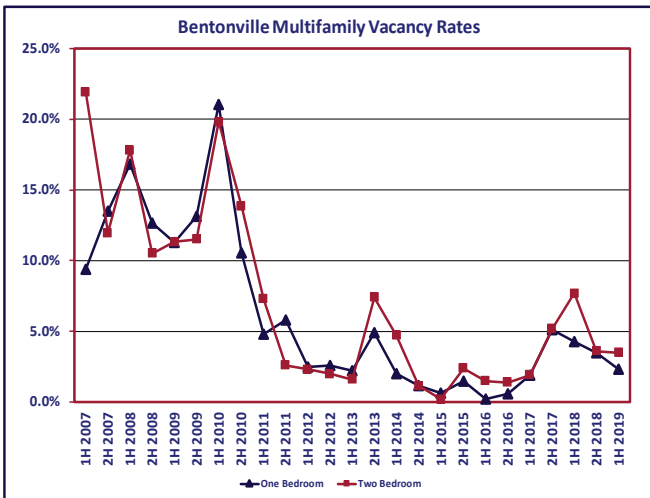
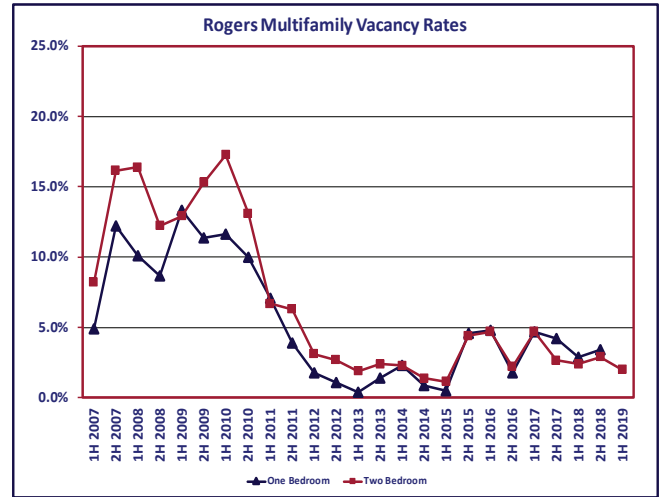
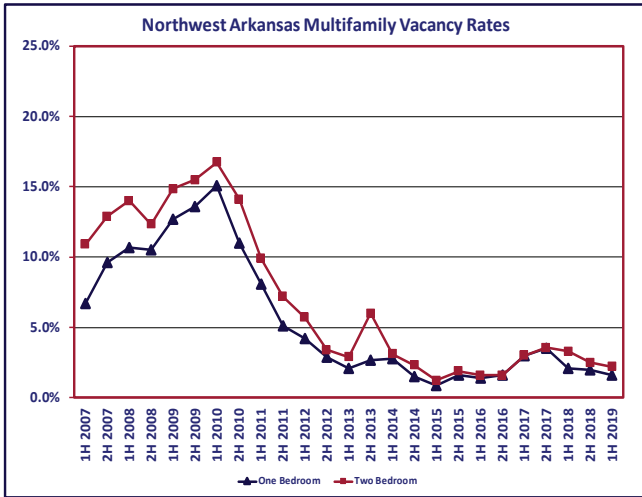
Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	429	\$487.50	\$1.14
By the Bed	420	\$660.00	\$1.57
1 Bedroom	600	\$525.00	\$0.88
2 Bedroom	900	\$625.00	\$0.69
3 Bedroom	1,300	\$875.00	\$0.67
4 Bedroom	1,317	\$1,275.00	\$0.97
NWA	825	\$625.00	\$0.76



Vacancy Rates by Floor Plan First Half of 2019

Market Area	By-the-Bed	One Bedroom	Two Bedroom	Three Bedroom
Bentonville		2.3%	3.5%	6.1%
Fayetteville	8.1%	1.7%	2.1%	5.3%
Rogers		2.0%	2.0%	5.8%
Siloam Springs		0.0%	2.4%	5.5%
Springdale		0.7%	1.0%	5.7%
NWA	8.1%	1.6%	2.2%	5.6%

Multifamily Properties



Bentonville

- The Benton County Assessor’s database contained 154 multifamily properties in Bentonville (includes apartments in Centerton) in the first half of 2019. These properties comprised 5,477,943 square feet.
- The 140 Bentonville Skyline Report survey respondents accounted for 87.0 percent of the square footage of all of the multifamily properties in the city.
- In the 6,364 units that were reported by Skyline Report survey respondents, there was a 3.1 percent vacancy rate in the first half of 2019, down from 3.7 percent in the second half of 2018 and down from 6.3 percent in the first half of 2018.
- The average lease rate of all units in Bentonville increased to \$723.53 in the first half of 2019 from \$685.77 in the second half of 2018, and the average size of a unit increased to 924 square feet.
- The monthly leases for Bentonville multifamily properties averaged between \$0.70 per square foot for a three-bedroom apartment and \$1.50 per square foot for a studio apartment.
- Most Bentonville multifamily properties required either 6-month or 12-month leases, while month-to-month options were available at some properties.

Average Unit Size and Price by Floor Plan First Half of 2019

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	367	\$550.00	\$1.50
1 Bedroom	650	\$628.31	\$0.97
2 Bedroom	960	\$709.42	\$0.74
3 Bedroom	1,388	\$965.79	\$0.70
Bentonville	924	\$723.53	\$0.78

Fayetteville



- The Washington County Assessor's database contained 324 multifamily properties in Fayetteville in the first half of 2019. These properties comprised 10,187,767 square feet.
- The 358 Fayetteville Skyline Report survey respondents accounted for 99.5 percent of the square footage of all of the multifamily properties in the city.
- In the 20,249 units that were reported by Skyline Report survey respondents, there was a 3.9 percent vacancy rate in the first half of 2019, 4.3 percent in the second half of 2018, and 4.5 in the first half of 2018.
- The average price of all units in Fayetteville increased to \$736.35 in the first half of 2019 from \$725.01 in the second half of 2018 and the average size of a unit increased to 857 square feet.
- The monthly leases for Fayetteville multifamily properties averaged between \$0.78 per square foot for a two-bedroom or three bedroom apartment and \$1.50 per square foot for a by the bed unit.
- Fayetteville had multifamily properties with many different floor plans, with a wide variety of lease options to suit the student population.

Average Unit Size and Price by Floor Plan First Half of 2019

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	468	\$593.81	\$1.27
By the Bed	431	\$645.58	\$1.50
1 Bedroom	614	\$600.02	\$0.98
2 Bedroom	923	\$723.42	\$0.78
3 Bedroom	1,319	\$1,033.45	\$0.78
4 Bedroom	1,439	\$1,553.70	\$1.08
Fayetteville	857	\$736.35	\$0.86

Rogers

- The Benton County Assessor’s database contained 158 multifamily properties in Rogers in the first half of 2019. These properties comprised 5,530,158 square feet.
- The 108 Rogers Skyline Report survey respondents accounted for 93.4 percent of the square footage of all of the multifamily properties in the city.
- In the 5,589 units that were reported by Skyline Report survey respondents, there was a 2.3 percent vacancy rate in the first half of 2019, down from 3.6 percent in the second half of 2018 and up from 2.8 percent in the first half of 2018.
- The average lease rate of all units in Rogers increased to \$692.89 in the

first half of 2019 from \$673.19 in the second half of 2018 while the average size of a unit increased to 930 square feet.

- The monthly leases for multifamily properties in Rogers averaged between \$0.71 per square foot for a

two bedroom apartment and \$0.83 per square foot for a 1 bedroom.

- Most Rogers multifamily properties required either 6-month or 12-month leases, although some month-to-month leases were available.

Average Unit Size and Price by Floor Plan First Half of 2019

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	510		
1 Bedroom	685	\$568.73	\$0.83
2 Bedroom	961	\$680.68	\$0.71
3 Bedroom	1,298	\$982.50	\$0.76
Rogers	930	\$692.89	\$0.75



Siloam Springs



Average Unit Size and Price by Floor Plan First Half of 2019

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	387	\$367.00	\$0.95
1 Bedroom	601	\$430.39	\$0.72
2 Bedroom	884	\$547.37	\$0.62
3 Bedroom	1,329	\$745.87	\$0.56
4 Bedroom	1,210	\$839.00	\$0.69
Siloam Springs	868	\$552.96	\$0.64

- The Benton County Assessor’s database contained 55 multifamily properties in Siloam Springs in the first half of 2019. These properties comprised 772,308 square feet.
- The 56 Siloam Springs Skyline Report survey respondents accounted for 101.8 percent of the square footage of

all of the multifamily properties in the city.

- In the 1,192 units that were reported by Skyline Report survey respondents, there was a 2.1 percent vacancy rate in the first half of 2019, up from the 2.0 percent vacancy rate in the second half of 2018, and up from

the 1.0 percent rate in the first half of 2018.

- The average lease rate of all units in Siloam Springs increased to \$552.96 in the first half of 2019 from \$548.09 in the second half of 2018 while the average size of a unit remained at 868 square feet.
- The monthly leases for the Siloam Springs multifamily properties averaged between \$0.56 per square foot for a three bedroom apartment and \$0.95 per square foot for a studio apartment.
- Most Siloam Springs multifamily properties required 12-month leases, although some month-to-month leases were available.

Springdale

- The Washington County Assessor’s database contained 130 multifamily properties in Springdale in the first half of 2019. These properties comprised 4,241,558 square feet.
- The 108 Springdale Skyline Report survey respondents accounted for 98.9 percent of the square footage of all of the multifamily properties in the city.
- In the 6,632 units that were reported by Skyline Report survey respondents, there was a 1.3 percent vacancy rate in the first half of 2019, down from 1.5 percent in the second half of 2018 and first half of 2018.
- The average lease rate of all units in Springdale increased to \$582.33 in the first half of 2019 from \$570.43 in the second half of 2018 while the

Average Unit Size and Price by Floor Plan First Half of 2019

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	430	\$396.67	\$0.92
1 Bedroom	581	\$502.82	\$0.87
2 Bedroom	872	\$593.12	\$0.68
3 Bedroom	1,168	\$745.96	\$0.64
4 Bedroom	1,333	\$787.50	\$0.59
Springdale	794	\$582.33	\$0.73

average size of a unit increased to 794 square feet.

- The monthly leases for Springdale multifamily properties averaged between \$0.64 per square foot for three bedroom apartments and \$0.92 per square foot for a studio apartment.

- Most Springdale multifamily properties required either 6-month or 12-month leases, although some 3-month, 9-month, and month-to-month leases were available.

