



THE SKYLINE REPORT

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UNIVERSITY OF ARKANSAS

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

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.

**First Half of 2019
August 2019**

Highlights

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**Multifamily Real Estate Market Summary
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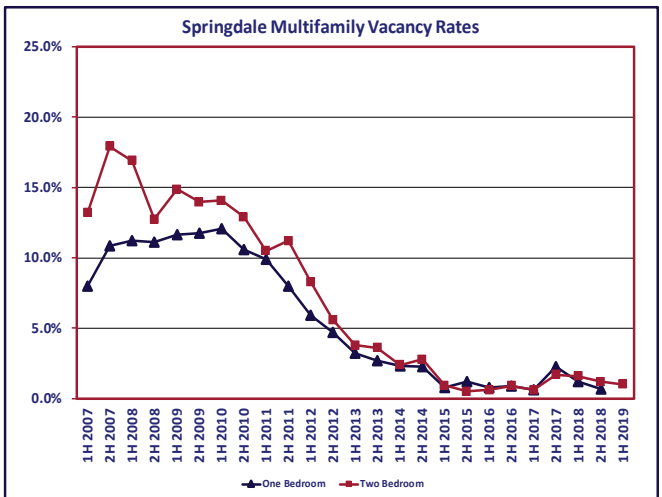
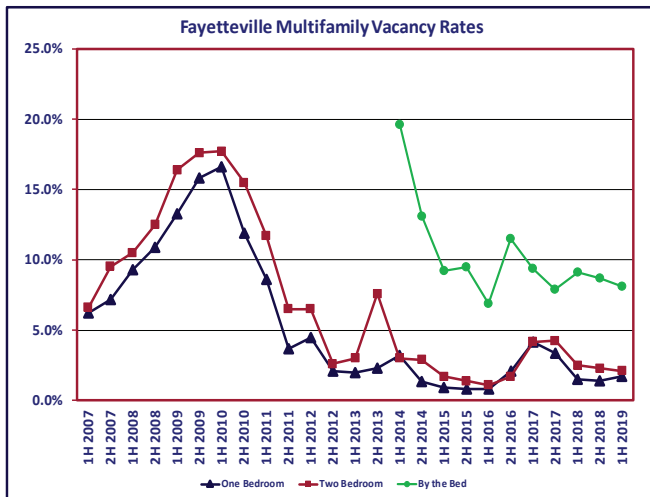
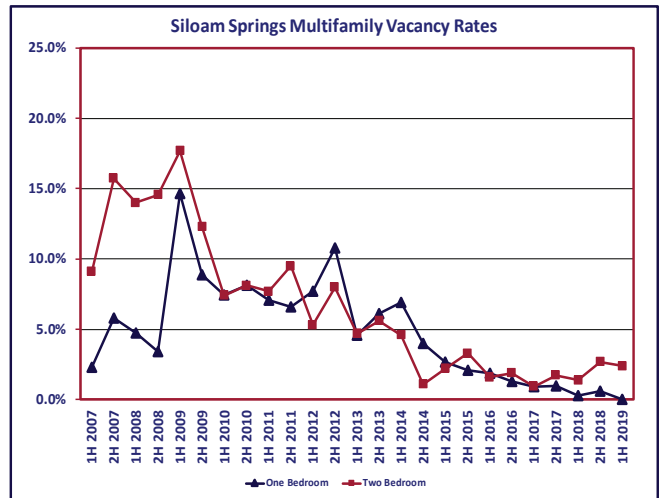
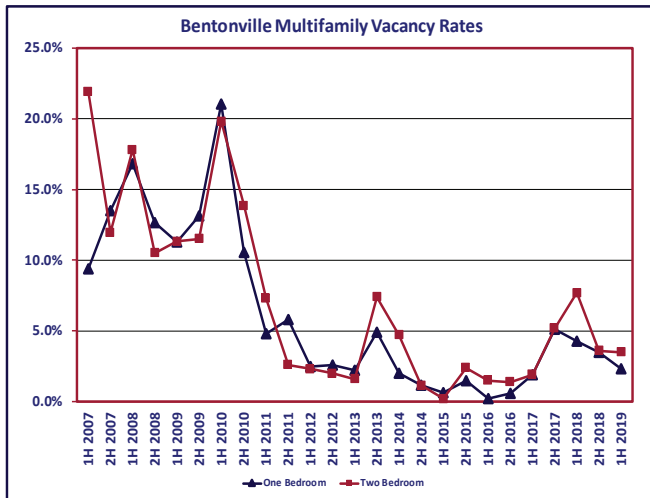
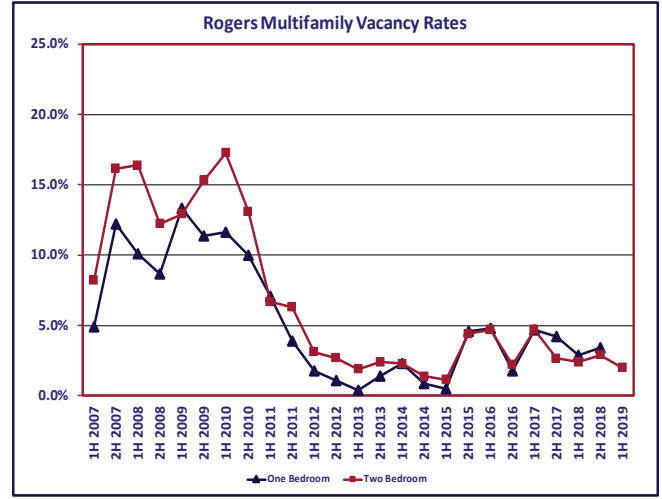
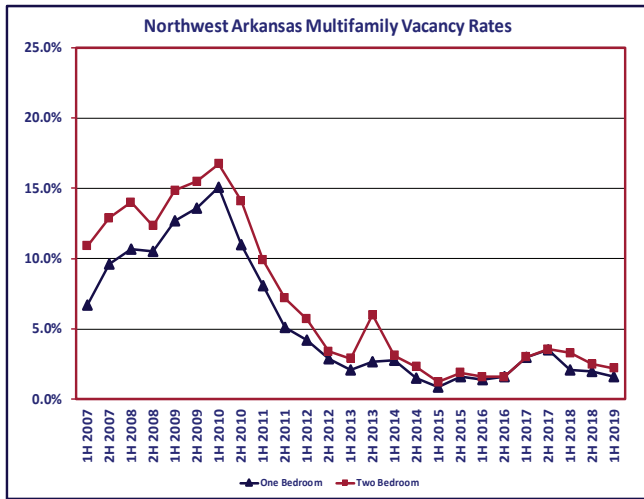
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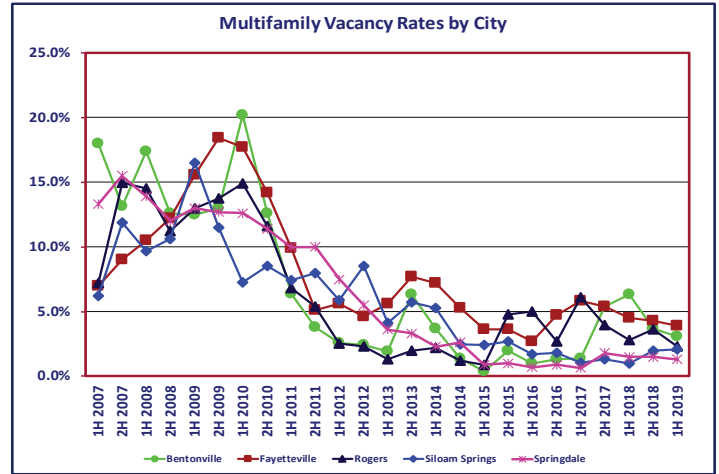
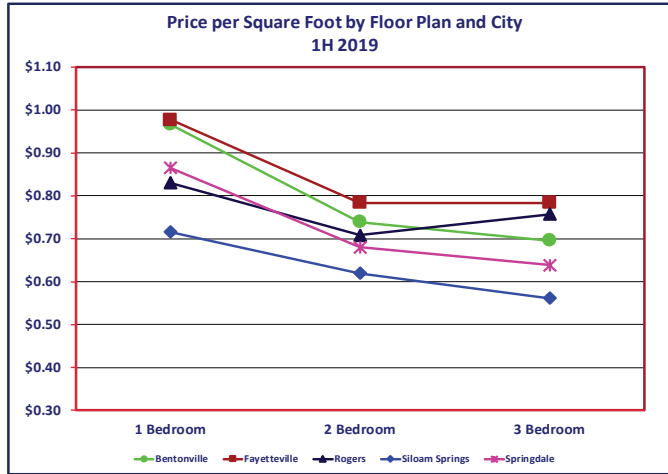
Highlights from the First Half of 2019

- 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.

Multifamily Market Trends



Multifamily Market Trends



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.

Multifamily Residential Building Permits July 1, 2018 - 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, Phase II	7	\$21,003,256	Bentonville
2/13/2019	Harbin Pointe, Phase 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
5/5/2019	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, Phase 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 Market Trends

Sample Vacancy Rates

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%

