

# THE SKYLINE REPORT

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## Multifamily Highlights First Half 2021

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**Sam M. Walton College of Business**  
**University of Arkansas**  
**Fayetteville, AR 72701**  
**Telephone: 479.575.4151**  
**<http://cber.uark.edu>**



## Real Estate Summary For Benton and Washington Counties

*This report is the forty-fourth 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. 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.*

### Highlights from the First Half of 2021

The vacancy rate for all multifamily properties in Northwest Arkansas decreased to 3.4 percent in the first half of 2021 from 5.0 percent in the second half of 2020. The rate was 4.8 percent in the first half of 2020.

The Fayetteville vacancy rate decreased to 3.3 percent in the first half of 2021 from 4.8 percent in the second half of 2020. More than 5,300 additional rental units (24.4 percent of current inventory) have been announced or are under construction in new multifamily projects in Fayetteville.

In Bentonville, vacancy rates decreased to 4.4 percent in the first half of 2021 from 7.4 percent in the second half of 2020. There are also more than 2,700 rental units (33.8 percent of current inventory) that have been announced or are under construction in new multifamily projects in the Bentonville and Centerton area.

Vacancy rates in Rogers decreased to 4.7 percent in the first half of 2021 from 6.4 percent in the second half of 2020. More than 4,700 additional rental units (72.3 percent of current inventory) have been announced or are under construction in the Rogers submarket.

Siloam Springs vacancy rates remained 0.6 percent in the first half of 2021, the lowest in Northwest Arkansas. Over 200 additional rental units (20.1 percent of current inventory) have been announced or are under construction in the Siloam Springs submarket.

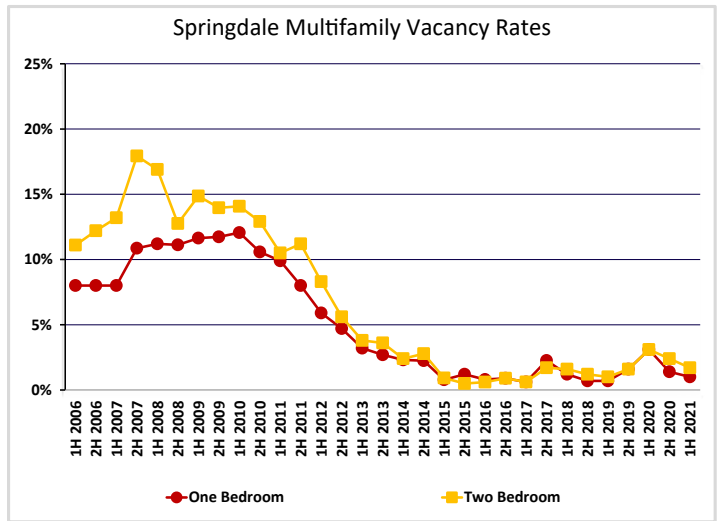
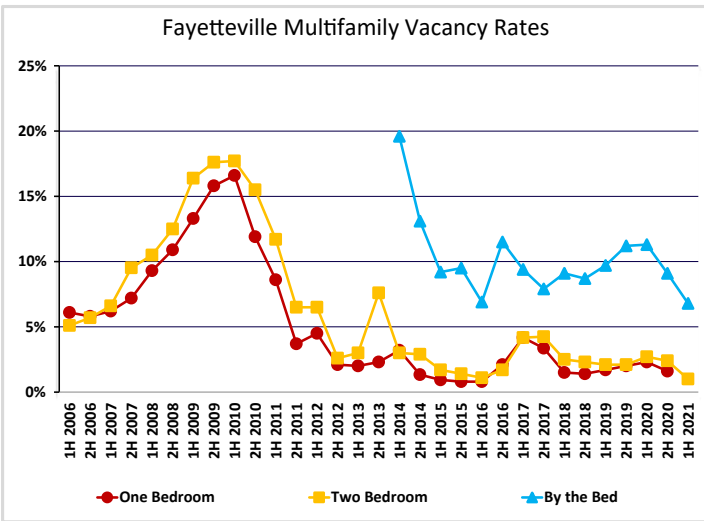
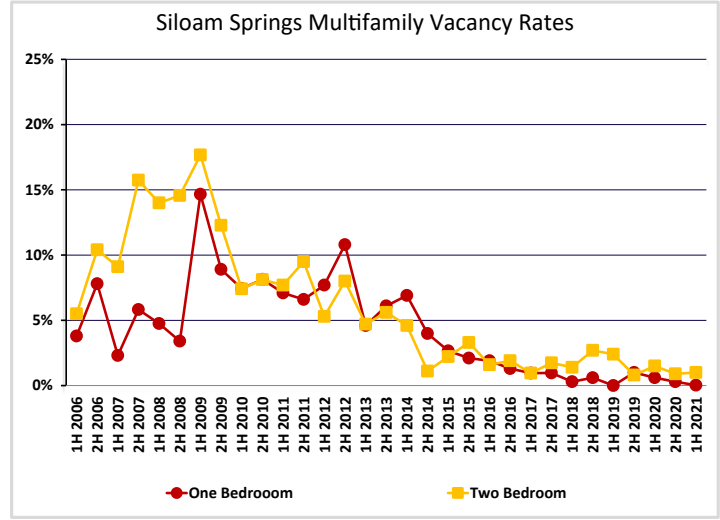
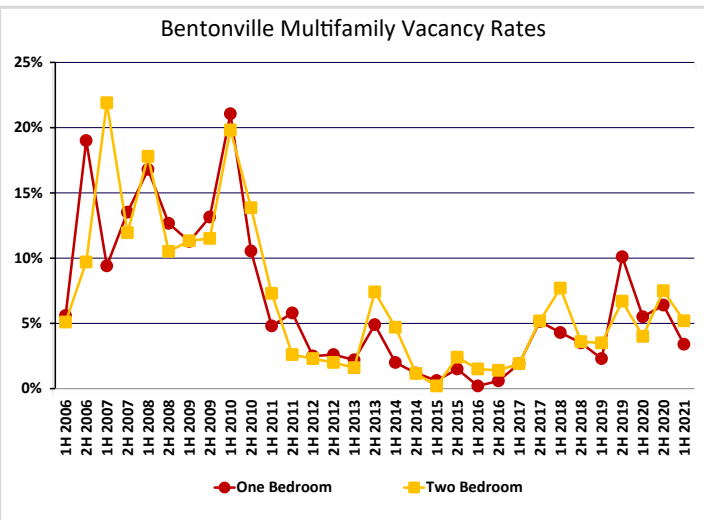
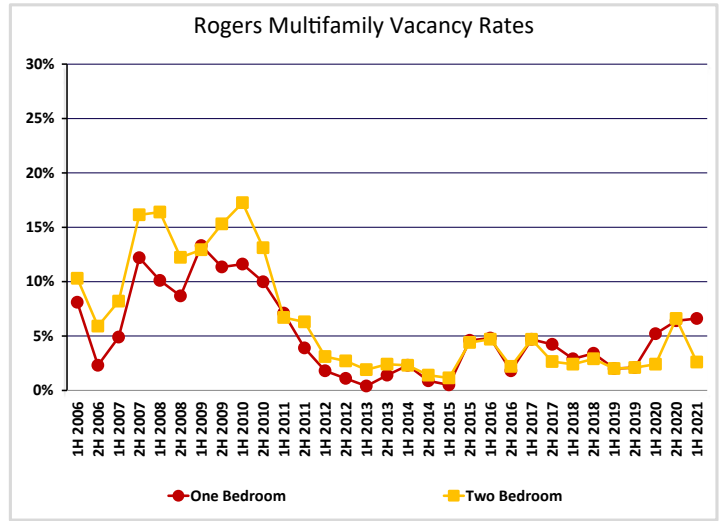
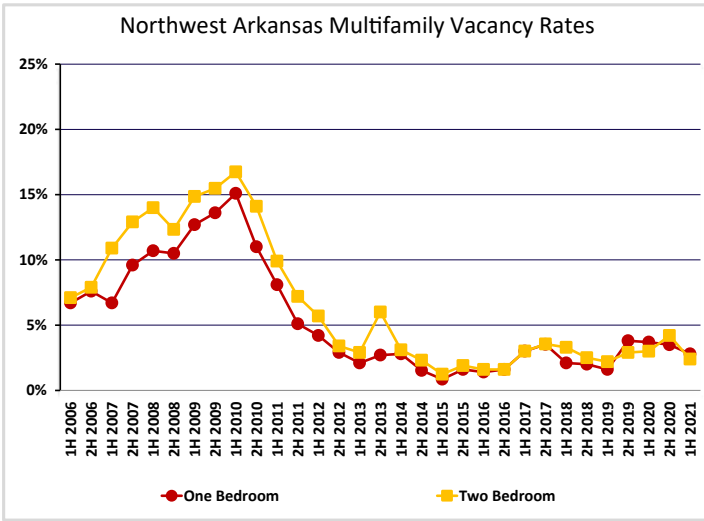
In Springdale, the vacancy rate decreased to 2.0 percent in the first half of 2021 from 2.1 percent in the second half of 2020. Almost 1,900 new rental units (25.1 percent of current inventory) have been announced or are under construction in multifamily projects in the Springdale and Tontitown area.

In the first half of 2021, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$768.48, from \$741.36 in the second half of 2020.

\$204.5 million of multifamily building permits were issued in the first half of 2021, down from \$324.1 million in the second half of 2020.

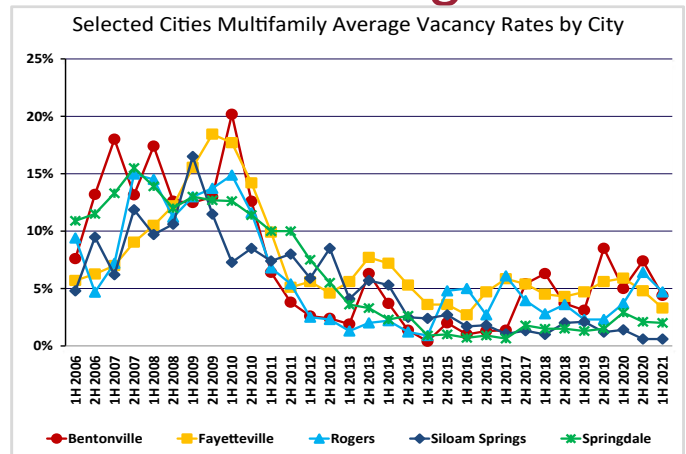
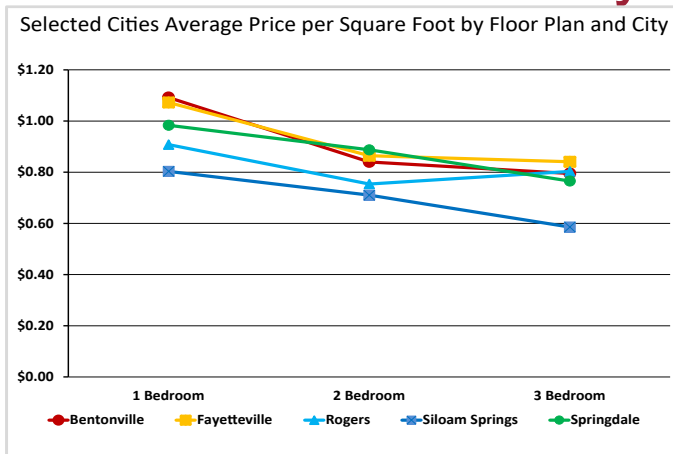
# Regional Market Trends

## Multifamily Vacancy Rates



# Regional Market Trends

## Multifamily Rates and Building Permits



The associated table details the building permits issued for multifamily housing purposes. Seven of the projects are located in Bentonville/Centerton, seven are in Fayetteville, six are in Rogers, one is in Siloam Springs, and one is in Springdale/Tontitown. These 16 projects had 236 building permits issued worth \$204,475,148. The largest project was in Bentonville with City U which had 25 permits valued at \$54,322,389. One other project, Pure Springdale, in Springdale/Tontitown was valued at over \$20 million.

Multifamily Building Permits	Complex or Developer	Number of New Permits	Total Value of Permits	City
8/11/2020	7th & B Townhomes	9	\$1,375,428	Bentonville
9/1/2020	The Howard	1	\$9,046,182	Bentonville
10/5/2020	Elm Tree Townhomes	32	\$6,645,374	Bentonville
11/25/2020	City U	25	\$54,322,389	Bentonville
11/30/2020	Harmon North Townhomes	54	\$8,946,828	Bentonville
4/7/2021	G at Market	1	\$10,916,592	Bentonville
10/13/2020	Copper Oaks Cottage Homes	12	\$930,564	Centerton
10/5/2020	The Marshall	1	\$9,560,291	Fayetteville
10/7/2020	South School Apartments	1	\$3,795,813	Fayetteville
11/11/2020	Garland Ave Apartments	1	\$1,769,655	Fayetteville
11/25/2020	Oakland 6 Plex	1	\$473,592	Fayetteville
12/2/2020	SouthYard	5	\$17,097,443	Fayetteville
12/23/2020	Mitchell Apartments	72	\$16,914,848	Fayetteville
3/1/2021	Razorback Townhomes	16	\$3,226,441	Fayetteville
8/31/2020	Dodson Pointe	2	\$7,939,879	Rogers
10/1/2020	Bost Apartments	3	\$940,701	Rogers
1/12/2021	Everest Townhomes	39	\$6,599,164	Rogers
3/2/2021	Rogers Apartments	12	\$1,956,612	Rogers
3/24/2021	Hudson Townhomes	34	\$6,033,572	Rogers
4/21/2021	Denali Townhomes	21	\$3,614,456	Rogers
1/8/2021	Endura Park	13	\$10,220,880	Siloam Springs
3/11/2021	Pure Springdale	16	\$22,148,444	Springdale
<b>Northwest Arkansas</b>	<b>16</b>	<b>236</b>	<b>\$204,475,148</b>	

# Regional Market Trends

## Multifamily Sample Data

Sample Vacancy Rates	Number of Apartment Complexes	Number of Units	1H 2021 Vacancy Rate	2H 2020 Vacancy Rate	1H 2020 Vacancy Rate
Bentonville	143	8,170	4.4%	7.4%	5.0%
Fayetteville	359	21,832	3.3%	4.8%	5.9%
Rogers	110	6,569	4.7%	6.4%	3.7%
Siloam Springs	49	1,094	0.6%	0.6%	1.4%
Springdale	120	7,565	2.0%	2.1%	2.9%
<b>NWA</b>	<b>781</b>	<b>45,230</b>	<b>3.4%</b>	<b>5.0%</b>	<b>4.8%</b>

Average Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	534	\$675.74	\$1.26
By the Bed	424	\$665.66	\$1.57
1 Bedroom	645	\$699.99	\$1.09
2 Bedroom	943	\$815.05	\$0.86
3 Bedroom	1269	\$1,068.71	\$0.84
4 Bedroom	1506	\$1,517.92	\$1.01
<b>776</b>	<b>\$768.48</b>	<b>\$0.99</b>	<b>\$0.88</b>

Median Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	450	\$550.00	\$1.22
By the Bed	414	\$662.50	\$1.60
1 Bedroom	600	\$575.00	\$0.96
2 Bedroom	900	\$703.00	\$0.78
3 Bedroom	1300	\$925.00	\$0.71
4 Bedroom	1417	\$1,400.00	\$0.99
<b>NWA</b>	<b>832</b>	<b>\$774.68</b>	<b>\$0.93</b>

Vacancy Rates by Floor Plan	By the Bedroom	One Bedroom	Two Bedroom	Three Bedroom
Bentonville	0	3.4%	5.2%	1.9%
Fayetteville	6.8%	1.3%	1.0%	2.9%
Rogers	0	6.6%	2.6%	3.1%
Siloam Springs	0	0.3%	1.0%	0.0%
Springdale	0	1.0%	1.7%	5.3%
<b>NWA</b>	<b>6.8%</b>	<b>2.8%</b>	<b>2.4%</b>	<b>3.5%</b>

