



# THE SKYLINE REPORT

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UNIVERSITY OF ARKANSAS

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

**First Half of 2016  
August 2016**

**Highlights**

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Prepared Exclusively under  
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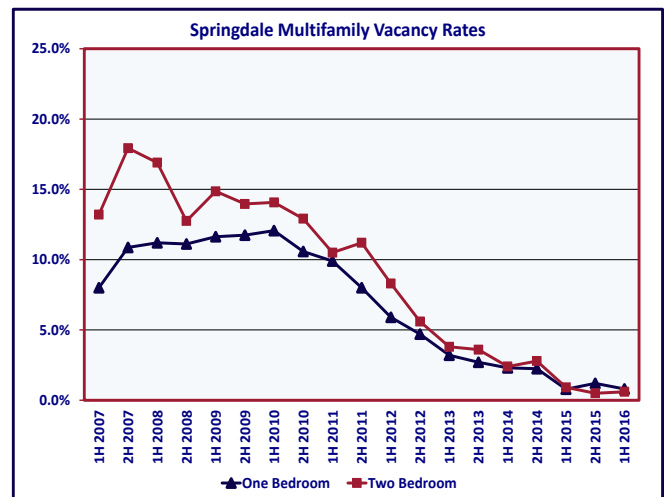
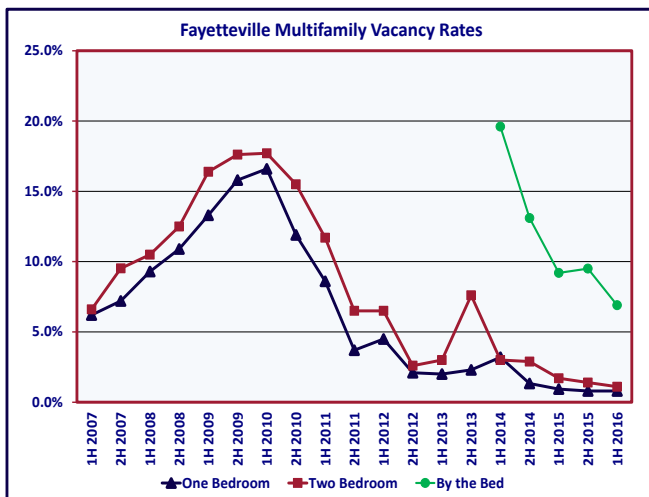
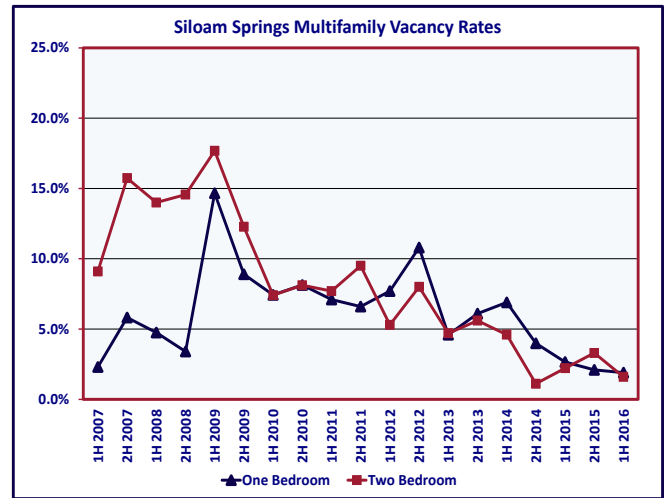
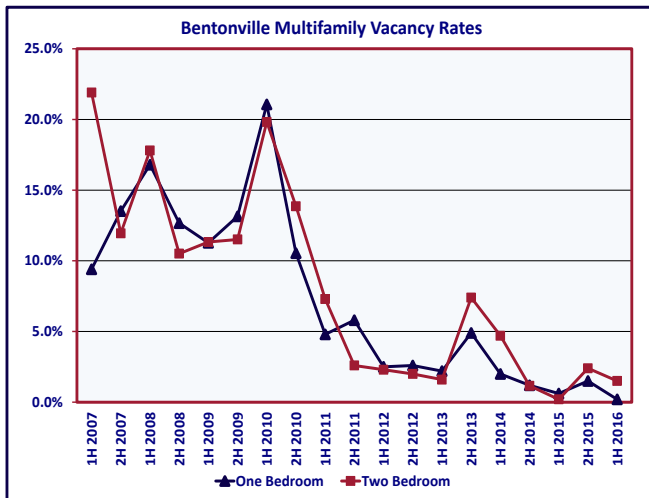
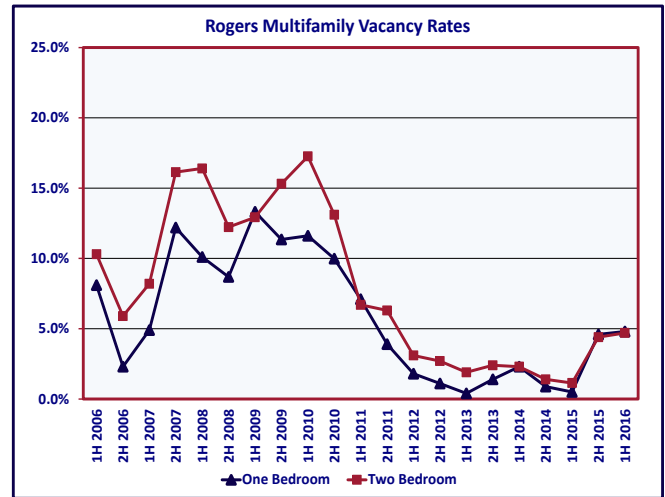
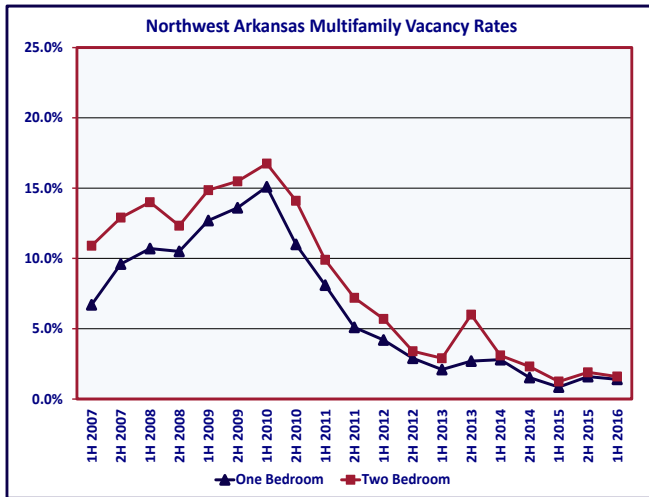
## Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the thirty-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. 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 in order 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.

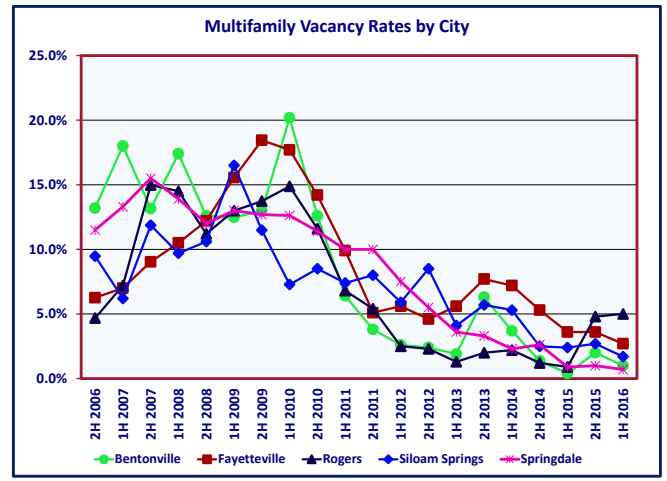
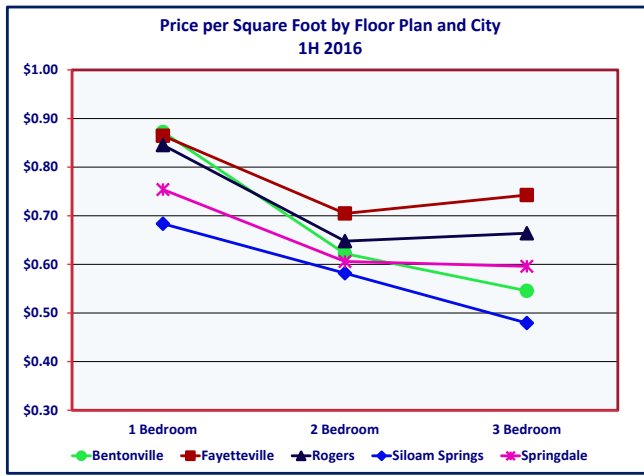
### Highlights from the First Half of 2016

- The vacancy rate for all multifamily properties in Northwest Arkansas decreased to 2.4 percent in the first half of 2016 from 3.0 percent in the first half of 2015. The rate was just up from 2.3 percent in the first half of 2015.
- Rogers had the largest year over year increase in vacancy rates from 0.9 percent in the first half of 2015 to 5.0 percent in the first half of 2016.
- Over 1,050 rental units have been announced or are under construction in new multifamily projects in Rogers.
- Fayetteville experienced the largest year over year decrease in vacancy rates from 3.6 percent in the first half of 2015 to 2.7 percent in the first half of 2016.
- Over 3,800 rental units have been announced or are under construction in new multifamily projects for Fayetteville.
- In Bentonville, vacancy rates increased from 0.4 percent in the first half of 2015 to 1.0 percent in the first half of 2016.
- More than 1,200 rental units have been announced or are under construction in the Bentonville submarket.
- The vacancy rate in Siloam Springs decreased from the first half of 2015 to the first half of 2016, moving from 2.4 percent to 1.7 percent.
- Springdale experienced a decline from a 0.9 percent vacancy rate in the first half of 2015 to a 0.7 percent rate in the first half of 2016, giving the city the lowest vacancy rate in Northwest Arkansas.
- Over 150 rental units have been announced or are under construction in new multifamily projects in Springdale.
- In the first half of 2016, the average lease price per month for a multifamily property unit in Northwest Arkansas increased to \$608.88, while the median lease price remained \$550.00.

# 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. Six of the projects are located in Rogers, five are in Fayetteville, two are in Bentonville, and one is in Siloam Springs. These 14 projects had 155 building permits issued worth \$242,927,679. The two largest projects are in Fayetteville: Watermark at Steele Crossing had 22 permits issued worth \$42,278,089 and Links at Fayetteville, Phase II, had 24 permits issued worth \$38,803,184.

## Multifamily Building Permits July 1, 2015 - June 30, 2016

Date	Complex or Developer	Number of Permits	Total Value of Permits	City
8/14/2015	Trails at Bentonville	10	\$26,819,902	Bentonville
10/8/2015	Limestone Ranch	9	\$24,924,138	Bentonville
7/21/2015	Atmosphere	2	\$30,213,408	Fayetteville
9/21/2015	Champions Club	2	\$12,111,127	Fayetteville
1/27/2016	Uptown Apartments	7	\$38,077,740	Fayetteville
1/28/2016	Watermark at Steele Crossing	22	\$42,278,089	Fayetteville
6/16/2016	Links at Fayetteville, Phase II	24	\$38,803,184	Fayetteville
8/15/2015	Promenade Point	4	\$6,682,999	Rogers
8/10/2015	Mt Carmel Assisted Living	21	\$2,381,652	Rogers
9/16/2015	Palisades at Pleasant Grove	16	\$11,054,845	Rogers
9/18/2015	Persimmon Patio Homes	10	\$3,127,907	Rogers
3/16/2016	Watermark at Promenade	3	\$2,409,776	Rogers
3/31/2016	Primrose Retirement Home	24	\$3,642,912	Rogers
7/27/2015	University Apartments	1	\$400,000	Siloam Springs
	<b>Total</b>	<b>155</b>	<b>\$242,927,679</b>	

# Multifamily Market Trends

## Sample Vacancy Rates

Market Area	Number of Apartment Complexes	Number of Units	1H 2016 Vacancy Rate	2H 2015 Vacancy Rate	1H 2015 Vacancy Rate
Bentonville	130	4,702	1.0%	2.0%	0.4%
Fayetteville	349	18,242	2.7%	3.6%	3.6%
Rogers	102	4,549	5.0%	4.8%	0.9%
Siloam Springs	52	1,123	1.7%	2.7%	2.4%
Springdale	101	6,290	0.7%	1.0%	0.9%
<b>NWA</b>	<b>734</b>	<b>34,906</b>	<b>2.4%</b>	<b>3.0%</b>	<b>2.3%</b>

## Average Size and Price by Floor Plan First Half of 2016

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	410	\$509.21	\$1.24
By the Bed	458	\$654.63	\$1.43
1 Bedroom	619	\$517.14	\$0.84
2 Bedroom	914	\$598.88	\$0.66
3 Bedroom	1,280	\$839.58	\$0.66
4 Bedroom	1,286	\$1,023.90	\$0.80
<b>NWA</b>	<b>853</b>	<b>\$608.88</b>	<b>\$0.71</b>

## Median Size and Price by Floor Plan First Half of 2016

Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	400	\$400.00	\$1.00
By the Bed	440	\$650.00	\$1.48
1 Bedroom	600	\$450.00	\$0.75
2 Bedroom	900	\$550.00	\$0.61
3 Bedroom	1,252	\$725.00	\$0.58
4 Bedroom	1,300	\$925.00	\$0.71
<b>NWA</b>	<b>804</b>	<b>\$550.00</b>	<b>\$0.68</b>

## Vacancy Rates by Floor Plan First Half of 2016

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	1.2%	1.5%	0.8%
Fayetteville	0.8%	1.1%	3.3%
Rogers	4.8%	4.7%	8.5%
Siloam Springs	1.9%	1.6%	3.2%
Springdale	0.8%	0.6%	0.5%
<b>NWA</b>	<b>1.4%</b>	<b>1.6%</b>	<b>3.0%</b>

