



THE SKYLINE REPORT

SPONSORED BY ARVEST BANK



First Half of 2018 August 2018

Contents

Report Structure	2
Economic Overview	3
Local Perceptions	5
Inventory & Building Permits	7
New Commercial Projects	10
Hotels	16
Restaurants	20
Commercial Market Trends	24
Office Submarket Comparison	31
Office/Retail Submarket Comparison	34
Retail Submarket Comparison	36
Warehouse Submarket Comparison	38
Other Submarket Comparisons	40
City Summary Statistics	
Bella Vista	42
Bentonville	43
Fayetteville	45
Lowell	48
Rogers	49
Siloam Springs	52
Springdale	53
Interpretation	55

The information contained herein has been obtained from reasonably reliable sources. The Center for Business and Economic Research makes no guarantee, either expressed or implied, as to the accuracy of such information. All data contained herein is subject to errors, omissions and changes. Reproduction in whole or in part without prior written consent is prohibited.

Commercial Real Estate Market Summary for Benton and Washington Counties

This report is the thirty-ninth 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 2018

- In the first half of 2018, there was 52,519 square feet of negative absorption, while 369,173 new square feet were added, leading to net negative absorption of 421,692 square feet in the Northwest Arkansas market and an overall vacancy rate of 10.8 percent, up from 9.7 percent in the second half of 2017.
- 134,688 new square feet were added in the office submarket, while 165,224 square feet were absorbed, leading to net positive absorption of 30,536 square feet in the first half of 2018. The office vacancy rate stayed the same at 9.1 percent from the second half of 2017.
- Within the retail submarket, there was overall negative absorption of 13,026 square feet, while 77,000 new square feet entered the market, leading to negative net absorption of 90,026 square feet. The retail vacancy rate increased to 9.7 percent in the first half of 2018 from 8.9 percent in the second half of 2017.
- The warehouse submarket had overall negative absorption of 210,335 square feet, while there was no new square feet added in the first half of 2018, leading to a negative net absorption of 210,335 square feet. The Northwest Arkansas warehouse vacancy rate increased from 5.8 percent in the second half of 2017 to 8.1 percent in the first half of 2018.
- In the office/retail submarket, there was an overall negative absorption of 87,445 square feet, while 11,043 new square feet of office/retail space entered the market in the first half of 2018, leading to negative net absorption of 98,488 square feet. The vacancy rate increased from 8.9 percent in the second half of 2017 to 11.7 percent in the first half of 2018.
- From January 1 to June 30, 2018, there were \$188,503,803 in commercial building permits issued in Northwest Arkansas. In comparison, there were \$116,812,224 in permits issued in the first half of 2017.

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 55) 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. 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.

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 2018 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 249 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 first half of 2018, and both the second half of 2017 and the first half of 2017. 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, 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 macroeconomy.

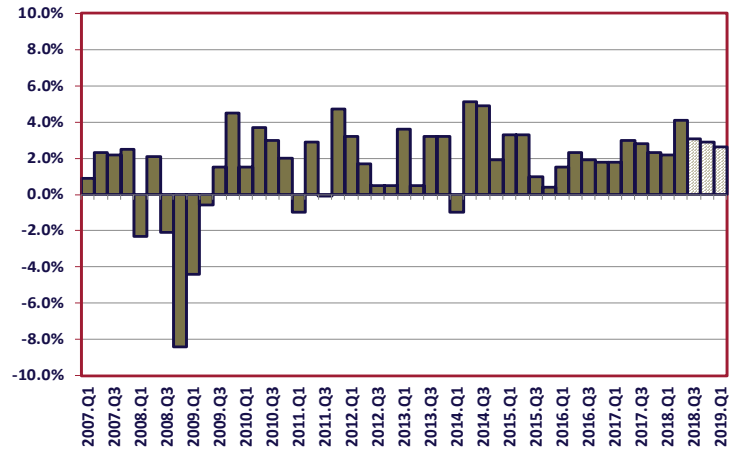
Gross Domestic Product

In the second quarter of 2018, real GDP increased by 4.1 percent according to advance estimates released by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). Real GDP increased by 2.2 percent in the first quarter of 2018. The increase in real GDP in the second quarter reflected positive contributions from personal consumption expenditures (PCE), exports, nonresidential fixed investment, federal government spending, and state and local government spending that were partly offset by negative contributions from private inventory investment and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased. The acceleration in real GDP growth in the second quarter reflected accelerations in PCE and in exports, a smaller decrease in residential fixed investment, and accelerations in federal government spending and in state and local spending. These movements were partly offset by a downturn in private inventory investment and a deceleration in nonresidential fixed investment. Imports decelerated.

Employment

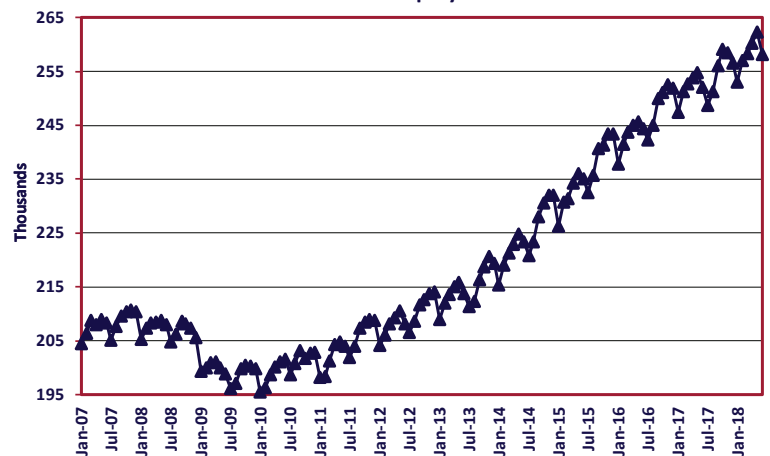
The Northwest Arkansas employment situation is extremely important to the health of the real estate market. The most recent data show that employment in the Northwest Arkansas region was at 258,200 in June 2018, up 2.5 percent from June 2017. According to the U.S. Bureau of Labor Statistics (BLS), the unemployment rate in Northwest Arkansas was at 2.9 percent in June 2018, lower than the unemployment rate in June 2017. 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 (4.0 percent) and national (4.2 percent) unadjusted rates.

Real U.S. Gross Domestic Product Growth Rate



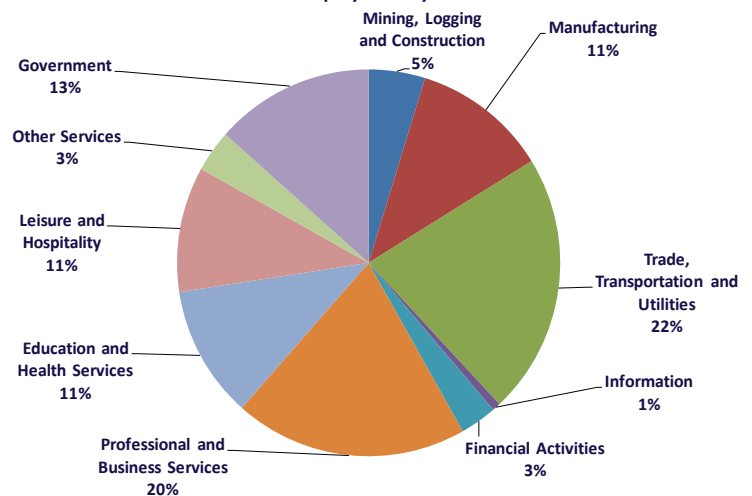
Source: U.S. Commerce Department, Bureau of Economic Analysis, June 2018 NABE Outlook

Fayetteville-Springdale-Rogers MSA Non-Farm Employment



Source: Bureau of Labor Statistics

Northwest Arkansas Employment by Sector - June 2018



Source: Bureau of Labor Statistics

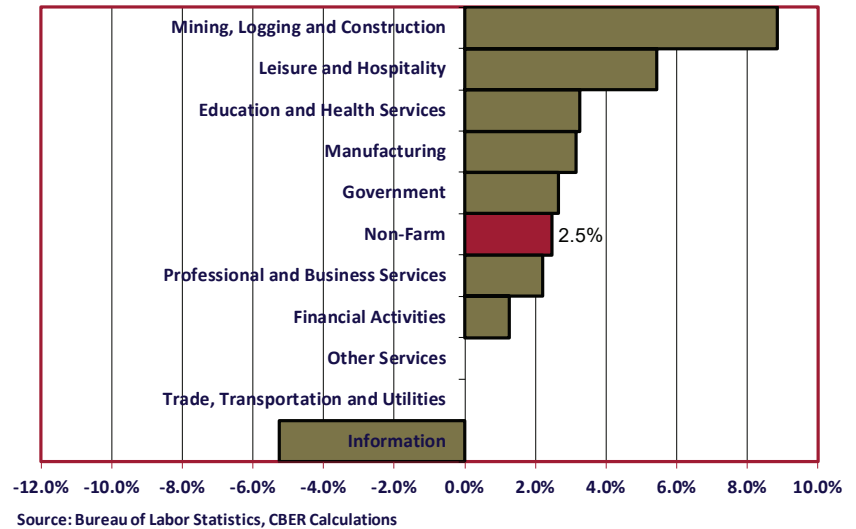
Economic Overview

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 2018 Fayetteville-Springdale-Rogers MSA employment breakdown by sector. As the pie chart shows, trade, transportation, and utilities had the largest share of employment (22 percent) in Northwest Arkansas followed by professional and business services (20 percent), government (13 percent), manufacturing (11 percent), education and health services (11 percent), and leisure and hospitality (11 percent). The other figure shows the annual percentage change in the metro area's employment by sector from June 2017 to June 2018. Total nonfarm employment increased by 2.5 percent during that time. Employment in construction, leisure and hospitality, education and health services, government, and manufacturing sectors grew more quickly than 2.5 percent. Professional and business services, financial activities, grew slower than 2.5 percent while the trade, transportation and utilities sector and other services sector remained unchanged, and the information sector lost employment from June 2017 to June 2018.

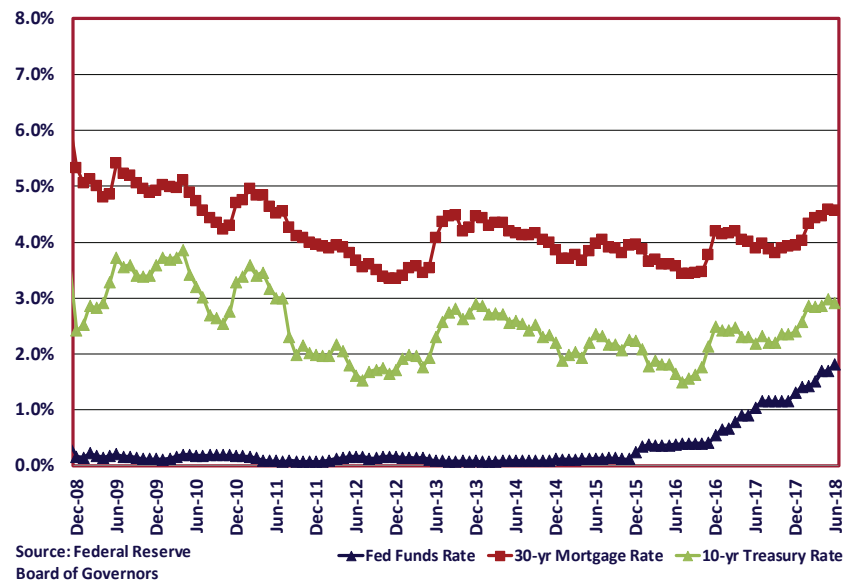
Interest Rates

The Federal Funds rate averaged 1.82 percent in June 2018. The ten-year constant maturity Treasury bill had an interest rate of 2.91 percent in June 2018, up from 2.19 percent in June 2017. The positive spread between the ten-year rate and the federal funds rate narrowed a little from a year ago, but remains positive as both rates have increased. The Federal Reserve Open Market Committee decided to increase the target range for the federal funds rate from 1.75 to 2.0 percent. The stance of monetary policy remains accommodative, thereby supporting further improvement in labor market conditions and a sustained return to 2 percent inflation. The accompanying figure shows the Federal Funds rate and the thirty-year mortgage rate since January 2007. The 30-year mortgage rate was 4.57 percent in June 2018.

Change in Northwest Arkansas MSA Employment by Sector, June 2017 - June 2018



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 2018, respondents expressed positive feelings about the commercial real estate market, but the expected slower absorption of new and planned construction caused some concerns about a slowdown in new office space construction in 2019 and 2020.

Most panelists reported continuing strong demand for Class A office space, medical office space, Class B office space, office/warehouse space and office/retail space, and retail space in high-demand locations. Expansions in the vendor eco-system, including the rumored WeWork entrance into Northwest Arkansas is driving the demand for Class A office space. Respondents also reported that areas with strong Class A office space demand and access to the trail system will draw in mixed use developments that promote the concept “live, work, play”. Several indicated that building trail access was necessary for these mixed use developments to have a greater chance of succeeding. In addition to the Pinnacle area, downtown Bentonville, west Springdale, several respondents talked about new Class A office space also being built in Fayetteville, mostly in the Mall-Joyce Corridor. Some of the demand for Class A office space continues to be pushed by firms willing to move up from Class B to Class A space, to compete for worker talent. Shrinking workforce at some vendor offices is also causing shifts from low-lease rate large office spaces to high-lease rate smaller office spaces.

Respondents said the Class B office market is still healthy, as the lower lease rates provide cost-sensitive smaller firms and startups, a decent space for offices. Respondents for this report cycle highlighted the growth in Class B office development opportunities by taking advantage of the wide price spread between Class A and Class B. The new Class B space development in Bentonville, Rogers, and Fayetteville is expected to be leased at around \$20 a square foot. The health of the medical office submarket was highlighted by most of the panelists.

During the first half of 2018 conversations several respondents discussed the overall softness in the retail market, highlighted by the closing of Sears and Toys R Us. However, they still feel that retail in Northwest Arkansas is still viable in high-demand locations. Respondents felt that the high-demand locations in Northwest Arkansas were Rainbow Curve, the intersection of SW I Street and SW Regional Airport Boulevard in Bentonville, the Pinnacle area and Pleasant Crossing in Rogers, West Springdale, and Steele Crossing, West Wedington, College Avenue, the Mission and Crossover area, and Martin Luther King Boulevard in Fayetteville. Panelists reiterated that restaurants, nail salons, and other personal service business continue to be the drivers the market for new retail spaces in high-demand locations.

Panelists with expertise in the warehouse market were conflicted about whether the market was overbuilt. On the one hand, some respondents felt that there was softer absorption in the first half of 2018, while others felt that the smaller size of the market meant that a small number of firms moving out can have an outsized impact of vacancy rates. Nonetheless, there was little concern about overbuilding in the warehouse market as there are so few players in Northwest Arkansas. The building of new office/warehouse and retail/warehouse

space, priced at \$7 per sq. ft., by Mathias Properties is being followed with interest in a submarket that has very strong demand and low supply. Respondents were unsure if tenants could afford to pay the higher lease rates being sought by the new properties. Another interesting concept discussed was the use of new warehouse space, particularly tilt-wall construction in Bentonville, for other purposes such as entertainment venues and flex office space. Some panelists think that the growth of retail ecommerce in Northwest Arkansas could lead to development of new distribution warehouses.

Home builders were added to panelist mix during this report cycle. Their perspective was that while demand remains strong, they are working hard to maintain an attractive inventory across price points. One high-end home builder was worried about potential softness in the market for homes priced over \$500,000, but this concern was not shared by other panelists. The continued growth in the Northwest Arkansas population is allaying concerns about overbuilding in residential market. However, some were concerned about the potential for overbuilding in the multifamily market given the growth in the mixed-use developments across Northwest Arkansas. In particular, respondents expressed some concerns about the student by-the-bed projects in Fayetteville and apartment complexes in Bentonville and Rogers. However, respondents felt that first-movers and developers with the right amenity-rich locations were expected to continue to succeed.

Concerns about increasing construction costs and labor shortages and their impact on lease rates and sale prices, were echoed by every panelist. Demand for materials and labor in the hurricane hit regions was a big factor in rising prices according to respondents. A few respondents thought that the construction of the new Walmart Home office would stoke future demand for labor and construction re-

Local Perceptions

sources. As a result of these higher construction costs, respondents stated that Class A office and retail lease rates would need to be priced around \$30 per sq. ft., large warehouse space around \$5 per sq. ft., and office/warehouse and retail/warehouse would need to be priced \$7 per sq. ft. Respondents pointed out that new Class B office space leased at around \$20 per sq. ft., would need to have efficient construction and low land costs.

Respondents continued to talk about the impact of high-net worth individuals investing in Northwest Arkansas like the Florida investor who paid cash for the LaFrance buildings in Pinnacle and the continued development of Magnolia Farms across from Metro Park. These properties held by high-net worth individuals were seen as less likely to face bank foreclosure during economic downturns. However, these properties would exert downward price pressure and affect the viability of other projects that weren't backed by people with deep financial resources.

Respondents maintained their enthusiasm about the investments made by the Walton Family Foundation across Northwest Arkansas. The major cities' downtown cores are benefiting from these investments and respondents feel that many other builders and developers are going to continue to piggyback upon these initial investments and drive further growth. Respondents discussed the need for intentional development to address the need for residential density in downtown areas that caters to different income levels. Panelists again discussed the trail system being monetized in new office, retail, and multifamily developments occurring adjacent to the trail.

The overall tone remained positive as respondents continued to foresee growth opportunities in Northwest Arkansas. Respondents were excited about the continuing expansion of the trail system and bike infrastructure connecting Northwest Arkansas, as well as

other regional amenities including a growing fine dining scene, new ethnic restaurants, additional entertainment venues like Top Golf, 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 Walton Family, the University of Arkansas and the education sector, J. B. Hunt, and the transportation sector, and Tyson Foods and the food industry sector. The medical and health care sectors are still considered strong long-run growth areas and several panelists continue to feel Northwest Arkansas is in a long period of commercial building in this submarket.

Panelists continue to mention a potential for an economic slowdown in the future, however, the timeframe varies with expectations of a slowdown being pushed to early 2019 at the earliest and 2022 at the latest. The consensus is that a potential downturn will be relatively mild especially compared to the Great Recession.

Positive Factors:

1. Continued population growth in the MSA.
2. Growth of existing businesses creating demand for new Class A office space.
3. Development of mixed use live-work-play communities.
4. Leveraging the trail system as a selling point for commercial space.
5. Continuing creation of amenities in Northwest Arkansas.
6. Increasing attention to the MSA by national investors.
7. Continuing media coverage of Northwest Arkansas as a good place to work and live.

Negative Factors

1. Increased construction costs and skilled labor shortage overbuilding of the student housing market around the University of Arkansas.
2. Lease rate increases outpacing firm's ability to pay.
3. Potential overbuilding of Class A office by the beginning of 2020.
4. Shift to work stations leading to less office demand.
5. Overhang of existing class B and C retail space.
6. Overbuilding of the student housing market around the University of Arkansas.
7. Possible overbuilding of nonstudent multifamily housing.

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;

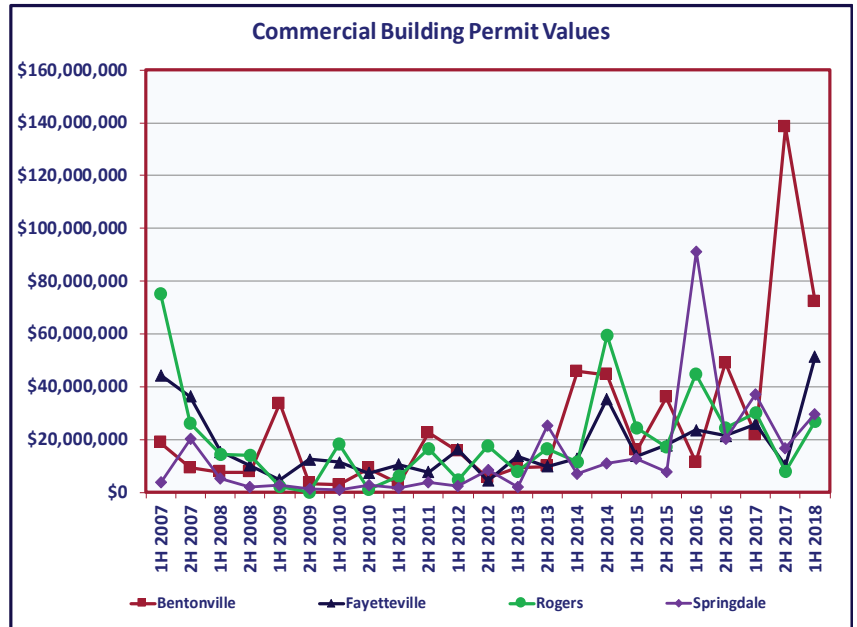
Office/Warehouse—space that can be configured as either office or warehouse space or both;

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, 2018. For the first half of 2018, the Skyline Report covered 100.6 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 six 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, 2018, there were just over \$188.5 million in commercial building permits issued in six major cities in Northwest Arkansas, Bentonville, Fayetteville, Lowell, Rogers, Siloam Springs, and Springdale. In the first quarter of 2018, just over \$71.7 million in commercial building permits were issued. In the second quarter, just over \$116.8 million in building permits were issued. In the first half of 2018, Bentonville had the greatest share of building permits with 38.4 percent. Fayetteville followed with 27.3 percent, then Springdale with 15.6 percent, and Rogers with 14.3 percent. Lowell and Siloam Springs accounted for 3.4 and 1 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.

Inventory

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 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 2018, there were 6,329 standard rooms and 2,172 suites in Northwest Arkansas. 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 several more 100 - 200 bed hotels, but the market is 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	4,253,592	1,139,483	2,131,352	7,555,727	7,862,842	104.1%
Fayetteville	1,076,079	3,434,254	4,386,820	2,293,086	11,190,239	11,110,169	99.3%
Lowell	101,970	352,742	172,208	1,300,098	1,927,018	1,944,278	100.9%
Rogers	1,088,888	3,010,176	4,478,157	2,849,016	11,426,237	11,791,649	103.2%
Siloam Springs	329,942	195,261	707,415	340,615	1,573,233	1,524,773	96.9%
Springdale	1,902,597	1,556,326	2,471,211	3,143,789	9,073,923	8,814,909	97.1%
Northwest Arkansas	4,530,776	12,932,275	13,597,894	12,148,920	43,209,865	43,475,243	100.6%

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 55 of this report.

²Source: Panel of 249 large Northwest Arkansas commercial property owners and managers.



Building Permits

Commercial Building Permit Data by City

	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
April - June 2018	\$29,647,741	\$36,503,927	\$6,430,700	\$14,852,917	\$1,752,620	\$27,596,786	\$116,784,690
Jan - March 2018	\$42,659,355	\$14,896,335	\$0	\$12,128,964	\$181,446	\$1,853,013	\$71,719,113
Oct. - Dec. 2017	\$15,703,722	\$1,088,272	\$24,474,140	\$1,927,690	\$1,928,435	\$8,808,035	\$53,930,294
July - Sept. 2017	\$122,656,773	\$9,140,191	\$3,396,926	\$5,846,637	\$1,347,500	\$7,793,380	\$150,181,407
April - June 2017	\$14,303,886	\$11,372,807	\$0	\$24,408,936	\$1,412,000	\$14,033,069	\$65,530,698
Jan - March 2017	\$7,336,615	\$14,513,326	\$84,000	\$5,648,091	\$576,141	\$23,123,353	\$51,281,526
Oct. - Dec. 2016	\$15,844,261	\$9,443,954	\$4,445,138	\$8,574,715	\$0	\$3,813,727	\$42,121,795
July - Sept. 2016	\$33,180,166	\$12,004,863	\$14,474,766	\$15,710,115	\$3,339,470	\$16,415,992	\$95,125,372
April - June 2016	\$3,186,128	\$21,512,412	\$4,617,536	\$9,205,408	\$20,222,189	\$87,682,358	\$146,488,031
Jan - March 2016	\$8,282,426	\$2,018,785	\$10,653,719	\$35,473,387	\$0	\$3,569,037	\$59,997,354
Oct. - Dec 2015	\$29,243,802	\$10,076,938	\$23,090,780	\$7,179,197	\$1,030,000	\$6,980,305	\$77,601,022
July - Sept. 2015	\$6,656,778	\$7,819,300	\$2,772,080	\$9,939,946	\$7,303,878	\$707,070	\$35,199,052
April - June 2015	\$8,520,763	\$9,878,384	\$2,437,861	\$20,234,817	\$6,095,000	\$4,157,720	\$51,324,545
Jan - March 2015	\$7,316,156	\$3,829,883	\$0	\$4,115,779	\$0	\$8,617,653	\$23,879,471
Oct. - Dec 2014	\$15,077,940	\$23,716,086	\$942,443	\$41,437,354	\$298,450	\$5,456,402	\$86,928,675
July - Sept. 2014	\$29,512,908	\$11,744,678	\$1,375,887	\$18,199,323	\$420,000	\$5,311,744	\$66,564,540
April - June 2014	\$14,880,491	\$6,352,097	\$299,768	\$8,944,856	\$700,000	\$6,286,894	\$37,464,106
Jan. - March 2014	\$30,816,399	\$6,462,060	\$0	\$2,620,482	\$0	\$807,905	\$40,706,846
Oct. - Dec. 2013	\$5,614,108	\$5,227,632	\$1,662,604	\$4,322,282	\$0	\$18,725,840	\$35,552,466
July - Sept 2013	\$4,147,738	\$4,642,389	\$0	\$12,137,965	\$0	\$6,472,554	\$27,400,646
April - June 2013	\$9,413,479	\$3,035,704	\$0	\$3,930,130	\$2,165,090	\$1,572,774	\$20,117,177
Jan. -March 2013	\$0	\$10,686,133	\$0	\$4,122,942	\$0	\$359,328	\$15,168,403
Oct - Dec. 2012	\$4,327,940	\$3,953,149	\$0	\$8,474,647	\$1,795,000	\$5,378,894	\$23,929,630
July - Sept. 2012	\$1,221,000	\$537,447	\$0	\$9,026,238	\$2,083,115	\$3,121,673	\$15,989,473
April - June 2012	\$13,126,525	\$15,157,427	\$0	\$3,702,000	\$0	\$0	\$31,985,952
Jan. -March 2012	\$2,386,772	\$1,015,056	\$709,949	\$1,027,000	\$0	\$2,373,879	\$7,512,656
Sept. - Dec. 2011	\$21,094,402	\$5,907,082	\$0	\$16,450,594	\$0	\$1,455,757	\$44,907,875
June - August 2011	\$1,445,222	\$1,763,872	\$404,493	\$0	\$500,000	\$2,328,979	\$6,442,566
March 2011 - May 2011	\$1,773,228	\$9,552,146	\$150,000	\$1,614,000	\$0	\$0	\$13,089,374
Dec. 2010 - Feb. 2011	\$1,469,162	\$915,280	\$438,289	\$4,616,536	\$22,997,000	\$1,803,778	\$32,240,045
Sept. - Nov. 2010	\$7,214,903	\$2,623,509	\$941,017	\$958,000	\$6,005,000	\$1,898,944	\$19,641,373
June - August 2010	\$1,846,518	\$4,679,537	\$0	\$0	\$0	\$892,252	\$7,418,307
March - May 2010	\$2,661,860	\$11,450,334	\$100,000	\$6,055,000	\$1,296,000	\$798,774	\$22,361,968
Dec. 2009 - Feb. 2010	\$105,030	\$0	\$255,505	\$12,224,147	\$0	\$0	\$12,584,682
Sept. - Nov. 2009	\$0	\$10,005,337	\$330,803	\$7,000	\$379,711	\$1,139,928	\$11,862,779
June - August 2009	\$3,336,498	\$2,403,905	\$0	\$7,000	\$215,000	\$37,460	\$6,062,863
March - May 2009	\$33,171,420	\$1,368,907	\$50,112	\$1,500,000	\$400,000	\$1,194,175	\$37,684,614
Dec. 2008 - Feb. 2009	\$344,325	\$3,403,704	\$1,766,386	\$545,000	\$0	\$1,596,349	\$7,655,764
Sept. - Nov. 2008	\$3,908,853	\$3,588,389	\$0	\$6,411,775	\$0	\$0	\$13,909,017
June - August 2008	\$3,689,476	\$6,548,894	\$1,019,000	\$7,579,500	\$1,006,596	\$1,861,390	\$21,704,856
March - May 2008	\$153,000	\$3,152,132	\$4,075,075	\$4,179,000	\$0	\$1,395,524	\$12,954,731
Dec. 2007 - Feb. 2008	\$7,400,153	\$12,125,756	\$0	\$9,995,030	\$3,200,000	\$3,970,299	\$36,691,238
Sept. - Nov. 2007	\$8,075,766	\$27,923,695	\$4,455,275	\$533,200	\$0	\$0	\$40,987,936
June - August 2007	\$1,194,440	\$8,309,014	\$48,927	\$25,668,347	\$2,575,178	\$20,375,131	\$58,171,037
March - May 2007	\$10,082,817	\$20,962,887	\$8,277,328	\$15,727,729	\$3,019,500	\$3,960,747	\$62,031,008
Dec. 2006 - Feb. 2007	\$8,725,598	\$23,406,927	\$4,709,086	\$59,642,734	\$25,000	\$0	\$96,509,345
Sept. - Nov. 2006	\$2,404,840	\$22,721,389	\$1,840,722	\$11,146,805	\$538,000	\$0	\$38,651,756
June - August 2006	\$21,014,259	\$6,147,723	\$462,712	\$23,479,198	\$5,890,000	\$25,663,800	\$82,657,692
March - May 2006	\$10,575,639	\$21,780,317	\$10,924,435	\$36,046,864	\$3,650,000	\$12,322,984	\$95,300,239
Dec. 2005 - Feb. 2006	\$37,121,720	\$20,330,697	\$2,359,019	\$44,672,800	\$165,000	\$2,151,476	\$106,800,712
Sept. - Nov. 2005	\$9,674,394	\$3,519,150	\$3,275,717	\$85,896,765	\$150,000	\$15,999,816	\$118,515,842
June - August 2005	\$72,205,699	\$6,434,833	\$1,666,851	\$24,782,039	\$200,000	\$2,982,618	\$108,272,040
March - May 2005	\$3,061,870	\$15,491,806	\$1,590,789	\$30,534,466	\$1,059,000	\$15,468,833	\$67,206,764
Dec. 2004 - Feb. 2005	\$8,753,636	\$18,560,094	\$390,000	\$26,172,000	\$254,700	\$2,614,524	\$56,744,954
Sept. - Nov. 2004	\$17,242,269	\$2,750,867	\$402,891	\$489,240	\$188,000	\$1,174,999	\$22,248,266
June - August 2004	\$16,446,488	\$4,145,124	\$10,035,248	\$21,734,534	\$1,993,393	\$6,390,478	\$60,745,265

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
Northwest Health Systems Clinic	Bella Vista	Greg Taylor	Medical	6,000	Conceptual
Sisters of Mercy Multispecialty Clinic	Bella Vista	Sisters Of Mercy Health Systems	Medical		Conceptual
7 Brew House Warehouse	B.C.	Ron Crume	Warehouse	40,000	2018
Boat Storage Buildings	B.C.	Robert and Travis Pennington	Warehouse	8,400	Conceptual
Tufco Warehouse	B.C.	Tufco	Warehouse	20,000	Conceptual
305 Main Street	Bentonville	Chip Chambers	Office	15,000	Conceptual
319 S Walton	Bentonville	Randy Crossno	Office	15,115	Conceptual
326 A Street Building	Bentonville	NWA Downtown Rev. Fund	Mixed Use	16,230	Done
8777 Airport Road Retail	Bentonville	Flake-Kelley	Retail	13,322	Conceptual
Adair Creative Offices-307 Main St.	Bentonville	David Adair and Zach Kennedy	Office	17,415	Done
Aldi's SW I	Bentonville	Aldi's	Retail	22,000	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 Academy of Music	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	5,600	Done
Bentonville Brewing Co	Bentonville	Ropeswing Hospitality Group	Commercial	21,600	Conceptual
Bentonville Emergency Call Center	Bentonville	City of Bentonville	Office	23,300	2019
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	Fall 2018
BOS Park Phase 1	Bentonville	Daniel D., John L., Charles P.	Commercial	20,000	Summer 2018
Bozeman Development Building	Bentonville	Josh Kyles	Mixed Use	80,000-180,000	2019
Cadence Group-Central	Bentonville	Cadence Group	Office		Conceptual
Celebration Plaza	Bentonville		Commercial		Conceptual
Childrens Academy on I St.	Bentonville		School		Conceptual
Climb Bentonville	Bentonville	Dennis Nelms	Retail	22,000	Fall 2018
Convenience Store @ 14th and S. Wal.	Bentonville		Retail	5,200	Conceptual
Convention Center	Bentonville	Brian Bahr	Convention Center	75,000	Conceptual
Crossmar Supplier Park III	Bentonville	Cross Mar and Glass Investments	Warehouse	150,000	Late 2018
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	2019
District at SW 4th and C	Bentonville		Commercial		Conceptual
Elevator Building on 3rd Street	Bentonville	Flake-Kelley	Office	12,000	Conceptual
Enterprise Car Rental on J Street	Bentonville	Rich Grubbs	Retail	1,560	2018
First Security Bank-Downtown	Bentonville	First Security Bank	Commercial	9,716	2018
Fountain Plaza Office- Hersey	Bentonville	Jeannie Fleeman	Office	46,500	Done
Fountain Plaza Office II	Bentonville	Jeannie Fleeman	Office	12,500	Late 2018
Haxton District East	Bentonville	Neil Greenhaw	Commercial	10,700	2018
Helen R. Walton C.E. Center	Bentonville	Helen R. Walton C.E. Center	Education	43,700	Early 2019
I Street Warehouse II	Bentonville	Ivan Crossland and Bill McClard	Warehouse	88,000	Summer 2018
J3 Phase II	Bentonville	SREG	Commercial	100,000	Conceptual
Lamplighter Devel.-The Ellington	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	30,000	Late 2019
Lamplighter Devel.-The Hancock	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial		Conceptual
Lamplighter Devel.-The Marsalis	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	15,000	Summer 2018
Little Life Lessons Academy	Bentonville		Daycare		Conceptual
Macadoodles Plaza II	Bentonville	Roger Gilhaus	Office	16,500	Conceptual
McClarty Daniel Ford	Bentonville	Russ Daniel	Commercial	46,000	Dec. 2018

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Mercy Clinic-North Walton Blvd	Bentonville	Mercy Health Systems	Medical	7,000	Sept. 2018
Mercy Clinic-Southwest I	Bentonville	Mercy Health Systems	Medical	13,800	Done
Mojo Marketing-22nd and C Streets	Bentonville	Nicole and David Trudo	Commercial	10,425	Summer 2018
North Walton Development	Bentonville	Rich Grubbs	Retail	3,420	Delayed
North Walton Development II	Bentonville	Rich Grubbs	Retail	2,697	Delayed
North Walton Development III	Bentonville	Rich Grubbs	Retail	3,489	Delayed
Northwest Health Systems Clinic	Bentonville	Greg Taylor	Medical	15,000	Done
NWAAC Building	Bentonville	NWACC	School	16,000	Conceptual
Ozark Climbing Gym	Bentonville	Jason and Bridgette Groves	Gym	14,447	2018
Park Central	Bentonville	SREG	Commercial	30,000	2019
Retail Building on Hwy 12	Bentonville	Josh Kyles	Retail	5,000	Conceptual
Riviera Road Office Building	Bentonville	Russell Rogers	Office	4,252	2018
ROC Offices, Building I	Bentonville	Crossmar Investments	Office	48,600	Late 2018
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	75,000	Early 2019
Sam's Club Layout Center	Bentonville	Wal-Mart Stores Inc	Office	140,000	Late 2018
SDI Realty Retail Development	Bentonville	SDI Realty	Retail	6,500	Conceptual
Shelley Parson Insurance	Bentonville		Office		Conceptual
Shoppes at Uptown Village	Bentonville	Flake-Kelley	Retail	6,000	Done
Simpson Office building	Bentonville	Chance Simpson	Office	21,000	Conceptual
Superior Auto Group Dealership	Bentonville	David Slone	Commercial		Conceptual
SW Elm Tree Road Development	Bentonville				Conceptual
Tar & DOK	Bentonville		Commercial		Conceptual
Thaden Airfield Fieldhouse	Bentonville	Bentonville Airport	Commercial	22,000	Sept. 2018
Thaden School	Bentonville	Walton Family Foundation	School		Summer 2018
The Incubator Phase I	Bentonville	Terry Carson	Commercial	94,250	Conceptual
The Incubator Phase II	Bentonville	Terry Carson	Commercial	51,550	Conceptual
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 Distribution Center	Bentonville	Walmart	Commercial	1,270,000	2018
Walmart Headquarters	Bentonville	Walmart	Office		2022
Walmart Maintenance Building I	Bentonville	Walmart	Warehouse	20,000	January 2019
Walmart Maintenance Building II	Bentonville	Walmart	Warehouse	12,000	January 2019
Bravis Marketing Building	Centerton	Bradshaw Properties	Office	21,000	Done
United Bank Branch-Hwy 102	Centerton	United Bank	Bank		Summer 2018
Willow Crossing I	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Willow Crossing II	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Altitude Trampoline Park	Fayetteville	Haithan Alley	Retail	28,000	Done
Anthony Timberlands Center DM&I	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	5,000	2018
Climb Fayetteville	Fayetteville	Lance B., Dennis N., Drew S.	Retail	19,000	Delayed
Commercial Realty Office	Fayetteville	Jeff Kemp	Office	7,400	Done
Cosmic Cowboy Studio	Fayetteville	Benjamin Meade	Commercial		Conceptual
Crisis Brewing	Fayetteville	Liz and Sean Slape	Commercial	4,950	Done
Cross Church	Fayetteville	Cross Church	Church	57,500	Done
Crossover Retail Development	Fayetteville	Bob Hopmann	Retail	5,075	2018
Express Tunnel Carwash-Crossover	Fayetteville	Christian Baldwin and Scott McLain	Retail		Done
Flake-Kelley Office Building	Fayetteville	Matt Dearnley	Office	60,000	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Fossil Cove Building	Fayetteville	Ben Mills	Commercial	7,500	Conceptual
Huntsville Road Retail Development	Fayetteville	Clint McDonald	Retail		Conceptual
Kum and Go	Fayetteville	Kum and Go	Retail		Conceptual
Kum and Go	Fayetteville	Kum and Go	Retail		Conceptual
Library Storage Facility	Fayetteville	University of Arkansas	Warehouse	27,000	July 2018
MediServe Walk-In Clinic	Fayetteville	MANA Health	Medical	3,300	Summer 2018
New School Expansion	Fayetteville	New School	School	72,000	2018
Northwest Health Systems ER	Fayetteville	Northwest Health Systems	Medical	10,400	Conceptual
Northwest Health Systems ER Clinic-S.	Fayetteville	Greg Taylor	Medical	10,000	Conceptual
OurPharma	Fayetteville	Dr. Peter Kohler	Manufacturing	10,000	Conceptual
Ozark Electric HQ	Fayetteville	Ozark Electric Coop	Office	38,000	Fall 2018
Pacific Vet Group Industrial	Fayetteville	Pacific Vet Group	Manufacturing		Conceptual
Pinnacle Foods Expansion	Fayetteville	Pinnacle Foods	Warehouse	164,000	Conceptual
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 Village Retirement Com.	Fayetteville	Elizabeth Link	Medical		Conceptual
The New School Academic Building	Fayetteville	The New School	School	65,000	Summer 2018
TheatreSquared Facility	Fayetteville	TheatreSquared	Commercial	51,500	2019
University of Arkansas Library Storage	Fayetteville	University of Arkansas	Warehouse	27,000	Summer 2018
Vantage Dr. Office Park Buildings II-V	Fayetteville	David Erstine, Clinton Bennett, Kyle Naples	Office	76,000	Conceptual
Vantage Drive Office Park Building I	Fayetteville	David Erstine, Clinton Bennett, Kyle Naples	Office	40,000	Conceptual
Victory Commons	Fayetteville	Tracy Hoskins and Allied Bank	Commercial		Conceptual
Washington Regional Complex-Gregg	Fayetteville	WRMC	Office	30,000	Done
Washington Regional Expansion	Fayetteville	WRMC	Medical Office	40,900	2020
West Lot Development	Fayetteville	Alex Blass and Hunter Haynes	Retail	30,000	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	400,000	Late 2019
Johnson Square	Johnson	Ward Davis, Bob Hill, Morgan H.	Commercial	150,000	Conceptual
KFSM-TV Office	Johnson	Checkk Properties	Office	23,000	February 2019
RMP Building	Johnson	High Street Development	Commercial	21,000	Conceptual
Arkansas State Police Facility	Lowell	Arkansas State Police	Office	46,035	Done
Avad3 and Element Studio	Lowell	Cameron McGee	Commercial	10,300	Summer 2018
Central Research Inc	Lowell	Johnny and Scott Dillard	Office		Conceptual
Firebird III	Lowell	Ivan Crossland and Bill McClard	Warehouse	60,000	Conceptual
Flipside Ninja Park	Lowell	Dawn Benson	Retail	6,134	Done
Grant Place Office Building	Lowell	Oelke Construction	Office	10,760	Fall 2018
Harps Grocery Store	Lowell	Harps Food Stores Inc.	Retail	32,000	Conceptual
IDO Complex, Building I	Lowell	Sage Partners	Retail/Warehouse	85,000	Conceptual
IDO Complex, Building II	Lowell	Sage Partners	Retail/Warehouse	100,000	Conceptual
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	October 2019
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
Workman's Travel Center	Lowell	Kathryn Workman-Burger	Retail	18,000	March 2018
Mercy Medical Campus	N Wash. C.	Mercy Health Systems	Medical	25,000	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Planetarium	NWA	Katherine Auld	Museum	120,000	2020
Solve For Food Innovation Lab	NWA	Keith Larson, Greg Spragg	Lab	20,000	Conceptual
Arabella of Rogers	Rogers	Abby Development	Medical	295,000	Late 2018
Arkansas Arts Academy Expansion II	Rogers	Arkansas Arts Academy	School	43,000	August 2018
Arvest Bank - District at Pinnacle Hills	Rogers	Arvest Bank	Office	26,238	Summer 2019
Beaty Office Park I	Rogers	Lance Beaty	Medical Office	14,900	August 2018
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
C&M Machine Holdings Expansion	Rogers	C&M Machine Holdings Inc	Manufacturing	12,000	2018
Center Point Lot 12	Rogers	David Boener	Retail	18,385	Delayed
Country Club Plaza Office	Rogers	LaFrance Family	Office	16,249	Conceptual
CP Enterprise Building	Rogers	John Schmelzle and Kristen B.	Office	18,800	Done
Crye-Leike Office Pleasant Crossing	Rogers	Paul Pursey	Retail	7,000	Done
District at Pinnacle Hills III	Rogers	Whisenvest	Office	42,000	Fall 2018
District at Pinnacle Hills IV	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills V	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills VI	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills VII	Rogers	Whisenvest	Retail	25,000	Conceptual
Duluth Trading Co	Rogers	Goldie Russell	Retail		Conceptual
Everest Rehabilitation Hospital	Rogers	Matt Sitton	Medical Office	40,868	Conceptual
Fox Trail Distillery-Promenade	Rogers	James Tinnin Jr.	Commercial	15,000	2018
Gateway Plaza	Rogers	Flake-Kelley	Commercial	39,600	Conceptual
Harbor Frieght Tools	Rogers		Retail		Conceptual
Highland Knolls I	Rogers	John Carney	Office	7,980	Summer 2018
Highland Knolls II	Rogers	John Carney	Office	7,980	Summer 2018
Highland Knolls III	Rogers	John Carney	Office	7,980	Summer 2018
Hull Dermatology	Rogers	Hull Dermatology	Office		Conceptual
Lewis & Clark-Pinnacle	Rogers	Sage Partners	Retail		Conceptual
Magnolia Farms Building I	Rogers	Margaret Molleston and Hunter H.	Office	85,000	Conceptual
Magnolia Farms Campus	Rogers	Margaret Molleston and Hunter H.	Commercial	400,000	Conceptual
Magnolia Place Alzheimers Care	Rogers	JEA Senior Living	Medical Office	34,556	Conceptual
Mana Clinic-Pinnacle Hills	Rogers	MANA Health	Medical	14,200	Done
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 II	Rogers	Hunter Haynes & Sage Partners	Commercial	25,000	Conceptual
Metropark Office Building III	Rogers	Sage Partners	Office	15,000	Conceptual
Mill Creek Manor Nursing Home	Rogers		Nursing Home		Conceptual
New Hope Plaza	Rogers	Tim Salmonson	Retail	23,000	Conceptual
Nolan Caddell Reynolds Office	Rogers	Nolan Caddell Reynolds	Office		Conceptual
Northwest Medical Systems Clinic	Rogers	Greg Taylor	Medical	5-10,000	Conceptual
NWA Regional Animal Hospital	Rogers	NWA Regional Animal Hospital	Office	21,432	Conceptual
Office/Ware.Complex on Hudson 1	Rogers	Lous and Shannon Froud	Office/Warehouse	9,600	Conceptual
Office/Ware. Complex on Hudson 2	Rogers	Lous and Shannon Froud	Office/Warehouse	9,600	Conceptual
Office/Ware. Complex on Hudson 3	Rogers	Lous and Shannon Froud	Office/Warehouse	11,200	Conceptual
Pinnacle Heights I	Rogers	Hunt Ventures	Office	100,000	Conceptual
Pinnacle Heights II	Rogers	Hunt Ventures	Office	40,000	Conceptual
Pinnacle Knoll II	Rogers	Sage Partners	Office	80,000	Conceptual
Pinnacle Place Commercial	Rogers	S.C. Bodner	Commercial	14,000	Conceptual
Pinnacle Point Office Complex	Rogers	Clinton Bennett and David Erstine	Office	40,000	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Pinnacle Promenade Out Building	Rogers	David Faulkner	Retail	12,000	Late 2018
Pleasant Crossing Commons, Phase II	Rogers	Matt Sitton	Retail	60,600	Conceptual
Pleasant Crossing Commons, Phase III	Rogers	Matt Sitton	Retail	87,881	Conceptual
Pleasant Crossing Retail Building	Rogers	Whisinvest	Retail	10,000	Conceptual
R Squared Commercial Center	Rogers	Jeff Pederson	Retail	6,000	Conceptual
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 and John S.	Office	18,000	Summer 2018
Sisters of Mercy Primary Care Office	Rogers	Sisters Of Mercy Health Systems	Medical		Conceptual
Skyline 2	Rogers	Ed Belto	Office	54,000	Conceptual
Splash Car Wash	Rogers	McClain Group	Retail		Done
Stabil-Loc Headquarters	Rogers	Lynn and Steven Patton	Office		Conceptual
Stoney Brook Development	Rogers	Clinton Bennett	Commercial		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	Commercial		2019
Trulove Construction Vehicle Storage	Rogers	Trulove Construction	Warehouse		Conceptual
Venture Park	Rogers	Todd Fleeman and David Erstine	Office	20,000 to 60,000	Conceptual
Violin Studio and Repair Shop	Rogers	SMEK LLC	Retail		Conceptual
Wal-Mart Neighborhood Market Down.	Rogers	Wal-Mart Stores Inc	Retail		Conceptual
Walmart Online Grocery Pickup	Rogers	Walmart	Retail		Conceptual
West Village	Rogers	Hunt Vent., Sage Partners, Urban5	Retail	28,600	Conceptual
Weworks	Rogers	Hunter Haynes	Office	50,000	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
Crye-Leike Office	Sil Springs	Crye-Leike Realtors	Office	6,500	Conceptual
Holly Street Crossing	Sil Springs	Ted Viala	Commercial		Conceptual
Peer-Andrus Studio and Project Barn	Sil Springs	John Brown University	School	16,800	Summer 2018
Pharmacy and Medical Office	Sil Springs	Lykins Leasing	Medical Office	18,480	Conceptual
Plaza at Siloam Springs	Sil Springs	Jason Pullman	Retail	11,200	Done
Progress Plaza Phase II	Sil Springs	Brown Cow LLC	Medical Office	11,250	Conceptual
Reliable Poultry	Sil Springs	JWT Properties	Retail	15,000	Late 2018
56th Street Office Building	Springdale	C.L. George and Sons	Office	75,000	Conceptual
Acme Brick Showroom and Warehouse	Springdale	Acme Brick Co	Commercial	20,750	Done
Anders Office Building	Springdale	Sterling Park Anders	Office	16,000	2018
Arkansas Children's Hospital	Springdale	Arkansas Children's Hospital	Medical	233,613	Done
Arkansas Childrens Phase II	Springdale	Arkansas Children's Hospital	Medical		Conceptual
Carpet One-Wagon Wheel	Springdale	Fadil Bayyari	Retail	5,000	Conceptual
Diesel Downs, Lots 4, 5	Springdale	Raymond Merrill	Commercial		Conceptual
Diesel Downs, Lots 6, 7	Springdale	Murphy-Hoffman Co.	Commercial		Conceptual
Edward's Properties on Powell	Springdale	Edwards Properties	Retail/Warehouse	19,000	Conceptual
Edwards Warehouse I	Springdale	Joe Edwards	Warehouse	40,000	Conceptual
Edwards Warehouse II	Springdale	Joe Edwards	Warehouse	21,000	Conceptual
Express Tunnel Carwash-Elm Springs	Springdale	Christian Baldwin and Scott McLain	Retail		2018
First State Bank	Springdale	First State Bank	Bank		Conceptual
Fish and Game Center	Springdale	Arkansas Game & Fish Department	Government	36,000	2020
Freddy's Retail Center	Springdale	Michael O'Shaunessy	Retail		Conceptual
Geels Paint	Springdale	Geels Paint	Commercial		
George's Office Building	Springdale	George's	Office	75,000	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Goad Springs Road Retail Develop.	Springdale	DuWayne Eoff	Retail	120,000	Conceptual
H.C. Schmieding Office	Springdale	Chris Cryskiewicz	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	120,000	2020
Love's Travel Center	Springdale	Love's	Retail		Conceptual
Lynch Prairie Building	Springdale	Flake-Kelley	Office	8,100	Conceptual
Mercy Clinic East	Springdale	Mercy Health Systems	Medical Office		Conceptual
Mercy NWA Campus	Springdale	Mercy Health Systems	Medical Office	63,000	Spring 2019
Mercy NWA Campus, Phase II	Springdale	Mercy Health Systems	Medical Office		Conceptual
Monitor Warehouse	Springdale	RPH	Warehouse		Conceptual
Murphy-Hoffman Dealership	Springdale	MHC	Commercial	65,800	Summer 2018
Northwest Technical Institute-Welding	Springdale	NTI	School	31,000	Conceptual
NWACC-Washington County Campus	Springdale	NWACC	School	38,000	Fall 2019
Owen's Optometry	Springdale		Medical		
Parkway Plaza I	Springdale	Sage Partners and Griffen Con	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
R & R Tire Center	Springdale	R & R Tires	Commercial	15,700	Done
Rexall	Springdale	Mathias Properties	Warehouse	21,000	Fall 2018
Rockline Expansion	Springdale	Rockline Industries	Manufacturing		
Sam's Furniture	Springdale	Mathias Properties	Retail	50,000	Late 2019
Shoppes at Elm Springs	Springdale	JP Companies	Retail	11,000	Conceptual
Speedy Splash Car W-B Coach	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	Retail	11,300	Spring 2019
Taco's for Life Shopping Center	Springdale	J.R. Nix and Haag Brown	Commercial	6,000	Done
Tyson Tech Center	Springdale	Tyson Foods	Office		2019
Waterstone Counseling Center-48th	Springdale	Sean McDonald	Medical	6,000	Spring 2018
White Cap	Springdale	Bill McClard	Warehouse	40,000	Done
Edward's Properties on Powell	Tontitown	Edwards Properties	Commercial	10,000	Conceptual
West Point Commercial Development	Tontitown	3E Development, Tom Joseph	Warehouse	300,000	Conceptual
4012 Old Wire	W.C.	Patrick Tobin	Commercial		Conceptual
Native Flower Growing Facility	W.C.	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
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
Hampton Inn	Fayetteville	87	8
Hilton Garden Inn	Fayetteville	90	25
Hi-Way Inn Motel	Fayetteville	24	0
Holiday Inn Express	Fayetteville	77	33
Homewood Suites	Fayetteville	0	96
Inn at Carnall Hall	Fayetteville	49	0
La Quinta Inn and 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
Value Place Hotel	Fayetteville	121	0
Inn At the Mill	Johnson	38	8

Hotels

Existing Hotels (Cont.)

Property Name	City	Number of Standard Rooms	Number of Suites
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
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
Residence Inn	Springdale	0	72
Scottish Inns	Springdale	33	24
Sleep Inn & Suites	Springdale	0	72

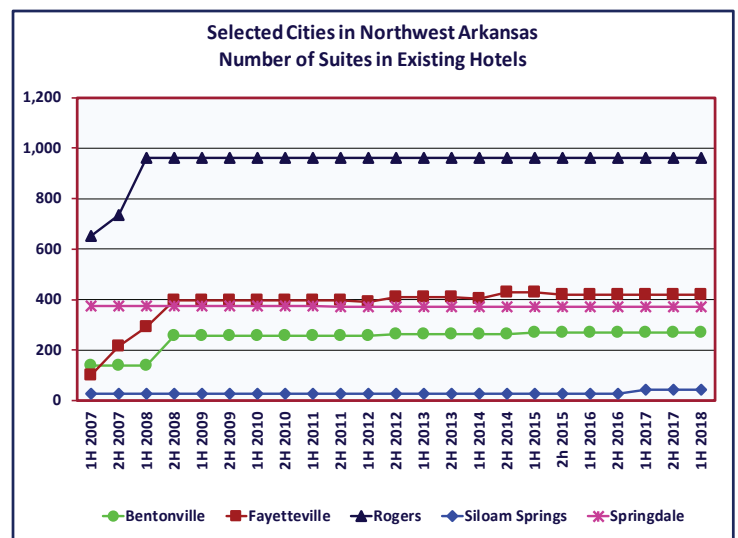
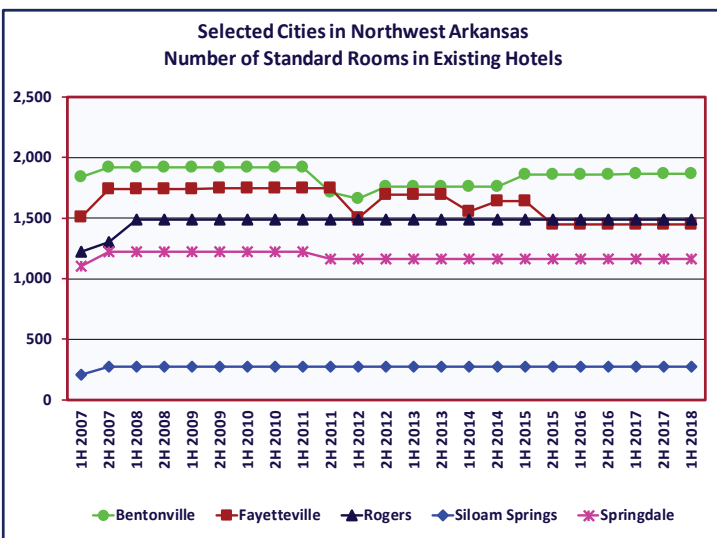
Hotels

Existing Hotels Summary (Cont.)

City		Number of Standard Rooms	Number of Suites
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	271
Fayetteville	1,445	419
Johnson	38	102
Lowell	51	0
Prairie Grove	8	0
Rogers	1,485	963
Siloam Springs	276	44
Springdale	1,161	373
Northwest Arkansas	6,329	2,172



Hotels

Announced Coming Hotels

Property Name	City	Owner	Number of Rooms	Expected Completion
Sunset Hotel	Bella Vista	Cooper Communities		Conceptual
Element Hotel	Bentonville	Shash Goyal	107	Summer 2018
Home 2 Suites by Hilton	Bentonville	Narry Krushiker	119	Conceptual
Sheraton Bentonville Plaza	Bentonville	Starwood Hotels & Resorts W.W. Inc	234	Conceptual
Tuckers Corner Hotel	Bentonville	Ropeswing	100-200	2019
Avid Hotel	Fayetteville	IHG	82	Conceptual
Fairfield Inn and Suites	Fayetteville	Shash Goyal	94	Summer 2018
Marriot-Residence Inn	Fayetteville	Narry Krushiker	200	Conceptual
Piney Creek Ranch	Fayetteville	Andi and Jeremy Pratt		Conceptual
Unnamed Steele Crossing Hotel	Fayetteville	B&T Hospitality Management		Conceptual
Inn at the Mill Expansion	Johnson	Jesse Burkes and John Stewart	16	Summer 2018
Creekside Courtyard by Marriot-Pin.	Rogers	Narry Krushiker	122	Late 2018
District at Pinnacle	Rogers	Whisenvest		Conceptual
Fields at Pinnacle Hotel	Rogers	Chad and Monika Hatfield		Conceptual
West Village Boutique Hotel	Rogers	Jonelle Hunt, Andrew and David Burnett		Conceptual
Home 2 Suites by Hilton	Springdale	Narry Krushiker	119	Summer 2018
Parkway Plaza Hotel	Springdale	Sage Partners and Griffin Co		Conceptual
Springdale Hotels LLC	Springdale	Vipulkumar Patel		Conceptual



Restaurants

Announced Coming Restaurants

Property Name	Location (City)	Owner	Expected Completion
BV Bar and Grill	Bella Vista	Tommy Lee	Done
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 & Winery in B.C.	Benton County	CEI Engineering	Conceptual
Coler Mountain Café	Bentonville	Erin Rushing	2018
Crystal Flats Restaurant	Bentonville	Cindy Springs, LLC	Conceptual
Dickey's Barbecue Pit	Bentonville	Jared Thompson	Delayed
Freshii	Bentonville	Matt Sitton	Done
Jersey Mike's Subs	Bentonville	Matt Strom	Done
JJ's Grill Downtown Bentonville	Bentonville	Jody Thornton	Conceptual
Joy House Coffee	Bentonville	David Adair	Done
Juice Palm	Bentonville	Omar Kasim	October 2018
Little Bean Salvadorean	Bentonville		Done
Louise	Bentonville	Ropeswing Group	Late 2018
Raising Cane-Walton	Bentonville		Summer 2018
Ramen Bar	Bentonville	Ropeswing Group	Spring 2019
Scooter's Coffee	Bentonville	Don and Linda Eckles, Alan Stall	Summer 2018
Slim Chickens	Bentonville	Tom Gordon	Fall 2018
Spoon Boys	Bentonville		Conceptual
Station Café on SE 6th	Bentonville	Dana and Todd Renfrew	Fall 2018
The Holler	Bentonville	Ropeswing Group	Done
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
Which Wich	Bentonville	Matt Sitton	Done
Rib Crib	Centerton	Rib Crib	Conceptual
Waffle House	Centerton	Waffle House	Fall 2018
Taco Bell	Farmington	K-Mac	Conceptual
Arsagas in Greenhouse Grille	Fayetteville	Cary Arsaga	Conceptual
Arsagas on MLK	Fayetteville	Cary Arsaga	Delayed
Bolder Coffee College Ave	Fayetteville	Amber Dietrich	2018
Bolder Coffee Garland Ave	Fayetteville	Amber Dietrich	Done
Bolder Coffee-Crossover	Fayetteville	Tom Smith	2018
Carrera Coffee Company	Fayetteville	Miles James	2018
Chuy's	Fayetteville	Mike Young and John Zapp	Conceptual
Citizen, The	Fayetteville	Lane Coleman, Knox McCorquodale, Wilson Wood	Delayed
Crisis Brewing Restaurant	Fayetteville	Liz and Sean Slape	Done
Dairy Queen - MLK	Fayetteville	Dairy Queen	Conceptual
Dairy Queen-Crossover	Fayetteville	Tom Smith	Fall 2018
Eureka Pizza on Mission relocation	Fayetteville	Rolf Wilkins	Fall 2018
Fat Bottomed Girl's Cupcake Shoppe	Fayetteville	Fat Bottomed Girl's Cupcake Shoppe	Done
First Watch	Fayetteville	Joseph Hulston and James Tillman	Fall 2018
Fork and Pie Crust	Fayetteville	Lori Rae	Done
Green Submarine - Crossover	Fayetteville	Nathan Jendeski	Fall 2018
John Daly's	Fayetteville	John Daly	Conceptual
Mamaka Bowls	Fayetteville	Matthew Petty	Done
MJ Pizzeria	Fayetteville	Miles James	2018
Mojo's Pints and Pies	Fayetteville	Cley McCoy	Conceptual
New American, The	Fayetteville	Paul Dunn	October 2018
Nomad's Trailside	Fayetteville	Nomad's Music Lounge, Hogshead Tours	Done
PDQ Chicken	Fayetteville		Conceptual

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Owner	Completion
Pig & Pickle	Fayetteville		2018
Pinpoint Fayetteville	Fayetteville	Bo Counts	Done
Praire Avenue Bar & Tap	Fayetteville	Dan Daniel	Summer 2018
Qdoba-Joyce	Fayetteville	Qdoba	2018
Rendezvous Hookah Lounge-The Depot	Fayetteville	Greg House	Done
Renzo's Pasta and Italian	Fayetteville	Robert Lee	Done
Roma	Fayetteville	Scott Bowman	Conceptual
Serrano's Mexican Grill	Fayetteville	Rodney Coats and Brian Smith	Summer 2018
Seven 7 Brew Coffee	Fayetteville	Monroe Capital	Summer 2018
Shipleys MLK	Fayetteville	Shipleys	Conceptual
Slim Chicken - MLK	Fayetteville	Tom Gordon	Summer 2018
Smudgies Dessert Lab	Fayetteville	Jonathan Montgomery and Cory Tran	Done
Starbucks in Target	Fayetteville		Done
Unnamed Restaurant on Crossover	Fayetteville	The McClain Group	Conceptual
Vault	Fayetteville	Chris Baribeau, Nick Hamon, Michael Jordan	Done
VIP Club	Fayetteville	Sami Ammar Haddaji	Done
Walk-On's	Fayetteville	Chris McJunkins	Conceptual
Wicked Wood Fired Pizza	Fayetteville	Alexandria and Bryan Brandon	Fall 2018
Bloomington Ave Food Truck Court	Lowell	Joe Rheingans	Conceptual
Lowell Historical Museum Café	Lowell	City of Lowell	2019
Wendy's	Lowell	Wendy's	Conceptual
Workman's Travel Ctr Boars Head Café	Lowell	Kathryn Workman-Burger	Done
Workman's Travel Ctr Hillbilly Hideout	Lowell	Kathryn Workman-Burger	Done
Yellow Rocket Concepts BBQ	Northwest Arkansas	Scott McGehee	Conceptual
1907-Heirloom	Rogers	Morgan Hooker	Fall 2018
1907-Loblolly Creamery	Rogers	Morgan Hooker	Fall 2018
1907-Onyx Coffee Lab	Rogers	Jon Allen	Fall 2018
1907-Strongboat Provisions	Rogers	Morgan Hooker	Fall 2018
1907-The Foreman Bar	Rogers	Morgan Hooker	Fall 2018
7 Brew Coffee-Walnut	Rogers		Conceptual
Alchemy Macaroons	Rogers	David Faulkner	Late 2018
Andy's Custard	Rogers	Whisenvest	2018
Chik-fil-A-Pinnacle Hills	Rogers	Chik-fil-A	Done
City Pump	Rogers		Done
Curry Restaurant	Rogers		Conceptual
Dairy Queen	Rogers	Aimee and Terry Sims	Conceptual
Dave & Busters	Rogers	David Faulkner	Done
Domino's Pizza-Pinnacle	Rogers	Brent Medders	2018
Komodo	Rogers	Charles Phan	Late 2018
Krystal Burger	Rogers	Smitco Eateries	Delayed
Local Lime-Promenade	Rogers	Scott McGehee and Yellow Rockets Concepts	Summer 2018
Mexican Fiesta Cantina	Rogers		Done
Pickleman's Gourmet Cafe	Rogers	David Faulkner	Late 2018
Rick's Bakery	Rogers	Rick and Sharon Boone	July 2018
Sam's Southern Eatery	Rogers		Done
Taco's 4 Life-Pinnacle	Rogers	Whisenvest	Done
Taqueria El Cunado	Rogers		Summer 2018
That Salad Place	Rogers		Done
Top Golf	Rogers	Hunt Ventures	2019
U.S. Pizza	Rogers	Esther and Hunter McClellan and Don Henderson	Conceptual

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Owner	Completion
Waffle House	Rogers	Waffle House	Conceptual
Apple Bee's	Siloam Springs	Apple Bee's Inc	Conceptual
Dairy Queen	Siloam Springs	Aimee and Terry Sims	Conceptual
Foghorns	Siloam Springs	Jeff Hodges	Done
Las Delicas Taqueria	Siloam Springs		Done
Lemon Grassroots	Siloam Springs	Sue Yang	Done
Newks	Siloam Springs		Done
Superbly Donuts	Siloam Springs		Done
The Ivory Bill	Siloam Springs	Dorothy Hall and Casey Letellier	Late Summer 2018
Seven 7 Brew Coffee - Sunset	Springdale		Conceptual
Azul Tequila-Elm Springs	Springdale	Gayla Byrd	Done
Bike Rack Brewing	Springdale	Jeff Charlson, Paul Esterer, Dan Hintz	Late 2018
Chik-fil-A	Springdale	Chik-fil-A	Summer 2018
Dairy Queen	Springdale	Aimee and Terry Sims	Late 2018
Domino's-Sunset	Springdale		Done
JJs Grill	Springdale	Jody Thornton	Done
Roll Up Creamery and Tea	Springdale	Xyadet and Princeton Symoungphone	Done
Shipleys Elm Springs	Springdale	Shipleys	Conceptual
Slim Chicken	Springdale	Tom Gordon	Done
Smudgies Dessert Lab	Springdale	Jonathan Montgomery and Cory Tran	Fall 2018
Taco's 4 Life-Sunset	Springdale	J.R. Nix	Done
U.S. Pizza	Springdale	Esther and Hunter McClellan and Don Henderson	January 2019
Dairy Queen	Tontitown	Aimee and Terry Sims	Conceptual
Feltner Brothers	Tontitown	Travis Feltner	August 2018
Gusano's Pizzeria	Tontitown	Gusano's	Done
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
Inta Juice-MLK	Fayetteville	July 2017
Hello Ninja	Rogers	July 2017
Inn at the Mill	Johnson	August 2017
The Steam	Springdale	August 2017
Ghengis Grill	Rogers	August 2017
Qdoba	Fayetteville	September 2017
Dickson Street Social Club	Fayetteville	October 2017
Boar's Nest	Fayetteville	November 2017
Hardee's-MLK	Fayetteville	November 2017
Bella Nita Int'l Bajkery	Bella Vista	December 2017
Candy Deli	Bella Vista	December 2017
Rhythm and Music BBQ	Bella Vista	December 2017
Deluxe Burger-Dickson Street	Fayetteville	December 2017
Dickeys BBQ	Fayetteville	December 2017
El Camino Real	Fayetteville	December 2017
Greenhouse Grille	Fayetteville	December 2017
Ye Olde King Pizza	Fayetteville	December 2017
Dickeys BBQ	Lowell	December 2017
Dickeys BBQ	Rogers	December 2017
Gad's BBQ	Rogers	December 2017
Larry's Pizza	Rogers	December 2017
Dickeys BBQ	Springdale	December 2017
Grillehouse Steak and Seafood	Fayetteville	January 2018
Taco Bell	Centerton	January 2018
Social Taco	Rogers	January 2018
Bear's Place	Fayetteville	March 2018
Flying Burrito-Dickson St	Fayetteville	March 2018
Mellow Mushroom	Rogers	March 2018
The Station Café	Bentonville	April 2018
Dunkin' Donuts	Fayetteville	April 2018
Zaxby's	Fayetteville	April 2018
Copelands	Rogers	May 2018
IDK Café	Rogers	May 2018
Subway	Rogers	May 2018
The Grove Pub	Rogers	May 2018
Dunkin' Donuts	Springdale	May 2018
Love's Donuts	Rogers	June 2018
Zoe's Kitchen	Rogers	June 2018
Mi Lupita Bakery	Siloam Springs	June 2018

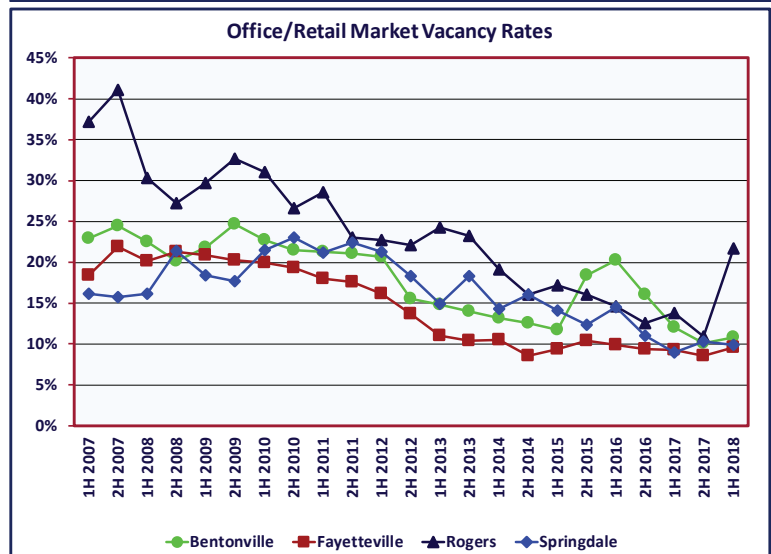
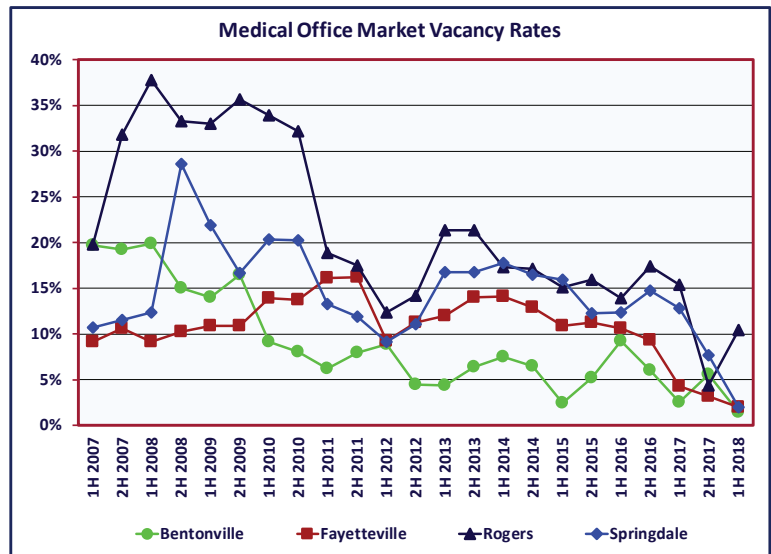
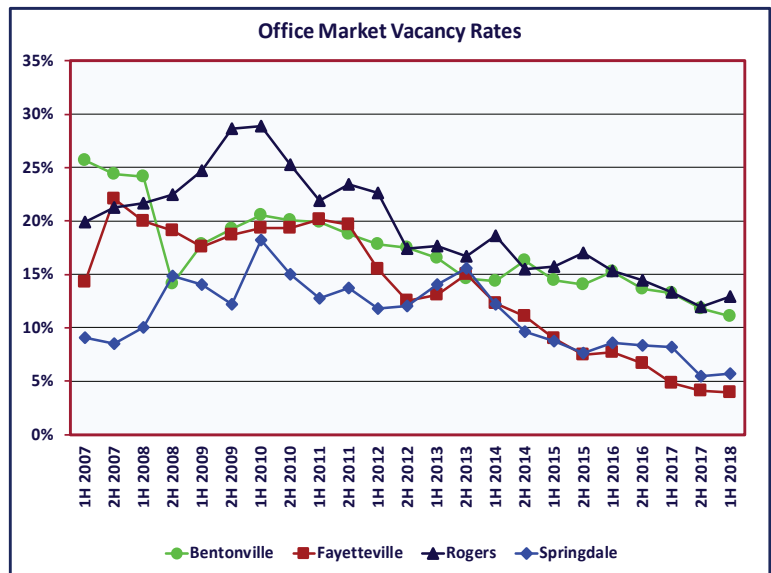
Commercial Market Trends

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.

Available office square footage in Northwest Arkansas decreased from 1,212,554 square feet in the first half of 2017 to 1,087,135 square feet in the first half of 2018. In the past year, 93,345 new square feet of office space were added, with Rogers having the most with 51,287 square feet, and Bentonville adding another 23,040 square feet. There was net positive absorption of 172,658 square feet in Northwest Arkansas during the past year. Bentonville accounted for the greatest amount of net positive absorption with 84,955 square feet, while Fayetteville accounted for another 47,792 square feet. The overall Northwest Arkansas office vacancy rate declined by 1.3 percent from 10.4 percent to 9.1 percent, from the first half of 2017 to the first half of 2018.

In Northwest Arkansas, 517,679 square feet of office/retail space were available in the first half of 2018, up from 431,432 square feet in the first half of 2017. The office/retail market experienced net negative absorption of 54,032 square feet in the past year. Fayetteville accounted for the most with 4,469 square feet of the positive net absorption over the past year. Siloam Springs added 4,100 square feet of positive net absorption while Lowell, Bella Vista, Rogers and Springdale had negative net absorption of 1,440, 3,677, 57,017 and 3,551 square feet, respectively, during this period. There was 29,143 new square feet of office/retail space added within the past year, with Rogers accounting for 9,000 square feet, Bentonville 10,000 square feet, and Fayetteville 10,143 square feet. The overall Northwest Arkansas office/retail vacancy rate increased 1.7 percentage points from 10.0 percent in the first half of 2017 to 11.7 percent in the first half of 2018.

In the first half of 2018, 960,743 square feet of retail space were available in Northwest Arkansas, up from 850,647 square feet in the first half of 2017. The retail market had net negative absorption of 102,946 square feet in the past twelve months. Rogers accounted for 70,656 square feet and Bentonville added another 50,757 square

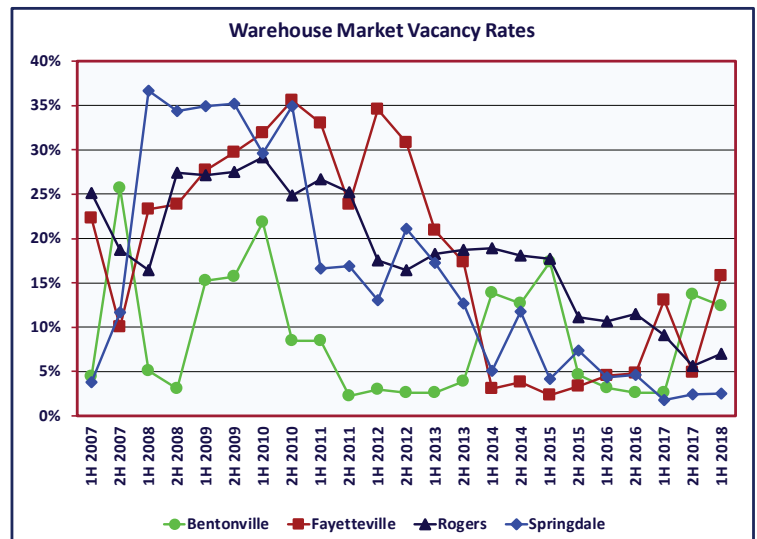
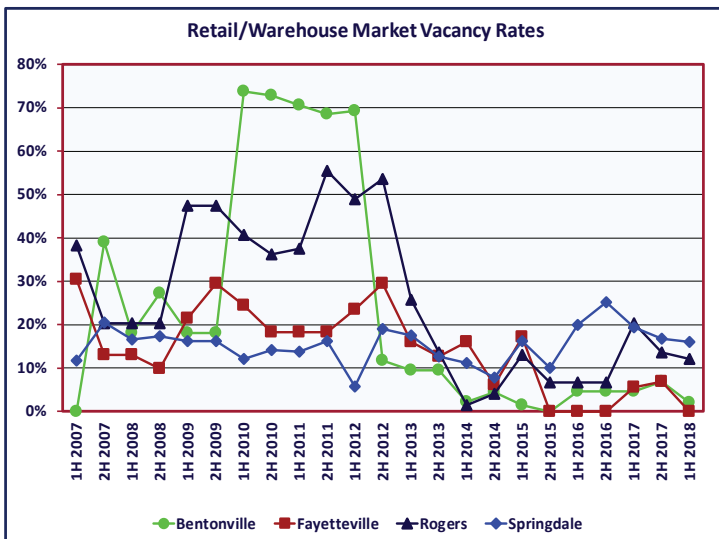
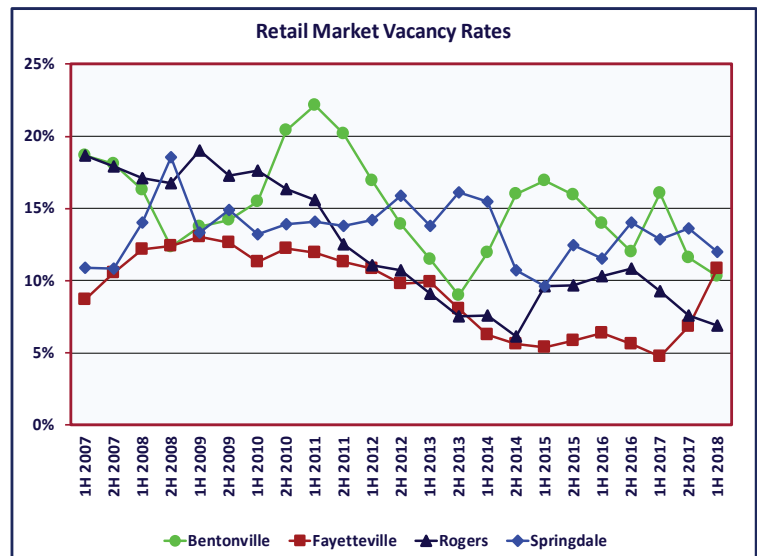
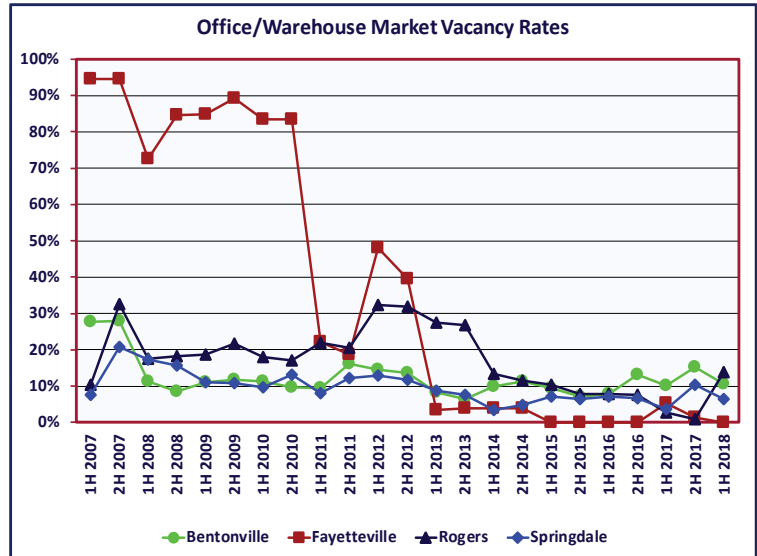


Commercial Market Trends

feet of positive net absorption. Fayetteville had 232,703 square feet of negative net absorption, while Siloam Springs accounted for another 7,206 square feet of negative net absorption. There were 110,255 new square feet of retail space added to the Northwest Arkansas market during the past year, with Fayetteville accounting for 52,000 square feet, while Bentonville and Rogers accounted for 14,255 square feet and 16,500 square feet, respectively. The overall Northwest Arkansas retail vacancy rate increased 1.0 percentage point from 8.7 percent in the first half of 2017 to 9.7 percent in the first half of 2018.

In the Northwest Arkansas warehouse market, available square footage increased from 647,799 in the first half of 2017 to 760,892 in the first half of 2018.¹ The warehouse market experienced negative net absorption of 96,843 square feet during the past year. Rogers accounted for 59,677 square feet of the positive net warehouse absorption, Lowell had another 16,460 square feet of positive net absorption, while Bentonville accounted for 125,000 square feet of negative net absorption in the last year in the warehouse market. 599,600 square feet of new warehouse space were added to the Northwest Arkansas market during the past year, with Bentonville accounting for 330,000 square feet, Lowell adding 251,600 square feet, and Springdale 18,000 square feet of the total. Vacancy rates increased by 0.5 percentage points from 7.6 percent to 8.1 percent over the same period.

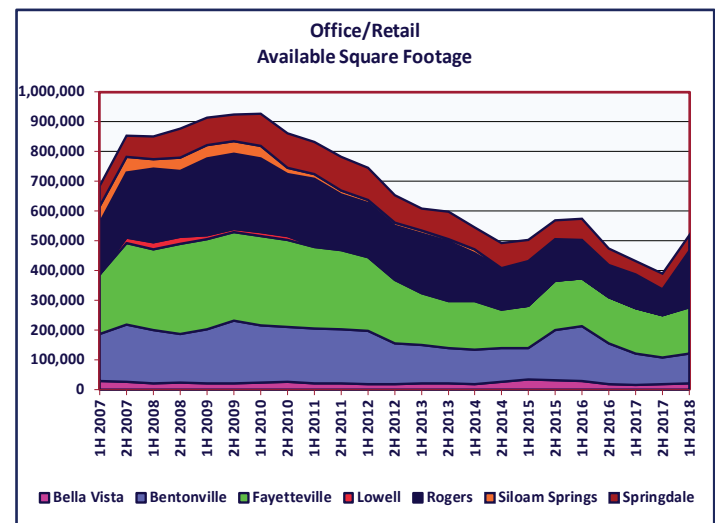
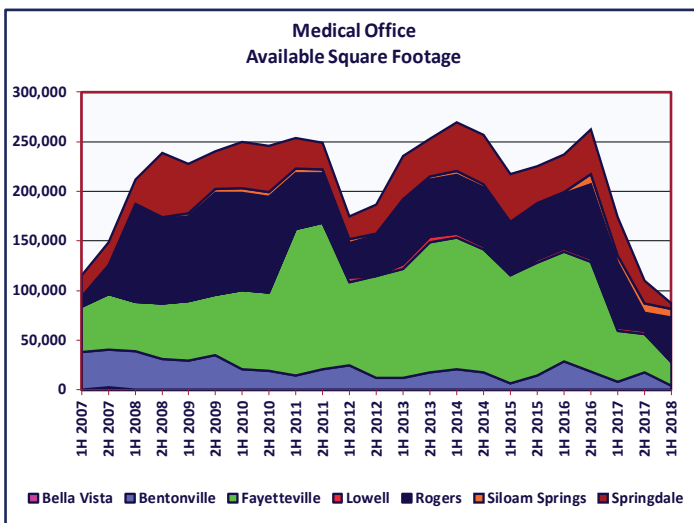
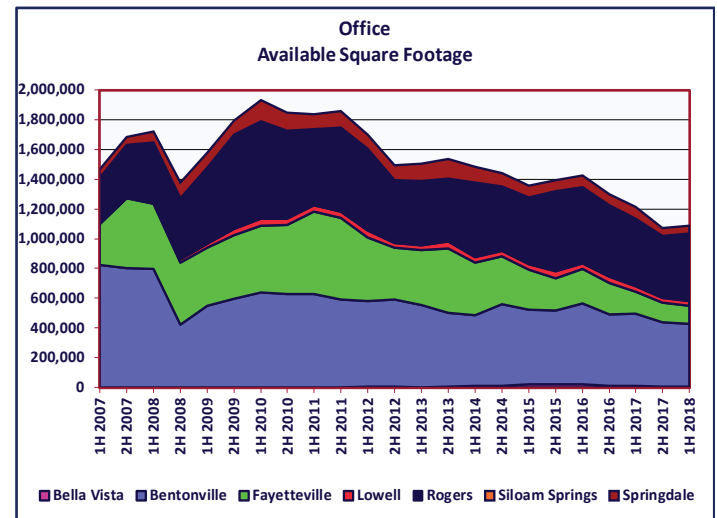
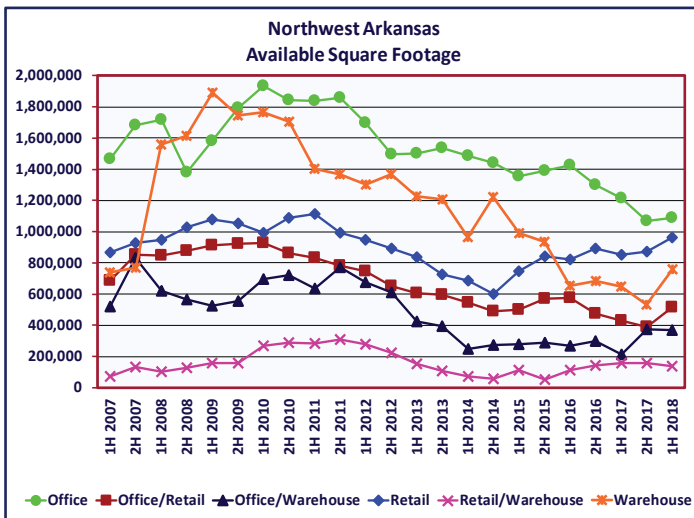
¹ Respondents indicated that an additional 250,000 square feet of quality, leased warehouse space is available for sublease in Rogers.



Commercial Market Trends

Net Twelve Month Absorption by Submarket 2H 2017 - 1H 2018

City	Office	Office/Retail	Retail	Warehouse
Bella Vista	3,260	-3,677	0	2,880
Bentonville	84,955	3,084	50,757	-125,000
Fayetteville	47,792	4,469	-232,703	-57,735
Lowell	8,730	-1,440	3,750	16,460
Rogers	12,210	-57,017	70,656	59,677
Siloam Springs	-1,000	4,100	-7,206	9,375
Springdale	16,711	-3,551	11,800	-2,500
Northwest Arkansas	172,658	-54,032	-102,946	-96,843



Commercial Market Trends

Vacancy Rates by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2017	14.6%	13.2%	4.9%	10.1%	13.3%	5.3%	8.2%	10.4%
2H 2017	10.2%	11.8%	4.1%	10.1%	12.0%	5.9%	5.4%	9.1%
1H 2018	10.2%	11.1%	3.9%	8.9%	12.9%	5.4%	5.7%	9.1%

Medical Office

1H 2017	0.0%	2.5%	4.3%	3.9%	15.4%	5.7%	12.8%	7.1%
2H 2017	0.0%	5.6%	3.2%	3.9%	4.4%	7.9%	7.6%	4.5%
1H 2018	0.0%	1.4%	2.0%	0.0%	10.4%	7.9%	2.0%	3.6%

Office/Retail

1H 2017	5.6%	12.0%	9.2%	0.0%	13.8%	3.4%	8.9%	10.0%
2H 2017	6.5%	10.1%	8.5%	1.5%	10.9%	0.0%	10.3%	8.9%
1H 2018	6.8%	10.8%	9.6%	1.5%	21.7%	7.0%	9.9%	11.7%

Office/Warehouse

1H 2017		10.2%	5.3%	22.7%	2.9%	3.4%	3.8%	6.2%
2H 2017		15.2%	1.5%	36.8%	0.9%	3.4%	10.3%	10.5%
1H 2018		10.6%	0.0%	36.8%	13.9%	30.6%	6.4%	10.0%

Retail

1H 2017	14.1%	16.1%	4.8%	9.2%	9.3%	10.1%	12.9%	8.7%
2H 2017	14.1%	11.6%	6.8%	6.2%	7.6%	13.5%	13.6%	8.9%
1H 2018	14.1%	10.3%	10.8%	9.6%	6.9%	11.1%	12.0%	9.7%

Retail/Warehouse

1H 2017		4.6%	5.5%	0.0%	20.4%	0.8%	19.4%	13.9%
2H 2017		6.9%	6.9%	0.0%	13.6%	24.8%	16.8%	13.3%
1H 2018		1.9%	0.0%	0.0%	12.2%	18.1%	16.1%	10.9%

Warehouse

1H 2017	35.1%	2.6%	13.0%	17.8%	9.1%	4.1%	1.8%	7.6%
2H 2017	19.5%	13.6%	4.9%	9.6%	5.6%	1.6%	2.4%	5.8%
1H 2018	19.5%	12.4%	15.8%	11.9%	7.0%	1.6%	2.5%	8.1%

Commercial Market Trends

Net Absorption by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2017	0	8,941	62,731	10,477	28,060	2,500	7,221	119,930
2H 2017	3,260	48,445	28,816	4,800	42,021	-1,000	15,780	142,122
1H 2018	0	36,510	18,976	3,930	-29,811	0	931	30,536

Medical Office

1H 2017	0	10,462	59,018	0	9,388	3,500	5,800	88,168
2H 2017	0	-9,500	16,660	0	45,639	-2,500	6,100	56,399
1H 2018	0	0	14,592	3,250	-25,890	0	17,170	9,122

Office/Retail

1H 2017	1,167	32,217	4,691	0	-11,929	3,550	10,484	40,180
2H 2017	-2,577	9,311	14,841	-1,440	26,074	5,100	-6,853	44,456
1H 2018	-1,100	-6,227	-10,372	0	-83,091	-1,000	3,302	-98,488

Office/Warehouse

1H 2017		29,727	0	0	22,717	-2,000	43,200	93,6440
2H 2017		-47,742	6,400	-15,200	9,522	0	-116,645	-163,665
1H 2018		46,601	2,500	0	-73,237	-32,573	61,920	5,211

Retail

1H 2017	0	-31,048	34,745	0	48,264	-2,150	16,017	65,8286
2H 2017	0	42,422	-78,926	3,750	50,061	-14,456	-15,771	-12,920
1H 2018	0	8,335	-153,777	0	20,595	7,250	27,571	-90,026

Retail/Warehouse

1H 2017		0	-5,100	0	-28,000	-500	25,326	-8,274
2H 2017		6,112	0	0	15,080	-10,360	20,120	30,952
1H 2018		12,647	6,404	0	-400	1,000	2,000	21,651

Warehouse

1H 2017	0	0	-92,730	-3,000	178,428	0	75,300	157,998
2H 2017	2,880	-133,000	76,730	75,055	99,452	9,375	-17,000	113,492
1H 2018	0	8,000	-134,465	-58,595	-39,775	0	14,500	-210,335

Commercial Market Trends

Available Square Footage by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
1H 2017	10,981	484,885	150,856	33,574	446,996	8,000	77,262	1,212,554
2H 2017	7,721	433,409	128,840	34,030	405,425	9,000	51,356	1,069,781
1H 2018	7,721	418,252	123,584	30,100	443,885	9,000	54,593	1,087,135

Medical Office

1H 2017	0	8,000	51,562	3,250	65,628	6,500	39,146	174,0864
2H 2017	0	17,500	38,702	3,250	18,489	9,000	22,920	109,861
1H 2018	0	4,000	24,110	0	44,379	9,000	5,750	87,239

Office/Retail

1H 2017	16,447	105,514	151,273	0	108,642	5,100	44,456	431,432
2H 2017	19,024	89,703	140,382	1,440	86,568	0	51,309	388,426
1H 2018	20,124	100,959	155,762	1,440	177,059	11,478	50,857	517,679

Office/Warehouse

1H 2017		102,493	8,900	24,400	13,822	4,000	59,575	213,190
2H 2017		150,235	2,500	39,600	4,300	4,000	176,220	376,855
1H 2018		103,634	0	39,600	77,537	36,573	114,300	371,644

Retail

1H 2017	5,320	123,515	175,027	11,570	286,242	41,750	207,223	850,647
2H 2017	5,320	87,593	253,953	7,820	235,581	56,206	225,234	871,707
1H 2018	5,320	75,868	410,130	7,820	214,986	48,956	197,663	960,743

Retail/Warehouse

1H 2017		11,000	5,100	0	45,280	500	96,402	158,282
2H 2017		17,535	6,404	0	30,200	16,860	86,402	157,401
1H 2018		4,888	0	0	30,600	15,860	84,402	135,750

Warehouse

1H 2017	6,480	21,034	136,730	163,230	261,346	14,275	44,704	647,799
2H 2017	3,600	154,034	60,000	88,175	161,894	4,900	61,704	534,307
1H 2018	3,600	146,034	194,465	146,770	201,669	4,900	63,454	760,892

Office

In the first half of 2018, the office properties included in the Skyline Report panel had a vacancy rate of 9.1 percent, the same as the second half of 2017. Of the 11,915,962 square feet of Northwest Arkansas properties examined, 1,087,135 square feet were available. In the first half of 2018, 134,688 square feet of new space entered the market, while 165,225 square feet became occupied, netting positive absorption of 30,536 square feet for the Northwest Arkansas office market.

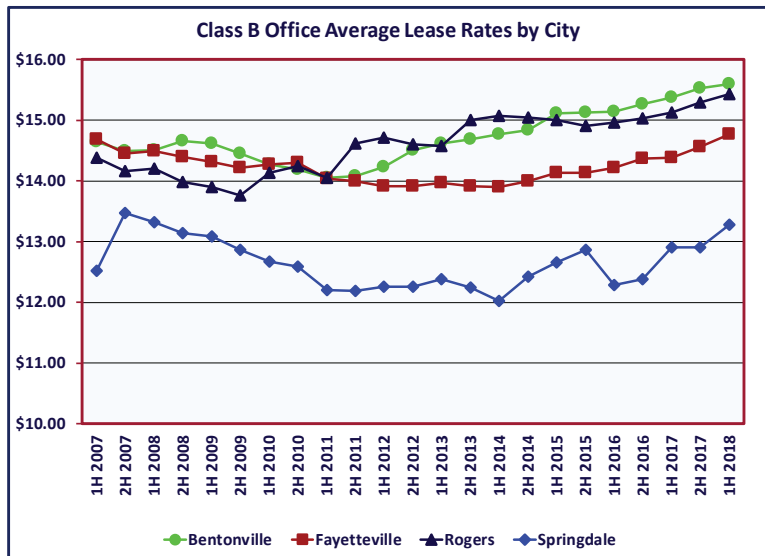
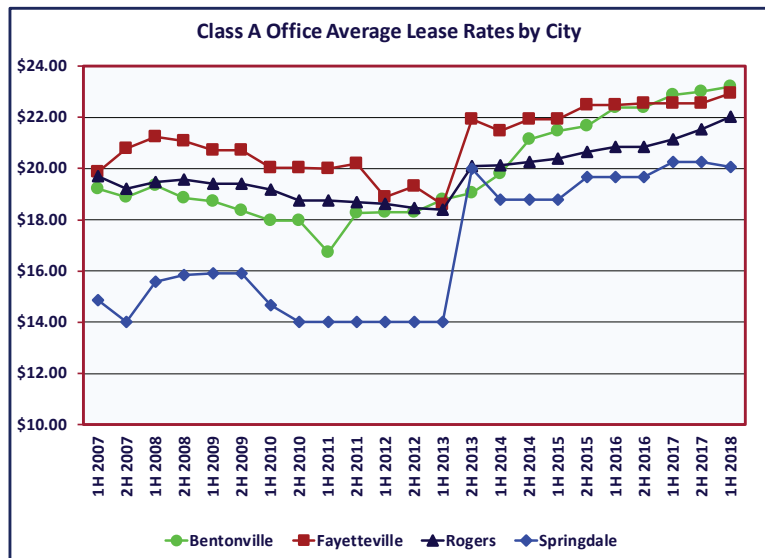
Rogers had the most available square feet of office space at 443,885, out of its total office space of 3,442,875 square feet in the first half of 2018. 69.0 percent of the available office space was Class A. There were 18,800 new square feet added during this time. The Rogers office market had net negative absorption of 29,811 square feet with Medical office space contributing 25,890 square feet of negative net absorption. This also included net positive absorption of 13,975 square feet in the Class B submarket and negative net absorption of 31,385 square feet in the Class A office submarket.

Bentonville had 3,774,259 square feet of total office space, with available square feet at 418,252, in the first half of 2018. 75.1 percent of the available space was in the Class B submarket. 96,870 square feet of new office space were added during this time. The Bentonville office market had a net positive absorption of 36,510 square feet in the first half of 2018, with the Class B submarket adding 36,383 square feet of positive net absorption, while the Class C submarket had negative net absorption of 6,416 square feet during the first half of 2018.

Fayetteville had 123,584 square feet of available space, out of its total office space of 3,166,868 square feet in the first half of 2018, 37.3 percent of the available space was in the Class B submarket. There were 7,000 new square feet of office space added in the first

Office Lease Rates Average Range by City

	Class A	Class B	Class C	Medical
Bentonville	\$22.64 - \$23.77	\$15.37 - \$15.84	\$10.46 - \$10.46	\$15.51 - \$16.11
Fayetteville	\$20.58 - \$25.29	\$14.45 - \$15.09	\$12.03 - \$12.95	\$15.76 - \$17.69
Rogers	\$21.54 - \$22.53	\$15.14 - \$15.74	\$9.78 - \$10.18	\$14.34 - \$14.51
Springdale	\$19.64 - \$20.51	\$12.75 - \$13.82	\$9.58 - \$10.00	\$14.11 - \$14.52



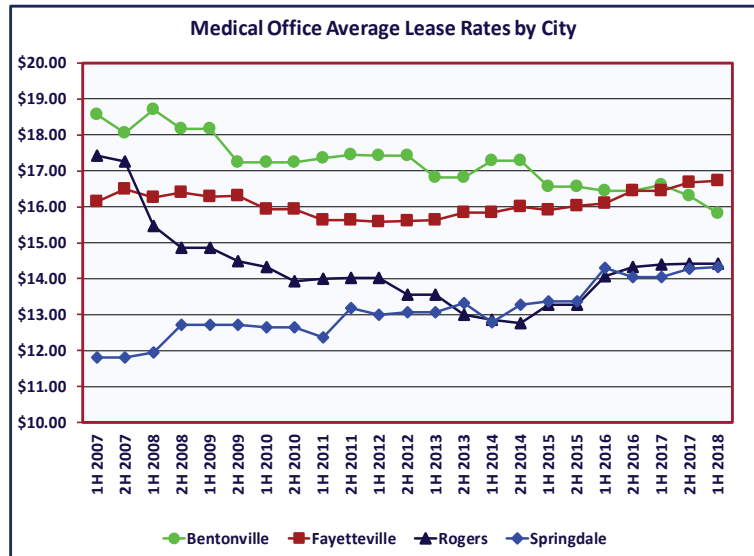
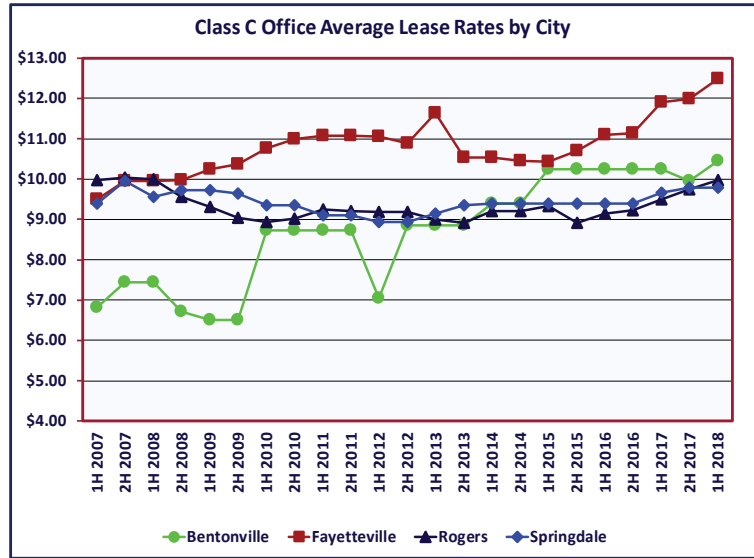
half of 2018. The Fayetteville office market had net positive absorption of 18,976 square feet, with 14,592 square feet coming in the medical office submarket.

Springdale had 952,945 square feet of total office space, with 54,593 square feet

Office

of it available in the first half of 2018. 77.5 percent was Class B office space. There was positive net absorption of 931 square feet in the Springdale office market in the first half of 2018.

In the first half of 2018, average reported lease rates for Class A office space was highest in Bentonville at \$23.21, Fayetteville increased by \$0.38 to \$22.94, Rogers increased \$0.52 to \$22.04, and Springdale (with very limited Class A space) decreased \$0.18 to \$20.08. Average reported lease rates for Class B office space, increased slightly in each city, and was highest in Bentonville at \$15.61. Rogers was at \$15.44, Fayetteville was at \$14.77, and Springdale remained with the lowest reported average lease rates at \$13.29. Reported average lease rates for Class C office were highest in Fayetteville at \$12.49. Bentonville increased to \$10.46, Springdale remained at \$9.79, and Rogers increased to \$9.98. Reported average medical office space lease rates were highest in Fayetteville after an increase of \$0.04, at \$16.73. Bentonville declined \$0.49 to \$15.81, Rogers remained at \$14.43 and Springdale, increasing \$0.04 to \$14.32, 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	826,229	90,186	10.9%	103,413	96,870	6,543	82.7
Fayetteville	409,222	22,458	5.5%	2,831	0	2,831	47.6
Rogers	1,844,490	306,387	16.6%	-12,585	18,800	-31,385	--
Springdale	104,394	4,076	3.9%	0	0	0	--
Class B							
Bentonville	2,561,723	314,130	12.3%	36,383	0	36,383	51.8
Fayetteville	1,251,523	46,062	3.7%	15,882	7,000	8,882	31.1
Rogers	800,549	46,094	5.8%	13,975	0	13,975	19.8
Springdale	398,404	42,317	10.6%	-6,721	12,018	-18,739	--
Class C							
Bentonville	101,700	9,936	9.8%	-6,416	0	-6,416	--
Fayetteville	272,432	30,954	11.4%	-7,329	0	-7,329	--
Rogers	372,443	47,025	12.6%	13,489	0	13,489	20.9
Springdale	159,165	2,450	1.5%	2,500	0	2,500	5.9
Medical							
Bentonville	284,607	4,000	1.4%	0	0	0	--
Fayetteville	1,233,691	24,110	2.0%	14,592	0	14,592	9.9
Rogers	425,393	44,379	10.4%	-25,890	0	-25,890	--
Springdale	290,982	5,750	2.0%	17,170	0	17,170	2.0

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents



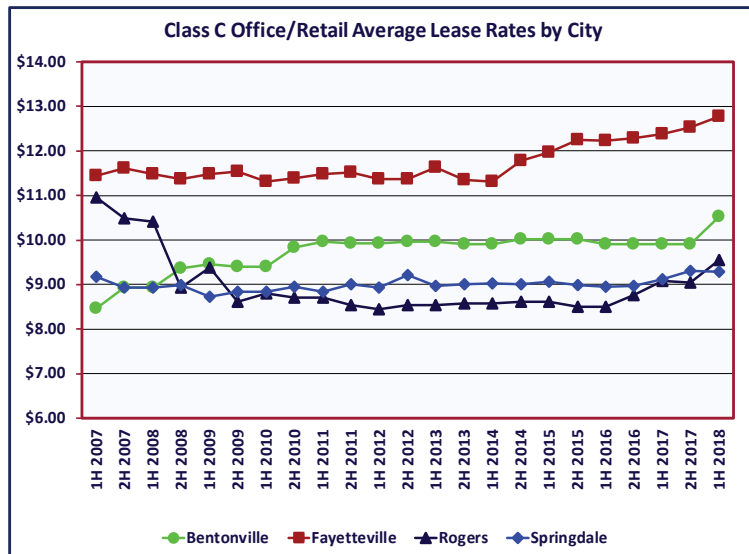
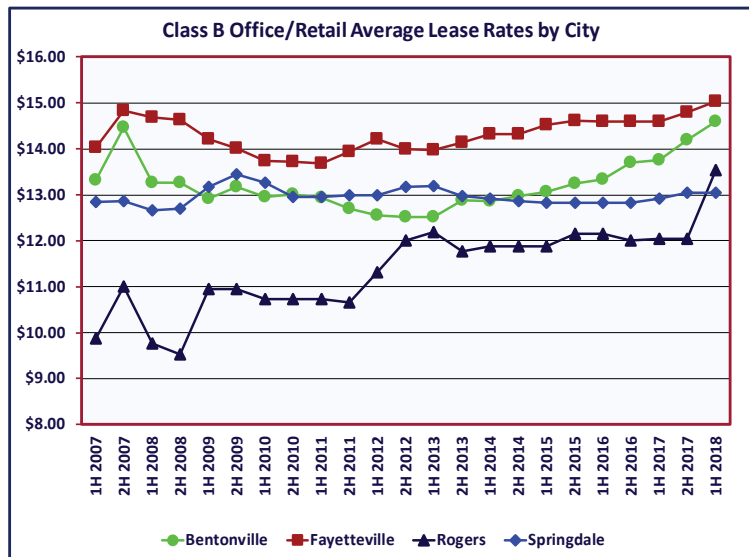
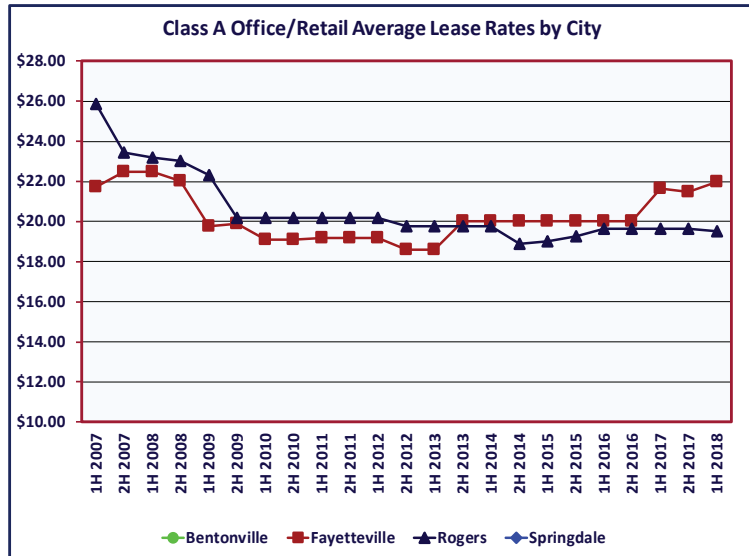
Office/Retail

In the first half of 2018, the office/retail properties included in the Skyline Report sample had a vacancy rate of 11.7 percent, an increase from 8.9 percent in the second half of 2017. Of the over 4.4 million square feet of Northwest Arkansas properties examined, 517,679 square feet were available.

From the second half of 2017 to the first half of 2018, 11,043 square feet of new office/retail space were added in Northwest Arkansas. There was a negative net absorption of 98,488 square feet in the first half of 2018. Rogers had the greatest negative net absorption with 83,091 square feet, Fayetteville added a negative net absorption of 10,372 square feet, while Springdale had the greatest amount of positive net absorption at 3,302 square feet.

Rogers had the largest amount of available square feet in the office/retail submarket with 177,059 square feet in the first half of 2018, while Fayetteville contributed with 155,762 square feet available. The vacancy rate was highest in Rogers at 21.7 percent, while the vacancy rate in Bentonville was 10.8 percent.

The office/retail space reported average lease rates in the first half of 2018 were highest in the Fayetteville Class A submarket increasing \$0.50 to \$22.00. The average Class A lease rate in Rogers decreased \$0.13 to \$19.51. In the Class B submarket, Fayetteville was the most expensive at \$15.03, followed by Bentonville at \$14.59, after an increase of \$0.39, Rogers at \$13.53, and Springdale at \$13.05, was the lowest. In the Class C submarket, the average lease rate was highest in Fayetteville at \$12.78. In Bentonville, the average was \$10.52, in Rogers the rate was \$9.55, and Springdale was still the least expensive at \$9.30.



Office/Retail

Office/Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$21.00 - \$28.00	\$14.03 - \$15.15	\$10.17 - \$10.87
Fayetteville	\$20.20 - \$23.80	\$14.31 - \$15.74	\$11.84 - \$13.72
Rogers	\$19.13 - \$19.88	\$12.62 - \$14.44	\$8.65 - \$10.44
Springdale	--	\$12.37 - \$13.73	\$8.89 - \$9.70



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	5,029	--	0	0	0	--
Fayetteville	79,450	3,000	3.8%	3,843	2,043	1,800	10.0
Rogers	133,127	11,222	8.4%	-3,500	0	-3,500	--
Springdale	--	--	--	--	--	--	--
Class B							
Bentonville	814,466	89,500	0	-1,367	0	-1,367	--
Fayetteville	1,148,277	109,433	0	-15,712	0	-15,712	--
Rogers	391,030	132,948	0	-71,664	9,000	-80,664	--
Springdale	226,956	27,395	0	-3,360	0	-3,360	--
Class C							
Bentonville	79,894	6,430	8.0%	-4,860	0	-4,860	--
Fayetteville	402,024	43,329	10.8%	3,540	0	3,540	73.4
Rogers	290,802	32,889	11.3%	1,073	0	1,073	183.9
Springdale	287,753	23,462	8.2%	6,662	0	6,662	21.1

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Retail

In the first half of 2018, the retail properties included in the Skyline Report panel had a vacancy rate of 9.7 percent, up from 8.9 percent in the second half of 2017. Of the 9,858,501 square feet of Northwest Arkansas retail properties examined, 960,743 square feet were available. 77,000 square feet of new retail space were added in Northwest Arkansas. There was negative net absorption of 90,026 square feet in the first half of 2018.

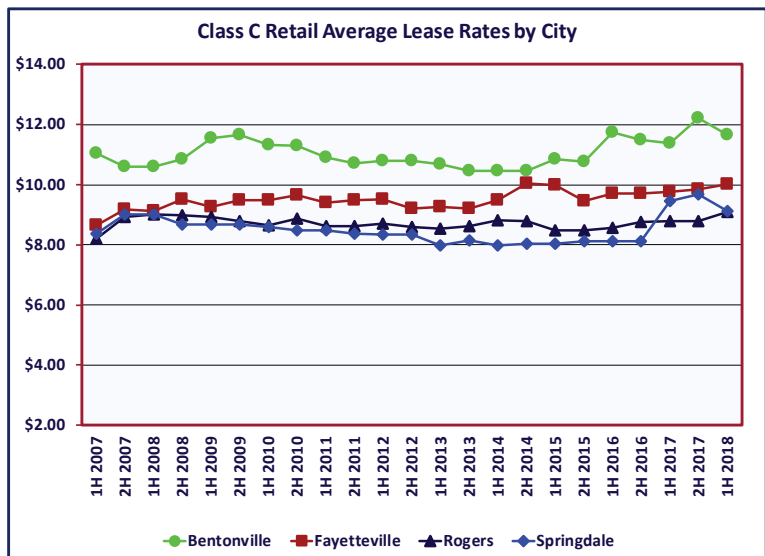
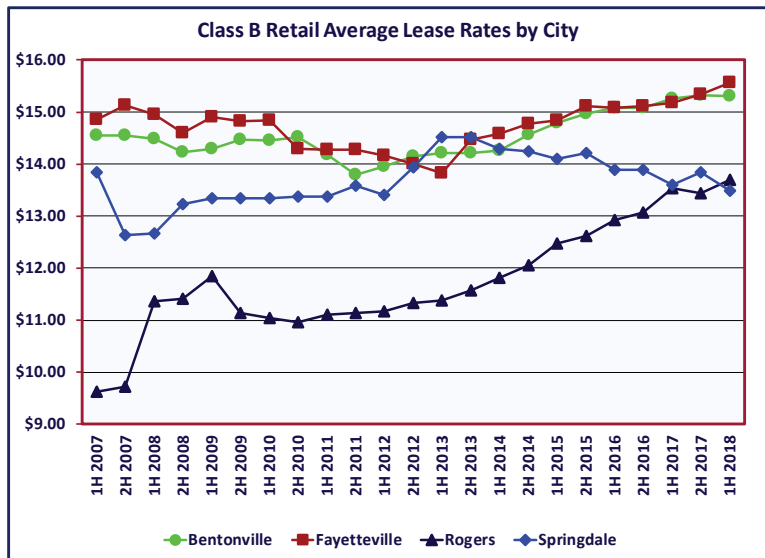
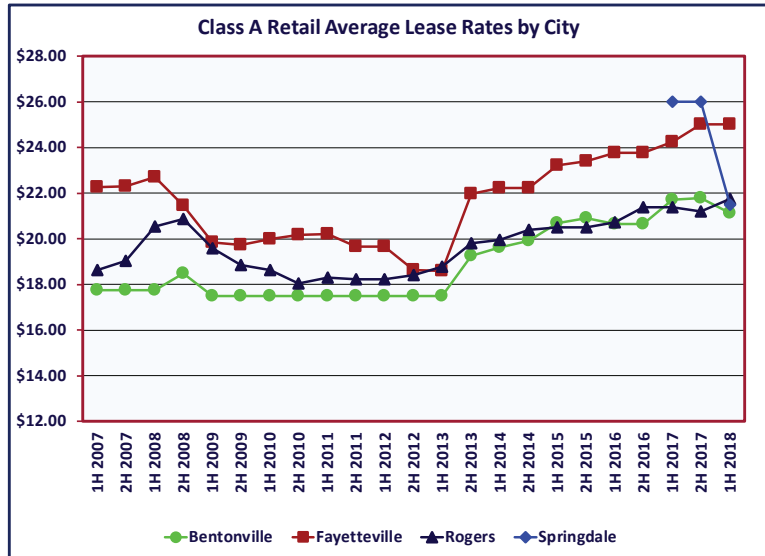
In the first half of 2018, Fayetteville had a retail vacancy rate of 10.8 percent, up from 6.8 percent in the second half of 2017, with 410,130 available square feet out of a total of 3,780,532. 28,000 new square feet were added and there was reported negative net absorption of 153,777 square feet in the Fayetteville retail market in the first half of 2018.

The Rogers market had 214,986 square feet of available retail space out of a total of 3,130,169 square feet, for a vacancy rate of 6.9 percent in the first half of 2018. This was a decrease from the 7.6 percent rate in the second half of 2017. 16,500 square feet of new retail space were added in Rogers, resulting in a positive net absorption of 20,595 square feet.

Bentonville had 737,317 total square feet and 75,868 available square feet of retail space in the first half of 2018, resulting in a vacancy rate of 10.3 percent. This represented a decrease from the rate of 11.6 percent in the second half of 2017. 5,000 square feet of new retail space were added to the Bentonville market which had positive net absorption of 8,335 square feet.

There were 197,663 square feet of available retail space out of a total of 1,650,342 square feet in Springdale in the first half of 2018. This implied a vacancy rate of 12 percent, down from 13.6 percent in the second half of 2017. 10,300 square feet of new retail space were added during the first half of 2018, and there was positive net absorption of 27,571 square feet.

In the Class A retail submarket Fayetteville had the highest average reported lease rate at \$25.00. Rogers had an average reported lease rate of



Retail

\$21.74, after an increase of \$0.54. Springdale, with a growing sample size, had a decrease of \$4.50 to \$21.50 in the first half of 2018. The average rate in Bentonville decreased slightly to \$21.13. After an increase of \$0.23, Class B retail average lease rates were highest in Fayetteville at \$15.57. Bentonville was at \$15.31, Rogers increased \$0.25 to \$13.70, and Springdale was the lowest at \$13.49. Class C average reported lease rates remained the highest in Bentonville at \$11.65 after decreasing \$0.57. Fayetteville was at \$10.03, and Springdale was at \$9.12, leaving Rogers the lowest at \$9.09 in the first half of 2018.

Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$20.33 - \$21.92	\$14.81 - \$15.80	\$11.36 - \$11.94
Fayetteville	\$24.38 - \$25.62	\$15.13 - \$16.01	\$9.82 - \$10.23
Rogers	\$20.90 - \$22.58	\$13.25 - \$14.15	\$8.93 - \$9.24
Springdale	\$21.50 - \$21.50	\$13.24 - \$13.74	\$8.68 - \$9.56



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	210,297	41,935	19.9%	7,333	5,000	2,333	107.8
Fayetteville	2,007,003	240,046	12.0%	-106,879	28,000	-134,879	--
Rogers	1,912,963	93,626	4.9%	27,000	16,500	10,500	53.5
Springdale	133,015	33,496	--	6,175	10,300	-4125	--
Class B							
Bentonville	391,876	25,233	6.4%	1,976	0	1,976	76.6
Fayetteville	1,148,277	109,433	9.5%	-15,712	0	-15,712	--
Rogers	680,441	98,560	14.5%	7,795	0	7,795	75.9
Springdale	999,502	90,072	9.0%	35,820	0	35,820	15.1
Class C							
Bentonville	135,144	8,700	6.4%	4,026	0	4,026	13.0
Fayetteville	445,373	77,316	17.4%	-9,267	0	-9,267	--
Rogers	536,765	22,800	4.2%	2,300	0	2,300	59.5
Springdale	517,825	74,095	14.3%	-4,124	0	-4,124	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Warehouse

Warehouse

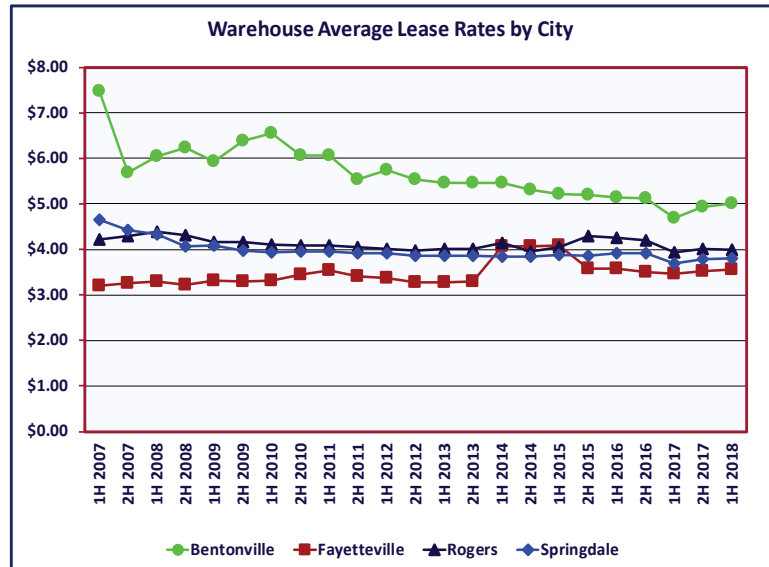
This is the third half that CBER staff has classified warehouse space into Class A, B, and C. Local experts were consulted ahead of time as CBER staff developed standards for classification based on height, construction materials, docks, courtyards, sprinklers, and location. During the classification process some properties were identified as having had their functions changed and were reclassified into the office/warehouse or retail/warehouse categories.

In the first half of 2018, the warehouse properties included in the Skyline Report panel had a vacancy rate of 8.1 percent, up from 5.8 percent in the second half of 2017. Of the 9,406,084 square feet of warehouse space examined, 760,892 square feet were available. There was no new square feet of warehouse space added in the first half of 2018, and there was negative net absorption of 210,335 square feet.

Bentonville had 1,173,672 total square feet of warehouse space and 76.4 percent of it was Class A warehouse space. 146,034 square feet of warehouse space, of which 134,200 square feet was Class A, was available in the first half of 2018. No new warehouse space was added to the Bentonville warehouse submarket in the first half of 2018, resulting in a vacancy rate of 12.4 percent down from 13.6 in the second half of 2017. There was positive net absorption of 8,000 square feet in this report period.

There was 1,232,499 total square feet of warehouse space in Fayetteville in the first half of 2018 and 52 percent of it was Class B warehouse space. The vacancy rate was 15.8 percent, an increase from 4.9 percent in the second half of 2017 as 194,465 square feet of warehouse space, all Class A, was available after negative net absorption of 134,465 square feet. The Class A warehouse submarket accounted for 134,465 square feet of the negative net absorption.

146,770 square feet of warehouse space was available in Lowell out of 1,233,925 total square feet of warehouse space. 67.5 percent of the



Warehouse

total warehouse space was Class A. No new square feet of warehouse space was added to the Lowell submarket in the first half of 2018. After negative net absorption of 58,595 square feet, the resulting vacancy rate was 11.9 percent, up from 7.5 percent in the second half of 2017. 53,175 square feet of the negative net absorption was in the Class A warehouse market in the first half of 2018.

Rogers had 2,879,675 square feet of warehouse space, of which 50.8 percent is Class A. 201,669 square feet was available and a majority of it, 163,065, was Class C space, leading to a vacancy rate of 7 percent, up from 5.6 percent in the second half of 2017. There was negative net absorption of 39,775 square feet, 64,225 square feet of it Class C, in the first half of 2018.

Springdale had 2,560,813 square feet of warehouse space, of which 48.4 percent is Class B. 63,454 square feet was available and over half of it, 42,250 square feet, was Class C space, leading to a vacancy rate of 2.5 percent, up from 2.4 percent in the second

Warehouse Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$4.84 - \$5.44	\$4.68 - \$4.93	--
Fayetteville	\$4.63 - \$4.63	\$3.46 - \$3.71	\$3.14 - \$3.31
Rogers	\$3.51 - \$3.51	\$4.61 - \$4.78	\$3.68 - \$3.91
Springdale	\$3.42 - \$4.25	\$3.35 - \$3.86	\$3.85 - \$3.99

half of 2017. There was no new available space added to the Springdale warehouse submarket in the first half of 2018. There was a positive net absorption of 14,500 square feet, all of it Class B, in the first half of 2018.

The average reported warehouse lease rates increased by \$0.09 in Bentonville, \$0.04 in Fayetteville and \$0.01 in Springdale. The lease rates decreased in Rogers by \$0.02. Bentonville continued to have the highest reported lease rate at \$5.02, in the first half of 2018. 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.

² Respondents indicated that an additional 250,000 square feet of quality, leased warehouse space is available for sublease in Rogers.

Warehouse 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	896,283	134,200	15.0%	0	0	0	--
Fayetteville	194,465	194,465	100.0%	-134,465	0	-134,465	--
Rogers	1,462,500	0	0.0%	0	0	0	--
Springdale	325,200	0	0.0%	0	0	0	--
Class B							
Bentonville	257,430	0	0.0%	8,000	0	8,000	0.0
Fayetteville	640,348	0	0.0%	0	0	0	--
Rogers	415,424	38,604	9.3%	24,450	0	24,450	9.5
Springdale	1,239,898	21,204	1.7%	14,500	0	14,500	8.8
Class C							
Bentonville	19,959	11,834	59.3%	0	0	0	--
Fayetteville	397,686	0	0.0%	0	0	0	--
Rogers	1,001,751	163,065	16.3%	-64,225	0	-64,225	--
Springdale	995,715	42,250	4.2%	0	0	0	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Other Categories

Office/Warehouse

The Skyline Report panelists reported on 3,714,807 square feet of office/warehouse space, with 371,644 total square feet available in the first half of 2018. The vacancy rate in the office/warehouse submarket decreased from 10.5 percent in the second half of 2017 to 10 percent in the first half of 2018. 130,442 of new square feet of office/warehouse space entered the market in Northwest Arkansas during the first half of 2018.

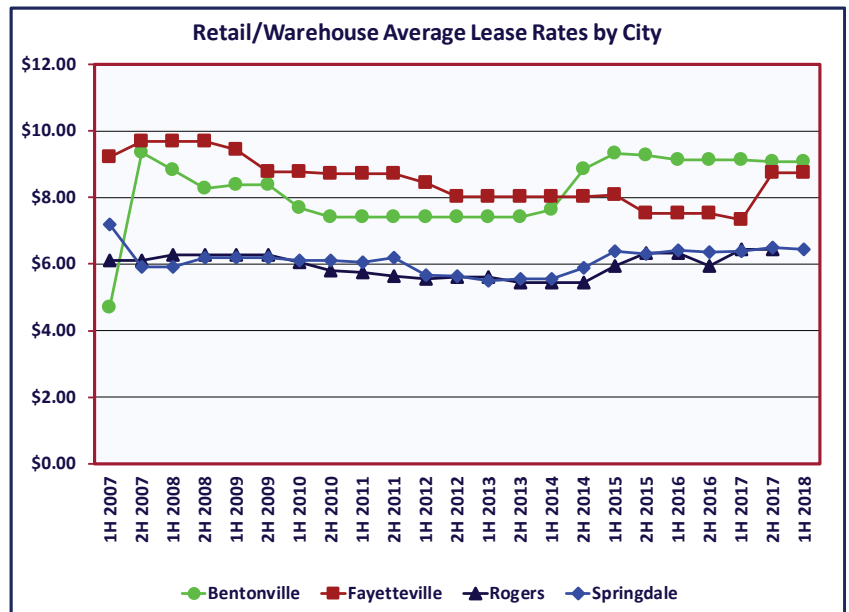
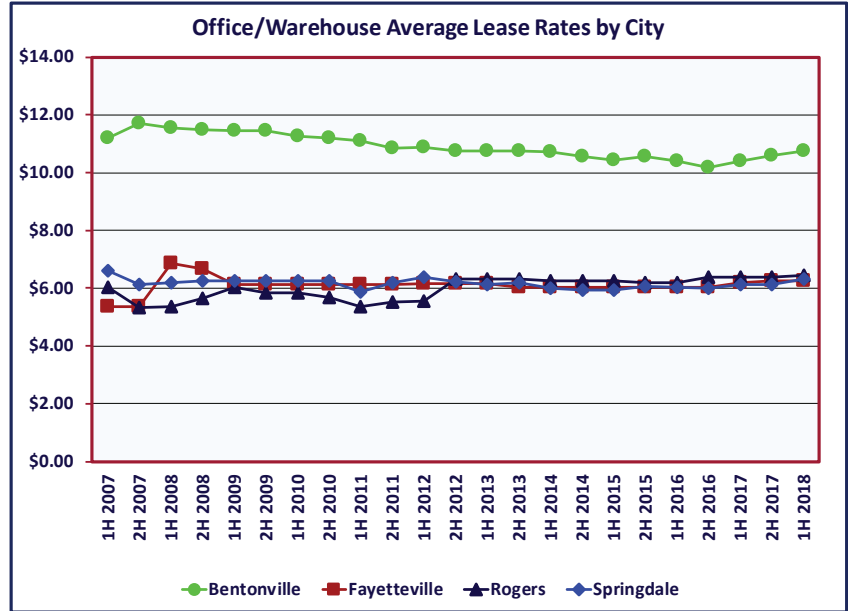
The office/warehouse submarket in Northwest Arkansas experienced positive net absorption of 5,211 square feet during the first half of 2018. Bentonville and Springdale with 103,634 square feet and 114,300 square feet, respectively, had the bulk of the available office/warehouse space in Northwest Arkansas.

In the first half of 2018, Bentonville continued to have the highest reported average lease rate at \$10.76 after an increase of \$0.16. Rogers increased to \$6.45, while average reported lease rates remained at \$6.24 in Fayetteville and increased modestly by \$0.19 to \$6.33 in Springdale.

Retail/Warehouse

The Skyline Report panelists reported on 1,242,848 square feet of retail/warehouse space in the first half of 2018. A total of 135,750 square feet was available in Northwest Arkansas. Springdale had the majority of the available retail/warehouse space with 84,402 square feet.

16,000 new square feet entered the market during this time. The vacancy rate in the retail/warehouse submarket decreased from 13.3 percent in the second half of 2017 to 10.9 percent in the first half of 2018.



Other Categories

From the second half of 2017 to the first half of 2018, there was positive net absorption of 21,651 square feet of retail/warehouse space in Northwest Arkansas, with Bentonville accounting for 12,647 square feet of that total.

Bentonville continued to have the highest average lease rate in this market at \$9.07. Reported retail/warehouse average lease rates remained the same in Fayetteville at \$8.75, while they increased in Rogers by \$1.13 to \$7.58 and decreased by \$0.06 to \$6.43 in Springdale in the first half of 2018.

Other Lease Rates Average Range by City

	Office/Warehouse	Retail/Warehouse
Bentonville	\$10.11 - \$11.40	\$8.78 - \$9.35
Fayetteville	\$5.80 - \$6.68	\$8.23 - \$9.26
Rogers	\$6.32 - \$6.58	\$6.42 - \$6.74
Springdale	\$5.75 - \$6.90	\$6.11 - \$6.75

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	1,173,672	146,034	12.4%	8,000	0	8,000	109.5
Fayetteville	1,232,499	194,465	15.8%	-134,465	0	-134,465	--
Rogers	2,879,675	201,669	7.0%	-39,775	0	-39,775	--
Springdale	2,560,813	63,454	2.5%	14,500	0	14,500	26.3

Office/Warehouse

Bentonville	976,657	103,634	10.6%	46,601	0	46,601	13.3
Fayetteville	169,072	0	0.0%	2,500	0	2,500	0.0
Rogers	558,402	77,537	13.9%	1,763	75,000	-73,237	--
Springdale	1,783,803	114,300	6.4%	117,362	55,442	61,920	11.1

Retail/Warehouse

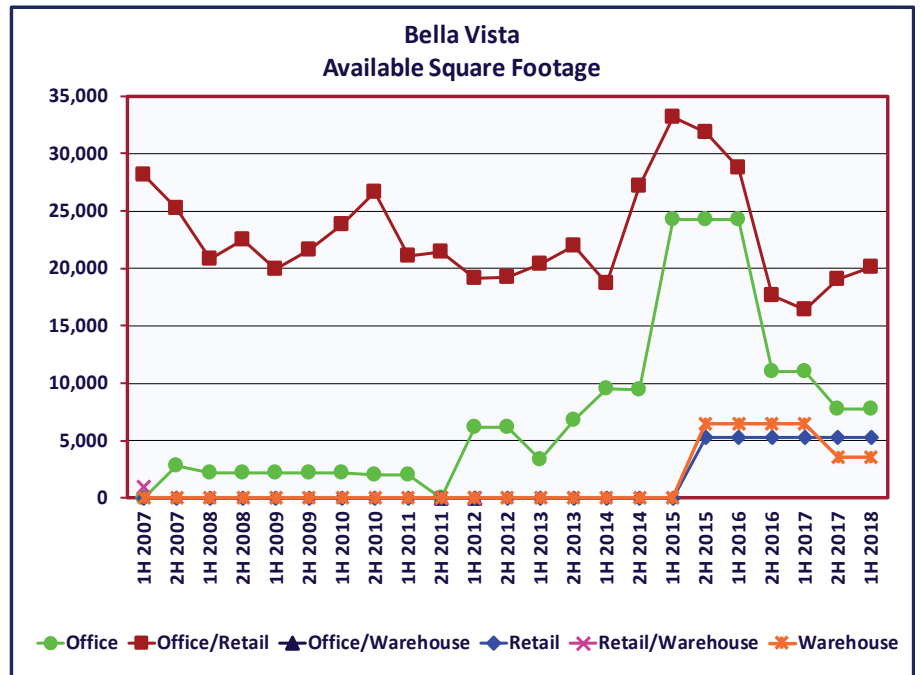
Bentonville	253,373	4,888	1.9%	12,647	0	12,647	2.3
Fayetteville	93,344	0	0.0%	6,404	0	6,404	0.0
Rogers	251,834	30,600	12.2%	15,600	16,000	-400	--
Springdale	524,164	84,402	16.1%	2,000	0	2,000	253.2

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Bella Vista

- From January 1 to June 30, 2018, no new commercial building permits were issued in Bella Vista.
- 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 2018.
- In the first half of 2018, Bella Vista experienced negative net absorption of 1,100 square feet
- There was no space added to the Bella Vista commercial market in the first half of 2018.
- Reported average lease rates in Bella Vista in the first half of 2018 remained relatively stable in all submarkets.



Bella Vista Commercial Real Estate Market Summary Statistics

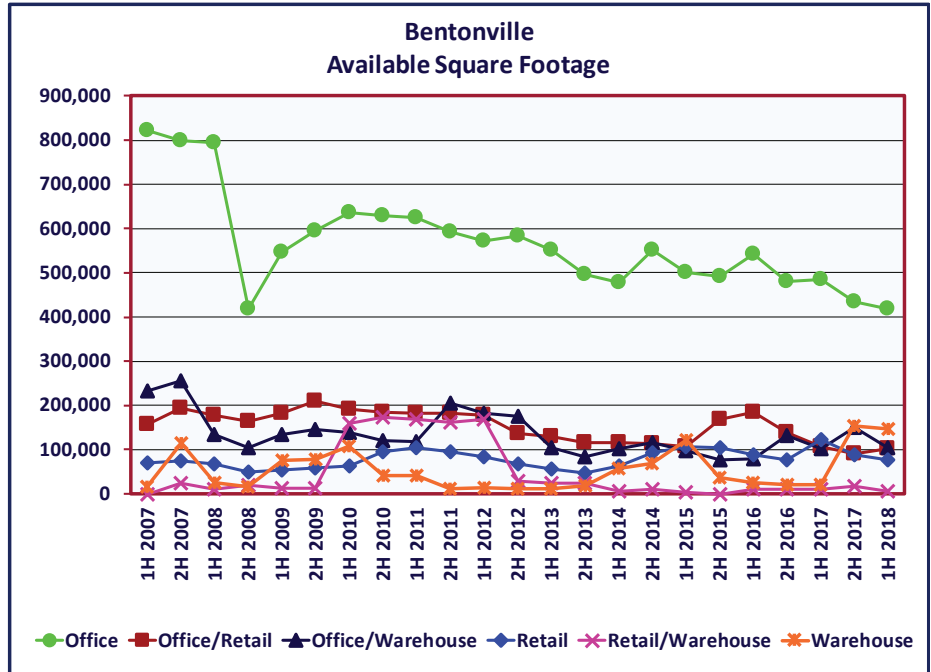
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Net Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	--	--	--	--	--	--	--
Office	\$12.59 - \$13.09	75,389	7,721	10.2%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$13.68 - \$13.68	64,025	7,721	12.1%	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	\$10.30 - \$13.20	294,928	20,124	6.8%	-1,100	0	-1,100	--
Class A	--	--	--	--	--	--	--	--
Class B	\$10.30 - \$13.20	284,344	18,254	6.4%	-1,100	0	-1,100	--
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 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Bentonville

- From January 1 to June 30, 2018, Bentonville issued \$72,307,096 worth of building permits for new commercial space. The first half of 2018 value was 234.1 percent higher than the first half of 2017 value of \$21,640,501. Bentonville accounted for 38.4 percent of the commercial permits issued in Northwest Arkansas during the first half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 7,862,842 square feet of commercial space in Bentonville in the first half of 2018.
- In the first half of 2018, Bentonville experienced absorption of 207,736 square feet, while 101,870 new square feet of space, including 96,870 square feet of Class A office space were added, yielding positive net absorption of 105,866 square feet.
- The office/warehouses market had the greatest amount of positive net absorption with 46,601 square feet, with the



office submarket adding an additional 36,510 square feet of positive net ab-

sorption. However, the office/retail market had significant negative net absorption of 6,227 square feet in the first half of 2018.

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	\$16.02 - \$16.56	3,774,259	418,252	11.1%	133,380	96,870	36,510	68.7
Class A	\$22.64 - \$23.77	826,229	90,186	10.9%	103,413	96,870	6,543	82.7
Class B	\$15.37 - \$15.84	2,561,723	314,130	12.3%	36,383	0	36,383	51.8
Class C	\$10.46 - \$10.46	101,700	9,936	9.8%	-6,416	0	-6,416	--
Medical	\$15.51 - \$16.11	284,607	4,000	1.4%	0	0	0	--
Office/Retail	\$13.59 - \$14.84	931,224	100,959	10.8%	-6,227	0	-6,227	--
Class A	\$21.00 - \$28.00	36,864	5,029	--	0	0	0	--
Class B	\$14.03 - \$15.15	814,466	89,500	11.0%	-1,367	0	-1,367	--
Class C	\$10.17 - \$10.87	79,894	6,430	8.0%	-4,860	0	-4,860	--
Office/Warehouse	\$10.11 - \$11.40	976,657	103,634	10.6%	46,601	0	46,601	13.3
Retail	\$15.30 - \$16.33	737,317	75,868	10.3%	13,335	5,000	8,335	54.6
Class A	\$20.33 - \$21.92	210,297	41,935	19.9%	7,333	5,000	2,333	107.8
Class B	\$14.81 - \$15.80	391,876	25,233	6.4%	1,976	0	1,976	76.6
Class C	\$11.36 - \$11.94	135,144	8,700	6.4%	4,026	0	4,026	13.0
Retail/Warehouse	\$8.78 - \$9.35	253,373	4,888	1.9%	12,647	0	12,647	2.3
Warehouse	\$4.78 - \$5.25	1,173,672	146,034	12.4%	8,000	0	8,000	109.5
Class A	\$4.84 - \$5.44	896,283	134,200	15.0%	0	0	0	--
Class B	\$4.68 - \$4.93	257,430	0	0.0%	8,000	0	8,000	0.0
Class C	--	19,959	11,834	59.3%	0	0	0	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Bentonville

- Reported vacancy rates from the second half of 2017 to the first half of 2018 decreased in the office, medical office, office/warehouse, retail, retail/warehouse, and warehouse submarkets, and increased in the office/retail submarket of Bentonville.
- Average reported lease rates increased noticeably in the following submarkets: by \$0.50 in the Class C office and \$0.61 in the Class C office/retail submarkets. Lease rates decreased by \$0.49 in the Medical office and \$0.68 in the Class A retail submarkets, and remained relatively stable in the other submarkets during this period.

Downtown Bentonville

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 300,621 square feet of office, office/retail, and retail space in Downtown Bentonville in the first half of 2018.
- There was negative net absorption of 8,944 square feet in Downtown Bentonville during the first half of 2018, 40,870 square feet of new space was added.
 - Office space in Downtown Bentonville had a reported vacancy rate of 12.5 percent in the first half of 2018, up from 6.5 percent in the second half of 2017.

- The office/retail vacancy rate in Downtown Bentonville increased from 10.1 percent to 11 percent in the first half of 2018.
- The reported retail vacancy rate for Downtown Bentonville properties increased to 3.6 percent in the first half of 2018.
- Average reported office lease rates increased by \$0.68, office/retail increased by \$3.46 as older space was refurbished and leased at significantly higher prices, while the average reported lease rate in the retail submarket decreased by \$1.00 in Downtown Bentonville in the first half of 2018.



Downtown Bentonville Summary Statistics

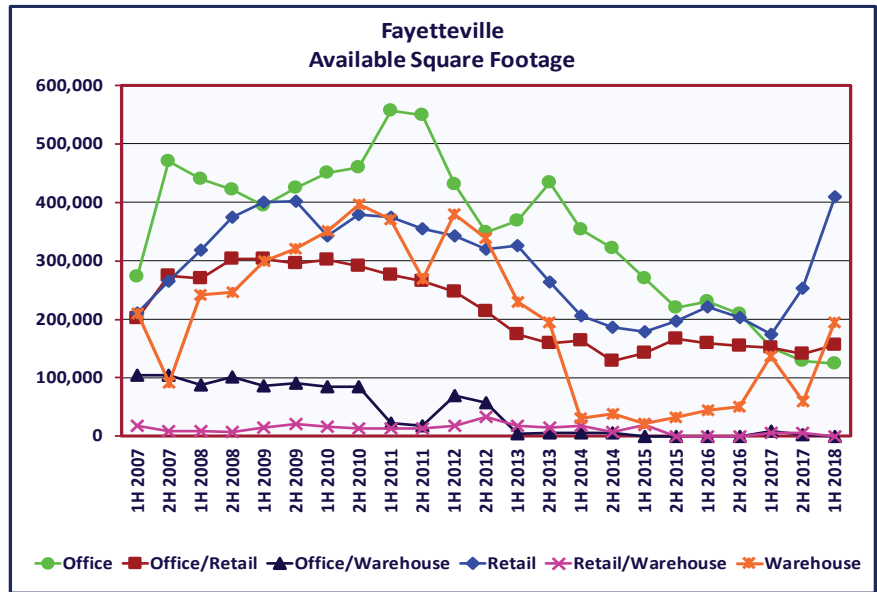
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Office	\$16.44 - \$18.29	137,382	17,158	12.5%	28,802	35,870	-7,068	--
Office/Retail	\$11.71 - \$15.88	110,716	12,191	11.0%	0	0	0	--
Retail	\$15.11 - \$19.83	52,523	1,876	3.6%	3,124	5,000	-1,876	

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Fayetteville

- From January 1 to June 30, 2018, Fayetteville issued building permits for \$51,400,262 worth of new commercial space. The first half of 2018 value was 98.6 percent higher than the first half of 2017 value of \$25,886,133. Fayetteville accounted for 27.3 percent of the commercial permits issued in Northwest Arkansas during the first half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,110,169 square feet of commercial space in Fayetteville in the first half of 2018.
- In the first half of 2018, Fayetteville experienced negative net absorption of 264,751 square feet. The office submarket had the greatest amount of positive net absorption with 18,976 square feet, followed by the retail/warehouse submarket at 6,404 square feet. The retail submarket had negative net absorption of 153,777 square feet.



- 37,043 square feet of new space, including 28,000 square feet of retail space and 7,000 square feet of office space, were added to the Fayetteville market in the first half of 2018.
- Observed vacancy rates in Fayetteville from the second half of 2017 to the first half of 2018 decreased for office, medical office, office/warehouse, retail/warehouse, and lab space. Vacancy rates increased for office/retail, retail, and warehouse space.

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	19,017	25.2%	5,983	0	5,983	19.1
Industrial	\$3.80 - \$3.88	962,500	0	0.0%	0	0	0	--
Office	\$14.67 - \$15.90	3,166,868	123,584	3.9%	25,976	7,000	18,976	39.1
Class A	\$20.58 - \$25.29	409,222	22,458	5.5%	2,831	0	2,831	47.6
Class B	\$14.45 - \$15.09	1,251,523	46,062	3.7%	15,882	7,000	8,882	31.1
Class C	\$12.03 - \$12.95	272,432	30,954	11.4%	-7,329	0	-7,329	--
Medical	\$15.76 - \$17.69	1,233,691	24,110	2.0%	14,592	0	14,592	9.9
Office/Retail	\$13.71 - \$15.44	1,629,751	155,762	9.6%	-8,329	2,043	-10,372	--
Class A	\$20.20 - \$23.80	79,450	3,000	3.8%	3,843	2,043	1,800	10.0
Class B	\$14.31 - \$15.74	1,148,277	109,433	9.5%	-15,712	0	-15,712	--
Class C	\$11.84 - \$13.72	402,024	43,329	10.8%	3,540	0	3,540	73.4
Office/Warehouse	\$5.80 - \$6.68	169,072	0	0.0%	2,500	0	2,500	0.0
Retail	\$14.70 - \$15.47	3,780,532	410,130	10.8%	-125,777	28,000	-153,777	--
Class A	\$24.38 - \$25.62	2,007,003	240,046	12.0%	-106,879	28,000	-134,879	--
Class B	\$15.13 - \$16.01	1,148,277	109,433	9.5%	-15,712	0	-15,712	--
Class C	\$9.82 - \$10.23	445,373	77,316	17.4%	-9,267	0	-9,267	--
Retail/Warehouse	\$8.23 - \$9.26	93,344	0	0.0%	6,404	0	6,404	0.0
Warehouse	\$3.46 - \$3.65	1,232,499	194,465	15.8%	-134,465	0	-134,465	--
Class A	\$4.63 - \$4.63	194,465	194,465	100.0%	-134,465	0	-134,465	--
Class B	\$3.46 - \$3.71	640,348	0	0.0%	0	0	0	--
Class C	\$3.14 - \$3.31	397,686	0	0.0%	0	0	0	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Fayetteville

- The Fayetteville Class C office and Class A office/retail submarkets had significant average lease rate increases of \$0.49 and \$0.50, respectively, while all other lease rates were relatively stable from the second half of 2017 to the first half of 2018.

Downtown Fayetteville/ Dickson Street Area

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,019,634 square feet of office, office/retail, and retail space in the Downtown Fayetteville/Dickson Street area in the first half of 2018.
- There was negative net absorption of 9,105 square feet in the downtown Fayetteville area in the first half of 2018.
- There was no new space added in downtown Fayetteville during the first half of 2018.
- The office space in downtown Fayetteville had a reported vacancy rate of 4.3 percent in the first half of 2018, up from 1.3 percent in the second half of 2017 in accordance with negative net absorption of 12,667 square feet. This was higher than the overall Fayetteville office vacancy rate of 3.9 percent.
- The office/retail vacancy rate for downtown Fayetteville properties went up from 7.4 in the second half

of 2017 to 8.3 percent in the first half of 2018. This compares to 9.6 percent in the same submarket for all of Fayetteville during the first half of 2018.

- The downtown Fayetteville retail vacancy rate decreased from 10.3 percent to 7.4 percent, with a positive net absorption of 3,142 square feet, and was lower than the overall Fayetteville retail vacancy rate of 10.8 percent in the first half of 2018.
- Average reported lease rates in downtown Fayetteville increased \$0.95 in the retail submarket, increased \$0.55 in the office/retail submarket, and increased \$0.51 the office submarkets during the past six months.

Uptown Fayetteville

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,158,247 square feet of office, office/retail, and retail space in Uptown Fayetteville in the first half of 2018.
- There was negative net absorption of 165,267 square feet of space during the first half of 2018 in Uptown Fayetteville with office space accounting for a positive absorption of 9,924 square feet and retail accounting for a negative absorption of 175,191 square feet of this total.

- There was 28,000 square feet of new retail space added to the Uptown Fayetteville commercial market in the first half of 2018.
- The office space in Uptown Fayetteville had a reported vacancy rate of 3.6 percent in the first half of 2018. This was lower than the second half of 2017 vacancy rate of 4.2 percent and was lower than the 3.9 percent vacancy rate for all of Fayetteville.
- In the first half of 2018, the office/retail vacancy rate in Uptown Fayetteville remained at 0.0 percent. The vacancy rate was below the city average office/retail vacancy rate of 9.6 percent.
- Retail space in Uptown Fayetteville had a reported vacancy rate of 12.5 percent in the first half of 2018, an increase of 7.4 percentage points from the second half of 2017, and lower than the overall Fayetteville rate of 10.8 percent.
- Average reported lease rates in Uptown Fayetteville increased \$0.19 in



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	\$13.81 - \$16.01	422,910	18,165	4.3%	-12,667	0	-12,667	--
Office/Retail	\$14.55 - \$16.93	477,911	39,610	8.3%	420	0	420	565.9
Retail	\$13.50 - \$14.55	118,813	8,801	7.4%	3,142	0	3,142	16.8

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Fayetteville

the office and decreased \$0.05 in the retail submarkets, while the office/retail submarket remained relatively unchanged in the first half of 2018.

Martin Luther King, Jr. Boulevard Corridor

- In the first half of 2018, Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 497,938 square feet of office, office/retail, and retail space in the MLK Boulevard Corridor.
- There was 2,043 square feet of new commercial space added to southwest Fayetteville in the first six months of 2018.
- The MLK Boulevard Corridor of Fayetteville experienced a negative

net absorption of 9,332 square feet of space, with office/retail space accounting for most of this total, in the first half of 2018.

- Office space in the MLK Boulevard Corridor of Fayetteville had a reported vacancy rate of 9.9 percent in the first half of 2018. This was higher than the overall office vacancy rate of 4.1 percent for all of Fayetteville.
- From the second half of 2017 to the first half of 2018, the office/retail vacancy rate increased to 16.3 percent in the MLK Boulevard Corridor of Fayetteville, and was higher than the overall city average rate of 9.6 percent.
- The vacancy rate for retail space in the MLK Boulevard Corridor was 30.9 percent in the first half of 2018,

a decrease from the 34.6 percent in the first half of 2017. The retail vacancy rate for all of Fayetteville was much lower at 10.8 percent.

- Average reported lease rates in the MLK Boulevard Corridor increased \$0.81 in the office/retail submarket and remained relatively unchanged in the office and retail submarkets in the first half of 2018.

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	\$15.68 - \$16.74	1,723,713	61,402	3.6%	16,924	7,000	9,924	37.1
Office/Retail	\$16.40 - \$16.53	78,087	0	0.0%	0	0	0	--
Retail	\$18.18 - \$18.82	2,356,447	293,917	12.5%	-147,191	28,000	-175,191	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Fayetteville MLK Boulevard Corridor Summary Statistics

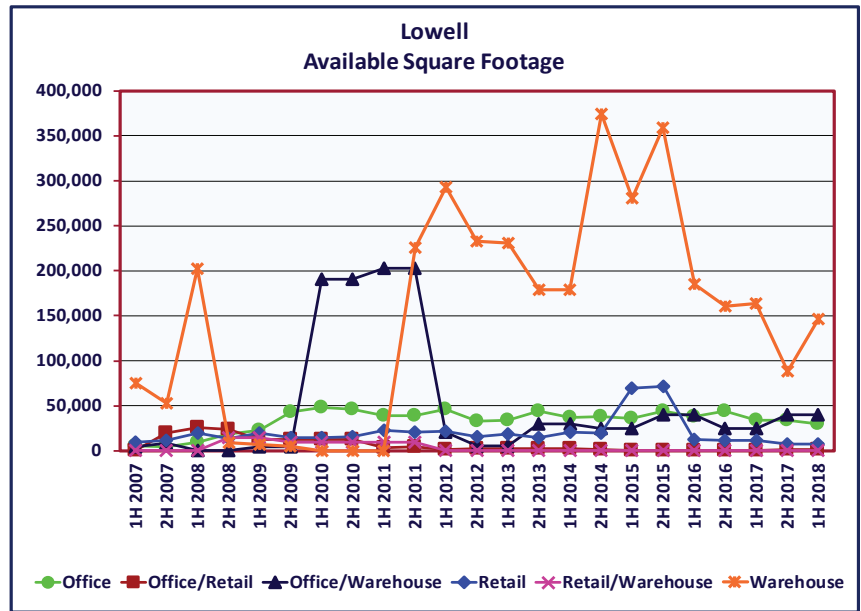
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Office	\$10.75 - \$10.75	30,393	3,000	9.9%	0	0	0	--
Office/Retail	\$13.72 - \$16.50	237,634	38,700	16.3%	-15,457	2,043	-17,500	--
Retail	\$14.28 - \$15.75	229,911	70,942	30.9%	8,168	0	8,168	52.1

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Lowell

- From January 1 to June 30, 2018, Lowell issued building permits for \$6,430,700 worth of new commercial space. The first half of 2018 value was 7555.6 percent higher than the first half of 2017 value of \$84,000. Lowell accounted for 3.4 percent of building permits issued in Northwest Arkansas in the first half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,944,278 square feet of Lowell commercial space in the first half of 2018.
- In the first half of 2018, Lowell had negative net absorption of 54,665 square feet overall. The office submarket had the greatest amount of positive net absorption with ,930 square feet, while the warehouse submarket had 58,595 square feet of negative net absorption.
- There was 6,000 square feet of new retail space added in Lowell in the first half of 2018.



- Reported vacancy rates increased in the warehouse and retail submarkets, decreased in the office and medical office submarkets, and remained the same in the other submarkets from the second half of 2017 to the first half of 2018.
- Average reported lease rates in Lowell from the second half of 2017 to the first half of 2018 remained relatively stable in all submarkets.

Lowell Commercial Real Estate Market Summary Statistics

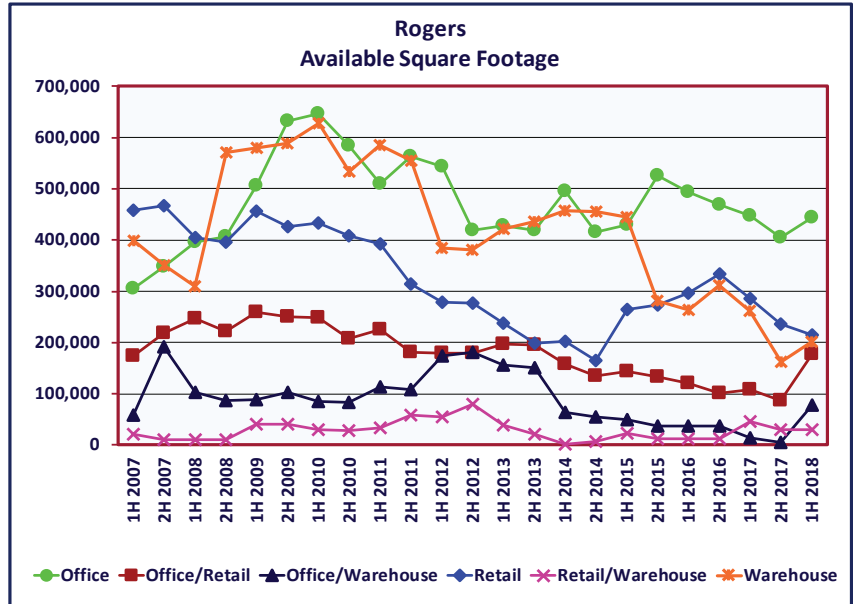
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	57,180	0	0.0%	0	0	0	0.0
Office	\$14.22 - \$14.28	336,735	30,100	8.9%	3,930	0	3,930	46.0
Class A	\$19.33 - \$19.33	109,330	16,684	15.3%	0	0	0	--
Class B	\$11.83 - \$11.94	127,550	8,160	6.4%	680	0	680	72.0
Class C	\$9.00 - \$9.00	17,256	5,256	30.5%	0	0	0	--
Medical	\$18.00 - \$18.00	82,599	0	0.0%	3,250	0	3,250	0.0
Office/Retail	\$9.63 - \$10.63	94,446	1,440	1.5%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$11.67 - \$13.00	48,310	1,440	3.0%	0	0	0	--
Class C	\$3.50 - \$3.50	46,136	0	0.0%	0	0	0	--
Office/Warehouse	\$5.52 - \$5.86	107,498	39,600	36.8%	0	0	0	--
Retail	\$12.21 - \$15.88	81,762	7,820	9.6%	6,000	6,000	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$12.21 - \$15.88	81,762	7,820	9.6%	6,000	6,000	0	--
Class C	--	--	--	--	--	--	--	--
Retail/Warehouse	\$10.19 - \$10.19	32,732	0	0.0%	0	0	0	--
Warehouse	\$3.67 - \$3.67	1,233,925	146,770	11.9%	-58,595	0	-58,595	--
Class A	\$3.64 - \$3.64	833,288	88,175	10.6%	-53,175	0	-53,175	--
Class B	\$3.85 - \$3.85	221,637	58,595	26.4%	-5,420	0	-5,420	--
Class C	\$2.95 - \$2.95	179,000	0	0.0%	0	0	0	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Rogers

- From January 1 to June 30, 2018, Rogers issued building permits for \$26,981,881 worth of new commercial space. The first half of 2018 value was 10.2 percent lower than the first half of 2017 value of \$30,057,027. Rogers accounted for 14.3 percent of the commercial permits issued in Northwest Arkansas during the first half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,791,649 square feet of commercial space in the first half of 2018.
- In the first half of 2018, Rogers had overall negative net absorption of 276,233 square feet. The retail submarket had the greatest amount of positive net absorption with 20,595 square feet. The Class B office/retail submarket had the most negative net absorption with 80,664 square feet.



- In the first half of 2018, 135,300 square feet of new commercial space were added to the Rogers market. This included 75,000 square feet of office/warehouse space and 18,800 square feet of Class A office space.
- Reported vacancy rates in the first half of 2018 decreased in the retail, and retail/warehouse submarkets. Vacancy rates increased for office, medical office, office/retail, office/warehouse, warehouse submarkets.

Rogers 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
Lab	\$4.00 - \$4.00	9,482	0	0.0%	0	0	0	--
Industrial	\$3.75 - \$3.75	704,253	303,818	43.1%	-70,514	0	-70,514	--
Office	\$15.46 - \$16.03	3,442,875	443,885	12.9%	-11,011	18,800	-29,811	--
Class A	\$21.54 - \$22.53	1,844,490	306,387	16.6%	-12,585	18,800	-31,385	--
Class B	\$15.14 - \$15.74	800,549	46,094	5.8%	13,975	0	13,975	19.8
Class C	\$9.78 - \$10.18	372,443	47,025	12.6%	13,489	0	13,489	20.9
Medical	\$14.34 - \$14.51	425,393	44,379	10.4%	-25,890	0	-25,890	--
Office/Retail	\$11.16 - \$12.85	814,959	177,059	21.7%	-74,091	9,000	-83,091	--
Class A	\$19.13 - \$19.88	133,127	11,222	8.4%	-3,500	0	-3,500	--
Class B	\$12.62 - \$14.44	391,030	132,948	34.0%	-71,664	9,000	-80,664	--
Class C	\$8.65 - \$10.44	290,802	32,889	11.3%	1,073	0	1,073	183.9
Office/Warehouse	\$6.32 - \$6.58	558,402	77,537	13.9%	1,763	75,000	-73,237	--
Retail	\$13.52 - \$14.38	3,130,169	214,986	6.9%	37,095	16,500	20,595	62.6
Class A	\$20.90 - \$22.58	1,912,963	93,626	4.9%	27,000	16,500	10,500	53.5
Class B	\$13.25 - \$14.15	680,441	98,560	14.5%	7,795	0	7,795	75.9
Class C	\$8.93 - \$9.24	536,765	22,800	4.2%	2,300	0	2,300	59.5
Retail/Warehouse	\$6.42 - \$6.74	251,834	30,600	12.2%	15,600	16,000	-400	--
Warehouse	\$3.91 - \$4.09	2,879,675	201,669	7.0%	-39,775	0	-39,775	--
Class A	\$3.51 - \$3.51	1,462,500	0	0.0%	0	0	0	--
Class B	\$4.61 - \$4.78	415,424	38,604	9.3%	24,450	0	24,450	9.5
Class C	\$3.68 - \$3.91	1,001,751	163,065	16.3%	-64,225	0	-64,225	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Rogers

- From second half of 2017 to the first half of 2018, significant increases of \$0.52, \$1.48, \$0.54 and \$1.13 occurred in the Class A office, Class B office/retail, Class A retail and retail/warehouse submarkets, respectively. Modest increases were reported in Class C office, Class C office/retail, and Class B and C retail, while modest decreases were reported in Class A office/retail and warehouse submarkets. All other lease rates remained relatively unchanged.

Downtown Rogers

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 355,904 square feet of office, office/retail, and retail space in Downtown Rogers in the first half of 2018.
- No new commercial space was added to downtown Rogers in the first six months of 2018.
- The office space in Downtown Rogers had a positive net absorption of 2,000 square feet and had a vacancy rate of 15.1 percent in the first half of 2018. The downtown vacancy rate was higher than the overall average office vacancy rate for Rogers, which was 12.9 percent during the same period.
- The office/retail submarket had a positive net absorption of 8,500 square feet. The vacancy rate decreased to 6 percent from the second half of 2017 rate of

13.5 percent in the downtown area as additional property entered in the database. This compares to a vacancy rate of 21.7 percent for all of Rogers.

- Downtown Rogers experienced a negative net absorption of 2,209 square feet of retail space during the first half of 2018. The average retail vacancy rate for downtown Rogers properties for the first half of 2018 increased to 1.6 percent from 0.0 percent in the second half of 2017, and was lower than the 6.9 percent average rate for all of Rogers.
- Average reported lease rates for downtown Rogers increased \$0.27 in the office submarket, \$0.96 in the office/retail, and \$0.83 in the retail submarkets in the first half of 2018.

Rogers Interstate 49 Corridor

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,770,449 square feet of office, office/retail, and retail space along the Rogers I-49 corridor in the first half of 2018.
- 44,300 square feet of new commercial space were added to the Rogers I-49 corridor submarket in the first six months of 2018. This included 18,800 square feet of office space and 16,500 square feet of retail space.
- Office space along the Rogers I-49 corridor experienced negative net absorption of 29,896 square feet during the

first half of 2018. The reported average vacancy rate was 13.2 percent in the first half of 2018, an increase from the 12.1 percent rate in the second half of 2017. This was higher than the overall office vacancy rate for all of Rogers at 12.9 percent.

- Office/retail space along the Rogers I-49 corridor experienced a negative net absorption of 8,000 in the first half of 2018. The office/retail submarket had a 10.3 percent vacancy rate, an increase from the 5.4 percent reported in the second half of 2017. This compares to a vacancy rate of 21.7 percent for all of Rogers.
- There were 10,504 square feet of positive net absorption in the retail submarket for the Rogers I-49 corridor properties. The average retail vacancy rate for the first half of 2018 was 4.6 percent, a decrease from 5.1 percent in the second half of 2017, and higher than the 6.9 percent average rate for all of Rogers.
- Average reported lease rates increased \$0.29 in the office submarket, decreased \$0.10 in the office/retail submarket and increased \$0.53 in the retail submarket in the Rogers I-49 area in the first half of 2018.

Rogers Downtown 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	\$11.18 - \$12.13	105,377	15,946	15.1%	2,000	0	2,000	47.8
Office/Retail	\$8.42 - \$11.41	114,005	6,889	6.0%	8,500	0	8,500	4.9
Retail	\$8.93 - \$9.35	136,522	2,209	1.6%	-2,209	0	-2,209	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 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	\$18.71 - \$19.75	2,423,032	318,724	13.2%	-11,096	18,800	-29,896	--
Office/Retail	\$18.90 - \$19.30	152,767	15,722	10.3%	1,000	9,000	-8,000	--
Retail	\$18.70 - \$20.05	2,194,650	100,477	4.6%	27,004	16,500	10,504	57.4

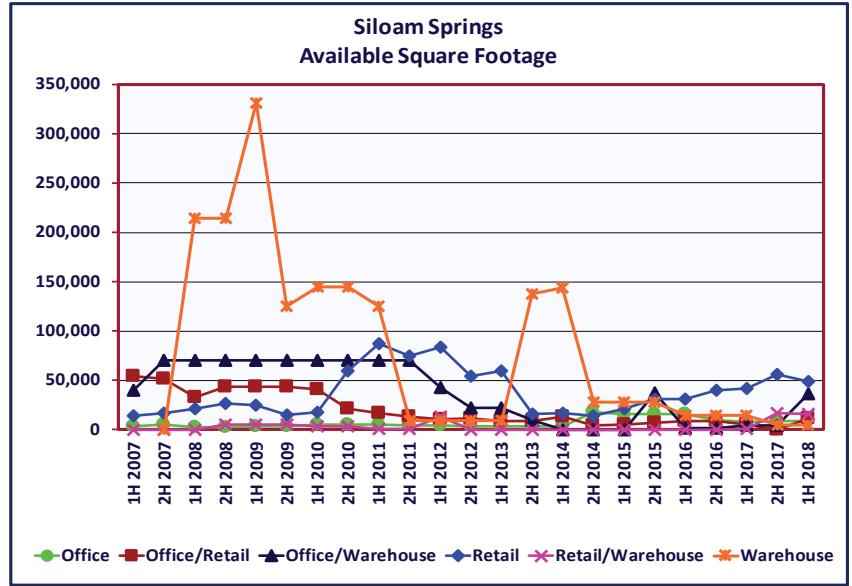
¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents



Siloam Springs

- From January 1 to June 30, 2018, Siloam Springs issued commercial building permits worth \$1,934,066. The first half of 2018 value was 2.7 percent lower than the first half of 2017 value of \$1,988,141. Siloam Springs accounted for 1.0 percent of the commercial permits issued in Northwest Arkansas during the first half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,524,773 square feet of commercial space for Siloam Springs in the first half of 2018.
- 11,200 square feet of commercial space was added to the Siloam Springs market in the first half of 2018.
- In the first half of 2018, Siloam Springs experienced overall negative net absorption of 25,323 square feet. There was positive net absorption of 7,250 square feet in the retail submarket. But there was negative net absorption of 32,573 square feet in the office/warehouse submarket.



- Vacancy rates from the second half of 2017 to the first half of 2018 decreased in the office, retail, and retail/warehouse submarkets. Vacancy rates increased in the office/retail and office/warehouse, and remained the same in industrial, medical office and warehouse submarkets.
- Average lease rates increased significantly by \$4.47 in the Class C office

submarket and \$1.24 in the Class C office/retail submarket as properties were added to the data base, increased \$.051 in the office/warehouse submarket, \$1.50 in the Class A retail submarket, and remained relatively stable in the other submarkets in the first half of 2018 in Siloam Springs.

Siloam Springs Commercial Real Estate Market Summary Statistics

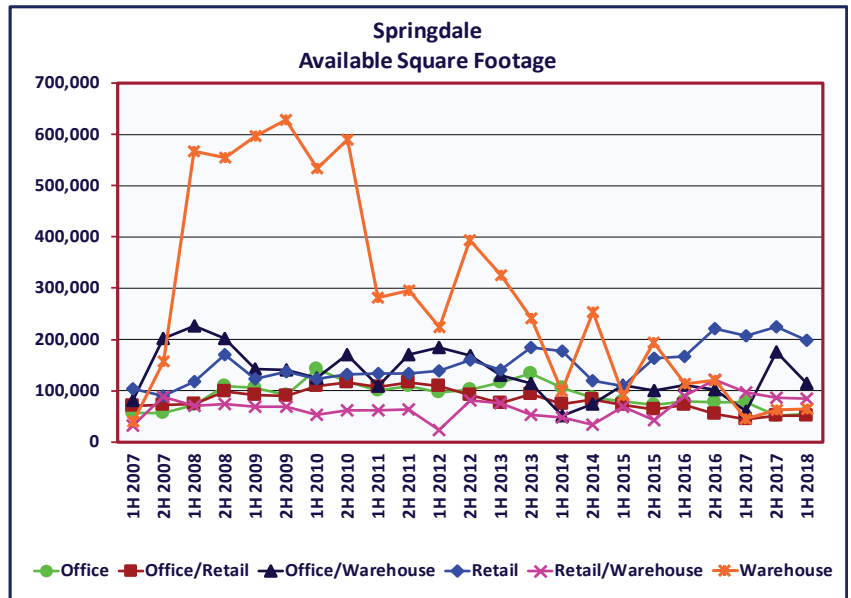
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	240,589	240,589	100.0%	0	0	0	--
Office	\$12.82 - \$14.16	166,891	9,000	5.4%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$8.20 - \$10.89	27,355	0	0.0%	0	0	0	--
Class C	\$10.09 - \$11.44	25,032	0	0.0%	0	0	0	--
Medical	\$16.31 - \$17.11	114,504	9,000	7.9%	0	0	0	--
Office/Retail	\$8.28 - \$110.55	162,944	11,478	7.0%	-1,000	0	-1,000	--
Class A	\$12.00 - \$16.00	56,085	0	0.0%	0	0	0	--
Class B	\$9.57 - \$11.70	79,107	5,136	6.5%	-1,000	0	-1,000	--
Class C	\$5.99 - \$8.07	27,752	6,342	22.9%	0	0	0	--
Office/Warehouse	\$3.56 - \$3.81	119,375	36,573	30.6%	-32,573	0	-32,573	--
Retail	\$10.89 - \$11.61	440,559	48,956	11.1%	18,450	11,200	7,250	40.5
Class A	\$23.50 - \$23.50	30,822	8,200	--	7,400	11,200	-3,800	--
Class B	\$11.38 - \$11.47	234,585	7,826	3.3%	11,050	0	11,050	4.2
Class C	\$5.73 - \$7.03	175,152	32,930	18.8%	0	0	0	--
Retail/Warehouse	\$5.74 - \$9.42	87,401	15,860	18.1%	1,000	0	1,000	95.2
Warehouse	\$3.64 - \$3.84	307,014	4,900	1.6%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	--	226,430	4,900	2.2%	0	0	0	--
Class C	\$3.64 - \$3.84	226,430	4,900	2.2%	0	0	0	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Springdale

- From January 1 to June 30, 2018, Springdale issued \$29,449,799 worth of building permits for new commercial space. This was a decrease of 20.7 percent from the \$37,156,422 issued in the first half of 2017. Springdale accounted for 15.6 percent of the commercial permits issued in Northwest Arkansas for the first half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 8,814,909 square feet of commercial space in Springdale in the first half of 2018.
- In the first half of 2018, there was 77,760 new square feet added to the Springdale market.
- In the first half of 2018, Springdale experienced positive net absorption of 94,514 square feet. The industrial submarket had the greatest amount of negative net absorption with 15,710 square feet, while the office/warehouse submarket added positive net absorption of 61,920 square feet.



- Reported vacancy rates decreased in the medical office, office/retail, office/warehouse, retail, and retail/warehouse submarkets. Vacancy rates increased in office, warehouse and industrial submarkets, and lab remained the same in the first half of 2018.
- Average reported lease rates in Springdale increased by \$0.38 and \$0.19 in the Class B office and office/warehouse submarkets, respectively. All other lease rates remained relatively stable from the second half of 2017 to the first half of 2018.

Springdale 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
Lab	--	5,224	5,224	100.0%	0	0	0	--
Industrial	\$4.89 - \$5.54	822,909	279,836	34.0%	-15,710	0	-15,710	--
Office	\$12.43 - \$13.18	952,945	54,593	5.7%	12,949	12,018	931	351.8
Class A	\$19.64 - \$20.51	104,394	4,076	3.9%	0	0	0	--
Class B	\$12.75 - \$13.82	398,404	42,317	10.6%	-6,721	12,018	-18,739	--
Class C	\$9.58 - \$10.00	159,165	2,450	1.5%	2,500	0	2,500	5.9
Medical	\$14.11 - \$14.52	290,982	5,750	2.0%	17,170	0	17,170	2.0
Office/Retail	\$10.26 - \$11.29	514,709	50,857	9.9%	3,302	0	3,302	92.4
Class A	--	--	--	--	--	--	--	--
Class B	\$12.37 - \$13.73	226,956	27,395	12.1%	-3,360	0	-3,360	--
Class C	\$8.89 - \$9.70	287,753	23,462	8.2%	6,662	0	6,662	21.1
Office/Warehouse	\$5.75 - \$6.90	1,783,803	114,300	6.4%	117,362	55,442	61,920	11.1
Retail	\$11.44 - \$12.10	1,650,342	197,663	12.0%	37,871	10,300	27,571	43.0
Class A	\$21.50 - \$21.50	133,015	33,496	--	6,175	10,300	-4,125	--
Class B	\$13.24 - \$13.74	999,502	90,072	9.0%	35,820	0	35,820	15.1
Class C	\$8.68 - \$9.56	517,825	74,095	14.3%	-4,124	0	-4,124	--
Retail/Warehouse	\$6.11 - \$6.75	524,164	84,402	16.1%	2,000	0	2,000	253.2
Warehouse	\$3.65 - \$3.95	2,560,813	63,454	2.5%	14,500	0	14,500	26.3
Class A	\$3.42 - \$4.25	325,200	0	0.0%	0	0	0	--
Class B	\$3.35 - \$3.86	1,239,898	21,204	1.7%	14,500	0	14,500	8.8
Class C	\$3.85 - \$3.99	995,715	42,250	4.2%	0	0	0	--

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 respondents

Springdale

Downtown Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 318,228 square feet of office, office/retail, and retail space in downtown Springdale in the first half of 2018.
- There were no new square feet of commercial property added to downtown Springdale in the first half of 2018.
- There was a negative net absorption of 1,250 square feet in the office market in downtown Springdale in the first half of 2018. The office space in downtown Springdale had an average vacancy rate of 3.2 percent, higher than the 1.9 percent in the second half of 2017. The rate was lower than the overall Springdale average office vacancy rate of 5.7 percent.
- With no net absorption, 76.9 percent of all reported office/retail space was available in downtown Springdale, the same as in the second half of 2017. This compares to 9.9 percent vacancy rate for all of Springdale.

- Retail space in downtown Springdale had a no net absorption in the first half of 2018. The vacancy rate stayed the same at 9.9 percent from the second half of 2017, and was lower than the average retail vacancy rate for all of Springdale at 12 percent in the first half of 2018.
- Average reported lease rates for downtown Springdale remained relatively unchanged in the first half of 2018.

West Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 773,179 square feet of office, office/retail, and retail space in West Springdale in the first half of 2018. There was 16,318 new square feet of retail space added to West Springdale in the first half of 2018.
- The office space in West Springdale had a negative net absorption of 6,018 square feet in the first half of 2018. The vacancy rate was 10.2 percent, higher than the 6.2 percent in the second half of 2017, and higher than the city average office vacancy rate of 5.7 percent.

- The office/retail submarket had a positive net absorption of 1,610 square feet in the first half of 2018. The vacancy rate in West Springdale was 13.1 percent in the first half of 2018, an decrease of 2.9 percentage points from the second half of 2017. The rate was above the overall city average office/retail vacancy rate of 9.9 percent.
- The retail vacancy rate for West Springdale properties decreased by 4.1 percentage points to 4.5 percent in the first half of 2018, as there was positive net absorption of 22,945 square feet. The rate was below the city average retail vacancy rate of 12 percent.
- Average reported lease rates for West Springdale decreased \$0.39 in the office submarket while remained relatively unchanged in the office/retail and retail submarkets in the first half of 2018.

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	\$9.56 - \$10.70	218,716	7,100	3.2%	-1,250	0	-1,250	
Office/Retail	\$10.00 - \$12.00	4,854	3,732	76.9%	0	0	0	
Retail	\$10.13 - \$12.13	94,658	9,356	9.9%	0	0	0	

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 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	\$15.80 - \$16.25	139,219	14,252	10.2%	0	6,018	-6,018	
Office/Retail	\$13.75 - \$14.25	55,550	7,280	13.1%	1,610	0	1,610	
Retail	\$13.67 - \$14.00	578,410	26,011	4.5%	33,245	10,300	22,945	

¹From all 1H 2018 respondents

²From 1H 2018 respondents who were also 2H 2017 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. 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 2018, 249 panelists provided data on 1,999 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 1,999 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.