

THE SKYLINE REPORT

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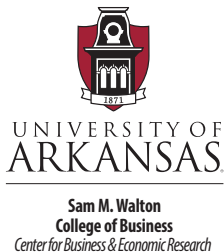
Multifamily Highlights First Half of 2023

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Real Estate Summary For Benton and Washington Counties

This report is the forty-eighth edition of the Skyline Report for Benton and Washington Counties—Multifamily Real Estate Market Analysis. Researchers at the Center for Business and Economic Research in the Sam M. Walton College of Business at the University of Arkansas produce the Skyline Report to provide timely statistical analysis of the Northwest Arkansas multifamily real estate market. This study is a companion piece to the semiannual single-family residential and commercial Skyline Reports. There is a complex dynamic between multifamily housing, residential rental housing, and residential home ownership that is being influenced by several factors including: quantity of multifamily supply, quantity of rental housing, interest rates, underwriting standards, and unemployment rates, among others. The information contained in the following pages details the current condition of the multifamily market and sets the stage for future comparisons.

Highlights from the First Half of 2023

The multifamily vacancy rate increased to 2.2 percent in the first half of 2023 from 1.6 percent in the second half of 2022. All cities except Siloam Springs saw an increase in their vacancy rates.

The increases in Bentonville, Rogers, and Springdale were driven by 5 new complexes with 812 total units and 322 available units. Fayetteville's increase was due to students moving out in the by-the-bed market.

The Fayetteville vacancy rate increased to 1.2 percent in the first half of 2023 from 1.0 percent in the second half of 2022. More than 4,600 additional rental units (18.9 percent of current inventory) have been announced or are under construction.

In Bentonville, vacancy rates increased to 3.2 percent in the first half of 2023 from 2.3 percent in the second half of 2022. There are also more than 4,600 rental units (49.7 percent of current inventory) that have been announced or are under construction.

Vacancy rates in Rogers increased to 3.6 percent in the first half of 2023 from 2.4 percent in the second half of 2022. More than 6,900 additional rental units (89.2 percent of current inventory) have been announced or are under construction.

Siloam Springs vacancy decreased to 4.5 percent in the first half of 2023, from 5.0 percent in the second half of 2022, the highest in Northwest Arkansas. Almost 400 additional rental units (28.5 percent of current inventory) have been announced or are under construction.

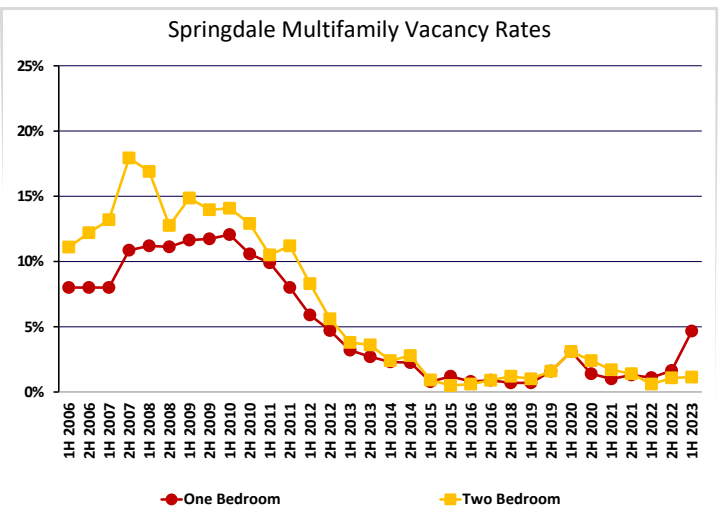
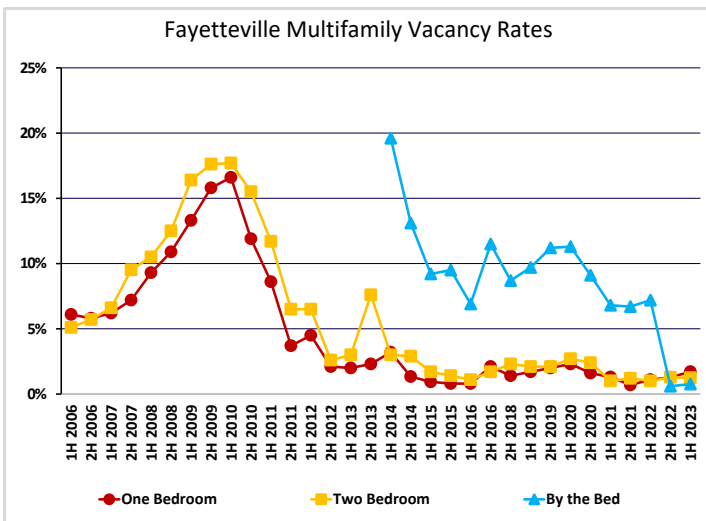
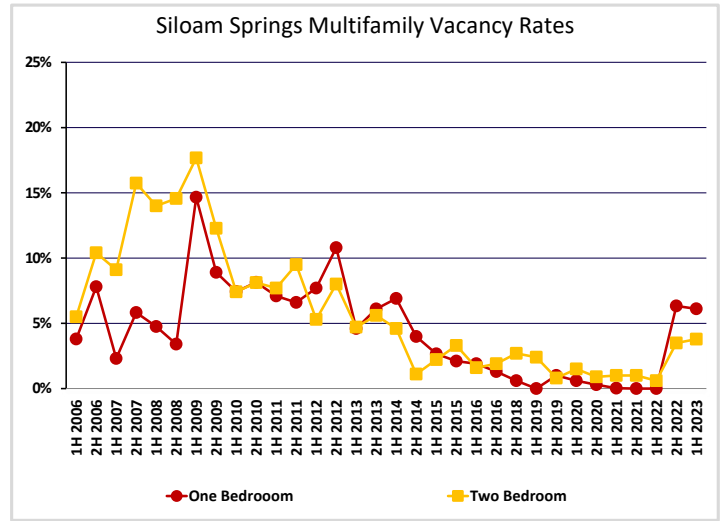
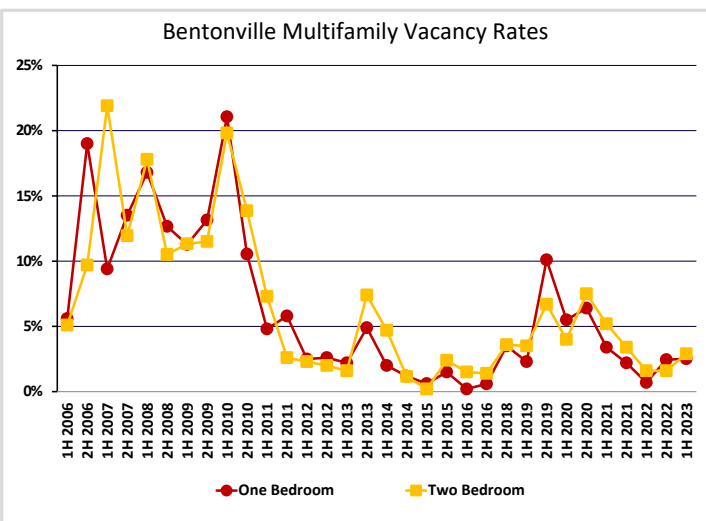
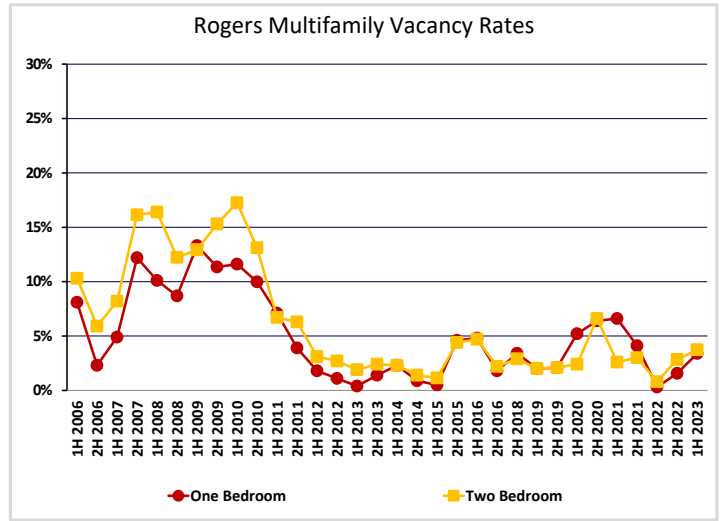
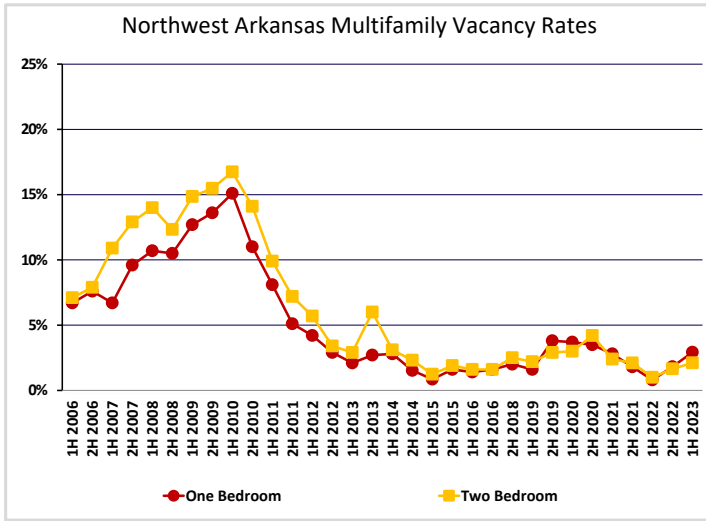
In Springdale, the vacancy rate increased to 2.5 percent in the first half of 2023 from 1.5 percent in the second half of 2022. Over 2,200 new rental units (25.4 percent of current inventory) have been announced or are under construction.

In the first half of 2023, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$952.17, from \$926.55 in the second half of 2022.

\$263,111,870 million of multifamily building permits were issued in the first half of 2023, down from \$333,187,353 million in the second half of 2022.

Regional Market Trends

Multifamily Vacancy Rates



Regional Market Trends

Multifamily Rates and Building Permits

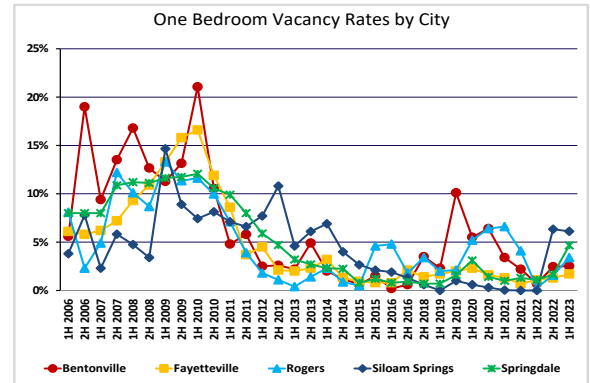
In Northwest Arkansas, 136 building permits were issued, worth \$263.1 million, for 20 separate complexes. Five of the projects are located in Bentonville/Centerton with permits valued at \$51.2 million. The Lumen was the highest valued project at \$42.2 million. Rogers had three projects valued at \$101.6 million. The Plaza at Pinnacle Apartments was the highest valued project at \$63.2 million, with Junction at Scotsdale adding \$29.3 million. Siloam Springs highest was Dogwood Terrace valued at \$9.9 million. Seven projects are in Fayetteville, valued at \$74.3 million. The Retreat at Fayetteville's two sets of permits totaled \$44.4 million. Three projects with permits valued at \$20.2 million were located in Springdale/Tontitown. The highest was Whitney Place valued at \$14.9 million. Pea Ridge had 1 project valued at 5.6 million.

Multifamily Building Permits	Complex or Developer	Number of New Permits	Total Value of Permits	City
8/19/2022	Lumen	2	\$42,224,264	Bentonville
3/10/2023	102 West Apartments	2	\$680,872	Bentonville
3/24/2023	NW A	1	\$1,000,000	Bentonville
6/27/2023	G at Market	2	\$6,950,668	Bentonville
6/30/2023	N Walton Multifamily	1	\$364,896	Bentonville
12/14/2022	JNB Apartments	1	\$1,593,189	Fayetteville
12/28/2022	Sigma Phi Epsilon	1	\$4,316,463	Fayetteville
12/28/2022	Retreat at Fayetteville	5	\$10,214,887	Fayetteville
1/3/2023	Whitham Townhomes	1	\$983,928	Fayetteville
1/10/2023	Retreat at Fayetteville	14	\$34,215,620	Fayetteville
1/13/2023	Cottages at Forest Hills	51	\$5,871,538	Fayetteville
2/28/2023	Meadows at Fayetteville	7	\$17,184,255	Fayetteville
4/4/2023	Hazelton Apartments	11	\$5,674,284	Pea Ridge
11/10/2022	Junction at Scotsdale	8	\$29,343,570	Rogers
1/3/2023	Embassy Apartments	12	\$9,025,776	Rogers
6/21/2023	Plaza at Pinnacle Apartments	1	\$63,266,573	Rogers
7/22/2022	Dogwood Terrace	1	\$9,963,374	Siloam Springs
9/29/2022	Whitney Place	9	\$14,894,561	Springdale
12/20/2022	Park Street Apartments	2	\$1,007,608	Springdale
4/28/2023	Reagan Townhomes	4	\$4,335,542	Springdale
NWA	20	136	\$263,111,870	

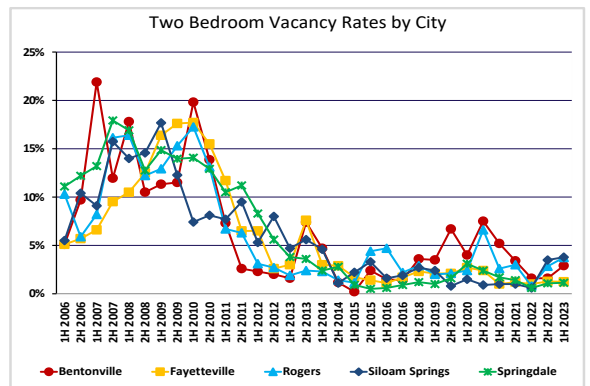
Regional Market Trends

Multifamily Sample Data

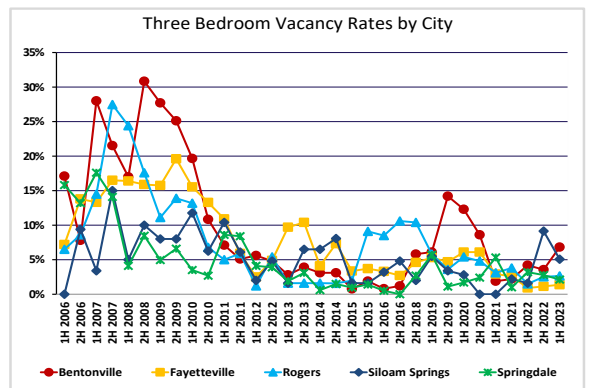
Sample Vacancy Rates	Number of Apartment Complexes	Number of Units	1H 2023 Vacancy Rate	2H 2022 Vacancy Rate	1H 2022 Vacancy Rate
Bentonville	147	9,334	3.2%	2.3%	1.4%
Fayetteville	371	24,385	1.2%	1.0%	3.5%
Rogers	120	7,797	3.6%	2.4%	0.8%
Siloam Springs	49	1,389	4.5%	5.0%	0.6%
Springdale	128	8,787	2.5%	1.5%	1.2%
NWA	815	51,692	2.2%	1.6%	2.3%



Vacancy Rates by Floor Plan	By the Bedroom	One Bedroom	Two Bedroom	Three Bedroom
Bentonville	0.0%	2.5%	2.9%	6.8%
Fayetteville	0.8%	1.7%	1.2%	1.4%
Rogers	0.0%	3.4%	3.7%	2.6%
Siloam Springs	0.0%	6.1%	3.8%	5.1%
Springdale	0.0%	4.7%	1.1%	2.1%
NWA	0.8%	2.9%	2.1%	3.1%



Median Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	500	\$700.00	\$1.40
By the Bed	408	\$725.50	\$1.78
1 Bedroom	612	\$675.00	\$1.10
2 Bedroom	912	\$815.00	\$0.89
3 Bedroom	1,310	\$1,175.00	\$0.90
4 Bedroom	1,500	\$1,800.00	\$1.20
NWA	841	\$815.00	\$0.97



Average Unit Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	544	\$878.86	\$1.62
By the Bed	418	\$767.17	\$1.84
1 Bedroom	654	\$885.95	\$1.35
2 Bedroom	953	\$1,012.11	\$1.06
3 Bedroom	1,279	\$1,328.86	\$1.04
4 Bedroom	1,602	\$1,875.30	\$1.17
NWA	786	\$952.17	\$1.21

