



# THE SKYLINE REPORT

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Center for Business  
and Economic Research

## Multifamily Real Estate Market Summary for Benton and Washington Counties

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

**Second Half of 2013  
Februray 2014**

**Highlights**

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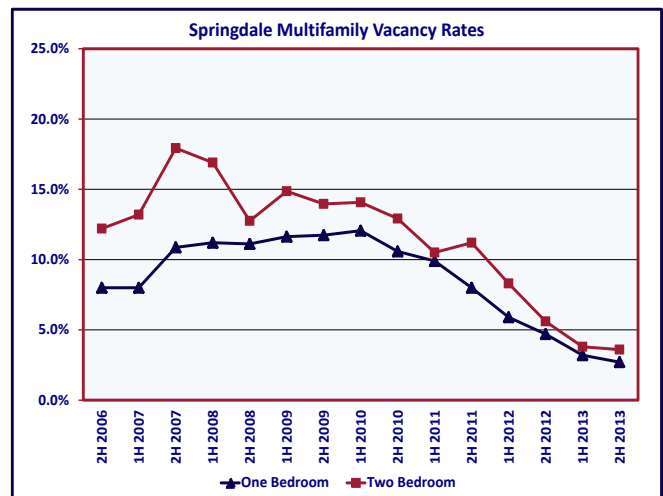
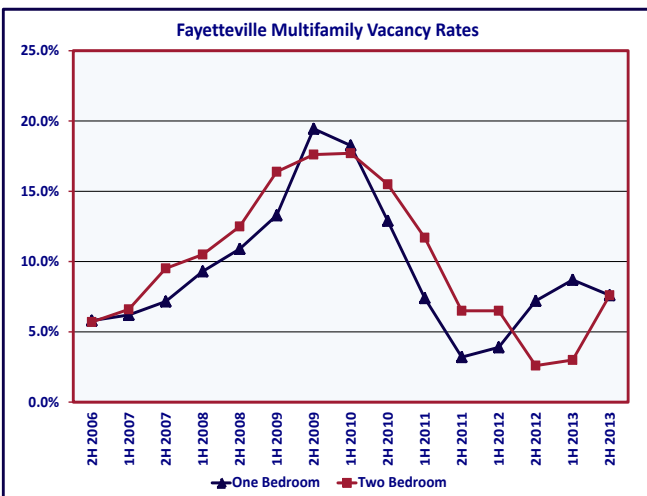
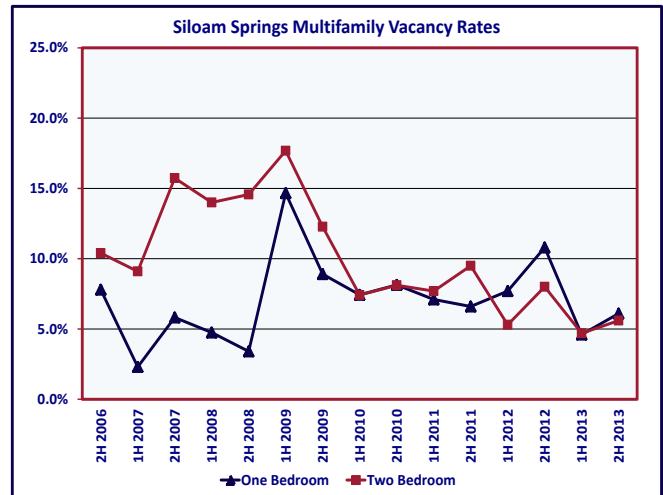
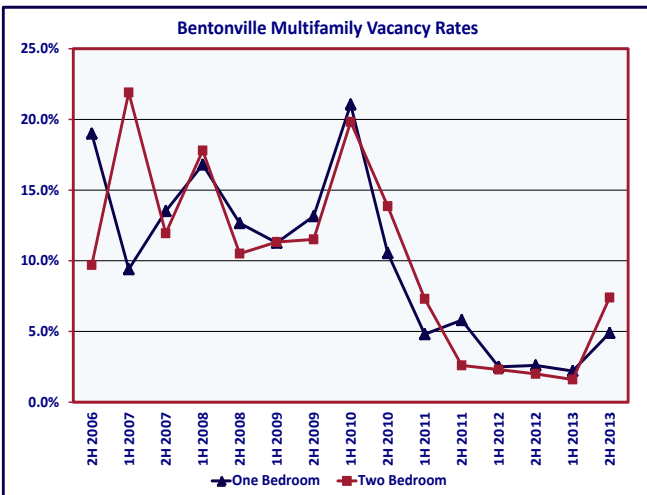
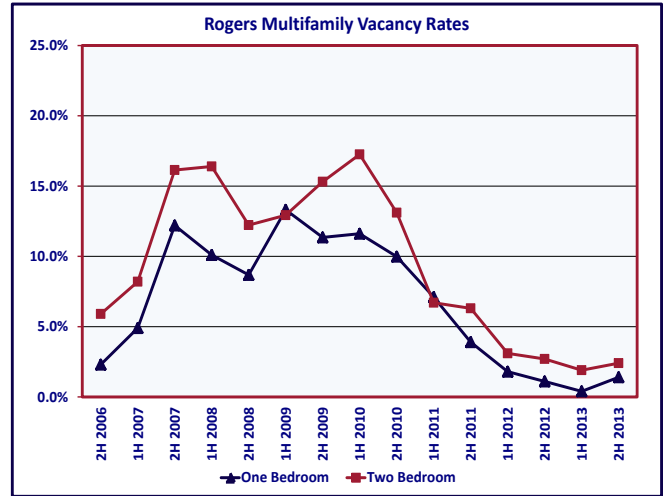
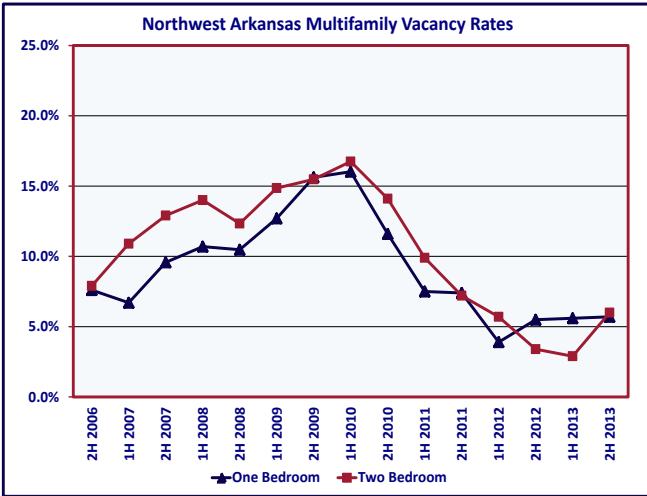
**Center for Business and Economic Research  
Sam M. Walton College of Business  
University of Arkansas  
Fayetteville, AR 72701  
Telephone: 479.575.4151  
<http://cber.uark.edu/>**

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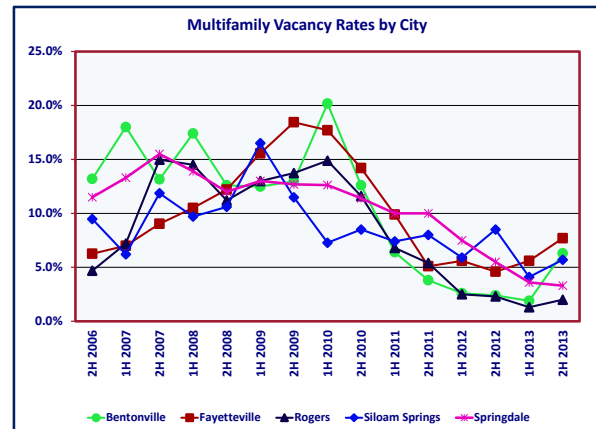
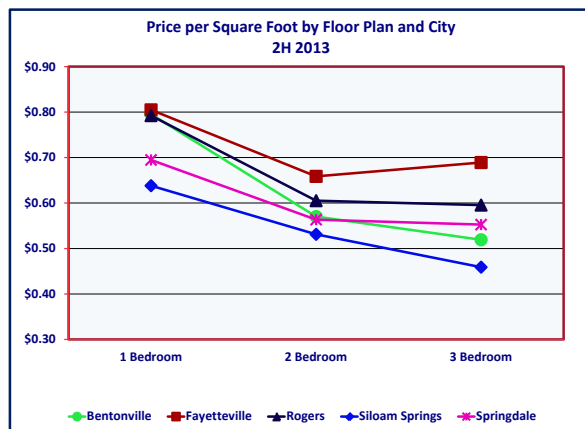
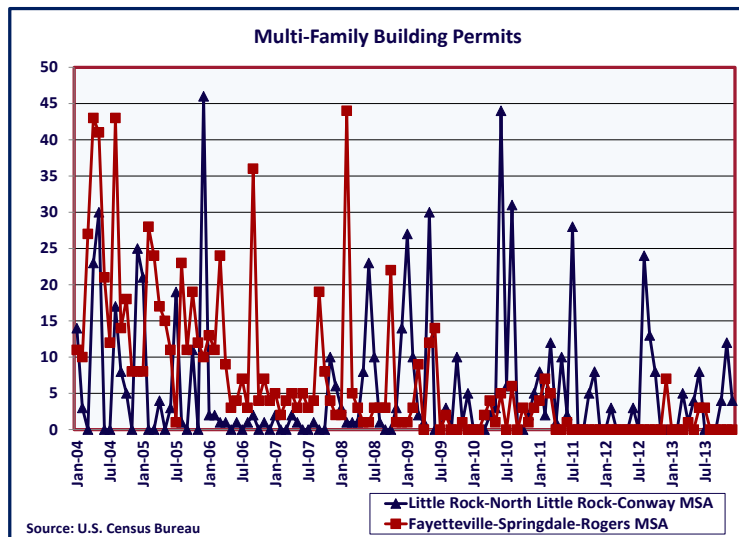
## Highlights from the Second Half of 2013

- Vacancy rates for multifamily properties in Northwest Arkansas increased to 5.8 percent in the second half of 2013 from 4.3 percent in the same time period in 2012. This was also an increase from the 4.0 percent vacancy rate in the first half of 2013.
- Fayetteville also experienced an increase in vacancy rates from 4.6 percent in the second half of 2012 to 7.7 percent in the second half of 2013, as 1,989 new bedrooms were added to the market.
- New projects announced in Fayetteville contain more than 4,000 rental units. If all are built, these will add substantially to the current base of 15,932 units in the city.
- Bentonville also experienced an increase in vacancy rates from 2.4 percent in the second half of 2012 to 6.3 percent in the second half of 2013. 96 new units were added during this time.
- The multifamily vacancy rate in Rogers decreased from 2.3 percent in the second half of 2012 to 2.0 percent in the second half of 2013, maintaining the lowest city rate in Northwest Arkansas.
- Siloam Springs and Springdale both experienced decreases in vacancy rates from the second half of 2012 to the second half of 2013, moving from 8.5 percent and 5.5 percent to 5.7 percent and 3.3 percent, respectively.
- The average lease price per month for a multifamily property unit in Northwest Arkansas increased slightly to \$557 in the second half of 2013
- The median monthly lease price for a multifamily property remained at \$500 in the first half of 2013.

# Multifamily Market Trends



# Multifamily Market Trends



The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months. Two of the projects are located in Fayetteville, and one each in Bentonville, Lowell, Rogers, and Siloam Springs. These 6 projects had 21 building permits issued worth \$33,221,624. The largest project, The Cardinal at West Center, was in Fayetteville, with 2 building permits worth \$25,134,958. Lowell had the next largest project, Parkside Patio Homes with 7 permits issued worth \$4,315,003. Rogers had the other million dollar plus project with 6 permits issued for Cedar Circle Apartments worth \$2,090,000.

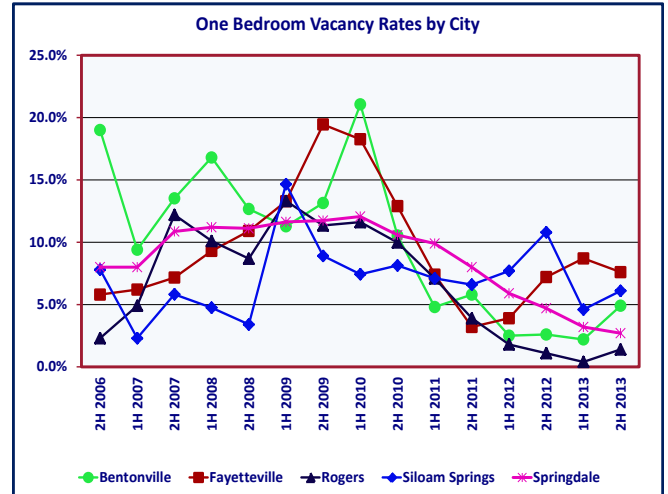
## Multifamily Building Permits January 1, 2013 - December 31, 2013

Date	Complex or Developer	Number of Permits	Total Value of Permits	City
4/19/2013	Copperstone II	1	\$873,072	Bentonville
6/28/2013	West Center Apartments	2	\$25,134,958	Fayetteville
7/22/2013	Cedar Circle Apartments	6	\$2,090,000	Rogers
7/29/2013	Sycamore Row Houses	4	\$683,591	Fayetteville
10/15/2013	Parkside Patio Homes	7	\$4,315,003	Lowell
10/22/2013	Bunker Apartments	1	\$125,000	Siloam Springs
	<b>Total</b>	<b>21</b>	<b>\$33,221,624</b>	

# Multifamily Market Trends

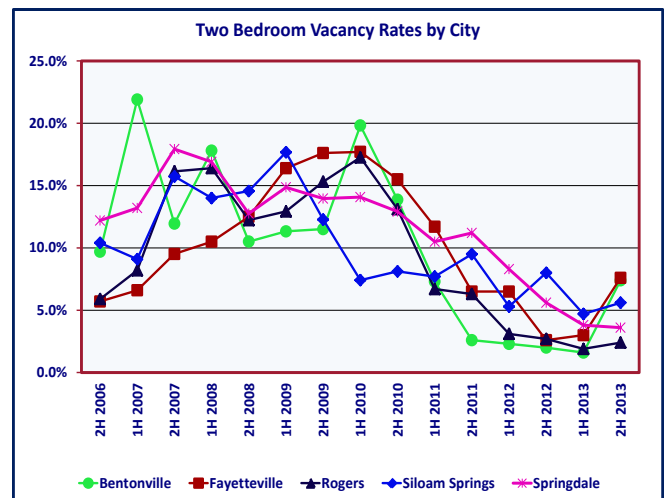
## Sample Vacancy Rates

Market Area	Number of Complexes	Number of Units	2H 2013 Vacancy Rate	1H 2013 Vacancy Rate	2H 2012 Vacancy Rate
Bentonville	129	4,102	6.3%	1.9%	2.4%
Fayetteville	329	15,932	7.7%	5.6%	4.6%
Rogers	98	4,261	2.0%	1.3%	2.3%
Siloam Springs	52	1,170	5.7%	4.1%	8.5%
Springdale	99	6,137	3.3%	3.6%	5.5%
<b>NWA</b>	<b>707</b>	<b>31,602</b>	<b>5.8%</b>	<b>4.0%</b>	<b>4.3%</b>



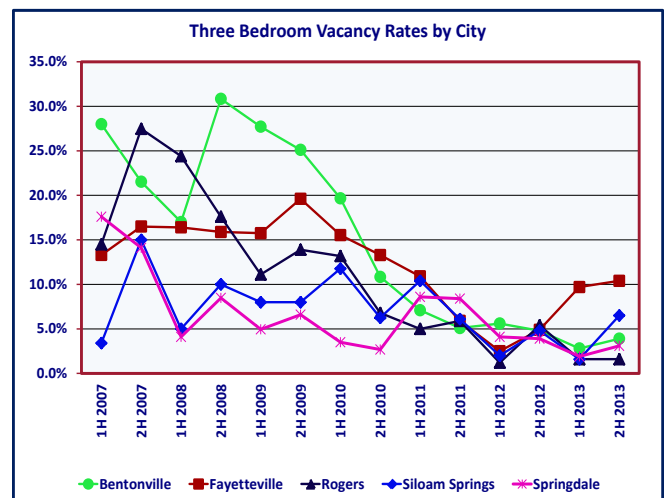
## Average Size and Price by Floor Plan Second Half of 2013

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	422	\$476.59	\$1.13
1 Bedroom	613	\$475.48	\$0.78
2 Bedroom	910	\$554.14	\$0.61
3 Bedroom	1,257	\$758.45	\$0.60
4 Bedroom	1,313	\$878.45	\$0.67
<b>NWA</b>	<b>847</b>	<b>\$556.71</b>	<b>\$0.66</b>



## Median Size and Price by Floor Plan Second Half of 2013

Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	400	\$395.00	\$0.99
1 Bedroom	600	\$410.00	\$0.68
2 Bedroom	900	\$525.00	\$0.58
3 Bedroom	1,250	\$675.00	\$0.54
4 Bedroom	1,255	\$800.00	\$0.64
<b>NWA</b>	<b>800</b>	<b>\$500.00</b>	<b>\$0.63</b>



## Vacancy Rates by Floor Plan Second Half of 2013

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	4.9%	7.4%	3.9%
Fayetteville	7.6%	7.6%	10.4%
Rogers	1.4%	2.4%	1.6%
Siloam Springs	6.1%	5.6%	6.5%
Springdale	2.7%	3.9%	3.1%
<b>NWA</b>	<b>5.7%</b>	<b>6.0%</b>	<b>5.4%</b>