

THE SKYLINE REPORT

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Second Half of 2021

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Multifamily Real Estate Summary For Benton and Washington Counties

This report is the forty-fifth 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.

Multifamily Highlights from the Second Half of 2021

The vacancy rate for all multifamily properties in Northwest Arkansas decreased to 3.0 percent in the second half of 2021 from 3.4 percent in the first half of 2021. The rate was 5.0 percent in the second half of 2020.

The Fayetteville vacancy rate increased to 3.4 percent in the second half of 2021 from 3.3 percent in the first half of 2021. More than 3,500 additional rental units (14.9 percent of current inventory) have been announced or are under construction in new multifamily projects in Fayetteville.

In Bentonville, vacancy rates decreased to 3.0 percent in the second half of 2021 from 4.4 percent in the first half of 2021. There are also more than 4,100 rental units (47.6 percent of current inventory) that have been announced or are under construction in new multifamily projects in the Bentonville and Centerton area.

Vacancy rates in Rogers decreased to 4.0 percent in the second half of 2021 from 4.7 percent in the first half of 2021. More than 4,600 additional rental units (66.8 percent of current inventory) have been announced or are under construction in the Rogers submarket.

Siloam Springs vacancy increased to 0.8 percent in the second half of 2021, from 0.6 percent in the first half of 2021, still remaining the lowest in Northwest Arkansas. Over 200 additional rental units (18.5 percent of current inventory) have been announced or are under construction in the Siloam Springs submarket.

In Springdale, the vacancy rate decreased to 1.3 percent in the second half of 2021 from 2.0 percent in the first half of 2021. Over 1,500 new rental units (19.3 percent of current inventory) have been announced or are under construction in multifamily projects in the Springdale and Tontitown area.

In the second half of 2021, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$789.06, from \$768.48 in the first half of 2021.

\$216.9 million of multifamily building permits were issued in the second half of 2021, up from \$204.5 million in the first half of 2021.

Multifamily Market Trends

Report Overview

The results of an in-depth data gathering process are presented and analyzed in this report. Data from three distinct sources were used to examine the characteristics of the Northwest Arkansas multifamily residential housing market. First, building permit data was examined to identify any multifamily units that were new to the market. Second, the databases from the Benton and Washington County Assessors' offices were searched to identify existing multifamily properties. Finally, a survey of the population of multifamily property managers was conducted in order to collect the characteristics of the Northwest Arkansas multifamily housing market.

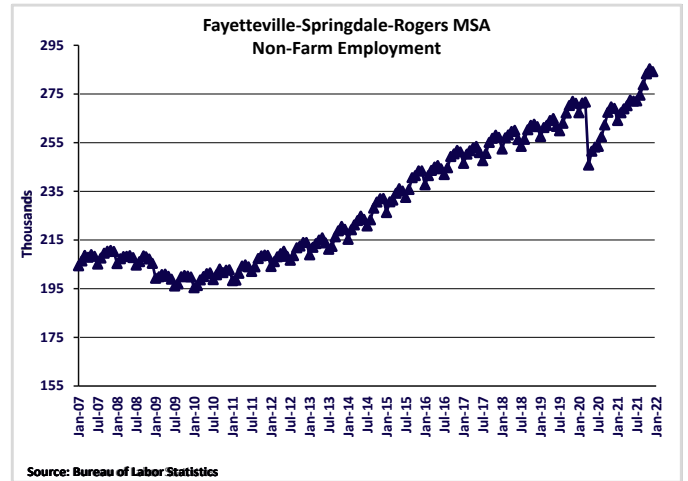
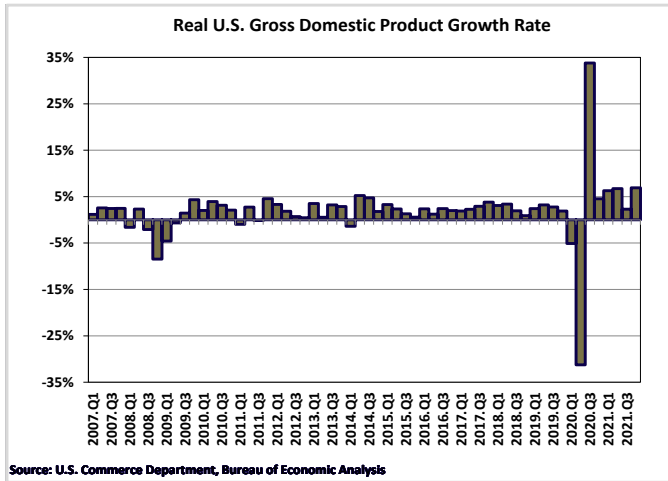
The Skyline Report is structured in the following way. In the first section, a review of relevant economic statistics is presented to establish a context for examining multifamily housing. In the section that follows the economic overview, regional comparisons are detailed. A short discussion about condominium market is shown second, followed by two tables with announcements of coming multifamily projects. A section on multifamily building permits issued in the last twelve months follows. Next, there is an analysis of the data obtained from the Benton and Washington County Assessors' offices. The total number and the square footage of the population of multifamily properties in Northwest Arkansas are broken down by major city. Then, the coverage of the sample of Skyline Report survey respondents is discussed in relation to that population. Finally, vacancy rates, average and median unit sizes as well as average and median floor plan prices, all calculated from the survey sample, are presented on a regional basis.

The report then turns to a more detailed city-by-city analysis. For this report, Bentonville (now incorporating Centerton), Fayetteville, Rogers, Siloam Springs, and Springdale (now incorporating Tontitown) were examined. In order to collect this specific information about Northwest Arkansas multifamily residential properties, Center for Business and Economic Research staff surveyed the population of multifamily property managers. To identify potential respondents, databases from the Washington and Benton County Assessors' offices were searched. Contact information was obtained where available and at least three phone contacts were attempted for each respondent. When no response was forthcoming, the properties were physically visited by a surveyor.

As the forty-fifth edition of the multifamily series of the Skyline Report, this study provides trend comparisons in vacancy rates, prices, unit sizes, and other multifamily property characteristics. 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 macro economy.



Economic Overview

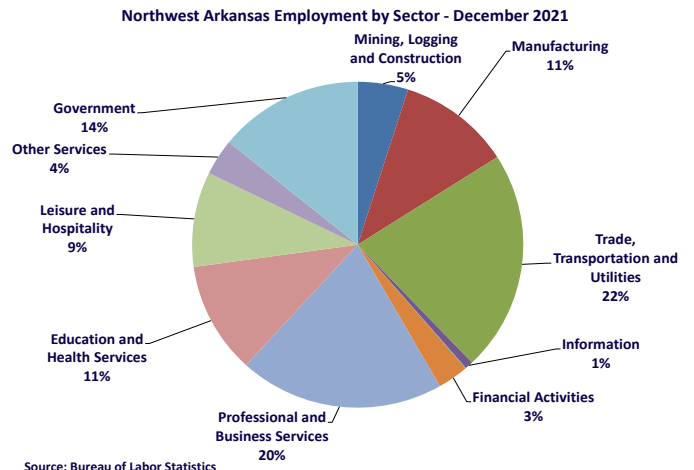


Economic Overview

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 macro economy.

Gross Domestic Product

In the fourth quarter of 2021, real GDP increased 6.9 percent according to advance estimates released by U.S. Department of Commerce's Bureau of Economic Analysis (BEA). Real GDP increased by 2.3 percent in the third quarter of 2021. The increase in real GDP primarily reflected increases in private inventory investment, exports, personal consumption expenditures (PCE), and nonresidential fixed investment that were partly offset by decreases in both federal and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased. Real GDP increased in the fourth quarter at a rate faster than the second quarter. In the third quarter, increases in private inventory investment, personal consumption expenditures (PCE), state and local government spending, and nonresidential fixed investment that were partly offset by decreases in residential fixed investment, federal government spending, and exports. Imports, which are a subtraction in the calculation of GDP, increased.



Employment

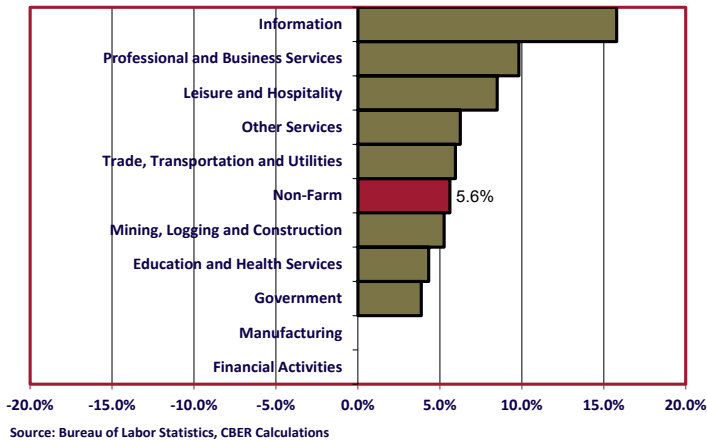
The Northwest Arkansas employment situation is extremely important to the health of the real estate market. The most recent data show that employment in the Northwest Arkansas region was at 293,976 in December 2021, up 4.5 percent from December 2020. According to the U.S. Bureau of Labor Statistics (BLS), the unemployment rate in Northwest Arkansas was at 1.6 percent in December 2021, lower than the 3.5 percent in December 2020. The unemployment rate has been below 4.0 percent since October 2020. The unemployment rate in Northwest Arkansas continues to be lower than both the state (2.4 percent) and national (3.9 percent) unadjusted rates.

With the purpose of exploring more closely the composition of job growth in Northwest Arkansas, two additional figures are provided. The first shows the December 2021

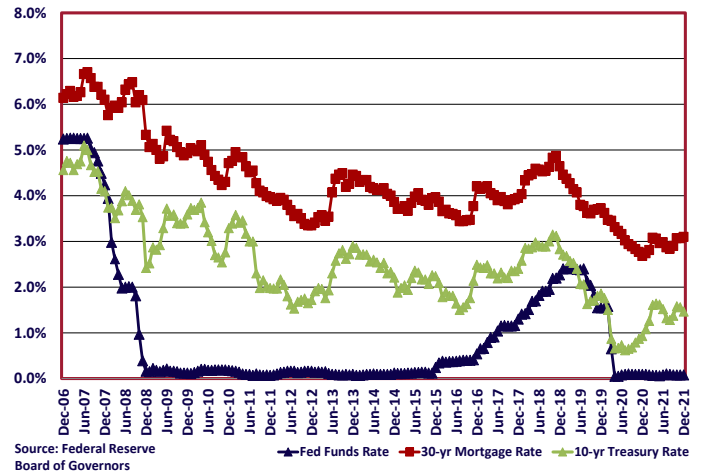
Multifamily Market Trends

Economic Overview

Change in Northwest Arkansas MSA Employment by Sector, December 2020 - December 2021



Selected Interest Rates



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 (14 percent), manufacturing (11 percent), education and health services (11 percent), and leisure and hospitality (9 percent). The other figure shows the annual percentage change in the metro area's employment by sector from December 2020 to December 2021. Total nonfarm employment increased by 5.6 percent during that time. All sectors experienced employment growth, except for manufacturing and financial activities which were flat. Employment in information, professional and business, leisure and hospitality, and other services sectors grew faster than the non-farm rate at 15.8 percent, 9.8 percent, 8.5 percent, and 6.3 percent, respectively. The trade, transportation and utilities, and mining, logging and construction sectors grew at a rate similar to the non-farm rate, at 6.0 percent and 5.3 percent, respectively. The slowest growing sectors were education and health, and government at 4.3 percent, and 3.9 percent, respectively.

Interest Rates

The Federal Funds rate averaged 0.08 percent in December 2021. The ten-year constant maturity Treasury bill had an interest rate of 1.47 percent in December 2021, down from 1.52 percent in June 2021. The spread remained positive and increased between the ten-year rate and the federal funds rate from a year ago, as the ten-year rate increased. The Federal Reserve Open Market Committee decided to maintain the target range for the federal funds rate at 0 to 0.25 percent. With inflation well above 2 percent and a strong labor market, the Committee expects it will soon be appropriate to raise the target range for the federal funds rate. The Committee decided to continue to reduce the monthly pace of its net asset purchases, bringing them to an end in early March. The accompanying figure shows the Federal Funds rate, ten-year rate, and the thirty-year mortgage rate since December 2008. The 30-year mortgage rate was 3.1 percent in December 2021.

Multifamily Building Permits

The U.S. Census Bureau estimates the issuance of building permits. The national level of multifamily building permits was a seasonally adjusted average rate (SAAR) of 675,000 in December 2021, an increase of 19.9 percent from the November 2021 rate of 563,000, and an increase of 41.8 percent from December 2020.

Multifamily Market Trends

Regional Overview

While increased demand from population growth, coupled with the overall low vacancy rate in the region, has driven the overall Northwest Arkansas multifamily market over the past decade, current building is also being driven by perceived demand for higher end apartment complexes, particularly in Benton County. Some multifamily builders feel that projects in a particular location close to campus, or with special amenities that might appeal to students, can be successful by meeting the needs of the University of Arkansas student population and taking tenants from older complexes. The newer student housing complexes are not geared to be highly competitive in terms of pricing, although project developers assert the price differential is made up by all the utilities and amenities included in the lease rates. Additionally, the developers of new apartment complexes around the University of Arkansas are heavily recruiting in Texas for students who are accepting enrollment at the Fayetteville campus.

Multifamily housing serves multiple purposes in Northwest Arkansas. In Fayetteville, home of the University of Arkansas, the state's flagship institution of higher education, much of the supply of multifamily housing is designed to serve the ever-changing student population. In addition to providing student housing, multifamily properties also act as affordable housing for those whose financial status and credit ratings are not sufficient to purchase a single-family home, or for those who are still choosing not to purchase single family residences, even if they could do so. Coupled with rate increases in affordable single family rental housing, this may cause an increase in the demand for multifamily housing.

Multifamily properties also serve as transitional housing for those who are between single family residences. Additionally, in Rogers and Bentonville, a number of upscale properties with monthly leases comparable to, and even exceeding, monthly mortgage payments are in the market. These properties are designed to provide easy accessibility to the commercial districts of the cities and to appeal to tenants looking to eliminate property maintenance responsibilities. These upscale properties pushed up average rents but have leased strongly and tend to negatively impact vacancy rates for only one report period.

In the Skyline Report sample, Fayetteville had the most multifamily properties in Northwest Arkansas with 363, totaling approximately 11.5 million square feet. Following Fayetteville, in descending order from most multifamily properties to fewest in the sample were Bentonville, Springdale, Rogers, and Siloam Springs. There were 433 multifamily properties, totaling over 17.7 million square feet, in cities other than Fayetteville, in the second half of 2021.

Announced Multifamily Properties

The business press was examined to formulate the attached table of announced new projects. This potential supply could add over 4,100 rental units to the Bentonville market, over 3,500 units to the Fayetteville market, over 4,600 units to the Rogers market, and over 1,500 units in the Springdale market, if all are built. In addition, the University of Arkansas has 6,232 beds, with an occupancy rate of 97.0 percent. Further, Greek Life at the University of Arkansas currently has approximately 1,543 beds with 1,427 occupied. There are no current plans for additional beds. The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months.

In Northwest Arkansas, 286 building permits were issued, worth just over \$216.9 million, for 28 separate complexes. Seven of the projects are located in Bentonville/Centerton with permits valued at \$20.1 million. Rogers had eight projects valued at \$111.6 million. Hutton Apartments was the highest valued project at \$36.0 million and the Greens at Blossom Way was valued at \$29.4 million. Siloam Springs had Endura Park valued at \$10.2 million. Seven projects are in Fayetteville, valued at \$16.5 million. 5 projects with permits valued at \$58.5 million were located in Springdale/Tontitown. The highest was Pure Springdale valued at \$22.1 million. The table on the next page gives additional details.

Multifamily Market Trends

Building Permits

Date of Permit	Complex or Developer	Number of Permits	Total Value of Permits	City
4/7/2021	G at Market	1	\$10,916,592	Bentonville
8/16/2021	4th and B	6	\$1,488,421	Bentonville
9/9/2021	4th St Townhomes	3	\$570,210	Bentonville
9/14/2021	Mulberry Court	8	\$1,042,736	Bentonville
9/14/2021	G St Townhomes	6	\$1,069,964	Bentonville
10/7/2021	Hawthorne Heights	3	\$3,196,323	Bentonville
10/7/2021	Haxton District	5	\$1,771,083	Bentonville
3/1/2021	Razorback Townhomes	16	\$3,226,441	Fayetteville
7/14/2021	Leverett Multifamily	2	\$4,735,920	Fayetteville
7/21/2021	Moore Townhomes	9	\$2,332,289	Fayetteville
9/19/2021	L & F Duplexes	1	\$600,721	Fayetteville
10/8/2021	Huntsville Apartments	1	\$1,800,000	Fayetteville
10/26/2021	Thrive	2	\$1,269,309	Fayetteville
12/3/2021	Oakland Duplexes	5	\$2,575,491	Fayetteville
1/12/2021	Everest Townhomes	39	\$6,599,164	Rogers
3/2/2021	Rogers Apartments	12	\$1,956,612	Rogers
3/24/2021	Hudson Townhomes	34	\$6,033,572	Rogers
4/21/2021	Denali Townhomes	21	\$3,614,456	Rogers
7/13/2021	Brownstones at Pinnacle	28	\$9,273,140	Rogers
9/14/2021	Hutton Apartments	5	\$36,023,025	Rogers
9/21/2021	Greens at Blossom Way	11	\$29,440,103	Rogers
10/1/2021	Pinnacle Hills Active Living	4	\$18,643,141	Rogers
1/8/2021	Endura Park	13	\$10,220,880	Siloam Springs
3/11/2021	Pure Springdale	16	\$22,148,444	Springdale
7/1/2021	Reserve at Springdale	18	\$14,837,855	Springdale
8/10/2021	Oriole St Townhomes	5	\$3,117,600	Springdale
9/1/2021	Grassroots Apartments	8	\$8,988,028	Springdale
10/29/2021	Stoneridge at Springdale	4	\$9,434,103	Springdale
NWA	28	286	\$216,925,623	

Building permits give a good indication of the types and amounts of space that will become available on the market in the near future. However, to understand the existing inventory of multifamily properties, the Center for Business and Economic Research staff examined the property tax databases from the offices of the Benton and Washington County assessors. From those databases, parcels that were classified as multifamily residential were identified and then results were aggregated by complex to avoid double counting. Unfortunately, the databases do not include any measure of the number of units associated with a particular property, but rather the total square feet of any buildings on the parcels is provided. The number of properties by city and the total square feet of multifamily residential space are provided in the accompanying table.

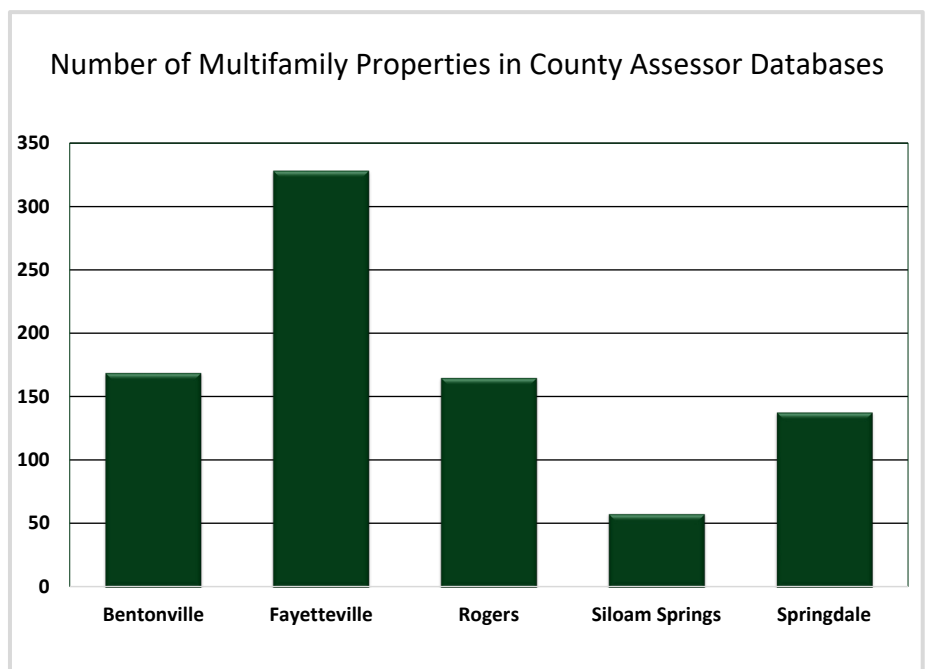
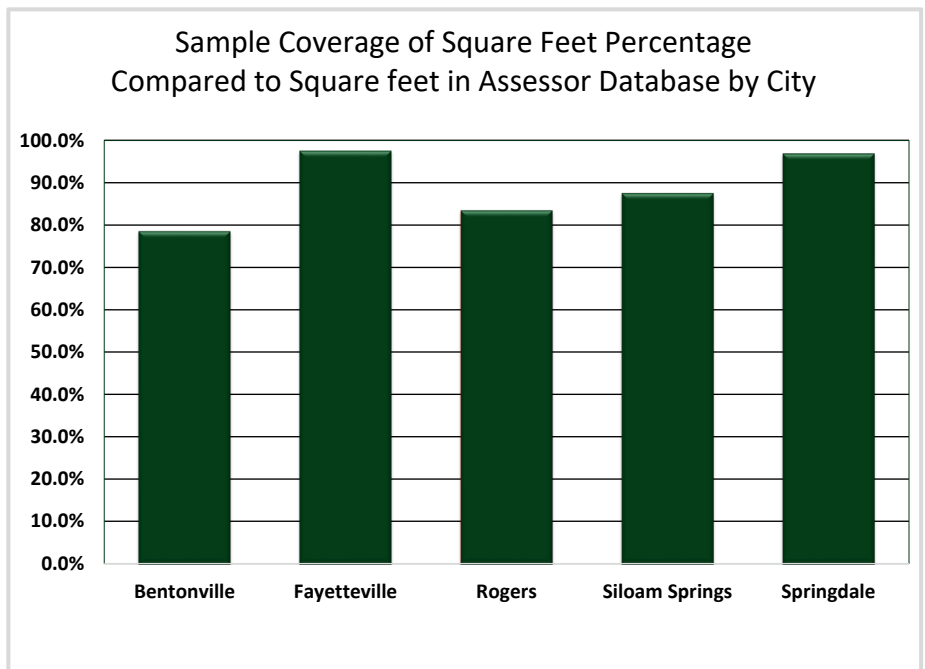
Multifamily Market Trends

Inventory

The Center for Business and Economic Research staff attempted to obtain additional information about each of the multifamily residential properties in these five cities. A survey instrument was developed to ascertain the number of units in each property, the number of units currently available for lease, the types of different floor plans, the prices of different floor plans, lease durations, and the amenities associated with each property. An online data collection tool was used to streamline the process and to make responding more convenient for apartment managers. The results from this surveying effort comprise the remainder of this report. In the second half of 2021, information was collected on 89.7 percent of the existing square footage of multifamily properties, an increase from the 89.5 percent in the first half of 2021.

In the analysis that follows, it is important to remember that the survey sample disproportionately measures large properties with many units, rather than small multifamily properties. In as much as the large properties drive the market for multifamily housing, extrapolating the results to the entire population is entirely reasonable. In the second half of 2021 survey respondents reported on 48,793 total units in 796 multifamily properties. These properties had a combined vacancy rate of 3.0 percent, a decrease from 3.4 percent in the first half of 2021. The highest vacancy rate was in Rogers at 4.0 percent and the lowest vacancy rate was in Siloam Springs at 0.8 percent. Bentonville had vacancy rates of 3.0 percent, Fayetteville 3.4 percent, and Springdale 1.3 percent.

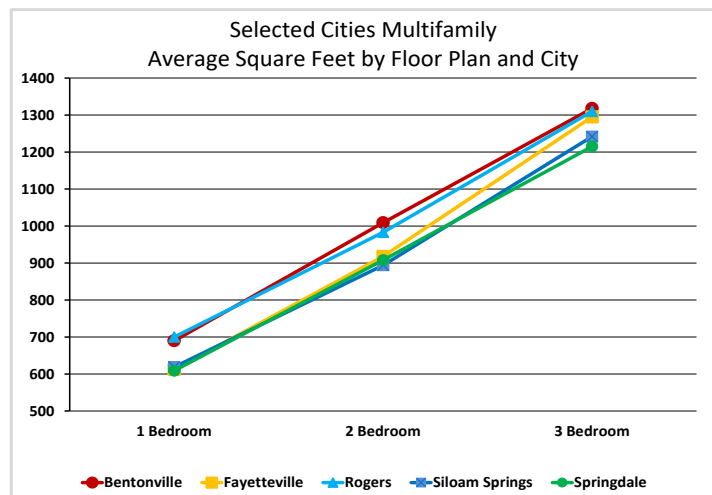
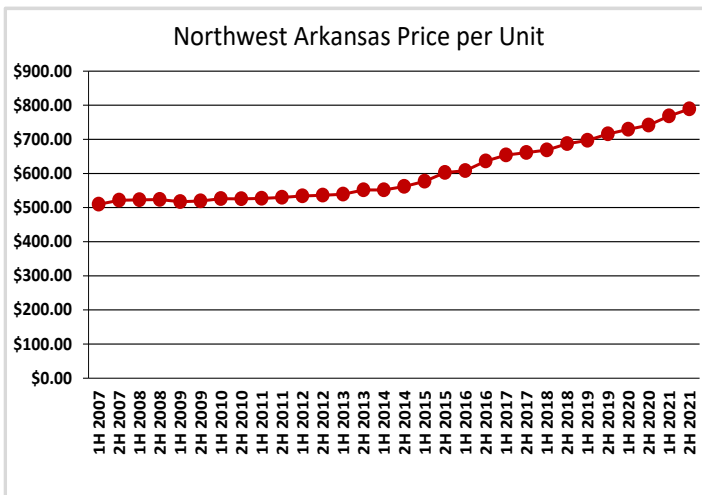
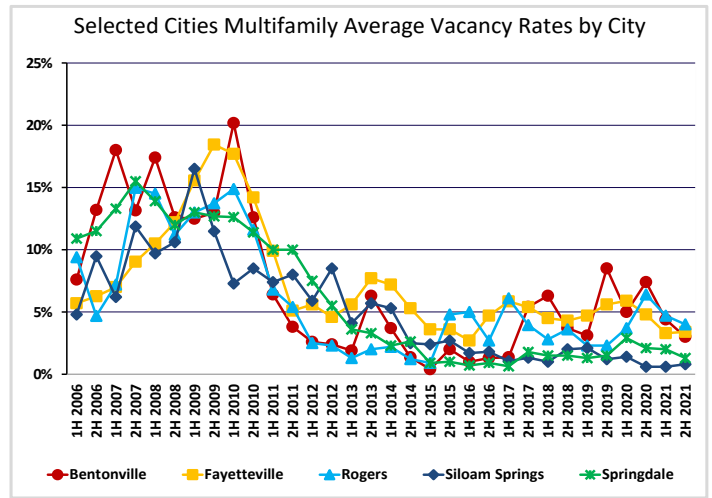
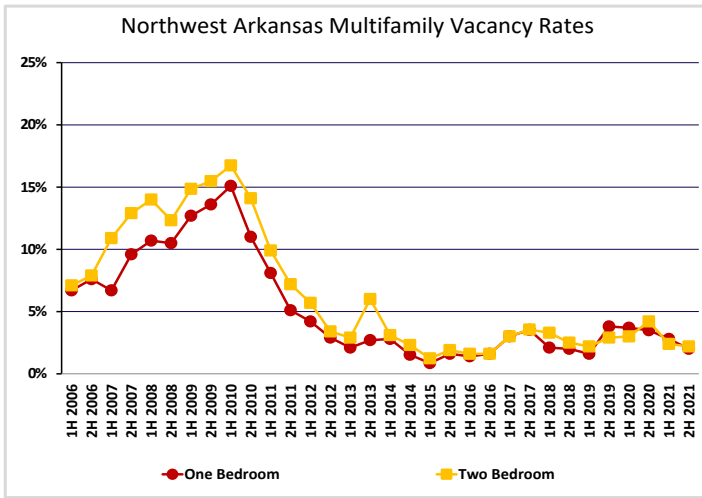
Within the sample, the average lease price per month in Northwest Arkansas was, \$789.06 up from \$768.48 in the first half of 2021. Meanwhile, the average square footage increased to 777 in the second half of 2021 from 776



square feet in the first half of 2021. The median lease price increased from \$700.00 in the first half of 2021 to \$725.00 in the second half of 2021, while the median size of a unit decreased from 832 square feet in the first half of 2021 to 830 in the second half of 2021. The average price per square foot of a multifamily property was \$1.02, increasing from \$0.99 in the first half of 2021, and the median price per square foot increased to \$0.87.

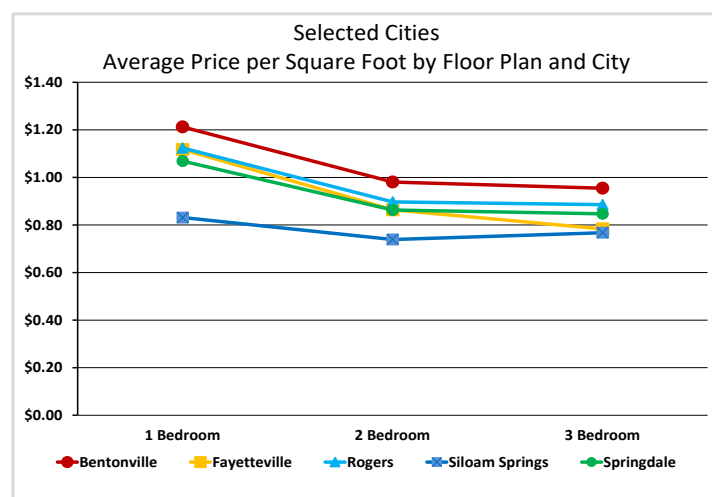
Multifamily Market Trends

Comparative Lease Analysis



Examining the Northwest Arkansas price and square footage by floor plan yields other statistics: on a price per square foot basis, from the least expensive to the most expensive floor plans, on average, were four bedrooms averaging \$0.67, 3 bedrooms averaging \$0.85, 2 bedrooms averaging \$0.89 per month, one bedrooms averaging \$1.13, studios averaging \$1.43, and “by the bed” floor plans averaging \$1.54.

Among the cities, Bentonville has the highest average square feet at 901, the highest average lease rate at \$948.82 per month, and the highest price per square foot floor plan of \$1.66 for studio units.



Multifamily Market Trends

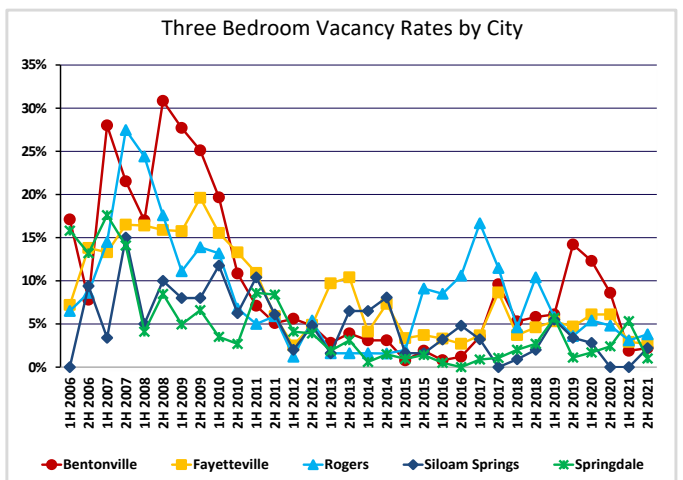
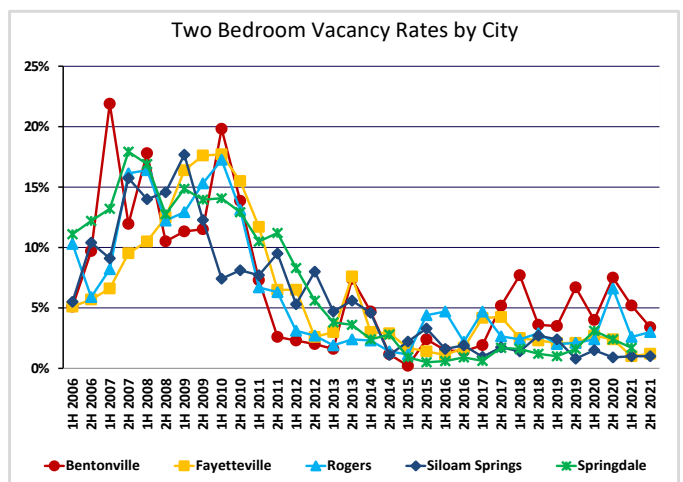
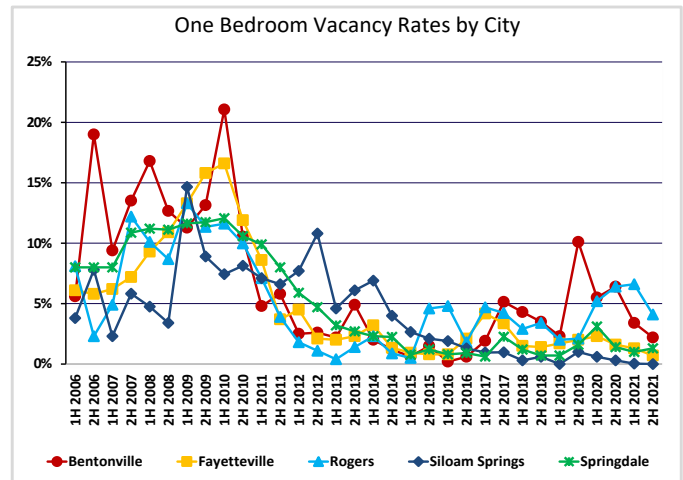
Sample Coverage

City	Number of Apartment Complexes	Number of Units	2H 2021 Vacancy Rate	1H 2021 Vacancy Rate	2H 2020 Vacancy Rate
Bentonville	144	8,630	3.0%	4.4%	7.4%
Fayetteville	363	23,984	3.4%	3.3%	4.8%
Rogers	116	6,941	4.0%	4.7%	6.4%
Siloam Springs	52	1,192	0.8%	0.6%	0.6%
Springdale	121	8,046	1.3%	2.0%	2.1%
NWA	796	48,793	3.0%	3.4%	5.0%

Average Unit Size by Price and Floor Plan	Square Feet	Price per Month	Price per Square Feet
Studio	558	\$796.39	\$1.43
By the Bed	418	\$643.19	\$1.54
1 Bedroom	647	\$728.83	\$1.13
2 Bedroom	947	\$847.02	\$0.89
3 Bedroom	1272	\$1,075.48	\$0.85
4 Bedroom	1781	\$1,195.25	\$0.67
NWA	777	\$789.06	\$1.02

Median Unit Size by Price and Floor Plan	Square Feet	Price per Month	Price per Square Feet
Studio	479	\$627.50	\$1.31
By the Bed	408	\$640.00	\$1.57
1 Bedroom	612	\$600.00	\$0.98
2 Bedroom	900	\$750.00	\$0.83
3 Bedroom	1322	\$945.00	\$0.71
4 Bedroom	1500	\$1,250.00	\$0.83
NWA	830	\$725.00	\$0.87

Vacancy Rates by Floor Plan	By the Bedroom	One Bedroom	Two Bedroom	Three Bedroom
Bentonville	0.0%	2.2%	3.4%	2.2%
Fayetteville	6.7%	0.7%	1.2%	2.7%
Rogers	0.0%	4.1%	3.0%	3.8%
Siloam Springs	0.0%	0.0%	1.0%	2.2%
Springdale	0.0%	1.3%	1.4%	1.0%
NWA	6.7%	2.0%	2.2%	2.2%



Multifamily Market Trends

Inventory and Announced Properties

Sample Coverage of Multifamily Properties

City	Number of Properties in County Assessor Databases	Total Square Feet in County Assessor Databases	Number of Multifamily Properties in Sample	Total Square Feet of Multifamily Properties in Sample	Percent Coverage of Total Square Feet
Bentonville	169	7,980,028	144	6,278,490	78.7%
Fayetteville	328	11,777,766	363	11,503,237	97.7%
Rogers	165	6,863,327	116	5,736,673	83.6%
Siloam Springs	58	856,531	52	750,704	87.6%
Springdale	138	5,141,140	121	4,988,286	97.0%
Northwest Arkansas	858	32,618,792	796	29,257,390	89.7%

Announced Properties

Complex Name	Developer	Number of Units	City	Status
102 West Apartments		408	Bentonville	Conceptual
4th and B Townhomes	Jake Newell	6	Bentonville	Underconstruction
City U	Blue Crane	375	Bentonville	Underconstruction
Common Remote Work Hub	Blue Crane, Mathew Mickson		Bentonville	Conceptual
Downtown Bentonville Project	Craig Petite	150	Bentonville	Conceptual
Dunn and Davis	Jake Newell	6	Bentonville	Underconstruction
Eversole Trust Project	Eversole Revocable Trust	384	Bentonville	Conceptual
G at Market	Jake Newell	82	Bentonville	Underconstruction
Glen Road Townhomes	Dave Pinson	120	Bentonville	Conceptual
Harbin North Townhomes	Brittenum Construction	54	Bentonville	Underconstruction
Haven, The			Bentonville	Conceptual
Hawthorne Heights	Ben Lester, Brock Martin	54	Bentonville	Underconstruction
Howard on Central	Jake Newell	81	Bentonville	Underconstruction
J Street Apartments	Lindsey Development Co.	480	Bentonville	Conceptual
Lofts on Elm Tree, The	Sky One Property, Jamal	37	Bentonville	Underconstruction
Lumen	Burrwood Living	252	Bentonville	Conceptual
McAuley Place	Excellerate Foundation	128	Bentonville	Conceptual
Mountainbrook	Excellerate Foundation	150	Bentonville	Conceptual
Old Home Office	Walmart		Bentonville	Conceptual
Project Canopy		18	Bentonville	Conceptual
Roddey Residential Properties	Roddy Residential Properties	12	Bentonville	Conceptual
SEG4	Fishmarket Properties	17	Bentonville	Conceptual

Multifamily Market Trends

Announced Properties

Complex Name	Developer	Number of Units	City	Status
SOMO Artspace Lofts	Artspace Projects	50	Bentonville	Conceptual
Reserve at Bentonville	Brooks Norris	342	Bentonville	Conceptual
Westwood Development	Paul Esterer	200	Bentonville	Conceptual
Copper Oaks Cottages		12	Centerton	Underconstruction
Reserve at Centerton	Brooks Norris		Centerton	Conceptual
Water Color Phase III	Dave Pinson	136	Centerton	Underconstruction
Anthology Mixed Use	Hunter Buwick		Fayetteville	Conceptual
Beacon Block	Highstreet	30	Fayetteville	Conceptual
Campus Edge	T.J. Lefler	16	Fayetteville	Underconstruction
Cobblestone Farms	Excellerate Foundation	89	Fayetteville	Underconstruction
Courtyards Act 1	Bauman Crossno	10	Fayetteville	Underconstruction
DCM Apartments	Robert Golterman	169	Fayetteville	Conceptual
Drake Farms	Highstreet	30-50	Fayetteville	Conceptual
Garland Ave Apartments	Jordan Living	16	Fayetteville	Underconstruction
Grand Village, Phase II	Lance Beaty	33	Fayetteville	Conceptual
Hill Avenue Apartments	Daniel Cox	75	Fayetteville	Conceptual
Hillcrest Towers Expansion	Fayetteville Housing Authority	97	Fayetteville	June 2022
Joyce and Old Missouri	Jeff Pederson		Fayetteville	Conceptual
Langford at Fayetteville Cottages, The	Park Avenue Lifestyle	16	Fayetteville	Underconstruction
Markham Hill	SREG	257	Fayetteville	Conceptual
Mitchell Yards	Pat Chisholm	81 (165 beds)	Fayetteville	Underconstruction
Morgan Manor Expansion	Fayetteville Housing Authority	58	Fayetteville	Conceptual
Mount Carmel Retirement Complex	Jimmy Elrod	25	Fayetteville	Conceptual
Oakland 6 Plex		6	Fayetteville	Underconstruction
Patriot Park	Excellerate Foundation	60	Fayetteville	Conceptual
Pointe at Fayetteville, The	Keith Richardson	170	Fayetteville	Conceptual
Randal Place	Jesus Rodriguez	30	Fayetteville	Conceptual
Razorback Golf Course Apartments	Craig and Laura Underwood	602	Fayetteville	Conceptual
Rupple Road Quads	Brittenum Construction	64	Fayetteville	Underconstruction
Sang Apartments	Dave Pinson	60	Fayetteville	Conceptual
Sorority House on Maple	University of Arkansas	50	Fayetteville	Delayed
South Creekside Apartments, Phase II	T.J. Lefler	44	Fayetteville	Underconstruction
Southyard	SREG	128	Fayetteville	Underconstruction
Thrive Fayetteville	Rob Coleman, ERC	45	Fayetteville	Underconstruction

Multifamily Market Trends

Announced Properties

Complex Name	Developer	Number of Units	City	Status
Trails at Mud Creek	Lindsey Development Co.	321	Fayetteville	Conceptual
Trails at Paradise Valley	Lindsey Development Co.	240	Fayetteville	Underconstruction
Vantage II Apartments	Lindsey Development Co.	186	Fayetteville	Underconstruction
WAC Row Houses	Partners for Better Housing	12	Fayetteville	Conceptual
Johnson Square, Bld 3-4	Highstreet	75	Johnson	Conceptual
Greens at Lowell	Lindsey Development Co.	336	Lowell	Conceptual
Honeysuckle and Pleasant Grove	HGJ Properties	30	Lowell	Conceptual
Pure Lowell	Rob Coleman, Dave Pinson	142	Lowell	Conceptual
Trails at Lowell	Lindsey Development Co.	441	Lowell	Conceptual
Tucker	Crafton Tull	68	Lowell	Conceptual
Tuscany Vines	Jason Appel	99	Lowell	Conceptual
Hall Apartments	Kevin Felgenhauer		Pea Ridge	Conceptual
Key Concepts Quads	Joey Stevens	16-20	Pea Ridge	Conceptual
Highlands Townhouses	Tom Sims	77	Prairie Grove	Conceptual
28th Street Townhomes		12	Rogers	Conceptual
Alta Terra 28th St Project	Michael Augustine	240	Rogers	Conceptual
Belue Muse Townhomes	JS Fenwick	8	Rogers	Underconstruction
Bend on Promenade		160	Rogers	Conceptual
Black Pine Multifamily	Black Pine Multifamily	23	Rogers	Conceptual
Brownstones at Pinnacle Heights	Hunt Ventures		Rogers	Underconstruction
Cottonwood Multifamily	Cottonwood Mult	80	Rogers	Conceptual
District at Pinnacle, the	Whisinvest	275	Rogers	Conceptual
Dixieland Road Apartments	Carl Walker	15	Rogers	Underconstruction
Dodson Pointe Apartment Homes	Edward Rose and Sons	240	Rogers	Underconstruction
Everest Multifamily	John and Rebecca Carney	43	Rogers	Underconstruction
Fitzroy Apartments	Huffman	250	Rogers	Underconstruction
Flats at 1907	Highstreet	49	Rogers	Delayed
Gateway Senior Apartments	Gateway Homes	160	Rogers	Conceptual
Greens at Blossom Way, Phase II	Lindsey Development Co.	270	Rogers	Underconstruction
Grove Phase III, The	J & M Capital Ventures LLC; Silver Grove LLC	235	Rogers	Conceptual
Hudson Road Townhomes	Scott Marbury	34	Rogers	Underconstruction
Inglewood Townhomes	ESI	58	Rogers	Conceptual
Louisiana Properties-Dixieland	Louisiana Properties	230	Rogers	Conceptual
Magnolia Farms Apartments	Hunter Haynes	100	Rogers	Conceptual

Multifamily Market Trends

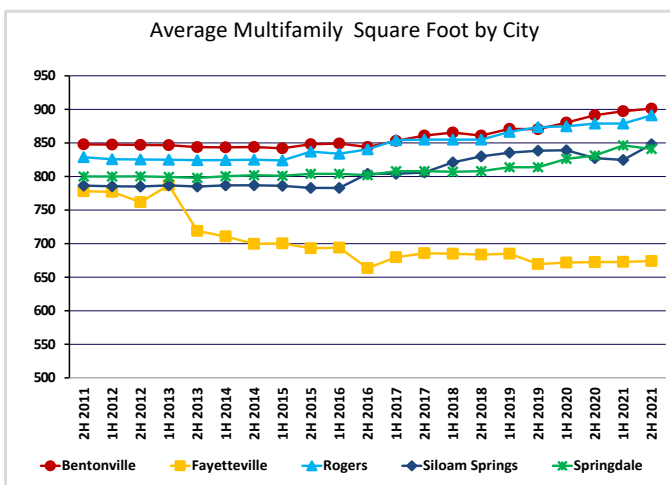
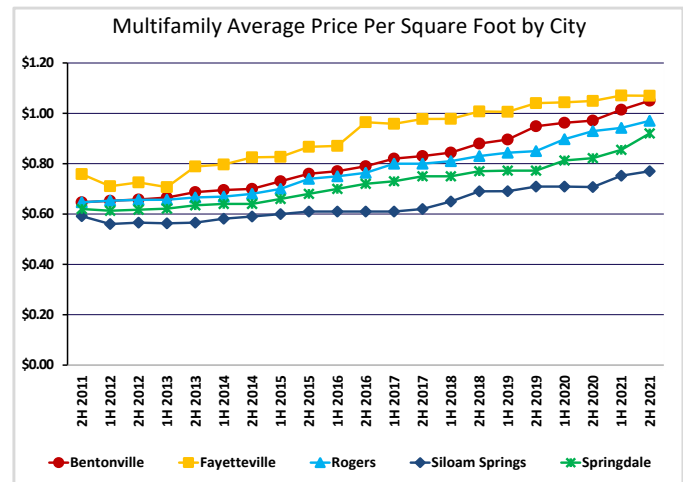
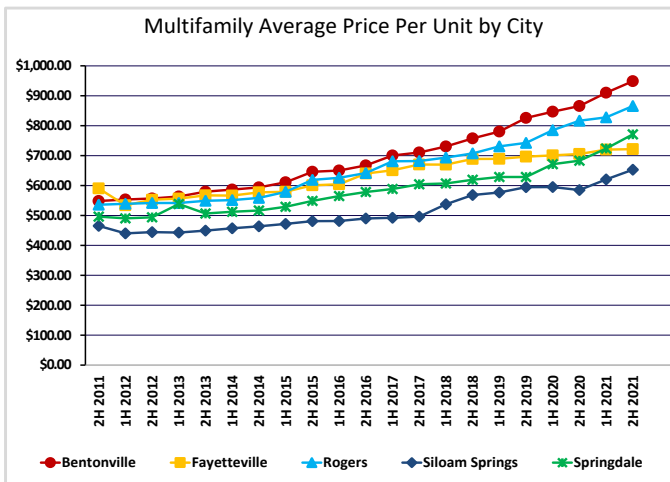
Announced Properties

Complex Name	Developer	Number of Units	City	Status
Magnolia Farms Townhomes	Hunter Haynes	14	Rogers	Conceptual
Ninth Street Townhomes	Blake Murray	85	Rogers	Conceptual
North Valley West Townhomes	Kim Fugitt	19	Rogers	Conceptual
Olive Street Townhomes		36	Rogers	Conceptual
Pinnacle Hills	Hutton Multifamily	285	Rogers	Underconstruction
Pinnacle Hills Active Living Senior Community	Hausmann Development	180	Rogers	Underconstruction
Pinnacle Springs Retirement Community	Resort Lifestyle Communities	130	Rogers	Conceptual
Pinnacle Village	Sam Alley, Alex Blass	400	Rogers	Underconstruction
Pleasant Crossing Garden Apartments	Crafton Tull	88	Rogers	Conceptual
Promenade Commons, Phase II	Sam Coryell, Hunter Haynes	35	Rogers	Conceptual
Promenade Village	Planning Design Group	115	Rogers	Conceptual
Reserve at Dixieland	Brooks Norris	230	Rogers	Underconstruction
Reserve at Osage Creek	John Schmezle	144	Rogers	Conceptual
Richardson Apartments	Keith Richardson		Rogers	Conceptual
Shadow Brook, Phase V	Brittenum Construction	88	Rogers	Conceptual
Steel Creek Multifamily	Chad Hayes, A-Belle	13	Rogers	Conceptual
Trailside		14	Rogers	Conceptual
Village on Maple Townhomes		24	Rogers	Conceptual
Willow Creek Apartments		168	Rogers	Conceptual
Endura Park	Cascade Construction, Orchard Properties	148	Siloam Springs	Underconstruction
Trail Point	Matthew Zaidner, Matt Timboe, Derek Dewey,	72	Siloam Springs	Conceptual
Berryfield Apartments, Phase II	Ferguson Property Group	72	Springdale	Conceptual
Downtown Springdale Mixed Use	Blue Crane	55	Springdale	Underconstruction
East Butterfield Coach Project	Jacci Perry	72	Springdale	Conceptual
Excellerate Springdale 1	Excellerate Foundation	75	Springdale	Conceptual
Excellerate Springdale 2	Excellerate Foundation	71	Springdale	Conceptual
Fuel Supply Apartments	Tom Lundstrom	100	Springdale	Conceptual
Har-ber Meadows Townhomes	Jim Neil	40	Springdale	Underconstruction
Overland Townhomes	Tom Embach	25	Springdale	Underconstruction
Powell Street Downtown Apartments	L&J Brothers, Joseph Reece, Shay Lastra	160	Springdale	Delayed
Pure Springdale	Rob Coleman, Tom Kalman, Mia Rose Holdings	234	Springdale	Underconstruction
Reserves at Springdale	Brian Moore, Brooks Norris	141	Springdale	Underconstruction

Multifamily Market Trends

Announced Properties

Complex Name	Developer	Number of Units	City	Status
Riggins Duplexes	Kevin Riggins	28	Springdale	Conceptual
South West End Complex	Chris Elder	16	Springdale	Conceptual
Spring Creek Village	Thom Emback, Sterling Hamilton, Caey Kleinhenz	80	Springdale	Conceptual
Spring-Elmdale Apartments		250	Springdale	Conceptual
Unnamed Downtown Project	Blue Crane		Springdale	Conceptual
Via Emma, Phase I	Blue Crane	132	Springdale	Conceptual



In the ten year period from 2011-2021 overall average lease rates increased the most in Bentonville by 73.1 percent. They increased the least in Fayetteville by 22.3 percent.

During this time period the average price per square foot increased the most in Bentonville at 52.4 percent. They increased the least in Siloam Springs at 30.1 percent.

From 2011-2021, the average square footage per unit increased them most in Springdale at 7.8 percent. In Fayetteville they decreased 13.4 percent, due to the impact of the by-the-bed submarket.

Multifamily Market Trends

Bentonville

The Benton County Assessor's database contained 169 multifamily properties in Bentonville in the second half of 2021. These properties comprised 7,980,028 square feet.

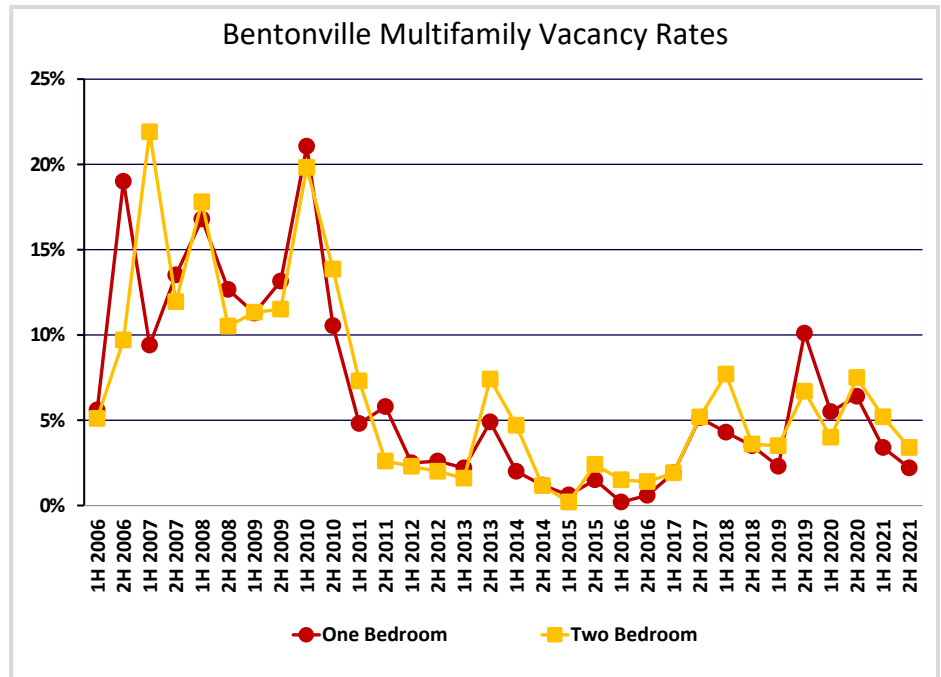
The 144 Bentonville Skyline Report survey respondents accounted for 78.7 percent of the square footage of the multifamily properties in Bentonville.

In the 8,630 units that were reported by Skyline Report survey respondents, there was a 3.0 percent vacancy rate in the second half of 2021, down from the 4.4 percent vacancy rate in the first half of 2021.

The average lease price of all units in Bentonville increased to \$948.82 in the second half of 2021 from \$910.07 in the first half of 2021. The average size of a unit increased to 901 square feet from 897 in the first half of 2021.

The monthly leases for Bentonville multifamily properties averaged \$1.05 per square foot. The price per square foot averages ranged from a studio apartment unit at \$1.66 per square foot to a 3 bedroom apartment at \$0.95 per square foot in second half of 2021.

Many Bentonville multifamily properties require 6-month or 12-month leases, although some month to month leases were available.



Average Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	557	\$923.81	\$1.66
1 Bedroom	690	\$836.53	\$1.21
2 Bedroom	1,009	\$989.42	\$0.98
3 Bedroom	1,318	\$1,258.33	\$0.95
4 Bedroom	1,643	\$2,329.00	\$1.42
Bentonville	901	\$948.82	\$1.05



Multifamily Market Trends

Fayetteville

The Washington County Assessor's database contained 328 multifamily properties in Fayetteville in the second half of 2021. These properties comprised 11,777,766 square feet.

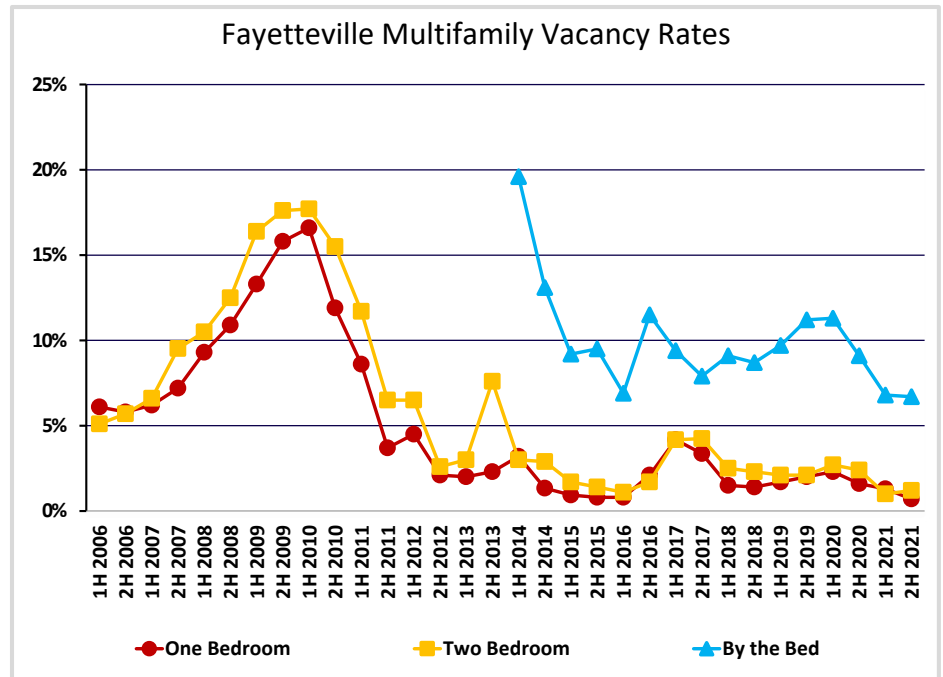
The 363 Fayetteville Skyline Report survey respondents accounted for 97.7 percent of the square footage of the multifamily properties in Fayetteville.

In the 23,984 units that were reported on by Skyline Report survey respondents, there was a 3.4 percent vacancy rate in the second half of 2021, up from the 3.3 percent vacancy rate in the first half of 2021.

The average lease price of all units in Fayetteville increased to \$721.78 in the second half of 2021 from \$720.30 in the first half of 2021. The average size of a unit increased to 674 square feet from 673 first half of 2021.

The monthly leases for Fayetteville multifamily properties averaged \$1.07 per square foot. The price per square foot averages ranged from by-the-bed apartment units at \$1.54 per square foot to a 3 bedroom apartment at \$ 0.78 per square foot in second half of 2021.

Many Fayetteville multifamily properties have many different floor plans with a wide variety of lease options, to suit the student population.



Average Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	550	\$744.62	\$1.35
By the Bed	418	\$643.19	\$1.54
1 Bedroom	612	\$683.82	\$1.12
2 Bedroom	918	\$793.00	\$0.86
3 Bedroom	1,295	\$1,014.56	\$0.78
4 Bedroom	1,831	\$1,152.94	\$0.63
Fayetteville	674	\$721.78	\$1.07



Multifamily Market Trends

Rogers

The Benton County Assessor's database contained 165 multifamily properties in Rogers in the second half of 2021. These properties comprised 6,863,327 square feet.

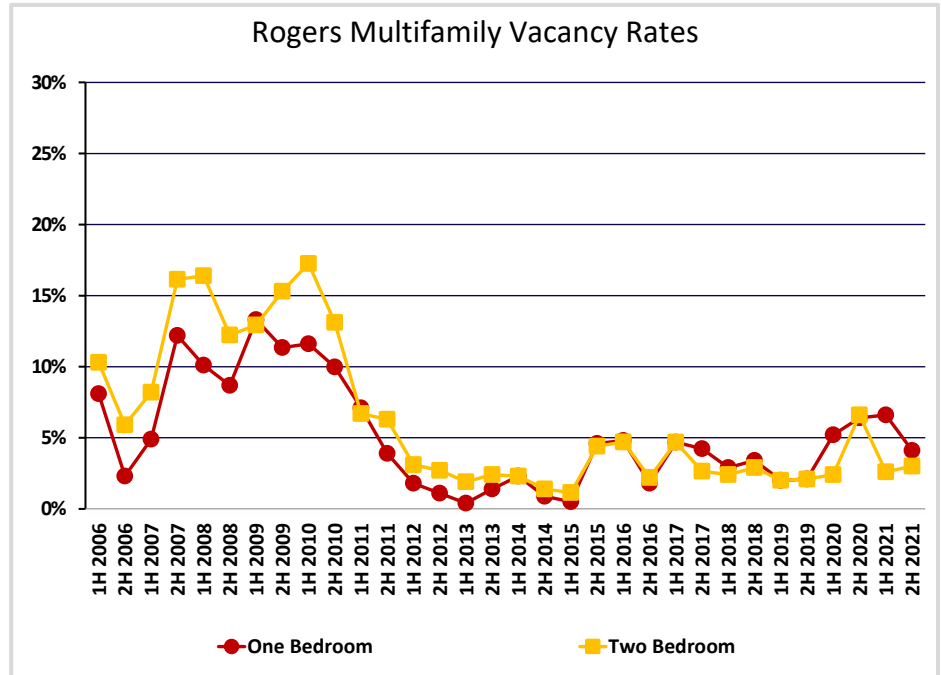
The 116 Rogers Skyline Report survey respondents accounted for 83.6 percent of the square footage of the multifamily properties in Rogers.

In the 6,941 units that were reported by Skyline Report survey respondents, there was a 4.0 percent vacancy rate in the second half of 2021, down from the 4.7 percent vacancy rate in the first half of 2021.

The average lease price of all units in Rogers increased to \$865.89 in the second half of 2021 from \$828.04 in the first half of 2021. The average size of a unit increased to 891 square feet from 879 first half of 2021.

The monthly leases for Rogers multifamily properties averaged \$0.97 per square foot. The price per square foot averages ranged from a studio apartment unit at \$1.38 per square foot to a 3 bedroom apartment at \$0.89 per square foot in second half of 2021.

Many Rogers multifamily properties require either 6-month or 12-month leases, although some month-to-month leases were available.



Average Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	774	\$1,064.50	\$1.38
1 Bedroom	700	\$786.75	\$1.12
2 Bedroom	983	\$881.94	\$0.90
3 Bedroom	1310	\$1,159.73	\$0.89
Rogers	891	\$865.89	\$0.97

Multifamily Market Trends

Siloam Springs

The Benton County Assessor's database contained 58 multifamily properties in Siloam Springs in the second half of 2021. These properties comprised 856,531 square feet.

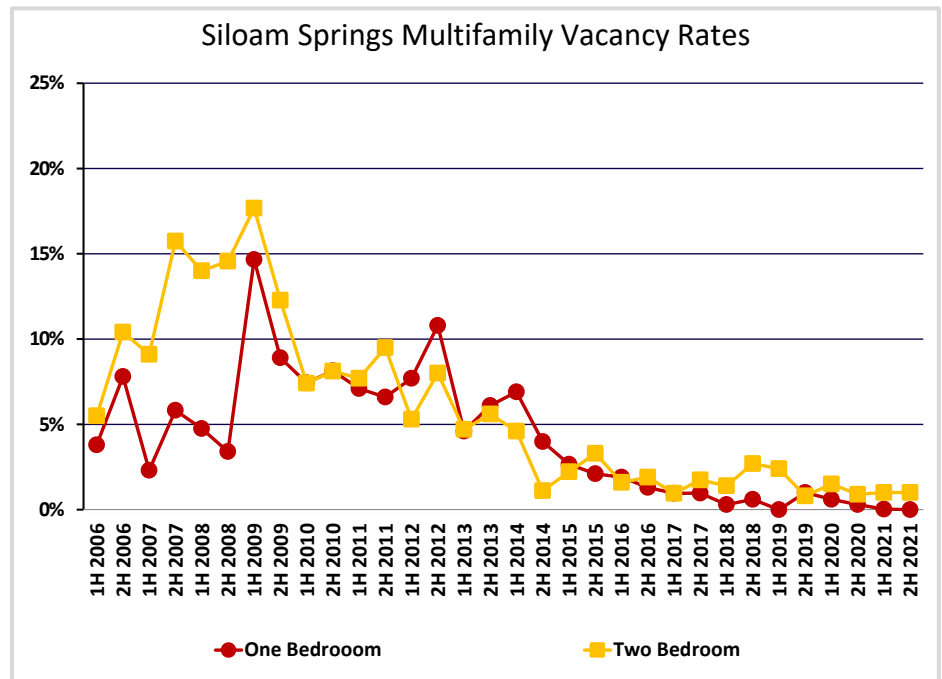
The 52 Siloam Springs Skyline Report survey respondents accounted for 87.7 percent of the square footage of the multifamily properties in Siloam Springs.

In the 1,192 units that were reported by Skyline Report survey respondents, there was a 0.8 percent vacancy rate in the second half of 2021, down from the 0.6 percent vacancy rate in the first half of 2021.

The average lease price of all units in Siloam Springs increased to \$653.06 in the second half of 2021 from \$620.34 in the first half of 2021. The average size of a unit increased to 848 square feet from 825 first half of 2021.

The monthly leases for Siloam Springs multifamily properties averaged \$0.77 per square foot. The price per square foot averages ranged from a studio apartment unit at \$0.84 per square foot to a 4 bedroom apartment at \$0.69 per square foot in second half of 2021.

Many Siloam Springs multifamily properties require 12-month leases, although some month-to-month leases were available.



Average Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	436	\$364.11	\$0.84
1 Bedroom	619	\$514.59	\$0.83
2 Bedroom	894	\$660.67	\$0.74
3 Bedroom	1242	\$953.20	\$0.77
4 Bedroom	1210	\$839.00	\$0.69
Siloam Springs	848	\$653.06	\$0.77

Multifamily Market Trends

Springdale

The Washington County Assessor's database contained 138 multifamily properties in Springdale in the second half of 2021. These properties comprised 5,141,140 square feet.

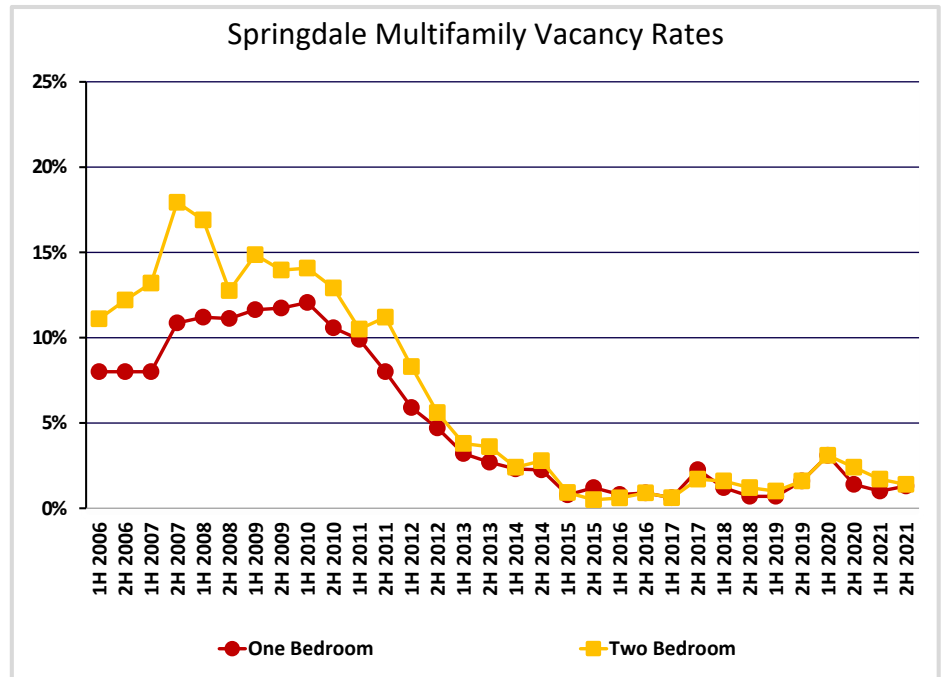
The 121 Springdale Skyline Report survey respondents accounted for 97.0 percent of the square footage of the multifamily properties in Springdale.

In the 8,046 units that were reported by Skyline Report survey respondents, there was a 1.3 percent vacancy rate in the second half of 2021, down from the 2.0 percent vacancy rate in the first half of 2021.

The average lease price of all units in Springdale increased to \$771.20 in the second half of 2021 from \$723.65 in the first half of 2021. The average size of a unit increased to 841 square feet from 846 first half of 2021.

The monthly leases for Springdale multifamily properties averaged \$ 0.92 per square foot. The price per square foot averages ranged from a studio apartment unit at \$1.49 per square foot to a 3 bedroom apartment at \$ 0.85 per square foot in second half of 2021.

Many Springdale multifamily properties require either 6-month or 12-month leases, although some 3-month, 9-month, and month-to-month leases were available.



Average Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	523	\$778.12	\$1.49
1 Bedroom	609	\$650.95	\$1.07
2 Bedroom	908	\$783.50	\$0.86
3 Bedroom	1215	\$1,028.90	\$0.85
4 Bedroom	1284	\$888.33	\$0.69
Springdale	841	\$771.20	\$0.92