

THE SKYLINE REPORT

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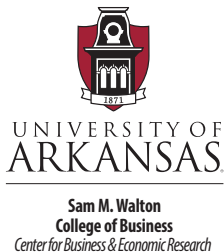
Multifamily Highlights Second Half 2021

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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.

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.

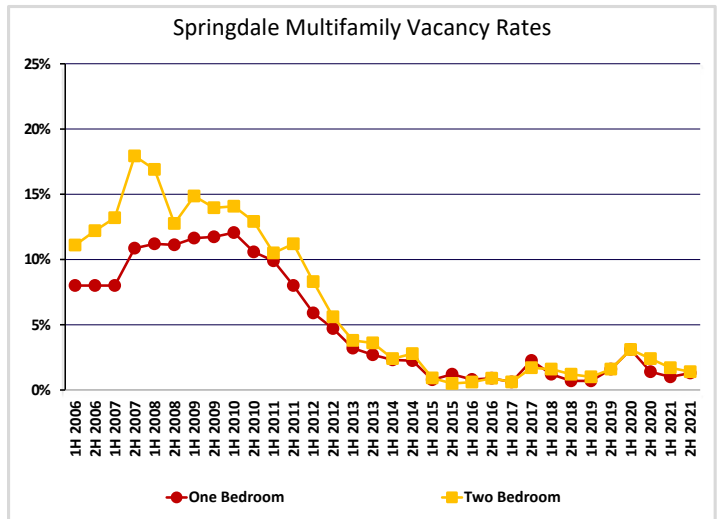
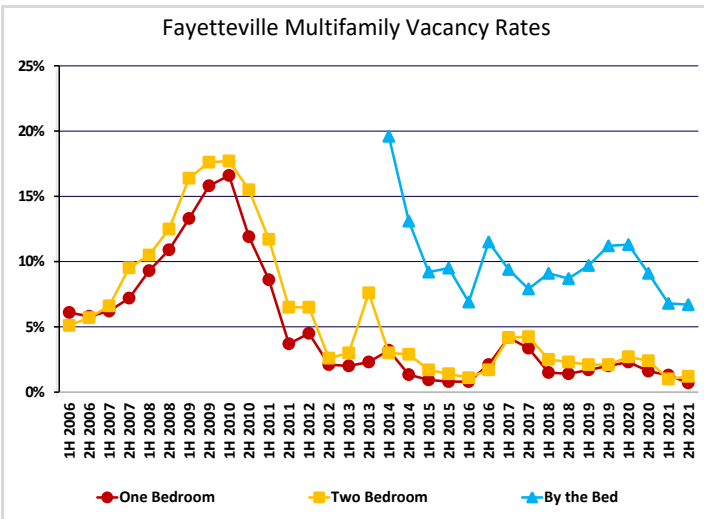
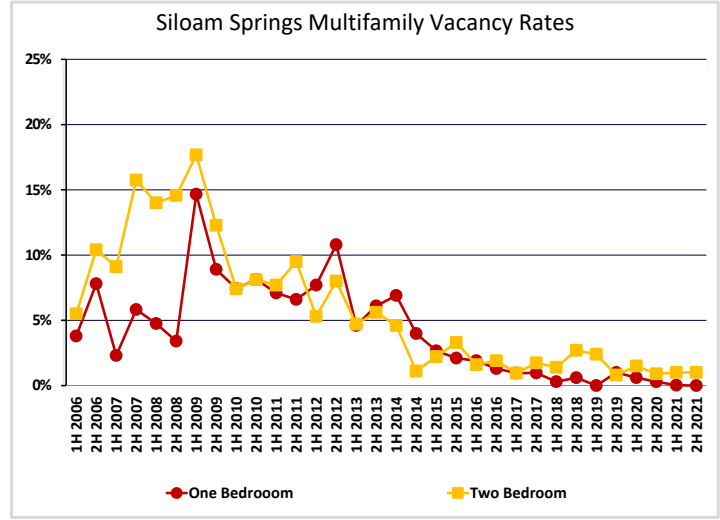
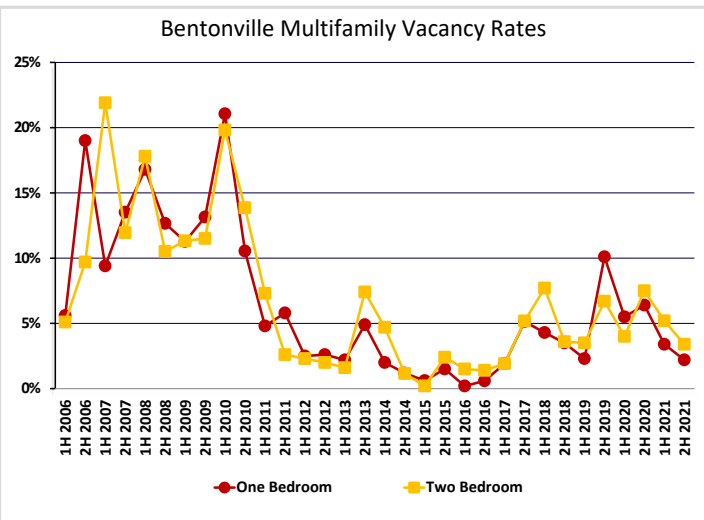
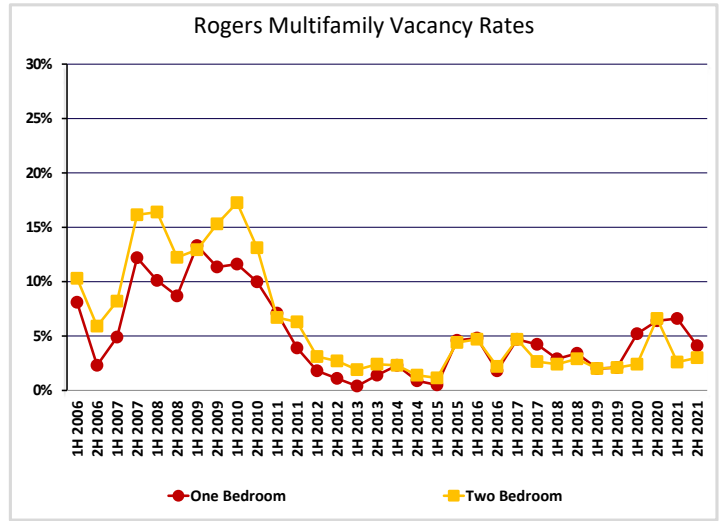
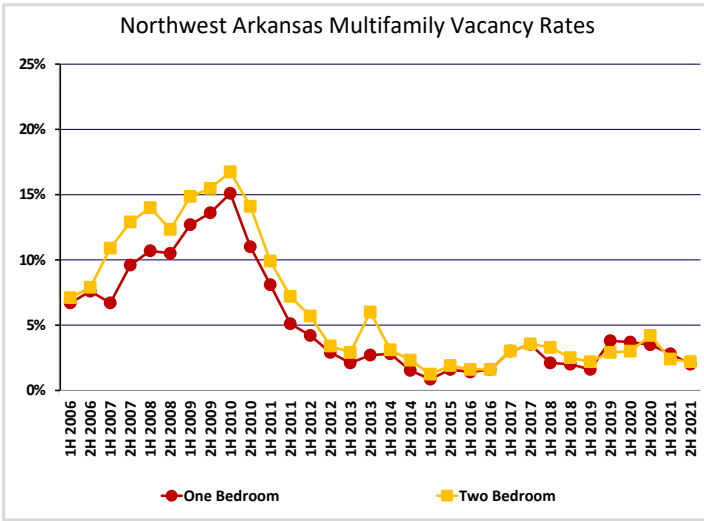
In Springdale, the vacancy rate decreased to 1.3 percent in the second half of 2021 from 2.0 percent in the first half of 2021. Over 1,500 new rental units (19.3 percent of current inventory) have been announced or are under construction in multifamily projects in the Springdale and Tontitown area.

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.

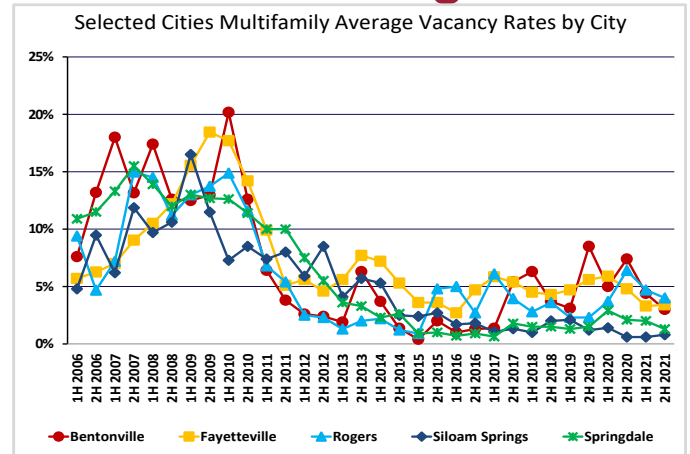
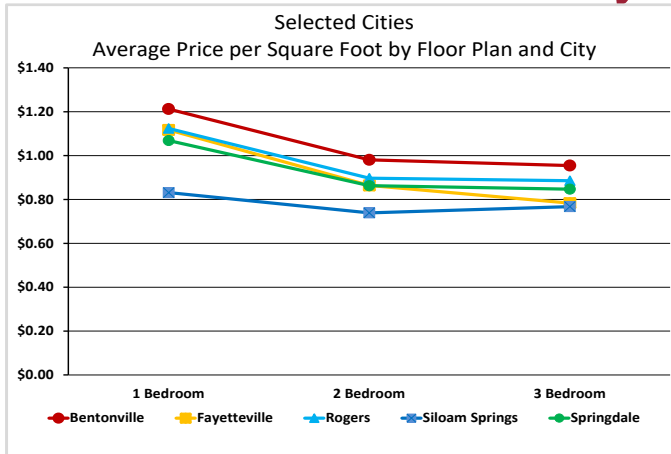
Regional Market Trends

Multifamily Vacancy Rates



Regional Market Trends

Multifamily Rates and Building Permits



Below are the 2H 2021 multifamily building permits for Bentonville, Fayetteville, Rogers, Siloam Springs and Springdale.

Multifamily Building Permits	Complex or Developer	Number of New 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
Northwest Arkansas	28	286	\$216,925,623	

Regional Market Trends

Multifamily Sample Data

Sample Vacancy Rates	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 and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
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 Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
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%

