

# THE SKYLINE REPORT

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## Multifamily Highlights Second Half of 2023

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## Real Estate Summary For Benton and Washington Counties

*This report is the forty-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. 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 2023

The multifamily vacancy rate increased to 3.1 percent in the second half of 2023 from 2.2 percent in the first half of 2023. The increase was driven by 10 new complexes with 1,669 total units and 606 available units. With the 10 new complexes removed the overall vacancy rate decreased to 2.0 percent.

The Fayetteville vacancy rate increased to 1.7 percent in the second half of 2023 from 1.2 percent in the first half of 2023. More than 550 new rental units are under construction and an additional 5,500 have been announced (24.5 percent of current inventory) in the Fayetteville market.

In Bentonville, vacancy rates increased to 4.9 percent in the second half of 2023 from 3.2 percent in the first half of 2023. More than 1,400 new rental units are under construction and an additional 4,400 have been announced (60.8 percent of current inventory) in the Bentonville market.

Vacancy rates in Rogers increased to 6.6 percent in the second half of 2023 from 3.6 percent in the first half of 2023 the highest in Northwest Arkansas. More than 1,900 new rental units are under construction and an additional 5,700 have been announced (89.0 percent of current inventory) in the Rogers market.

Siloam Springs vacancy decreased to 0.9 percent in the second half of 2023, from 4.5 percent in the first half of 2023, the lowest in Northwest Arkansas. More than 110 new rental units are under construction and an additional 280 have been announced (28.5 percent of current inventory) in the Siloam Springs market.

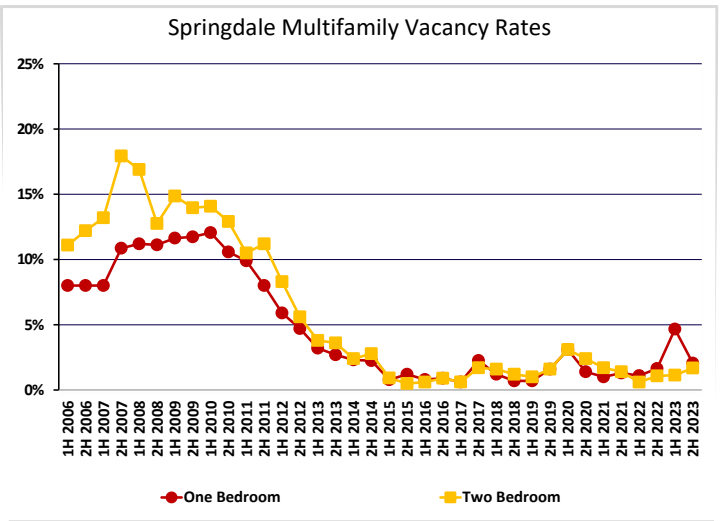
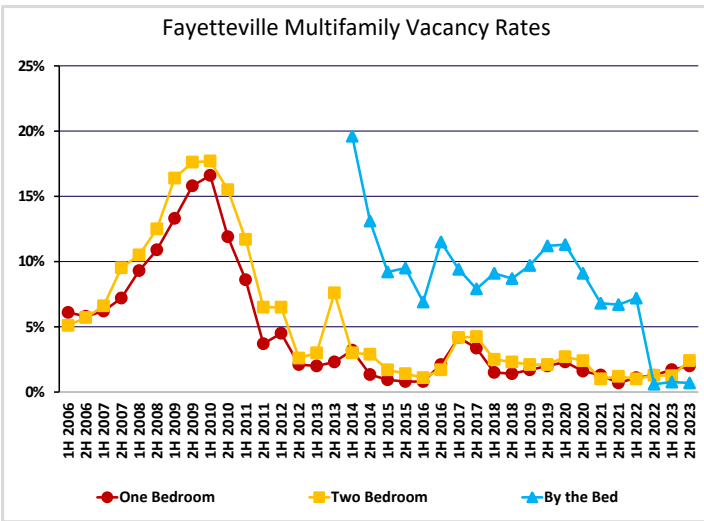
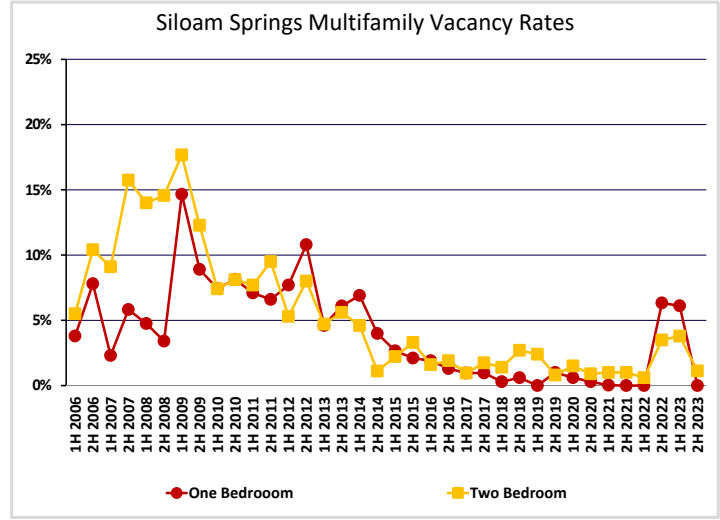
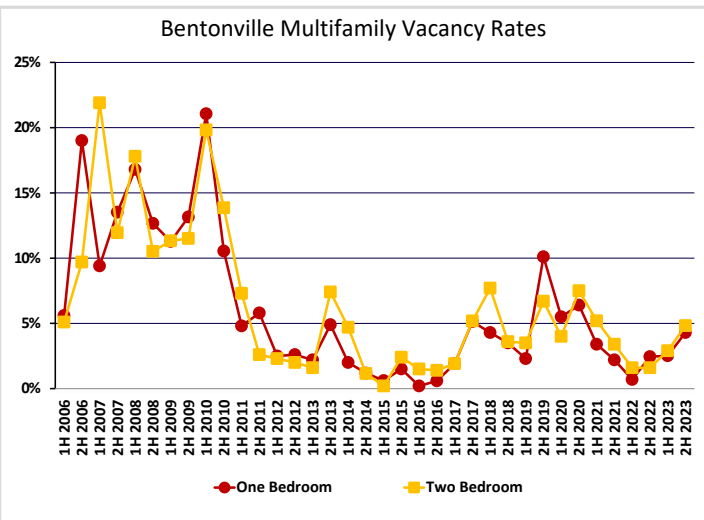
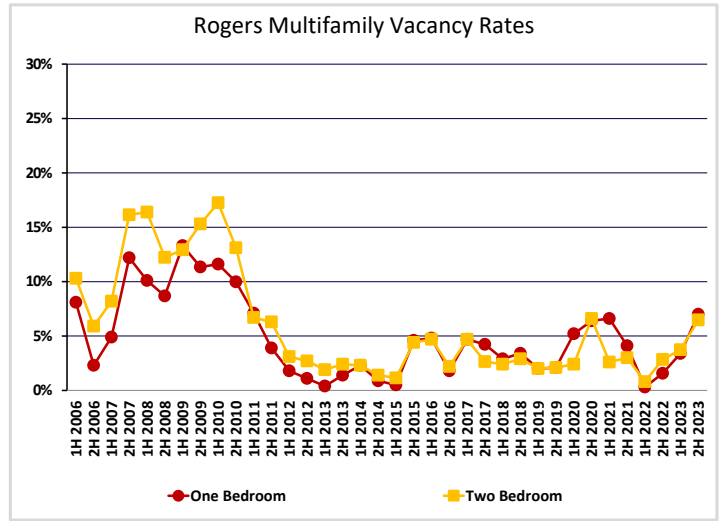
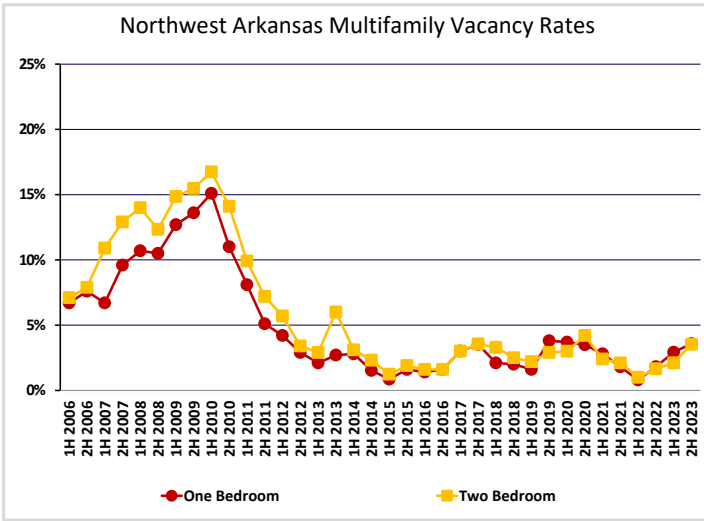
In Springdale, the vacancy rate decreased to 2.0 percent in the second half of 2023 from 2.5 percent in the first half of 2023. More than 440 new rental units are under construction and an additional 1,660 have been announced (24.1 percent of current inventory) in the Fayetteville market.

In the second half of 2023, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$1005.40, from \$952.17 in the first half of 2023.

In the second half of 2023, 19 current multifamily projects had building permits valued at \$256.4 million a decrease from \$263.1 million in the first half of 2023.

# Regional Market Trends

## Multifamily Vacancy Rates



# Regional Market Trends

## Multifamily Rates and Building Permits

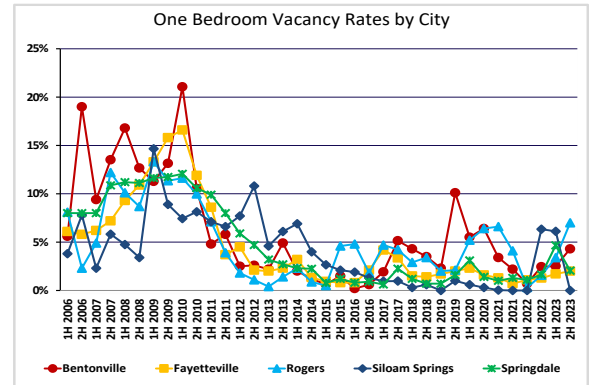
In Northwest Arkansas, 535 building permits were issued, worth \$256.4 million, for 19 separate complexes. Six of the projects are located in Bentonville/Centerton with permits valued at \$40.9 million. The Village at Tara Ridge was the highest valued project at \$29.1 million. Pea Ridge had 1 project valued at \$5.6 million. Rogers had four projects valued at \$115.1 million. The Plaza at Pinnacle Apartments was the highest valued project at \$63.2 million, with Grove Multifamily adding \$36.3 million. Six projects are in Fayetteville, valued at \$76.7 million. The Retreat at Fayetteville's totaled \$34.2 million. Two projects with permits valued at \$17.7 million were located in Springdale/Tontitown. The highest was Bridger Crossing valued at \$13.4 million.

Multifamily Building Permits	Complex or Developer	Number of New Permits	Total Value of Permits	City
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
7/28/2023	Village at Tara Ridge	162	\$29,096,071	Bentonville
10/18/2023	Oak One Town Homes	1	\$2,874,858	Bentonville
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
7/28/2023	Trails at Paradise Valley	1	\$3,078,129	Fayetteville
8/18/2023	Cobblestone Crossing	67	\$15,433,627	Fayetteville
4/4/2023	Hazelton Apartments	11	\$5,674,284	Pea Ridge
1/3/2023	Embassy Apartments	12	\$9,025,776	Rogers
6/21/2023	Plaza at Pinnacle Apartments	1	\$63,266,573	Rogers
9/20/2023	Grove Multifamily	142	\$36,312,709	Rogers
12/8/2023	Villas at Turtle Creek	48	\$6,556,552	Rogers
4/28/2023	Reagan Townhomes	4	\$4,335,542	Springdale
11/16/2023	Bridger Crossing	7	\$13,449,489	Springdale
<b>NWA</b>	<b>19</b>	<b>535</b>	<b>\$256,355,389</b>	

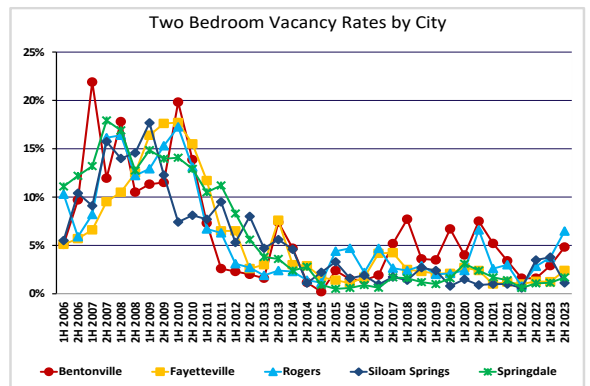
# Regional Market Trends

## Multifamily Sample Data

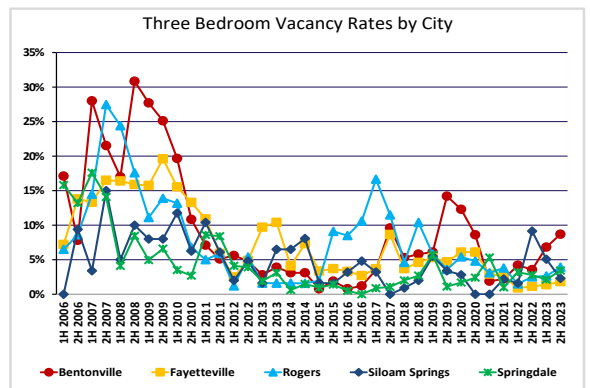
Sample Vacancy Rates	Number of Apartment Complexes	Number of Units	2H 2023 Vacancy Rate	1H 2023 Vacancy Rate	2H 2022 Vacancy Rate
Bentonville	149	9,587	4.9%	3.2%	2.3%
Fayetteville	367	25,083	1.7%	1.2%	1.0%
Rogers	128	8,592	6.6%	3.6%	2.4%
Siloam Springs	49	1,389	0.9%	4.5%	5.0%
Springdale	131	8,770	2.0%	2.5%	1.5%
<b>NWA</b>	<b>824</b>	<b>53,421</b>	<b>3.1%</b>	<b>2.2%</b>	<b>1.6%</b>



Vacancy Rates by Floor Plan	By the Bedroom	One Bedroom	Two Bedroom	Three Bedroom
Bentonville	0.0%	4.3%	4.8%	8.7%
Fayetteville	0.7%	2.0%	2.4%	1.8%
Rogers	0.0%	7.0%	6.5%	3.9%
Siloam Springs	0.0%	0.0%	1.1%	2.3%
Springdale	0.0%	2.1%	1.7%	3.4%
<b>NWA</b>	<b>0.7%</b>	<b>3.6%</b>	<b>3.5%</b>	<b>4.1%</b>



Median Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	500	\$705.00	\$1.41
By the Bed	408	\$875.00	\$2.14
1 Bedroom	612	\$715.00	\$1.17
2 Bedroom	915	\$875.00	\$0.96
3 Bedroom	1,344	\$1,275.00	\$0.95
4 Bedroom	1,535	\$1,800.00	\$1.17
<b>NWA</b>	<b>849</b>	<b>\$875.00</b>	<b>\$1.03</b>



Average Unit Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	548	\$913.99	\$1.67
By the Bed	421	\$844.97	\$2.01
1 Bedroom	656	\$924.01	\$1.41
2 Bedroom	956	\$1,065.65	\$1.11
3 Bedroom	1,296	\$1,386.77	\$1.07
4 Bedroom	1,623	\$1,917.84	\$1.18
<b>NWA</b>	<b>788</b>	<b>\$1,005.40</b>	<b>\$1.28</b>

