



THE SKYLINE REPORT

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UNIVERSITY OF
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SAM M. WALTON
COLLEGE OF BUSINESS

Center for Business
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Second Half of 2015
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Highlights

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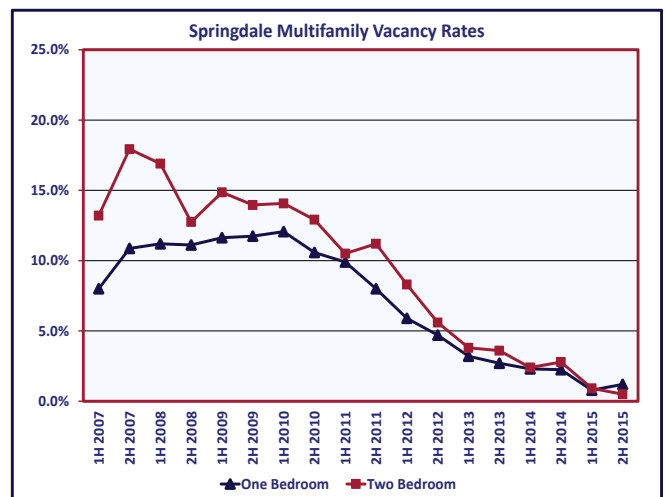
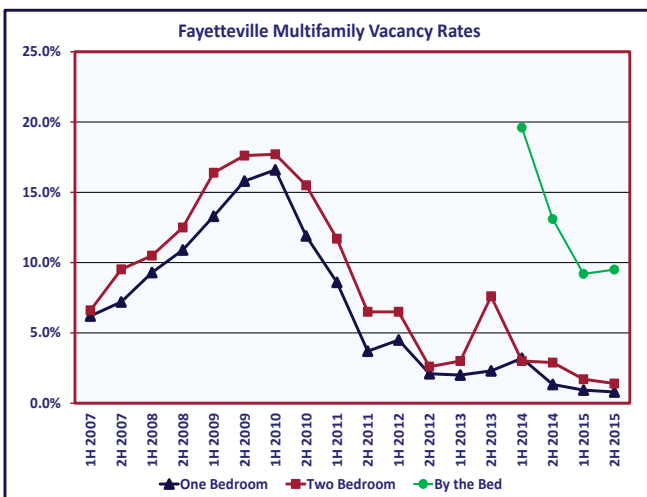
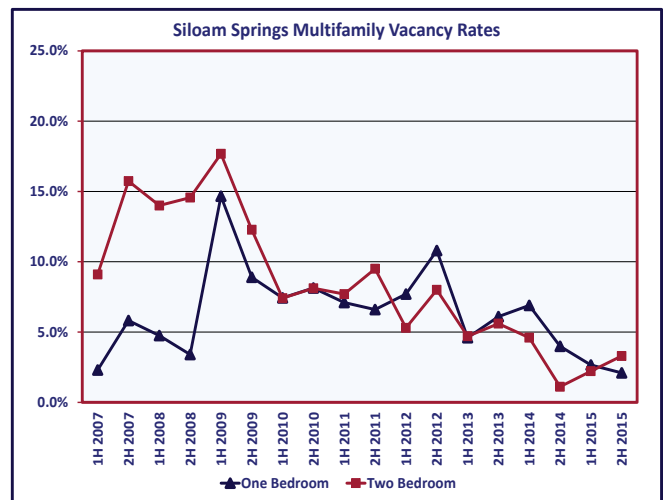
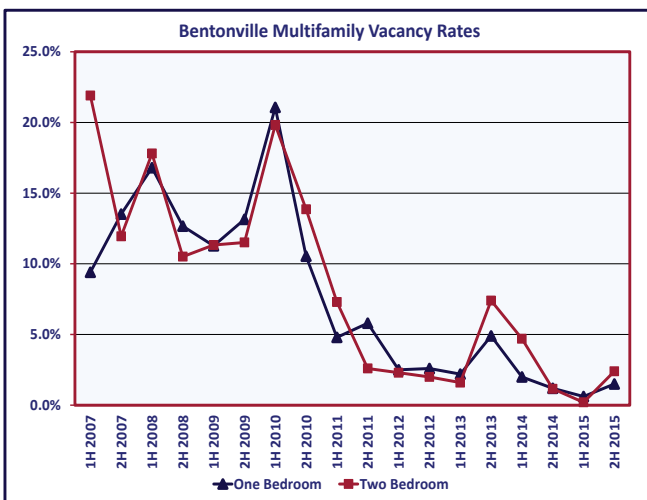
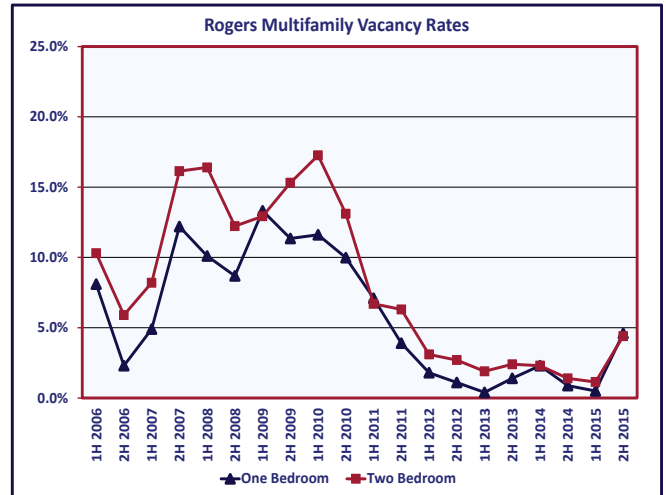
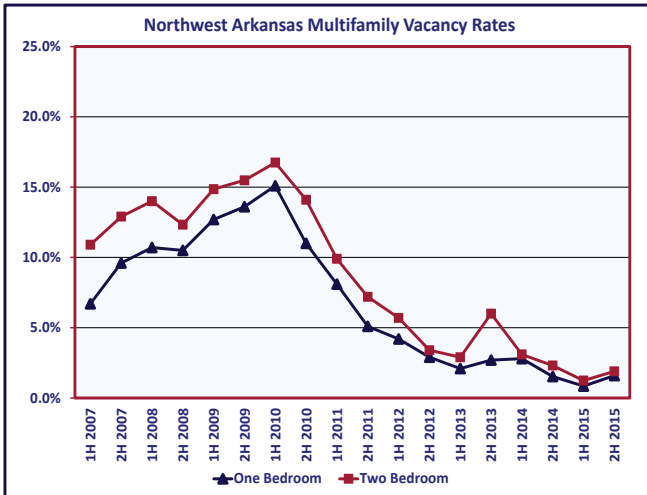
Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the thirty-third 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.

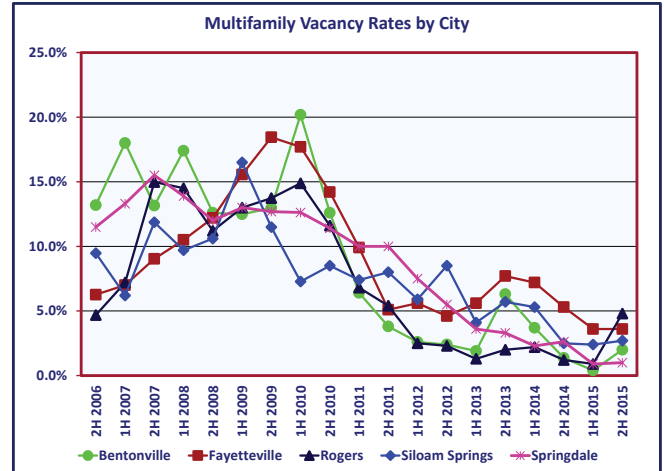
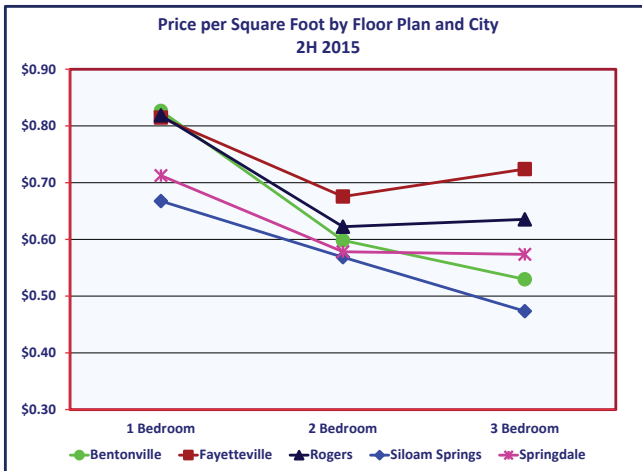
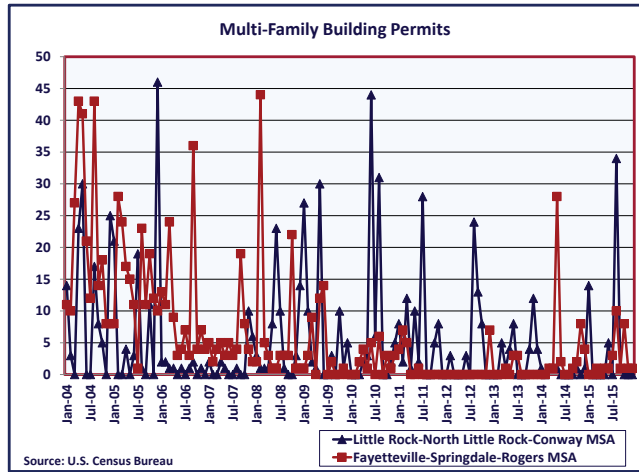
Highlights from the Second Half of 2015

- The vacancy rate for all multifamily properties in Northwest Arkansas increased to 3.0 percent in the second half of 2015 from 2.3 percent in the first half of 2015. The rate was down from 3.7 percent in the same time period in 2014.
- Fayetteville had the largest year over year decline in vacancy rates from 5.3 percent in the second half of 2014 to 3.6 percent in the second half of 2015.
- Over 4,400 rental units have been announced in new multifamily projects for Fayetteville.
- In Bentonville, vacancy rates increased from 1.4 percent in the second half of 2014 to 2.0 percent in the second half of 2015.
- More than 570 rental units have been announced or are under construction in the Bentonville submarket.
- The multifamily vacancy rate in Rogers increased from 1.2 percent in the second half of 2014 to 4.8 percent in the second half of 2015.
- The vacancy rate in Siloam Springs increased from the second half of 2014 to the second half of 2015, moving from 2.5 percent to 2.7 percent.
- Springdale experienced a decline from a 2.6 percent vacancy rate in the second half of 2014 to a 1.0 percent rate in the second half of 2015, giving the city the lowest vacancy rate in Northwest Arkansas.
- In the second half of 2015, the average lease price per month for a multifamily property unit in Northwest Arkansas increased to \$601.43, while the median lease price increased to \$550.00.

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. Four of the projects are located in Rogers, three are in Fayetteville, two are in Bentonville, and one is in Siloam Springs. These 10 projects had 76 building permits issued worth \$118,112,446. The largest project, in Fayetteville, with 2 permits issued worth \$30,213,408, was for Atmosphere. The Trails at Bentonville with 10 permits worth \$26,819,902 was the next largest.

Multifamily Building Permits December 31, 2014 - December 31, 2015

Date	Complex or Developer	Number of Permits	Total Value of Permits	City
8/14/2015	Trails at Bentonville	10	\$26,819,902	Bentonville
10/8/2015	Limestone Ranch	9	\$24,924,138	Bentonville
4/7/2015	Oakland Apartment	1	\$396,468	Fayetteville
7/21/2015	Atmosphere	2	\$30,213,408	Fayetteville
9/21/2015	Champions Club	2	\$12,111,127	Fayetteville
8/15/2015	Promenade Point	4	\$6,682,999	Rogers
8/10/2015	Mt Carmel Assisted Living	21	\$2,381,652	Rogers
9/16/2015	Palisades at Pleasant Grove	16	\$11,054,845	Rogers
9/18/2015	Persimmon Patio Homes	10	\$3,127,907	Rogers
7/27/2015	University Apartments	1	\$400,000	Siloam Springs
	Total	76	\$118,112,446	

Multifamily Market Trends

Sample Vacancy Rates

Market Area	Number of Apartment Complexes	Number of Units	2H 2015 Vacancy Rate	1H 2015 Vacancy Rate	2H 2014 Vacancy Rate
Bentonville	129	4,695	2.0%	0.4%	1.4%
Fayetteville	346	18,051	3.6%	3.6%	5.3%
Rogers	101	4,507	4.8%	0.9%	1.2%
Siloam Springs	51	1,122	2.7%	2.4%	2.5%
Springdale	100	6,288	1.0%	0.9%	2.6%
NWA	727	34,663	3.0%	2.3%	3.7%

Average Size and Price by Floor Plan Second Half of 2015

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	410	\$506.00	\$1.23
By the Bed	458	\$654.00	\$1.43
1 Bedroom	616	\$511.04	\$0.83
2 Bedroom	913	\$592.05	\$0.65
3 Bedroom	1,272	\$830.56	\$0.65
4 Bedroom	1,286	\$1,022.90	\$0.80
NWA	849	\$601.43	\$0.71

Median Size and Price by Floor Plan Second Half of 2015

Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	400	\$400.00	\$1.00
By the Bed	440	\$650.00	\$1.48
1 Bedroom	600	\$450.00	\$0.75
2 Bedroom	900	\$550.00	\$0.61
3 Bedroom	1,252	\$725.00	\$0.58
4 Bedroom	1,300	\$925.00	\$0.71
NWA	804	\$550.00	\$0.68

Vacancy Rates by Floor Plan Second Half of 2015

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	1.5%	2.4%	1.9%
Fayetteville	0.8%	1.4%	3.7%
Rogers	4.6%	4.4%	9.1%
Siloam Springs	2.1%	3.3%	1.6%
Springdale	1.2%	0.5%	1.4%
NWA	1.6%	1.9%	3.6%

