The Skyline Report

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University of Arkansas
Sam M. Walton College of Business
Center for Business & Economic Research

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Contents

Commercial Real Estate Market Summary for Benton and Washington Counties

This report is the forty-first edition of the Skyline Report for Benton and Washington Counties—Commercial 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 commercial real estate market. The information contained in the Skyline Report is critical for lenders, developers, contractors, and potential lessees. The Northwest Arkansas commercial real estate market is fragmented with many local and national commercial real estate professionals competing to serve the needs of a burgeoning business community. Having current information and analysis provides a competitive advantage over those who make decisions without the benefit of hard data.

Highlights from the Second Half of 2019

- In the second half of 2019, there was 850,247 square feet of positive absorption, while 555,747 new square feet were added, leading to net positive absorption of 294,500 square feet in the Northwest Arkansas market and an overall vacancy rate of 10.0 percent, down from 11.0 percent in the first half of 2019.
- 180,382 new square feet were added in the office submarket, while 248,891 square feet were absorbed, leading to net positive absorption of 68,509 square feet in the second half of 2019. The office vacancy rate decreased to 8.5 percent from 8.6 percent in the first half of 2019.
- Within the retail submarket, there was overall positive absorption of 48,169 square feet, while 19,960 new square feet entered the market, leading to positive net absorption of 28,209 square feet. The retail vacancy rate decreased to 9.4 percent in the second half of 2019 from 10.8 percent in the first half of 2019.
- The warehouse submarket had overall positive absorption of 292,732 square feet, while 355,405 new square feet were added in the second half of 2019, leading to a negative net absorption of 62,673 square feet. The Northwest Arkansas warehouse vacancy rate decreased from 10.3 percent in the first half of 2019 to 9.4 percent in the second half of 2019.
- In the office/retail submarket, there was net positive absorption of 37,869 square feet, while no new square feet of office/retail space entered the market in the second half of 2019. The vacancy rate increased from 10.9 percent in the first half of 2019 to 11.7 percent in the second half of 2019.
- From July 1 to December 31, 2019, there were $197,510,689 in commercial building permits issued in Northwest Arkansas. In comparison, there were $166,399,515 in permits issued in the first half of 2019.

Commercial Market Trends

The Skyline Report presents an analysis of data from three primary sources. Information on the entire population of commercial property is gathered from the offices of the Benton and Washington County Assessors. These data sets are then filtered to exclude properties that are not part of the competitive leasing market. These excluded properties include owner-occupied buildings and other dedicated spaces. Additionally, commercial properties that do not meet certain minimum size criteria (detailed on page 56) are also filtered from the base of commercial properties considered. As a second source of data, building permit information is collected from the relevant divisions in Northwest Arkansas city governments. Finally, availability, lease rates, and other characteristics of competitive commercial properties are obtained from a panel of the largest commercial property owners and managers in Northwest Arkansas. Each of the three types of information that is collected gives a unique but critical perspective of the local commercial property market. Without understanding what the universe of commercial properties looks like at the beginning of a period, the scale of available space for lease is meaningless. Likewise, the data that come from building permits paint a picture of what market additions are imminent. Only after setting the stage with these two perspectives do vacancy rates and market absorption numbers have real value.

In order to provide yet another level of perspective on the Northwest Arkansas commercial property market, the Skyline Report contains an overview of national and regional macroeconomic conditions. Ultimately, the real estate market is subject to the same fundamental forces that shape the rest of the economy, so having a broader view of current issues provides insights into potential challenges and opportunities for commercial property development.

To this end, the Skyline Report begins with an economic overview. First, national output and employment issues are discussed, followed by the discussion of short-term and long-term interest rate prospects. Then, recent regional economic statistics, focusing on regional employment trends, are presented. After the economic overview, the results of some focus group discussions with commercial property developers and managers are summarized in order to supplement the hard data with anecdotal evidence from market participants about regional trends.

After the summary of local perceptions, the second half of 2019 numbers for total commercial property square feet and building permit data are presented. Within the total square feet table, a breakdown of property type by city is provided. Also, the square footage of competitive commercial property for which the 232 panelists provide information is broken down by city and the percentage of coverage of the competitive market is calculated. A table containing publicly announced new commercial real estate projects is presented after the summary of building permit data. This table is meant to provide an indication of the future direction of the Northwest Arkansas commercial property market. As many of these projects are still in the conceptual phase, hard data is incomplete and subject to change. This period, the announced data was examined particularly closely. Project locations were checked and developers were contacted regarding the projects from the previous Skyline report.

Following the tables of announced commercial projects, hotels, and restaurants is a trend summary that includes information about vacancy rate and available space trends. There are also three tables summarizing the results from the most recent time periods. The first table presents vacancy rates by submarket for the second half of 2018, and both the first half of 2019 and the second half of 2019. The second table presents net absorption by submarket and the third table presents available square footage by submarket for the same time periods. These tables are the foundation for the performing trend analysis and for separating the seasonal effects from real effects. The results in the tables are referred to throughout the remainder of the Skyline Report.

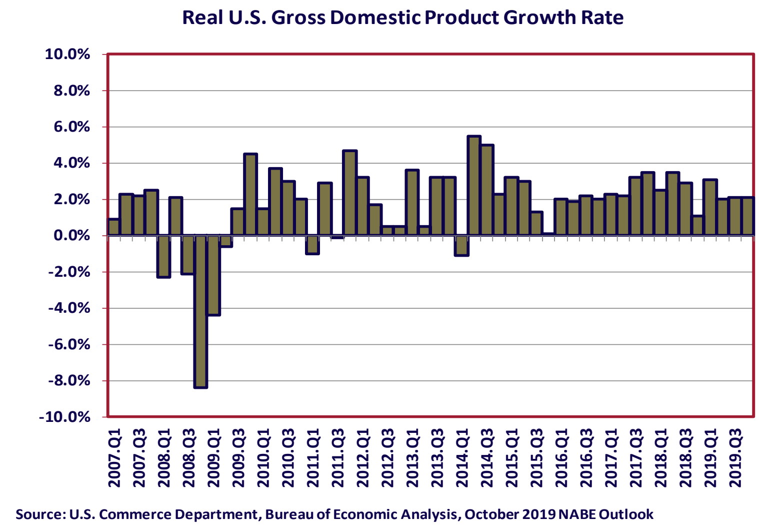
The next four sections present analyses of Northwest Arkansas submarkets by type of space. The office submarket is examined first, followed by the office/retail, retail, warehouse, office/warehouse, and retail/warehouse submarkets. Following these sections are commercial property summary statistics by city. There are sections for Bella Vista, Bentonville, Fayetteville, Johnson, Lowell, Rogers, Siloam Springs, and Springdale.

Finally, a section on how to interpret the numbers contained in the report and a description of the commercial property classification system are offered.

By aggregating and analyzing data from a variety of sources, the Skyline Report is unique in its perspective on the Northwest Arkansas commercial property market. The information should be useful to anyone with an interest in the current workings and projected course of commercial real estate in Benton and Washington Counties.

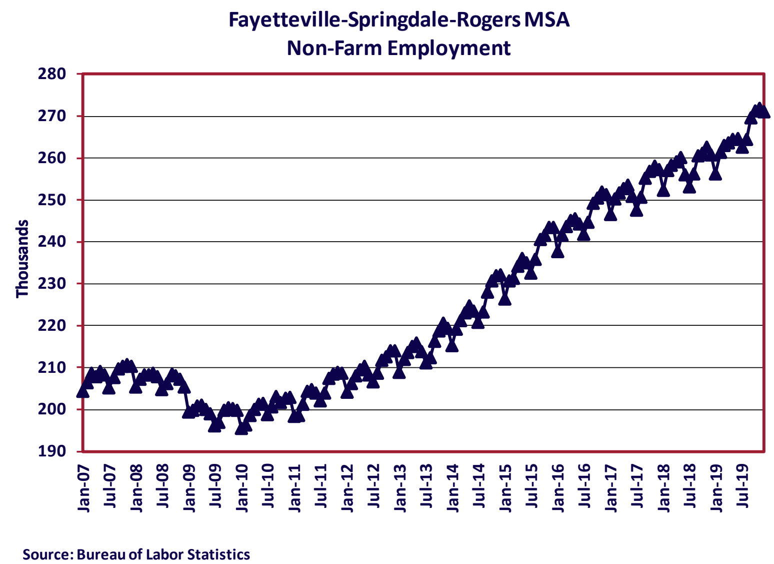
Economic Overview

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.



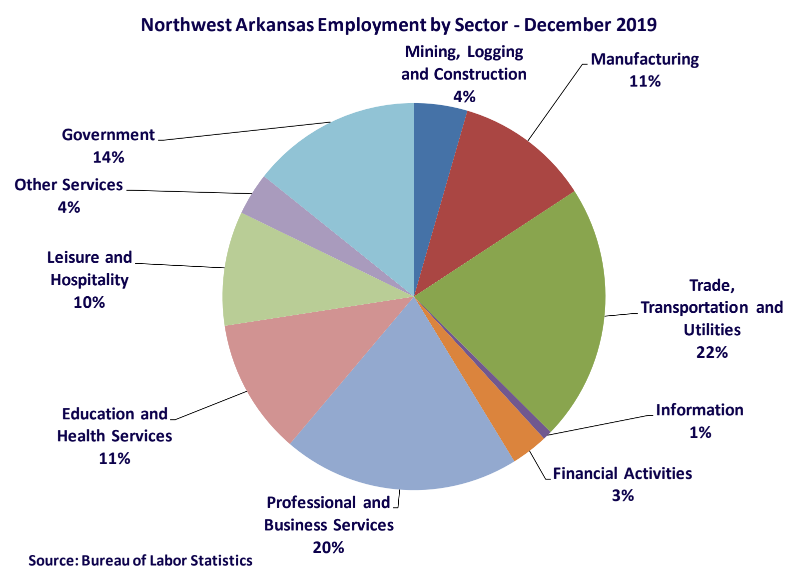
Gross Domestic Product

In the fourth quarter of 2019, real GDP increased by 2.1 percent according to advance estimates released by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). Real GDP increased by 2.1 percent in the third quarter of 2019. The increase in real GDP in the fourth quarter reflected positive contributions from personal consumption expenditures (PCE), federal government spending, state and local government spending, residential fixed investment, and exports that were partly offset by negative contributions from private inventory investment and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased. Real GDP growth in the fourth quarter was the same as that in the third. In the fourth quarter, a downturn in imports, an acceleration in government spending, and a smaller decrease in nonresidential investment were offset by a larger decrease in private inventory investment and a slowdown in PCE.



Employment

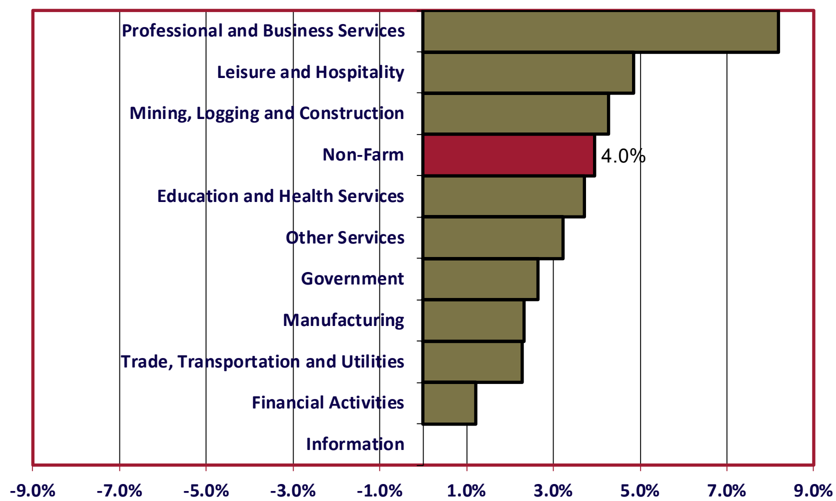
The Northwest Arkansas employment situation is extremely important to the health of the real estate market. The most recent data show that employment in the Northwest Arkansas region was at 271,000 in December 2019, up 4.0 percent from December 2018. According to the U.S. Bureau of Labor Statistics (BLS), the unemployment rate in Northwest Arkansas was at 2.3 percent in December 2019, lower than the 2.7 percent unemployment rate in December 2018. The unemployment rate has remained under 4.0 percent since August of 2015. The unemployment rate in Northwest Arkansas continues to be lower than both the state (3.4 percent) and national (3.4 percent) unadjusted rates.



Economic Overview

With the purpose of exploring more closely the composition of job growth in Northwest Arkansas, two additional figures (on the previous page) are provided. The first shows the December 2019 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 (10 percent). The other figure shows the annual percentage change in the metro area's employment by sector from December 2018 to December 2019. Total nonfarm employment increased by 4.0 percent during that time. Employment in professional and business services, leisure and hospitality, and construction, sectors grew more quickly than 4.0 percent. The information sector remained unchanged and all other sectors grew slower than 4.0 percent.

Change in Northwest Arkansas MSA Employment by Sector, December 2018 - December 2019

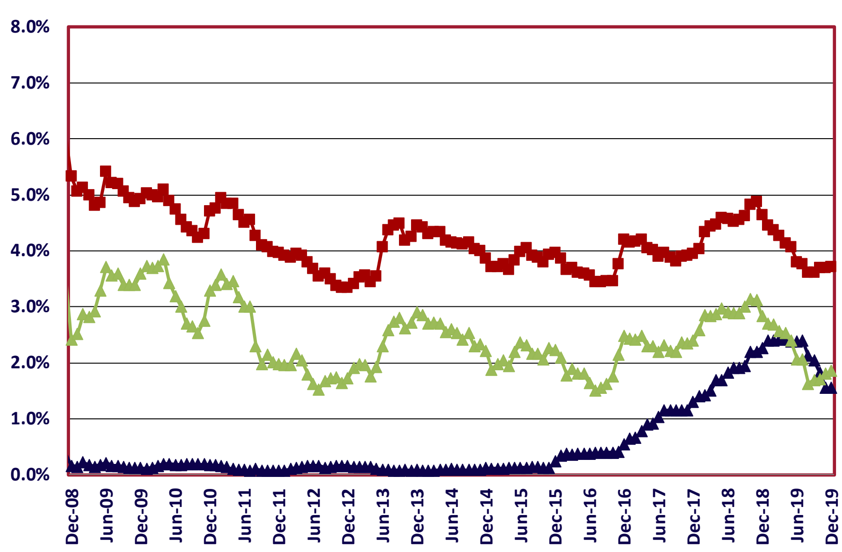


Source: Bureau of Labor Statistics, CBER Calculations

Interest Rates

The Federal Funds rate averaged 1.55 percent in December 2019. The ten-year constant maturity Treasury bill had an interest rate of 1.86 percent in December 2018, up from 2.83 percent in December 2018. The positive spread between the ten-year rate and the federal funds rate narrowed from a year ago, but remains positive as both rates have decreased. The Federal Reserve Open Market Committee decided to maintain the target range for the federal funds rate from 1.5 to 1.75 percent. The stance of monetary policy is judged appropriate to support sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective. The accompanying figure shows the Federal Funds rate and the thirty-year mortgage rate since December 2008. The 30-year mortgage rate was 3.72 percent in December 2019.

Selected Interest Rates



Source: Federal Reserve Board of Governors

Local Perceptions of the Northwest Arkansas Commercial Property Market

In each reporting period, Center for Business and Economic Research staff members discuss market conditions with a panel of commercial developers and/or property managers to gain insights into the current commercial real estate market in Benton and Washington counties. In the second half of 2019, respondents expressed continued optimism about growth and development in the Northwest Arkansas real estate market. In addition to conversations about supply and demand for space and the cost of construction, panelists discussed the hospitality sector and tourism, infill development in each of the major cities in Northwest Arkansas, and place-making efforts.

According to panelists, in the second half of 2019 demand for Class A space remained strong in Northwest Arkansas. Several used the term “flight to quality” to describe the movement of large firms from older Class B space to new Class A space. Companies are attracting talent with ‘cool space’ designed like WeWork offices or by building in high-amenity locations. Demand could also be positively impacted by global logistics and supply chain firms looking for locations in Northwest Arkansas and the growing investments in innovation and startup businesses. Some panelists mentioned the demand is increasing for high quality big floor plates, 20,000 square feet and over) which is in short supply in the current market. However, firms might be leaving larger Class B space for smaller Class A space and still paying the same total monthly rent as more workers can be housed in the new open floor plans.

Demand for medical office space is being driven by the expansions of local clinics throughout Northwest Arkansas, the two new large Mercy buildings, the almost complete Highlands Oncology, and the coming Arkansas Blue Cross Blue Shield office. Many respondents feel this sector will continue to have strong growth as the Northwest Arkansas population ages and grows, and income level.

The price differential between Class A and B continues to drive demand for Class B space panelists think that the Class B office market space is doing well. Some panelists highlighted new well-located Class B developments including: Vantage Point off Joyce in Fayetteville, led by Kyle Naples and David Erstine, and Venture Park on the border of Bentonville and Rogers off Dodson Road, led by Todd Fleeman and David Erstine. However, most panelists feel that as the “flight to quality’ continues over time, there is going to be a much greater vacancy rate in the Class B office market and that will require an even greater price differential with Class A office space. Respondents believed that vacant Class C office space remained too costly to convert to something more productive.

Most respondents feel the current level of supply being created across the market categories will be absorbed within a reasonable time, typically no more than two years for large space. Since high net worth individuals are funding most of the large-scale developments there is much less worry about a market slowdown. One concern that remains is the impact on market supply when the Walmart Home office is complete. There is uncertainty as to how much and how fast Walmart will vacate the over 500,000 square feet of space it is or will be leasing soon. Higher construction costs spurred by the shortage of land and labor, is a major concern for respondents making proformas. These higher construction costs have some respondents concerned about the market response to lease rates being driven higher. While some respondents feel that the Northwest Arkansas market can bear Class A lease rates topping $40 per square foot, others feel that the mid-$30’s per square foot is as high as the market can sustain soon.

The Northwest Arkansas tourism and hospitality sector was discussed by respondents who brought up the increase in the number of potential hotel developments in the region. Many felt this Northwest Arkansas has developed into a weekend tourist destination and isn’t just dependent on business travel or Razorback events. The growth of the arts sector, the biking industry, and the trails were mentioned by respondents as causes for the increase in tourism. A few respondents expect new hotels in areas that have lots of amenities as hotels are lagging features in new developments. Growth in the restaurant sector continues to be a bright spot in the local retail market. Respondents feel that local operators have a real opportunity for success even as additional national chains locate in Northwest Arkansas. Some respondents mentioned potential demand for additional fine dining establishments. Panelists also feel that with young people valuing experiences so highly there continues to be demand for successful small restaurants in

Local Perceptions

central and dense locations. However, some challenges may hold back the development of new restaurants such as the labor shortage in food preparation the concern that new restaurants just cannibalize older ones rather than increasing the number of patrons.

Respondents had thoughts, opinions, and suggestions for infill development in each of the cities in Northwest Arkansas. First, there was uniform agreement that building in city centers with lots of amenities is a good way to limit sprawl. However, there are some challenges to infill development like higher land and construction costs, costs associated with meeting zoning and other regulations attached to infill parcels. , again driving costs higher. If the cities want the infill commercial and residential developments to be affordable, respondents felt there needs some relaxed the zoning and other regulations for infill developments. Panelists still remained enthusiastic about the continued growth in the downtown areas of Bentonville, Fayetteville, Springdale, and Rogers.

Place-making was also an important topic in the second half of 2019 conversations. The panelists talked about the new mixed-use communities being built in Pinnacle and Johnson as having a sense of place and walkability. Residential builders also talked about consciously creating a sense of place in their residential subdivisions with trails, parks, and other amenities. Commercial builders with individual buildings, not entire mixed-use developments, also talked about creating a sense of place within the building and with its immediate environment. The panelists feel that successful developments will be those that take place-making into account in order to remain viable in the long term in spite of the added costs of construction.

The major national concerns mentioned by panelists that might impede growth in the Northwest Arkansas market were the trade and tariff issues and the large debt load carried by many large corporations. Local concerns mentioned including the possibility of an overbuilt student housing market and the rising costs of construction from land and labor shortages. Respondents have no real sense of when a downturn in the Northwest Arkansas market might come, but they universally feel that when it does it will be mild.

As always respondents mentioned that a strong sense of stability in the region was provided by the major economic drivers like, Walmart and the retail sector, the University of Arkansas and the education sector, J. B. Hunt, and the transportation sector, and Tyson Foods and the food industry sector.

Positive Factors:
Continued population growth in the MSA.
Construction of the new Walmart Home Office.
Growth of existing businesses creating demand for new Class A office space.
Growth in the healthcare sector creating demand for new Medical Office space.
Development of mixed use live-work-play communities. Leveraging the trail system as a selling point for commercial space.
Continuing creation of amenities in Northwest Arkansas.
Increasing attention to the MSA by national investors.
Continuing media coverage of Northwest Arkansas as a good place to work and live.

Negative Factors
Increased construction costs and skilled labor shortage. Negative Factors:
Increased construction costs and skilled labor shortage.
Impact of Walmart Home Office on construction costs.
Lease rate increases outpacing small firm's ability to pay.
Shift to work-stations leading to less office demand.
Overhang of existing C space.
Future increase in Class B office space vacancy rates.
Overbuilding of the student housing market around the University of Arkansas.
Infrastructure costs.

Inventory and Building Permits

Categories of Commercial Properties

The Northwest Arkansas commercial market is divided into eight major categories of space:

Lab – a workplace for conducting scientific research;

Industrial—space that is appropriate for the manufacturing of goods;

Office—space where business professionals work;

Office/Retail—space that can be configured as either office or retail space or both;

Office/Warehouse—space that can be configured as either office or warehouse space or both;

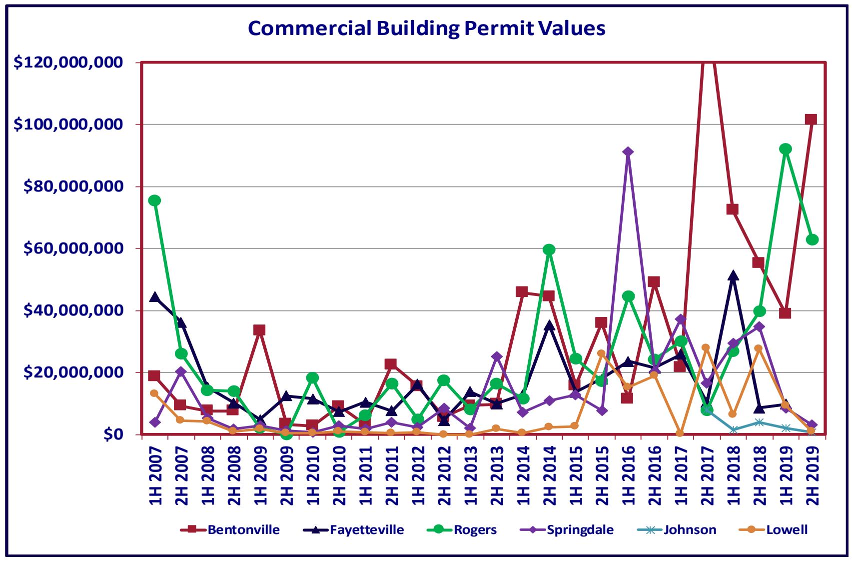
Retail—space where goods and services can be offered and sold to the public;

Retail/Warehouse—space where goods and services can be offered, sold, and stored;

Warehouse—space where goods can be stored until distributed.

Further, analysts at the Center for Business and Economic Research have classified individual office, office/retail, retail buildings, and warehouse into three categories: Class A, Class B, and Class C. A description of the methodology used to classify buildings is included at the end of this report. Class A space is the highest quality space available in the Northwest Arkansas market. Class B properties encompass a wide range of spaces, which have lease rates that cluster around the market average. Finally, Class C space describes properties that have sub-average lease rates and amenities.

Local Commercial Property Inventory and Building Permit Data



The table on the following page presents the total competitive commercial property inventory in Northwest Arkansas that meets minimum square footage requirements as of December 31, 2019. For the second half of 2019, the Skyline Report covered 99.9 percent of the total competitive commercial property population in Northwest Arkansas. Some cities had more complete coverage than others.

Building permit data from the past twelve years is presented for six major cities in Northwest Arkansas. Building permit data are seasonal in nature and show large fluctuations in square footage and value from half to half. Moreover, any particularly large project can skew the numbers immensely. Building permit data are also city-specific. Only the cities of Bentonville, Fayetteville, and Siloam Springs present square footage data, while only Bentonville and Fayetteville break out the different types of commercial property. A standardization of building permit applications in the region would provide superior data for comparison purposes.

From July 1 to December 31, 2019, there were $197.5 million in commercial building permits issued in seven major cities in Northwest Arkansas, Bentonville, Fayetteville, Johnson, Lowell, Rogers, Siloam Springs, and Springdale. In the third quarter of 2019, over $54.6 million in commercial building permits were issued. In the fourth quarter, almost $142.9 million in building permits were issued. In the second half of 2019, Bentonville again had the greatest share of building permit value with 51.3 percent. Rogers followed with 31.8 percent, then Fayetteville with 13.5 percent. Springdale, Siloam Springs, Lowell and Johnson accounted for 1.6, 1.1, 0.4 and 0.3 percent, respectively.

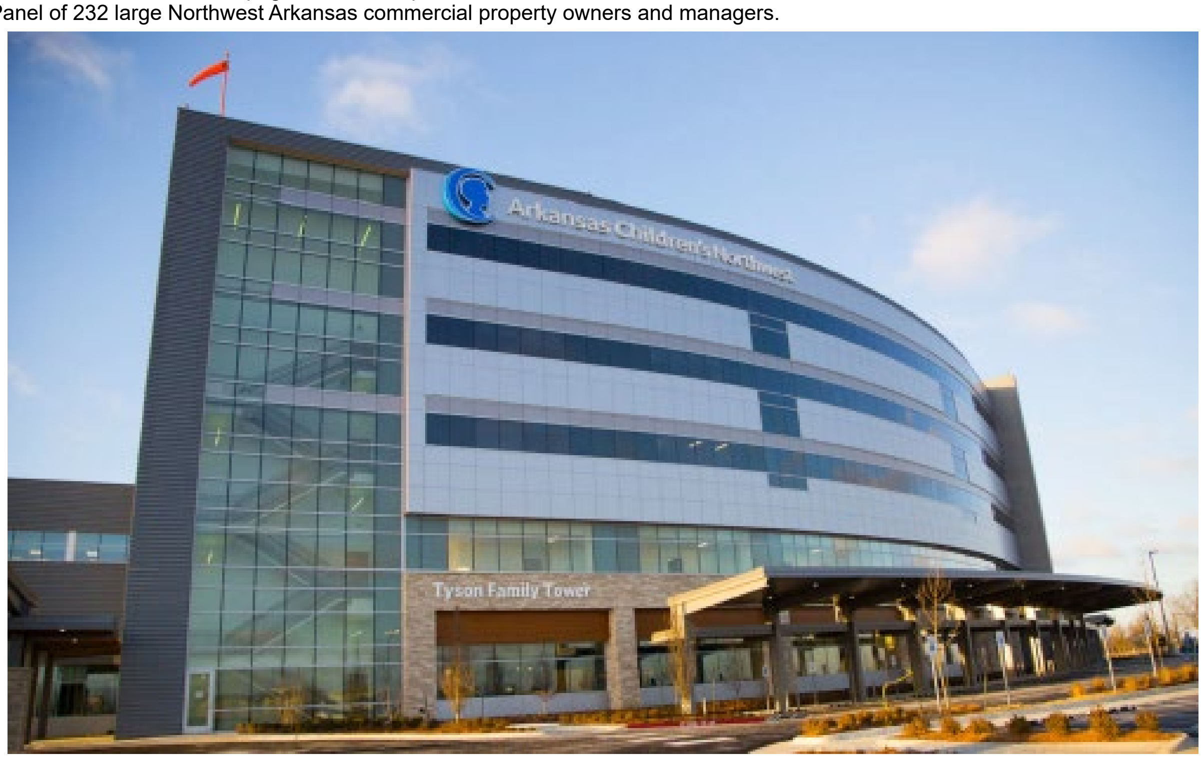
A table of announcements of new commercial projects is included as an indication of the future direction of the Northwest Arkansas commercial market. The list is not exhaustive, but represents an effort to gather data at a step before the official permitting process. The managers and owners of many of these properties have provided the Center for Business and Economic Research with information about these buildings, but until construction is complete, they do not appear in the aggregated total square footage and available square footage calculations. Some of the properties listed are actually under construction, while others are only in the concept phase. The Center researchers examined the announced data closely this reporting period and project locations were checked and developers were contacted regarding the projects from the last Skyline report. The conceptual category means that the developer still feels the project is viable, but there are many uncertainties regarding funding, leasing, timing, etc., which results in an undetermined timeline.

Following the announced properties table is a list of the existing hotel properties in Northwest Arkansas, detailed by city. In the second half of 2019, there were 6,482 standard rooms and 2,453 suites in Northwest Arkansas. Bentonville had the most standard rooms with 1,865 while Rogers had the most suites with 974. Additionally, graphs that describe the development of hotels in Northwest Arkansas over time are provided below the hotels list. Announced new hotel properties are detailed in a table following the existing hotel properties. Respondents continue to feel that the region can slowly absorb a few more 100 - 200 bed hotels, in the proper locations, but the market is still not ready for another large hotel. Respondents indicated that hotels are lagging and not leading developments. As many hotels are being discussed, other amenities need to be built first before hotels can be realized. Finally, lists of announced new and closed restaurant properties follow the hotel information.

Total Square Feet and Coverage of Competitive Commercial Properties

	Industrial[1]	Office[1]	Retail[1]	Warehouse[1]	Total[1]	Panel Total Square Feet[2]	Panel Coverage[2]
Bella Vista	--	129,924	242,600	90,964	463,488	426,623	92.0%
Bentonville	31,300	4,328,497	1,150,913	2,219,352	7,730,062	7,771,630	100.5%
Fayetteville	1,076,079	3,460,732	4,386,820	2,293,086	11,216,717	11,111,222	99.1%
Johnson	--	316,424	115,189	106,164	537,777	535,698	99.6%
Lowell	101,970	352,742	172,208	1,368,298	1,995,218	2,026,871	101.6%
Rogers	1,088,888	3,169,587	4,504,045	2,940,016	11,702,536	11,892,944	101.6%
Siloam Springs	329,942	210,261	727,832	340,615	1,608,650	1,576,411	98.0%
Springdale	1,902,597	1,559,054	2,361,580	4,517,347	10,340,578	10,069,234	97.4%
Northwest Arkansas	4,530,776	13,527,221	13,661,187	13,875,842	45,595,026	45,410,633	99.6%

[1]Source: Benton and Washington County offices of the Assessor. The total square feet represent the population of competitive commercial properties that meet the baseline criteria set out on page 56 of this report.
[2]Source: Panel of 232 large Northwest Arkansas commercial property owners and managers.



Commercial Building Permit Data by City

	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2004	$33,688,757	$6,895,991		$10,438,139	$22,223,774	$2,181,393	$7,565,477	$82,993,531
1H 2005	$11,815,506	$34,051,900		$1,980,789	$56,706,466	$1,313,700	$18,083,357	$123,951,718
2H 2005	$81,880,093	$9,953,983		$4,942,568	$110,678,804	$350,000	$18,982,434	$226,787,882
1H 2006	$47,697,359	$42,111,014		$13,283,454	$80,719,664	$3,815,000	$14,474,460	$202,100,951
2H 2006	$23,419,099	$28,869,112		$2,303,434	$34,626,003	$6,428,000	$25,663,800	$121,309,448
1H 2007	$18,808,415	$44,369,814		$12,986,414	$75,370,463	$3,044,500	$3,960,747	$158,540,353
2H 2007	$9,270,206	$36,232,709		$4,504,202	$26,201,547	$2,575,178	$20,375,131	$99,158,973
1H 2008	$7,553,153	$15,277,888		$4,075,075	$14,174,030	$3,200,000	$5,365,823	$49,645,969
2H 2008	$7,598,329	$10,137,283		$1,019,000	$13,991,275	$1,006,596	$1,861,390	$35,613,873
1H 2009	$33,515,745	$4,772,611		$1,816,498	$2,045,000	$400,000	$2,790,524	$45,340,378
2H 2009	$3,336,498	$12,409,242		$330,803	$77,000	$594,711	$1,177,388	$17,925,642
1H 2010	$2,766,890	$11,450,334		$355,505	$18,279,147	$1,296,000	$798,774	$34,946,650
2H 2010	$9,061,421	$7,303,046		$941,017	$958,000	$6,005,000	$2,791,196	$27,059,680
1H 2011	$3,242,390	$10,467,426		$588,289	$6,230,536	$22,997,000	$1,803,778	$45,329,419
2H 2011	$22,539,624	$7,670,954		$404,493	$16,450,594	$500,000	$3,784,736	$51,350,401
1H 2012	$15,513,297	$16,172,483		$709,949	$4,729,000	$0	$2,373,879	$39,498,608
2H 2012	$5,548,940	$4,490,596		$0	$17,500,885	$3,878,115	$8,500,567	$41,003,802
1H 2013	$9,413,479	$13,721,837		$0	$8,053,072	$2,165,090	$1,932,102	$35,285,580
2H 2013	$9,761,846	$9,870,021		$1,662,604	$16,460,247	$0	$25,198,394	$62,953,112
1H 2014	$45,696,890	$12,814,157		$299,768	$11,565,338	$700,000	$7,094,799	$78,170,952
2H 2014	$44,590,848	$35,460,764		$2,318,330	$59,636,677	$718,450	$10,768,146	$153,493,215
1H 2015	$15,836,919	$13,708,267		$2,437,861	$24,350,596	$6,095,000	$12,775,373	$75,204,016
2H 2015	$35,900,580	$17,896,238		$25,862,860	$17,119,143	$8,333,878	$7,687,375	$112,800,074
1H 2016	$11,468,554	$23,593,197		$15,271,255	$44,678,795	$20,222,189	$91,251,395	$206,485,385
2H 2016	$49,024,427	$21,448,817		$18,919,904	$24,284,830	$3,339,470	$20,229,719	$137,247,167
1H 2017	$21,640,501	$25,886,133		$84,000	$30,057,027	$1,988,141	$37,156,422	$116,812,224
2H 2017	$138,360,495	$10,228,463	$8,073,170	$27,871,066	$7,774,327	$3,275,935	$16,601,415	$212,184,871
1H 2018	$72,307,096	$51,400,262	$1,605,452	$6,430,700	$26,981,881	$1,934,066	$29,449,799	$190,109,255
2H 2018	$55,161,056	$8,507,982	$3,873,492	$27,580,755	$39,814,429	$39,080	$34,817,865	$169,794,659
1H 2019	$38,912,450	$9,798,461	$1,956,100	$9,227,306	$92,084,379	$6,074,608	$8,346,211	$166,399,515
2H 2019	$101,276,758	$26,621,150	$678,435	$862,000	$62,846,979	$2,161,274	$3,064,093	$197,510,689

New Commercial Projects

Announcements of New Commercial Projects

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Mercy Clinic	Bella Vista	Mercy Health Systems	Medical	4-6,000	Conceptual
Sisters of Mercy Multispeciality Clinic	Bella Vista	Sisters Of Mercy Health Systems	Medical		Conceptual
Boat Storage Buildings	Benton Cty	Robert and Travis Pennington	Warehouse	8,400	Conceptual
Tufco Warehouse	Benton Cty	Tufco	Warehouse	20,000	Conceptual
14th Street Commercial Building	Bentonville	Flake-Kelley	Commercial	4,500	Conceptual
305 Main Street	Bentonville	Chip Chambers	Office	15,000	Conceptual
319 S Walton	Bentonville	Randy Crossno	Office	15,115	Conceptual
8777 Airport Road Retail	Bentonville	Flake-Kelley	Retail	13,322	Conceptual
Ankle & Foot Center of Mid-America	Bentonville	Ankle & Foot Centers of Mid-Am	Medical Office	4,000	Spring 2020
Arvest Bank Uptown Village	Bentonville	Arvest Bank	Bank		Conceptual
Aspen Park	Bentonville		Commercial	87,893	Conceptual
Aspire Gymnastics Academy	Bentonville	Karen and Steve Cherry	School	34,000	Summer 2020
Beau Chene Crossing	Bentonville	Sage Partners	Office	54,000	Conceptual
Benton County Courthouse	Bentonville	Benton County	Court House	86,000	Conceptual
Bentonville Brewing Co	Bentonville	Ropeswing, Katie Boykin	Commercial	21,600	Spring 2020
Bentonville Flight Center	Bentonville	Municipal Airport	Commercial		Conceptual
Bentonville Merchant North-Central	Bentonville		Office		Conceptual
Bentonville Merchant South-Central	Bentonville		Office		Conceptual
Best Joy Office on J	Bentonville	Best Joy LLC	Office	7,000	Conceptual
Blake Street House	Bentonville	RopeSwing	Social Club	18,400	Done
BOS Park Self Storage	Bentonville	D. Duncan, J. Lykins, C. Palmer	Commercial	104,200	Conceptual
Cadence Group-Central	Bentonville	Cadence Group	Office		Conceptual
Center City Parking Garage	Bentonville	Josh Kyles	Parking Garage		late 2020
Childrens Acadamy on I St.	Bentonville		School		Conceptual
City U	Bentonville	Bentonville Housing, LLC	Commercial	5,000	Conceptual
Convention Center	Bentonville	Brian Bahr	Convention Center	75,000	Conceptual
Cottonwood Office	Bentonville	Dean Eisma	Office	8,000	2020
Crossmar Supplier Park III	Bentonville	Cross Mar and Glass Investments	Warehouse	175,000	Done
Crossmar Supplier Park IV	Bentonville	Cross Mar and Glass Investments	Warehouse	260,000	2020
Crossmar Supplier Park V	Bentonville	Cross Mar and Glass Investments	Warehouse	200,000	Conceptual
Crossmar Supplier Park VI	Bentonville	Cross Mar and Glass Investments	Warehouse	200,000	Conceptual
Crystal Flats, Phase I	Bentonville	Cindy Springs, LLC	Commercial	15,382	Spring 2020
Discovery Storage	Bentonville		Mini storage		Conceptual
District at SW 4th and C	Bentonville		Commercial		Conceptual
Downtown Bentonville Project	Bentonville	Walton Family Foundation	Commercial		Conceptual
Elevator Building on 3rd Street	Bentonville	Flake-Kelley	Office	12,000	Conceptual
EMC Building	Bentonville	Emergent Property Management	Office/Retail	4,700	Spring 2020
First Security Bank-Downtown	Bentonville	First Security Bank	Commercial	9,716	Done
Fountain Plaza Office II	Bentonville	Jeannie Fleeman	Office	12,500	Spring 2020
Generations Bank	Bentonville	Jon Harrell	Bank	12,000	Spring 2020
Generations Bank	Bentonville	Jon Harrell	Bank	11,000	Conceptual
Hogwild Development	Bentonville	Hogwild	Commercial	88,000	Done
Hwy 72 Warehouse	Bentonville	Matt Ahart, NAI Capstone	Office/Warehouse	30,000	Conceptual
I Street Landing	Bentonville	Bill Burckart	Office		Conceptual
J3 Phase II	Bentonville	SREG	Commercial	100,000	Conceptual
KCG BV Veterinary Clinic	Bentonville	KCG BV LLC, Kelsey Kreher	Medical Office		Conceptual
Lamplighter Develop-The Ellington	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	30,000	Done
Lamplighter Dev-The Hancock	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial		Conceptual
Little Life Lessons Academy	Bentonville		Daycare		Conceptual
Live/Work Artist Space	Bentonville	Walton Family Foundation	Commercial		Conceptual
Macadoodles Plaza II	Bentonville	Roger Gilhaus	Office	16,500	Conceptual
Main Street Office	Bentonville	Sage Partners	Office	18,000	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Mobius Learning Academy	Bentonville	Katie and Nick Bartlett	School	7,800	2020
Municipal Drive Warehouse	Bentonville	Matt Ahart, NAI Capstone	Office/Warehouse	36,046	Conceptual
North Walton Development	Bentonville	Rich Grubbs	Retail	3,420	Delayed
North Walton Development II	Bentonville	Rich Grubbs	Retail	2,697	Delayed
North Walton Development III	Bentonville	Rich Grubbs	Retail	3,489	Delayed
NWAAC Integrated Design Lab	Bentonville	NWACC	School	18,500	Done
Old Walmart Home Office	Bentonville	Walmart	Commercial		Conceptual
Pioneer Woman Office	Bentonville	Dean Eisma	Commercial	8,000	Conceptual
Public Works Building	Bentonville	City of Bentonville	Office	4,000	Done
RedBird Office Facility	Bentonville	Ramsay Ball	Office	90,000	Summer 2020
ROC Offices, Building I	Bentonville	Crossmar Investments	Office	48,600	Done
ROC Offices, Building III	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Building IV	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Building V	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Builiding II	Bentonville	Crossmar Investments	Office	48,600	Done
Rose Properties	Bentonville	Larry Rose	Commercial		Conceptual
Sam's Club Childcare Center	Bentonville	WalMart Stores Inc	Daycare	17,500	Done
SDI Realty Retail Development	Bentonville	SDI Realty	Retail	6,500	Conceptual
Shelley Parson Insurance	Bentonville		Office	6,500	Conceptual
Simpson Office building	Bentonville	Chance Simpson	Office	21,000	Conceptual
Stagecoach Road Strip Center	Bentonville		Office/Retail	9,000	Conceptual
Strategy Systems Art Warehouse	Bentonville	Strategy Systems	Warehouse	5,700	2020
Suite Spaces Development	Bentonville	William Oldham	Commercial	10,000	Conceptual
Superior Auto Group Dealership	Bentonville	David Slone	Commercial		Conceptual
SW Elm Tree Road Development	Bentonville				Conceptual
Tar & DOK	Bentonville		Commercial		Conceptual
The Incubator Phase I	Bentonville	Terry Carson	Commercial	94,250	Conceptual
The Incubator Phase II	Bentonville	Terry Carson	Commercial	51,550	Conceptual
Tower Self Storage	Bentonville	Chris Holyfield	mini storage	104,000	2020
Valvoline Project	Bentonville	Valvoline			Done
Vernetti Law Group Office-Central	Bentonville	Vernetti Law Group	Office		Conceptual
Versalab Offices	Bentonville		Office		Conceptual
Vogel Commercial Development	Bentonville	Ross and Steve Vogel	Commercial	38,000	Conceptual
Walmart Headquarters	Bentonville	Walmart	Office		2024-26
Weworks Office Building	Bentonville	Josh Kyles	Mixed Use	200,000	Late 2020
Willow Crossing I	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Willow Crossing II	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Elevate Elite Sports Training Academy	Farmington	Clarice and Manuel Whitmore	Gym		Conceptual
Animal Hospital	Fayetteville		Medical	10,250	Conceptual
A Timberlands Ctr Design and Material	Fayetteville	University of Arkansas	School	50,000	Conceptual
Ar-Canna Complex	Fayetteville	Brian Faught	Commercial	35,000	Conceptual
Black Forest Retail	Fayetteville	Clinton Bennett	Retail	17,301	Conceptual
Bolder Coffee Retail Development	Fayetteville	Tom Smith	Retail	5,075	Spring 2020
Cancer Support Home	Fayetteville	WRMC	Medical		Conceptual
Climb Fayetteville	Fayetteville	Lance Brock, D. Nelms, D. Sloss	Retail	19,000	Delayed
Cosmic Cowboy Studio	Fayetteville	Benjamin Meade	Commercial		Conceptual
Depot Parking Deck	Fayetteville	Greg House	Commercial	20,000	Conceptual
Dickson Street Liner Building	Fayetteville	Greg House	Commercial	10,000	Conceptual
Dupre Logistics	Fayetteville	Mike Parker	Office	3,000	Done
Flake-Kelley Office Building	Fayetteville	Matt Dearnley	Office	60,000	Conceptual
FNB of NWA	Fayetteville	Rob Husong	Bank	10,000	Summer 2020
Fossil Cove Building	Fayetteville	Ben Mills	Commercial	7,500	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Hillcrest Towers Commercial	Fayetteville	Fayetteville Housing Authority	Commercial		Conceptual
Huntsville Road Retail Development	Fayetteville	Clint McDonald	Retail		Conceptual
Kum and Go	Fayetteville	Kum and Go	Retail		Conceptual
Live/Work Artist Space	Fayetteville	Walton Family Foundation	Commercial		Conceptual
Markham Hill	Fayetteville	Specialized Real Estate Group	Commercial	17,000	Conceptual
Mission Heights	Fayetteville	Sage Partners	Retail	13,398	Conceptual
Northwest Health Systems ER	Fayetteville	Tyler Wilson	Medical	10,372	Spring 2020
OurPharma	Fayetteville	Dr. Peter Kohler	Manufacturing	10,000	Conceptual
Pacific Vet Group Industrial	Fayetteville	Pacific Vet Group	Manufacturing		Conceptual
Poplar and Leverett Development	Fayetteville	Taite Coates and Tommy Kilbride	Commercial		Conceptual
Presidential Conversions Office	Fayetteville	John Wilson	Office	12,000	Conceptual
Prism Education Center Expansion	Fayetteville	Misty Newcomb	School	5,000	Conceptual
Shoppes at the Bluffs	Fayetteville	Mathias Properties	Retail	46,519	Conceptual
Sims-Renner Office-Waterside	Fayetteville	Sims-Renner Insurance	Office		Conceptual
Springhouse Retail	Fayetteville	Sage Partners	Retail	14,250	Conceptual
Springhouse Village Retirement Co.	Fayetteville	Elizabeth Link	Medical		Done
Student Success Center	Fayetteville	University of Arkansas	School	71,000	Early 2022
TheatreSquared Facilty	Fayetteville	TheatreSquared	Commercial	51,500	Done
Unnamed Mathias Development	Fayetteville	Mathias Properties	Commercial		Conceptual
Unnamed Mixed Use Development	Fayetteville	Neal Pendergraft	Commercial	450,000	Conceptual
Vantage Drive Office Park Building I	Fayetteville	David Erstine, C.Bennett, K. Naples	Office	39,278	Spring 2020
Vantage Drive Office Park Building II	Fayetteville	D. Erstine, C. Bennett, K. Naples	Office	14,226	Spring 2020
Vantage Drive Office Park Building III	Fayetteville	David Erstine, C.Bennett, K. Naples	Office	16,000	Conceptual
Vantage Drive Office Park Buildings IV	Fayetteville	David Erstine, C.Bennett, K.Naples	Office	16,000	Conceptual
Victory Commons	Fayetteville	Tracy Hoskins and Allied Bank	Commercial		Conceptual
Wash. Regional Cancer Support Home	Fayetteville	WRMC	Commercial	12,000	Conceptual
Washington Regional Expansion	Fayetteville	WRMC	Medical Office	40,900	2020
West Street Liner Building	Fayetteville	Greg House	Commercial	6,000	Conceptual
West Van Asche Development	Fayetteville	Tom Terminella	Commercial		Conceptual
Willow Bend at Clear Creek	Fayetteville	Trey Jackson and McCrary Lowe	Assisted Living	120,000	Conceptual
World Domination Building	Fayetteville	Sammie Stephenson	Commercial	9,000	Conceptual
Simmons Chicken Plant	Gentry	Simmons Prepared Foods	Industrial	315,000	Done
Merchant Brands Warehouse	Gravette	Jackson Bird	Warehouse	30,000	Conceptual
Ark Real Estate Group Building	Johnson	Max Teague	Commercial	12,000	Conceptual
Atkins Office Building	Johnson	Kyle Atkins	Office	4,377	Spring 2020
Johnson Square	Johnson	Ward Davis, B. Hill, M. Hooker	Commercial	80,000	Conceptual
Johnson Square Bld 2	Johnson	Ward Davis, B. Hill, M. Hooker	Office/Retail	9,500	Early 2020
Johnson Square Medical Office	Johnson	Ward Davis, B. Hill, M. Hooker	Medical Office	21,000	Late 2020
Centergate, Building I	Lowell	IDO Arkansas, R. Stephens; Sage	Retail/Warehouse	84,565	Done
Centergate, Building II	Lowell	IDO Arkansas, R. Stephens; Sage	Retail/Warehouse	100,000	Conceptual
Central Research Inc	Lowell	Johnny and Scott Dillard	Office	50,000	Conceptual
Grant Place Flex Building	Lowell	Sumer Brandon	Commercial	12,000	Done
J.B. Hunt Office Tower IV	Lowell	J.B. Hunt	Office	40,000	Conceptual
J.B. Hunt Training and Tech Center	Lowell	J.B. Hunt	Office	132,883	Done
Lowell Historical Museum	Lowell	City of Lowell	Museum	10,000	Conceptual
Regional Sports Complex	Lowell	Life Wellness USA	Recreation	230,000	Conceptual
Source Gas	Lowell	Source Gas	Commercial		Conceptual
Sunbelt Rentals	Lowell	HGJ Properties	Commercial		Conceptual
TZZ Event Center	Lowell	TZZ Event Center	Commercial		Conceptual
Mercy Medical Campus	Wash Co	Mercy Health Systems	Medical	25,000	Conceptual
Planetarium	NWA	Katherine Auld	Museum	120,000	2020
Solve For Food Innovation Lab	NWA	Keith Larson, Greg Spragg	Lab	20,000	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
AMP Expansion	Rogers	Walton Arts Center	Event Space	16,800	2020
Animal Medical Center	Rogers	Dr.Dickey & Dr.Fugett; H. Haynes	Animal Hospital	6,000	Spring 2020
Arabella of Rogers	Rogers	Abby Development	Medical	295,000	2020
AAO Sports Complex	Rogers	Arkansas Athletics Outreach	Sports Complex	51,600	2020
Arvest Bank - District at Pinnacle Hills	Rogers	Arvest Bank	Office	26,238	Done
Beaty Office Park II	Rogers	Lance Beaty	Office	15,000	Conceptual
Beaty Office Park III	Rogers	Lance Beaty	Office	7,500	Conceptual
Beaty Office Park IV	Rogers	Lance Beaty	Office	5,000	Conceptual
Bellview Urban Center O/R	Rogers	Alex Blass	Office/Retail	30,000	2020
Bellview Urban Center O/W	Rogers	Alex Blass	Office/Warehouse	12,750	2020
Center Point Lot 12	Rogers	David Boener	Retail	18,385	Delayed
Discount Tire	Rogers	Discount Tire Co	Retail	8,192	Done
District at Pinnacle Hills V	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills VI	Rogers	Whisenvest	Office	44,900	Conceptual
District at Pinnacle Hills VII	Rogers	Whisenvest	Retail	25,000	Conceptual
Dollar Tree	Rogers	Matt Sitton	Retail	8,000	Done
Eight and Willow Commercial Devt	Rogers	K. Burks and C. Russell	Commercial		Conceptual
Eight Centre, Phase II, Bldg 1	Rogers	Dan Dykema	Commercial	10,000	Spring 2020
Eight Centre, Phase II, Bldg 2	Rogers	Dan Dykema	Commercial	10,000	Spring 2020
Eight Centre, Phase II, Bldg 3	Rogers	Dan Dykema	Commercial	12,000	Spring 2020
Equity Business and Conf. Center	Rogers	Chris Wyrick	Commercial	16,000	Spring 2020
Equity Storage	Rogers	Chris Wyrick	mini storage	73,000	Spring 2020
Everest Rehabilitation Hospital	Rogers	Everest Rehab LLC	Medical Office	40,868	Spring 2020
Fresh Roots Family Counseling	Rogers	Brad Franklin	Office	5,760	2020
Gateway Plaza	Rogers	Flake-Kelley	Commercial	39,600	Conceptual
Glide Xpress Carwash	Rogers		Commercial		Conceptual
Goddard School	Rogers	Brooks Coatney	School	8,925	Done
Harbor Frieght Tools	Rogers		Retail		Conceptual
Hudson Warehouse	Rogers	Matt Ahart, NAI Capstone	Warehouse	30,000	Conceptual
Hull Dermatology	Rogers	Hull Dermatology	Office		Conceptual
Hunt Plaza	Rogers	Hunt Ventures	Office	129,000	2021
Hunt Plaza Garage	Rogers	Hunt Ventures	Parking Garage	469,200	2021
Jiffy Lube	Rogers	Matt Sitton	Retail		2020
Kum and Go	Rogers	Kum and Go	Retail		Conceptual
Legends Cross-fit	Rogers	John Westling	Commercial	10,560	Spring 2020
Legends Soccer Field	Rogers	John Westling	Commercial	27,720	Spring 2020
Lewis & Clark-Pinnacle	Rogers	Sage Partners	Retail		Conceptual
Live/Work Artist Space	Rogers	Walton Family Foundation	Commercial		Conceptual
Magnolia Farms Building I	Rogers	Marg Molleston and Hunter Haynes	Office	85,000	2020
Magnolia Farms Campus	Rogers	Marg Molleston and Hunter Haynes	Commercial	400,000	Conceptual
Magnolia Place Alzheimers Care	Rogers	JEA Senior Living	Medical Office	34,556	Conceptual
Mathias Warehouse	Rogers	Mathias Properties	Warehouse	10,000	2020
Med Express	Rogers		Medical		Conceptual
Mercy Hospital Patient Tower	Rogers	Mercy Health Systems	Medical	279,000	Done
Metal Roofing Sales	Rogers	Metal Roofing Sales	Industrial	30,400	Conceptual
Metropark Office Building III	Rogers	Hunter Haynes & Sage Partners	Commercial	25,000	Conceptual
Metropark Office Building IV	Rogers	Hunter Haynes & Sage Partners	Commercial	60,000	Conceptual
Miami Cabinet Shop	Rogers	Mathias Properties	Retail/Warehouse	12,000	Spring 2020
Nabholz Expansion	Rogers	Nabholz	Office	7,500	Conceptual
New Hope Plaza	Rogers	Tim Salmonson	Retail	23,000	Conceptual
Nolan Caddell Reynolds Office	Rogers	Nolan Caddell Reynolds	Office		Conceptual
Northgate Plaza I	Rogers	Hunt Ventures	Office	100,000	Done

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Northgate Plaza II	Rogers	Hunt Ventures	Office	40,000	Done
Northwest Medical Systems Clinic	Rogers	Greg Taylor	Medical	5-10,000	Conceptual
NWA Groundservices Bld 1	Rogers	Alex Blass	Office/Warehouse	35,000	Spring 2020
NWA Groundservices Bld 2	Rogers	Alex Blass	Office/Retail	20,000	Spring 2020
NWA Regional Animal Hospital	Rogers	NWA Regional Animal Hospital	Office	21,432	Conceptual
One Uptown Mixed Use	Rogers	Laurice Hachem & Bobby Ehardt	Commercial	69,000	Spring 2020
One Uptown Office	Rogers	Laurice Hachem & Bobby Ehardt	Office	150,000	Conceptual
Pinnacle Heights	Rogers	Hunt Ventures, Sage, Urban5	Retail	30,500	2021
Pinnacle Knoll II	Rogers	Sage Partners	Office	80,000	Conceptual
Pinnacle Point Office Complex	Rogers	Clinton Bennett & David Erstine	Office	40,000	Conceptual
Pinnacle Village Office	Rogers	Alex Blass	Office	300,000	Conceptual
Pinnacle Village Retail	Rogers	Alex Blass	Retail	80-100,000	Conceptual
Plaza Tire	Rogers	Flake-Kelley	Commercial	8,734	2019
Pleasant Crossing Commercial	Rogers	Whisenvest	Commercial	20,047	Conceptual
Pleasant Crossing Commons, Ph. II	Rogers	Matt Sitton	Retail	14,000	Done
Pleasant Crossing Commons, Ph. II	Rogers	Matt Sitton	Retail	6,080	Done
Pleasant Crossing Commons, Ph. VI	Rogers	Matt Sitton	Retail	22,000	Spring 2020
Pleasant Crossing Retail Building	Rogers	Whisenvest	Retail	10,000	Conceptual
Redi-Mix Concrete 8th St Plant	Rogers	Redi-Mix Concrete	Industrial		Conceptual
Ryzabuv	Rogers	Case Lawrence	Retail	30,000	Conceptual
Sisters of Mercy Primary Care Office	Rogers	Sisters Of Mercy Health Systems	Medical		Conceptual
Sitton Development on Hudson	Rogers	Matt Sitton	Commercial	8,000	2020
Skyline 2	Rogers	Ed Belto	Office	54,000	Conceptual
South 8th Street Development	Rogers	David Mancia	Office/Retail	12,000	2020
Southern Hills Office Building	Rogers		Office		Conceptual
Southern Storage mini-warehouses	Rogers	Southern Storage	Commercial		Conceptual
Stabil-Loc Headquarters	Rogers	Lynn and Steven Patton	Office		Conceptual
Stoney Brook Development	Rogers	Clinton Bennett	Commercial		Conceptual
Storage World	Rogers	Storage World	Commercial	103,305	2020
Take 5 Oil	Rogers	Malek Elkhoury	Retail	1,800	Conceptual
The Fields at Pinnacle I B	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle I C	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle I D	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle II	Rogers	Chad and Monika Hatfield	Commercial		Conceptual
Topgolf	Rogers	Hunt Ventures	Retail	47,424	Spring 2020
Transplace	Rogers	Steve Cawley	Office	148,200	Early 2021
Trulove Construction Vehicle Storage	Rogers	Trulove Construction	Warehouse		Conceptual
Uptown Square Office	Rogers	S.C. Bodner	Office	7,500	2020
Uptown Square Retail	Rogers	S.C. Bodner	Retail	20,000	2020
U-Storage	Rogers	U-Storage	Commercial	94,795	Conceptual
Venture Park I	Rogers	Todd Fleeman & David Erstine	Office	21,585	Spring 2020
Venture Park II	Rogers	Todd Fleeman & David Erstine	Office	20,000	Conceptual
Venture Park III	Rogers	Todd Fleeman & David Erstine	Office	20,000	Conceptual
Venture Park IV	Rogers	Todd Fleeman & David Erstine	Office	20,000	Conceptual
Venture Park V	Rogers	Todd Fleeman & David Erstine	Office	20,000	Conceptual
Violin Studio and Repair Shop	Rogers	SMEK LLC	Retail		Done
Wilson-Coker Office Building	Rogers	Wilson-Coker Wealth Management	Office		Conceptual
Arkansas Early Learning Center	Sil Springs		School	8,324	Conceptual
Barnett Warehouse	Sil Springs	Jonathan Barnett	Warehouse	67,950	Conceptual
Black Hills Operation Center	Sil Springs	Black Hills Energy	Warehouse	10,000	Early 2020
Crye-Leike Office	Sil Springs	Crye-Leike Realtors	Office	6,500	Conceptual
Holly Street Crossing	Sil Springs	Ted Viala	Commercial		Conceptual

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Pharmacy and Medical Office	Sil Springs	Lykins Leasing	Medical Office	18,480	Conceptual
Plaza Tire Service	Sil Springs	McClain Group	Retail		2020
Progress Plaza Phase II	Sil Springs	Brown Cow LLC	Medical Office	11,250	Conceptual
Speedy Car Wash	Sil Springs	McClain Group	Retail		2020
Starbucks Center	Sil Springs	Haag Brown	Retail	5,590	Done
56th Street Office Building	Springdale	C.L. George and Sons	Office	75,000	Conceptual
Anders Office Building	Springdale	Sterling Park Anders	Office	16,000	Conceptual
Arkansas Blue Cross/Blue Shield	Springdale	Arkansas Blue Cross/Blue Shield	Medical Office	80,000	2021
Arkansas Childrens Phase II	Springdale	Arkansas Children's Hospital	Medical		Conceptual
BNSF Office 2	Springdale	BNSF	Office	30,000	Done
Bulldog Commercial	Springdale	Rick Oliver	Commercial		Conceptual
Caseys General Store	Springdale	Casey's	Retail	5,300	2020
Criminal Justice Facility	Springdale	City of Springdale	Office		2020
Diesel Downs, Lots 4, 5	Springdale	Raymond Merrill	Commercial		Conceptual
Diesel Downs, Lots 6, 7	Springdale	Murphy-Hoffman Co.	Commercial		Conceptual
Edwards Warehouse I	Springdale	Edwards Properties	Warehouse	40,000	Conceptual
Edwards Warehouse II	Springdale	Edwards Properties	Warehouse	21,000	Conceptual
First State Bank	Springdale	First State Bank	Bank		Conceptual
Fish and Game Center	Springdale	Arkansas Game & Fish Dept.	Government	27,000	2020
Freddy's Retail Center	Springdale	Michael O'Shaunessy	Retail		Conceptual
Geels Paint	Springdale	Geels Paint	Commercial		
George's Office Building	Springdale	George's	Office	75,000	Conceptual
Goad Springs Road Retail Dev	Springdale	DuWayne Eoff	Retail	120,000	Conceptual
H.C. Schmieding Office	Springdale	Chris Cryskiewicz	Office		Conceptual
Hall Crossing Retail Building 2	Springdale	Jason Pullman	Retail	3,000	Conceptual
Health and Speech Clinic	Springdale		Medical		Conceptual
Heritage Funeral Home	Springdale	John Harris	Commercial		Conceptual
Highlands Oncology-Park Plaza	Springdale	Kathey Rhoads	Medical Office	125,000	Spring 2020
Kum and Go	Springdale	Kum and Go	Retail	5,975	2020
Live/Work Artist Space	Springdale	Walton Family Foundation	Commercial		Conceptual
Love's Travel Center	Springdale	Love's	Retail		Conceptual
Lynch Prairie Building	Springdale	Flake-Kelley	Office	8,100	Done
Margarita Place Phase 2	Springdale	David Mancia	Office/Retail	10-12,000	2020
Mercy Clinic East	Springdale	Mercy Health Systems	Medical Office		Conceptual
Mercy NWA Campus	Springdale	Mercy Health Systems	Medical Office	63,000	Done
Mercy NWA Campus, Phase II	Springdale	Mercy Health Systems	Medical Office		Conceptual
Monitor Warehouse	Springdale	RPH	Warehouse		Conceptual
Northwest Technical Institute-Ammonia	Springdale	NWTI	School	19,000	Spring 2020
Northwest Technical Institute-Welding	Springdale	NWTI	School	14,000	Spring 2020
NWACC- Integrated Design Lab	Springdale	NWACC	School	24,000	Spring 2020
NWACC-Washington County Campus	Springdale	NWACC	School	38,000	Done
Old Missouri Office Warehouse	Springdale	Phil Taldo	Office/Warehouse	9,600	Conceptual
Owen's Optometry	Springdale		Medical		
Parkway Plaza I	Springdale	Sage Partners & Griffen Company	Office	46,000	Conceptual
Petra Allied Health School	Springdale	Petra Allied Health	School		Conceptual
Piney Ridge Treatment Facility	Springdale	Acadia Health	Medical	110,000	Conceptual
Pro-Fab	Springdale	Dave Beavert	Industrial	15,000	Conceptual

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Rockline Expansion	Springdale	Rockline Industries	Manufacturing		
Shoppes at Elm Springs	Springdale	JP Companies	Retail	11,000	Conceptual
Speedy Splash Car Wash-Butterfield	Springdale	The McLain Group	Retail		Conceptual
Speedy Splash Car Wash-Elm Springs	Springdale	The McLain Group	Retail		Conceptual
Springdale Municipal Campus	Springdale	City of Springdale	Municipal Building	80,000	
Storm Orthodontics	Springdale	Darrin Storm	Medical Office	5,670	Conceptual
TruTrak	Springdale	Andrew Barker	Warehouse	12-16,000	Spring 2020
Tyson Tech Center	Springdale	Tyson Foods	Office	26,000	Done
One Con Building	Tontitown	OneCon Construction	Commercial	7,000	Spring 2020
Ozark Self Storage	Tontitown		Mini storage		Spring 2020
Plaza Tire Service	Tontitown	Vernon Rhodes Family Partners	Retail	5,000	Done
Uncle Tanks Self Storage	Tontitown		Mini storage		Done
West Point Commercial Development	Tontitown	3E Development, Tom Joseph	Warehouse	300,000	Conceptual
4012 Old Wire	Wash Co.	Patrick Tobin	Commercial		Conceptual
Native Flower Growing Facility	Wash Co.	Kendra and Tom Smith	Commercial	19,520	Done

Existing Hotels

Property Name	City	Number of Standard Rooms	Number of Suites
21c Hotel	Bentonville	98	6
Best Western Bentonville Inn	Bentonville	55	0
Best Western Castle Rock Suites	Bentonville	84	0
Comfort Inn	Bentonville	64	0
Comfort Inn-I-49-Bentonville	Bentonville	115	0
Comfort Suites	Bentonville	120	0
Courtyard Bentonville	Bentonville	90	0
Days Inn & Suites	Bentonville	63	0
DoubleTree Guest Suites	Bentonville	0	140
Element	Bentonville	0	107
Four Points by Sheraton	Bentonville	99	6
Hartland Motel of Bentonville	Bentonville	31	0
Hilton Garden Inn	Bentonville	133	0
Holiday Inn Express Hotel & Suites	Bentonville	84	0
La Quinta Inn & Suites	Bentonville	107	0
Laughlin Bed & Breakfast	Bentonville	5	1
Merchant Flats on 8th	Bentonville	10	0
Microtel	Bentonville	78	0
Pines Motel	Bentonville	9	0
Red Roof Inns	Bentonville	103	0
South Walton Suites	Bentonville	56	0
Springhill Suites By Marriott	Bentonville	67	0
Suburban Extended Stay	Bentonville	0	118
Super 8 Motel-Bentonville/Rogers	Bentonville	52	0
The Links at Bentonville Apts.	Bentonville	41	0
Towneplace Suites by Marriott	Bentonville	78	0
Value Place Extended Stay	Bentonville	121	0
Wingate Inn Bentonville	Bentonville	102	0
Best Western Windsor Suites	Fayetteville	66	0
Candlewood Suites	Fayetteville	0	78
Chief Motel	Fayetteville	31	1
Comfort Inn-Fayetteville	Fayetteville	60	0
Country Inn & Suites By Carlson	Fayetteville	40	25
Courtyard by Marriot	Fayetteville	110	4
Dickson Street Inn	Fayetteville	8	2
Fairfield Inn and Suites	Fayetteville	50	44
Hampton Inn	Fayetteville	87	8
Hilton Garden Inn	Fayetteville	90	25
Holiday Inn Express	Fayetteville	77	33
Homewood Suites	Fayetteville	0	96
Inn at Carnall Hall	Fayetteville	49	0
La Quinta Inn & Suites	Fayetteville	61	0
Motel 6	Fayetteville	98	0
Pratt Place Inn	Fayetteville	0	7
Quality Inn	Fayetteville	48	10
Red Roof Inns	Fayetteville	104	1
Regency 7 Motel	Fayetteville	29	3
Sleep Inn of Fayetteville	Fayetteville	62	0
Stay Inn Style	Fayetteville	6	0
Staybridge Suites	Fayetteville	0	109
Super 8 Motel	Fayetteville	83	0
The Chancellor Hotel	Fayetteville	191	17

Existing Hotels (Cont.)

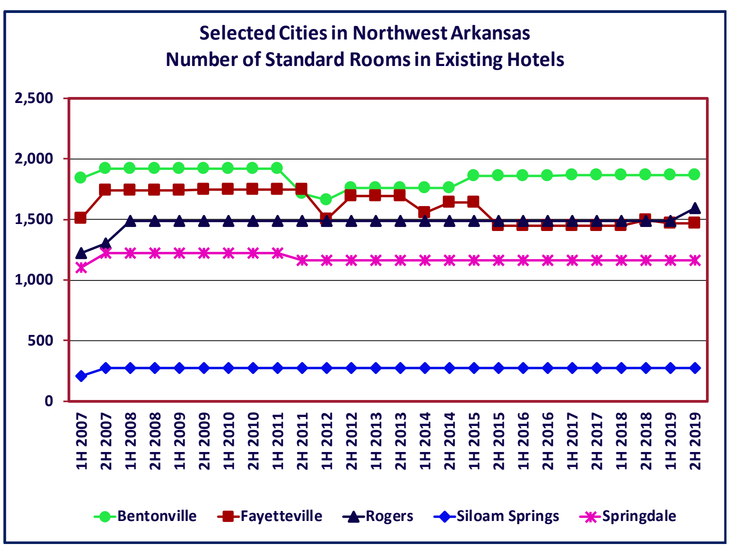
Property Name	City	Number of Standard Rooms	Number of Suites
Value Place Hotel	Fayetteville	121	0
Inn At the Mill	Johnson	54	8
Marriot Townplace	Johnson	0	94
Ramada Inn Lowell	Lowell	51	0
Colonial Motel	Prairie Grove	8	0
Aloft	Rogers	130	1
Best Value Inn & Suites	Rogers	127	0
Candlewood Suites	Rogers	118	12
Country Inn & Suites	Rogers	68	42
Courtyard by Marriot	Rogers	111	11
Embassy Suites	Rogers	0	400
Fairfield Inn Rogers	Rogers	99	0
Guest Inn	Rogers	42	0
Hampton Inn	Rogers	122	0
Hartland Lodge	Rogers	28	0
Holiday Inn	Rogers	0	127
Homewood Suites	Rogers	126	83
Hyatt Place	Rogers	104	0
Mainstay Suites	Rogers	0	99
Microtel	Rogers	52	0
Ranch-O-Tel Motel	Rogers	21	0
Regency 7 Motel	Rogers	31	0
Residence Inn by Marriott	Rogers	88	0
Rocky Branch Resort	Rogers	14	0
Simmons Suites	Rogers	0	115
Staybridge Suites	Rogers	83	83
Super 8 Motel	Rogers	34	0
Tanglewood Lodge	Rogers	30	0
Town & Country Inn	Rogers	86	1
Travelers Inn	Rogers	82	0
Best Value	Siloam Springs	19	26
Hampton Inn	Siloam Springs	66	0
Hereford Motel	Siloam Springs	10	0
Holiday Inn Express Hotel & Suites	Siloam Springs	62	18
Stone Inn's	Siloam Springs	43	0
Super 7 Inn	Siloam Springs	46	0
Super 8 Motel	Siloam Springs	30	0
Best Rest	Springdale	100	17
Comfort Suites Springdale	Springdale	0	69
DoubleTree Club Hotel of Springdale	Springdale	74	11
Executive Inn	Springdale	90	0
Extended Stayamerica	Springdale	101	0
Fairfield Inn and Suites	Springdale	40	34
Hampton Inn & Suites	Springdale	67	35
Hartland Lodge	Springdale	29	0
Hartland Motel	Springdale	29	0
Hill Top Inn	Springdale	30	0
Holiday Inn	Springdale	180	26
Home 2 Suites by Hilton	Springdale	0	119
Journey's Inn	Springdale	30	0
Laquinta Inn & Suites	Springdale	88	12
Magnolia Gardens Inn (B&B)	Springdale	10	0

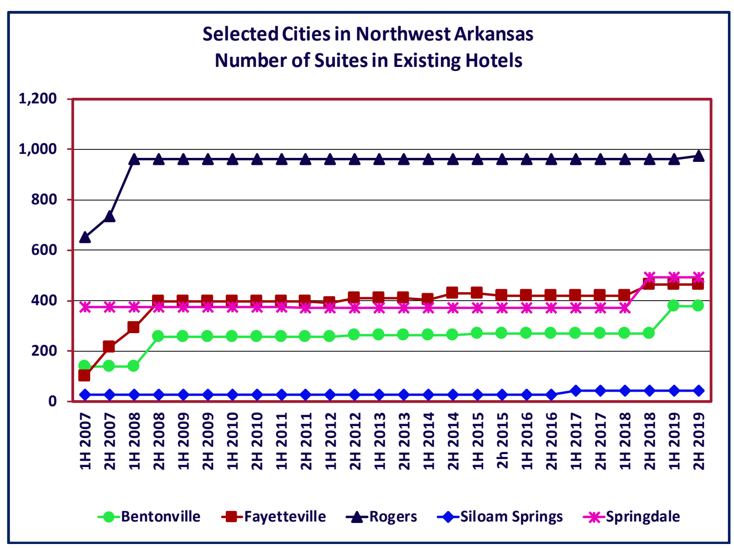
Existing Hotels (Cont.)

Property Name	City	Number of Standard Rooms	Number of Suites
Motel 8	Springdale	30	0
Residence Inn	Springdale	0	72
Scottish Inns	Springdale	33	24
Sleep Inn & Suites	Springdale	0	72
Springdale Inn	Springdale	50	0
Super 8 Motel	Springdale	59	1
Value Place Hotel	Springdale	121	0

Existing Hotels by City

City	Number of Standard Rooms	Number of Suites
Bentonville	1,865	378
Fayetteville	1,471	463
Johnson	54	102
Lowell	51	0
Prairie Grove	8	0
Rogers	1,596	974
Siloam Springs	276	44
Springdale	1,161	492
Northwest Arkansas	6,482	2,453





Hotels

Announced Coming Hotels

Property Name	City	Owner	Number of Rooms	Expected Completion
At Wells Suites	Bentonville	Larry Rose, IHG		Conceptual
Avid Hotel	Bentonville	IHG	87	Underconstruction
C Street Hotel	Bentonville	Osage Hospitality	150-200	2022
Home 2 Suites by Hilton	Bentonville	Narry Krushiker	119	2021
Kasita Boutique Hotel	Bentonville	Ecological Design Group of Rogers	40	Conceptual
Old Home Office Property	Bentonville	Walmart		Conceptual
Tuckers Corner Hotel	Bentonville	Blue Crane	100-200	2022
Avid Hotel	Fayetteville	IHG	82	Conceptual
Depot on Dickson Hotel	Fayetteville	Greg House		Conceptual
Hyatt Place-Steele Crossing	Fayetteville	B&T Hospitality Management	107	Underconstruction
Markham Hill	Fayetteville	SREG	80	Conceptual
Marriot-Springhill Suites	Fayetteville	Narry Krushiker	200	2020
Exit 69 Hotel	Johnson	Matt Dearnley		Conceptual
Exit 78 Hotel	Lowell	Johnny Dillard, IHG		Conceptual
District at Pinnacle	Rogers	Whisenvest		Conceptual
Downtown Boutique Hotel	Rogers	Blue Crane		Conceptual
Exit 85 Hotel	Rogers	Shailesh Gopal		Conceptual
Magnolia Farms Hotel	Rogers	Hunter Haynes		Conceptual
Pinnacle Boutique Hotel	Rogers	John Schmelzle		Conceptual
Pinnacle Courtyard by Marriot	Rogers	Narry Krushiker	122	Done
Pinnacle Village	Rogers	Sam Alley, Alex Blass	115	Conceptual
Tapestry Boutique Hotel	Rogers	Jonelle Hunt, Andrew and David Burnett		2021
Parkway Plaza Hotel	Springdale	Sage Partners and Griffin Co		Conceptual
Springdale Hotels LLC	Springdale	Vipulkumar Patel		Conceptual

Restaurants

Announced Coming Restaurants

Property Name	Location (City)	Owner	Expected Completion
Angus Jack	Benton County	Ian and Jean Cairns	Conceptual
Unnamed Restaurant and Winery	Benton County	CEI Engineering	Conceptual
211 Café	Bentonville	Mauricio and Norma Guerrero	Done
Airship at the Homestead	Bentonville	Erin Rushing	Spring 2020
Bar Cleeta	Bentonville		Done
Blake St. House Restaurant	Bentonville	Ropeswing Group	Done
Butcher and Pint	Bentonville	Rob Nelson	2020
Coop Ramen	Bentonville	Ropeswing Group	Done
Crystal Flats Restaurant	Bentonville	Cindy Springs, LLC	Conceptual
Dickey's Barbecue Pit	Bentonville	Jared Thompson	Delayed
JJ's Grill Downtown Bentonville	Bentonville	Jody Thornton	Conceptual
Old Home Office Property	Bentonville	Walmart	Conceptual
Starbucks	Bentonville	Haag Brown	Conceptual
The Buttered Biscuit-I Street	Bentonville	Ana and Sam Russell	Done
U.S. Pizza	Bentonville	Esther and Hunter McClellan and Don Henderson	Conceptual
Urban Edge Development Restaurant	Bentonville	Richard Grubbs	Conceptual
Popeye's	Centerton	Jordan Jeter	Done
Sweet Scoops Blender Bar	Farmington		Done
Arsagas in Greenhouse Grille	Fayetteville	Cary Arsaga	Conceptual
Arsagas on MLK	Fayetteville	Cary Arsaga	Delayed
Atlas Restaurant	Fayetteville	Elliot Hunt, Brandon Rostek	Done
Black Bear Diner	Fayetteville	Black Bear Diner Co	Spring 2020
Bolder Coffee-College	Fayetteville		2020
Bolder Coffee-Crossover	Fayetteville	Tom Smith	Spring 2020
Carrera Coffee Company	Fayetteville	Miles James	Conceptual
Cheba Hut 1	Fayetteville	Hunter and Darcie Fletcher, Scott Jennings	2020
Cheba Hut 2	Fayetteville	Hunter and Darcie Fletcher, Scott Jennings	2020
Chicken Salad Chick	Fayetteville	Stacy Brown	Done
Chicot Hibachi	Fayetteville		Done
Chuy's	Fayetteville	Mike Young and John Zapp	Conceptual
Citizen, The	Fayetteville	Lane Coleman, Knox McCorquodale, Wilson Wood	Delayed
Conscious Coco	Fayetteville	Shayla Holder	Done
Dairy Queen-Crossover	Fayetteville	Tom Smith	Spring 2020
Eat My Catfish	Fayetteville	Travis Hester	Done
Eureka Pizza on Mission relocation	Fayetteville	Rolf Wilkins	Spring 2020
Feed and Folly	Fayetteville	Chase Lewis, Matt and Mike Sutton	Spring 2020
First Watch	Fayetteville	Joseph Hulston and James Tillman	Done
Flying Burger and Seafood	Fayetteville	Flying Burger and Seafood	Delayed
Former Hog Haus Building	Fayetteville	Mark King	Conceptual
Hip Café	Fayetteville		Done
King Burrito-Joyce	Fayetteville		Spring 2020
KYA Chocolate	Fayetteville	Cindy and Rick Boosey	Done
LongHorn Steakhouse	Fayetteville	Darden Restaurants	Conceptual
Meme's Caribbean Flavour	Fayetteville	Shurla Jobe	Done
Mess Hall 45	Fayetteville	Nathan Jendeski	Done
MJ's Bistro	Fayetteville	Miles James	Delayed
Mo' Tacos and Churros	Fayetteville	Juan Garcia	Done
Mojo's Pints and Pies	Fayetteville	Cley McCoy	Spring 2020
Moonlight Café	Fayetteville		Done
Onyx Café-ONF	Fayetteville	Mike Anzalone	2020
Project 7	Fayetteville	Tyler Hamedi	Done
Roma	Fayetteville	Scott Bowman	Conceptual

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Owner	Completion
Saffron Indian Cuisine	Fayetteville	Shekhar Rikame, Nikita Salunke	Done
Shipleys MLK	Fayetteville	Shipleys	Conceptual
Snack Lab	Fayetteville	Bobby Bland	Done
The Commons	Fayetteville	Theatre Squared	Done
Tony’s NY Style Pizza	Fayetteville	Zach Jacobs	Done
Torchy’s Tacos	Fayetteville	Torchy’s Tacos	Done
Tula	Fayetteville	Rodney Barnes	Done
Twin Creeks Village Restaurant	Fayetteville	Eric Boen and Jeff Kemp	Conceptual
Unnamed Restaurant on Crossover	Fayetteville	The McClain Group	Conceptual
Willy D’s	Fayetteville	Matthew Neumayer	Done
Wing Stop	Fayetteville	Jacob Chi	Done
Bloomington Ave Food Truck Court	Lowell	Joe Rheingans	Conceptual
Lowell Historical Museum Café	Lowell	City of Lowell	2020
Wendy’s	Lowell	Wendy’s	Conceptual
Yellow Rocket Concepts BBQ	Northwest Arkansas	Scott McGehee	Conceptual
1907-Yeyo’s	Rogers	Rafael Rios	Done
7 Brew - Hudson	Rogers		2020
7 Brew Coffee-Walnut	Rogers		Conceptual
8th Street Restaurant	Rogers	David Mancia	Conceptual
Betty’s: A Chicken Kitchen	Rogers	Alan Cole	Done
Bistro	Rogers	Narry Khrusiker	Done
Culver’s Restaurant	Rogers	Culver’s; Alan Cole	2020
Curry Restaurant	Rogers		Conceptual
Dairy Queen	Rogers	Aimee and Terry Sims	Conceptual
First Watch	Rogers	Joseph Hulston and James Tillman	Done
Jersey Mikes	Rogers	Burke Larkin	Done
Krystal Burger	Rogers	Smitco Eateries	Delayed
Natural State Brewery and Taproom	Rogers	Mark Smith	Done
One Uptown Restaurants	Rogers	Hachem Investments	Conceptual
Pinnacle Heights Restaurants	Rogers	Hunt Ventures, Sage Partners, Urban5	2021
Pinncle Village Restaurants	Rogers	Alex Blass	Conceptual
Popeye’s	Rogers	Popeye’s	Done
Saltgrass	Rogers	Hunt Ventures and Landry’s Inc	Spring 2020
Sharkeys	Rogers	Sage Partners	Done
Snack Lab	Rogers	Burke Larkin	Done
Top Golf	Rogers	Hunt Ventures	Spring 2020
Torchy’s Tacos	Rogers	Jeremy Smith	Done
U.S. Pizza	Rogers	Esther and Hunter McClellan and Don Henderson	2020
Walk-On’s	Rogers	Chris and Jodie McJunkins	Spring 2020
Apple Bee’s	Siloam Springs	Apple Bee’s Inc	Conceptual
Dairy Queen	Siloam Springs	Aimee and Terry Sims	Done
Flying Burger and Seafood	Siloam Springs	McClain Group	Summer 2020
Freddy’s Frozen Custard	Siloam Springs		Spring 2020
La Nueva Lupita Bakery	Siloam Springs	Julio Ayala	Done
Starbucks	Siloam Springs	Haag Brown	Done
Taco Bueno	Siloam Springs		Done
Domino’s Pizza	Springdale		Spring 2020
Margarita Place Restaurant	Springdale	David Mancia	Conceptual
MJ Pizzeria-Downtown	Springdale	Miles James	Conceptual
Pizza Hut	Springdale	Pizza Hut	Done

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Owner	Completion
Shipleys Elm Springs	Springdale	Shipleys	Conceptual
Smoothie King	Springdale	Thuc Tran	Done
The Buttered Biscuit	Springdale	Ana and Sam Russell	Done
7 Brew Coffee-Hwy 412	Tontitown		Done
Dairy Queen	Tontitown	Aimee and Terry Sims	Conceptual
Pie Five Pizza	Unkn. Locations	Rob Byford	Conceptual
Smoothie Kings-2 more	Unkn. Locations	Thuc Tran	Conceptual

Restaurants

Closed Restaurants

Property Name	City	Date Closed
Natural State Sandwichs	Springdale	January 2019
Core Pub	Bentonville	Februray 2019
Core Pub	Fayetteville	Februray 2019
Core Pub	Rogers	Februray 2019
Core Pub	Springdale	March 2019
Core Pub	Fayetteville	April 2019
Fuzzy's Taco Shop	Fayetteville	April 2019
Red Curry	Rogers	April 2019
Houlihans	Rogers	May 2019
New American	Fayetteville	June 2019
Hardee's	Rogers	June 2019
Subway	Rogers	June 2019
Wasabi	Rogers	June 2019
Long John Silvers	Springdale	July 2019
Columbia Mex/Burrito Loco	Fayetteville	August 2019
East Buffet	Fayetteville	August 2019
Butcher and Pint	Bentonville	September 2019
Foster's Pint and Plate	Rogers	September 2019
Juice Palm-Uptown	Fayetteville	October 2019
Betty's Chicken Kitchen	Rogers	October 2019
Egg & I	Rogers	October 2019
Doomsday Coffee-Evelyn Hills	Fayetteville	November 2019
Newks	Siloam Springs	November 2019
Indian Restaurant	Tontitown	November 2019
Taco Bueno	Bentonville	December 2019
Taco Bueno -Joyce	Fayetteville	December 2019
Taco Bueno-MLK	Fayetteville	December 2019
Taco Bueno	Rogers	December 2019
Taco Bueno	Springdale	December 2019

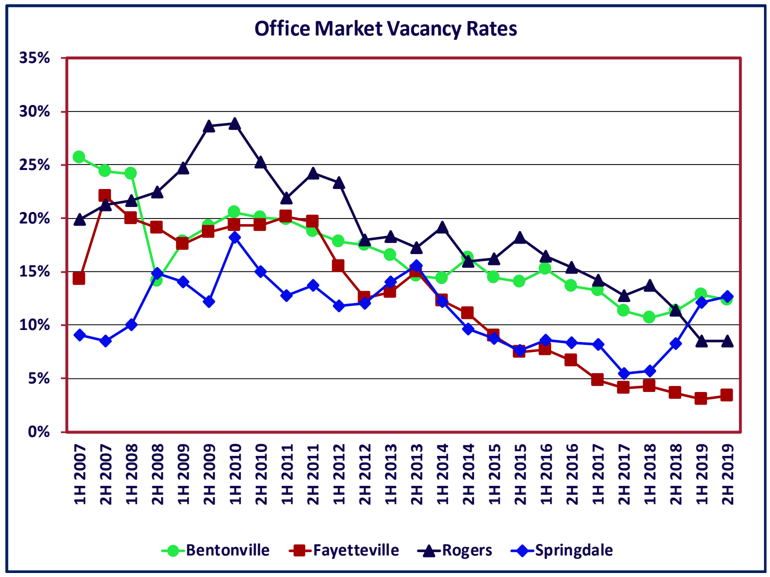
Commercial Market Trends

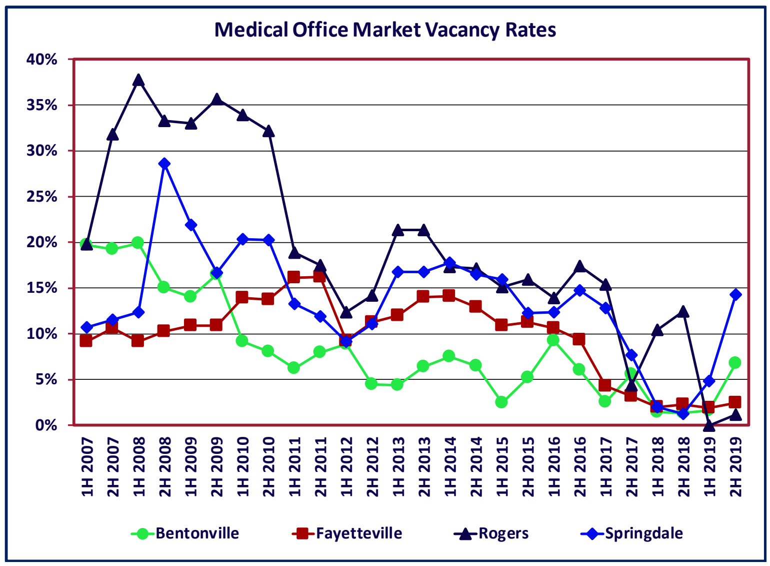
This version of the Commercial Skyline Report presents data that have been collected since 2007. Annual comparisons are made to minimize the effects of attributing too much weight to seasonal changes. The accompanying graphs show how vacancy rates and available square footage have changed in each submarket over the past twelve years. Also, a table presents the total absorption over the past year by city and submarket. The following three pages have tables with more detailed information about vacancy rates, net absorption, and available space. Additionally, the city of Johnson, and the Tontitown office/warehouse, retail/warehouse, and warehouse were added to the Northwest Arkansas data base.

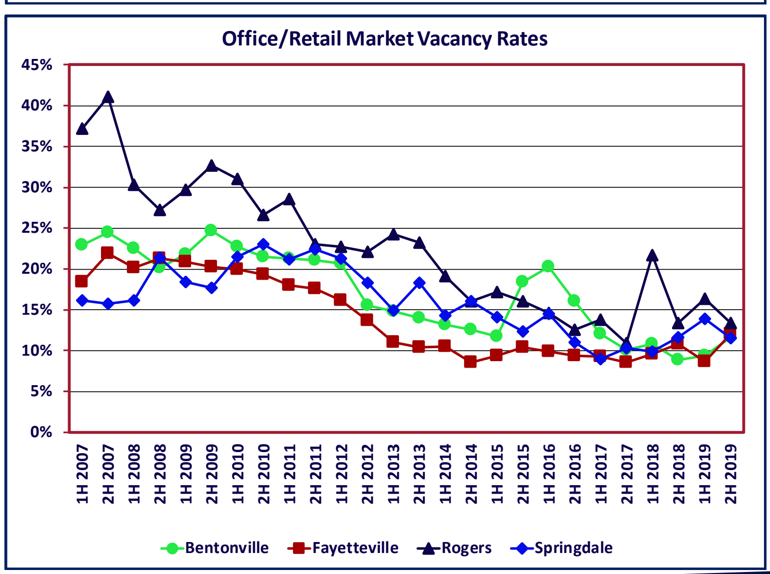
Available office square footage in Northwest Arkansas increased from 1,040,066 square feet in the second half of 2018 to 1,078,245 square feet in the second half of 2019. In the past year, 288,148 new square feet of office space were added, with Bentonville having the most with 131,166 square feet, followed by Rogers, Springdale and Fayetteville adding another 56,380, 43,216 and 30,866 square feet, respectively. There was net positive absorption of 71,361 square feet of office space in Northwest Arkansas during the past year. Rogers accounted for the greatest amount of net positive absorption with 93,347 square feet, while Fayetteville accounted for another 70,260 square feet. The overall Northwest Arkansas office vacancy rate declined by 0.1 percent from 8.6 percent to 8.5 percent, from the second half of 2018 to the second half of 2019.

In Northwest Arkansas, 509,622 square feet of office/retail space were available in the second half of 2019, up from 469,221 square feet in the second half of 2018. The office/retail market experienced net positive absorption of 64,839 square feet in the past year. Fayetteville accounted for the most with 56,378 square feet of the positive net absorption over the past year, while Rogers had an additional 14,267 square feet of positive net absorption. Bentonville had negative net absorption of 21,326 square feet during this period. There was 3,850 new square feet of office/retail space added within the past year, all in Bentonville. The overall Northwest Arkansas office/retail vacancy rate increased 0.8 percentage points from 10.9 percent in the second half of 2018 to 11.7 percent in the second half of 2019.

In the second half of 2019, 954,904 square feet of retail space were available in Northwest Arkansas, down from 1,171,517 square feet in the second half of 2018. The retail market had net positive absorption of 126,839 square





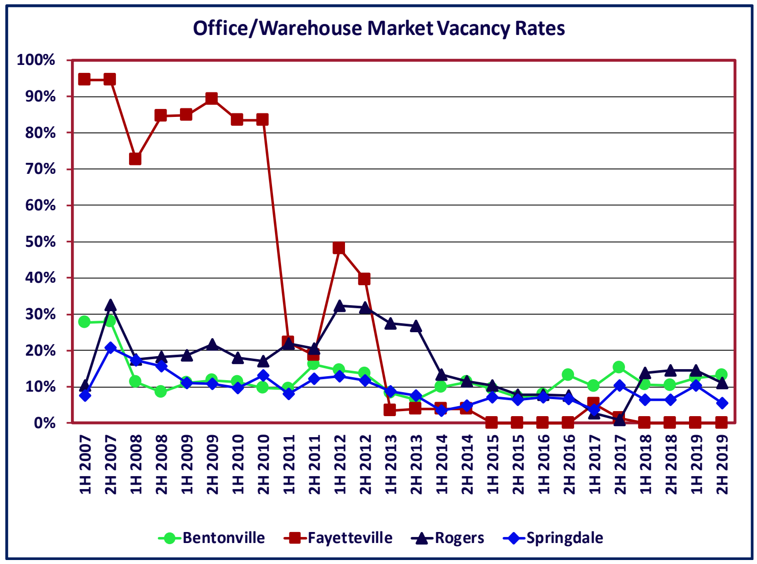


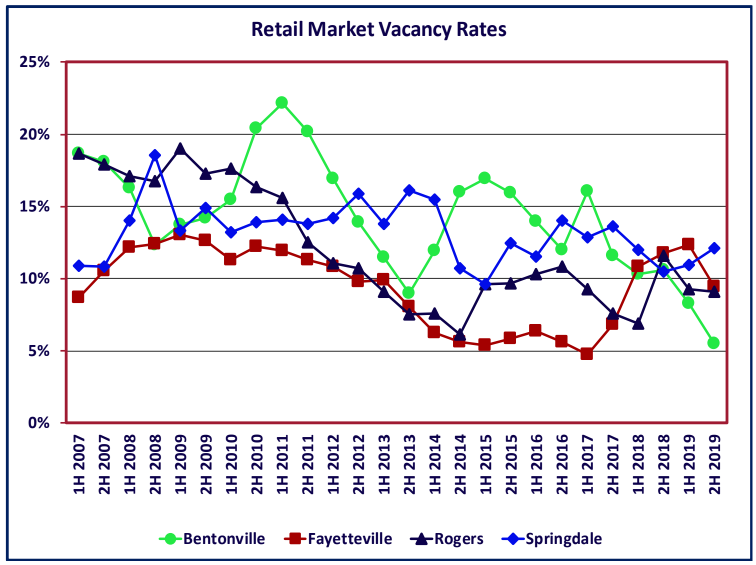
Commercial Market Trends

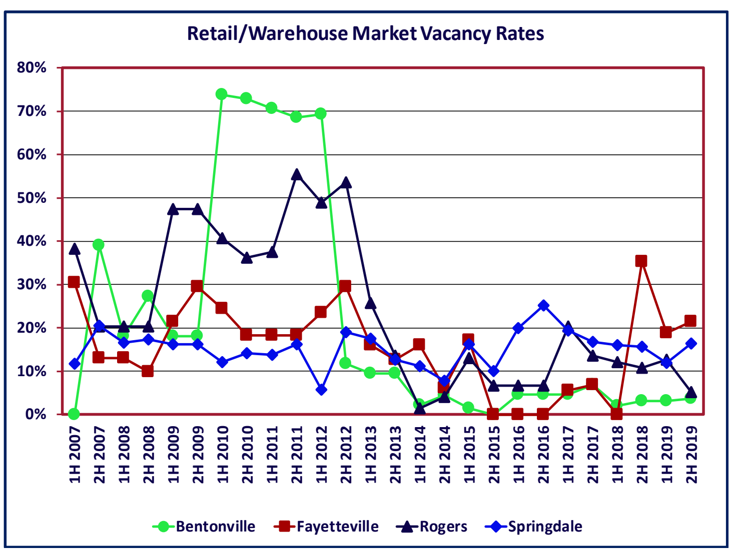
feet in the past twelve months. Rogers accounted for 94,053 square feet and Bentonville added another 40,363 square feet of positive net absorption. Springdale and Fayetteville had 16,551 and 15,688 square feet of negative net absorption, respectively, during this time period. There were 87,652 new square feet of retail space added to the Northwest Arkansas market during the past year, with Springdale accounting for 62,250 square feet, while Rogers and Siloam Springs accounted for 19,442 square feet and 5,960 square feet, respectively. The overall Northwest Arkansas retail vacancy rate decreased 2.1 percentage point from 11.5 percent in the second half of 2018 to 9.4 percent in the second half of 2019.

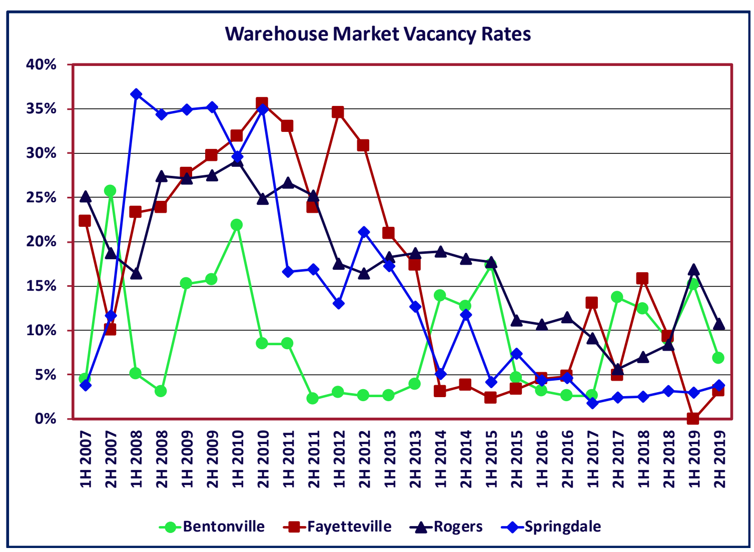
In the Northwest Arkansas warehouse market, available square footage decreased from 1,004,613 in the second half of 2018 to 978,815 in the second half of 2019.[1] The warehouse market experienced negative net absorption of 85,520 square feet during the past year. Rogers accounted for 175,655 square feet of the negative net warehouse absorption, Siloam Springs had another 48,750 square feet of negative net absorption, while Fayetteville and Lowell accounted for 78,465 and 67,860 square feet of positive net absorption in the last year in the warehouse market. 487,078 square feet of new warehouse space were added to the Northwest Arkansas market during the past year, with Bentonville accounting for 259,265 square feet, while Lowell and Springdale accounted for 121,500 square feet and 106,313 square feet, respectively. Vacancy rates decreased by 0.5 percentage points from 9.9 percent to 9.4 percent, from the second half of 2018 to the second half of 2019.

1.Respondents indicated that 150,000 square feet and 200,000 square feet of quality, leased warehouse space was available for sublease in Fayetteville and Rogers.





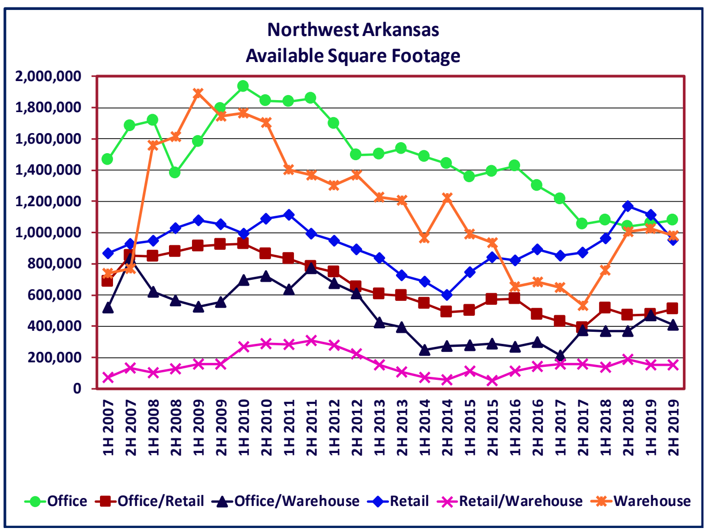


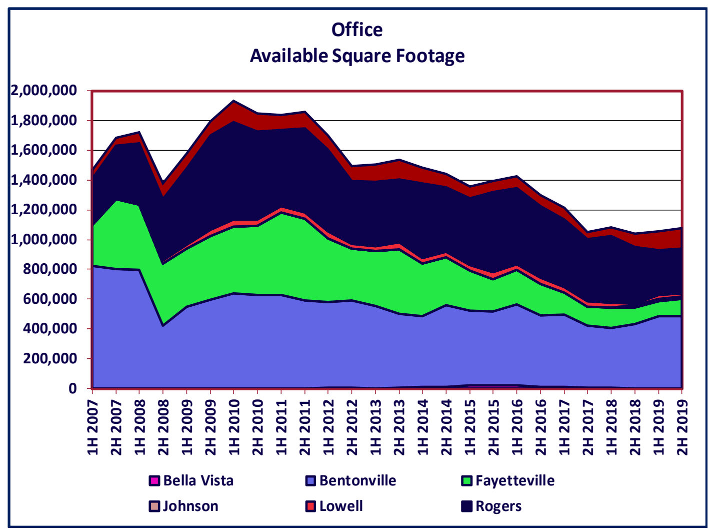


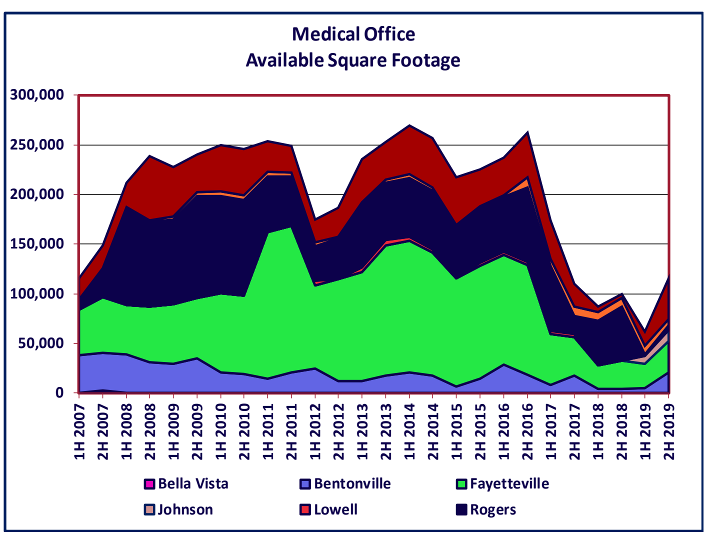
Commercial Market Trends

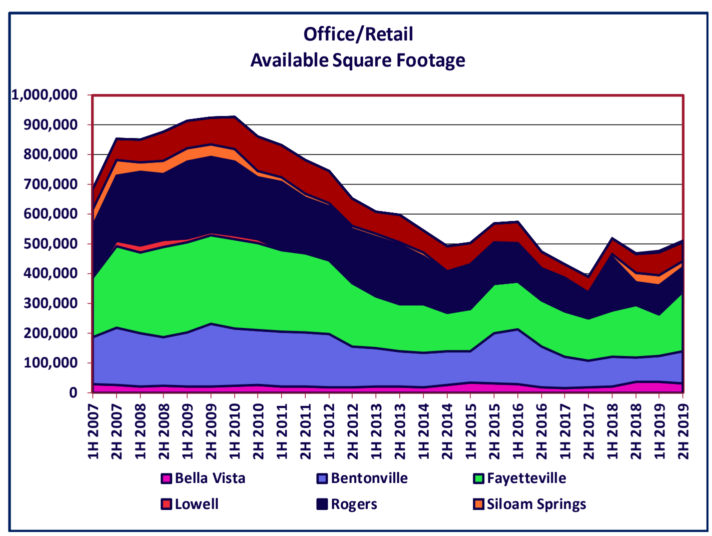
Net Twelve Month Absorption by Submarket 1H 2019 - 2H 2019

City	Office	Office/Retail	Retail	Warehouse
Bella Vista	0	3,870	5,320	0
Bentonville	-36,773	-21,326	40,363	15,200
Fayetteville	70,260	56,378	-15,688	78,465
Johnson	-4,185	332	2,400	0
Lowell	-11,150	-1,440	6,825	67,860
Rogers	93,347	14,267	94,053	-175,655
Siloam Springs	2,000	8,068	10,117	-48,750
Springdale	-42,138	4,690	-16,551	-22,640
Northwest Arkansas	67,914	4,627	19,188	-195,500

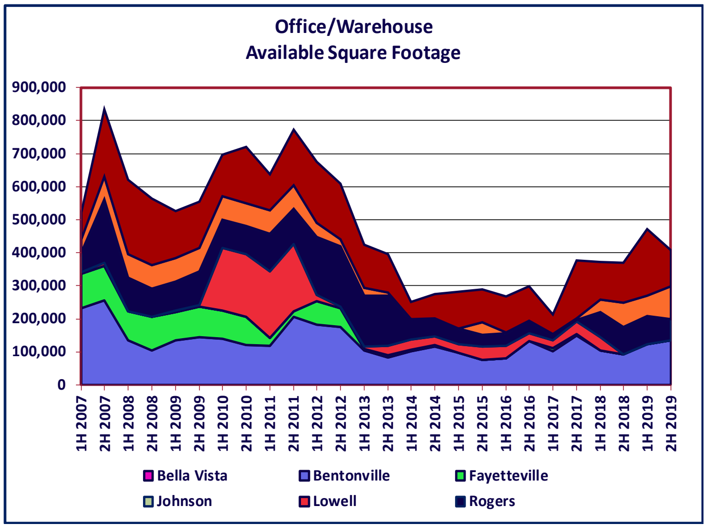


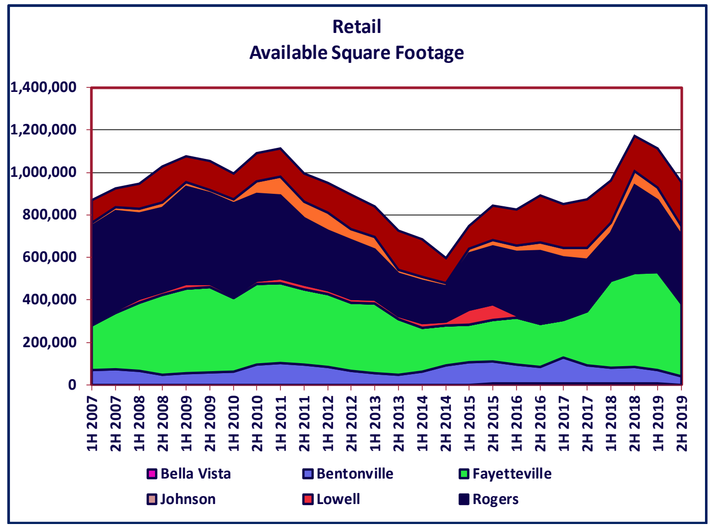


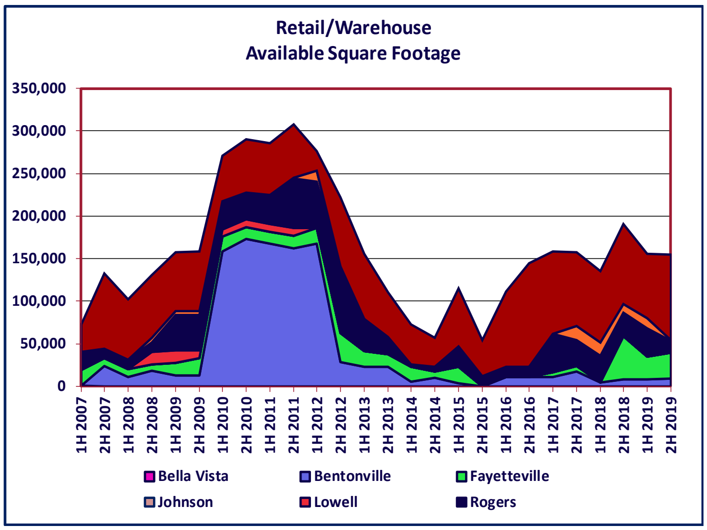


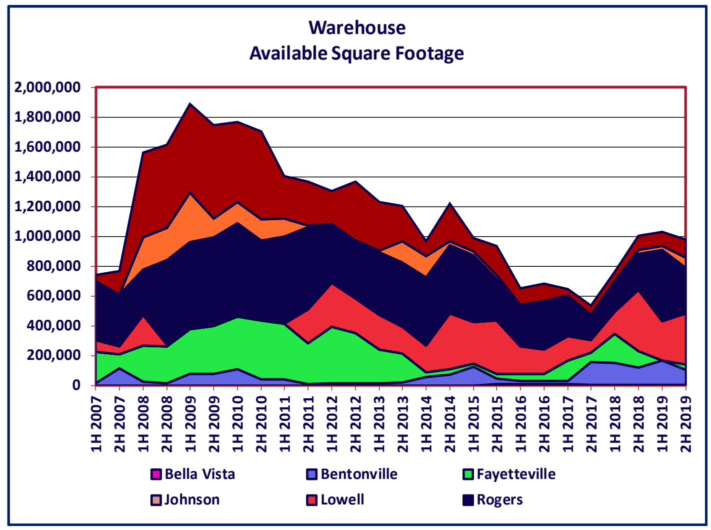


Commercial Market Trends









Commercial Market Trends

Vacancy Rates by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2018	4.4%	11.3%	3.6%		3.5%	11.4%	6.1%	8.3%	8.6%
1H 2019	4.4%	12.8%	3.1%	6.6%	7.0%	8.5%	7.0%	12.1%	8.6%
2H 2019	4.4%	12.4%	3.4%	5.9%	6.8%	8.5%	5.4%	12.7%	8.5%
Medical Office									
2H 2018	0.0%	1.3%	2.3%	0.0%	0.0%	12.4%	7.9%	1.3%	3.8%
1H 2019	0.0%	1.7%	1.9%	4.3%	2.1%	0.0%	7.9%	4.8%	2.3%
2H 2019	0.0%	6.8%	2.5%	6.0%	0.0%	1.2%	5.3%	14.3%	4.3%
Office/Retail									
2H 2018	12.4%	8.9%	10.9%	5.1%	1.5%	13.4%	15.1%	11.7%	10.9%
1H 2019	12.4%	9.4%	8.6%	5.1%	3.0%	16.3%	16.1%	13.9%	10.9%
2H 2019	11.0%	11.6%	12.0%	4.6%	3.0%	13.4%	11.5%	11.5%	11.7%
Office/Warehouse									
2H 2018		10.3%	0.0%	0.0%	0.0%	14.4%	60.0%	6.5%	9.7%
1H 2019		12.4%	0.0%	0.0%	0.0%	14.5%	51.5%	10.3%	11.8%
2H 2019		13.2%	0.0%	0.0%	0.0%	11.0%	84.8%	5.5%	10.2%
Retail									
2H 2018	14.1%	10.6%	11.8%	0.0%	12.8%	11.6%	14.3%	10.5%	11.5%
1H 2019	14.1%	8.3%	12.3%	4.5%	12.8%	9.3%	13.1%	10.9%	10.8%
2H 2019	0.0%	5.5%	9.5%	0.0%	4.9%	9.1%	9.8%	12.1%	9.4%
Retail/Warehouse									
2H 2018		3.2%	35.3%	0.0%	0.0%	10.9%	12.4%	15.7%	14.0%
1H 2019		3.2%	18.9%	0.0%	0.0%	12.7%	13.1%	12.0%	11.0%
2H 2019		3.6%	21.5%	0.0%	0.0%	5.2%	1.1%	16.4%	11.1%
Warehouse									
2H 2018	19.5%	9.0%	9.3%	0.0%	32.0%	8.4%	7.3%	3.2%	9.9%
1H 2019	19.5%	15.1%	0.0%	0.0%	20.0%	16.9%	7.4%	2.9%	10.3%
2H 2019	19.5%	6.9%	3.1%	0.0%	24.4%	10.7%	22.3%	3.8%	9.4%

Commercial Market Trends

Net Absorption by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2018	4,421	-15,621	11,932	-5,800	13,056	62,788	0	-5,714	65,062
1H 2019	0	-46,175	27,572	-6,307	-11,857	76,458	-400	-36,439	2,852
2H 2019	0	9,402	42,688	2,122	707	16,889	2,400	-5,699	68,509
Medical Office									
2H 2018	0	0	-4,179	0	0	-17,619	0	2,000	-19,798
1H 2019	0	-1,200	18,773	-7,519	-1,707	44,748	0	-9,750	43,345
2H 2019	0	-10,362	-7,289	-2,917	1,707	0	2,900	-24,240	-40,201
Office/Retail									
2H 2018	-16,397	23,021	-10,806	0	0	-21,302	0	3,141	-22,343
1H 2019	0	-4,144	39,118	0	-1,440	2,373	-1,068	-7,869	26,970
2H 2019	3,870	-17,182	17,260	332	0	11,894	9,136	12,559	37,869
Office/Warehouse									
2H 2018		11,150	0	0	39,600	-6,100	-35,000	38,519	48,169
1H 2019		-31,213	0	0	0	-322	10,080	-18,913	-40,368
2H 2019		-10,685	0	0	0	15,137	-39,741	94,264	58,975
Retail									
2H 2018	0	-2,710	-20,051	0	1,951	-60,774	-9,524	11,666	-79,442
1H 2019	0	18,417	-7,827	0	0	85,834	5,958	-3,752	98,630
2H 2019	5,320	21,946	-7,861	2,400	6,825	8,219	4,159	-12,799	28,209
Retail/Warehouse									
2H 2018		0	0	0	0	3,200	5,000	-2,100	6,100
1H 2019		-48	23,696	0	0	216	-1,100	25,268	48,032
2H 2019		-1,038	-3,696	0	0	19,292	10,960	-31,680	-6,162
Warehouse									
2H 2018	0	33,000	80,000	0	-263,590	-39,898	4,900	12,935	-172,653
1H 2019	0	-48,800	114,465	0	147,015	-241,055	0	5,528	-22,847
2H 2019	0	64,000	-36,000	0	-79,155	65,400	-48,750	-28,168	-62,673

Commercial Market Trends

Available Square Footage by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2018	3,300	427,582	113,552	13,190	11,788	373,847	9,000	87,807	1,040,066
1H 2019	3,300	482,211	98,764	19,497	23,645	291,115	10,650	127,940	1,057,122
2H 2019	3,300	483,343	113,053	17,375	22,938	292,595	8,250	137,391	1,078,245
Medical Office									
2H 2018	0	4,000	28,289	0	0	54,748	9,000	3,750	99,787
1H 2019	0	5,200	24,500	7,519	1,707	0	9,000	13,500	61,426
2H 2019	0	20,777	31,789	10,436	0	5,074	6,100	41,492	115,668
Office/Retail									
2H 2018	36,521	82,720	175,499	3,332	1,440	76,015	29,478	64,216	469,221
1H 2019	36,521	86,864	140,081	3,332	2,880	95,475	31,746	78,217	475,116
2H 2019	32,651	107,882	199,260	3,000	2,880	78,181	22,610	63,158	509,622
Office/Warehouse									
2H 2018		92,484	0	0	0	83,637	71,573	122,882	370,576
1H 2019		123,697	0	0	0	83,959	61,493	203,349	472,498
2H 2019		134,382	0	0	0	63,400	101,234	109,085	408,101
Retail									
2H 2018	5,320	79,733	441,881	0	11,125	402,581	63,880	166,997	1,171,517
1H 2019	5,320	63,097	463,380	2,400	11,125	322,647	59,281	184,469	1,111,719
2H 2019	0	41,651	342,710	0	4,300	316,392	43,753	206,098	954,904
Retail/Warehouse									
2H 2018		7,768	51,000	0	0	27,400	10,860	94,002	191,030
1H 2019		7,816	27,304	0	0	32,692	11,960	75,604	155,376
2H 2019		8,854	31,000	0	0	13,400	1,000	100,414	154,668
Warehouse									
2H 2018	3,600	113,034	114,465	0	410,360	241,567	24,040	97,547	1,004,613
1H 2019	3,600	161,834	0	0	263,345	482,622	24,040	92,019	1,027,460
2H 2019	3,600	97,834	36,000	0	342,500	305,904	72,790	120,187	978,815

Office

In the second half of 2019, the office properties included in the Skyline Report panel had a vacancy rate of 8.5 percent, a decrease from 8.6 percent in the first half of 2019. Of the 12,622,247 square feet of Northwest Arkansas properties examined, 1,078,245 square feet were available. In the second half of 2019, 180,382 square feet of new space entered the market, while 248,891 square feet became occupied, netting positive absorption of 68,509 square feet for the Northwest Arkansas office market.

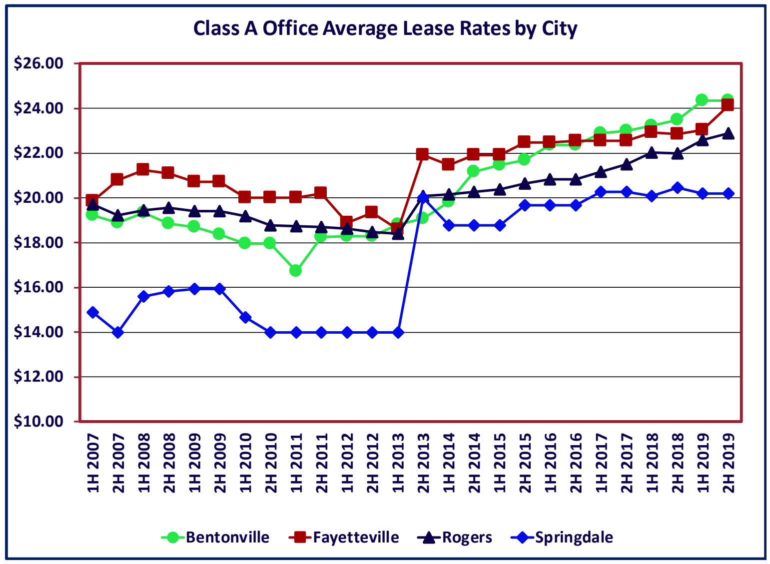
Bentonville had the most available square feet of office space at 483,343, out of its total office space of 3,906,665 square feet in the second half of 2019. 70.6 percent of the available office space was Class B. There were 131,166 new square feet added during this time. The Bentonville office market had net positive absorption of 9,402 square feet with net positive absorption of 30,310 and 22,208 in the Class B and Class C submarkets, respectively. Class A office space had 32,754 square feet of negative net absorption.

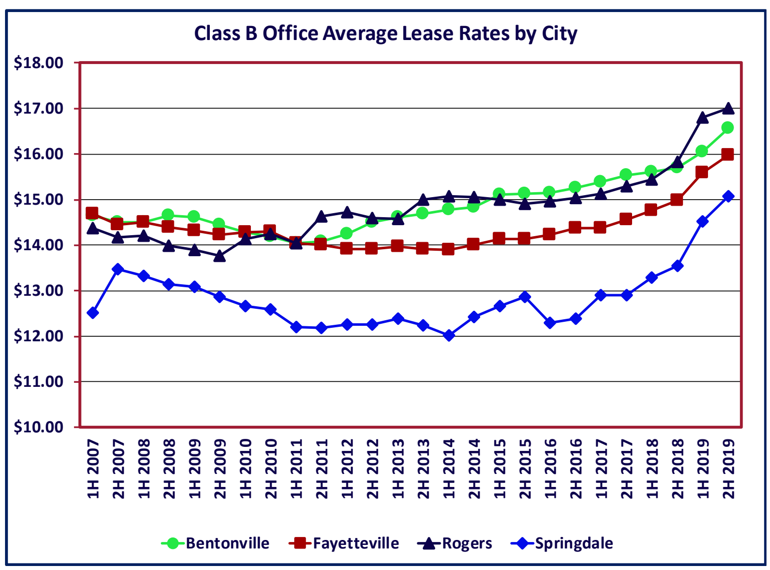
Rogers had 3,436,734 square feet of total office space, with available square feet at 292,595 in the second half of 2019. 41.9 percent of the available space was in the Class A submarket. No new office space was added during this time. The Rogers office market had a net positive absorption of 16,889 square feet in the second half of 2019, with the Class B submarket adding 12,534 square feet of positive net absorption, the Class A submarket had positive net absorption of 3,106 square feet, and the Class C submarket had positive net absorption of 1,249 square feet.

Fayetteville had 113,053 square feet of available space, out of its total office space of 3,334,811 square feet in the second half of 2019, 54.2 percent of the available space was in the Class B submarket. There were 6,000 new square feet of office space, all Class B, added in the second half of 2019. The Fayetteville office market had net positive absorption of 42,688 square feet, with 42,054 square feet coming in the Class B office submarket, while the Class A office submarket had net negative absorption of -4,597 square feet.

Office Lease Rates Average Range by City

	Class A	Class B	Class C	Medical
Bentonville	$23.59-$25.13	$16.15-$16.68	$13.91-$14.01	$16.98-$17.51
Fayetteville	$22.31-$25.94	$15.60-$16.35	$12.43-$13.39	$16.28-$18.03
Rogers	$22.40-$23.35	$16.70-$17.31	$10.64-$11.06	$14.93-$15.10
Springdale	$19.68 - $20.68	$14.73-$15.42	$9.69-$10.77	$15.66-$15.66

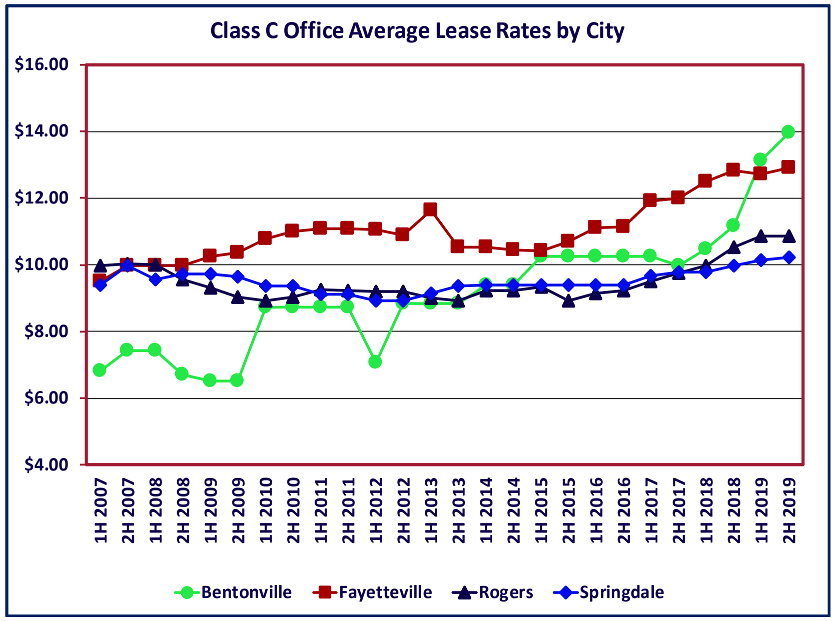


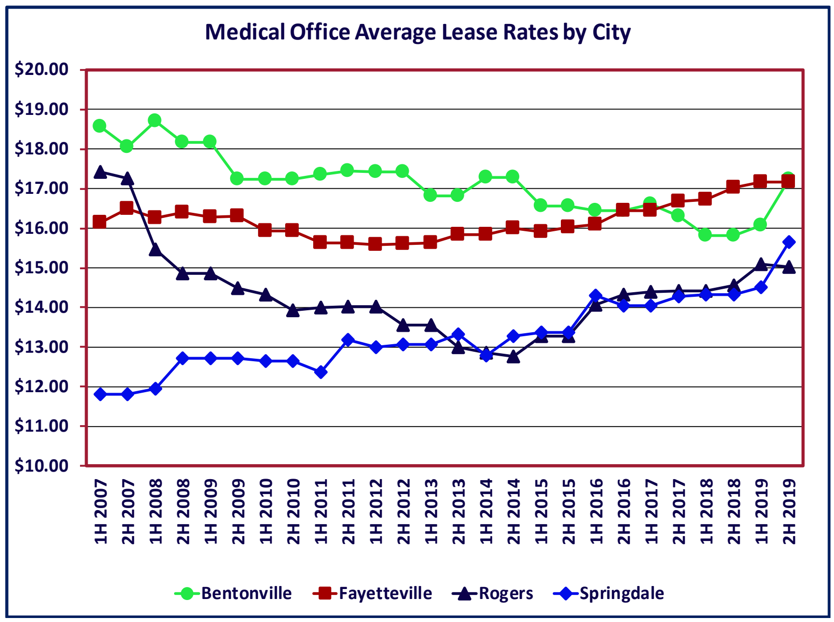


Office

Springdale had 1,082,858 square feet of total office space, with 137,391 square feet of it available in the second half of 2019. 59.2 percent was Class B office space. There were 43,216 new square feet of office space, all Class B, added during the second half of 2019. There was negative net absorption of 5,699 square feet in the Springdale office market in the second half of 2019.

In the second half of 2019, average reported lease rates for Class A office space was highest in Bentonville remaining at $24.36, Fayetteville increased by $1.09 to $24.13, Rogers increased $0.30 to $22.88, and Springdale remained at $20.18. Average reported lease rates for Class B office space, increased in each city, and was highest in Rogers at $17.01. Bentonville was at $16.57, Fayetteville was at $15.98, and Springdale remained with the lowest reported average lease rates at $15.08. Reported average lease rates for Class C office were highest in Bentonville at $13.96. Fayetteville increased $0.18 to $12.91, Rogers decreased to $10.85, and Springdale increased to $10.23. Reported average medical office space lease rates were highest in Bentonville after an increase of $1.17 at $17.25. Fayetteville remained at $17.16, Springdale increased by $1.14 to $15.66, and Rogers decreased to $15.02.





Office

Office Space	Total Square Feet	Available Square Feet	Percent Available	Absorption from 1H to 2H	New Available Square Feet	Net Absorption	Months of Inventory
Class A Office							
Bentonville	832,201	108,287	13.0%	87,846	120,600	-32,754	--
Fayetteville	454,529	7,859	1.7%	-4,597	0	-4,597	--
Rogers	1,714,355	122,500	7.1%	3,106	0	3,106	236.6
Springdale	95,501	217	0.2%	0	0	0	--
Class B Office							
Bentonville	2,403,873	341,076	14.2%	30,310	0	30,310	67.5
Fayetteville	1,148,771	61,289	5.3%	48,054	6,000	42,054	8.7
Rogers	1,004,741	120,551	12.0%	12,534	0	12,534	57.7
Springdale	505,080	81,275	16.1%	56,281	43,216	13,065	37.3
Class C Office							
Bentonville	364,811	13,203	3.6%	22,208	0	22,208	3.6
Fayetteville	458,950	12,116	2.6%	12,520	0	12,520	5.8
Rogers	289,970	44,470	15.3%	1,249	0	1,249	213.6
Springdale	191,726	14,407	7.5%	5,476	0	5,476	15.8
Medical Office							
Bentonville	305,780	20,777	6.8%	204	10,566	-10,362	--
Fayetteville	1,272,561	31,789	2.5%	-7,289	0	-7,289	--
Rogers	427,668	5,074	1.2%	0	0	0	--
Springdale	290,551	41,492	14.3%	-24,240	0	-24,240	--

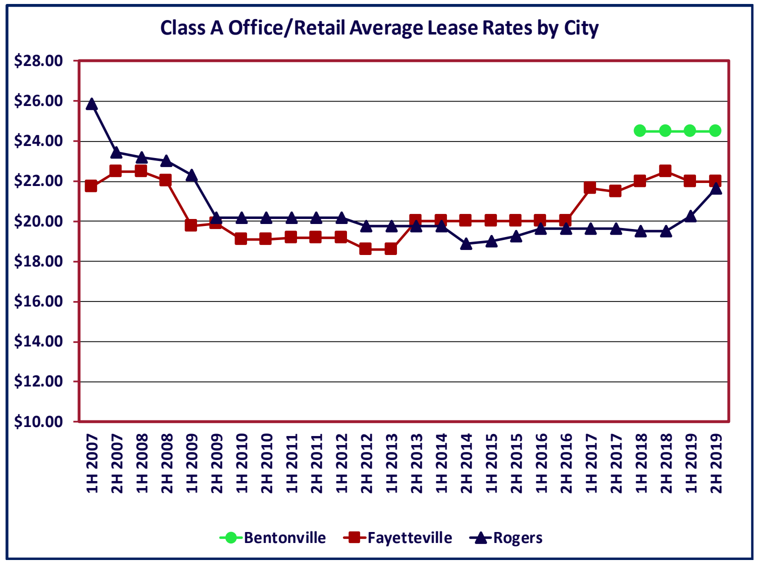
Office/Retail

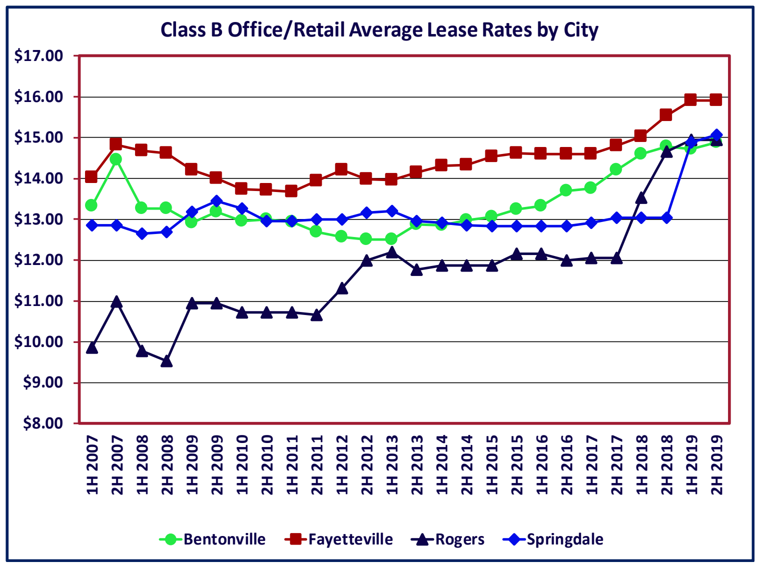
In the second half of 2019, the office/retail properties included in the Skyline Report sample had a vacancy rate of 11.7 percent, an increase from 10.9 percent in the first half of 2019. Of the 4,371,653 square feet of Northwest Arkansas properties examined, 509,622 square feet were available.

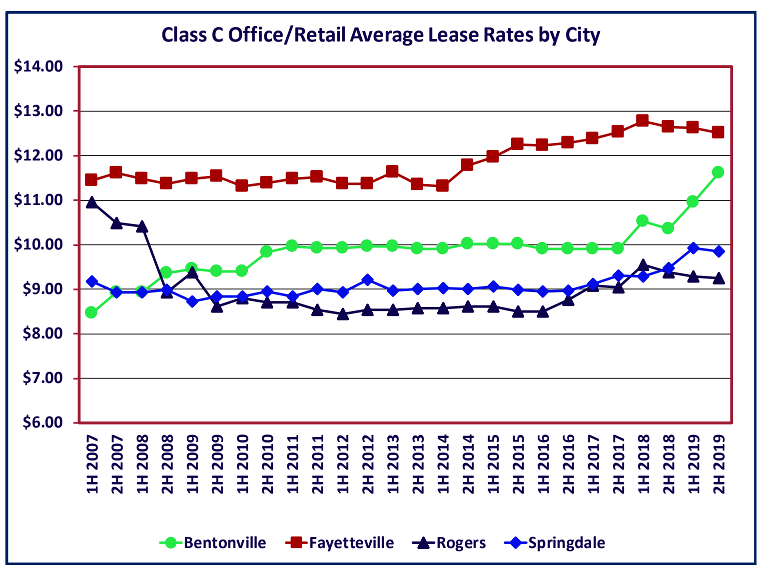
From the first half of 2019 to the second half of 2019, no square feet of new office/retail space were added in Northwest Arkansas. There was a positive net absorption of 37,869 square feet in the second half of 2019. Fayetteville had the most positive net absorption with 17,260 square feet, Springdale added positive net absorption of 12,559 square feet, while Bentonville had the most negative net absorption at 17,182 square feet.

Fayetteville had the largest amount of available square feet in the office/retail submarket with 199,260 square feet in the second half of 2019, while Bentonville contributed with 107,882 square feet available. The vacancy rate was highest in Rogers at 13.4 percent, while the vacancy rate in Fayetteville was 12.0 percent.

The office/retail space reported average lease rates in the second half of 2019 were highest in the Bentonville Class A submarket remaining at $24.50. The average Class A lease rate in Fayetteville remained at $22.00, and Rogers increased $1.42 to $21.67. In the Class B submarket, Fayetteville was still the most expensive at a constant $15.92, followed by Springdale at $15.07, after a $0.18 increase, Rogers at $14.94, unchanged, and Bentonville at $14.89, after an increase of $0.16, was the lowest. In the Class C submarket, the average lease rate was highest in Fayetteville at $12.52. In Bentonville, the average was $11.61, in Springdale the rate was $9.86, and Rogers was the least expensive at $9.26.







Office/Retail

Office/Retail Lease Rates	Class A	Class B	Class C
Bentonville	$21.00-$25.67	$14.58-$15.60	$11.34-$11.87
Fayetteville	$19.00-$25.00	$15.26-$16.57	$11.79-$13.25
Rogers	$21.50-$21.83	$13.94 - $15.94	$8.26-$10.26
Springdale	--	$14.63-$15.50	$9.44-$10.28

Office/Retail Space	Total Square Feet	Available Square Feet	Percent Available	Absorption from 1H to 2H	New Available Square Feet	Net Absorption	Months of Inventory
Class A Office/Retail							
Bentonville	36,864	0	--	0	0	0	--
Fayetteville	12,000	0	0.0%	0	0	0	--
Rogers	110,651	9,093	8.2%	0	0	0	--
Springdale	--	--	--	--	--	--	--
Class B Office/Retail							
Bentonville	744,538	99,041	13.3%	-17,092	0	-17,092	--
Fayetteville	1,209,556	174,935	14.5%	1,325	0	1,325	792.2
Rogers	181,013	32,954	18.2%	13,700	0	13,700	14.4
Springdale	146,389	11,805	8.1%	7,591	0	7,591	9.3
Class C Office/Retail							
Bentonville	148,380	8,841	6.0%	-90	0	-90	--
Fayetteville	436,223	24,325	5.6%	15,935	0	15,935	9.2
Rogers	291,378	36,134	12.4%	-1,806	0	-1,806	--
Springdale	402,268	51,353	12.8%	4,968	0	4,968	62.0

Retail

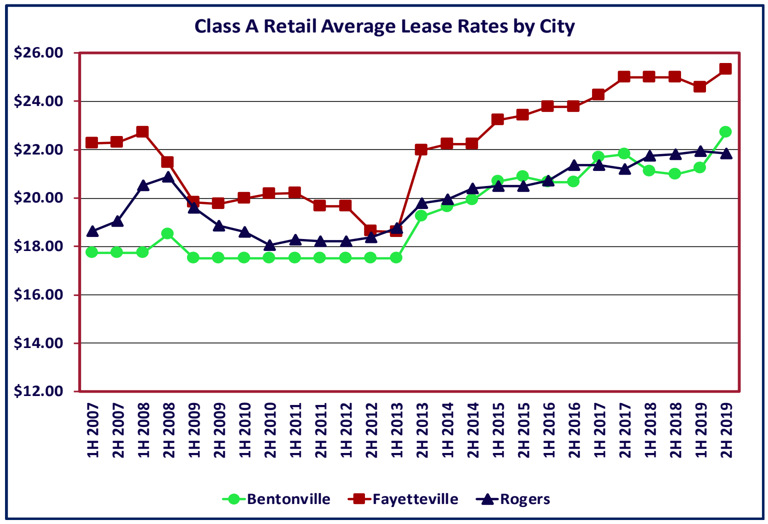
In the second half of 2019, the retail properties included in the Skyline Report panel had a vacancy rate of 9.4 percent, down from 10.8 percent in the first half of 2019. Of the 10,190,828 square feet of Northwest Arkansas retail properties examined, 954,904 square feet were available. 19,960 square feet of new retail space were added in Northwest Arkansas. There was positive net absorption of 28,209 square feet in the second half of 2019.

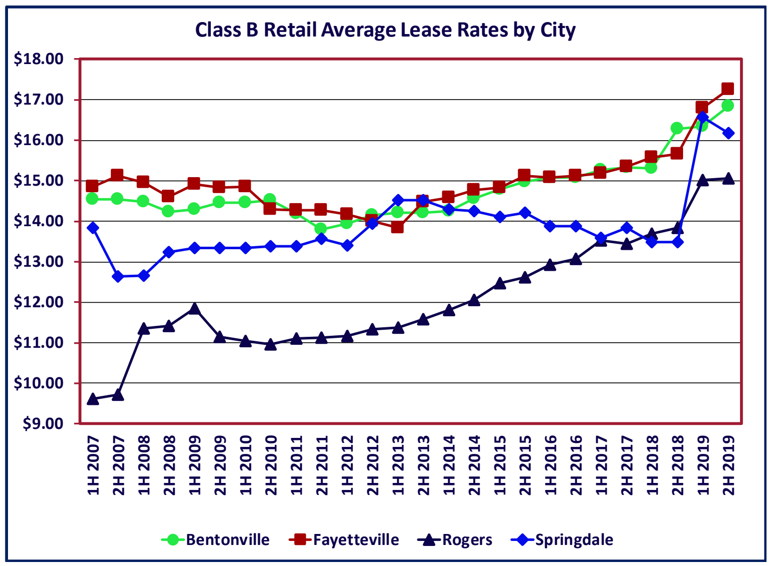
In the second half of 2019, Fayetteville had a retail vacancy rate of 9.5 percent, down from 12.3 percent in the first half of 2019, with 342,710 available square feet out of a total of 3,625,563, as space was reclassified. No new square feet were added and there was reported negative net absorption of 7,861 square feet in the Fayetteville retail market in the second half of 2019.

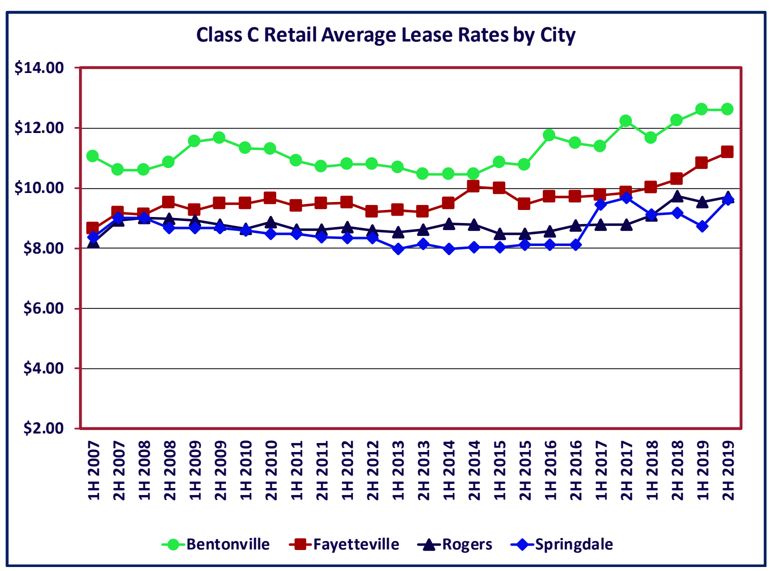
The Rogers market had 316,392 square feet of available retail space out of a total of 3,483,667 square feet, for a vacancy rate of 9.1 percent in the second half of 2019. This was a decrease from the 9.3 percent rate in the first half of 2019. 14,000 square feet of new retail space were added in Rogers, contributing to a positive net absorption of 8,219 square feet.

Bentonville had 757,203 total square feet and 41,651 available square feet of retail space in the second half of 2019, resulting in a vacancy rate of 5.5 percent. This represented a decrease from the rate of 8.3 percent in the first half of 2019. No new new retail space were added to the Bentonville market which had positive net absorption of 21,946 square feet.

There were 206,098 square feet of available retail space out of a total of 1,699,076 square feet in Springdale in the second half of 2019. This implied a vacancy rate of 12.1 percent, up from 10.9 percent in the first half of 2019. No new square feet of retail space were added during the second half of 2019, and there was negative net absorption of 12,799 square feet.







Retail

Retail Space Characteristics	Total Square Feet	Available Square Feet	Percent Available	Absorption from 1H to 2H	New Available Square Feet	Net Absorption	Months of Inventory
Class A Retail							
Bentonville	177,727	19,555	11.0%	7,860	0	7,860	14.9
Fayetteville	1,130,393	45,747	4.0%	11	0	11	10.6
Rogers	1,525,198	58,526	3.8%	9,154	14,000	-4,846	--
Springdale	--	--	--	--	--	--	--
Class B Retail							
Bentonville	444,332	20,906	4.7%	11,886	0	11,886	10.6
Fayetteville	2,049,269	209,321	10.2%	-13,072	0	-13,072	--
Rogers	1,398,608	232,832	16.6%	5,325	0	5,325	262.3
Springdale	1,065,451	133,811	12.6%	-22,558	0	-22,558	--
Class C Retail							
Bentonville	135,144	1,190	0.9%	2,200	0	2,200	3.2
Fayetteville	445,901	87,642	19.7%	5,200	0	5,200	101.1
Rogers	559,861	25,034	4.5%	7,740	0	7,740	19.4
Springdale	633,625	72,287	11.4%	9,759	0	9,759	44.4

In the Class A retail submarket Fayetteville had the highest average reported lease rate at $25.33. Bentonville had an average reported lease rate of $22.71, after an increase of $1.46. The average rate in Rogers was $21.86, after a decrease of $0.08. After an increase of $0.46, Class B retail average lease rates were highest in Fayetteville at $17.26. Bentonville increased $0.50 to $16.85, Springdale decreased $0.40 to $16.17, and Rogers was the lowest at $15.06. Class C average reported lease rates remained the highest in Bentonville at a constant $12.61. Fayetteville was at $11.20, Rogers was at $9.71, leaving Springdale the lowest at $9.63 in the second half of 2019.

Retail Lease Average Range	Class A	Class B	Class C
Bentonville	$22.38-$23.04	$16.31-$17.39	$12.11-$13.11
Fayetteville	$23.75-$26.90	$16.83-$17.68	$11.03-$11.36
Rogers	$21.13-$22.58	$14.14-$15.65	$9.58-$9.84
Springdale	--	$15.74-$16.60	$9.19-$10.06

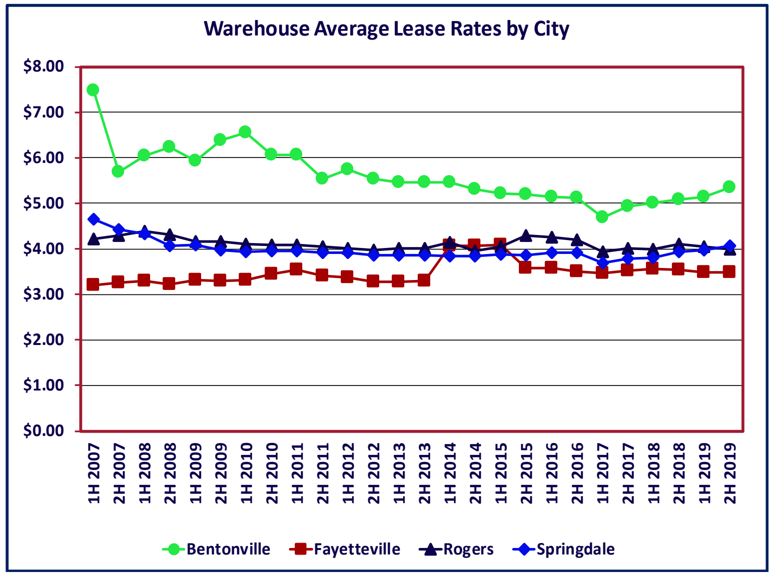
Warehouse

In the second half of 2019, the warehouse properties included in the Skyline Report panel had a vacancy rate of 9.4 percent, down from 10.3 percent in the first half of 2019. Of the 10,461,370 square feet of warehouse space examined, 978,815 square feet were available. There was 355,405 new square feet of warehouse space added in the second half of 2019, and there was negative net absorption of 62,673 square feet.

Bentonville had 1,428,061 total square feet of warehouse space and 80.6 percent of it was Class A warehouse space. 97,834 square feet of warehouse space was available in the second half of 2019, with 86,000 square feet being Class A space. 259,265 square feet of new warehouse space was added to the Bentonville warehouse submarket in the second half of 2019. There was positive net absorption of 64,000 square feet in this report period, resulting in a vacancy rate of 6.9 percent down from 15.1 in the first half of 2019.

There was 1,152,499 total square feet of warehouse space in Fayetteville in the second half of 2019 and 64.6 percent of it was Class B warehouse space. The vacancy rate was 3.1 percent, an increase from 0.0 percent in the first half of 2019 as 36,000 square feet of warehouse space, all Class B, was available after negative net absorption of 36,000 square feet. In addition, Fayetteville had 150,000 square feet of quality, leased warehouse space available for sublease.

342,500 square feet of warehouse space was available in Lowell out of 1,404,713 total square feet of warehouse space. 52.8 percent of the total warehouse space was Class B. 85,500 new square feet of warehouse, all Class A, were added to the Lowell submarket in the second half of 2019. After negative net absorption of 79,155 square feet, the resulting vacancy rate was 24.4 percent, up from 20.0 percent in the first half of 2019. 93,405 square feet of the negative net absorption was in



the Class B warehouse market in the second half of 2019, while 99,750 square feet of the positive net absorption was in the Class C warehouse market.

Rogers had 2,852,151 square feet of warehouse space in the second half of 2019, of which 34.2 percent is Class C. 305,904 square feet was available and a majority of it, 267,300, was Class C space. There was positive net absorption of 65,400 square feet, with 50,000 square feet from the Class C, in the second half of 2019. The vacancy rate was 10.7 percent, down from 16.9 percent in the first half of 2019. In addition, Rogers had 200,000 square feet of quality, leased warehouse space available for sublease.

In the second half of 2019, Springdale, including Tontitown warehouse space, had 3,179,701 square feet of warehouse space, of which 59.5 percent is Class B. 120,187 square feet was available and over half of it, 63,278 square feet, was Class C space. There was 10,640 square feet of new available space, all Class B, added to the Springdale warehouse submarket in the second half of 2019. There was a negative net absorption of 28,168 square feet, as Class B space had 25,640 square feet of negative net absorption with an additional 2,528 square feet from Class C in the second half of 2019, leading to a vacancy rate of 3.8 percent, up from 2.9 percent in the first half of 2019.

The average reported warehouse lease rates increased by $0.20 in Bentonville and $0.09 in Springdale. The lease rates decreased in Rogers by $0.06 and were unchanged in Fayetteville. Bentonville continued to have the highest reported lease rate at $5.34, in the second half of 2019. It is interesting to note that the highest lease rates are not necessarily in the Class A warehouse submarket. According to Skyline report respondents this is mostly due to economies of scale in the Class A submarket, which includes mostly large warehouse space, over 50,000 square feet.

Warehouse Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	$5.32-$5.84	$4.68-$4.93	--
Fayetteville	--	$3.65-$3.68	$3.14-$3.31
Rogers	$3.63-$3.63	$4.51-$4.66	$3.72-$3.76
Springdale	$3.25-$3.25	$3.78-$4.38	$3.92-$4.19

Warehouse Space Characteristics by City

Class A	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption	Months of Inventory
Bentonville	1,150,672	86,000	7.5%	323,265	259,265	64,000	8.1
Fayetteville	--	--	--	--	--	--	--
Rogers	962,500	0	0.0%	0	0	0	--
Springdale	96,200	0	0.0%	0	0	0	--
Class B							
Bentonville	257,430	0	0.0%	0	0	0	--
Fayetteville	744,813	36,000	4.8%	-36,000	0	-36,000	--
Rogers	915,424	38,604	4.2%	15,400	0	15,400	15.0
Springdale	1,902,709	56,909	3.0%	-15,000	10,640	-25,640	--
Class C							
Bentonville	19,959	11,834	59.3%	0	0	0	--
Fayetteville	407,686	0	0.0%	0	0	0	--
Rogers	974,227	267,300	27.4%	50,000	0	50,000	32.1
Springdale	1,198,792	63,278	5.3%	-2,528	0	-2,528	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 2H 2019 respondents.

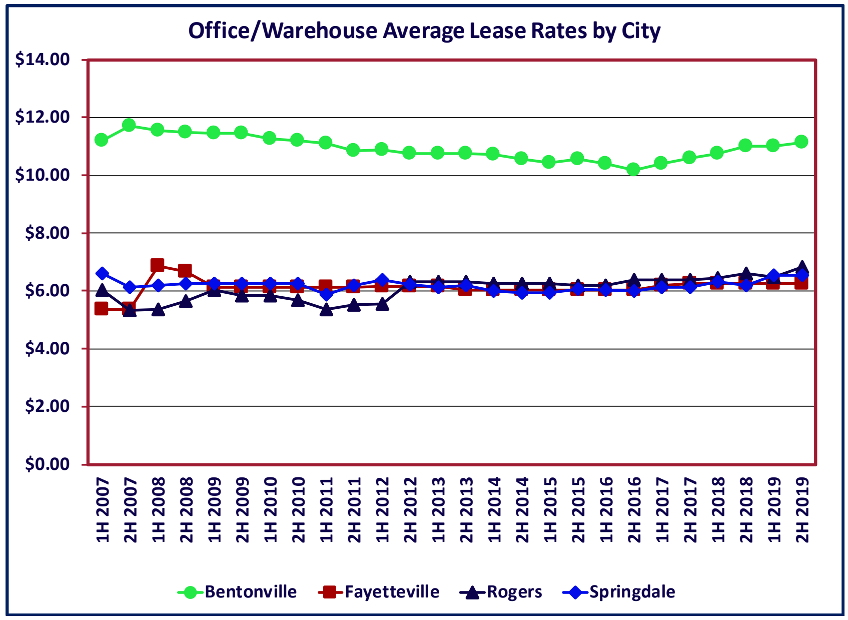
Other Categories

Office/Warehouse

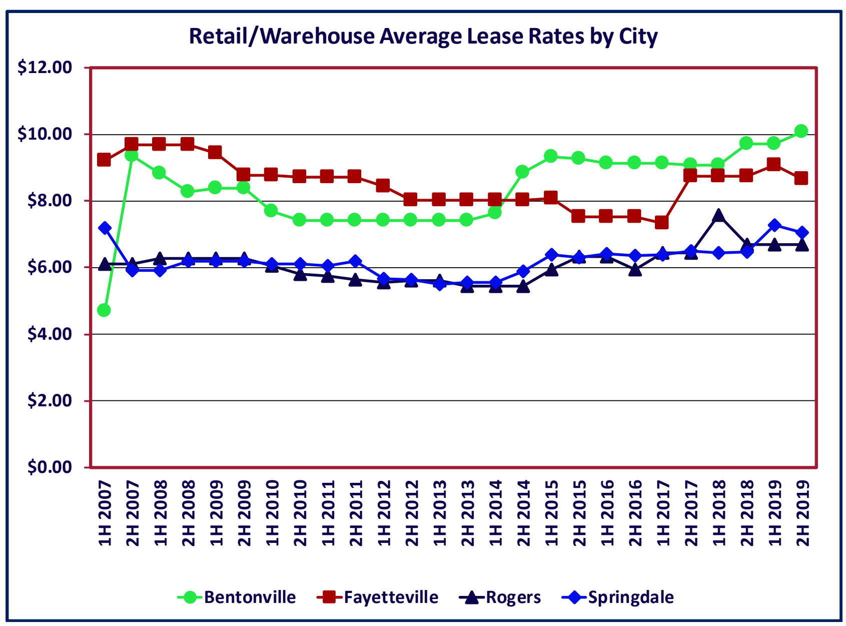
The Skyline Report panelists reported on 4,006,466 square feet of office/warehouse space with 408,101 total square feet available in the second half of 2019. The vacancy rate in the office/warehouse submarket decreased from 11.8 percent in the first half of 2019 to 10.2 percent in the second half of 2019. No new square feet of office/warehouse space entered the market in Northwest Arkansas during the second half of 2019.

The office/warehouse submarket in Northwest Arkansas experienced positive net absorption of 58,975 square feet during the second half of 2019. Bentonville and Springdale with 134,382 square feet and 109,085 square feet, respectively, had the bulk of the available office/warehouse space in Northwest Arkansas.

In the second half of 2019, Bentonville continued to have the highest reported average lease rate at $11.12 after an increase of $0.12. Rogers increased to $6.82, while average reported lease rates remained at $6.24 in Fayetteville and at $6.53 in Springdale.



Retail/Warehouse



The Skyline Report panelists reported on 1,391,507 square feet of retail/warehouse space in the second half of 2019. A total of 154,668 square feet was available in Northwest Arkansas. Springdale had the most available retail/warehouse space with 100,414 square feet, while Fayetteville added 31,000 square feet to that total.

No new space was added to the market during this time. The vacancy rate in the retail/

warehouse submarket increased from 11.0 percent in the first half of 2019 to 11.1 percent in the second half of 2019.

From the first half of 2019 to the second half of 2019, there was negative net absorption of 6,162 square feet of retail/warehouse space in Northwest Arkansas. Springdale accounted for 31,680 square feet of net negative absorption, while Rogers accounted for 19,292 square feet of net positive absorption.

In the second half of 2019, Bentonville continued to have the highest average lease rate in this market at $10.06, after an increase of $0.33. Reported retail/warehouse average lease rates decreased by $0.40 in Fayetteville to $8.67, decreased by $0.22 in Springdale to $7.06, and remained constant at $6.70 in Rogers.

Other Lease Rates Average Range by City

	Office/Warehouse	Retail/Warehouse
Bentonville	$10.35 - $11.65	$9.44 - $10.01
Fayetteville	$5.80 - $6.68	$8.61 - $9.53
Rogers	$6.37 - $6.61	$6.54 - $6.86
Springdale	$6.08 - $6.98	$6.98 - $7.58

Other Space Characteristics by Class and City

Warehouse	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption	Months of Inventory
Bentonville	1,428,061	97,834	6.9%	323,265	259,265	64,000	9.2
Fayetteville	1,152,499	36,000	3.1%	-36,000	0	-36,000	--
Rogers	2,852,151	305,904	10.7%	65,400	0	65,400	28.1
Springdale	3,197,701	120,187	3.8%	-17,528	10,640	-28,168	--
Office/Warehouse							
Bentonville	1,014,500	134,382	13.2%	-10,685	0	-10,685	--
Fayetteville	177,512	0	0.0%	0	0	0	--
Rogers	576,411	63,400	11.0%	15,137	0	15,137	25.1
Springdale	1,969,730	109,085	5.5%	94,264	0	94,264	6.9
Retail/Warehouse							
Bentonville	243,654	8,854	3.6%	-1,038	0	-1,038	--
Fayetteville	144,344	31,000	21.5%	-3,696	0	-3,696	--
Rogers	257,342	13,400	5.2%	19,292	0	19,292	4.2
Springdale	613,974	100,414	16.4%	-31,680	0	-31,680	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Bella Vista

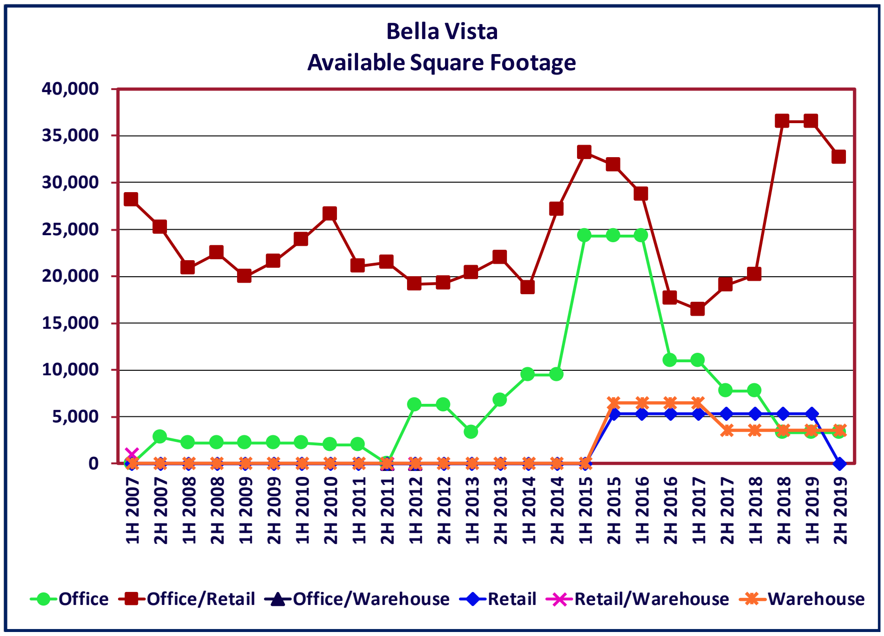
• From July 1 to December 31, 2019, Bella Vista issued no new building permits for any commercial space.

• Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 427,415 square feet of commercial space in Bella Vista in the second half of 2019.

• In the second half of 2019, Bella Vista has net positive absorption of 9,190 square feet, with the retail and office/retail submarkets accounting for 5,320 and 3,870 square feet of net positive absorption, respectively.

• There was no space added to the Bella Vista commercial market in the second half of 2019.

• Reported average lease rates in Bella Vista in the second half of 2019 remained relatively stable.



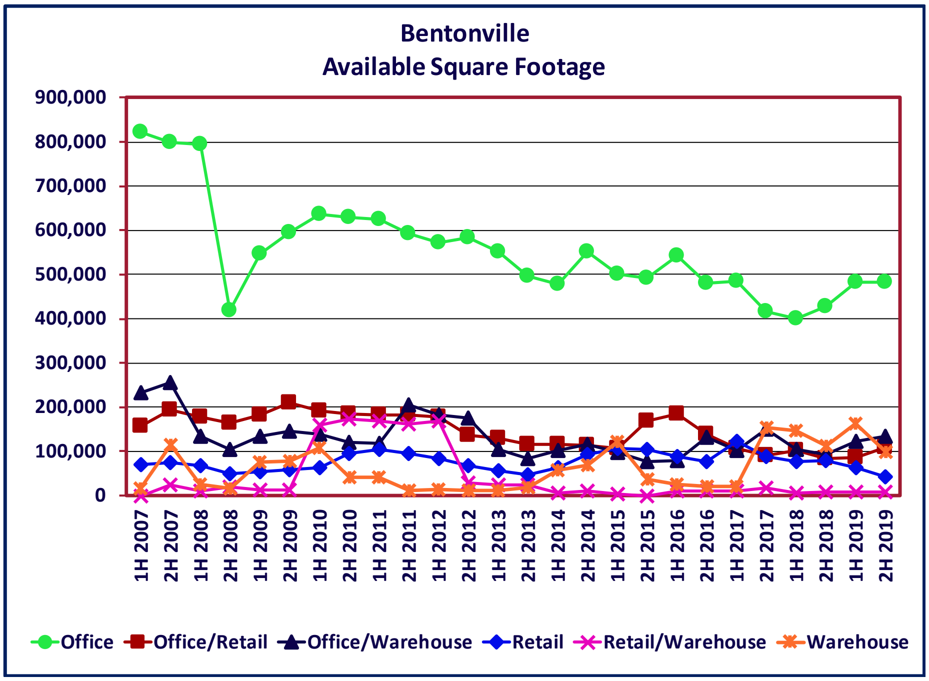
Bella Vista Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	--	--	--	--	--	--	--	--
Office	$12.59 - $13.09	75,389	3,300	4.4%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	$13.68 - $13.68	64,025	3,300	5.2%	0	0	0	--
Class C	$11.00 - $11.00	3,260	0	0.0%	0	0	0	--
Medical	$12.00 - $14.00	8,104	0	0.0%	0	0	0	--
Office/Retail	$10.37 - $13.41	295,720	32,651	11.0%	3,870	0	3,870	50.6
Class A	--	--	--	--	--	--	--	--
Class B	$10.37 - $13.41	284,344	32,651	11.5%	2,000	0	2,000	98.0
Class C	--	11,376	0	0.0%	1,870	0	1,870	0.0
Office/Warehouse	--	--	--	--	--	--	--	--
Retail	$9.82 - $9.82	37,820	0	0.0%	5,320	0	5,320	0.0
Class A	--	--	--	--	--	--	--	--
Class B	$9.82 - $9.82	37,820	0	0.0%	5,320	0	5,320	0.0
Class C	--	--	--	--	--	--	--	--
Retail/Warehouse	--	--	--	--	--	--	--	--
Warehouse	$1.00 - $2.70	18,486	3,600	19.5%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	--	--	--	--	--	--	--	--
Class C	$1.00 - $2.70	18,486	3,600	19.5%	0	0	0	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Bentonville

- From July 1 to December 31, 2019, Bentonville issued $101,276,758 worth of building permits for new commercial space. The second half of 2019 value was 83.6 percent higher than the second half of 2018 value of $55,161,056. Bentonville accounted for 51.3 percent of the commercial permits issued in Northwest Arkansas during the first half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 8,296,205 square feet of commercial space in Bentonville in the second half of 2019.
- In the second half of 2019, Bentonville experienced absorption of 456,874 square feet, while 390,431 new square feet of space, including 131,116 square feet of office space were added, yielding positive net absorption of 66,443 square feet.



Bentonville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	$4.50 - $4.50	16,340	0	0.0%	0	0	0	--
Office	$16.64-$17.21	3,906,665	483,343	12.4%	140,568	131,166	9,402	308.5
Class A	$23.59-$25.13	832,201	108,287	13.0%	87,846	120,600	-32,754	--
Class B	$16.15-$16.68	2,403,873	341,076	14.2%	30,310	0	30,310	67.5
Class C	$13.91-$14.01	364,811	13,203	3.6%	22,208	0	22,208	3.6
Medical	$16.98-$17.51	305,780	20,777	6.8%	204	10,566	-10,362	--
Office/Retail	$14.20-$15.30	929,782	107,882	11.6%	-17,182	0	-17,182	--
Class A	$21.00-$25.67	36,864	0	--	0	0	0	--
Class B	$14.58-$15.60	744,538	99,041	13.3%	-17,092	0	-17,092	--
Class C	$11.34-$11.87	148,380	8,841	6.0%	-90	0	-90	--
Office/Warehouse	$10.47-$11.77	1,014,500	134,382	13.2%	-10,685	0	-10,685	--
Retail	$16.71-$17.69	757,203	41,651	5.5%	21,946	0	21,946	11.4
Class A	$22.38-$23.04	177,727	19,555	11.0%	7,860	0	7,860	14.9
Class B	$16.31-$17.39	444,332	20,906	4.7%	11,886	0	11,886	10.6
Class C	$12.11-$13.11	135,144	1,190	0.9%	2,200	0	2,200	3.2
Retail/Warehouse	$9.77-$10.35	243,654	8,854	3.6%	-1,038	0	-1,038	--
Warehouse	$5.12-$5.56	1,428,061	97,834	6.9%	323,265	259,265	64,000	9.2
Class A	$5.32-$5.84	1,150,672	86,000	7.5%	323,265	259,265	64,000	8.1
Class B	$4.68 - $4.93	257,430	0	0.0%	0	0	0	--
Class C	--	19,959	11,834	59.3%	0	0	0	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Bentonville

- The warehouses market had the greatest amount of positive net absorption with 64,000 square feet, with the retail market adding an additional 21,946 square feet of positive net absorption. The office market had significant positive net absorption of 9,402 square feet in the second half of 2019.
- Reported vacancy rates from the first half of 2019 to the second half of 2019 decreased in the office, retail, and warehouse submarkets, and increased in the medical office, office/retail, office/warehouse and retail/warehouse submarkets of Bentonville.
- • Average reported lease rates increased noticeably in the following submarkets: by $0.82 in the Class C office, $1.46 and $0.50 in the Class A and Class B retail submarkets, respectively, and $1.17 in the medical office submarket. Lease rates remained relatively stable in the other submarkets during this period, except for the Class A office/retail submarket which saw a $1.17 decrease in average report lease rates.

Downtown Bentonville

• Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 886,822 square feet of office, office/retail, and retail space in Downtown Bentonville in the second half of 2019.

- There was positive net absorption of 10,146 square feet in Downtown Bentonville during the second half of 2019, while no new space was added.
- Office space in Downtown Bentonville had a reported vacancy rate of 9.3 percent in the second half of 2019, down from 10.8 percent in the first half of 2019.
- The office/retail vacancy rate in Downtown Bentonville remained at 6.5 percent in the second half of 2019.
- The reported retail vacancy in Downtown Bentonville decreased from 9.6 percent to 7.4 percent in the second half of 2019. Average reported office lease rates decreased by $0.63, office/retail decreased by $0.95, and the retail submarket decreased by $1.35 in Downtown Bentonville in the second half of 2019.

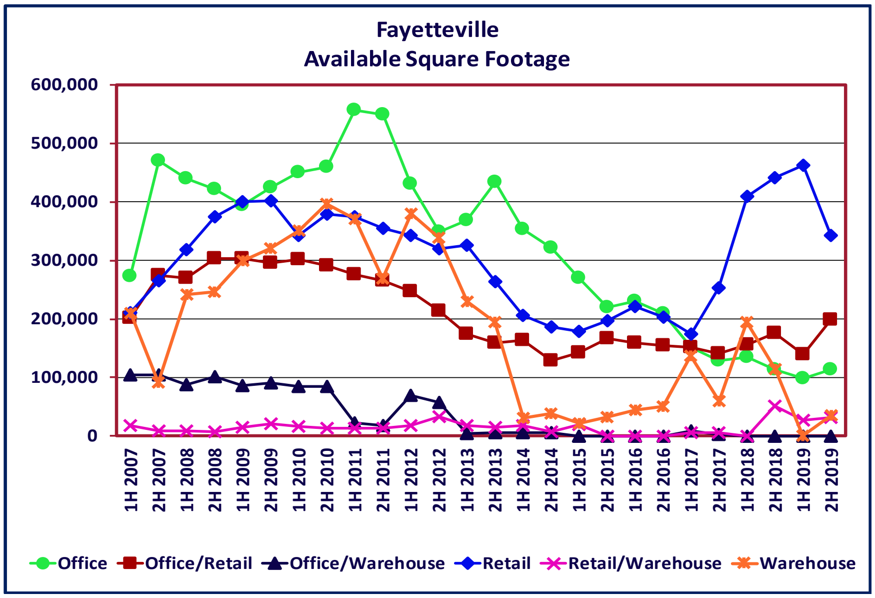
Downtown Bentonville Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$19.94-$21.02	659,448	61,042	9.3%	7,946	0	7,946	46.1
Office/Retail	$18.30-$20.57	130,944	8,452	6.5%	0	0	0	0
Retail	$18.57-$19.10	96,430	7,100	7.4%	2,200	0	2,200	19.4

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Fayetteville

- From July 1 to December 31, 2019, Fayetteville issued building permits for $26,621,150 worth of new commercial space. The second half of 2019 value was 212.9 percent higher than the second half of 2018 value of $8,507,982. Fayetteville accounted for 13.5 percent of the commercial permits issued in Northwest Arkansas during the second half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,130,611 square feet of commercial space in Fayetteville in the second half of 2019.
- In the second half of 2019, Fayetteville experienced positive net absorption of 9,964 square feet. The office market had the greatest amount of positive net absorption with 42,688 square feet, followed by the office/retail submarket at 17,260 square feet. The warehouse submarket had negative net absorption of 36,000 square feet.



Fayetteville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Lab	$20.92-$22.92	75,603	3,609	4.8%	7,573	0	7,573	2.9
Industrial	$3.80-$3.88	962,500	10,000	1.0%	-10,000	0	-10,000	--
Office	$15.28-$16.50	3,334,811	113,053	3.4%	48,688	6,000	42,688	15.9
Class A	$22.31-$25.94	454,529	7,859	1.7%	-4,597	0	-4,597	--
Class B	$15.60-$16.35	1,148,771	61,289	5.3%	48,054	6,000	42,054	8.7
Class C	$12.43-$13.39	458,950	12,116	2.6%	12,520	0	12,520	5.8
Medical	$16.28-$18.03	1,272,561	31,789	2.5%	-7,289	0	-7,289	--
Office/Retail	$13.89-$15.32	1,657,779	199,260	12.0%	17,260	0	17,260	69.3
Class A	$19.00-$25.00	12,000	0	0.0%	0	0	0	--
Class B	$15.26-$16.57	1,209,556	174,935	14.5%	1,325	0	1,325	792.2
Class C	$11.79-$13.25	436,223	24,325	5.6%	15,935	0	15,935	9.2
Office/Warehouse	$5.80-$6.68	177,512	0	0.0%	0	0	0	--
Retail	$15.52-$16.43	3,625,563	342,710	9.5%	-7,861	0	-7,861	--
Class A	$23.75-$26.90	1,130,393	45,747	4.0%	11	0	11	24,952.9
Class B	$16.83-$17.68	2,049,269	209,321	10.2%	-13,072	0	-13,072	--
Class C	$11.03-$11.36	445,901	87,642	19.7%	5,200	0	5,200	101.1
Retail/Warehouse	$7.81-$9.53	144,344	31,000	21.5%	-3,696	0	-3,696	--
Warehouse	$3.43-$3.52	1,152,499	36,000	3.1%	-36,000	0	-36,000	--
Class A	--	--	--	--	--	--	--	--
Class B	$3.65-$3.68	744,813	36,000	4.8%	-36,000	0	-36,000	--
Class C	$3.14-$3.31	407,686	0	0.0%	0	0	0	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Fayetteville

- 6,000 square feet of new commercial space was added to the Fayetteville market in the second half of 2019.
- Observed vacancy rates in Fayetteville from the first half of 2019 to the second half of 2019 decreased for retail and lab space. Vacancy rates increased for office, medical office, office/retail, retail, warehouse and retail/warehouse space.
- The Fayetteville office and retail markets had significant average lease rate decreases of $0.29 and $0.51, respectively, while all other lease rates were relatively stable from the first half of 2019 to the second half of 2019.

Downtown Fayetteville/ Dickson Street Area

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,088,132 square feet of office, office/retail, and retail space in the Downtown Fayetteville/Dickson Street area in the second half of 2019.
- There was positive net absorption of 16,154 square feet in the downtown Fayetteville area in the second half of 2019.
- There was no new space added in downtown Fayetteville during the second half of 2019.
- The office space in downtown Fayetteville had a reported vacancy rate of 2.0 percent in the second half of 2019, down from 2.4 percent in the first half of 2019 in accordance with positive net absorption of 7,780 square feet. This was lower than the overall Fayetteville office vacancy rate of 3.4 percent.
- The office/retail vacancy rate for downtown Fayetteville properties went down from 4.3 percent in the first half of 2019 to 1.8 percent in the second half of 2019. This compares to 12.0 percent in the same submarket for all of Fayetteville during the second half of 2019.
- The downtown Fayetteville retail vacancy rate decreased from 10.4 percent to 10.1 percent, with a positive net absorption of 1,229 square feet, and was higher than the overall Fayetteville retail vacancy rate of 9.5 percent in the second half of 2019.
- Average reported lease rates in downtown Fayetteville increased $0.34 in the retail submarket, decreased $0.16 in the office/retail submarket, and increased $0.88 the office submarkets during the past six months.

Uptown Fayetteville

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,088,224 square feet of office, office/retail, and retail space in Uptown Fayetteville in the second half of 2019.
- There was positive net absorption of 45,871 square feet of space during the second half of 2019 in Uptown Fayetteville with office space accounting for a positive absorption of 33,016 square feet and retail accounting for an additional 12,855 square feet of this total.
- There was 6,000 square feet of new commercial space, all office space, added to the Uptown Fayetteville commercial market in the second half of 2019.
- The office space in Uptown Fayetteville had a reported vacancy rate of 3.5 percent in the second half of 2019. This was higher than the first half of 2019 vacancy rate of 2.7 percent and was higher than the 3.4 percent vacancy rate for all of Fayetteville.
- In the second half of 2019, the office/retail vacancy rate in Uptown Fayetteville remained at 4.0 percent from the first half of 2019. The vacancy rate was below the city average office/retail vacancy rate of 12.0 percent.
- Retail space in Uptown Fayetteville had a reported vacancy rate of 7.4

Fayetteville Downtown/Dickson Street Area Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$15.24-$17.95	490,003	9,726	2.0%	7,780	0	7,780	7.5
Office/Retail	$15.20-$16.69	415,488	7,430	1.8%	7,145	0	7,145	6.2
Retail	$16.08-$16.64	182,641	18,460	10.1%	1,229	0	1,229	90.1

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Fayetteville

percent in the second half of 2019, a decrease from 13.1 percent in the first half of 2019, and lower than the overall Fayetteville rate of 9.5 percent.

- Average reported lease rates in Uptown Fayetteville decreased $0.23 in the office, were constant in the office/retail and increased $0.50 in the retail submarket in the second half of 2019.

Martin Luther King, Jr. Boulevard Corridor

- In the second half of 2019, Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 499,926 square feet of office, office/retail, and retail space in the MLK Boulevard Corridor.
- There was no new commercial space added to southwest Fayetteville in the second half of 2019.
- The MLK Boulevard Corridor of Fayetteville experienced a negative net absorption of 6,708 square feet of space, with retail space account for 5,800 square feet and office/retail space accounting for 908 square feet, in the second half of 2019.
- Office space in the MLK Boulevard Corridor of Fayetteville had a reported vacancy rate of 9.7 percent in the second half of 2019. This was higher than the overall office vacancy rate of 3.4 percent for all of Fayetteville.
- From the first half of 2019 to the second half of 2019, the office/retail vacancy rate increased to 14.3 percent in the MLK Boulevard Corridor of Fayetteville, and was higher than the overall city average rate of 12.0 percent.
- The vacancy rate for retail space in the MLK Boulevard Corridor was 44.0 percent in the second half of 2019, an increase from the 41.3 percent in the first half of 2019. The retail vacancy rate for all of Fayetteville was much lower at 9.5 percent.
- Average reported lease rates in the MLK Boulevard Corridor increased $4.38 in the office, decreased $0.45 in the office/retail submarkets and remained relatively unchanged in the retail submarkets in the second half of 2019.

Uptown Fayetteville Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$15.24-$17.95	1,780,422	61,576	3.5%	39,016	6,000	33,016	11.2
Office/Retail	$16.68-$16.81	81,348	3,261	4.0%	0	0	0	--
Retail	$17.60-$18.35	2,352,076	307,788	13.1%	-20,814	0	-20,814	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Fayetteville MLK Boulevard Corridor Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$15.88-$18.88	29,909	2,916	9.7%	0	0	0	--
Office/Retail	$13.82-$15.50	252,746	36,107	14.3%	-908	0	-908	--
Retail	$16.63-$17.50	217,271	95,547	44.0%	-5,800	0	-5,800	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Johnson

- From July 1 to December 31, 2019 Johnson issued building permits for $678,435 worth of new commercial space. The second half of 2019 value was 82.5 percent lower than the second half of 2018 value of $3,873,492. Johnson accounted for 0.3 percent of the building permits issued in Northwest Arkansas in the second half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 535,698 square feet of Johnson commercial space in the second half of 2019.
- In the second half of 2019, Johnson had positive net absorption of 4,854 square feet, with 2,122 square feet in the office market and 2,400 square feet in the retail market.
- There was no new office space added in Johnson in the second half of 2019.
- The office submarket in Johnson had a vacancy rate of 5.9 percent in the second half of 2019.
- Average reported lease rates in Johnson increased significantly in the office/retail market by $0.48, and decreased by $0.15 in the Class B warehouse submarket.

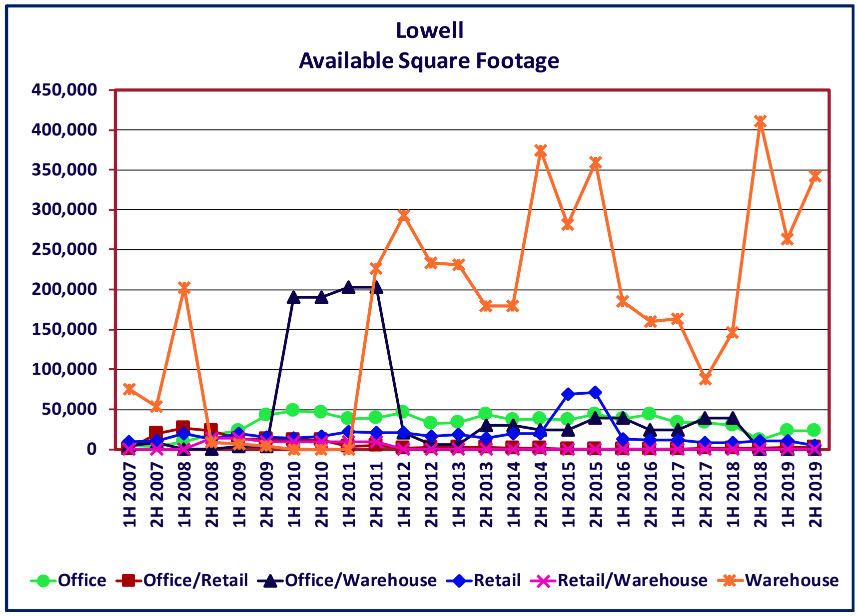
Johnson Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	--	--	--	--	--	--	--	--
Office	$21.59 - $21.59	295,547	17,375	5.9%	2,122	0	2,122	49.1
Class A	$23.25 - $23.25	72,373	6,939	9.6%	3,039	0	3,039	13.7
Class B	$16.50 - $16.50	31,300	0	0.0%	0	0	0	--
Class C	--	17,456	0	0.0%	2,000	0	2,000	0.0
Medical	$22.19 - $22.19	174,418	10,436	6.0%	-2,917	0	-2,917	--
Office/Retail	$12.90 - $16.40	65,451	3,000	4.6%	332	0	332	54.2
Class A	--	--	--	--	--	--	--	--
Class B	$12.90 - $16.40	65,451	3,000	4.6%	332	0	332	54.2
Class C	--	--	--	--	--	--	--	--
Office/Warehouse	$5.50 - $5.50	31,340	0	0.0%	0	0	0	--
Retail	$14.25 - $15.00	53,335	0	0.0%	2,400	0	2,400	0.0
Class A	--	--	--	--	--	--	--	--
Class B	$15.00 - $16.00	50,335	0	0.0%	2,400	0	2,400	0.0
Class C	$12.00 - $12.00	3,000	0	0.0%	0	0	0	--
Retail/Warehouse	--	8,420	0	0.0%	0	0	0	--
Warehouse	$3.81 - $4.86	81,605	0	0.0%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	$3.59 - $4.95	61,870	0	0.0%	0	0	0	--
Class C	$3.50 - $4.50	19,735	0	0.0%	0	0	0	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Lowell

- From July 1 to December 31, 2019, Lowell issued building permits for $862,000 worth of new commercial space. The second half of 2019 value was 96.9 percent lower than the first half of 2019 value of $27,580,755. Lowell accounted for 0.4 percent of building permits issued in Northwest Arkansas in the second half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 2,148,371 square feet of Lowell commercial space in the second half of 2019.
- In the second half of 2019, Lowell had negative net absorption of 63,323 square feet overall. The warehouse submarket had the greatest amount of negative net absorption with 79,155 square feet, while the retail market had 6,825 square feet of positive net absorption.
- There was 85,500 square feet of new commercial space, all Class A warehouse space, added in Lowell in the second half of 2019.



- Reported vacancy rates increased in the warehouse market, decreased in the retail and industrial markets and medical office submarkets, and remained the same in the other submarkets from the first half of 2019 to the second half of 2019.
- Average reported lease rates in Lowell from the first half of 2019 to the second half of 2019 remained relatively stable in all submarkets, except for increases of $1.75 and $1.08 for Class C retail space and Class A warehouse space, respectively.

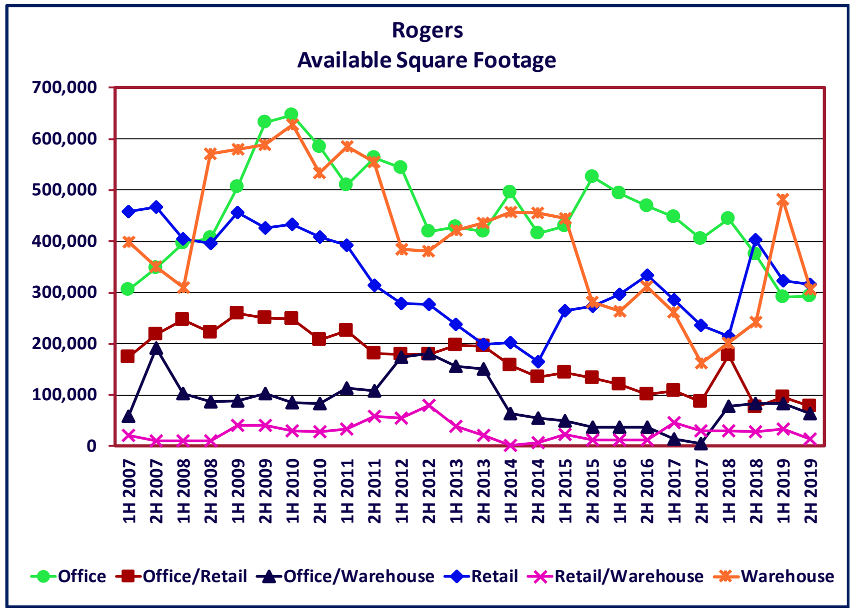
Lowell Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	$6.50 - $6.50	75,280	0	0.0%	8,300	0	8,300	0.0
Office	$14.25 - $14.31	336,584	22,938	6.8%	707	0	707	194.7
Class A	$19.33 - $19.33	109,330	5,788	5.3%	0	0	0	--
Class B	$12.75 - $12.92	114,700	6,700	5.8%	-1,000	0	-1,000	--
Class C	$9.88 - $9.88	29,955	10,450	34.9%	0	0	0	--
Medical	$18.00 - $18.00	82,599	0	0.0%	1,707	0	1,707	0.0
Office/Retail	$9.63 - $10.63	94,446	2,880	3.0%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	$10.50 - $12.50	43,100	2,880	6.7%	0	0	0	--
Class C	$8.750 - $8.75	51,346	0	0.0%	0	0	0	--
Office/Warehouse	$5.52 - $5.86	117,598	0	0.0%	0	0	0	--
Retail	$12.50 - $16.33	87,018	4,300	4.9%	6,825	0	6,825	3.8
Class A	--	--	--	--	--	--	--	--
Class B	$12.70 - $17.30	76,962	3,000	3.9%	8,125	0	8,125	2.2
Class C	$11.50 - $11.50	10,056	1,300	12.9%	-1,300	0	-1,300	--
Retail/Warehouse	$10.19 - $10.19	32,732	0	0.0%	0	0	0	--
Warehouse	$3.96 - $3.97	1,404,713	342,500	24.4%	6,345	85,500	-79,155	--
Class A	$5.33 - $5.33	483,332	120,500	24.9%	0	85,500	-85,500	--
Class B	$3.61 - $3.64	742,381	152,000	20.5%	-93,405	0	-93,405	--
Class C	$3.25 - $3.25	179,000	70,000	39.1%	99,750	0	99,750	4.2

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Rogers

- From July 1 to December 31, 2019, Rogers issued building permits for $62,846,979 worth of new commercial space. The second half of 2019 value was 57.8 percent higher than the second half of 2018 value of $39,814,429. Rogers accounted for 31.8 percent of the commercial permits issued in Northwest Arkansas during the second half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,913,994 square feet of commercial space in the second half of 2019.
- In the second half of 2019, Rogers had overall positive net absorption of 136,831 square feet. The warehouse market had the greatest amount of positive net absorption with 65,400 square feet. The Class A retail submarket had the most negative net absorption with 4,846 square feet.



- In the second half of 2019, 14,000 square feet of new commercial space, all Class A retail space, was added to the Rogers market.
- Reported vacancy rates in the second half of 2019 decreased in the retail, office/retail, warehouse and office/warehouse submarkets. Vacancy rates increased for the medical office submarket.
- From the second half of 2019 to the first half of 2019, significant increases

Rogers Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Lab	$4.00 - $4.00	9,482	0	0.0%	0	0	0	--
Industrial	$3.92 - $3.92	715,165	111,272	15.6%	0	0	0	--
Office	$16.28-$16.83	3,436,734	292,595	8.5%	16,889	0	16,889	103.9
Class A	$22.40-$23.35	1,714,355	122,500	7.1%	3,106	0	3,106	236.6
Class B	$16.70-$17.31	1,004,741	120,551	12.0%	12,534	0	12,534	57.7
Class C	$10.64-$11.06	289,970	44,470	15.3%	1,249	0	1,249	213.6
Medical	$14.93-$15.10	427,668	5,074	1.2%	0	0	0	--
Office/Retail	$11.36-$13.21	583,042	78,181	13.4%	11,894	0	11,894	39.4
Class A	$21.50-$21.83	110,651	9,093	8.2%	0	0	0	--
Class B	$13.94 - $15.94	181,013	32,954	18.2%	13,700	0	13,700	14.4
Class C	$8.26-$10.26	291,378	36,134	12.4%	-1,806	0	-1,806	--
Office/Warehouse	$6.70-$6.74	576,411	63,400	11.0%	15,137	0	15,137	25.1
Retail	$13.89-$14.74	3,483,667	316,392	9.1%	22,219	14,000	8,219	231.0
Class A	$21.13-$22.58	1,525,198	58,526	3.8%	9,154	14,000	-4,846	--
Class B	$14.14-$15.65	1,398,608	232,832	16.6%	5,325	0	5,325	262.3
Class C	$9.58-$9.84	559,861	25,034	4.5%	7,740	0	7,740	19.4
Retail/Warehouse	$6.54 - $6.86	257,342	13,400	5.2%	19,292	0	19,292	4.2
Warehouse	$3.95-$4.03	2,852,151	305,904	10.7%	65,400	0	65,400	28.1
Class A	$3.63-$3.63	962,500	0	0.0%	0	0	0	--
Class B	$4.51-$4.66	915,424	38,604	4.2%	15,400	0	15,400	15.0
Class C	$3.72-$3.76	974,227	267,300	27.4%	50,000	0	50,000	32.1

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

of $1.42 occurred in the Class A office/retail submarket. Modest increases were reported in Class A and Class B office, office/warehouse submarket, and Class C retail submarkets, while modest decreases were reported in the Class C office, medical office, Class C office/retail, Class A and B retail submarkets, and the warehouse market. All other lease rates remained relatively unchanged.

Downtown Rogers

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 519,165 square feet of office, office/retail, and retail space in Downtown Rogers in the second half of 2019.
- No new commercial space was added to downtown Rogers in the second half of 2019.
- The office space in Downtown Rogers had a positive net absorption of 6,312 square feet and had a vacancy rate of 18.3 percent in the second half of 2019, up from 16.9 percent in the first half of 2019. The downtown vacancy rate was higher than the overall average office vacancy rate for Rogers, which was 8.5 percent during the same period.
- The office/retail submarket had a positive net absorption of 15,000 square feet. The vacancy rate decreased to 0.0 percent from the first half of 2019 rate of 11.9 percent in the downtown area. This compares to a vacancy rate of 13.4 percent for all of Rogers.
- Downtown Rogers experienced a positive net absorption of 5,380 square feet of retail space during the second half of 2019. The average retail vacancy rate for downtown Rogers properties for the second half of 2019 decreased to 5.7 percent from 8.0 percent in the first half of 2019, and was lower than the 9.1 percent average rate for all of Rogers.
- Average reported lease rates for downtown Rogers decreased $0.34 in the retail submarket, and were constant in the office and office/retail submarkets, in the second half of 2019.

Rogers Interstate 49 Corridor

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,843,016 square feet of office, office/retail, and retail space along the Rogers I-49 corridor in the second half of 2019.
- 14,000 square feet of new commercial space, all retail space, was added to the Rogers I-49 corridor submarket in the second half of 2019.
- Office space along the Rogers I-49 corridor experienced positive net absorption of 12,084 square feet during the second half of 2019. The reported average vacancy rate was 9.2 percent in the second half of 2019, a decrease from the 9.6 percent rate in the first half of 2019. This was higher than the overall office vacancy rate for all of Rogers at 8.5 percent.
- Office/retail space along the Rogers I-49 corridor experienced no net absorption in the second half of 2019. The office/retail submarket remained at 14.6 percent vacancy rate from the first half of 2019. This compares to a vacancy rate of 13.4 percent for all of Rogers.
- There were 1,346 square feet of negative net absorption in the retail submarket for the Rogers I-49 corridor properties. The average retail vacancy rate remained at 5.9 percent from the first half of 2019, and lower than the 9.1 percent average rate for all of Rogers.
- Average reported lease rates increased $0.38 in the office submarket, increased $0.85 in the office/retail submarket and increased $0.34 in the retail submarket in the Rogers I-49 area in the second half of 2019.

Rogers Downtown Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$11.80-12.49	151,145	27,634	18.3%	6,312	0	6,312	26.3
Office/Retail	$8.53-$12.80	125,838	0	0.0%	15,000	0	15,000	0.0
Retail	$10.73-$10.97	242,182	13,870	5.7%	5,380	0	5,380	15.5

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

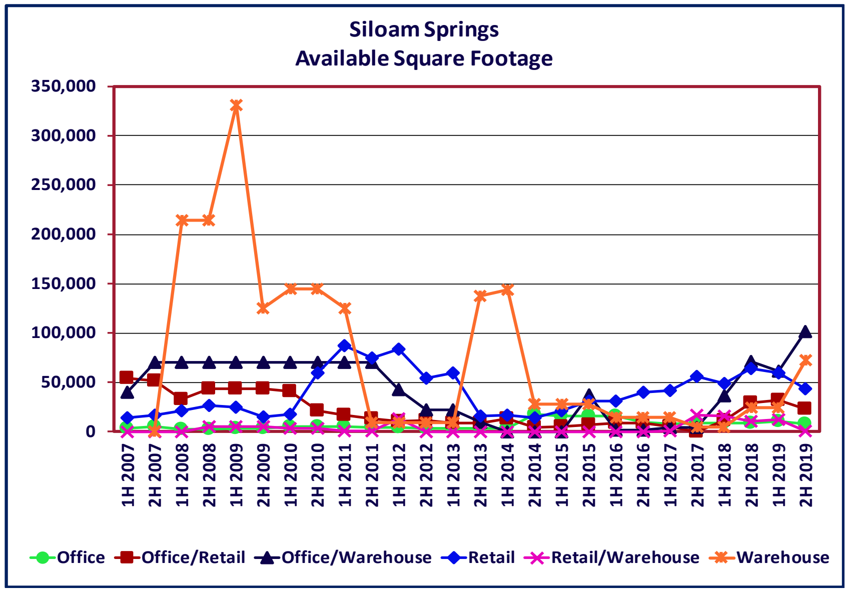
Rogers

Rogers I-49 Corridor Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$20.41-$21.11	2,473,149	226,462	9.2%	12,084	0	12,084	112.4
Office/Retail	$21.01-$21.21	145,727	21,347	14.6%	0	0	0	--
Retail	$19.57-$21.07	2,224,140	132,018	5.9%	12,654	14,000	-1,346	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Siloam Springs



- From July 1 to December 31, 2019, Siloam Springs issued commercial building permits worth $2,161,274. The second half of 2019 value was 5,430.4 percent higher than the second half of 2018 value of $39,080. Siloam Springs accounted for 1.1 percent of the commercial permits issued in Northwest Arkansas during the second half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,574,740 square feet of commercial space for Siloam Springs in the second half of 2019.
- 5,960 square feet of new commercial space, all Class B retail, were added to the Siloam Springs market in the second half of 2019.
- In the second half of 2019, Siloam Springs experienced overall negative net absorption of 61,836 square feet. There was positive net absorption of 10,960, 9,136, 4,159, and 2,400 square feet in the retail/warehouse, office/retail, retail, and office submarkets, respectively. However, there was negative net absorption of 48,750 and 39,741 square feet in the warehouse and office/warehouse submarkets, respectively.
- Vacancy rates from the first half of 2019 to the second half of 2019 decreased in the office, medical office, office/retail, retail and retail/warehouse submarkets. Vacancy rates increased in the office/warehouse and warehouse submarkets.
- Average lease rates increased significantly by $1.20 in the Class B office submarket, while the Class B office and Class B office/retail submarkets increased by $0.39 and $0.40. The other submarkets were relatively stable in the second half of 2019 in Siloam Springs.

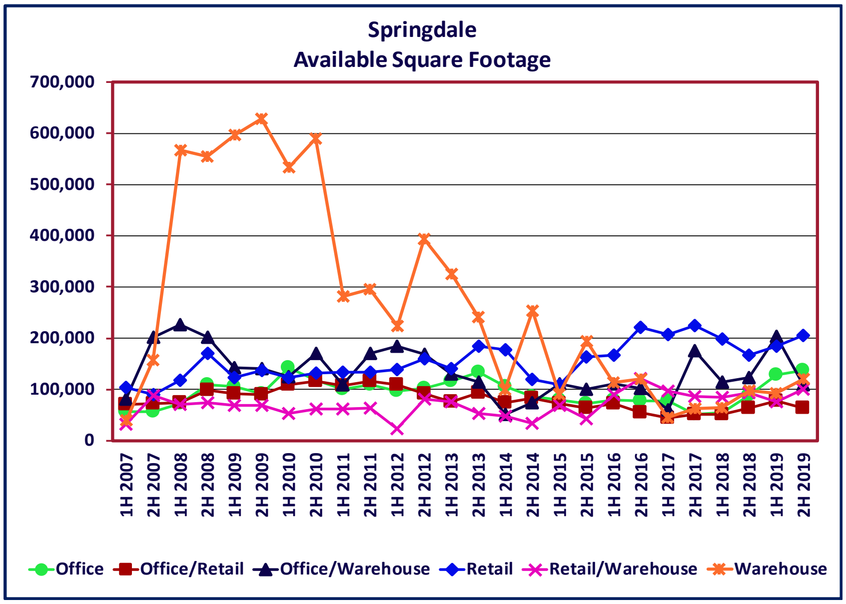
Siloam Springs Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Industrial	--	240,589	240,589	100.0%	0	0	0	--
Office	$12.52 - $14.11	151,259	10,650	7.0%	-400	0	-400	--
Class A	--	--	--	--	--	--	--	--
Class B	$10.13 - $11.92	30,355	1,650	5.4%	-400	0	-400	--
Class C	$8.14 - $10.17	6,400	0	0.0%	0	0	0	--
Medical	$15.71 - $17.01	114,504	9,000	7.9%	0	0	0	--
Office/Retail	$8.33 - $10.58	196,776	31,746	16.1%	-1,068	0	-1,068	--
Class A	--	--	--	--	--	--	--	--
Class B	$10.36 - $12.76	118,939	7,936	6.7%	-2,800	0	-2,800	--
Class C	$7.07 - $9.22	77,837	23,810	30.6%	1,732	0	1,732	82.5
Office/Warehouse	$3.56 - $3.81	119,375	61,493	51.5%	10,080	0	10,080	36.6
Retail	$11.35 - $11.96	451,217	59,281	13.1%	5,958	0	5,958	59.7
Class A	--	--	--	--	--	--	--	--
Class B	$17.80 - $17.80	136,163	14,900	10.9%	2,200	0	2,200	40.6
Class C	$7.76 - $8.71	315,054	44,381	14.1%	3,758	0	3,758	70.9
Retail/Warehouse	$5.74 - $9.42	91,041	11,960	13.1%	-1,100	0	-1,100	--
Warehouse	$3.36 - $3.69	326,154	24,040	7.4%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	$3.00 - $4.00	104,624	24,040	23.0%	0	0	0	--
Class C	$3.43 - $3.63	221,530	0	0.0%	0	0	0	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Springdale

- From July 1 to December 31, 2019, Springdale issued $3,064,093 worth of building permits for new commercial space. This was a decrease of 91.2 percent from the $34,817,865 issued in the second half of 2018. Springdale accounted for 1.6 percent of the commercial permits issued in Northwest Arkansas for the second half of 2019.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 10,131,440 square feet of commercial space in Springdale in the second half of 2019.
- In the second half of 2019, there was 53,856 new square feet added to the Springdale market. New Class B Office space accounted for 43,216 square feet and new Class B warehouse space was 10,640 square feet.
- In the second half of 2019, Springdale experienced positive net absorption of 192,377 square feet. The industrial submarket had the most positive net absorption with 163,900 square feet, while the office/warehouse and office/retail submarkets contributed 94,264 and 12,559 square feet, respectively. The retail/warehouse submarket had the greatest amount of negative net absorption with 31,680 square feet.
- Reported vacancy rates decreased in the industrial, office/retail, and office/warehouse submarkets. Vacancy rates increased in the office, medical office, retail, retail/warehouse and warehouse submarkets in the second half of 2019.
- Average reported lease rates in Springdale increased by $0.55 in the Class B office submarket, $1.14 in the medical office submarket and by $0.88 in the retail Class C submarket. The Class C retail market saw average reported lease rates decrease by $0.40. All other lease rates remained relatively stable from the first half of 2019 to the second half of 2019.



Springdale Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Lab	--	5,224	0	0.0%	0	0	0	--
Industrial	$4.90-$5.47	1,014,220	165,399	16.3%	163,900	0	163,900	6.1
Office	$13.39-$14.11	1,082,858	137,391	12.7%	37,517	43,216	-5,699	--
Class A	$19.68 - $20.68	95,501	217	0.2%	0	0	0	--
Class B	$14.73-$15.42	505,080	81,275	16.1%	56,281	43,216	13,065	37.3
Class C	$9.69-$10.77	191,726	14,407	7.5%	5,476	0	5,476	15.8
Medical	$15.66-$15.66	290,551	41,492	14.3%	-24,240	0	-24,240	--
Office/Retail	$10.48-$11.32	548,657	63,158	11.5%	12,559	0	12,559	30.2
Class A	--	--	--	--	--	--	--	--
Class B	$14.63-$15.50	146,389	11,805	8.1%	7,591	0	7,591	9.3
Class C	$9.44-$10.28	402,268	51,353	12.8%	4,968	0	4,968	62.0
Office/Warehouse	$6.08 - $6.98	1,969,730	109,085	5.5%	94,264	0	94,264	6.9
Retail	$12.09-$12.95	1,699,076	206,098	12.1%	-12,799	0	-12,799	--
Class A	--	--	--	--	--	--	--	--
Class B	$15.74-$16.60	1,065,451	133,811	12.6%	-22,558	0	-22,558	--
Class C	$9.19-$10.06	633,625	72,287	11.4%	9,759	0	9,759	44.4
Retail/Warehouse	$6.74-$7.38	613,974	100,414	16.4%	-31,680	0	-31,680	--
Warehouse	$3.85-$4.27	3,197,701	120,187	3.8%	-17,528	10,640	-28,168	--
Class A	$3.25 - $3.25	96,200	0	0.0%	0	0	0	--
Class B	$3.78-$4.38	1,902,709	56,909	3.0%	-15,000	10,640	-25,640	--
Class C	$3.92-$4.19	1,198,792	63,278	5.3%	-2,528	0	-2,528	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Springdale

Downtown Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 324,654 square feet of office, office/retail, and retail space in downtown Springdale in the second half of 2019.
- There were no new square feet of commercial property added to downtown Springdale in the second half of 2019.
- There was a negative net absorption of 16,235 square feet in the office market in downtown Springdale in the second half of 2019. The office space in downtown Springdale had an average vacancy rate of 16.7 percent, higher than the 8.2 percent in the first half of 2019. The rate was higher than the overall Springdale average office vacancy rate of 12.7 percent.
- There was no net absorption in the office/retail submarket in downtown Springdale in the second half of 2019. 76.9 percent of all reported office/retail space was available in downtown Springdale, up from the 31.2 percent in the first half of 2019. The increase in vacancy rate was driven by space in the submarket becoming owner occupied. This compares to 11.5 percent vacancy rate for all of Springdale.
- Retail space in downtown Springdale had a positive net absorption of 5,360 in the second half of 2019. The vacancy rate decreased from 17.7 percent in the first half of 2019 to 17.5 percent in the second half of 2019, and was higher than the average retail vacancy rate for all of Springdale at 12.1 percent in the second half of 2019.
- Average reported lease rates for downtown Springdale increased $2.98 in the office submarket, increased $6.17 in the office/retail submarket and increased $7.97 in the retail submarket in the second half of 2019. The increases in pricing reflects the shifts in market demand.

West Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 925,291 square feet of office, office/retail, and retail space in West Springdale in the second half of 2019. There were 16,216 square feet of office space added to West Springdale in the second half of 2019.
- The office space in West Springdale had a positive net absorption of 735 square feet in the second half of 2019. The vacancy rate decreased to 10.8 percent, from 12.6 percent in the first half of 2019, and was lower than the city average office vacancy rate of 12.7 percent.
- The office/retail submarket had a positive net absorption of 9,591 square feet in the second half of 2019. The vacancy rate in West Springdale was 15.3 percent in the second half of 2019, a decrease from the 23.8 percent from the first half of 2019. The rate was above the overall city average office/retail vacancy rate of 11.5 percent.
- The retail vacancy rate for West Springdale properties increased from 5.0 percent in the first half of 2019 to 8.5 percent in the second half of 2019, as there was negative net absorption of 10,640 square feet. The rate was below the city average retail vacancy rate of 12.1 percent.
- Average reported lease rates for West Springdale decreased $1.40 in the office submarket, decreased $4.20 in the office/retail submarket, and decreased $5.19 in the retail submarket, as some space was repriced in the second half of 2019.

Downtown Springdale Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$15.60-$16.80	220,180	36,835	16.7%	-16,235	0	-16,235	--
Office/Retail	$17.50-$17.50	4,854	3,732	76.9%	0	0	0	--
Retail	$17.00-$18.40	99,620	17,446	17.5%	5,360	0	5,360	19.5

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

West Springdale Summary Statistics

	Average Lease Rate Range	Total Square Feet[1]	Available Square Feet[1]	Percent Available[1]	Absorption[2]	New Available Square Feet[1]	Net Absorption[2]	Months of Inventory[2]
Office	$13.85-$14.60	155,466	16,757	10.8%	16,951	16,216	735	136.8
Office/Retail	$10.00-$12.00	105,550	16,104	15.3%	9,591	0	9,591	10.1
Retail	$11.60-$12.63	664,275	56,282	8.5%	-23,056	0	-23,056	--

[1]From all 2H 2019 respondents.
[2]From 2H 2019 respondents who were also 1H 2019 respondents.

Interpretation

The methodology that is used to produce the Skyline report has been designed to elicit the most useful, comprehensive, and up-to-date information available about the Northwest Arkansas commercial real estate market. Data comes from three primary sources that complement one another. Each source, however, has limitations, and as such, results should be compared and interpreted carefully.

The first level of data that the Skyline report contains comes directly from the offices of the Washington and Benton County Assessors. The Benton County Assessor Office uses Apprentice Information Systems as the subcontractor to handle data requests. On a semi-annual basis, Center for Business and Economic Research staff members acquire databases containing listings of all real estate parcels within each county. The information contained in these databases is sorted by type and by size. In order to determine the population of commercial properties of interest, properties that do not meet the following minimum criteria are eliminated from consideration:

Banks: 20,000 square feet
Department Stores: 20,000 square feet
Discount Stores: 20,000 square feet
Industrial Buildings: 20,000 square feet
Markets: 20,000 square feet
Office Buildings: 5,000 square feet
Medical Office Buildings: 5,000 square feet
Retail Buildings: 10,000 square feet
Community Shopping Centers: 5,000 square feet
Neighborhood Shopping Centers: 5,000 square feet
Warehouses: 20,000 square feet

Next, properties are individually examined to determine if they are part of the competitive commercial property market. Owner-occupied and other dedicated spaces are eliminated from the base of properties that the Skyline Report examines.

The second source of data that helps comprise the Skyline Report is building permit reports from the cities of Northwest Arkansas. Each city has its own reporting requirements for building permits, which makes in-depth comparisons on a city-by-city basis impossible. Bentonville and Fayetteville have the most comprehensive building permits, which include information on the square footage of buildings and their uses in addition to the value of the permit and identifying characteristics of the property. The other cities in Northwest Arkansas only report the building address, contractor name, and value of the permit. In general, property owner or developer names are not included on building permits in Northwest Arkansas. Building permits also do not provide any sense of the estimated time of completion of a project or availability for leasing.

The third source of data for the Skyline report is a panel of large commercial property owners and managers. These individuals are responsible for the bulk of the competitive commercial properties in Northwest Arkansas. The Center for Business and Economic Research staff gather information on square footage available to the market, lease rates, and other property characteristics from the panelists. In the second half of 2019, 232 panelists provided data on 2,155 competitive properties across Benton and Washington Counties. Data are excluded for owner-occupied and dedicated spaces so that the total square feet, available square feet, and lease rates represent only a sample from properties that are currently or potentially available for lease. Vacancy rates are calculated from the sample of 2,155 properties and are assumed to be representative of the larger competitive commercial property market.

The panel participants vary somewhat from report to report as new contributors are added and as previous contributors fail to respond for new requests for information. Time trend analysis is dependent on having a consistent base of information so that apples-to-apples comparisons can be made. Absorption rates are only calculated for properties that are part of a matched sub-sample—that is, there must have been information received about a particular property in both recent reporting periods for the number to be included in the calculated property absorption rates. The one exception to this rule is for new properties that are completed and come online for leasing in the most recent half year.

In order to supplement the information that is directly received from the panelists, Center researchers also depend on business publications, public websites, and MLS data.

Classification

In order to compare similar spaces, the Center for Business and Economic Research has developed a classification system for office, office/retail, retail spaces and warehouses. These classes rate the quality of each building in terms of the following criteria: age, quality of construction, location, and included amenities.

Class A space represents the most prestigious buildings available in the Northwest Arkansas market. These spaces are new or newly renovated, made of the best quality materials, with brick, masonry, or glass exteriors. Class A buildings are located in highly accessible locations with easy access to major clients or customers, as well as amenities.

Class B space includes buildings that compete for a wide range of uses, including much of the Walmart vendor community. These spaces have average range rents. The buildings are attractive, can be but are not necessarily brand new, and have a lower level of material quality than Class A buildings. Many amenities are not included in the base lease price of Class B buildings.

Class C space is adequate for users that require functional space for their businesses, but not above average locations, materials, or amenities. These buildings are often older and have lease rates that are below average.