

# THE SKYLINE REPORT

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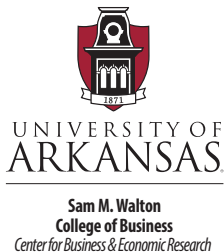
## Multifamily Highlights Second Half 2022

Highlights.....	1
Multifamily Market Trends.....	2

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## Real Estate Summary For Benton and Washington Counties

*This report is the forty-seventh edition of the Skyline Report for Benton and Washington Counties—Multifamily Real Estate Market Analysis. Researchers at the Center for Business and Economic Research in the Sam M. Walton College of Business at the University of Arkansas produce the Skyline Report to provide timely statistical analysis of the Northwest Arkansas multifamily real estate market. This study is a companion piece to the semiannual single-family residential and commercial Skyline Reports. There is a complex dynamic between multifamily housing, residential rental housing, and residential home ownership that is being influenced by several factors including: quantity of multifamily supply, quantity of rental housing, interest rates, underwriting standards, and unemployment rates, among others. The information contained in the following pages details the current condition of the multifamily market and sets the stage for future comparisons.*

### Highlights from the Second Half of 2022

The multifamily vacancy rate decreased to 1.6 percent in the second half of 2022 from 2.3 percent in the first half of 2022. The decrease was driven by Fayetteville, which accounts for 47.6 percent all units in Northwest Arkansas, while all other cities saw a slight increase in their vacancy rates.

Fayetteville's decrease was driven by the growing student population, while 8 new complexes with 687 total units and 148 available units led to the increase in the other cities.

The Fayetteville vacancy rate decreased to 1.0 percent in the second half of 2022 from 3.5 percent in the first half of 2022. More than 4,600 additional rental units (19.2 percent of current inventory) have been announced or are under construction.

In Bentonville, vacancy rates increased to 2.3 percent in the second half of 2022 from 1.4 percent in the first half of 2022. There are also more than 3,600 rental units (38.8 percent of current inventory) that have been announced or are under construction.

Vacancy rates in Rogers increased to 2.4 percent in the second half of 2022 from 0.8 percent in the first half of 2022. More than 6,000 additional rental units (81.6 percent of current inventory) have been announced or are under construction.

Siloam Springs vacancy increased to 5.0 percent in the second half of 2022, from 0.6 percent in the first half of 2022, the highest in Northwest Arkansas. Over 300 additional rental units (26.1 percent of current inventory) have been announced or are under construction.

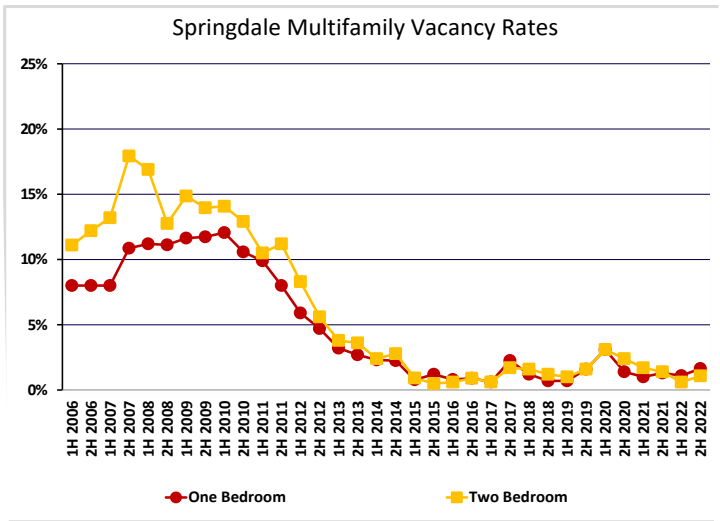
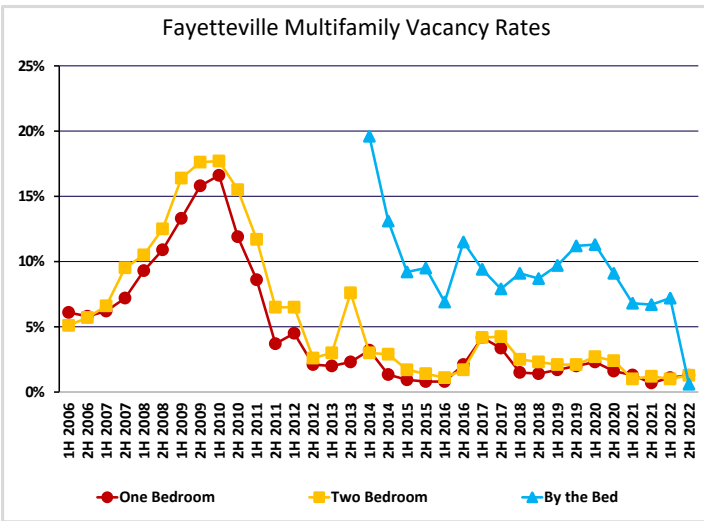
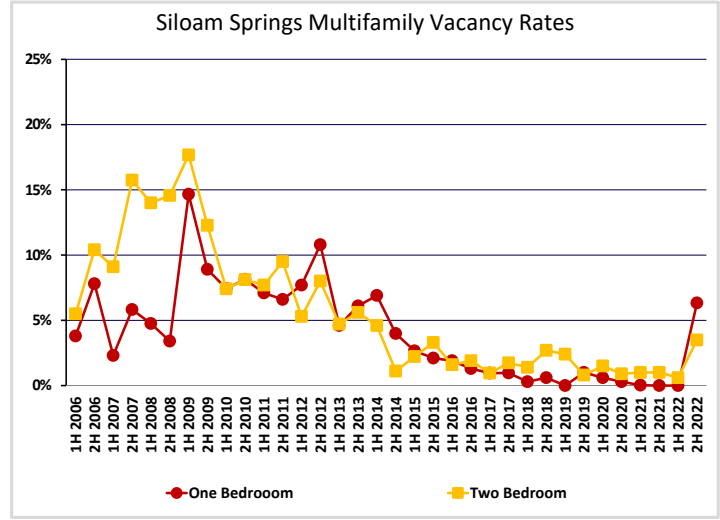
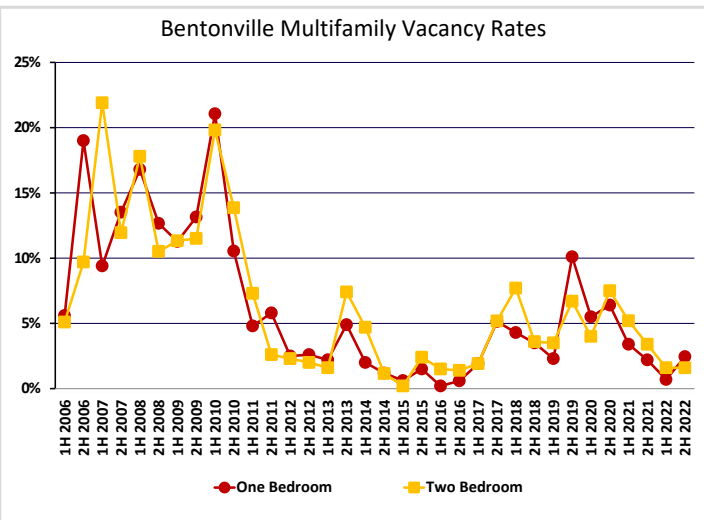
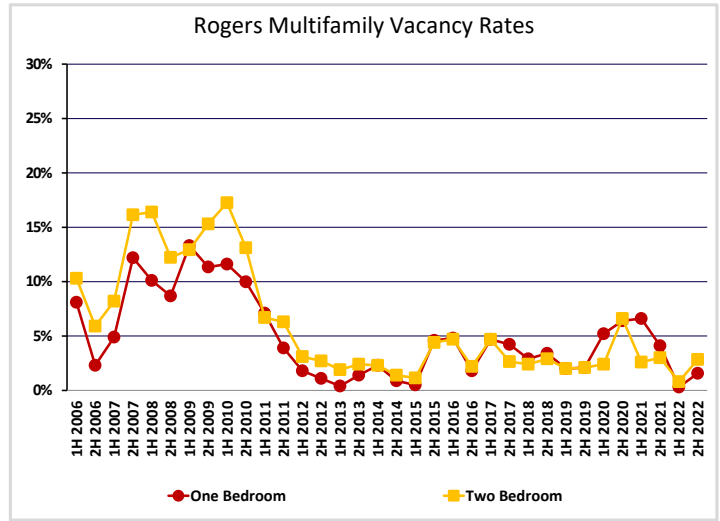
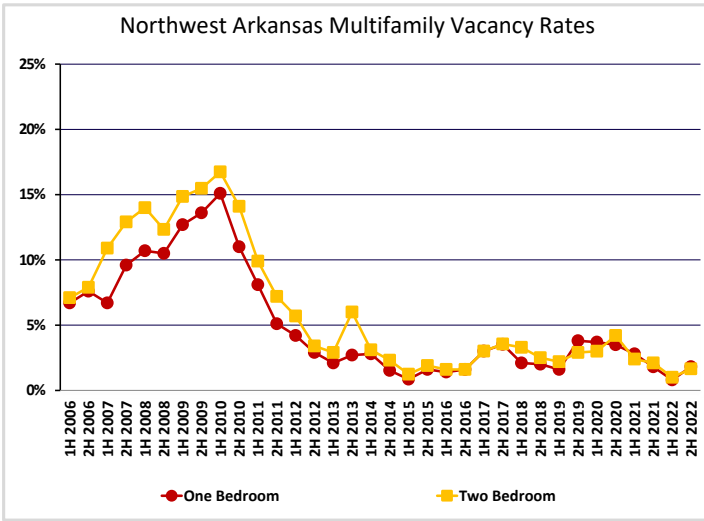
In Springdale, the vacancy rate increased to 1.5 percent in the second half of 2022 from 1.2 percent in the first half of 2022. Over 2,200 new rental units (27.2 percent of current inventory) have been announced or are under construction.

In the second half of 2022, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$926.55, from \$860.97 in the first half of 2022.

\$333,187,353 million of multifamily building permits were issued in the second half of 2022, down from \$371.8 million in the first half of 2022.

# Regional Market Trends

## Multifamily Vacancy Rates



# Regional Market Trends

## Multifamily Rates and Building Permits

In Northwest Arkansas, 122 building permits were issued, worth \$333.1 million, for 23 separate complexes. Five of the projects are located in Bentonville/Centerton with permits valued at \$112.4 million. The Lumen was the highest valued project at \$42.2 million. Rogers had five projects valued at \$120.6 million. Bend at Promenade was the highest valued project at \$40.4 million. Siloam Springs two projects valued at \$10.9 million. Seven projects are in Fayetteville, valued at \$22.7 million. Three projects with permits valued at \$45.1 million were located in Springdale/Tontitown. The highest was Hillcrest Village valued at \$29.2 million. In Lowell, Pure Lowell was valued at \$21.3 million.

Multifamily Building Permits	Complex or Developer	Number of New Permits	Total Value of Permits	City
2/1/2022	Aviator	17	\$23,155,282	Bentonville
4/5/2022	Crystal Flats	3	\$19,186,713	Bentonville
4/6/2022	Hawthorne Heights	1	\$383,642	Bentonville
8/19/2022	Lumen	2	\$42,224,264	Bentonville
2/14/2022	Watercolor	7	\$27,510,078	Centerton
1/21/2022	RPH Stone Street	1	\$746,693	Fayetteville
3/7/2022	Stadium Apartments	3	\$1,804,673	Fayetteville
5/3/2022	Campus Edge	4	\$2,752,708	Fayetteville
6/24/2022	Canterbury Apartments	1	\$1,300,000	Fayetteville
12/14/2022	JNB Apartments	1	\$1,593,189	Fayetteville
12/28/2022	Sigma Phi Epsilon	1	\$4,316,463	Fayetteville
12/28/2022	Retreat at Fayetteville	5	\$10,214,887	Fayetteville
6/29/2022	Pure Lowell	10	\$21,315,966	Lowell
3/3/2022	Dodson Pointe	5	\$18,875,484	Rogers
3/2/2022	Promenade Commons	1	\$7,129,574	Rogers
6/21/2022	Pinnacle Springs Retirement	1	\$24,866,572	Rogers
4/13/2022	Bend on Promenade	11	\$40,440,712	Rogers
11/10/2022	Junction at Scotsdale	8	\$29,343,570	Rogers
1/28/2022	Endura Park	5	\$951,090	Siloam Springs
7/22/2022	Dogwood Terrace	1	\$9,963,374	Siloam Springs
3/4/2022	Hillcrest Village	23	\$29,210,249	Springdale
9/29/2022	Whitney Place	9	\$14,894,561	Springdale
12/20/2022	Park Street Apartments	2	\$1,007,608	Springdale
<b>NWA</b>	<b>23</b>	<b>122</b>	<b>\$333,187,353</b>	

# Regional Market Trends

## Multifamily Sample Data

Sample Vacancy Rates	Number of Apartment Complexes	Number of Units	2H 2022 Vacancy Rate	1H 2022 Vacancy Rate	2H 2021 Vacancy Rate
Bentonville	147	9,297	2.3%	1.4%	3.0%
Fayetteville	372	24,034	1.0%	3.5%	3.4%
Rogers	118	7,438	2.4%	0.8%	4.0%
Siloam Springs	49	1,314	5.0%	0.6%	0.8%
Springdale	126	8,386	1.5%	1.2%	1.3%
<b>NWA</b>	<b>812</b>	<b>50,469</b>	<b>1.6%</b>	<b>2.3%</b>	<b>3.0%</b>

Average Unit Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	543	\$853.14	\$1.57
By the Bed	418	\$767.17	\$1.84
1 Bedroom	651	\$853.43	\$1.31
2 Bedroom	952	\$980.27	\$1.03
3 Bedroom	1,275	\$1,311.27	\$1.03
4 Bedroom	1,576	\$1,844.07	\$1.17
<b>NWA</b>	<b>783</b>	<b>\$926.55</b>	<b>\$1.18</b>

Median Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	500	\$695.00	\$1.39
By the Bed	408	\$725.50	\$1.78
1 Bedroom	612	\$651.00	\$1.06
2 Bedroom	910	\$800.00	\$0.88
3 Bedroom	1,310	\$1,118.00	\$0.85
4 Bedroom	1,500	\$1,747.50	\$1.17
<b>NWA</b>	<b>837</b>	<b>\$800.00</b>	<b>\$0.96</b>

Vacancy Rates by Floor Plan	By the Bedroom	One Bedroom	Two Bedroom	Three Bedroom
Bentonville	0.0%	2.4%	1.6%	3.6%
Fayetteville	0.6%	1.3%	1.3%	1.1%
Rogers	0.0%	1.6%	2.8%	2.5%
Siloam Springs	0.0%	6.3%	3.5%	9.1%
Springdale	0.0%	1.6%	1.1%	2.8%
<b>NWA</b>	<b>0.6%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>2.8%</b>

