



THE SKYLINE REPORT

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Second Half of 2017 February 2018

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Commercial Real Estate Market Summary for Benton and Washington Counties

This report is the thirty-eighth 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 2017

- In the second half of 2017, 990,860 square feet of commercial space were absorbed, while 718,282 new square feet were added, netting positive absorption of 272,578 square feet in the Northwest Arkansas market and an overall vacancy rate of 9.7 percent, down from 10.0 percent in the first half of 2017.
- 55,527 new square feet were added in the office submarket, while 197,649 square feet were absorbed, leading to net positive absorption of 142,122 square feet in the second half of 2017. The office vacancy rate decreased to 9.1 percent from 10.4 percent in the first half of 2017.
- Within the retail submarket, there was overall positive absorption of 32,135 square feet, while 45,055 new square feet entered the market, leading to negative net absorption of 12,920 square feet. The retail vacancy rate increased to 8.9 percent in the second half of 2017 from 8.7 percent in the first half of 2017.
- The warehouse submarket had overall absorption of 713,092 square feet, while 599,600 new square feet were added in the second half of 2017, leading to positive net absorption of 113,492 square feet. The Northwest Arkansas warehouse vacancy rate decreased from 7.6 percent in the first half of 2017 to 5.8 percent in the second half of 2017.
- In the office/retail submarket, there was overall absorption of 62,556 square feet, while 18,100 new square feet of office/retail space entered the market in the second half of 2017, leading to positive net absorption of 44,456 square feet. The vacancy rate decreased from 10.0 percent in the first half of 2017 to 8.9 percent in the second half of 2017.
- From July 1 to December 31, 2017, there were \$204,111,701 in commercial building permits issued in Northwest Arkansas. In comparison, there were \$137,247,167 in permits issued in the second half of 2016.

Report Structure

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 2017 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 254 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 second half of 2017, and both the first half of 2017 and the second half of



2016. 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, 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 macroeconomy.

Gross Domestic Product

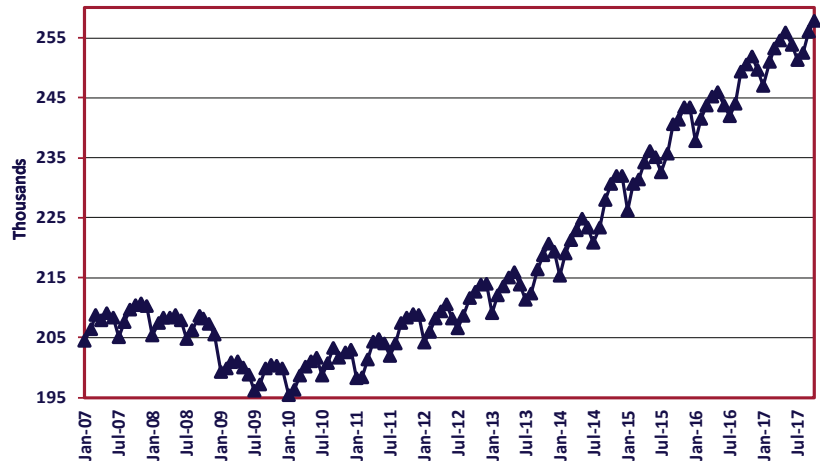
In the fourth quarter of 2017, real GDP increased by 2.6 percent according to advance estimates released by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). Real GDP increased by 3.2 percent in the third quarter of 2017. The increase in real GDP in the fourth quarter primarily reflected positive contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports, residential fixed investment, state and local government spending, and federal government spending that were partly offset by negative contributions from private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased. The deceleration in real GDP growth in the second quarter reflected a decrease in private inventory investment, an acceleration in PCE, and a downturn in federal government spending. These movements were partly offset by an upturn in residential fixed investment and decelerations in exports and in nonresidential fixed investment.

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 255,500 in December 2017, up 2.4 percent from December 2016. According to the U.S. Bureau of Labor Statistics (BLS),

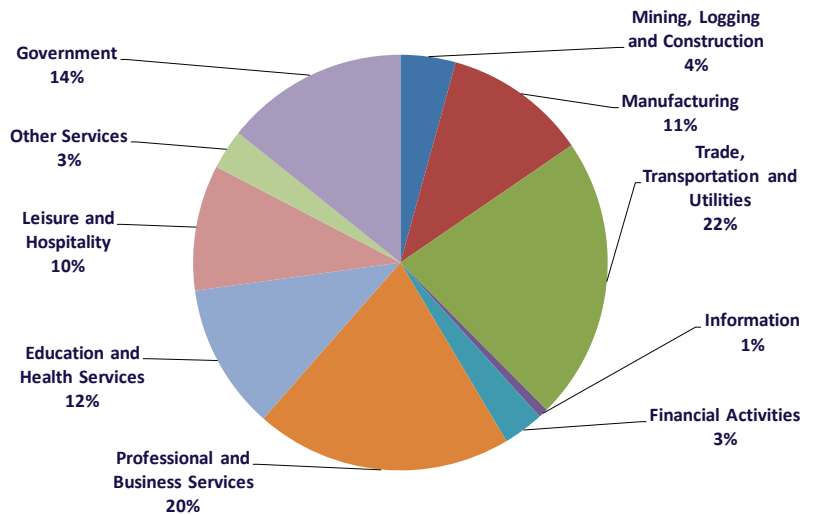
the unemployment rate in Northwest Arkansas was at 2.7 percent in December 2017, unchanged from the unemployment rates in December 2018. The unemployment rate has remained under 4.0 percent since August of 2015. The unemployment rate in Northwest Arkansas continues to be lower than both the state (3.6 percent) and national (3.9 percent) unadjusted rates.

Fayetteville-Springdale-Rogers MSA
Non-Farm Employment



Source: Bureau of Labor Statistics

Northwest Arkansas Employment by Sector - December 2017



Source: Bureau of Labor Statistics

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 June 2017 Fayetteville-Springdale-Rogers MSA employment breakdown by sector. As the pie chart shows, trade, transportation, and utilities had the largest share of employment

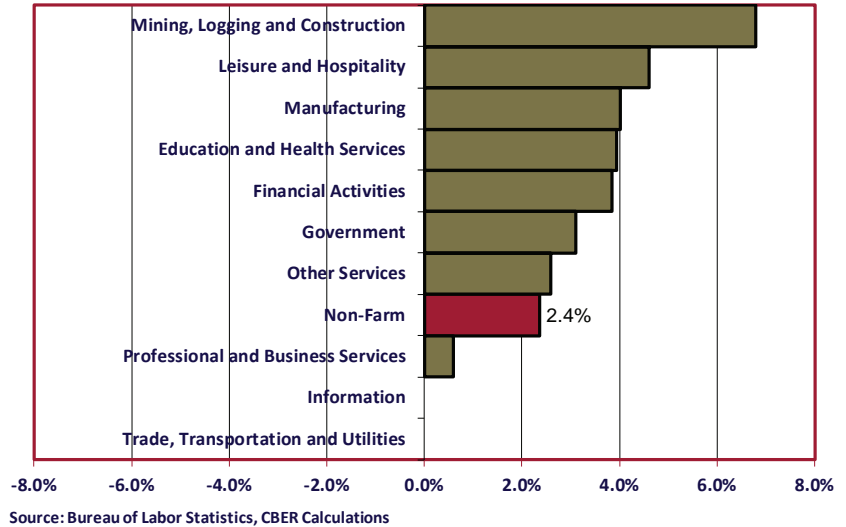
Economic Overview

(22 percent) in Northwest Arkansas followed by professional and business services (20 percent), government (14 percent), manufacturing (11 percent), education and health services (12 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 2016 to December 2017. Total nonfarm employment increased by 2.4 percent during that time. Employment in construction, financial activities, leisure and hospitality, education and health services, government, manufacturing, and other services grew more quickly than 2.4 percent. Professional and business services grew slower than 2.4 percent while the information sector and trade, transportation and utilities sector remained unchanged from December 2016 to December 2017.

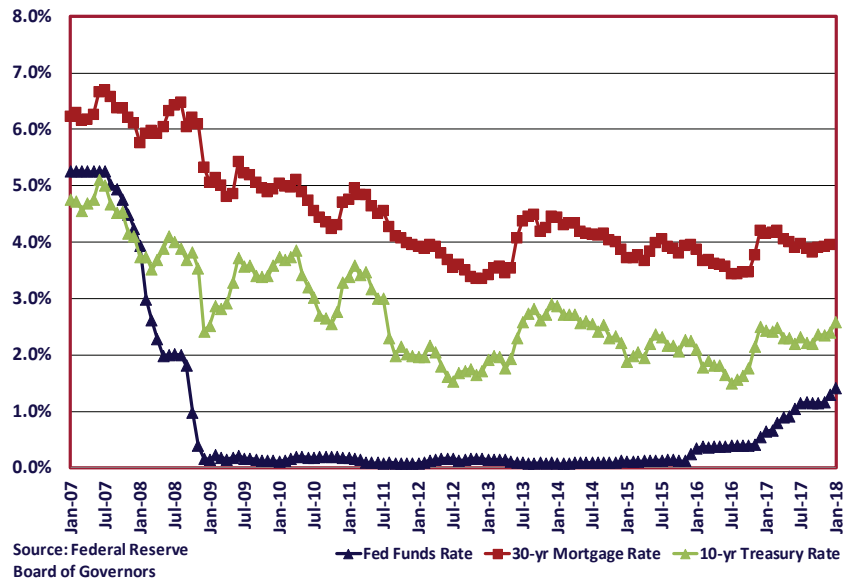
Interest Rates

The Federal Funds rate averaged 1.30 percent in December 2017. The ten-year constant maturity Treasury bill had an interest rate of 2.40 percent in December 2017, down from 2.49 percent in December 2016. The positive spread between the ten year rate and the federal funds rate narrowed a little from a year ago, but remains positive as both rates have increased. The Federal Reserve Open Market Committee decided to increase the target range for the federal funds rate from 1.25 to 1.50 percent. The stance of monetary policy remains accommodative, thereby supporting further improvement in labor market conditions and a sustained return to 2 percent inflation. The accompanying figure shows the Federal Funds rate and the thirty year mortgage rate since January 2007. The 30 year mortgage rate was 3.95 percent in December 2017.

Change in Northwest Arkansas MSA Employment by Sector, December 2016 - December 2017



Selected Interest Rates



Local Perceptions

Local Perceptions of the Northwest Arkansas Commercial Property Market

In each reporting period, Center for Business and Economic Research staff members have conversations with a dozen or so commercial developers and/or property managers to gain their ground-level insights on the current commercial real estate market in Benton and Washington counties. In the second half of 2017, the respondents expected a continuation of the trends of building and absorption that have characterized the Northwest Arkansas commercial real estate market for the past several report periods. Most respondents are comfortable with the current level of construction and project announcements, although many feel that there are some projects that could tip the balance. Mostly, respondents feel that between 500,000 to 750,000 thousand square feet of new commercial space, excluding large warehouses, could be absorbed in the market in the next couple of years. However, many respondents were concerned about absorption if more than a million or more square feet of commercial space were added in the next couple of years. While there continues to be universal acknowledgement that another slowdown will likely occur in the medium term, almost all of the panelists continue to believe the correction will be quite mild unless there are severe unanticipated national and global economic issues. This report period, the wide ranging conversations once again were dominated by discussions about supply and demand in the office, retail, and warehouse markets including the impact of increasing construction costs on lease rates. Out of state money being invested in Northwest Arkansas was another common theme in the conversations, along with the continued Walton Family investments throughout the region. The concepts of ‘live where you work’ and walkability showed up more in the conversations in the second half of 2017.

Office demand continues to be strong according to most respondents, particularly for new Class A and medical office space. Respondents do not anticipate any difficulty in absorbing all of the office space that is currently under construction or highly likely to begin construction in 2018. ‘Hot spot’ areas for Class A office development include Pinnacle, on both sides of the I-49, downtown Bentonville, west Springdale between exits 70 through 73, and near large Walmart office complexes. Several panelists talked about ‘live work’ developments in these ‘hot spot’ areas where Class A office space is combined with retail space for restaurants and other service-oriented establishments, trails and green space, and residential units. The demand for Class A office space continues to be driven by firms willing to move up from Class B to Class A space, as the competition for providing talented workers nicer office space outweighs the increased cost of the space. The Class B office market is still considered fairly stable, and the price differentiation between Class A and Class B is thought by panelists to be very healthy for leasing in this submarket, as it provides smaller firms, more cost sensitive firms, and startup firms a decent space for offices. However, respondents still do not see a need for significant new leasable Class B office space to be built. Panelists who represent significant amount of Class C space are concerned about the prospects of that space in the future, as there has been only some small-scale redevelopments. Respondents who do not represent as much Class C space believe much of the space will either be repurposed or eventually razed and new developments created in their place. Higher construction costs, still brought about by labor shortages and increases in raw materials are partially responsible for Class A office lease rates approaching \$30 a square foot.

Panelists highlighted the growth in medical office space in west Springdale around

the Arkansas Children’s Hospital and the planned Mercy Health System complex. The addition of several assisted care facilities was also mentioned as being a potential driver for more leasable medical space to meet the needs of a growing retiree population. Respondents also mentioned the increasing number of clinics being built by Mercy Health, Northwest Health, and Washington Regional Systems around Northwest Arkansas to meet the demands of a growing population.

Respondents also commented on the significant financial investments being made by out of state entities buying property in Northwest Arkansas, like Josh Kyle’s Rainbow curve properties. They believe this will continue to firm up market prices as well as lease rates, as buyers are willing to accept lower cap rates for these purchases now with the expectation that lease rate increases will boost cap rates in the future. Additionally, panelists mentioned the potential for significant capital investments, of several hundred thousand square feet of commercial space, like the The Farms development on the east side of I-49, by very wealthy out of state individuals and business entities.

The conversations about the retail market were very similar to those in the last report period. ‘The hot areas’ in Northwest Arkansas were described as: Walton Boulevard just before and after Rainbow Curve and around SW I Street and SW Regional Airport Boulevard in Bentonville, the Pinnacle area on both sides off I-49 and Pleasant Crossing in Rogers, off exits 72 and 73 going all the way to Harbor Meadows in Springdale, and Steele Crossing, Wedington west of I-49, College Avenue, the Mission and Crossover area, and Martin Luther King Boulevard from the university towards Farmington, in Fayetteville. Restaurants, nail salons, and other personal service business continue to be the drivers for demand in these new retail spaces. Panelists talked about new retail space being a

Local Perceptions

crucial part of ‘live work’ developments and boosting walkability in area, such as Mission and Crossover in Fayetteville, where there are already a large number of ‘rooftops’ to bring retail demand. The addition of new big box stores such as At Home, was noticed by respondents who feel there is still a place for discount retailer big boxes, as well as big retailers catering to the growing number of households requiring furnishings. However, panelists were still concerned about most big box retailers and large shopping areas as they compete with internet shopping. Many respondents once again highlighted the increasing costs of construction driving up the lease rates of new retail strip mall space into the high \$20 or low \$30 per square foot range. Concerns remain that many businesses will not generate the sales volume needed to pay these higher lease rates. These concerns extend even to franchise restaurants that are often able to pay above market lease rates.

Demand for new warehouse space is still considered very solid by respondents, and with the construction of the new Walmart Distribution Center, that feeling was reinforced among panelists with expertise in the submarket. Respondents still see this submarket as having a much lower chance of overbuilding as there are so few builders in this submarket. Much of the new demand and matching supply is in the large Class A warehouse market, as the need for distribution continues to grow. Respondents also talked about the demand for smaller Class B warehouse space and the smaller retail/warehouse and office/warehouse space (or flex space) for small businesses who do not need over 10,000 square feet. There was a great deal of interest in how a substantial amount of new space that is being delivered in the smaller Class B warehouse submarket in the first half of 2018 will absorb, given that the lease rates are going to need to be above \$7 a square foot to make it profitable to build but tenants may not be able to afford this price point. Repurposing of other space was

discussed but some respondents mentioned possible zoning issues in allowing vacant retail or office space to be converted to small flex space. Again, construction costs are a key factor in this situation according to many panelists. For the large Class A warehouse buildings, lease rates are moving to over \$5 a square foot, but due to economies of scale builders are still able to turn a profit.

Respondents continue to be excited about the investments the Walton Family Foundation has been making across Northwest Arkansas. The major cities’ downtown cores are benefiting from these investments and respondents feel that many other builders and developers are going to continue to piggyback upon these initial investments and drive further growth. Panelists also discussed the trail system being monetized in new office, retail, and multifamily developments occurring adjacent to the trail. The ‘live work’ conversations all highlighted incorporating connections to the Northwest Arkansas trail system.

Panelists continue to mention a potential slowdown in the future, however, the timeframes vary, with expectations of a slowdown being pushed to late 2018 at the soonest and all the way to 2020 by some. The consensus is that a potential downturn will be relatively mild, especially compared to the Great Recession. The overall tone remained a cautious positive. As always respondents mentioned the fundamental drivers of Northwest Arkansas: Walmart and the Walton Family, the University of Arkansas and the education sector, J.B. Hunt, and the transportation sector, and Tyson Foods and the food industry sector provide respondents a strong sense of stability for the region. The medical and health care sectors are still considered strong long run growth areas, and several panelists believe Northwest Arkansas is just beginning a long period of commercial building in this submarket.

Looking into the future, respondents continue to be excited about the growth of regional amenities, particularly the trail system and bike infrastructure, connecting Northwest Arkansas, and stimulating tourism.

Positive Factors:

1. Continued population growth in the MSA.
2. Growth of existing businesses creating demand for new Class A office space.
3. Strong demand for retail space in several “hot” locations.
4. Potential opportunity for speculative warehouse space.
5. Leveraging the trail system as a selling point for commercial space.
6. Continuing creation of amenities in Northwest Arkansas.
7. Continued attention to the MSA by national investors.
8. Further media coverage of Northwest Arkansas as a good place to work and live.
9. Strong multifamily housing market potential across Northwest Arkansas.

Negative Factors

1. Increased construction costs.
2. Lease rate increases outpacing firms ability to pay.
3. Potential overbuilding of Class A office by the beginning of 2019.
4. Shift to work stations leading to less office demand.
5. Overhang of existing Class B office space.
6. Overhang of existing class B and C retail space.
7. Poor quality of existing available warehouse space.
8. Potential skilled labor shortage.
9. Overbuilding of the student housing market around the University of Arkansas.

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;

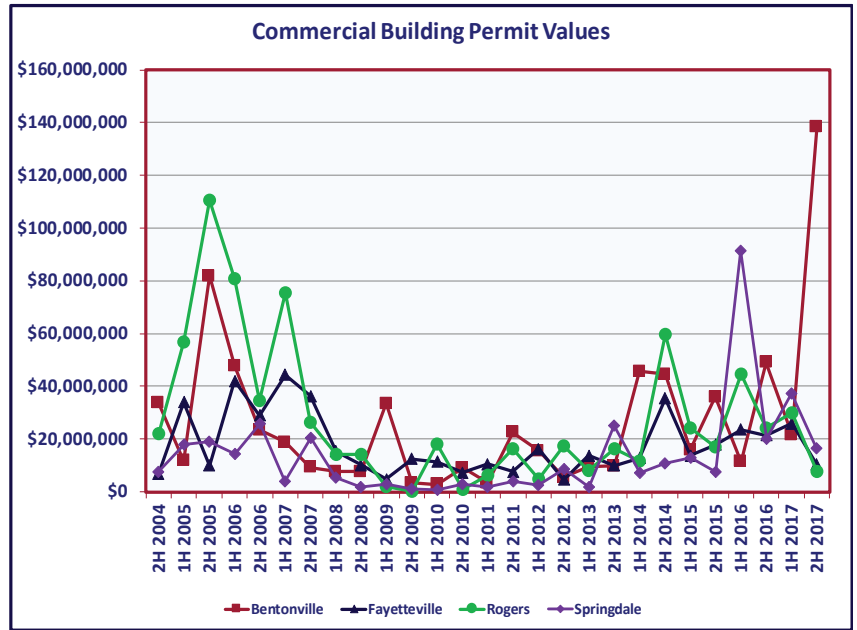
Office/Warehouse—space that can be configured as either office or warehouse space or both;

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, 2017. For the second half of 2017, the Skyline Report covered 99.3 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 ten 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 quarter to quarter. 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, 2017, there were just over \$204.1 million in commercial building permits issued in six major cities in Northwest Arkansas, Bentonville, Fayetteville, Lowell, Rogers, Siloam Springs, and Springdale. In the third quarter of 2017, just over \$150.1 million in commercial building permits were issued. In the fourth quarter, just over \$53.9 million in building permits were issued. In the second half of 2017, Bentonville had the greatest share of building permits with 67.8 percent. Lowell followed with 13.7 percent, then Springdale with 8.1 percent, and Fayetteville with 5.0 percent. Rogers and Siloam Springs accounted for 3.8 and 1.6 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.

Inventory

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., so there is no established 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 2017, there were 6,329 standard rooms and 2,172 suites in Northwest Arkansas. Bentonville had the most standard rooms with 1,865 while Rogers had the most suites with 963. 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 Northwest Arkansas can slowly absorb several more 100 - 200 bed hotels, but the market is not ready for another large hotel. 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	4,243,564	1,135,457	2,131,352	7,541,673	7,702,554	102.1%
Fayetteville	1,076,079	3,425,218	4,305,558	2,282,930	11,089,785	11,026,125	99.4%
Lowell	101,970	352,742	172,208	1,300,098	1,927,018	1,923,346	99.8%
Rogers	1,088,888	3,010,176	4,478,157	2,849,016	11,426,237	11,600,216	101.5%
Siloam Springs	329,942	195,261	705,295	340,615	1,571,113	1,453,160	92.5%
Springdale	1,902,597	1,556,326	2,471,211	3,143,789	9,073,923	8,643,995	95.3%
Northwest Arkansas	4,530,776	12,913,211	13,510,486	12,138,7648	43,093,237	42,776,019	99.3%

¹Source: 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 55 of this report.

²Source: Panel of 254 large Northwest Arkansas commercial property owners and managers.



Building Permits

Commercial Building Permit Data by City

	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
Oct. - Dec. 2017	\$15,703,722	\$1,088,272	\$24,474,140	\$1,927,690	\$1,928,435	\$8,808,035	\$53,930,294
July - Sept. 2017	\$122,656,773	\$9,140,191	\$3,396,926	\$5,846,637	\$1,347,500	\$7,793,380	\$150,181,407
April - June 2017	\$14,303,886	\$11,372,807	\$0	\$24,408,936	\$1,412,000	\$14,033,069	\$65,530,698
Jan - March 2017	\$7,336,615	\$14,513,326	\$84,000	\$5,648,091	\$576,141	\$23,123,353	\$51,281,526
Oct. - Dec. 2016	\$15,844,261	\$9,443,954	\$4,445,138	\$8,574,715	\$0	\$3,813,727	\$42,121,795
July - Sept. 2016	\$33,180,166	\$12,004,863	\$14,474,766	\$15,710,115	\$3,339,470	\$16,415,992	\$95,125,372
April - June 2016	\$3,186,128	\$21,574,412	\$4,617,536	\$9,205,408	\$20,222,189	\$87,682,358	\$146,488,031
Jan - March 2016	\$8,282,426	\$2,018,785	\$10,653,719	\$35,473,387	\$0	\$3,569,037	\$59,997,354
Oct. - Dec 2015	\$29,243,802	\$10,076,938	\$23,090,780	\$7,179,197	\$1,030,000	\$6,980,305	\$77,601,022
July - Sept. 2015	\$6,656,778	\$7,819,300	\$2,772,080	\$9,939,946	\$7,303,878	\$707,070	\$35,199,052
April - June 2015	\$8,520,763	\$9,878,384	\$2,437,861	\$20,234,817	\$6,095,000	\$4,157,720	\$51,324,545
Jan - March 2015	\$7,316,156	\$3,829,883	\$0	\$4,115,779	\$0	\$8,617,653	\$23,879,471
Oct. - Dec 2014	\$15,077,940	\$23,716,086	\$942,443	\$41,437,354	\$298,450	\$5,456,402	\$86,928,675
July - Sept. 2014	\$29,512,908	\$11,744,678	\$1,375,887	\$18,199,323	\$420,000	\$5,311,744	\$66,564,540
April - June 2014	\$14,880,491	\$6,352,097	\$299,768	\$8,944,856	\$700,000	\$6,286,894	\$37,464,106
Jan. - March 2014	\$30,816,399	\$6,462,060	\$0	\$2,620,482	\$0	\$807,905	\$40,706,846
Oct. - Dec. 2013	\$5,614,108	\$5,227,632	\$1,662,604	\$4,322,282	\$0	\$18,725,840	\$35,552,466
July - Sept 2013	\$4,147,738	\$4,642,389	\$0	\$12,137,965	\$0	\$6,472,554	\$27,400,646
April - June 2013	\$9,413,479	\$3,035,704	\$0	\$3,930,130	\$2,165,090	\$1,572,774	\$20,117,177
Jan. -March 2013	\$0	\$10,686,133	\$0	\$4,122,942	\$0	\$359,328	\$15,168,403
Oct - Dec. 2012	\$4,327,940	\$3,953,149	\$0	\$8,474,647	\$1,795,000	\$5,378,894	\$23,929,630
July - Sept. 2012	\$1,221,000	\$537,447	\$0	\$9,026,238	\$2,083,115	\$3,121,673	\$15,989,473
April - June 2012	\$13,126,525	\$15,157,427	\$0	\$3,702,000	\$0	\$0	\$31,985,952
Jan. -March 2012	\$2,386,772	\$1,015,056	\$709,949	\$1,027,000	\$0	\$2,373,879	\$7,512,656
Sept. - Dec. 2011	\$21,094,402	\$5,907,082	\$0	\$16,450,594	\$0	\$1,455,757	\$44,907,875
June - August 2011	\$1,445,222	\$1,763,872	\$404,493	\$0	\$500,000	\$2,328,979	\$6,442,566
March 2011 - May 2011	\$1,773,228	\$9,552,146	\$150,000	\$1,614,000	\$0	\$0	\$13,089,374
Dec. 2010 - Feb. 2011	\$1,469,162	\$915,280	\$438,289	\$4,616,536	\$22,997,000	\$1,803,778	\$32,240,045
Sept. - Nov. 2010	\$7,214,903	\$2,623,509	\$941,017	\$958,000	\$6,005,000	\$1,898,944	\$19,641,373
June - August 2010	\$1,846,518	\$4,679,537	\$0	\$0	\$0	\$892,252	\$7,418,307
March - May 2010	\$2,661,860	\$11,450,334	\$100,000	\$6,055,000	\$1,296,000	\$798,774	\$22,361,968
Dec. 2009 - Feb. 2010	\$105,030	\$0	\$255,505	\$12,224,147	\$0	\$0	\$12,584,682
Sept. - Nov. 2009	\$0	\$10,005,337	\$330,803	\$7,000	\$379,711	\$1,139,928	\$11,862,779
June - August 2009	\$3,336,498	\$2,403,905	\$0	\$70,000	\$215,000	\$37,460	\$6,062,863
March - May 2009	\$33,171,420	\$1,368,907	\$50,112	\$1,500,000	\$400,000	\$1,194,175	\$37,684,614
Dec. 2008 - Feb. 2009	\$344,325	\$3,403,704	\$1,766,386	\$545,000	\$0	\$1,596,349	\$7,655,764
Sept. - Nov. 2008	\$3,908,853	\$3,588,389	\$0	\$6,411,775	\$0	\$0	\$13,909,017
June - August 2008	\$3,689,476	\$6,548,894	\$1,019,000	\$7,579,500	\$1,006,596	\$1,861,390	\$21,704,856
March - May 2008	\$153,000	\$3,152,132	\$4,075,075	\$4,179,000	\$0	\$1,395,524	\$12,954,731
Dec. 2007 - Feb. 2008	\$7,400,153	\$12,125,756	\$0	\$9,995,030	\$3,200,000	\$3,970,299	\$36,691,238
Sept. - Nov. 2007	\$8,075,766	\$27,923,695	\$4,455,275	\$533,200	\$0	\$0	\$40,987,936
June - August 2007	\$1,194,440	\$8,309,014	\$48,927	\$25,668,347	\$2,575,178	\$20,375,131	\$58,171,037
March - May 2007	\$10,082,817	\$20,962,887	\$8,277,328	\$15,727,729	\$3,019,500	\$3,960,747	\$62,031,008
Dec. 2006 - Feb. 2007	\$8,725,598	\$23,406,927	\$4,709,086	\$59,642,734	\$25,000	\$0	\$96,509,345
Sept. - Nov. 2006	\$2,404,840	\$22,721,389	\$1,840,722	\$11,146,805	\$538,000	\$0	\$38,651,756
June - August 2006	\$21,014,259	\$6,147,723	\$462,712	\$23,479,198	\$5,890,000	\$25,663,800	\$82,657,692
March - May 2006	\$10,575,639	\$21,780,317	\$10,924,435	\$36,046,864	\$3,650,000	\$12,322,984	\$95,300,239
Dec. 2005 - Feb. 2006	\$37,121,720	\$20,330,697	\$2,359,019	\$44,672,800	\$165,000	\$2,151,476	\$106,800,712
Sept. - Nov. 2005	\$9,674,394	\$3,519,150	\$3,275,717	\$85,896,765	\$150,000	\$15,999,816	\$118,515,842
June - August 2005	\$72,205,699	\$6,434,833	\$1,666,851	\$24,782,039	\$200,000	\$2,982,618	\$108,272,040
March - May 2005	\$3,061,870	\$15,491,806	\$1,590,789	\$30,534,466	\$1,059,000	\$15,468,833	\$67,206,764
Dec. 2004 - Feb. 2005	\$8,753,636	\$18,560,094	\$390,000	\$26,172,000	\$254,700	\$2,614,524	\$56,744,954
Sept. - Nov. 2004	\$17,242,269	\$2,750,867	\$402,891	\$489,240	\$188,000	\$1,174,999	\$22,248,266
June - August 2004	\$16,446,488	\$4,145,124	\$10,035,248	\$21,734,534	\$1,993,393	\$6,390,478	\$60,745,265
March - May 2004	\$14,640,091	\$7,839,529	\$203,680	\$8,804,700	\$1,721,585	\$2,371,888	\$35,581,473

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
Northwest Health Systems Clinic	Bella Vista	Greg Taylor	Medical	6,000	Conceptual
Sisters of Mercy Multispecialty Clinic	Bella Vista	Sisters Of Mercy Health Systems	Medical		Conceptual
7 Brew House Warehouse	Benton County	Ron Crume	Warehouse	40,000	2018
Boat Storage Buildings	Benton County	Robert and Travis Pennington	Warehouse	8,400	Conceptual
Tufco Warehouse	Benton County	Tufco	Warehouse	20,000	Conceptual
28th St Warehouse	Bentonville	Ivan Crossland & Bill McClard	Warehouse	130,000	Done
305 Main Street	Bentonville	Chip Chambers	Office	15,000	Conceptual
319 S Walton	Bentonville	Randy Crossno	Office	15,115	Conceptual
326 A Street Building	Bentonville	NWA Downtown Fund	Mixed Use	16,230	Early 2018
8777 Airport Road Retail	Bentonville	Flake-Kelley	Retail	13,322	Conceptual
Adair Creative Offices-307 Main St.	Bentonville	David Adair and Zach Kennedy	Office	17,415	Early 2018
Airport Road Retail	Bentonville	Flake-Kelley	Retail	18,109	Done
Arvest Bank Uptown Village	Bentonville	Arvest Bank	Bank		Conceptual
Aspen Park	Bentonville		Commercial	87,893	Conceptual
Beau Chene Crossing	Bentonville	Sage Partners	Office	54,000	Conceptual
Benton County Courthouse	Bentonville	Benton County	Court House	83,000	Conceptual
Bentonville Commercial Building	Bentonville	Dean Eisma	Commercial	50,000	Conceptual
Bentonville Flight Center	Bentonville	Municipal Airport	Commercial		Conceptual
Bentonville Merchant North-Central	Bentonville		Office		Conceptual
Bentonville Merchant South-Central	Bentonville		Office		Conceptual
Bentonville Plaza II	Bentonville	Square Deal Capital	Commercial	250,000	Conceptual
Blake Street House	Bentonville	RopeSwing	Social Club	18,400	Fall 2018
BOS Park Phase 1	Bentonville	D. Duncan, J. Lykins, C. Palmer	Commercial	20,000	Early 2018
Bozeman Development Building	Bentonville	Josh Kyles	Mixed Use	80,000	Conceptual
Cadence Group-Central	Bentonville	Cadence Group	Office		Conceptual
Childrens Academy on I St.	Bentonville		School		Conceptual
Climb Bentonville	Bentonville	Dennis Nelms	Retail	22,000	Fall 2018
C-Store @ 14th and S. Walton	Bentonville		Retail	5,200	Conceptual
Convention Center	Bentonville	Brian Bahr	Convention Center	75,000	Conceptual
Crossmar Supplier Park II	Bentonville	Cross Mar and Glass Investments	Warehouse	200,000	Done
Crossmar Supplier Park III	Bentonville	Cross Mar and Glass Investments	Warehouse	150,000	Late 2018
Crossmar Supplier Park IV	Bentonville	Cross Mar and Glass Investments	Warehouse	200,000	Conceptual
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	Conceptual
District at SW 4th and C	Bentonville		Commercial		Conceptual
Downtown Bentonville Mixed Use	Bentonville	Walton Family	Commercial	100-200,000	Conceptual
Dream of Central	Bentonville	SPREG	Commercial		Conceptual
Elevator Building on 3rd Street	Bentonville	Flake-Kelley	Office	12,000	Conceptual
Enterprise Car Rental on J Street	Bentonville	Enterprise Rental Car Co	Retail		Conceptual
First National Bank-A Street	Bentonville	First National Bank of Ft Smith	Office	8,420	Done
First Security Bank-Downtown	Bentonville	First Security Bank	Commercial	9,716	2018
Fountain Plaza Office- Hersey	Bentonville	Jeannie Fleeman	Office	46,500	Early 2018
Fountain Plaza Office II	Bentonville	Jeannie Fleeman	Office	12,500	May 2018
Haxton District West II	Bentonville	Neil Greenhaw	Commercial	10,700	2018
Helen R. Walton Childrens Center	Bentonville	Helen R. Walton CEC	Education	43,700	Early 2019
Lakeside Center North	Bentonville	Bob Hopmann	Office	67,000	Conceptual
Legacy Bank	Bentonville	Legacy Bank	Bank	7,600	Done
Little Life Lessons Academy	Bentonville		Daycare		Conceptual
Macadoodles Plaza II	Bentonville	Roger Gilhaus	Office	16,500	Conceptual
Main Street Crossing I	Bentonville	Matt Sitton	Retail	6,300	Done
Main Street Crossing II	Bentonville	Matt Sitton	Retail	2,757	Done

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
McClarty Daniel Ford	Bentonville	Russ Daniel	Commercial	46,000	2018
Mercy Clinic-North Walton Blvd	Bentonville	Mercy Health Systems	Medical	7,000	Early 2018
Mercy Clinic-Southwest I	Bentonville	Mercy Health Systems	Medical	13,800	Early 2018
Mojo Marketing-22nd and C Streets	Bentonville	Nicole and David Trudo	Commercial	10,425	Early 2018
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
Northwest Health Systems Clinic	Bentonville	Greg Taylor	Medical	15,000	Early 2018
NWAAC Building	Bentonville	NWACC	School	16,000	Conceptual
Ozark Climbing Gym	Bentonville	Jason and Bridgette Groves	Gym	14,447	2018
Retail Building on Hwy 12	Bentonville	Josh Kyles	Retail	5,000	Conceptual
Riviera Road Office Building	Bentonville	Russell Rogers	Office	4,252	2018
ROC Offices, Phase I, Building 2	Bentonville	Crossmar Investments	Office	18,000	2018
ROC Offices, Phase I, Building 2	Bentonville	Crossmar Investments	Office	16,200	2018
ROC Offices, Phase II	Bentonville	Crossmar Investments	Office	78,704	Conceptual
ROC Offices, Phase III	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Phase IV	Bentonville	Crossmar Investments	Office	70,000	Conceptual
Sam's Club Layout Center	Bentonville	Wal-Mart Stores Inc	Office	140,000	Conceptual
SDI Realty Retail Development	Bentonville	SDI Realty	Retail	6,500	Conceptual
Shelley Parson Insurance	Bentonville		Office		Conceptual
Shoppes at Uptown Village	Bentonville	Flake-Kelley	Retail	6,000	Conceptual
Simpson Office building	Bentonville	Chance Simpson	Office	21,000	Conceptual
Skylight Cinemas	Bentonville	NWA Downtown Revitalization	Movie Theatre	15,761	Done
Superior Auto Group Dealership	Bentonville	David Slone	Commercial		Conceptual
SW Elm Tree Road Development	Bentonville				Conceptual
Tar & DOK	Bentonville		Commercial		Conceptual
Thaden School	Bentonville	Walton Family Foundation	School		Summer 2018
The Incubator Phase I	Bentonville	Terry Carson	Commercial	94,250	Conceptual
The Incubator Phase II	Bentonville	Terry Carson	Commercial	51,550	Conceptual
Verneti Law Group Office-Central	Bentonville	Verneti Law Group	Office		Conceptual
Versalab Offices	Bentonville		Office		Conceptual
Vogel Commercial Development	Bentonville	Ross and Steve Vogel	Commercial	38,000	Conceptual
Walmart Distribution Center	Bentonville	Walmart	Commercial	1,270,000	2018
Walmart Headquarters	Bentonville	Walmart	Office		2022
Bravis Marketing Building	Centerton	Bradshaw Properties	Office	21,000	February 2018
First Security Bank-Hwy 102	Centerton	First Security Bank	Bank		Done
United Bank Branch-Hwy 102	Centerton	United Bank	Bank		Early 2018
Willow Crossing I	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Willow Crossing II	Centerton	Tim, Dusty, Beverly Graham	Retail	10,000	Conceptual
Altitude Trampoline Park	Fayetteville	Haithan Alley	Retail	28,000	2018
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	5,000	2018
Climb Fayetteville	Fayetteville	L. Brock, D. Nelms, D. Sloss	Retail	19,000	Delayed
Commercial Realty Office	Fayetteville	Jeff Kemp	Office	7,400	Spring 2018
Cross Church	Fayetteville	Cross Church	Church	57,500	Early 2018
Crossover Retail Development	Fayetteville	Bob Hopmann	Retail	5,075	2018
Don Tyson Center for Agriculture	Fayetteville	University of Arkansas	Office	54,000	Done
Express Tunnel Carwash-Crossover	Fayetteville	Christian Baldwin and Scott McLain	Retail		Early 2018
Fitness One-Wedington	Fayetteville	Turnkey Construction	Retail	45,000	Done
Huntsville Road Retail Development	Fayetteville	Clint McDonald	Retail		Conceptual
Kum and Go	Fayetteville	Kum and Go	Retail		Conceptual
Kum and Go	Fayetteville	Kum and Go	Retail		Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Lumiere	Fayetteville	G. Billingsley, R. Cully, and B. Hill	Retail	15,000	2018
Mana Clinic-N College Ave	Fayetteville	MANA Health	Medical	3,300	Conceptual
Mission Market	Fayetteville	Stuart Collier and Clay Morton	Retail	8,000	Done
New School Expansion	Fayetteville	New School	School	72,000	2018
Northwest Health Systems Clinic	Fayetteville	Greg Taylor	Medical	5-10,000	Conceptual
OurPharma	Fayetteville	Dr. Peter Kohler	Manufacturing	10,000	Conceptual
Ozark Electric Expansion	Fayetteville	Ozark Electric Coop	Office	20,000	2018
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	Fayetteville	Prism Education Center	School		Done
Shoppes at the Bluffs	Fayetteville	Mathias Properties	Retail	46,519	Conceptual
Sims-Renner Office-Waterside	Fayetteville	Sims-Renner Insurance	Office		Conceptual
Springhouse Village Retirement Community	Fayetteville	Elizabeth Link	Medical		Conceptual
The New School Academic Building	Fayetteville	The New School	School	65,000	Early 2018
TheatreSquared Facility	Fayetteville	TheatreSquared	Commercial	51,500	2019
Uptown Apartments Retail	Fayetteville	Carlyle Group, R. Kimball, SPREG	Retail	17,000	Done
Victory Commons	Fayetteville	Tracy Hoskins and Allied Bank	Commercial		Conceptual
Washington Regional Complex-Gregg	Fayetteville	WRMC	Medical	30,000	Early 2019
West Lot Development	Fayetteville	Alex Blass and Hunter Haynes	Retail	30,000	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	400,000	Late 2019
Johnson Square	Johnson	W. Davis, B. Hill, M. Hooker	Commercial	150,000	Conceptual
RMP Building	Johnson	High Street Development	Commercial	21,000	Conceptual
Central Research Inc	Lowell	Johnny and Scott Dillard	Office		Conceptual
Fed Ex	Lowell	The Westmoreland Co.	Warehouse	250,000	Done
Firebird II	Lowell	Bill McClard	Warehouse	60,000	Conceptual
Harps Grocery Store	Lowell	Harps Food Stores Inc.	Retail	32,000	Conceptual
IDO Complex	Lowell	Sage Partners	Commercial		Conceptual
J.B. Hunt Office Tower II	Lowell	J.B. Hunt	Office	133,000	Done
J.B. Hunt Office Tower III	Lowell	J.B. Hunt	Office	133,000	Underconstruction
J.B. Hunt Office Tower IV	Lowell	J.B. Hunt	Office	100,000	Conceptual
Presidential Ave Development	Lowell	AVAD3	Commercial		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
Planetarium	NWA	Katherine Auld	Museum	40,000	Conceptual
Solve For Food Innovation Lab	NWA	Keith Larson, Greg Spragg	Lab	20,000	Conceptual
Mercy Clinic	Pea Ridge	Mercy Health Systems	Medical	7,500	Done
17th Street Project, Building 1	Rogers	Mathias Properties	Warehouse	16,000	Done
17th Street Project, Building 2	Rogers	Mathias Properties	Warehouse	15,000	Done
17th Street Project, Building 3	Rogers	Mathias Properties	Warehouse	30,000	Done
17th Street Project, Building 4	Rogers	Mathias Properties	Warehouse	30,000	Done
All Pets Animal Hospital	Rogers	John Carney	Veterinarian	6,000	Done
Angkor Wine and Liquor	Rogers	Sopheak Srunn	Retail	11,800	Done
Arabella of Rogers	Rogers	Abby Development	Medical	295,000	Late 2018
Arkansas Arts Academy Expansion	Rogers	Arkansas Arts Academy	School	63,000	Done
Arvest Bank - District at Pinnacle Hills	Rogers	Arvest Bank	Office	24,000	208
At Home-27th ST	Rogers	At Home Group, Inc	Retail	108,490	Done
Beaty Office Park I	Rogers	Lance Beaty	Office	15,000	Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Beaty Office Park II	Rogers	Lance Beaty	Office	15,000	Conceptual
Beaty Office Park III	Rogers	Lance Beaty	Office	7,500	Conceptual
C&M Machine Holdings Expansion	Rogers	C&M Machine Holdings Inc	Manufacturing	12,000	2018
Center Point Lot 12	Rogers	David Boener	Retail	18,385	Delayed
Cheyenne Furniture Office-Pinnacle	Rogers	John Schmelzle	Office	18,800	2018
Country Club Plaza Office	Rogers	LaFrance Family	Office	16,249	Conceptual
Daisy Expansion	Rogers	Daisy	Commercial	114,620	Done
Devereaux Office Building	Rogers	Dewitt Smith III	Office	40,000	Conceptual
District at Pinnacle Hills I	Rogers	Whisenvest	Office	32,275	Done
District at Pinnacle Hills III	Rogers	Whisenvest	Office	32,275	Conceptual
District at Pinnacle Hills IV	Rogers	Whisenvest	Office	44,900	Conceptual
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
Fox Trail Distillery-Promenade	Rogers	James Tinnin Jr.	Commercial	15,000	2018
Gateway Plaza	Rogers	Flake-Kelley	Commercial	39,600	Conceptual
Grand Brook Memory Care	Rogers	Constant Care Management	Medical	28,000	Done
Grand Savings Bank	Rogers	Grand Savings Bank	Bank		Done
Harbor Freight Tools	Rogers		Retail		Conceptual
Highland Knolls I	Rogers		Office	7,980	Conceptual
Highland Knolls II	Rogers		Office	7,980	Conceptual
Highland Knolls III	Rogers		Office	7,980	Conceptual
Magnolia Farms Building I	Rogers	M. Molleston and Hunter Haynes	Office	85,000	Conceptual
Magnolia Farms Campus	Rogers	M. Molleston and Hunter Haynes	Commercial	400,000	Conceptual
Magnolia Place Alzheimers Care	Rogers	JEA Senior Living	Medical Office	34,556	Conceptual
Mana Clinic-Pinnacle Hills	Rogers	MANA Health	Medical	14,200	2018
Med Express	Rogers		Medical		Conceptual
Mercy Hospital Patient Tower	Rogers	Mercy Health Systems	Medical	279,000	August 2019
Metal Roofing Sales	Rogers	Metal Roofing Sales	Industrial	30,400	Conceptual
Metropark Office Building II	Rogers	Hunter Haynes & Sage Partners	Commercial	25,000	Conceptual
Metropark Office Building III	Rogers	Sage Partners	Office	15,000	Conceptual
New Hope Plaza	Rogers	Tim Salmonson	Retail	23,000	Conceptual
Nolan Caddell Reynolds Office	Rogers	Nolan Caddell Reynolds	Office		Conceptual
Northwest Medical Systems Clinic	Rogers	Greg Taylor	Medical	5-10,000	Conceptual
NWA Regional Animal Hospital	Rogers	NWA Regional Animal Hospital	Office	21,432	Conceptual
Pinnacle Health and Rehabilitation	Rogers	Michael Martel	Nursing Home	50,000	Done
Pinnacle Knoll II	Rogers	Sage Partners	Office	80,000	Conceptual
Pinnacle Promenade Point III	Rogers	Hunt Ventures	Office	40,000	Conceptual
Pleasant Crossing Commons, Ph II	Rogers	Matt Sitton	Retail	60,600	Conceptual
Pleasant Crossing Commons, Ph III	Rogers	Matt Sitton	Retail	87,881	Conceptual
Pleasant Crossing Retail Building	Rogers	Whisenvest	Retail	10,000	Conceptual
Pleasant Grove Retail Building 1	Rogers	Harold Crye	Retail	18,000	Conceptual
Pleasant Grove Retail Building 2	Rogers	Cr Crawford	Retail	14,000	Conceptual
Primrose of Rogers	Rogers	Primrose Retirement Communities	Medical	88,000	Done
Redi-Mix Concrete 8th St Plant	Rogers	Redi-Mix Concrete	Industrial		Conceptual
Rogers Skilled Nursing and Rehab	Rogers	Emeritus Co.	Medical	57,000	Done
Ryzabuv	Rogers	Case Lawrence	Retail	30,000	Conceptual
Sisters of Mercy Primary Care Office	Rogers	Sisters Of Mercy Health Systems	Medical		Conceptual
Skyline 2	Rogers	Ed Belto	Office	54,000	Conceptual
Splash Car Wash	Rogers	McClain Group	Retail		Early 2018
Stoney Brook Development	Rogers	Clinton Bennett	Commercial		Conceptual

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
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
The Grove Retail	Rogers	Paul Pursey	Retail	7,000	2018
Trulove Construction Vehicle Storage	Rogers	Trulove Construction	Warehouse		Conceptual
Violin Studio and Repair Shop	Rogers	SMEK LLC	Retail		Conceptual
Walmart Market Downtown	Rogers	Wal-Mart Stores Inc	Retail		Conceptual
Walnut Crossing	Rogers	Greg House	Commercial	50,000	Conceptual
West Village	Rogers	Sage Partners, Urban5	Retail	28,600	Conceptual
Wilson-Coker Office Building	Rogers	Wilson-Coker Wealth Management	Office		Conceptual
Barnett Warehouse	Sil Springs	Jonathan Barnett	Warehouse	67,950	Conceptual
Crye-Leike Office	Sil Springs	Crye-Leike Realtors	Office	6,500	Conceptual
Dollar General	Sil Springs	PB General Holding, Little Rock	Retail	9,217	Done
Holly Street Crossing	Sil Springs	Ted Viala	Commercial		Conceptual
Peer-Andrus Studio and Project Barn	Sil Springs	John Brown University	School	16,800	Summer 2018
Pharmacy and Medical Office	Sil Springs	Lykins Leasing	Medical Office	18,480	Conceptual
Plaza at Siloam Springs	Sil Springs	Jason Pullman	Retail	11,200	Early 2018
Progress Plaza Phase II	Sil Springs	Brown Cow LLC	Medical Office	11,250	Conceptual
56th Street Office Building	Springdale	C.L. George and Sons	Office	75,000	Conceptual
Anders Office Building	Springdale	Sterling Park Anders	Office	16,000	2018
Arkansas Children's Hospital	Springdale	Arkansas Children's Hospital	Medical	233,613	2018
Arkansas Childrens Phase II	Springdale	Arkansas Children's Hospital	Medical		Conceptual
Carpet One-Wagon Wheel	Springdale	Fadil Bayyari	Retail	5,000	Conceptual
Diesel Downs, Lots 4, 5	Springdale	Raymond Merrill	Commercial		Conceptual
Diesel Downs, Lots 6, 7	Springdale	Murphy-Hoffman Co.	Commercial		Conceptual
Edward's Properties on Powell	Springdale	Edwards Properties	Retail/Warehouse	19,000	Conceptual
Edwards Warehouse I	Springdale	Joe Edwards	Warehouse	40,000	Conceptual
Edwards Warehouse II	Springdale	Joe Edwards	Warehouse	21,000	Conceptual
Express Tunnel Carwash-Elm Springs	Springdale	Christian Baldwin and Scott McLain	Retail		2018
First State Bank	Springdale	First State Bank	Bank		Conceptual
Fish and Game Center	Springdale	Arkansas Game and Fish Dep.	Government	36,000	2020
Freddy's Retail Center	Springdale	Michael O'Shaunessy	Retail		Conceptual
Geels Paint	Springdale	Geels Paint	Commercial		
Goad Springs Rd Retail Development	Springdale	DuWayne Eoff	Retail	120,000	Conceptual
Hall Crossing Retail Building 2	Springdale	Jason Pullman	Retail	3,000	Conceptual
Health and Speech Clinic	Springdale		Medical		Conceptual
Imperial Coffee and Vending	Springdale	Imperial Coffe and Vending	Warehouse	40,000	Done
Love's Travel Center	Springdale	Love's	Retail		Conceptual
Lynch Prairie Cove Office Building	Springdale	Wheaton Construction	Medical Office	4,000	Done
Mercy Clinic	Springdale	Mercy Health Systems	Medical Office	30,000	Conceptual
Mercy NWA Campus	Springdale	Mercy Health Systems	Medical Office	60,000	Spring 2019
Monitor Warehouse	Springdale	RPH	Warehouse		Conceptual
Northwest Technical Institute	Springdale	NTI	School	31,000	Conceptual
NWACC	Springdale	NWACC	School		Conceptual
NWACC-Washington County Campus	Springdale	NWACC	School	50,000	2018
Owen's Optometry	Springdale		Medical		
Ozark Business Park Building 1	Springdale	Mathias Properties	Office/Warehouse	52,093	Done
Ozark Business Park Building 2	Springdale	Mathias Properties	Office/Warehouse	18,735	Done
Ozark Business Park Building 3	Springdale	Mathias Properties	Office/Warehouse	13,650	Done
Ozark Business Park Building 4	Springdale	Mathias Properties	Office/Warehouse	14,000	Done
Ozark Business Park Building 5	Springdale	Mathias Properties	Office/Warehouse	7,000	Done

New Commercial Projects

Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Ozark Business Park Building 6	Springdale	Mathias Properties	Office/Warehouse	7,000	Done
Ozark Business Park Building 7	Springdale	Mathias Properties	Office/Warehouse	12,600	Done
Ozark Business Park Building 8	Springdale	Mathias Properties	Office/Warehouse	6,000	Done
Ozark I	Springdale	Mathias Properties	Warehouse	76,000	Conceptual
Ozark II	Springdale	Mathias Properties	Warehouse	8,200	Conceptual
Ozark III	Springdale	Mathias Properties	Warehouse	11,200	Conceptual
Ozark IV	Springdale	Mathias Properties	Office	32,000	Conceptual
Parkway Plaza I	Springdale	Sage Partners and Griffen Co.	Office	40,000	2018
Petra Allied Health School	Springdale	Petra Allied Health	School		Conceptual
Piney Ridge Treatment Facility	Springdale	Acadia Health	Medical	110,000	Conceptual
R & R Tire Center	Springdale	R & R Tires	Commercial	15,700	Early 2018
Rockline Expansion	Springdale	Rockline Industries	Manufacturing		
Shoppes at Elm Springs	Springdale	JP Companies	Retail	11,000	Conceptual
Speedy Splash Car Wash-Elm Springs	Springdale	Speey Car Wash	Retail		Conceptual
Springdale Municipal Campus	Springdale	City of Springdale	Municipal Building	80,000	
Storm Orthodontics	Springdale	Darrin Storm	Medical Office	5,670	Conceptual
Taco's for Life Shopping Center	Springdale	J.R. Nix	Commercial		Conceptual
Tyson Downtown Office	Springdale	Tyson Foods	Office	50,682	Done
Tyson Incubation Center	Springdale	Tyson Foods	Industrial	78,392	Done
Waco Title	Springdale	Waco Title	Office	15,000	Done
Waterstone Counseling Center-48th	Springdale	Sean McDonald	Medical	6,000	Spring 2018
White Cap	Springdale	Bill McClard	Warehouse	40,000	February 2018
Workman's Travel Center	Springdale	Sean Brister	Retail	14,000	Conceptual
Edward's Properties on Powell	Tontitown	Edwards Properties	Commercial	10,000	Conceptual
Paschal Heating Office	Tontitown	Charley Boyce	Office	45,000	Done
West Point Commercial Development	Tontitown	3E Development, Tom Joseph	Warehouse	300,000	Conceptual
4012 Old Wire	Wash Cty	Patrick Tobin	Commercial		Conceptual
Native Flower Growing Facility	Wash Cty	Kendra and Tom Smith	Commercial	19,520	Conceptual

Hotels

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
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
Bentonville Total		1,865	271
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
Hampton Inn	Fayetteville	87	8
Hilton Garden Inn	Fayetteville	90	25
Hi-Way Inn Motel	Fayetteville	24	0
Holiday Inn Express	Fayetteville	77	33
Homewood Suites	Fayetteville	0	96
Inn at Carnall Hall	Fayetteville	49	0
La Quinta Inn and 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
Value Place Hotel	Fayetteville	121	0

Hotels

Existing Hotels (Cont.)

Property Name	City	Number of Standard Rooms	Number of Suites
Fayetteville Total		1,445	419
Inn At the Mill	Johnson	38	8
Marriot Townplace	Johnson	0	94
Johnson Total		38	102
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
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
Rogers Total		1,485	963
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
Siloam Springs Total		276	44
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
Journey's Inn	Springdale	30	0
Laquinta Inn & Suites	Springdale	88	12

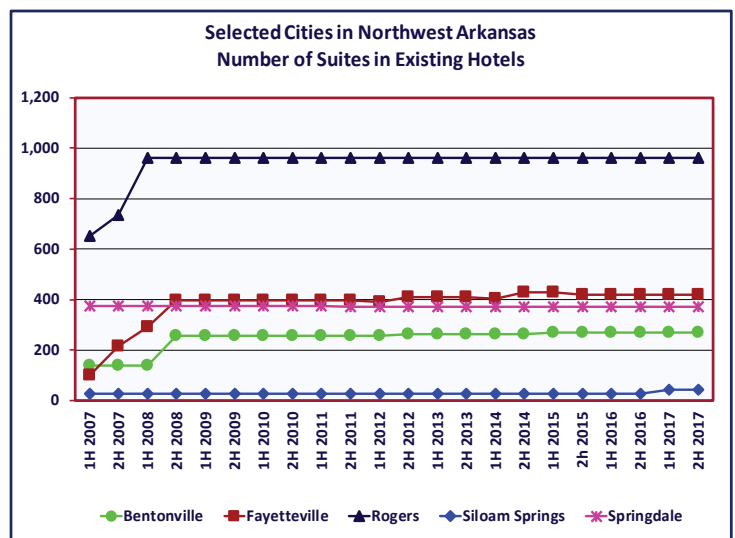
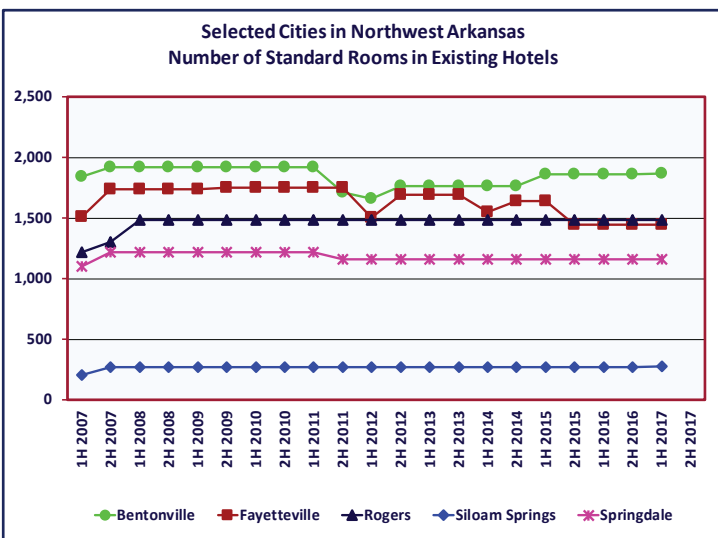
Hotels

Existing Hotels Summary (Cont.)

City	Number of Standard Rooms	Number of Suites	
Magnolia Gardens Inn (B&B)	Springdale	10	0
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
Springdale Total	1,161	373	

Existing Hotels by City

City	Number of Standard Rooms	Number of Suites
Bentonville	1,865	271
Fayetteville	1,445	419
Johnson	38	102
Lowell	51	0
Prairie Grove	8	0
Rogers	1,485	963
Siloam Springs	276	44
Springdale	1,161	373
Northwest Arkansas	6329	2172



Hotels

Announced Coming Hotels

Property Name	City	Owner	Number of Rooms	Expected Completion
Sunset Hotel	Bella Vista	Cooper Communities		Conceptual
Element Hotel	Bentonville	Shash Goyal	107	February 2018
Sheraton Bentonville Plaza	Bentonville	Starwood Hotels	234	Conceptual
Unnamed Hotel-Downtown Bentonville	Bentonville			Conceptual
Fairfield Inn and Suites	Fayetteville	Shash Goyal	94	February 2018
Piney Creek Ranch	Fayetteville	Andi and Jeremy Pratt		Conceptual
Unnamed Hotel-Wedington	Fayetteville	Narry Krushiker		Conceptual
Inn at the Mill Expansion	Johnson	Jesse Burkes and John Stewart	16	Early 2018
Creekside Courtyard by Marriot	Rogers	Narry Krushiker	121	2018
District at Pinnacle	Rogers	Whisenvest		Conceptual
Fields at Pinnacle Hotel	Rogers	Chad and Monika Hatfield		Conceptual
West Village Boutique Hotel	Rogers	Johnelle Hunt, A. & D. Burnett		Conceptual
Home 2 Suites by Hilton	Springdale	Narry Krushiker	119	Summer 2018
Parkway Plaza Hotel	Springdale	Sage Partners and Griffin Co		Conceptual
Springdale Hotels LLC	Springdale	Vipulkumar Patel		Conceptual
Unnamed Steele Crossing Hotel	Fayetteville	B&T Hospitality Management		Conceptual



Restaurants

Announced Coming Restaurants

Property Name	Location (City)	Owner	Expected Completion
Coffee Shop and Ice Cream Parlor	Bella Vista	Roger Gildehaus	--
Rhythm and Music BBQ	Bella Vista		Done
Angus Jack	Benton County	Ian and Jean Cairns	Conceptual
Jason's Deli	Benton County	Bourke Harvey	--
Unnamed Restaurant and Winery in BC	Benton County	CEI Engineering	Conceptual
Angus Jack-Airport Blvd	Bentonville		Done
Bentonville Baking Company	Bentonville		Done
Crystal Flats Restaurant	Bentonville	Cindy Springs, LLC	Conceptual
Dickey's Barbecue Pit	Bentonville	Jared Thompson	Delayed
El Puerco	Bentonville		Done
Forum Coffee	Bentonville	First Western Bank	Done
Heroes Coffee	Bentonville	Amy Ferguson	Done
JJ's Grill Downtown Bentonville	Bentonville	Jody Thornton	Conceptual
Louise	Bentonville	Ropeswing Group	Conceptual
Main Street Crossing Restaurant	Bentonville	Matt Sitton	Conceptual
Rally's-Supercenter	Bentonville	Guy Mace	Done
Reggie's Pizzeria-SW Regional Airport	Bentonville		Done
Scooter's Coffee	Bentonville	Don and Linda Eckles	Early 2018
The Cutting Room	Bentonville	Don Ray and William Ray	Done
TrickDilly Tacos	Bentonville		Done
Unnamed Restaurant on 3rd and Blake	Bentonville	Ropeswing Group	Conceptual
Urban Edge Development Restaurant	Bentonville	Richard Grubbs	Conceptual
Wendy's-S Walton Blvd	Bentonville	Wendy's	Done
Yeyo's Mexican Grill-8th St Market	Bentonville		Done
Las Fajitas	Bethel Heights	Ruiz Avaral	Done
Rib Crib	Centerton	Rib Crib	Conceptual
Taco Bell	Centerton		Done
Nelly B's	Elkins	Nelly B	Done
DeMarco's Italian Dining and Pizza	Farmington	Victor DeMarco	Done
Taco Bell	Farmington	K-Mac	Conceptual
Apple Blossom South Fayetteville	Fayetteville	Matthew Petty, Sammie Stephenson, Michael Ward	Delayed
ArkanCha	Fayetteville	Wen Guo	Done
Arsagas in Greenhouse Grille	Fayetteville	Cary Arsaga	Conceptual
Arsagas on MLK	Fayetteville	Cary Arsaga	Delayed
Axis Lounge-Downtown	Fayetteville	Ben	Done
Bolder Coffee College Ave	Fayetteville	Amber Dietrich	2018
Bolder Coffee Garland Ave	Fayetteville	Amber Dietrich	2018
Bolder Coffee-Crossover	Fayetteville	Tom Smith	2018
Burrito Loco-Fayetteville Square	Fayetteville		Done
Burton's Creamery-Uptown	Fayetteville		Done
Carrera Coffee Company	Fayetteville	Miles James	2018
Chuy's	Fayetteville	Mike Young and John Zapp	Conceptual
Citizen, The	Fayetteville	Lane Coleman, Knox McCorquodale, Wilson Wood	Delayed
Core Public House	Fayetteville	Jesse Core	Done
Dairy Queen-Crossover	Fayetteville	Tom Smith	2018
Eclectic Kitchen	Fayetteville		Done
Eureka Pizza on Mission relocation	Fayetteville	Rolf Wilkins	Fall 2018
Foghorn Express	Fayetteville	Jeff Hodges	Done
Fork and Crust	Fayetteville	Lori Rae	February 2018
Grillehouse Steak and Seafood	Fayetteville	Clint Boutwell	Done
Hookah Bar-The Depot	Fayetteville	Greg House	Early 2018
Hoppin' Johns Bar & Grill	Fayetteville	Michael C. Roach	Done

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Date Closed	
Inta Juice-College	Fayetteville	Inta Juice	Done
Jimmy's Egg-MLK	Fayetteville	Hunter Boelke	Done
John Daly's	Fayetteville	John Daly	Conceptual
Juice Palm	Fayetteville	Omar Kasim	Done
Juice Palm-Uptown	Fayetteville	Omar Kasim	Done
Kream	Fayetteville	Cory Tran	Done
Leverett Lounge	Fayetteville	Ben Gitchel	Done
Los Tres Hermanos	Fayetteville		Done
MJ Pizzeria	Fayetteville	Miles James	2018
Mojo's Pizza-Kantz Center	Fayetteville	Bob Hopmann	2018
PDQ Chicken	Fayetteville		Conceptual
Pickleman's Gourmet Cafe	Fayetteville	Allen Wells	Done
Puritan Coffee & Bar-Uptown	Fayetteville		Done
Qdoba-Joyce	Fayetteville	Qdoba	2018
Rally's-Supercenter	Fayetteville	Guy Mace	Done
Roma	Fayetteville	Scott Bowman	Conceptual
Serrano's Mexican Grill	Fayetteville	Serrano's Mexican Grill	March 2018
Shipleys MLK	Fayetteville	Shipleys	Conceptual
Smoothie King-Joyce	Fayetteville	Thuc Tran	Done
Smudgies Dessert Lab	Fayetteville	Jonathan Montgomery and Cory Tran	Early 2018
Starbucks on College	Fayetteville	Haag-Brown	Done
Tres Hermanos	Fayetteville		Done
Unnamed Restaurant	Fayetteville	The McClain Group	Conceptual
Unnamed Restaurant in ex-Hooters	Fayetteville	Jeff Bishop	Conceptual
Unnamed Restaurant-Old Ruby Tuesday	Fayetteville	Rodney Coats and Brian Smith	Conceptual
Uptown Restaurant 1-Italian	Fayetteville	Specialized Real Estate Group	Conceptual
VIP Club	Fayetteville	Sami Ammar Haddaji	Conceptual
Wedington Restaurant Row	Fayetteville	Tom Terminella	Conceptual
Western Themed Restaurant on Dickson	Fayetteville	Dave Bass	Conceptual
Wood Stone Craft Pizza	Fayetteville	Jeremy Gawthrop and Clayton Suttle	Done
Bloomington Ave Food Truck Court	Lowell	Joe Rheingans	Conceptual
Wendy's	Lowell	Wendy's	Conceptual
Top Golf	NWA	Topgolf	Conceptual
Yellow Rocket Concepts BBQ	NWA	Scott McGehee	Conceptual
Walk-On's	NWA (2)	Chris McJunkins	Conceptual
7 Brew Coffee-Scottsdale	Rogers		Done
7 Brew Coffee-Walnut	Rogers		Conceptual
Andy's Custard	Rogers	Whisenvest	2018
Anime Café	Rogers		Done
Big OrangeNorthwest-Promenade	Rogers	Scott McGehee and Yellow Rockets Concepts	Done
Bocca Italian Eatery-Promenade	Rogers	Jill and Mike Rohrback	Done
Bolder Coffee-Promenade	Rogers		Done
Chik-fil-A-Pinnacle Hills	Rogers	Chik-fil-A	Spring 2018
Crossroad Tavern	Rogers		Done
Curry Restaurant	Rogers		Conceptual
Dairy Queen	Rogers	Aimee and Terry Sims	Conceptual
Dave & Busters	Rogers	David Faulkner	2018
Domino's Pizza-Pinnacle	Rogers	Brent Medders	2018
Gaby's Bakery	Rogers		Done
Hammontrees Grilled Cheese	Rogers		Done
Hapa's Hawaiian Bar and Grill	Rogers		Done
Krystal Burger	Rogers	Smitco Eateries	Delayed

Restaurants

Announced Coming Restaurants (cont.)

Property Name	City	Date Closed	
Local Lime-Promenade	Rogers	Scott McGehee and Yellow Rockets Concepts	February 2018
MidiCi-Promenade	Rogers	MidiCi	Done
Neighbors Mill Restaurant	Rogers	Michael Brooks	Done
Old Chicago Pizza and Taproom-Pleasant Grove	Rogers	A.J. Nursariwala	Done
Onyx Coffee Lab	Rogers	Jon Allen	2018
Pie Bros	Rogers	David Faulkner	Done
Rick's Bakery	Rogers	Rick and Sharon Boone	July 2018
Saiwok	Rogers	Vuong Nguyen	Done
Taco's 4 Life-Pinnacle	Rogers	Whisenvest	Early 2018
Tokyo Sushi-Pleasant Grove	Rogers	Tokyo Sushi	Done
Urban Rub-Pleasant Crossing	Rogers		Done
Waffle House	Rogers	Waffle House	Conceptual
Apple Bee's	Siloam Springs	Apple Bee's Inc	Conceptual
Dairy Queen	Siloam Springs	Aimee and Terry Sims	Conceptual
Freddy's Frozen Custard and Steakburger	Siloam Springs	3PRG Real Estate LLC	Done
Ziggywurst	Siloam Springs		Done
Ana Marie's Bakery	Springdale	Javier Chavez	Done
Angela's Bakery	Springdale	Angela's Bakery LLC	Done
Azul Tequila-Elm Springs	Springdale	Gayla Byrd	Early 2018
Charro	Springdale		Done
Chik-fil-A	Springdale	Chik-fil-A	Summer 2018
Cotton Patch Café-Sunset	Springdale		Done
Dairy Queen	Springdale	Aimee and Terry Sims	Conceptual
Domino's-Sunset	Springdale		Early 2018
Geraldi's Pizzeria	Springdale		Done
Golden Dragon Buffet-48th St	Springdale		Done
Jo Jo's Kitchen	Springdale		Done
Loafin Joes	Springdale		Done
Natural State Sandwiches-Emma	Springdale		Done
Nessy's Café	Springdale		Done
Shipleys Elm Springs	Springdale	Shipleys	Conceptual
Shirleys Bar-48th	Springdale		Done
Slim Chicken	Springdale	Tom Gordon	March 2018
Taco's 4 Life-Sunset	Springdale	J.R. Nix	Early 2018
Thai Taste	Springdale		Done
Waffle House	Springdale	Waffle House	Done
Boulder Coffee	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
TJ's Sandwich Shop	Fayetteville	January 2017
Kraken Killer Seafood	Fayetteville	February 2017
Dink's BBQ	Bentonville	March 2017
Four Corners Kitchen	Fayetteville	April 2017
Texas Land and Cattle	Bentonville	May 2017
Restaurant on the Corner	Fayetteville	May 2017
Denny's	Fayetteville	June 2017
Grillehouse Steak and Seafood	Fayetteville	June 2017
Dixie Café	Rogers	June 2017
Dickeys BBQ	Siloam Springs	June 2017
Golden Dragon Palace	Springdale	June 2017
Inta Juice-MLK	Fayetteville	July 2017
Inn at the Mill	Johnson	August 2017
The Steam	Springdale	August 2017
Ghengis Grill	Rogers	August 2017
Qdoba	Fayetteville	September 2017
Dickson Street Social Club	Fayetteville	October 2017
Boar's Nest	Fayetteville	November 2017
Hardee's-MLK	Fayetteville	November 2017
Bella Nita Int'l Bajkery	Bella Vista	December 2017
Candy Deli	Bella Vista	December 2017
Rhythm and Music BBQ	Bella Vista	December 2017
Deluxe Burger-Dickson Street	Fayetteville	December 2017
Dickeys BBQ	Fayetteville	December 2017
El Camino Real	Fayetteville	December 2017
Greenhouse Grille	Fayetteville	December 2017
Ye Olde King Pizza	Fayetteville	December 2017
Dickeys BBQ	Lowell	December 2017
Dickeys BBQ	Rogers	December 2017
Gad's BBQ	Rogers	December 2017
Larry's Pizza	Rogers	December 2017
Dickeys BBQ	Springdale	December 2017
Grillehouse Steak and Seafood	Fayetteville	January 2018
Taco Bell	Centerton	January 2018

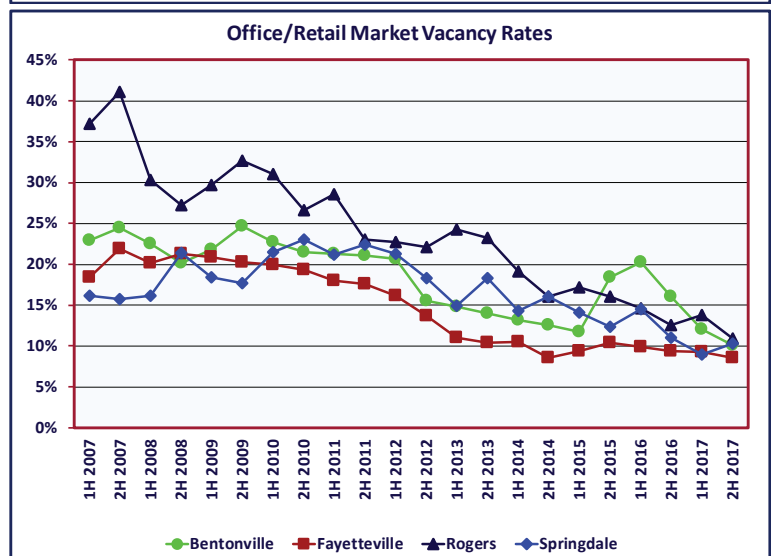
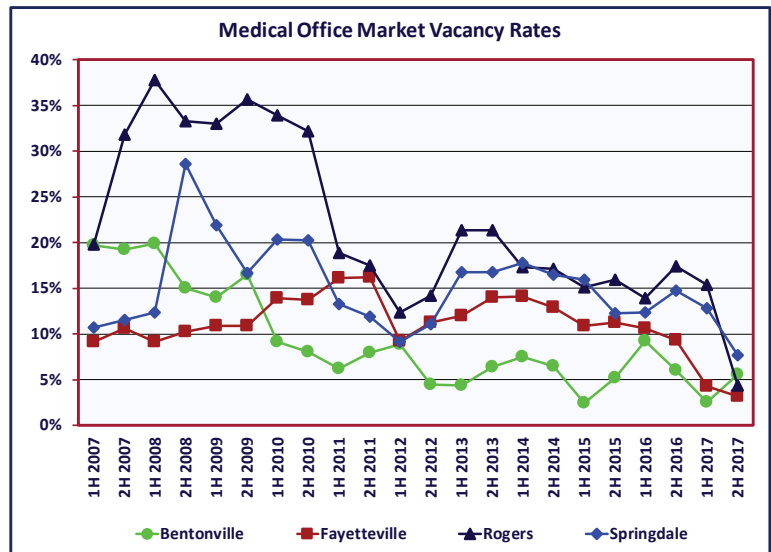
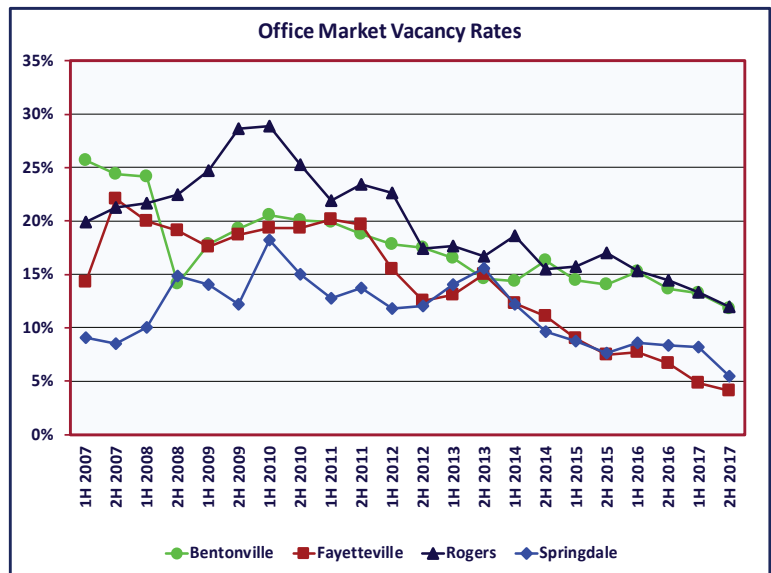
Commercial Market Trends

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.

Available office square footage in Northwest Arkansas decreased from 1,301,030 square feet in the second half of 2016 to 1,069,781 square feet in the second half of 2017. In the past year, 261,831 new square feet of office space were added, with Bentonville having the most with 147,191 square feet, and Rogers adding another 99,247 square feet. There was net positive absorption of 262,052 square feet in Northwest Arkansas during the past year. Fayetteville accounted for the greatest amount of net positive absorption with 91,547 square feet, while Rogers accounted for another 70,081 square feet. The overall Northwest Arkansas office vacancy rate declined by 2.3 percent from 11.4 percent to 9.1 percent, from the second half of 2016 to the second half of 2017.

In Northwest Arkansas, 388,426 square feet of office/retail space were available in the second half of 2017, down from 473,492 square feet in the second half of 2016. The office/retail market experienced positive net absorption of 84,636 square feet in the past year. Bentonville accounted for the most with 41,528 square feet of the positive net absorption over the past year. Fayetteville added 19,532 square feet of positive net absorption while Lowell and Bella Vista had negative net absorption of 1,440 and 1,410 square feet, respectively, during this period. There was 18,100 new square feet of office/retail space added within the past year, with Bentonville accounting for 10,000 square feet and Fayetteville 8,100 square feet. The overall Northwest Arkansas office/retail vacancy rate decreased 2.1 percentage points from 11.0 percent in the second half of 2016 to 8.9 percent in the second half of 2017.

In the second half of 2017, 871,707 square feet of retail space were available in Northwest Arkansas, down from 892,433 square feet in the second half of 2016. The retail market had positive net absorption of 52,908 square feet in the past twelve months. Rogers accounted for 98,325 square feet and Bentonville added another 11,374 square feet of positive net absorption. Fayetteville had 44,181

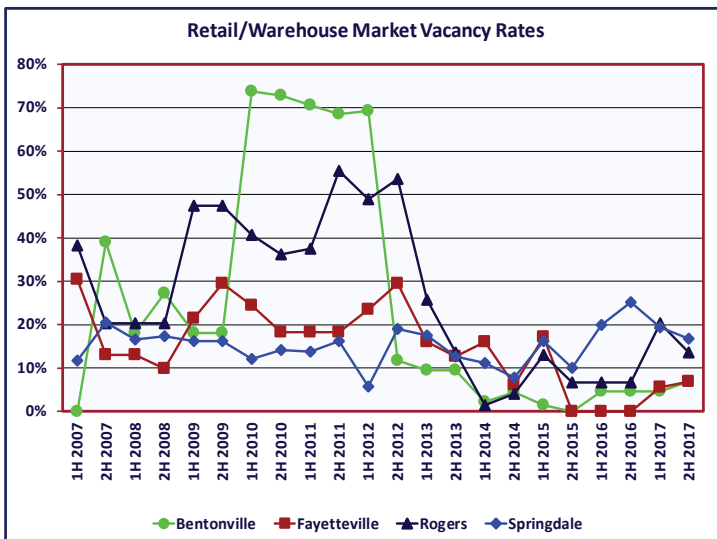
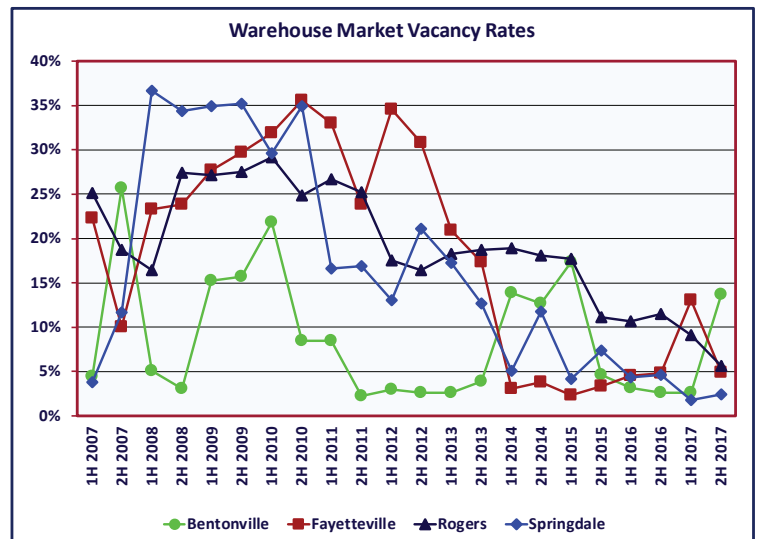
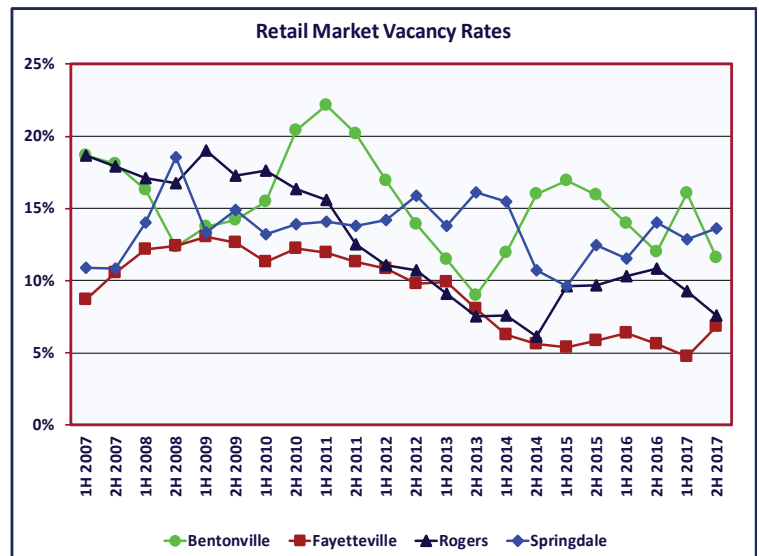
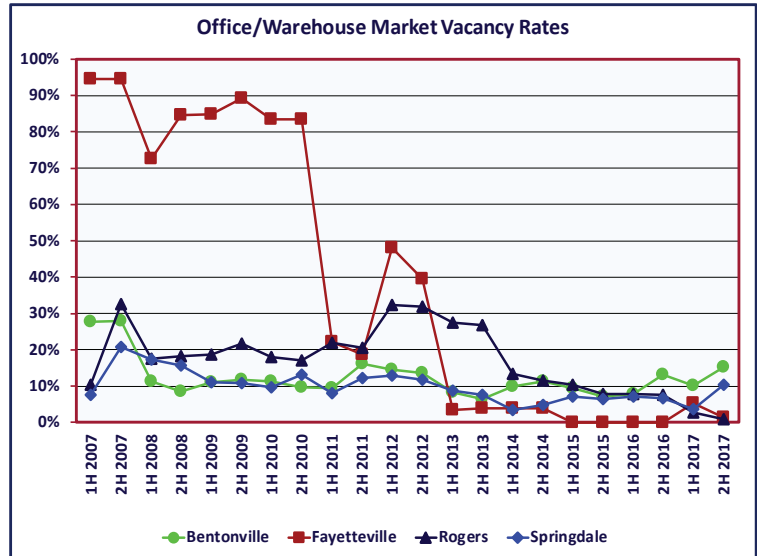


Commercial Market Trends

square feet of negative net absorption, while Siloam Springs accounted for another 16,606 square feet of negative net absorption. There were 154,796 new square feet of retail space added to the Northwest Arkansas market during the past year, with Bentonville accounting for 67,480 square feet, while Fayetteville and Rogers accounted for 56,816 square feet and 22,500 square feet, respectively. The overall Northwest Arkansas retail vacancy rate decreased 0.5 percentage points from 9.4 percent in the second half of 2016 to 8.9 percent in the second half of 2017.

In the Northwest Arkansas warehouse market, available square footage decreased from 684,312 in the second half of 2016 to 534,307 in the second half of 2017.¹ The warehouse market experienced positive net absorption of 271,490 square feet during the past year. Rogers accounted for 277,880 square feet of the positive net warehouse absorption, Lowell had another 72,055 square feet of positive net absorption, while Bentonville accounted for 133,000 square feet of negative net absorption in the last year in the warehouse market. 599,600 square feet of new warehouse space were added to the Northwest Arkansas market during the past year, with Bentonville accounting for 330,000 square feet, Lowell adding 251,600 square feet, and Springdale 18,000 square feet of the total. Vacancy rates declined by 2.3 percentage points from 8.1 percent to 5.8 percent over the same period.

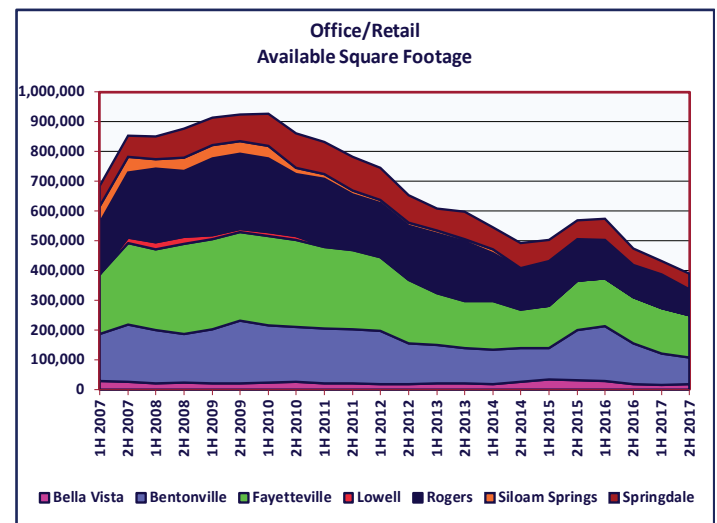
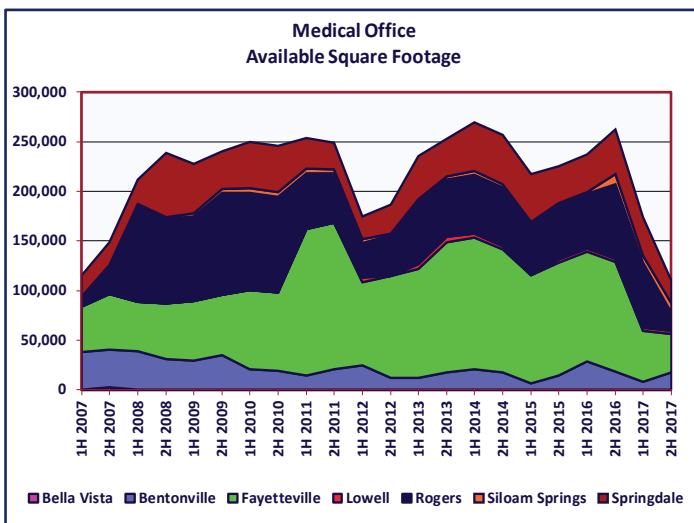
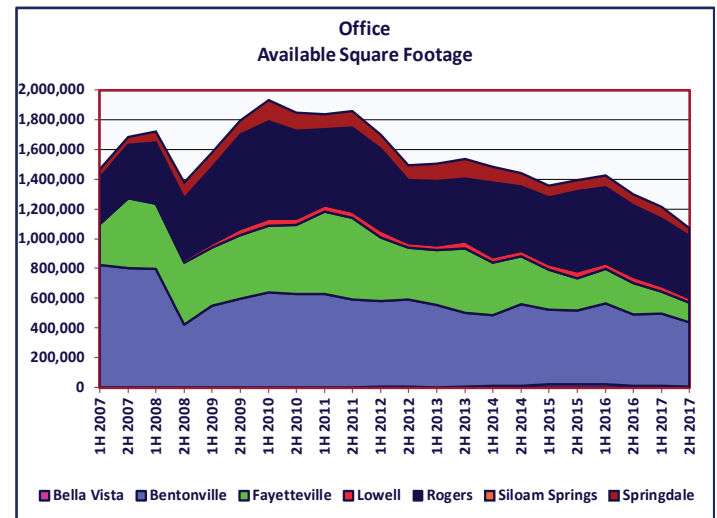
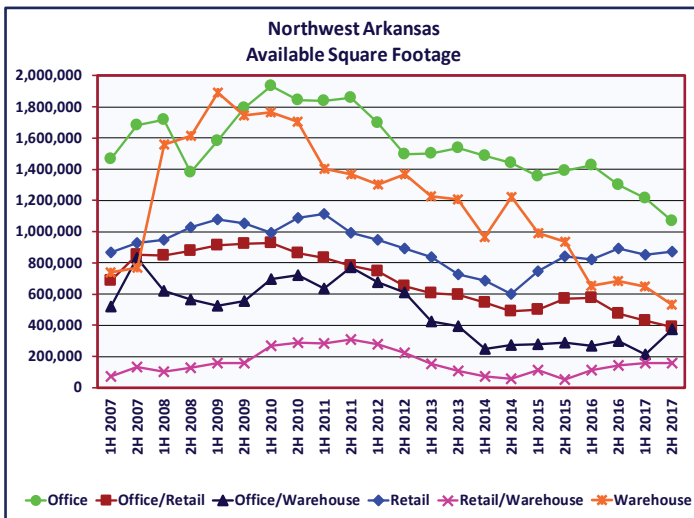
¹. Respondents indicated that an additional 250,000 square feet of quality, leased warehouse space is available for sublease in Rogers.



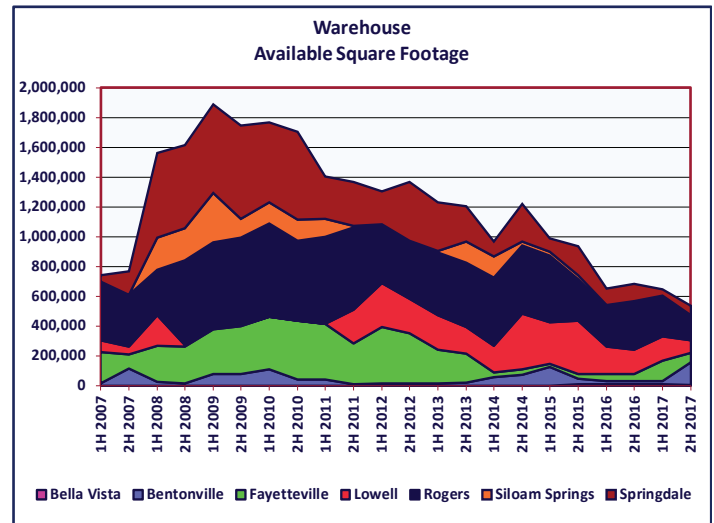
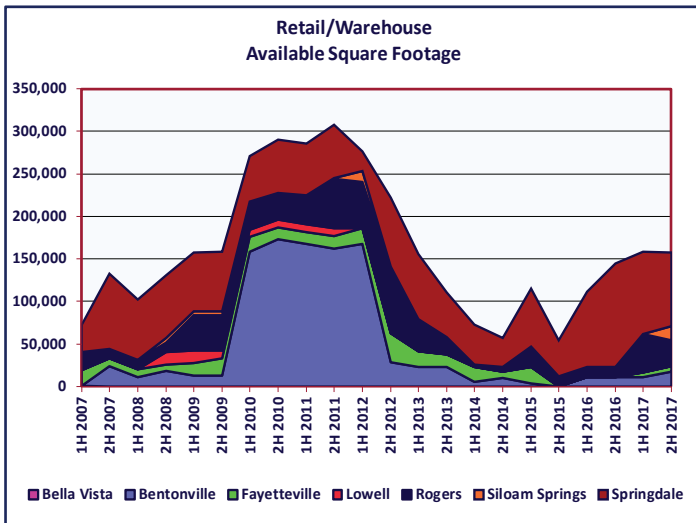
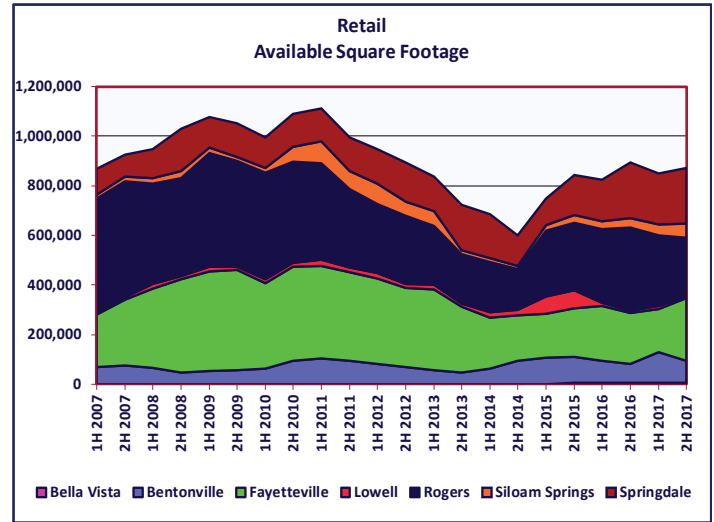
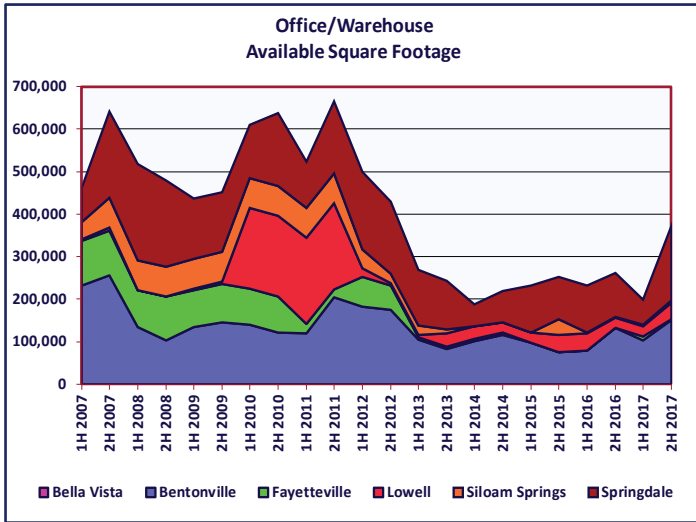
Commercial Market Trends

Net Twelve Month Absorption by Submarket 1H 2017 - 2H 2017

City	Office	Office/Retail	Retail	Warehouse
Bella Vista	3,260	-1,410	0	2,880
Bentonville	57,386	41,528	11,374	-133,000
Fayetteville	91,547	19,532	-44,181	-16,000
Lowell	15,277	-1,440	3,750	72,055
Rogers	70,081	14,145	98,325	277,880
Siloam Springs	1,500	8,650	-16,606	9,375
Springdale	23,001	3,631	246	58,300
Northwest Arkansas	262,052	84,636	52,908	271,490



Commercial Market Trends



Commercial Market Trends

Vacancy Rates by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2016	14.6%	13.6%	6.7%	13.3%	14.4%	6.8%	8.4%	11.4%
1H 2017	14.6%	13.2%	4.9%	10.1%	13.3%	5.3%	8.2%	10.4%
2H 2017	10.2%	11.8%	4.1%	10.1%	12.0%	5.9%	5.4%	9.1%

Medical Office

2H 2016	0.0%	6.0%	9.4%	3.9%	17.4%	8.7%	14.7%	10.8%
1H 2017	0.0%	2.5%	4.3%	3.9%	15.4%	5.7%	12.8%	7.1%
2H 2017	0.0%	5.6%	3.2%	3.9%	4.4%	7.9%	7.6%	4.5%

Office/Retail

2H 2016	6.0%	16.1%	9.4%	0.0%	12.6%	5.8%	11.0%	11.0%
1H 2017	5.6%	12.0%	9.2%	0.0%	13.8%	3.4%	8.9%	10.0%
2H 2017	6.5%	10.1%	8.5%	1.5%	10.9%	0.0%	10.3%	8.9%

Office/Warehouse

2H 2016		13.2%	0.0%	22.7%	7.6%	1.7%	6.6%	8.7%
1H 2017		10.2%	5.3%	22.7%	2.9%	3.4%	3.8%	6.2%
2H 2017		15.2%	1.5%	36.8%	0.9%	3.4%	10.3%	10.5%

Retail

2H 2016	14.1%	12.0%	5.6%	9.2%	10.8%	9.7%	14.0%	9.4%
1H 2017	14.1%	16.1%	4.8%	9.2%	9.3%	10.1%	12.9%	8.7%
2H 2017	14.1%	11.6%	6.8%	6.2%	7.6%	13.5%	13.6%	8.9%

Retail/Warehouse

2H 2016		4.6%	0.0%	0.0%	6.7%	0.0%	25.2%	13.3%
1H 2017		4.6%	5.5%	0.0%	20.4%	0.8%	19.4%	13.9%
2H 2017		6.9%	6.9%	0.0%	13.6%	24.8%	16.8%	13.3%

Warehouse

2H 2016	35.1%	2.6%	4.8%	17.5%	11.5%	4.2%	4.6%	8.1%
1H 2017	35.1%	2.6%	13.0%	17.8%	9.1%	4.1%	1.8%	7.6%
2H 2017	19.5%	13.6%	4.9%	9.6%	5.6%	1.6%	2.4%	5.8%

Commercial Market Trends

Net Absorption by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2016	1,793	54,796	18,880	0	28,271	5,634	6,089	115,463
1H 2017	0	8,941	62,731	10,477	28,060	2,500	7,221	119,930
2H 2017	3,260	48,445	28,816	4,800	42,021	-1,000	15,780	142,122

Medical Office

2H 2016	0	9,955	-6,058	0	-16,602	-8,700	-7,210	-28,615
1H 2017	0	10,462	59,018	0	9,388	3,500	5,800	88,168
2H 2017	0	-9,500	16,660	0	45,639	-2,500	6,100	56,399

Office/Retail

2H 2016	11,122	13,397	11,669	0	10,483	25	17,161	63,857
1H 2017	1,167	32,217	4,691	0	-11,929	3,550	10,484	40,180
2H 2017	-2,577	9,311	14,841	-1,440	26,074	5,100	-6,853	44,456

Office/Warehouse

2H 2016		-56,200	0	15,200	2,000	0	7,550	-31,450
1H 2017		29,727	0	0	22,717	-2,000	43,200	93,6440
2H 2017		-47,742	6,400	-15,200	9,522	0	-116,645	-163,665

Retail

2H 2016	11,500	11,351	22,706	800	-8,672	-8,600	36,101	65,186
1H 2017	0	-31,048	34,745	0	48,264	-2,150	16,017	65,8286
2H 2017	0	42,422	-78,926	3,750	50,061	-14,456	-15,771	-12,920

Retail/Warehouse

2H 2016		0	0	0	0	0	1,529	1,529
1H 2017		0	-5,100	0	-28,000	-500	25,326	-8,274
2H 2017		6,112	0	0	15,080	-10,360	20,120	30,952

Warehouse

2H 2016	0	12,000	-6,400	25,000	-44,202	0	12,840	-762
1H 2017	0	0	-92,730	-3,000	178,428	0	75,300	157,998
2H 2017	2,880	-133,000	76,730	75,055	99,452	9,375	-17,000	113,492

Commercial Market Trends

Available Square Footage by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2016	10,981	480,098	209,537	44,051	469,256	10,000	77,107	1,301,030
1H 2017	10,981	484,885	150,856	33,574	446,996	8,000	77,262	1,212,554
2H 2017	7,721	433,409	128,840	34,030	405,425	9,000	51,356	1,069,781

Medical Office

2H 2016	0	18,462	110,580	3,250	75,016	10,000	44,946	262,254
1H 2017	0	8,000	51,562	3,250	65,628	6,500	39,146	174,0864
2H 2017	0	17,500	38,702	3,250	18,489	9,000	22,920	109,861

Office/Retail

2H 2016	17,614	137,731	154,044	0	100,513	8,650	54,940	473,492
1H 2017	16,447	105,514	151,273	0	108,642	5,100	44,456	431,432
2H 2017	19,024	89,703	140,382	1,440	86,568	0	51,309	388,426

Office/Warehouse

2H 2016		132,220	0	24,400	36,539	2,000	102,775	297,934
1H 2017		102,493	8,900	24,400	13,822	4,000	59,575	213,190
2H 2017		150,235	2,500	39,600	4,300	4,000	176,220	376,855

Retail

2H 2016	5,320	77,467	203,230	11,570	333,906	39,600	221,340	892,433
1H 2017	5,320	123,515	175,027	11,570	286,242	41,750	207,223	850,647
2H 2017	5,320	87,593	253,953	7,820	235,581	56,206	225,234	871,707

Retail/Warehouse

2H 2016		11,000	0	0	11,680	0	121,728	144,408
1H 2017		11,000	5,100	0	45,280	500	96,402	158,282
2H 2017		17,535	6,404	0	30,200	16,860	86,402	157,401

Warehouse

2H 2016	6,480	21,034	50,400	160,230	311,889	14,275	120,004	684,312
1H 2017	6,480	21,034	136,730	163,230	261,346	14,275	44,704	647,799
2H 2017	3,600	154,034	60,000	88,175	161,894	4,900	61,704	534,307

Office

In the second half of 2017, the office properties included in the Skyline Report panel had a vacancy rate of 9.1 percent, a decrease from the 10.4 percent in the first half of 2017. Of the 11,713,878 square feet of Northwest Arkansas properties examined, 1,069,781 square feet were available. In the second half of 2017, 55,527 square feet of new space entered the market, while 197,649 square feet became occupied, netting positive absorption of 142,122 square feet for the Northwest Arkansas office market.

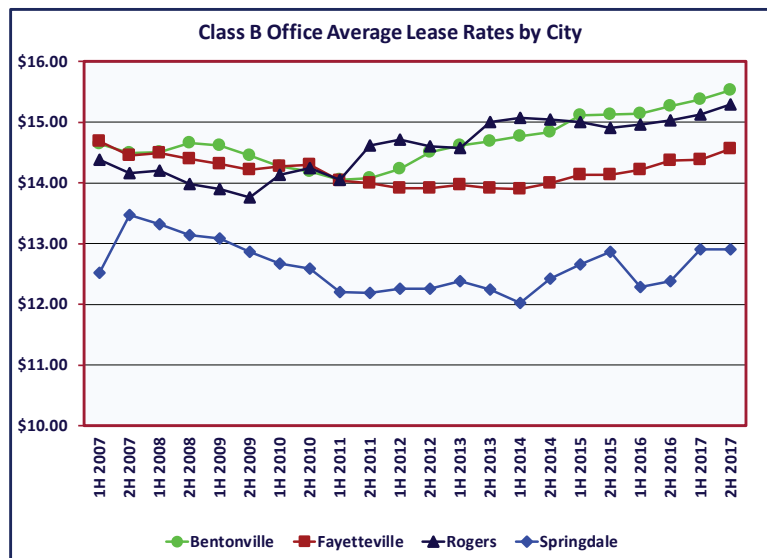
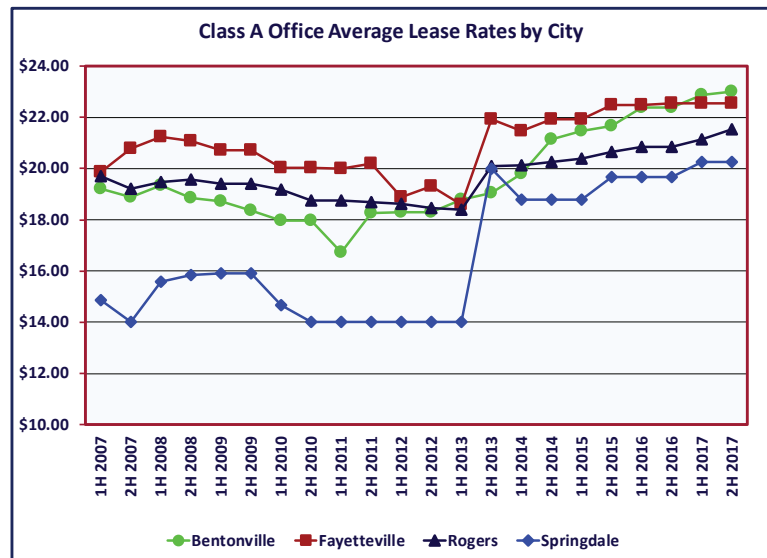
Bentonville had the most available square feet of office space at 433,409, out of its total office space of 3,677,646 square feet in the second half of 2017. 75.9 percent of the available office space was Class B. There were 23,040 new square feet added during this time. The Bentonville office market had net positive absorption of 48,445 square feet. That included net positive absorption of 31,261 square feet in the Class C submarket and negative net absorption of 9,500 square feet in the Medical office submarket.

Rogers had 3,386,224 square feet of total office space, with available square feet at 405,425, in the second half of 2017. 67.8 percent of the available space was in the Class A submarket. 32,487 square feet of new office space were added during this time. The Rogers office market had net positive absorption of 42,021 square feet in the second half of 2017, with Medical office space contributing 45,639 square feet of positive net absorption, the Class B submarket added 19,882 square feet of positive net absorption, while the Class A submarket had negative net absorption of 36,393 square feet during the second half of 2017.

Fayetteville had 128,840 square feet of available space, out of its total office space of 3,139,423 square feet in the second half of 2017, 42.6 percent of the available space was in the Class B submarket. There were no new square feet of office space added in the

Office Lease Rates Average Range by City

	Class A	Class B	Class C	Medical
Bentonville	\$22.49 - \$23.54	\$15.27 - \$15.79	\$9.88 - \$10.04	\$16.00 - \$16.60
Fayetteville	\$20.40 - \$24.72	\$14.35 - \$14.77	\$11.48 - \$12.51	\$15.72 - \$17.65
Rogers	\$20.64 - \$22.40	\$15.02 - \$15.58	\$9.51 - \$10.00	\$14.34 - \$14.51
Springdale	\$20.01 - \$20.51	\$12.33 - \$13.49	\$9.58 - \$10.00	\$14.08 - \$14.46



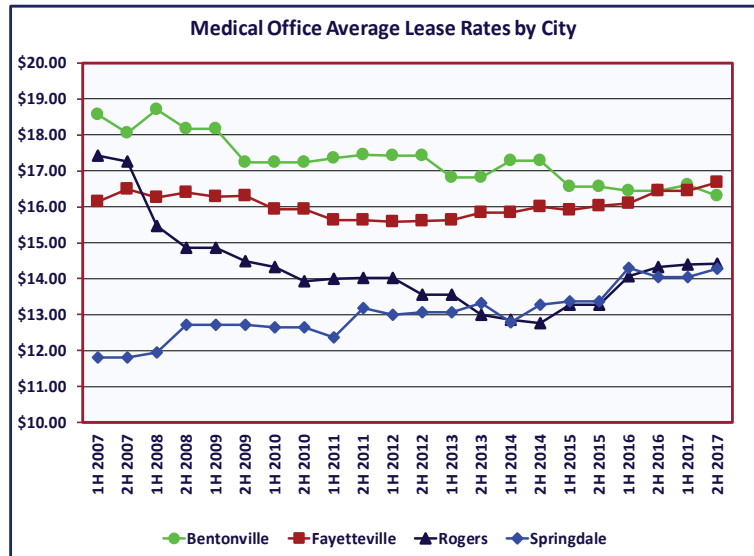
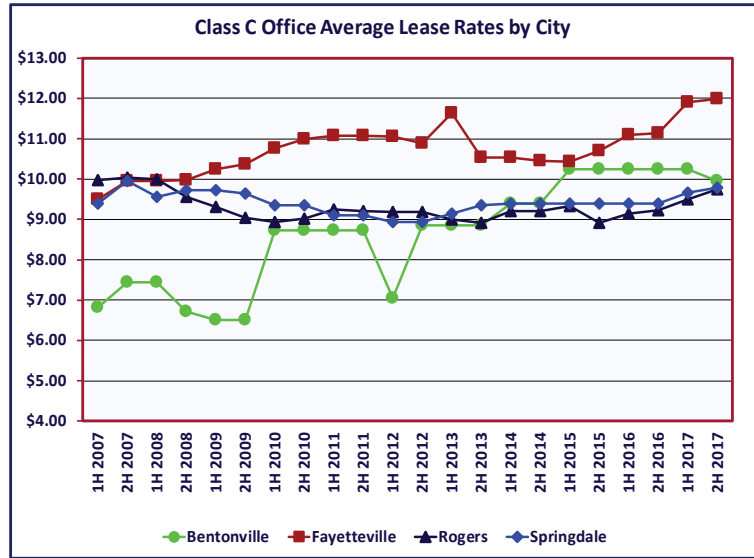
second half of 2017. The Fayetteville office market had net positive absorption of 28,816 square feet, with 16,660 square feet coming in the medical office submarket.

Springdale had 946,202 square feet of total office space, with 51,356 square feet of it available in the second half of 2017.

Office

44.6 percent was medical office space. There was positive net absorption of 15,780 square feet in the Springdale office market in the second half of 2017.

In the second half of 2017, average reported lease rates for Class A office space was highest in Bentonville at \$23.02, Fayetteville remained at \$22.56, Rogers increased \$0.37 to \$21.52, and Springdale (with very limited Class A space) remained at \$20.26. Average reported lease rates for Class B office space, increased slightly in each city except Springdale, and was highest in Bentonville at \$15.53. Rogers was at \$15.30, Fayetteville was at \$14.56, and Springdale remained with the lowest reported average lease rates at \$12.91. Reported average lease rates for Class C office were highest in Fayetteville at \$12.00. Bentonville decreased to \$9.96, Springdale increased to \$9.79, and Rogers increased to \$9.76. Reported average medical office space lease rates were highest in Fayetteville after an increase of \$0.25, at \$16.69. Bentonville declined \$0.30 to \$16.30, Rogers increased to \$14.43. Springdale, increasing \$0.23 to \$14.27, was the lowest.



Office

Office Space Characteristics by Class and 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	706,187	83,229	11.8%	29,274	18,000	11,274	44.3
Fayetteville	409,222	25,289	6.2%	0	0	0	--
Rogers	1,816,275	275,002	15.1%	-3,906	32,487	-36,393	-45.3
Springdale	104,394	4,076	3.9%	0	0	0	--
Class B							
Bentonville	2,557,564	329,160	12.9%	20,450	5,040	15,410	128.2
Fayetteville	1,257,065	54,944	4.4%	4,582	0	4,582	71.9
Rogers	785,256	60,069	7.6%	19,882	0	19,882	18.1
Springdale	382,914	19,410	5.1%	5,200	0	5,200	22.4
Class C							
Bentonville	98,807	3,520	3.6%	31,261	0	31,261	0.7
Fayetteville	258,712	9,905	3.8%	7,574	0	7,574	7.8
Rogers	363,794	51,865	14.3%	12,893	0	12,893	24.1
Springdale	159,165	4,950	3.1%	4,480	0	4,480	6.6
Medical							
Bentonville	315,088	17,500	5.6%	-9,500	0	-9,500	--
Fayetteville	1,214,424	38,702	3.2%	16,660	0	16,660	13.9
Rogers	420,899	18,489	4.4%	45,639	0	45,639	2.4
Springdale	299,729	22,920	7.6%	6,100	0	6,100	22.5

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents



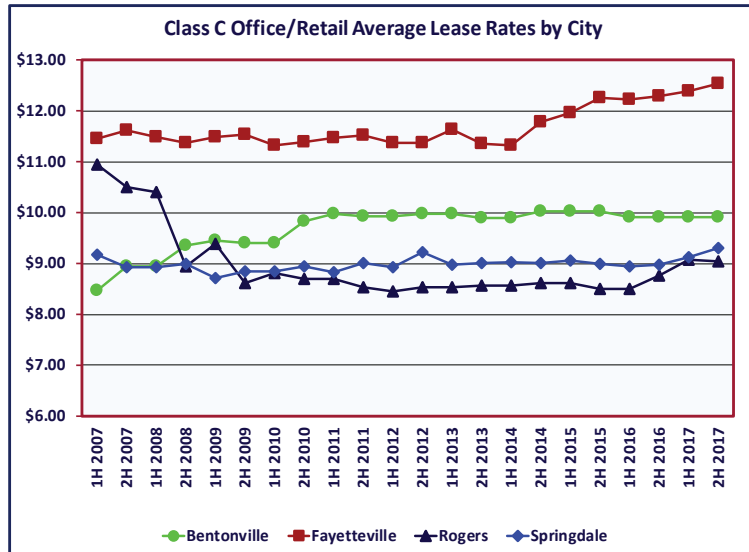
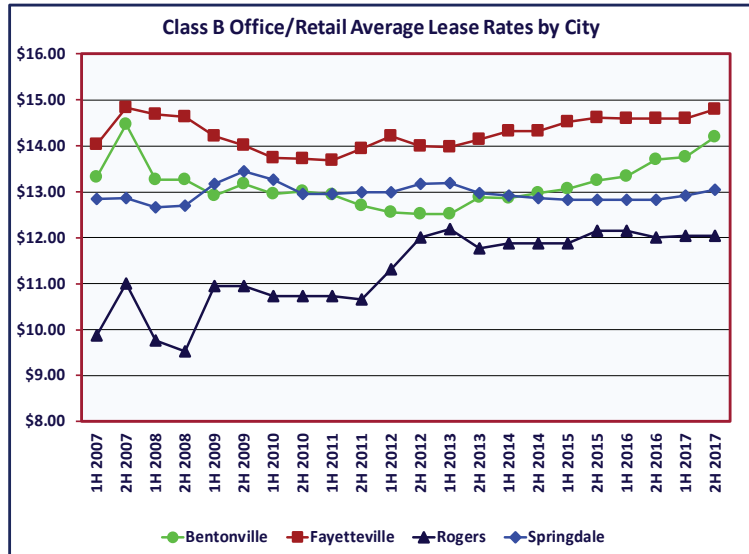
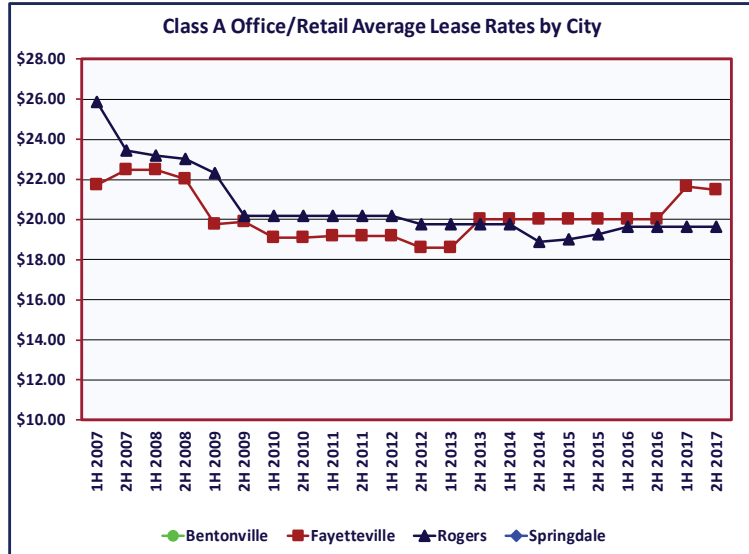
Office/Retail

In the second half of 2017, the office/retail properties included in the Skyline Report sample had a vacancy rate of 8.9 percent, a decrease from 10.0 percent in the first half of 2017. Of the over 4.3 million square feet of Northwest Arkansas properties examined, 388,426 square feet were available.

From the first half of 2017 to the second half of 2017, 18,100 square feet of new office/retail space were added in Northwest Arkansas. There was net positive absorption of 44,456 square feet in the second half of 2017. Rogers had the most positive net absorption with 26,074 square feet, Fayetteville added positive net absorption of 14,841 square feet, while Springdale had the greatest amount of negative net absorption at 6,853 square feet.

Fayetteville had the largest amount of available square feet in the office/retail submarket with 140,382 square feet in the second half of 2017, while Rogers contributed with 86,568 square feet available. The vacancy rate was highest in Rogers at 10.9 percent, while the vacancy rate in Bentonville was 10.3 percent.

The office/retail space reported average lease rates in the second half of 2017 were highest in the Fayetteville Class A submarket decreasing \$0.16 to \$21.50. The average Class A lease rate in Rogers remained \$19.63. In the Class B submarket, Fayetteville was the most expensive at \$14.80, followed by Bentonville at \$14.20, after an increase of \$0.44, Springdale at \$13.05, and Rogers at \$12.05, was the lowest. In the Class C submarket, the average lease rate was highest in Fayetteville at \$12.54. In Bentonville, the average was \$9.91, in Springdale the rate was \$9.31, and Rogers was the still the least expensive at \$9.04.



Office/Retail

Office/Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	--	\$13.55 - \$14.85	\$9.52 - \$10.30
Fayetteville	\$19.25 - \$23.75	\$14.06 - \$15.54	\$11.64 - \$13.43
Rogers	\$19.38 - \$19.88	\$11.60 - \$12.50	\$8.11 - \$9.97
Springdale	--	\$12.37 - \$13.73	\$8.91 - \$9.79



Office/Retail Space Characteristics by Class and City

Class	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption	Months of Inventory
Class A							
Bentonville	--	--	--	--	--	--	--
Fayetteville	77,407	4,800	6.2%	9,300	8,100	1,200	24.0
Rogers	133,127	7,722	5.8%	8,000	0	8,000	5.8
Springdale	--	--	--	--	--	--	--
Class B							
Bentonville	809,323	88,133	0	20,881	10,000	10,881	48.6
Fayetteville	1,175,272	93,721	0	16,812	0	16,812	33.4
Rogers	382,150	52,284	0	9,951	0	9,951	31.5
Springdale	226,956	24,035	0	-6,753	0	-6,753	--
Class C							
Bentonville	75,034	1,570	2.1%	-1,570	0	-1,570	--
Fayetteville	397,016	41,861	10.5%	-3,171	0	-3,171	--
Rogers	277,852	26,562	9.6%	8,123	0	8,123	19.6
Springdale	270,629	27,274	10.1%	-100	0	-100	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Retail

In the second half of 2017, the retail properties included in the Skyline Report panel had a vacancy rate of 8.9 percent, up from 8.7 percent in the first half of 2017. Of the 9,813,009 square feet of Northwest Arkansas retail properties examined, 871,707 square feet were available. 45,055 square feet of new retail space were added in Northwest Arkansas. There was negative net absorption of 12,920 square feet in the second half of 2017.

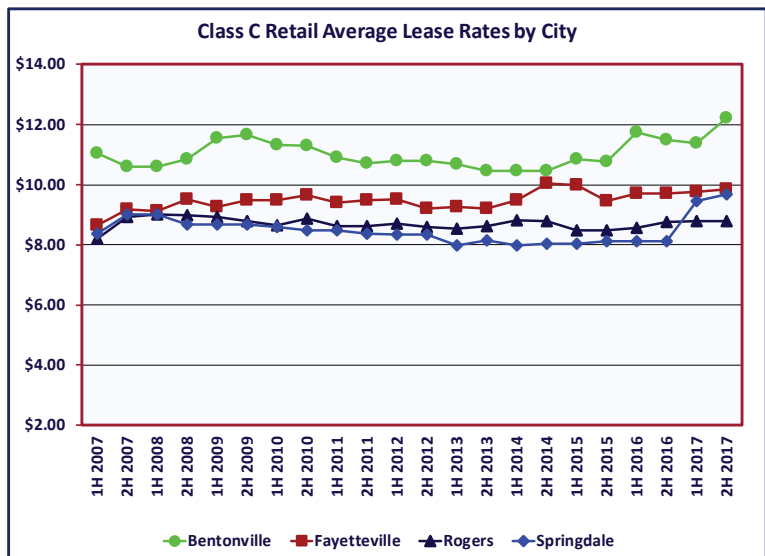
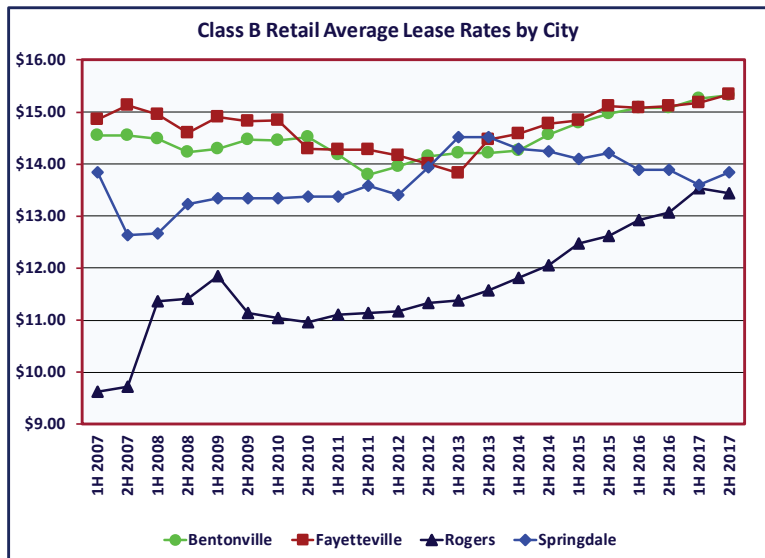
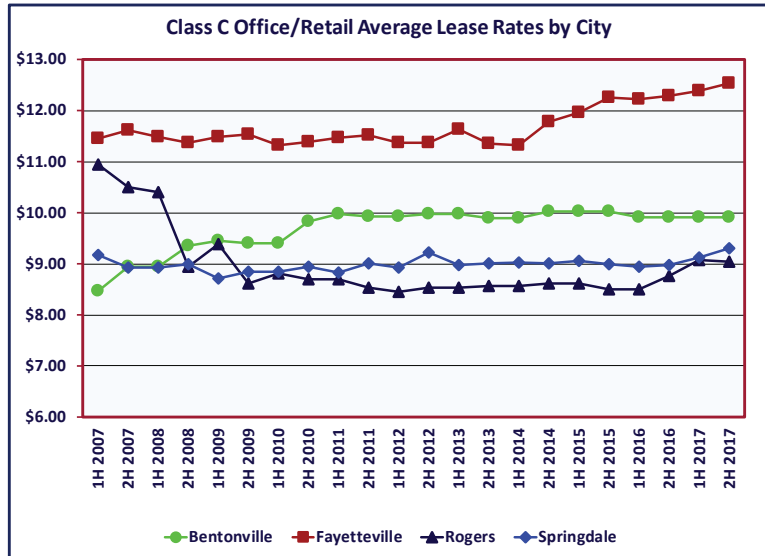
In the second half of 2017, Fayetteville had a retail vacancy rate of 6.8 percent, up from 4.8 percent in the first half of 2017, with 253,953 available square feet out of a total of 3,710,724. 24,000 new square feet were added and there was reported negative net absorption of 78,926 square feet in the Fayetteville retail market in the second half of 2017.

The Rogers market had 235,581 square feet of available retail space out of a total of 3,111,697 square feet, for a vacancy rate of 7.6 percent in the second half of 2017. This was a decrease from the 9.3 percent rate in the first half of 2017. 11,800 square feet of new retail space were added in Rogers, resulting in a positive net absorption of 50,061 square feet.

Bentonville had 755,414 total square feet and 87,593 available square feet of retail space in the second half of 2017, resulting in a vacancy rate of 11.6 percent. This represented a decrease from the rate of 16.1 percent in the first half of 2017. 9,225 square feet of new retail space were added to the Bentonville market which had positive net absorption of 42,422 square feet.

There were 225,234 square feet of available retail space out of a total of 1,654,026 square feet in Springdale in the second half of 2017. This implied a vacancy rate of 13.6 percent, up from 12.9 percent in the first half of 2017. No square feet of new retail space were added during the second half of 2017, but there was negative net absorption of 15,771 square feet.

In the Class A retail submarket Springdale, with a very small sample had the highest average



Retail

reported lease rate at \$26.00 Fayetteville had an average reported lease rates of \$25.00, after an increase of \$0.75. The average rate in Bentonville increases slightly to \$21.80, and Rogers decreased slightly to \$21.20. After an increase of \$0.16 Class B retail average lease rates were highest in Fayetteville at \$15.34. Bentonville was at \$15.33, Springdale increased \$0.24 to \$13.84, and Rogers was the lowest at \$13.45. Class C average reported lease rates remained the highest in Bentonville at \$12.22 after increasing \$0.85. Fayetteville was at \$9.85, Springdale was at \$9.47, leaving Rogers the lowest at \$8.80, and in the second half of 2017.

Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$20.50 - \$23.10	\$14.74 - \$15.91	\$11.26 - \$13.18
Fayetteville	\$24.38 - \$25.62	\$14.85 - \$15.83	\$9.65 - \$10.04
Rogers	\$20.40 - \$22.00	\$12.91 - \$13.98	\$8.64 - \$8.96
Springdale	\$26.00 - \$26.00	\$13.63- \$14.05	\$9.10 - \$10.25



Retail Space Characteristics by Class and 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	205,053	44,268	21.6%	9,196	0	9,196	28.9
Fayetteville	1,979,003	105,167	5.3%	-15,011	24,000	-39,011	5.7
Rogers	1,896,463	104,126	5.5%	19,762	0	19,762	31.6
Springdale	--	--	--	--	--	--	--
Class B							
Bentonville	399,017	28,364	7.1%	39,116	9,255	29,861	5.7
Fayetteville	1,280,996	80,737	6.3%	1,364	0	1,364	355.1
Rogers	680,441	106,355	15.6%	19,475	11,800	7,675	83.1
Springdale	1,029,217	129,263	12.6%	-4,971	0	-4,971	--
Class C							
Bentonville	151,344	14,961	9.9%	3,365	0	3,365	26.7
Fayetteville	450,725	68,049	15.1%	-41,279	0	-41,279	--
Rogers	534,793	25,100	4.7%	22,624	0	22,624	6.7
Springdale	616,809	87,971	14.3%	-10,800	0	-10,800	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Warehouse

Warehouse

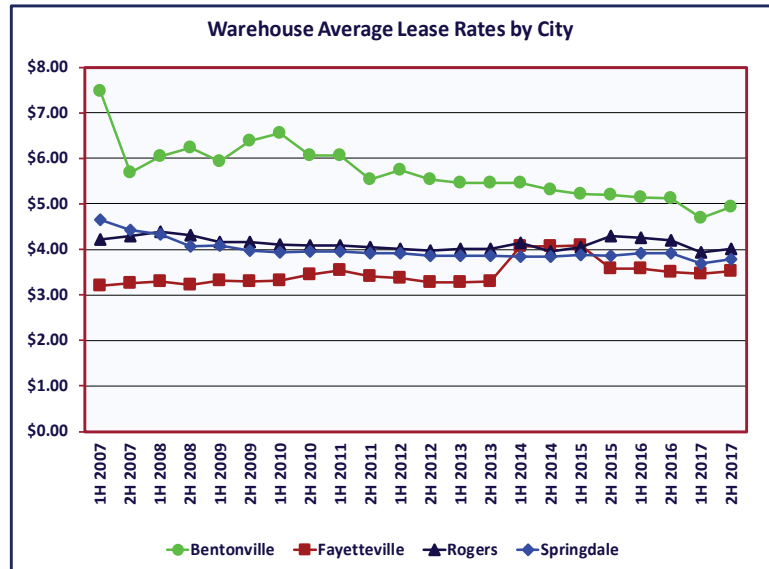
This is the second half that CBER staff has classified warehouse space into Class A, B, and C. Local experts were consulted ahead of time as CBER staff developed standards for classification based on height, construction materials, docks, courtyards, sprinklers, and location. During the classification process some properties were identified as having had their functions changed and were reclassified into the office/warehouse or retail/warehouse categories.

In the second half of 2017, the warehouse properties included in the Skyline Report panel had a vacancy rate of 5.8 percent, down from 7.6 percent in the first half of 2017. Of the 9,251,001 square feet of warehouse space examined, 534,307 square feet were available.² There was 599,600 new square feet of warehouse space added in the second half of 2017, and there was positive net absorption of 113,492 square feet.

Bentonville had 1,128,617 total square feet of space and 79.4 percent of it was Class A warehouse space. 154,034 square feet of warehouse space, of which 134,200 square feet was Class A, was available in the second half of 2017. 330,000 square feet of new warehouse space, all Class A, was added to the Bentonville warehouse submarket in the second half of 2017, resulting in a vacancy rate of 13.6 percent up from 2.6 in the first half of 2017. There was negative net absorption of 133,000 square feet in this report period.

There was 1,225,764 total square feet of warehouse space in Fayetteville in the second half of 2017 and 52.2 percent of it was Class B warehouse space. The vacancy rate was 4.9 percent, a decrease from 13.0 percent in the first half of 2017 as 60,000 square feet of warehouse space, all Class A, was available after positive net absorption of 76,730 square feet. The Class A warehouse submarket accounted for 47,730 square feet of the positive net absorption.

88,175 square feet of warehouse space was available in Lowell out of 1,168,993 total square feet of warehouse space. 65.7 percent of the total



Warehouse

warehouse space was Class A, but over half the available space was Class B. 251,600 new square feet of warehouse space was added to the Lowell submarket in the second half of 2017. After positive net absorption of 75,055 square feet the resulting vacancy rate was 7.5 percent, down from 17.8 percent in the first half of 2017. 53,000 square feet of the positive net absorption was in the Class A warehouse market in the second half of 2017.

Rogers had 2,879,675 square feet of warehouse space, of which 50.8 percent is Class A. 161,894 square feet was available and a majority of it, 98,840, was Class C space, leading to a vacancy rate of 5.6 percent, down from 9.1 percent in the first half of 2017. There was positive net absorption of 99,452 square feet, 94,420 square feet of it Class C, in the second half of 2017.

Springdale had 2,552,452 square feet of warehouse space, of which 49.4 percent is Class B. 61,704 square feet was available and over half of it, 35,704 square feet, was Class B space, leading to a vacancy rate of 2.4 percent, up from 1.8 percent in the first

Warehouse Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$4.84 - \$5.23	\$4.63 - \$4.88	--
Fayetteville	\$4.25 - \$4.25	\$3.46 - \$3.71	\$3.14 - \$3.31
Rogers	\$3.51 - \$3.51	\$4.61 - \$4.78	\$3.91 - \$4.13
Springdale	\$3.42 - \$4.25	\$3.32 - \$3.83	\$3.85 - \$4.00

half of 2017. 18,000 new square feet of Class B warehouse space was added to the Springdale warehouse submarket in the second half of 2017. There was negative net absorption of 17,000 square feet, all of it Class B, in the second half of 2017.

The average reported warehouse lease rates increased by \$0.24 in Bentonville, and increased slightly in Springdale, Rogers, and Fayetteville. Bentonville continued to have the highest reported lease rate at \$4.93, in the second half of 2017. 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.

² Respondents indicated that an additional 250,000 square feet of quality, leased warehouse space is available for sublease in Rogers.

Warehouse Space Characteristics by Class and City

Class	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption	Months of Inventory
Class A							
Bentonville	896,283	134,200	15.0%	197,000	330,000	-133,000	--
Fayetteville	187,730	60,000	32.0%	47,730	0	47,730	7.5
Rogers	1,462,500	0	0.0%	0	0	0	--
Springdale	325,200	0	0.0%	0	0	0	--
Class B							
Bentonville	220,500	8,000	3.6%	0	0	0	--
Fayetteville	640,348	0	0.0%	25,000	0	25,000	0.0
Rogers	415,424	63,054	15.2%	5,032	0	5,032	75.2
Springdale	1,247,037	35,704	2.9%	1,000	18,000	-17,000	--
Class C							
Bentonville	11,834	11,834	100.0%	0	0	0	--
Fayetteville	1,225,764	60,000	4.9%	76,730	0	76,730	4.7
Rogers	1,001,751	98,840	9.9%	94,420	0	94,420	6.3
Springdale	950,215	26,000	2.7%	0	0	0	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Other Categories

Office/Warehouse

The Skyline Report panelists reported on 3,574,685 square feet of office/warehouse space, with 376,855 total square feet available in the second half of 2017. The vacancy rate in the office/warehouse submarket increased from 6.2 percent in the first half of 2017 to 10.5 percent in the second half of 2017. No new square feet of office/warehouse space entered the market in Northwest Arkansas during the second half of 2017.

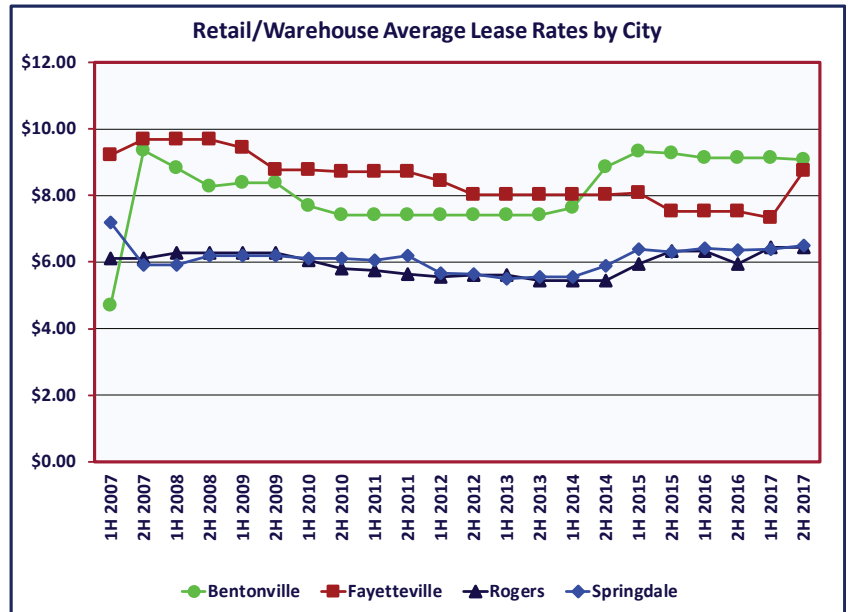
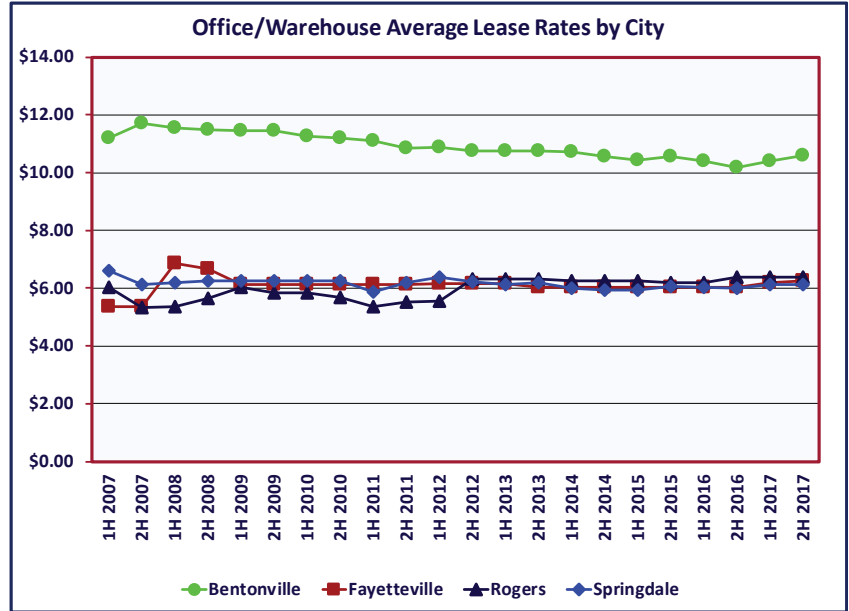
The office/warehouse submarket in Northwest Arkansas experienced negative net absorption of 163,665 square feet during the second half of 2017. Bentonville and Springdale with 150,235 square feet and 176,220 square feet, respectively, had the bulk of the available office/warehouse space in Northwest Arkansas.

In the second half of 2017, Bentonville continued to have the highest reported average lease rate at \$10.60 after an increase of \$0.18. Rogers remained at \$6.39, while average reported lease rates increased modestly by \$0.05 to \$6.24 in Fayetteville and by \$0.03 to \$6.14 in Springdale.

Retail/Warehouse

The Skyline Report panelists reported on 1,184,627 square feet of retail/warehouse space in the second half of 2017. A total of 157,401 square feet was available in Northwest Arkansas. Springdale had the majority of the available retail/warehouse space with 86,402 square feet.

No new square feet entered the market during this time. The vacancy rate in the retail/warehouse submarket decreased from 13.9 percent in the first half of 2017 to 13.3 percent in the second half of 2017.



Other Categories

From the first half of 2017 to the second half of 2017, there was positive net absorption of 30,952 square feet of retail/warehouse space in Northwest Arkansas, with Springdale accounting for 20,120 square feet of that total.

After a slight decrease, Bentonville continued to have the highest average lease rate in this market at \$9.07. Reported retail/warehouse average lease rates increased in Fayetteville by \$1.42 up to \$8.75, while they remained the same at \$6.45 in Rogers and increased by \$0.10 to \$6.49 in Springdale in the second half of 2017.

Other Lease Rates Average Range by City

	Office/Warehouse	Retail/Warehouse
Bentonville	\$9.87 - \$11.32	\$8.78 - \$9.35
Fayetteville	\$5.80 - \$6.68	\$8.23 - \$9.26
Rogers	\$6.24 - \$6.54	\$6.31 - \$6.59
Springdale	\$5.49 - \$6.79	\$6.15 - \$6.82

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	1,128,617	154,034	13.6%	197,000	330,000	-133,000	--
Fayetteville	1,225,764	60,000	4.9%	76,730	0	76,730	4.7
Rogers	2,879,675	161,894	5.6%	99,452	0	99,452	9.8
Springdale	2,522,452	61,704	2.4%	1,000	18,000	-17,000	--

Office/Warehouse

Bentonville	986,807	150,235	15.2%	-47,742	0	-47,742	--
Fayetteville	169,072	2,500	1.5%	6,400	0	6,400	2.3
Rogers	483,402	4,300	0.9%	9,522	0	9,522	2.7
Springdale	1,709,411	176,220	10.3%	-116,645	0	-116,645	--

Retail/Warehouse

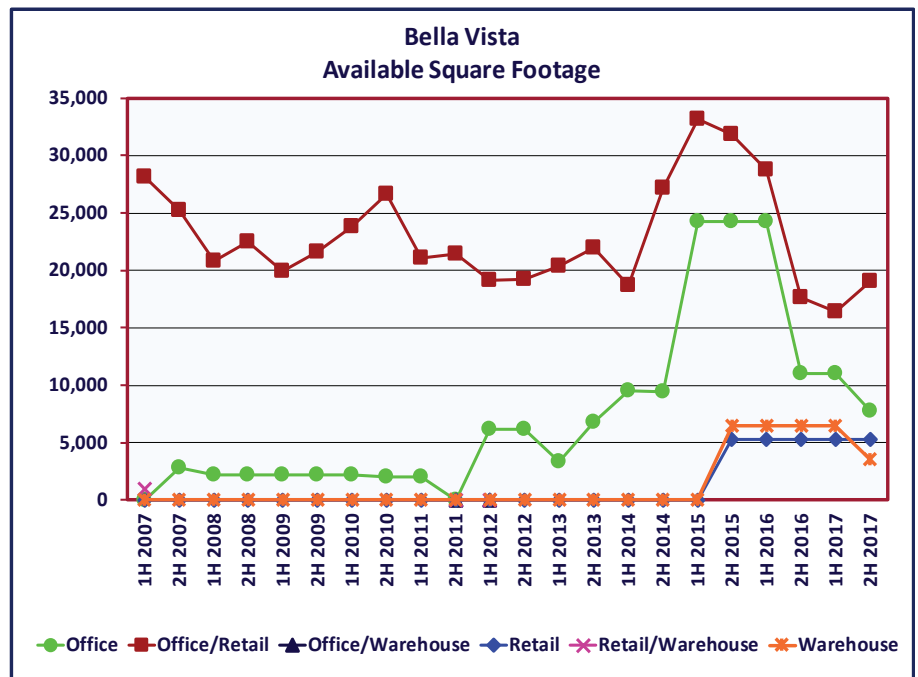
Bentonville	253,373	17,535	6.9%	6,112	0	6,112	17.2
Fayetteville	93,344	6,404	6.9%	0	0	0	--
Rogers	222,050	30,200	13.6%	15,080	0	15,080	12.0
Springdale	515,176	86,402	16.8%	20,120	0	20,120	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Bella Vista

- From July 1 to December 31, 2017, no new commercial building permits were issued in Bella Vista.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 426,623 square feet of commercial space in Bella Vista in the second half of 2017.
- In the second half of 2017, Bella Vista experienced positive net absorption of 3,563 square feet
- There was no space added to the Bella Vista commercial market in the second half of 2017.
- Reported average lease rates in Bella Vista in the second half of 2017 remained relatively stable in all submarkets.



Bella Vista Commercial Real Estate Market Summary Statistics

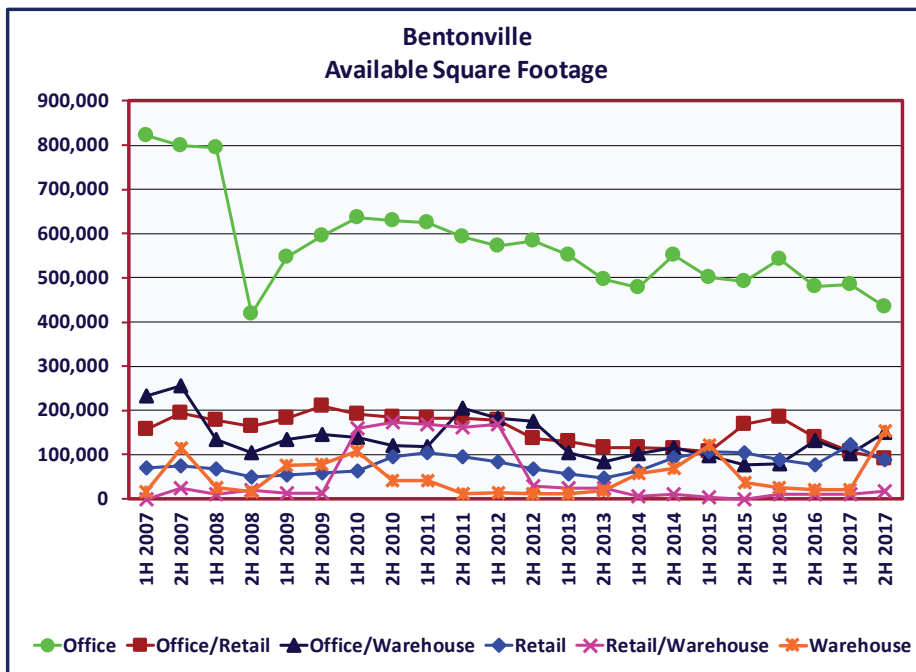
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Net Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	--	--	--	--	--	--	--
Office	\$12.59 - \$13.09	75,389	7,721	10.2%	3,260	0	3,260	14.2
Class A	--	--	--	--	--	--	--	--
Class B	\$13.68 - \$13.68	64,025	7,721	12.1%	0	0	0	--
Class C	\$11.00 - \$11.00	3,260	0	0.0%	3,260	0	3,260	0.0
Medical	\$12.00 - \$14.00	8,104	0	0.0%	0	0	0	--
Office/Retail	\$10.27 - \$13.20	294,928	19,024	6.5%	-2,577	0	-2,577	--
Class A	--	--	--	--	--	--	--	--
Class B	\$10.27 - \$13.20	284,344	17,154	6.0%	-3,447	0	-3,447	--
Class C	--	10,584	1,870	17.7%	870	0	870	12.9
Office/Warehouse	--	--	--	--	--	--	--	--
Retail	\$9.82 - \$9.82	37,820	5,320	14.1%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$9.82 - \$9.82	37,820	5,320	14.1%	0	0	0	--
Class C	--	--	--	--	--	--	--	--
Retail/Warehouse	--	--	--	--	--	--	--	--
Warehouse	\$1.00 - \$2.70	18,486	3,600	19.5%	2,880	0	2,880	7.5
Class A	--	--	--	--	--	--	--	--
Class B	--	--	--	--	--	--	--	--
Class C	1.00 - \$2.70	18,486	3,600	19.5%	2,880	0	2,880	7.5

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Bentonville

- From July 1 to December 31, 2017, Bentonville issued \$138,360,495 worth of building permits for new commercial space. The second half of 2017 value was 182.2 percent higher than the second half of 2016 value of \$49,024,427. Bentonville accounted for 67.8 percent of the commercial permits issued in Northwest Arkansas during the second half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 7,702,554 square feet of commercial space in Bentonville in the second half of 2017.
- In the second half of 2017, Bentonville experienced absorption of 297,843 square feet, while 372,295 new square feet of space, including 330,000 square feet of Class A warehouse space were added, yielding negative net absorption of 74,452 square feet.
- The office market had the greatest amount of positive net absorption



with 48,445 square feet, with the retail submarket adding an additional 42,422 square feet of positive net absorption.

However, the warehouse market had significant negative net absorption of 133,000 square feet in the second half of 2017.

Bentonville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Percent 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	\$15.78 - \$16.35	3,677,646	433,409	11.8%	71,485	23,040	48,445	53.7
Class A	\$22.49 - \$23.54	706,187	83,229	11.8%	29,274	18,000	11,274	44.3
Class B	\$15.27 - \$15.79	2,557,564	329,160	12.9%	20,450	5,040	15,410	128.2
Class C	\$9.88 - \$10.04	98,807	3,520	3.6%	31,261	0	31,261	0.7
Medical	\$16.00 - \$16.60	315,088	17,500	5.6%	-9,500	0	-9,500	--
Office/Retail	\$12.86 - \$14.06	884,357	89,703	10.1%	19,311	10,000	9,311	57.8
Class A	--	--	--	--	--	--	--	--
Class B	\$13.55 - \$14.85	809,323	88,133	10.9%	20,881	10,000	10,881	48.6
Class C	\$9.52 - \$10.30	75,034	1,570	2.1%	-1,570	0	-1,570	--
Office/Warehouse	\$9.87 - \$11.32	986,807	150,235	15.2%	-47,742	0	-47,742	--
Retail	\$14.98 - \$16.64	755,414	87,593	11.6%	51,677	9,255	42,422	12.4
Class A	\$20.50 - \$23.10	205,053	44,268	21.6%	9,196	0	9,196	28.9
Class B	\$14.74 - \$15.91	399,017	28,364	7.1%	39,116	9,255	29,861	5.7
Class C	\$11.26 - \$13.18	151,344	14,961	9.9%	3,365	0	3,365	26.7
Retail/Warehouse	\$8.78 - \$9.35	253,373	17,535	6.9%	6,112	0	6,112	17.2
Warehouse	\$4.76 - \$5.10	1,128,617	154,034	13.6%	197,000	330,000	-133,000	--
Class A	\$4.84 - \$5.23	896,283	134,200	15.0%	197,000	330,000	-133,000	--
Class B	\$4.63 - \$4.88	220,500	8,000	3.6%	0	0	0	--
Class C	--	11,834	11,834	100.0%	0	0	0	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Bentonville

- Reported vacancy rates from the first half of 2017 to the second half of 2017 decreased in the office, office/retail, and retail submarkets, and increased in the medical office, office/warehouse, retail/warehouse, and warehouse submarket of Bentonville.
- Average reported lease rates increased noticeably in the following submarkets: by \$0.85 in the Class C retail, \$0.44 in the Class B office/retail, and \$0.39 in the Class A warehouse submarkets. Lease rates decreased by \$0.30 in the Medical office and \$0.29 in the Class C office submarkets, and remained relatively stable in the other submarkets during this period.

Downtown Bentonville

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 249,209 square feet of office, office/retail, and retail space in Downtown Bentonville in the second half of 2017.
- There was positive net absorption of 11,206 square feet in Downtown Bentonville during the second half of 2017, 0 square feet of new space was added.

- Office space in Downtown Bentonville had a reported vacancy rate of 6.5 percent in the second half of 2017, up from 5.9 percent in the first half of 2017.
- The office/retail vacancy rate in Downtown Bentonville decreased from 12.0 percent to 10.1 in the second half of 2017.
- The reported retail vacancy rate for Downtown Bentonville properties increased to 3.5 percent in the second half of 2017. Average reported office lease rates decreased by \$0.79, office/retail decreased by \$0.35, while the average reported lease rate in the retail submarket increased by \$1.14 Downtown Bentonville in the second half of 2017.



Downtown Bentonville Summary Statistics

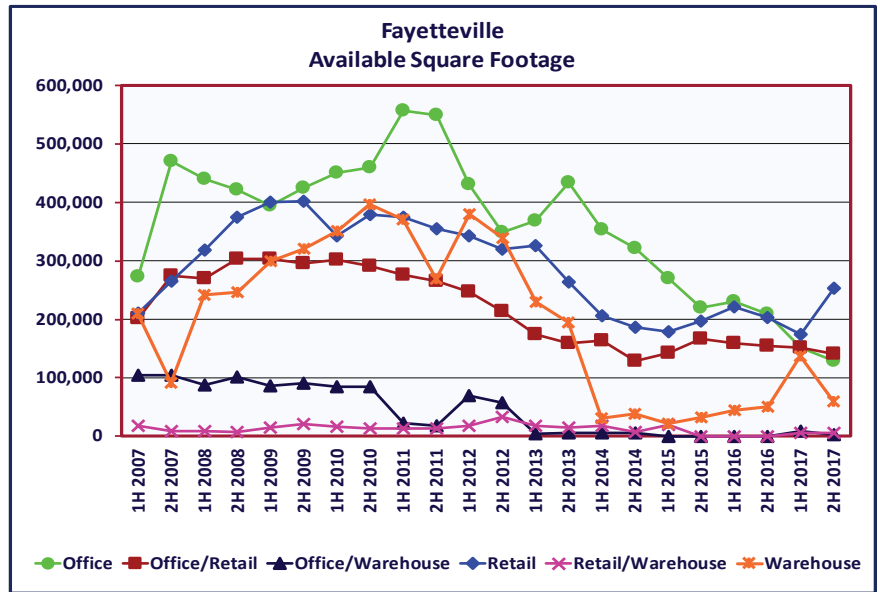
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Office	\$16.44 - \$18.29	114,777	7,405	6.5%	13,441	0	13,441	3.3
Office/Retail	\$11.71 - \$15.88	70,709	7,162	10.1%	0	0	0	--
Retail	\$15.11 - \$19.83	63,723	2,235	3.5%	-2,235	0	-2,235	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Fayetteville

- From July 1 to December 31, 2017, Fayetteville issued building permits for \$10,228,463 worth of new commercial space. The second half of 2017 value was 52.3 percent lower than the second half of 2016 value of \$21,448,817. Fayetteville accounted for 5 percent of the commercial permits issued in Northwest Arkansas during the second half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,026,125 square feet of commercial space in Fayetteville in the second half of 2017.
- In the second half of 2017, Fayetteville experienced positive net absorption of 60,861 square feet. The warehouse submarket had the greatest amount of positive net absorption with 76,730



square feet, followed by the office submarket at 28,816 square feet. The retail submarket had negative net absorption of 78,926 square feet.

- 32,100 square feet of new space, including 8,100 square feet of office/retail space and 24,000 square feet of retail space, were added to the Fayetteville market in the second half of 2017.

Fayetteville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Net Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Lab	\$21.43 - \$22.46	75,603	25,000	33.1%	0	0	0	--
Industrial	\$3.73 - \$3.83	962,500	0	0.0%	13,000	0	13,000	0.0
Office	\$14.56 - \$15.69	3,139,423	128,840	4.1%	28,816	0	28,816	26.8
Class A	\$20.40 - \$24.72	409,222	25,289	6.2%	0	0	0	--
Class B	\$14.35 - \$14.77	1,257,065	54,944	4.4%	4,582	0	4,582	71.9
Class C	\$11.48 - \$12.51	258,712	9,905	3.8%	7,574	0	7,574	7.8
Medical	\$15.72 - \$17.65	1,214,424	38,702	3.2%	16,660	0	16,660	13.9
Office/Retail	\$13.36 - \$15.11	1,649,695	140,382	8.5%	22,941	8,100	14,841	56.8
Class A	\$19.25 - \$23.75	77,407	4,800	6.2%	9,300	8,100	1,200	24.0
Class B	\$14.06 - \$15.54	1,175,272	93,721	8.0%	16,812	0	16,812	33.4
Class C	\$11.64 - \$13.43	397,016	41,861	10.5%	-3,171	0	-3,171	--
Office/Warehouse	\$5.80 - \$6.68	169,072	2,500	1.5%	6,400	0	6,400	2.3
Retail	\$14.44 - \$15.24	3,710,724	253,953	6.8%	-54,926	24,000	-78,926	--
Class A	\$24.38 - \$25.62	1,979,003	105,167	5.3%	-15,011	24,000	-39,011	--
Class B	\$14.85 - \$15.83	1,280,996	80,737	6.3%	1,364	0	1,364	355.1
Class C	\$9.65 - \$10.04	450,725	68,049	15.1%	-41,279	0	-41,279	--
Retail/Warehouse	\$8.23 - \$9.26	93,344	6,404	6.9%	0	0	0	--
Warehouse	\$3.42 - \$3.61	1,225,764	60,000	4.9%	76,730	0	76,730	4.7
Class A	\$4.25 - \$4.25	187,730	60,000	32.0%	47,730	0	47,730	7.5
Class B	\$3.46 - \$3.71	640,348	0	0.0%	25,000	0	25,000	0.0
Class C	\$3.14 - \$3.31	1,225,764	60,000	4.9%	76,730	0	76,730	4.7

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Fayetteville

- Observed vacancy rates in Fayetteville from the first half of 2017 to the second half of 2017 decreased for office, medical office, office/retail, office/warehouse, and warehouse space. Vacancy rates increased for retail, and retail/warehouse space.
- The Fayetteville retail/warehouse, Class A retail, Medical office, and Class B office/retail submarkets had significant average lease rate increases of \$1.42, \$0.75, \$0.25, and \$0.21, respectively, while all other lease rates were relatively stable from the first half of 2017 to the second half of 2017.

Downtown Fayetteville/ Dickson Street Area

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 993,217 square feet of office, office/retail, and retail space in the Downtown Fayetteville/Dickson Street area in the second half of 2017.
- There was positive net absorption of 11,097 square feet in the downtown Fayetteville area in the second half of 2017.
- There was no new space added in downtown Fayetteville during the second half of 2017.
- The office space in downtown Fayetteville had a reported vacancy rate of 1.3 percent in the second half of 2017, down from 3.0 percent in the

first half of 2017 in accordance with positive net absorption of 6,897 square feet. This was lower than the overall Fayetteville office vacancy rate of 4.1 percent.

- The office/retail vacancy rate for downtown Fayetteville properties decreased from 8.3 percent in the first half of 2017 to 7.4 percent in the second half of 2017. This compares to 8.5 percent in the same submarket for all of Fayetteville during the second half of 2017.
- The downtown Fayetteville retail vacancy rate decreased 0.7 percent to 10.3 percent, with no net absorption of square feet, and was higher than the overall Fayetteville retail vacancy rate of 6.8 percent in the second half of 2017.
- Average reported lease rates in downtown Fayetteville increased \$0.98 in the retail submarket, decreased by \$0.16 in the office submarket, while prices in the office/retail submarkets remained relatively unchanged during the past six months.

Uptown Fayetteville

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,122,599 square feet of office, office/retail, and retail space in Uptown Fayetteville in the second half of 2017.

- There was positive net absorption of 1,526 square feet of space during the second half of 2017 in Uptown Fayetteville with office space accounting for 19,552 square feet and retail accounting for a negative absorption of 18,026 square feet of this total.
- There was 17,000 square feet of new retail space added to the Uptown Fayetteville commercial market in the second half of 2017.
- The office space in Uptown Fayetteville had a reported vacancy rate of 4.2 percent in the second half of 2017. This was lower than the first half of 2017 vacancy rate of 5.4 percent and was higher than the 4.1 percent vacancy rate for all of Fayetteville.
- In the second half of 2017, the office/retail vacancy rate in Uptown Fayetteville remained at 0.0 percent. The vacancy rate was below the city average office/retail vacancy rate of 8.5 percent.



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	\$13.81 - \$16.01	425,424	5,498	1.3%	6,897	0	6,897	4.8
Office/Retail	\$14.55 - \$16.93	474,903	35,022	7.4%	4,200	0	4,200	50.0
Retail	\$13.50 - \$14.55	92,890	9,543	10.3%	0	0	0	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Fayetteville

- Retail space in Uptown Fayetteville had a reported vacancy rate of 5.1 percent in the second half of 2017, an increase of 0.8 percentage points from the first half of 2017, and lower than the overall Fayetteville rate of 6.8 percent.
- Average reported lease rates in Uptown Fayetteville increased \$0.17 in the office and \$0.29 in the retail submarkets, while the office/retail submarket remained relatively unchanged in the second half of 2017.

Martin Luther King, Jr. Boulevard Corridor

- In the second half of 2017, Skyline Report panelists reported vacancy

statistics, lease rate ranges, and other characteristics for 494,892 square feet of office, office/retail, and retail space in the MLK Boulevard Corridor.

- There was 0 square feet of new commercial space added to southwest Fayetteville in the second six months of 2017.
- The MLK Boulevard Corridor of Fayetteville experienced a negative net absorption of 43,892 square feet of space, with retail space accounting for most of this total, in the second half of 2017.
- Office space in the MLK Boulevard Corridor of Fayetteville had a reported vacancy rate of 9.9 percent in the second half of 2017. This was higher than the overall office vacancy rate of 4.1 percent for all of Fayetteville.
- From the first half of 2017 to the second half of 2017, the office/retail

vacancy rate decreased to 9.0 percent in the MLK Boulevard Corridor of Fayetteville, and was higher than the overall city average rate of 8.5 percent.

- The vacancy rate for retail space in the MLK Boulevard Corridor was 34.6 percent in the second half of 2017, a increase from the 14.1 percent in the first half of 2017. The retail vacancy rate for all of Fayetteville was much lower at 6.8 percent.
- Average reported lease rates in the MLK Boulevard Corridor decreased slightly in the office/retail submarket and remained relatively unchanged in the office and retail submarkets in the second half of 2017.

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	\$15.68 - \$16.74	1,707,474	71,326	4.2%	19,552	0	19,552	21.9
Office/Retail	\$16.40 - \$16.53	78,087	0	0.0%	0	0	0	--
Retail	\$18.18 - \$18.82	2,337,038	118,726	5.1%	-1,026	17,000	-18,026	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Fayetteville MLK Boulevard Corridor Summary Statistics

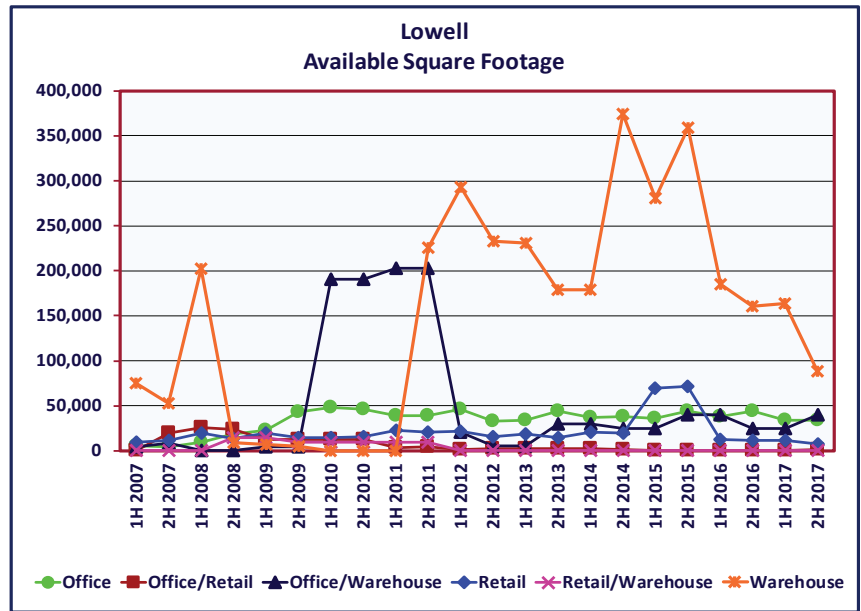
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Office	\$10.75 - \$10.75	30,393	3,000	9.9%	-265	0	-265	--
Office/Retail	\$13.72 - \$16.50	235,591	21,200	9.0%	3,212	0	3,212	39.6
Retail	\$14.28 - \$15.75	228,908	79,110	34.6%	-46,839	0	-46,839	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Lowell

- From July 1 to December 31, 2017, Lowell issued building permits for \$27,871,066 worth of new commercial space. The second half of 2017 value was 47.3 percent higher than the second half of 2016 value of \$18,919,904. Lowell accounted for 13.7 percent of building permits issued in Northwest Arkansas in the second half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,923,346 square feet of Lowell commercial space in the second half of 2017.
- In the second half of 2017, Lowell had positive net absorption of 66,965 square feet overall. The warehouse submarket had the greatest amount of positive net absorption with 75,055 square feet, while the office/warehouse submarket had 15,200 square feet of negative net absorption.
- There was 251,600 square feet of new commercial space added in Lowell in the second half of 2017.



- Reported vacancy rates increased in the office/retail and office/warehouse space, decreased in the retail and warehouse submarket, and remained the same in the other submarkets from the first half of 2017 to the second half of 2017.
- Average reported lease rates in Lowell from the first half of 2017 to the second half of 2017 increased slightly in the Class B office submarket but remained relatively stable in all other submarkets.

Lowell Commercial Real Estate Market Summary Statistics

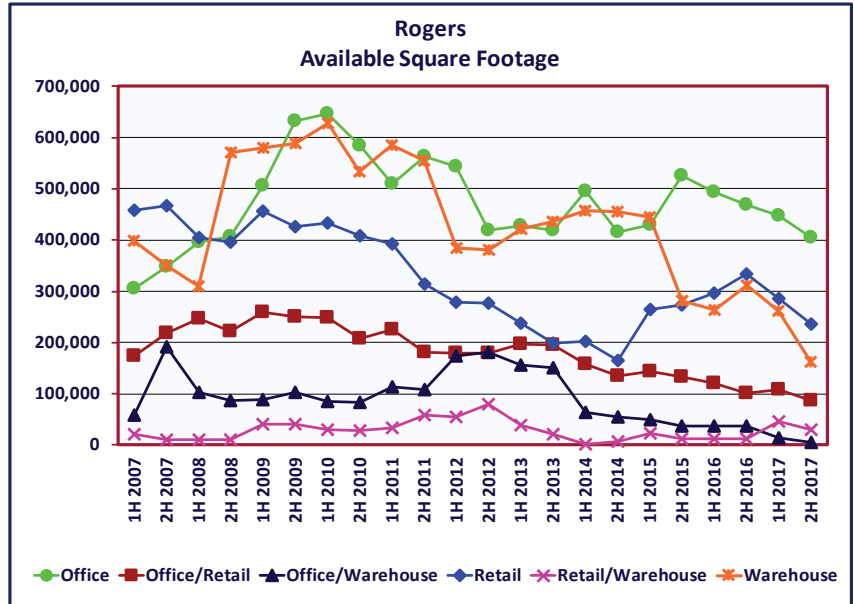
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	New Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	57,180	0	0.0%	0	0	0	--
Office	\$14.22 - \$14.28	336,735	34,030	10.1%	4,800	0	4,800	42.5
Class A	\$19.33 - \$19.33	109,330	16,684	15.3%	0	0	0	--
Class B	\$11.83 - \$11.94	127,550	8,840	6.9%	4,800	0	4,800	11.1
Class C	\$9.00 - \$9.00	17,256	5,256	--	0	0	0	--
Medical	\$18.00 - \$18.00	82,599	3,250	3.9%	0	0	0	--
Office/Retail	\$9.63 - \$10.63	94,446	1,440	1.5%	-1,440	0	-1,440	--
Class A	--	--	--	--	--	--	--	--
Class B	\$11.67 - \$13.00	48,310	1,440	3.0%	-1,440	0	-1,440	--
Class C	\$3.50 - \$3.50	46,136	0	0.0%	0	0	0	--
Office/Warehouse	\$5.52 - \$5.86	107,498	39,600	36.8%	-15,200	0	-15,200	--
Retail	\$12.21 - \$15.88	125,762	7,820	6.2%	3,750	0	3,750	12.5
Class A	--	50,000	0	0.0%	0	0	0	--
Class B	\$12.21 - \$15.88	75,762	7,820	10.3%	3,750	0	3,750	12.5
Class C	--	--	--	--	--	--	--	--
Retail/Warehouse	\$10.19 - \$10.19	32,732	0	0.0%	0	0	0	--
Warehouse	\$3.67 - \$3.67	917,393	88,175	9.6%	75,055	0	75,055	7.0
Class A	\$3.64 - \$3.64	516,756	35,000	6.8%	53,000	0	53,000	4.0
Class B	\$3.85 - \$3.85	221,637	53,175	24.0%	22,055	0	22,055	14.5
Class C	\$2.95 - \$2.95	179,000	0	0.0%	0	0	0	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Rogers

- From July 1 to December 31, 2017, Rogers issued building permits for \$7,774,327 worth of new commercial space. The second half of 2017 value was 68.0 percent lower than the second half of 2016 value of \$24,284,830. Rogers accounted for 3.8 percent of the commercial permits issued in North-west Arkansas during the second half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,600,216 square feet of commercial space in the second half of 2017.
- In the second half of 2017, Rogers had overall positive net absorption of 323,028 square feet. The warehouse submarket had the greatest amount of positive net absorption with 99,452 square feet, followed by the industrial



submarket with 80,818 square feet. The Class A office submarket had the most negative net absorption with 36,393 square feet.

- In the second half of 2017, 44,287 square feet of new commercial space

were added to the Rogers market. This included 32,487 square feet of Class A office space and 11,800 square feet of Class B retail space.

Rogers Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²	
Lab	\$4.00 - \$4.00	9,482	0	0.0%	0	0	--	
Industrial	\$3.75 - \$3.75	714,557	233,304	32.7%	80,818	80,818	17.3	
Office	\$15.16 - \$15.91	3,386,224	405,425	12.0%	74,508	32,487	57.9	
Class A	\$20.64 - \$22.40	1,816,275	275,002	15.1%	-3,906	-36,393	-45.3	
Class B	\$15.02 - \$15.58	785,256	60,069	7.6%	19,882	19,882	18.1	
Class C	\$9.51 - \$10.00	363,794	51,865	14.3%	12,893	12,893	24.1	
Medical	\$14.34 - \$14.51	420,899	18,489	4.4%	45,639	45,639	2.4	
Office/Retail	\$10.69 - \$12.06	793,129	86,568	10.9%	26,074	26,074	19.9	
Class A	\$19.38 - \$19.88	133,127	7,722	5.8%	8,000	8,000	5.8	
Class B	\$11.60 - \$12.50	382,150	52,284	13.7%	9,951	9,951	31.5	
Class C	\$8.11 - \$9.97	277,852	26,562	9.6%	8,123	8,123	19.6	
Office/Warehouse	\$6.24 - \$6.54	483,402	4,300	0.9%	9,522	9,522	2.7	
Retail	\$13.17 - \$14.08	3,111,697	235,581	7.6%	61,861	11,800	50,061	28.2
Class A	\$20.40 - \$22.00	1,896,463	104,126	5.5%	19,762	0	19,762	31.6
Class B	\$12.91 - \$13.98	680,441	106,355	15.6%	19,475	11,800	7,675	83.1
Class C	\$8.64 - \$8.96	534,793	25,100	4.7%	22,624	0	22,624	6.7
Retail/Warehouse	\$6.31 - \$6.59	222,050	30,200	13.6%	15,080	0	15,080	12.0
Warehouse	\$3.91 - \$4.13	2,879,675	161,894	5.6%	99,452	99,452	99,452	9.8
Class A	\$3.51 - \$3.51	1,462,500	0	0.0%	0	0	0	--
Class B	\$4.61 - \$4.78	415,424	63,054	15.2%	5,032	5,032	5,032	75.2
Class C	\$3.91 - \$4.13	1,001,751	98,840	9.9%	94,420	94,420	94,420	6.3

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Rogers

- Reported vacancy rates in the second half of 2017 decreased in the office, industrial, medical, retail, warehouse, lab, office/warehouse, office/retail, and retail/warehouse submarkets.
- From first half of 2017 to the second half of 2017, significant increases of \$0.37, \$0.26, and \$0.20 occurred in the Class A office, Class C office, and Class B warehouse submarkets, respectively. Modest increases were reported in Class B office, Medical office, and Class C warehouse, while modest decreases were reported in Class C office/retail, Class A retail, and Class C retail submarkets. All other lease rates remained relatively unchanged.

Downtown Rogers

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 351,919 square feet of office, office/retail, and retail space in Downtown Rogers in the second half of 2017.
- No new commercial space was added to downtown Rogers in the second six months of 2017.
- The office space in Downtown Rogers had a positive net absorption of 3,568 square feet and had a vacancy rate of 15.4 percent in the second half of 2017. The downtown vacancy rate was higher than the overall average office vacancy rate for Rogers, which was 12.0 percent during the same period.

- The office/retail submarket had negative net absorption of 3,667 square feet. The vacancy rate increased to 13.5 percent from the first half of 2017 rate of 11.2 percent in the downtown area as additional property entered in the database. This compares to a vacancy rate of 10.9 percent for all of Rogers.
- Downtown Rogers experienced a positive net absorption of 9,412 square feet of retail space during the second half of 2017. The average retail vacancy rate for downtown Rogers properties for the second half of 2017 decreased to 0.0 percent from 4.2 percent in the first half of 2017, and was lower than the 7.6 percent average rate for all of Rogers.
- Average reported lease rates for downtown Rogers increased \$0.83 in the office submarket, and decreased \$0.42 in the office/retail and very significantly by \$2.04 in the retail submarkets in the second half of 2017.

Rogers Interstate 49 Corridor

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,716,734 square feet of office, office/retail, and retail space along the Rogers I-49 corridor in the second half of 2017.
- 44,287 square feet of new commercial space were added to the Rogers I-49

- corridor submarket in the second six months of 2017. This included 32,487 square feet of office space and 11,800 square feet of retail space.
- Office space along the Rogers I-49 corridor experienced negative net absorption of 18,927 square feet during the second half of 2017. The reported average vacancy rate was 12.1 percent in the second half of 2017, a decrease from the 18.0 percent rate in the first half of 2017. This was higher than the overall office vacancy rate for all of Rogers at 12.0 percent.
- Office/retail space along the Rogers I-49 corridor experienced a positive net absorption of 8,000 in the second half of 2017. The office/retail submarket had a 5.4 percent vacancy rate, a decrease from the 8.6 percent reported in the first half of 2017. This compares to a vacancy rate of 10.9 percent for all of Rogers.
- There were 17,679 square feet of positive net absorption in the retail submarket for the Rogers I-49 corridor properties. The average retail vacancy rate for the second half of 2017 was 5.1 percent, an increase from 5.9 percent in the first half of 2017, and higher than the 7.6 percent average rate for all of Rogers.
- Average reported lease rates increased \$0.21 in the office submarket, decrease \$0.28 in the office/retail submarket and decreased slightly in the retail submarket in the Rogers I-49 area in the second half of 2017.

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	\$11.18 - \$12.13	103,364	15,933	15.4%	3,568	0	3,568	26.8
Office/Retail	\$8.42 - \$11.41	114,005	15,389	13.5%	-3,667	0	-3,667	--
Retail	\$8.93 - \$9.35	134,550	0	0.0%	9,412	0	9,412	0.0

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 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	\$18.71 - \$19.75	2,394,817	288,828	12.1%	13,560	32,487	-18,927	--
Office/Retail	\$18.90 - \$19.30	143,767	7,722	5.4%	8,000	0	8,000	5.8
Retail	\$18.70 - \$20.05	2,178,150	110,981	5.1%	29,479	11,800	17,679	37.7

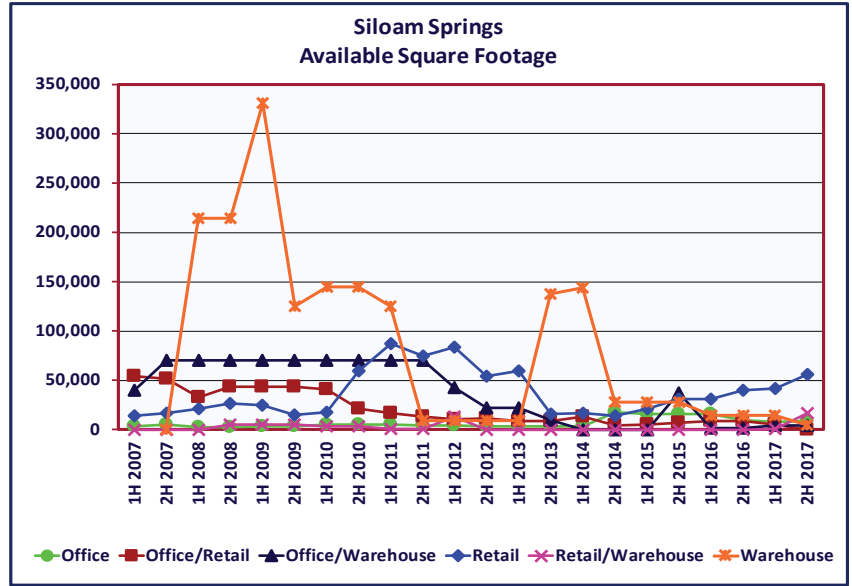
¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents



Siloam Springs

- From July 1 to December 31, 2017, Siloam Springs issued commercial building permits worth \$3,275,935. The second half of 2017 value was 1.9 percent lower than the second half of 2016 value of \$3,339,470. Siloam Springs accounted for 1.6 percent of the commercial permits issued in Northwest Arkansas during the second half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,453,160 square feet of commercial space for Siloam Springs in the second half of 2017.
- No new commercial space was added to the Siloam Springs market in the second half of 2017.
- In the second half of 2017, Siloam Springs experienced overall negative net absorption of 11,341 square feet. There was positive net absorption of 9,375 square feet in the warehouse submarket. But there was negative net absorption of 14,456 square feet in the retail submarket.



- Vacancy rates from the second half of 2016 to the second half of 2017 decreased in the office/retail, and warehouse submarkets, increased in the office, retail, medical and retail/warehouse submarkets, and remained the same in office/warehouse submarkets
- Average lease rates increased strongly, by \$1.00 in the Medical office submarket, and slightly in the retail submarket, and remained relatively unchanged in the others in the second half of 2017 in Siloam Springs.

Siloam Springs Commercial Real Estate Market Summary Statistics

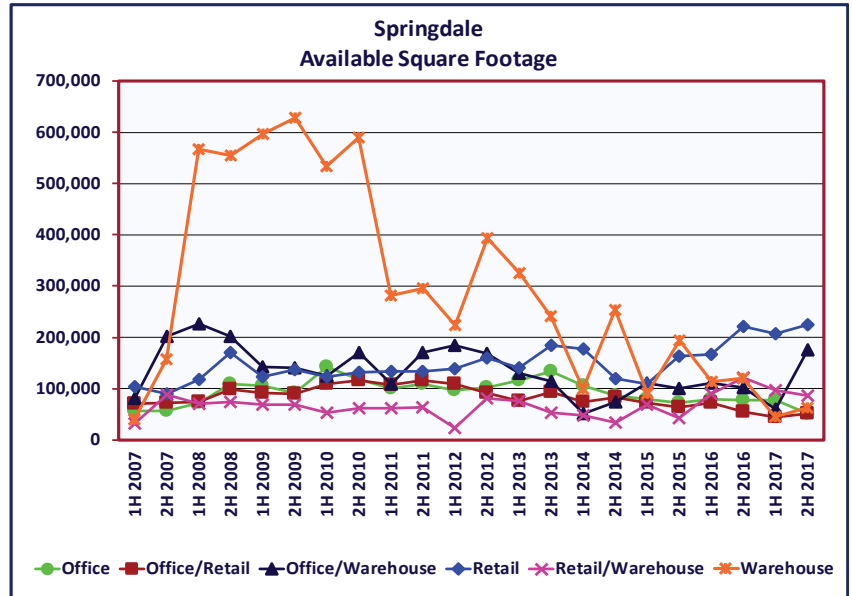
	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Industrial	--	240,589	240,589	100.0%	0	0	0	--
Office	\$13.02 - \$14.20	152,259	9,000	5.9%	-1,000	0	-1,000	--
Class A	--	--	--	--	--	--	--	--
Class B	\$8.20 - \$10.89	27,355	0	0.0%	1,000	0	1,000	0.0
Class C	\$6.27 - \$6.33	10,400	0	0.0%	500	0	500	0.0
Medical	\$16.31 - \$17.11	114,504	9,000	7.9%	-2,500	0	-2,500	--
Office/Retail	\$7.94 - \$10.14	149,285	0	0.0%	5,100	0	5,100	0.0
Class A	\$12.00 - \$16.00	56,085	0	0.0%	0	0	0	--
Class B	\$9.57 - \$11.20	71,790	0	0.0%	5,100	0	5,100	0.0
Class C	\$4.49 - \$7.09	21,410	0	0.0%	0	0	0	--
Office/Warehouse	\$3.05 - \$3.30	118,495	4,000	3.4%	0	0	0	--
Retail	\$9.91 - \$10.49	417,566	56,206	13.5%	-14,456	0	-14,456	--
Class A	\$22.00 - \$22.00	56,085	0	--	0	0	0	--
Class B	\$11.38 - \$11.47	222,792	18,876	8.5%	1,048	0	1,048	108.1
Class C	\$5.73 - \$7.03	175,152	32,930	18.8%	-20,254	0	-20,254	--
Retail/Warehouse	\$5.74 - \$9.42	67,952	16,860	24.8%	-10,360	0	-10,360	--
Warehouse	\$3.64 - \$3.84	307,014	4,900	1.6%	9,375	0	9,375	3.1
Class A	--	--	--	--	--	--	--	--
Class B	--	80,584	4,900	6.1%	0	0	0	--
Class C	\$3.64 - \$3.84	226,430	4,900	2.2%	9,375	0	9,375	3.1

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 respondents

Springdale

- From July 1 to December 31, 2017, Springdale issued \$16,601,415 worth of building permits for new commercial space. This was a decrease of 17.9 percent from the \$20,229,719 issued in the second half of 2016. Springdale accounted for 8.1 percent of the commercial permits issued in Northwest Arkansas for the second half of 2017.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 8,643,995 square feet of commercial space in Springdale in the second half of 2017.
- In the second half of 2017, there was 18,000 new square feet of warehouse space added to the Springdale market.
- In the second half of 2017, Springdale experienced negative net absorption of 96,046 square feet. The office/warehouse submarket had the greatest amount of negative net absorption with 116,645 square feet, while the industrial submarket added positive net absorption of 24,323 square feet.



- Reported vacancy rates decreased in the industrial, office, medical office, retail, warehouse, retail/warehouse, and increased in office/retail and office/warehouse submarkets, and lab remained the same in the second half of 2017.
- Average reported lease rates in Springdale increased by \$0.24, \$0.23, and \$0.21 in the Class B retail, Medi-

cal office, and Class C retail submarkets, respectively. Modest increases were reported in the Class C office, Class B and C office/retail, Class B warehouse, office/warehouse, and retail/warehouse submarket, with all other lease rates remaining relatively stable from the first half of 2017 to the second half of 2017.

Springdale Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet ¹	Available Square Feet ¹	Percent Available ¹	Net Absorption ²	New Available Square Feet ¹	Net Absorption ²	Months of Inventory ²
Lab	--	5,224	5,224	100.0%	0	0	0	--
Industrial	\$4.87 - \$5.64	793,919	264,126	33.3%	24,323	0	24,323	65.2
Office	\$12.28 - \$13.00	946,202	51,356	5.4%	15,780	0	15,780	19.5
Class A	\$20.01 - \$20.51	104,394	4,076	3.9%	0	0	0	--
Class B	\$12.33 - \$13.49	382,914	19,410	5.1%	5,200	0	5,200	22.4
Class C	\$9.58 - \$10.00	159,165	4,950	3.1%	4,480	0	4,480	6.6
Medical	\$14.08 - \$14.46	299,729	22,920	7.6%	6,100	0	6,100	22.5
Office/Retail	\$10.35 - \$11.43	497,585	51,309	10.3%	-6,853	0	-6,853	--
Class A	--	--	--	--	--	--	--	--
Class B	\$12.37 - \$13.73	226,956	24,035	10.6%	-6,753	0	-6,753	--
Class C	\$8.91 - \$9.79	270,629	27,274	10.1%	-100	0	-100	--
Office/Warehouse	\$5.49 - \$6.79	1,709,411	176,220	10.3%	-116,645	0	-116,645	--
Retail	\$11.43 - \$12.23	1,654,026	225,234	13.6%	-15,771	0	-15,771	--
Class A	\$26.00 - \$26.00	8,000	8,000	--	0	0	0	--
Class B	\$13.63 - \$14.05	1,029,217	129,263	12.6%	-4,971	0	-4,971	--
Class C	\$9.10 - \$10.25	616,809	87,971	14.3%	-10,800	0	-10,800	--
Retail/Warehouse	\$6.15 - \$6.82	515,176	86,402	16.8%	20,120	0	20,120	--
Warehouse	\$3.64 - \$3.94	2,522,452	61,704	2.4%	1,000	18,000	-17,000	--
Class A	\$3.42 - \$4.25	325,200	0	0.0%	0	0	0	--
Class B	\$3.32 - \$3.83	1,247,037	35,704	2.9%	1,000	18,000	-17,000	--
Class C	\$3.85 - \$4.00	950,215	26,000	2.7%	0	0	0	--

Springdale

Downtown Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 314,692 square feet of office, office/retail, and retail space in downtown Springdale in the second half of 2017.
- There were no new square feet of commercial property added to downtown Springdale in the second half of 2017.
- There was a no net absorption in the office market in downtown Springdale in the second half of 2017. The office space in downtown Springdale had an average vacancy rate of 1.9 percent, the same as in the first half of 2017. The rate was lower than the overall Springdale average office vacancy rate of 5.4 percent.
- With no net absorption, 76.9 percent of all reported office/retail space was available in downtown Springdale, the same as in the first half of 2017. This compares to 10.3 percent vacancy rate for all of Springdale.
- Retail space in downtown Springdale had a positive net absorption of 1,600

square feet in the second half of 2017. The vacancy rate increased to 9.9 percent from the 9.4 percent in the first half of 2017, as the sample size increased, and was lower than the average retail vacancy rate for all of Springdale at 13.6 percent in the second half of 2017.

- Average reported lease rates for downtown Springdale increased \$0.87 in the office/retail submarket and remained the same in the other submarkets in the second half of 2017.

West Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 756,861 square feet of office, office/retail, and retail space in West Springdale in the second half of 2017. There were no new square feet of retail space added to West Springdale in the second half of 2017.
- The office space in West Springdale had a positive net absorption of 882 square feet in the second half of 2017. The va-

cancy rate was 6.2 percent, lower than the 6.8 percent in the first half of 2017, but higher than the city average office vacancy rate of 5.4 percent.

- The office/retail submarket had a negative net absorption of 1,000 square feet in the second half of 2017. The vacancy rate in West Springdale was 16.0 percent in the second half of 2017, an increase of 2.8 percentage points from the first half of 2017. The rate was above the overall city average office/retail vacancy rate of 10.3 percent.
- The retail vacancy rate for West Springdale properties increased by 0.7 percentage points to 8.6 percent in the second half of 2017, as there was negative net absorption of 6,746 square feet. The rate was below the city average retail vacancy rate of 13.6 percent.
- Average reported lease rates for West Springdale increased \$0.84 in the retail submarkets while remained relatively unchanged in the office and office/retail submarkets in the second half of 2017.

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	\$9.56 - \$10.70	215,180	4,150	1.9%	0	0	0	--
Office/Retail	\$10.00 - \$12.00	4,854	3,732	76.9%	0	0	0	--
Retail	\$10.13 - \$12.13	94,658	9,356	9.9%	1,600	0	1,600	35.1

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 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	\$15.80 - \$16.25	133,201	8,234	6.2%	882	0	882	56.0
Office/Retail	\$13.75 - \$14.25	55,550	8,890	16.0%	-1,000	0	-1,000	--
Retail	\$13.67 - \$14.00	568,110	48,956	8.6%	-6,746	0	-6,746	--

¹From all 2H 2017 respondents

²From 2H 2017 respondents who were also 1H 2017 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 2017, 254 panelists provided data on 1,933 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 1,933 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.

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, but 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.