



# THE SKYLINE REPORT

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ARKANSAS

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

**Second Half of 2017  
February 2018**

**Highlights**

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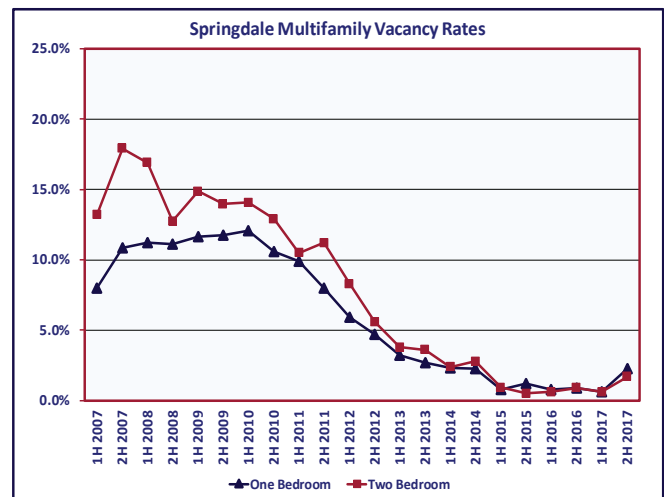
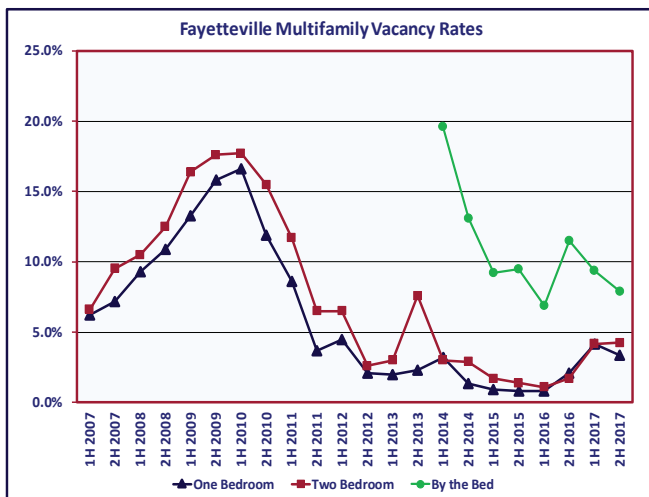
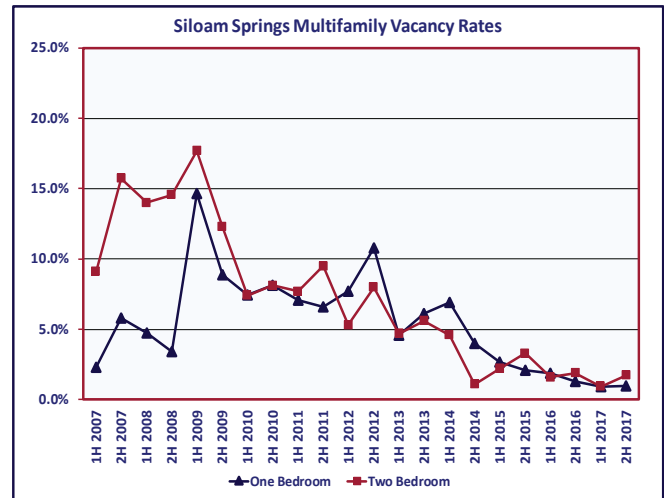
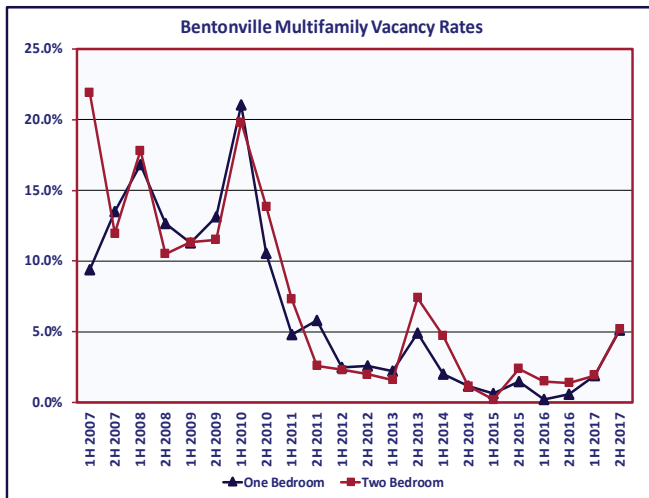
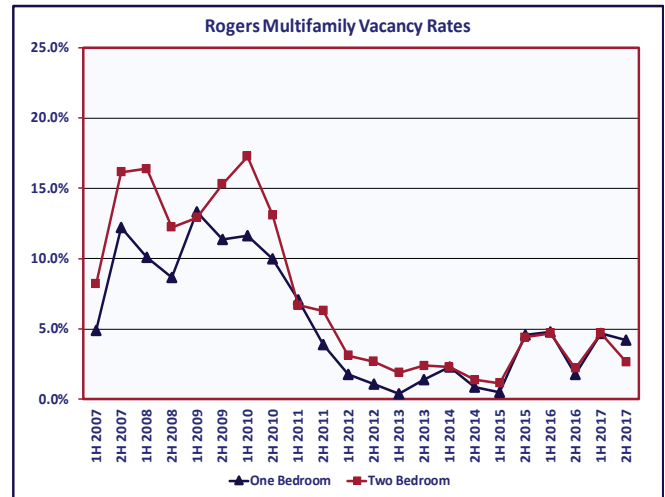
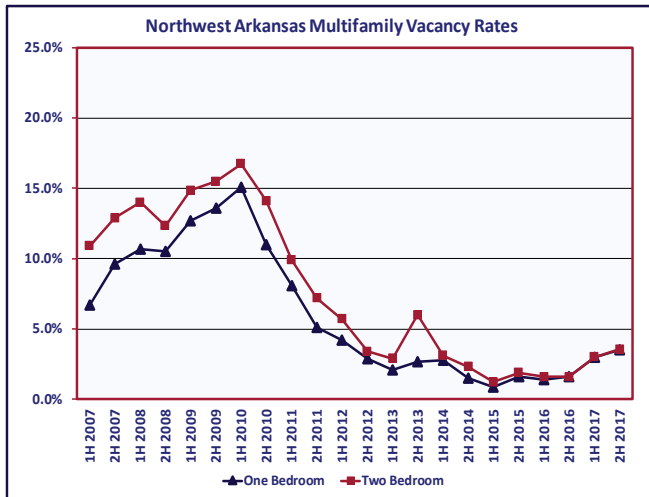
## Multifamily Real Estate Market Summary for Benton and Washington Counties

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

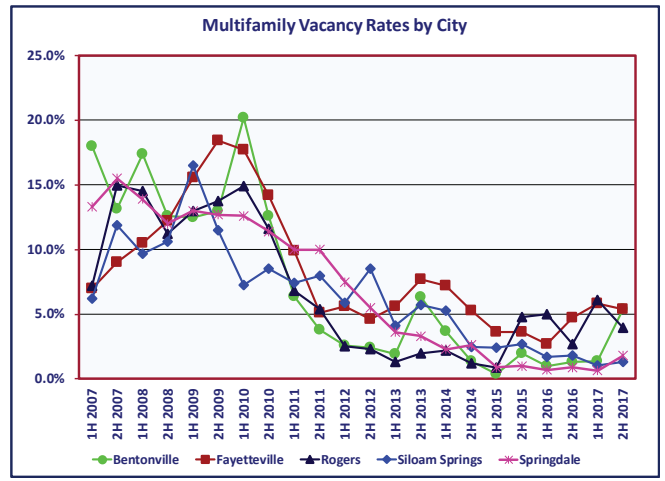
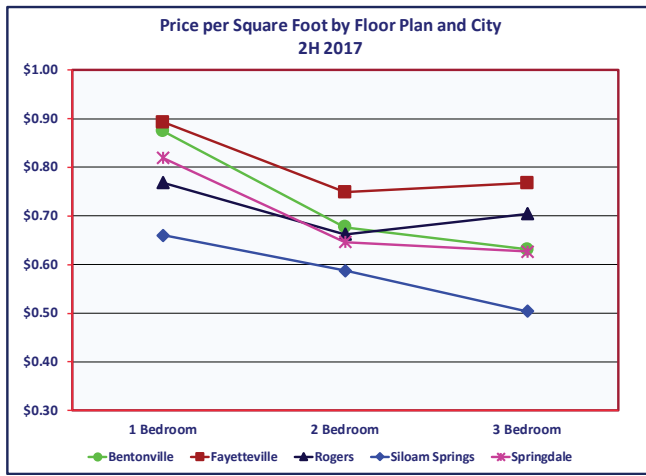
### Highlights from the Second Half of 2017

- The vacancy rate for all multifamily properties in Northwest Arkansas increased to 4.5 percent in the second half of 2017 from 4.2 percent in the first half of 2017. The rate was 3.2 percent in the second half of 2016.
- The increase in regional vacancy rates was primarily due to increased vacancy rates in Bentonville and Fayetteville as a result of new construction.
- The overall multifamily vacancy rate in Fayetteville increased from 4.7 percent in the second half of 2016 to 5.4 percent in the second half of 2017, due to new additions.
- More than 2,500 additional rental units (12.3 percent of current inventory) have been announced or are under construction in new multifamily projects in Fayetteville. In Bentonville, vacancy rates increased from 1.3 percent in the second half of 2016 to 5.4 percent in the second half of 2017.
- There are also more than 2,500 rental units (47.4 percent of current inventory) that have been announced or are under construction in new multifamily projects in Bentonville.
- Rogers had an increase in vacancy rates from 2.7 percent in the first half of 2016 to 3.9 percent in the second half of 2017, but it was a decline from 6.1 percent in the first half of 2017 as new units were absorbed.
- More than 2,300 additional rental units (46.3 percent of current inventory) have been announced or are under construction in the Rogers submarket.
- Siloam Springs experienced a decrease in vacancy rates from a 1.8 percent vacancy rate in the second half of 2016 to a 1.3 percent rate in the second half of 2017, for the lowest vacancy rate in Northwest Arkansas.
- In Springdale the vacancy rate increased from 0.9 percent in the second half of 2016 to 1.8 percent in the second half of 2017.
- 150 new rental units (2.2 percent of current inventory) have been announced or are under construction in multifamily projects in Springdale.
- In the second half of 2017, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$645.62, with the median lease also increasing to \$593.00.

# Multifamily Market Trends



# Multifamily Market Trends



The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months. Seven of the projects are located in Bentonville, three are in Fayetteville, three are in Rogers, and two are in Springdale. These 15 projects had 107 building permits issued worth \$132,330,955. The largest project is in Bentonville: Sullivan Square had 31 permits worth \$47,320,381. The next largest is Woodland Park at the Grove with 16 permits worth \$24,396,149, in Rogers.

## Multifamily Residential Building Permits Jan 1, 2017 - December 31, 2017

Date	Complex or Developer	Number of Permits	Total Value of Permits	City
1/10/2017	Fullerton Apartment	1	\$355,675	Bentonville
1/17/2017	Broadway Apartment	1	\$372,064	Bentonville
2/1/2017	Berkley on B Street	6	\$1,207,266	Bentonville
2/1/2017	The Brownstones	11	\$1,918,798	Bentonville
3/15/2017	Watermark at Walnut Creek	2	\$2,087,776	Rogers
3/22/2017	Noble Oaks	1	\$923,533	Fayetteville
3/30/2017	Woodland Park at the Grove	16	\$24,396,149	Rogers
4/6/2017	Links at Fayetteville	4	\$6,190,476	Fayetteville
4/19/2017	Towne Park	8	\$7,709,295	Springdale
6/14/2017	Sullivan Square	31	\$47,320,381	Bentonville
8/1/2017	Sullivan Square	4	\$2,974,320	Bentonville
8/22/2017	Erin Place Apartments	2	\$792,194	Springdale
11/16/2017	I Street Luxury Apartments	2	\$14,067,352	Bentonville
12/1/2017	The Frisco Apartments on Walnut	17	\$12,074,276	Rogers
12/15/2017	Grand Retirement Community	1	\$9,941,400	Fayetteville
<b>Total</b>		<b>107</b>	<b>\$132,330,955</b>	

# Multifamily Market Trends

## Sample Vacancy Rates

Market Area	Number of Apartment Complexes	Number of Units	2H 2017 Vacancy Rate	1H 2016 Vacancy Rate	2H 2016 Vacancy Rate
Bentonville	132	5,273	5.4%	1.4%	1.3%
Fayetteville	363	20,384	5.4%	5.8%	4.7%
Rogers	103	4,967	3.9%	6.1%	2.7%
Siloam Springs	50	1,057	1.3%	1.0%	1.8%
Springdale	103	6,549	1.8%	0.6%	0.9%
<b>NWA</b>	<b>751</b>	<b>38,230</b>	<b>4.5%</b>	<b>4.2%</b>	<b>3.2%</b>

## Average Size and Price by Floor Plan Second Half of 2017

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	413	\$450.82	\$1.09
By the Bed	432	\$689.50	\$1.60
1 Bedroom	626	\$531.22	\$0.85
2 Bedroom	924	\$641.27	\$0.69
3 Bedroom	1,295	\$898.01	\$0.69
4 Bedroom	1,382	\$1,246.48	\$0.90
<b>NWA</b>	<b>865</b>	<b>\$645.62</b>	<b>\$0.75</b>

## Median Size and Price by Floor Plan Second Half of 2017

Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	405	\$425.00	\$1.05
By the Bed	419	\$691.50	\$1.65
1 Bedroom	600	\$475.00	\$0.79
2 Bedroom	900	\$600.00	\$0.67
3 Bedroom	1,300	\$804.00	\$0.62
4 Bedroom	1,300	\$1,382.00	\$1.06
<b>NWA</b>	<b>825</b>	<b>\$593.00</b>	<b>\$0.72</b>

## Vacancy Rates by Floor Plan Second Half of 2017

Market Area	By-the-Bed	One Bedroom	Two Bedroom	Three Bedroom
Bentonville		5.1%	5.2%	9.6%
Fayetteville	7.9%	3.4%	4.2%	8.6%
Rogers		4.2%	2.6%	11.5%
Siloam Springs		1.0%	1.7%	0.0%
Springdale		2.3%	1.7%	1.1%
<b>NWA</b>	<b>7.9%</b>	<b>3.5%</b>	<b>3.6%</b>	<b>6.8%</b>

