



# THE SKYLINE REPORT

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## Second Half of 2018 February 2019

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## Commercial Real Estate Market Summary for Benton and Washington Counties

This report is the fortieth 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 2018

- In the second half of 2018, there was 351,272 square feet of positive absorption, while 333,306 new square feet were added, leading to net positive absorption of 17,966 square feet in the Northwest Arkansas market and an overall vacancy rate of 10.9 percent, up from 10.8 percent in the first half of 2018.
- 136,394 new square feet were added in the office submarket, while 201,456 square feet were absorbed, leading to net positive absorption of 65,062 square feet in the second half of 2018. The office vacancy rate decreased to 8.4 percent from 9.1 percent in the first half of 2018.
- Within the retail submarket, there was overall negative absorption of 51,367 square feet, while 28,075 new square feet entered the market, leading to negative net absorption of 79,442 square feet. The retail vacancy rate increased to 11.5 percent in the second half of 2018 from 9.7 percent in the first half of 2018.
- The warehouse submarket had overall negative absorption of 84,388 square feet, while 88,265 new square feet were added in the second half of 2018, leading to a negative net absorption of 172,653 square feet. The Northwest Arkansas warehouse vacancy rate increased from 8.1 percent in the first half of 2018 to 9.9 percent in the second half of 2018.
- In the office/retail submarket, there was net negative absorption of 2,343 square feet, while no new square feet of office/retail space entered the market in the second half of 2018. The vacancy rate decreased from 11.7 percent in the first half of 2018 to 10.9 percent in the second half of 2018.
- From July 1 to December 31, 2018, there were \$169,794,659 in commercial building permits issued in Northwest Arkansas. In comparison, there were \$190,109,255 in permits issued in the first half of 2018.

# 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. For the second half of 2018, the city of Johnson and office/warehouse, retail/warehouse, and warehouse space in Tontitown, which was integrated into Springdale, were added.

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 2018 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 237 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 sub-



market for the second half of 2017, and both the first half of 2018 and the second half of 2018. The second table presents net absorption by submarket and the third table presents available square footage by submarket for the same time periods. These tables are the foundation for the performing trend analysis and for separating the seasonal effects from real effects. The results in the tables are referred to throughout the remainder of the Skyline Report.

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

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

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

# Economic Overview

It is helpful to look at some key macroeconomic statistics in order to get a sense of the Northwest Arkansas commercial real estate market. The rate of activity in the Northwest Arkansas commercial real estate market is dependent upon two general factors: those that are specific to the region and those that are national in nature. The following discussion highlights some of the statistics that indicate the direction of the macro economy.

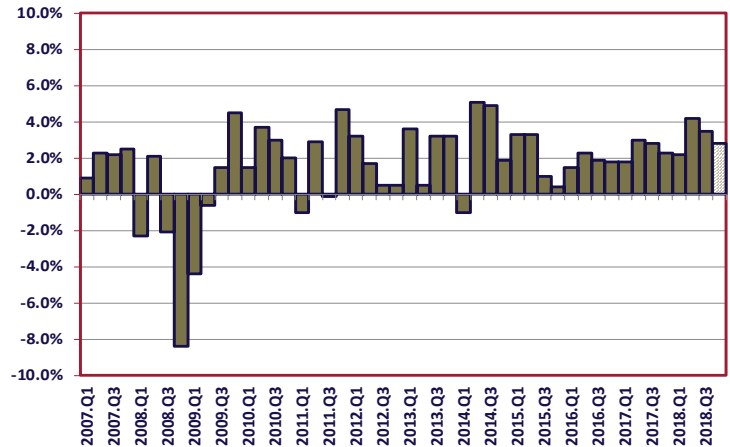
## Gross Domestic Product

In the third quarter of 2018, real GDP increased by 3.4 percent according to advance estimates released by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). Real GDP increased by 4.2 percent in the second quarter of 2018. The increase in real GDP in the third quarter reflected positive contributions from personal consumption expenditures (PCE), private inventory investment, nonresidential fixed investment, federal government spending, and state and local government spending that were partly offset by negative contributions from exports and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased. The deceleration in real GDP growth in the third quarter primarily reflected a downturn in exports and decelerations in nonresidential fixed investment and in PCE. Imports increased in the third quarter after decreasing in the second. These movements were partly offset by an upturn in private inventory investment

## Employment

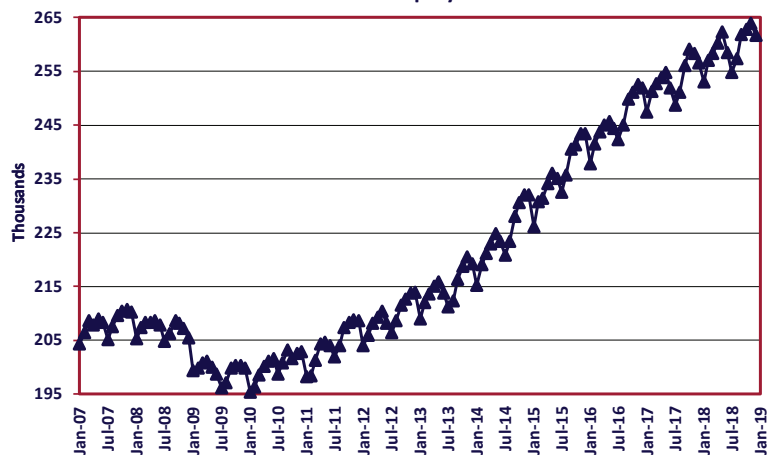
The Northwest Arkansas employment situation is extremely important to the health of the real estate market. The most recent data show that employment in the Northwest Arkansas region was at 261,700 in December 2018, up 2.0 percent from December 2017. According to the U.S. Bureau of Labor Statistics (BLS), the unemployment rate in Northwest Arkansas was at 2.5 percent in November 2018, similar to the unemployment rate in November 2017. 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 (3.3 percent) and national (3.5 percent) unadjusted rates.

Real U.S. Gross Domestic Product Growth Rate



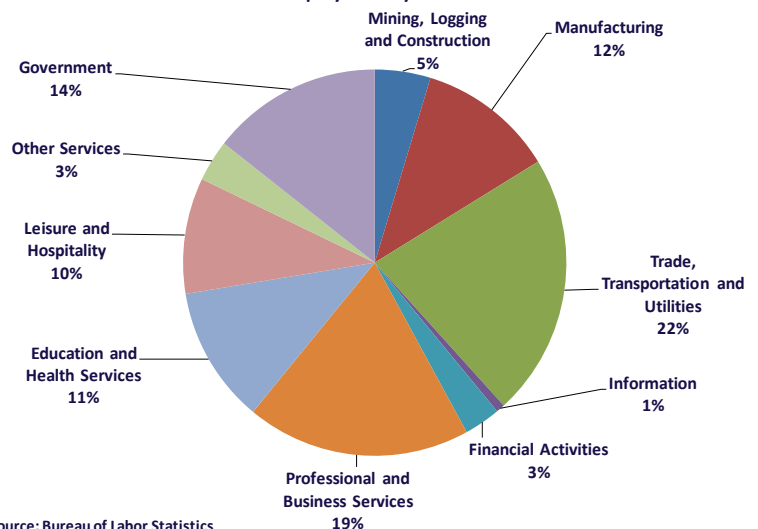
Source: U.S. Commerce Department, Bureau of Economic Analysis, October 2018 NABE Outlook

Fayetteville-Springdale-Rogers MSA Non-Farm Employment



Source: Bureau of Labor Statistics

Northwest Arkansas Employment by Sector - December 2018



Source: Bureau of Labor Statistics

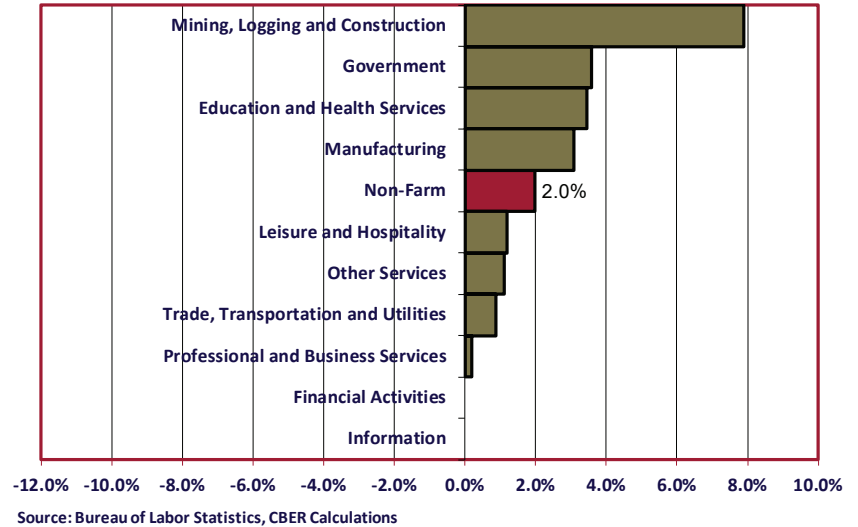
# Economic Overview

With the purpose of exploring more closely the composition of job growth in Northwest Arkansas, two additional figures (on the previous page) are provided. The first shows the December 2018 Fayetteville-Springdale-Rogers MSA employment breakdown by sector. As the pie chart shows, trade, transportation, and utilities, and financial activities had the largest share of employment (22 percent) in Northwest Arkansas followed by professional and business services (19 percent), government (14 percent), manufacturing (12 percent), education and health services (11 percent), and leisure and hospitality (10 percent). The other figure shows the annual percentage change in the metro area's employment by sector from December 2017 to December 2018. Total nonfarm employment increased by 2.0 percent during that time. Employment in construction, government, education and health services, and manufacturing sectors grew more quickly than 2.0 percent. Leisure and hospitality, other services sector, the trade, transportation and utilities sector, and professional and business services grew slower than 2.0 percent while the financial activities sector and information sector remained unchanged.

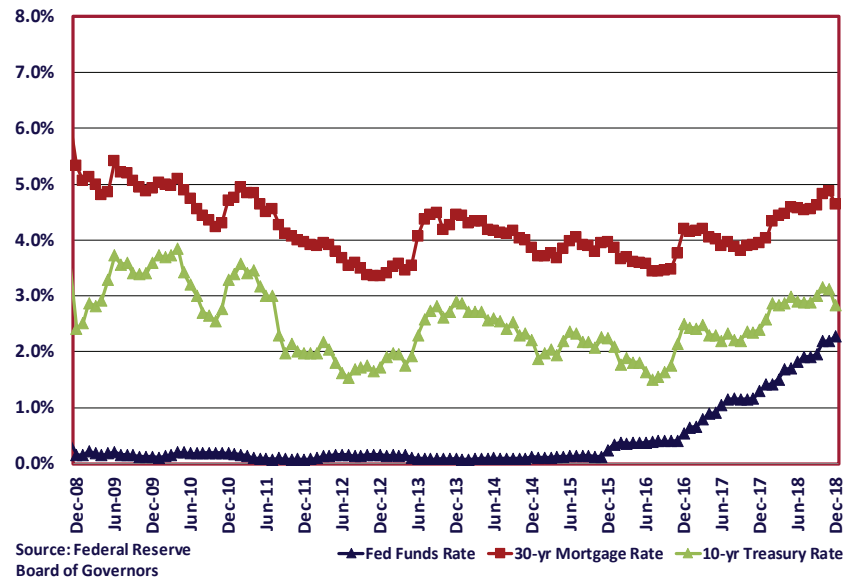
## Interest Rates

The Federal Funds rate averaged 2.27 percent in December 2018. The ten-year constant maturity Treasury bill had an interest rate of 2.83 percent in December 2018, up from 2.40 percent in December 2017. The positive spread between the ten-year rate and the federal funds rate narrowed from a year ago, but remains positive as both rates have increased. The Federal Reserve Open Market Committee decided to increase the target range for the federal funds rate from 2.25 to 2.50 percent. The stance of monetary policy remains steady, it is supportive of further improvement in economic and labor market conditions along with sustained 2 percent inflation. The accompanying figure shows the Federal Funds rate and the thirty-year mortgage rate since December 2008. The 30-year mortgage rate was 4.64 percent in December 2018.

Change in Northwest Arkansas MSA Employment by Sector, December 2017 - December 2018



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 discuss market conditions with some commercial developers and/or property managers to gain insights into the current commercial real estate market in Benton and Washington counties. In the second half of 2018, respondents continued to express positive feelings about the commercial real estate market, and continued to push forward on new projects scheduled to break ground in 2019. However, respondents were concerned about slower absorption of new and planned construction in the office market in 2020 after the current round of projects are completed. Most panelists reported continuing strong demand for Class A and B office space, medical office space, office/warehouse space and office/retail space, and retail space in high-demand locations. Expansions in the vendor eco-system, including the rumored WeWork entrance into Northwest Arkansas, the creation of more ‘communal work space’ is driving the demand for Class A office space. The need for large floor plan space, over 20,000 square feet, was mentioned several times. Respondents continued the discussions about areas with strong Class A office space demand and access to the trail system drawing in mixed use developments that promote the concept “live, work, play”. Several indicated that building trail access was necessary for these mixed use developments to have a greater chance of succeeding. In addition to the Pinnacle area, downtown Bentonville, and west Springdale, several respondents talked about new Class A office space

also being built in Fayetteville, mostly in Uptown Fayetteville. Some of the demand for Class A office space continues to be pushed by firms willing to move up from Class B to Class A space, to compete for worker talent. The shrinking workforce at some vendor offices is also causing shifts from low-lease rate large office spaces to high-lease rate smaller office spaces. Respondents said the Class B office market is still healthy, as the lower lease rates provide cost-sensitive smaller firms, people moving out of their home offices, and startups, a decent space for offices. Panelists discussed how vendor parks are upgrading their spaces, increasing lease rates slowly, but still taking advantage of the price gap between Class A and B space. New Class B space being developed in Bentonville, Rogers, and Fayetteville is expected to be leased at around \$20 a square foot. The health of the medical office submarket was also highlighted by most of the panelists. In fact, some panelists believe the growth of the medical office submarket is going to accelerate in the coming years.

During the second half of 2018 conversations, several respondents discussed the overall softness in the retail market. These conversations mirrored national trends, with older retail space having issues but newer space in higher income areas showing some growth. Panelists still feel that retail in Northwest Arkansas remains viable in high-demand locations. Respondents felt that the current high-demand locations in Northwest Arkansas were downtown Bentonville, the Pinnacle area and Pleasant Crossing in Rogers, West Springdale, and the Mission and Crossover area and Martin Luther King Boulevard in Fayetteville. Several also believe that downtown Rogers and downtown Springdale have potential to become high demand areas for new activity. Panelists reiterated that restaurants, nail salons, and other personal service business

continue to be the drivers in the market for new retail spaces in high-demand locations. A few panelists mentioned restaurant labor shortages as being a potential barrier to the restaurant market being able to keep expanding rapidly in Northwest Arkansas.

Panelists with expertise in the warehouse market remain in disagreement about whether the market needs significant new warehouse space. On the one hand, some respondents felt that there was demand for new 30-foot Class A warehouse space in Northwest Arkansas. Others pointed to the vacancies that occurred during this time period as a reason new construction is not needed yet. Still, there was little concern about overbuilding in the warehouse market as there are so few players in Northwest Arkansas. The building of new office/warehouse and retail/warehouse space, priced at \$7 per sq. ft. or over, by several builders now, is being followed with interest in a submarket that has very strong demand and low supply. Respondents remain unsure if enough tenants could afford to pay the higher lease rates being sought by the all the newly constructed properties. More climbing facilities, office space, and more dedicated showroom space were all talked about. Some panelists continue to mention that the growth of retail e-commerce in Northwest Arkansas could lead to development of new distribution warehouses.

The perspective of respondents involved in residential and multifamily markets was that while demand remains strong, they are working hard to maintain an attractive inventory across price points. One high-end home builder was worried about potential softness in the market for homes priced over \$400,000, and this concern was beginning to be shared by other panelists. Another point made was that homes were

# Local Perceptions

not selling as quickly before construction was finished, and apartments were not preleasing as fast either. Respondents hope that the continued growth in the Northwest Arkansas population will allay concerns about overbuilding in the residential market. Concerns about construction costs remained strong. Some respondents were concerned about cities imposing more design standards on new homes and its potential impact on affordability. There was a lot more discussion about the potential for overbuilding in the multifamily market given the growth in the mixed-use developments across Northwest Arkansas, even though vacancy rates declined in the region. In particular, respondents expressed some concerns about the student by-the-bed projects in Fayetteville and apartment complexes in Bentonville and Rogers. However, respondents felt that first-movers and developers with the right amenity-rich locations were expected to continue to succeed.

Concerns about increasing construction costs and labor shortages and their impact on lease rates and sale prices, were echoed by every panelist during the second half of 2018 conversations. More respondents thought that the construction of the new Walmart Home office would stoke future demand for labor and construction resources. As a result of these higher construction costs, respondents stated that Class A office and retail lease rates would need to be priced around \$30 per sq. ft., large warehouse space over \$5 per sq. ft., and office/warehouse and retail/warehouse would need to be priced over \$7 per sq. ft. Respondents pointed out that new Class B office space leased at around \$20 per sq. ft., would need to have efficient construction and low land costs. Respondents continued to discuss the impact of high-net worth individuals investing in Northwest Arkansas, as the properties held by high-net worth individu-

als were seen as less likely to face bank foreclosure during economic downturns. These panelists were concerned about overbuilding by these investors, and that these properties might exert downward price pressure and affect the viability of other projects that were leveraged. Respondents strongly believe the investments made by the Walton Family Foundation across Northwest Arkansas are having powerful impacts upon downtown core areas, as other builders and developers continue to piggyback upon these initial investments. Respondents continued to discuss the need for thoughtful, well planned development to address the need for residential density in downtown areas that caters to different income levels. Panelists reflected on the trail system being monetized even further as they discussed building trail spurs into new office, retail, and multifamily developments. The overall tone continued to be positive as respondents continued to foresee growth opportunities in Northwest Arkansas. Respondents remain excited about the continuing expansion of the trail system and bike infrastructure connecting Northwest Arkansas, as well as other regional amenities including a growing fine dining scene, new ethnic restaurants, additional entertainment venues like Top Golf, and various climbing and trampoline facilities. As always respondents mentioned that a strong sense of stability in the region was provided by the major economic drivers like, 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. The medical and health care sectors were mentioned even more this period as strong long-run growth areas, and several panelists continue to feel Northwest Arkansas is in a long period of commercial building in this submarket.

Panelists continue to mention a potential for an economic slowdown in the future, however, the timeframe varies with expectations of a slowdown being pushed to late 2019 at the earliest and 2022 at the latest. The consensus remains that a potential downturn will be relatively mild especially compared to the Great Recession.

## Positive Factors:

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

## Negative Factors

- Increased construction costs and skilled labor shortage.
- Impact of Walmart Home office on construction costs.
- Lease rate increases outpacing small firm's ability to pay.
- Potential overbuilding of Class A office by the beginning of 2020.
- Shift to work stations leading to less office demand.
- Overhang of existing class B and C retail space.
- Overbuilding of the student housing market around the University of Arkansas.
- Possible overbuilding of nonstudent multifamily housing in Benton County.
- Infrastructure costs.

# Inventory and Building Permits

## Categories of Commercial Properties

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

Lab – a workplace for conducting scientific research;

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

Office—space where business professionals work;

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

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

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

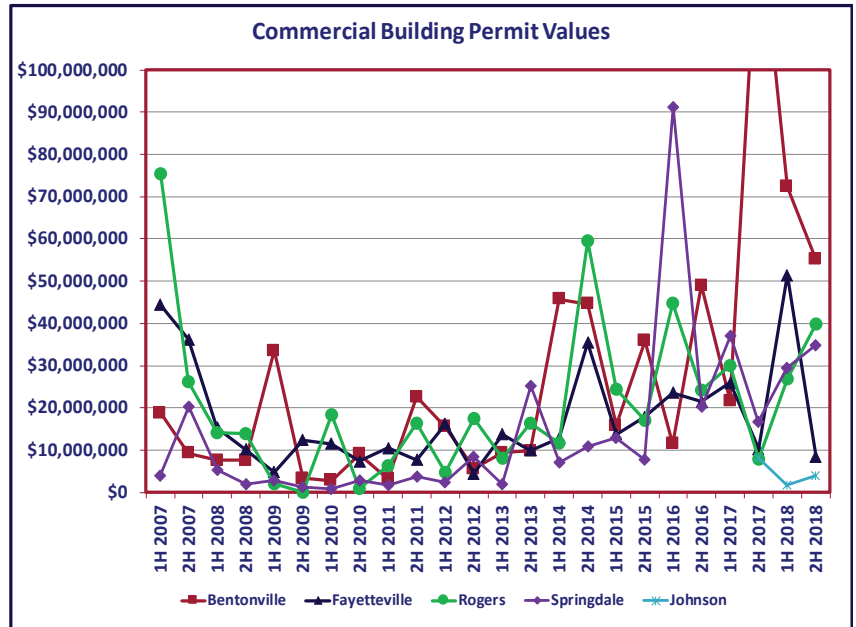
Retail/Warehouse—space where goods and services can be offered, sold, and stored;

Warehouse—space where goods can be stored until distributed.

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

## Local Commercial Property Inventory and Building Permit Data

The table on the following page presents the total competitive commercial property inventory in Northwest Arkansas that meets minimum square footage requirements as



of December 31, 2018. For the second half of 2018, the Skyline Report covered 100.0 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, 2018, there were just \$169.7 million in commercial building permits issued in seven major cities in Northwest Arkansas, Bentonville, Fayetteville, Johnson, Lowell, Rogers, Siloam Springs, and Springdale. In the third quarter of 2018, just over \$82.4 million in commercial building permits were issued. In

the fourth quarter, just over \$87.3 million in building permits were issued. In the second half of 2018, Bentonville again had the greatest share of building permits with 32.5 percent. Rogers followed with 23.4 percent, then Springdale with 20.5 percent, and Lowell with 16.2 percent. Fayetteville, Johnson, and Siloam Springs accounted for 5.0, 2.3, and less than 0.1 percent, respectively.

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



# Inventory

the developer still feels the project is viable, but there are many uncertainties regarding funding, leasing, timing, etc., which results in an undetermined timeline.

Following the announced properties table is a list of the existing hotel properties in Northwest Arkansas, detailed by city. In the second half of 2018, there were 6,379 standard rooms and 2,335 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, in the proper locations, 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 <sup>1</sup>	Office <sup>1</sup>	Retail <sup>1</sup>	Warehouse <sup>1</sup>	Total <sup>1</sup>	Panel Total Square Feet <sup>2</sup>	Panel Coverage <sup>2</sup>
Bella Vista	--	129,924	242,600	90,964	463,488	426,623	92.0%
Bentonville	31,300	4,305,592	1,147,063	2,219,352	7,703,307	7,890,231	102.4%
Fayetteville	1,076,079	3,441,254	4,386,820	2,293,086	11,197,239	11,125,387	99.4%
Johnson	--	285,318	115,189	106,164	506,671	470,019	92.8%
Lowell	101,970	352,742	172,208	1,332,298	1,959,218	2,026,871	103.5%
Rogers	1,088,888	3,073,933	4,480,461	2,849,016	11,492,298	11,931,679	103.8%
Siloam Springs	329,942	195,261	716,632	340,615	1,582,450	1,567,060	99.0%
Springdale	1,902,597	1,556,326	2,471,211	4,362,573	10,292,707	9,757,030	94.8%
<b>Northwest Arkansas</b>	<b>4,530,776</b>	<b>13,340,350</b>	<b>13,732,184</b>	<b>13,594,068</b>	<b>45,197,378</b>	<b>45,194,900</b>	<b>100.0%</b>

<sup>1</sup>Source: Benton and Washington County offices of the Assessor. The total square feet represent the population of competitive commercial properties that meet the baseline criteria set out on page 56 of this report.

<sup>2</sup>Source: Panel of 237 large Northwest Arkansas commercial property owners and managers.





# Building Permits

## Commercial Building Permit Data by City

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

# 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	B.C.	Ron Crume	Warehouse	40,000	2018
Boat Storage Buildings	B.C.	Robert and Travis Pennington	Warehouse	8,400	Conceptual
Tufco Warehouse	B.C.	Tufco	Warehouse	20,000	Conceptual
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 Rev. Fund	Mixed Use	16,230	Done
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	Done
Aldi's SW I	Bentonville	Aldi's	Retail	22,000	Conceptual
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	86,000	Conceptual
Bentonville Academy of Music	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	5,600	Done
Bentonville Brewing Co	Bentonville	Ropeswing Hospitality Group	Commercial	21,600	Conceptual
Bentonville Emergency Call Center	Bentonville	City of Bentonville	Office	23,300	2019
Bentonville Flight Center	Bentonville	Municipal Airport	Commercial		Conceptual
Bentonville Merchant North-Central	Bentonville		Office		Conceptual
Bentonville Merchant South-Central	Bentonville		Office		Conceptual
Best Joy Office on J	Bentonville	Best Joy LLC	Office	7,000	Conceptual
Blake Street House	Bentonville	RopeSwing	Social Club	18,400	Fall 2018
BOS Park Phase 1	Bentonville	Daniel D., John L., Charles P.	Commercial	20,000	Summer 2018
Bozeman Development Building	Bentonville	Josh Kyles	Mixed Use	80,000-180,000	2019
Cadence Group-Central	Bentonville	Cadence Group	Office		Conceptual
Celebration Plaza	Bentonville		Commercial		Conceptual
Childrens Academy on I St.	Bentonville		School		Conceptual
Climb Bentonville	Bentonville	Dennis Nelms	Retail	22,000	Fall 2018
Convenience Store @ 14th and S. Wal.	Bentonville		Retail	5,200	Conceptual
Convention Center	Bentonville	Brian Bahr	Convention Center	75,000	Conceptual
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	2019
District at SW 4th and C	Bentonville		Commercial		Conceptual
Elevator Building on 3rd Street	Bentonville	Flake-Kelley	Office	12,000	Conceptual
Enterprise Car Rental on J Street	Bentonville	Rich Grubbs	Retail	1,560	2018
First Security Bank-Downtown	Bentonville	First Security Bank	Commercial	9,716	2018
Fountain Plaza Office- Hersey	Bentonville	Jeannie Fleeman	Office	46,500	Done
Fountain Plaza Office II	Bentonville	Jeannie Fleeman	Office	12,500	Late 2018
Haxton District East	Bentonville	Neil Greenhaw	Commercial	10,700	2018
Helen R. Walton C.E. Center	Bentonville	Helen R. Walton C.E. Center	Education	43,700	Early 2019
I Street Warehouse II	Bentonville	Ivan Crossland and Bill McClard	Warehouse	88,000	Summer 2018
J3 Phase II	Bentonville	SREG	Commercial	100,000	Conceptual
Lamplighter Devel.-The Ellington	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	30,000	Late 2019
Lamplighter Devel.-The Hancock	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial		Conceptual
Lamplighter Devel.-The Marsalis	Bentonville	Todd Renfrew and Patrick Sbarra	Commercial	15,000	Summer 2018
Little Life Lessons Academy	Bentonville		Daycare		Conceptual

# New Commercial Projects

## Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Macadoodles Plaza II	Bentonville	Roger Gilhaus	Office	16,500	Conceptual
McClarty Daniel Ford	Bentonville	Russ Daniel	Commercial	46,000	Dec. 2018
Mercy Clinic-North Walton Blvd	Bentonville	Mercy Health Systems	Medical	7,000	Sept. 2018
Mercy Clinic-Southwest I	Bentonville	Mercy Health Systems	Medical	13,800	Done
Mojo Marketing-22nd and C Streets	Bentonville	Nicole and David Trudo	Commercial	10,425	Summer 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	Done
NWAAC Building	Bentonville	NWACC	School	16,000	Conceptual
Ozark Climbing Gym	Bentonville	Jason and Bridgette Groves	Gym	14,447	2018
Park Central	Bentonville	SREG	Commercial	30,000	2019
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, Building I	Bentonville	Crossmar Investments	Office	48,600	Late 2018
Roc Offices, Building III	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Building IV	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Building V	Bentonville	Crossmar Investments	Office	70,000	Conceptual
ROC Offices, Building II	Bentonville	Crossmar Investments	Office	75,000	Early 2019
Sam's Club Layout Center	Bentonville	Wal-Mart Stores Inc	Office	140,000	Late 2018
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	Done
Simpson Office building	Bentonville	Chance Simpson	Office	21,000	Conceptual
Superior Auto Group Dealership	Bentonville	David Slone	Commercial		Conceptual
SW Elm Tree Road Development	Bentonville				Conceptual
Tar & DOK	Bentonville		Commercial		Conceptual
Thaden Airfield Fieldhouse	Bentonville	Bentonville Airport	Commercial	22,000	Sept. 2018
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
Walmart Maintenance Building I	Bentonville	Walmart	Warehouse	20,000	January 2019
Walmart Maintenance Building II	Bentonville	Walmart	Warehouse	12,000	January 2019
Bravis Marketing Building	Centerton	Bradshaw Properties	Office	21,000	Done
United Bank Branch-Hwy 102	Centerton	United Bank	Bank		Summer 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	Done
Anthony Timberlands Center DM&I	Fayetteville	University of Arkansas	School	50,000	Conceptual
Ar-Canna Complex	Fayetteville	Brian Faught	Commercial	35,000	Conceptual
Black Forest Retail	Fayetteville	Clinton Bennett	Retail	17,301	Conceptual
Bolder Coffee Retail Development	Fayetteville	Tom Smith	Retail	5,000	2018
Climb Fayetteville	Fayetteville	Lance B., Dennis N., Drew S.	Retail	19,000	Delayed
Commercial Realty Office	Fayetteville	Jeff Kemp	Office	7,400	Done
Cosmic Cowboy Studio	Fayetteville	Benjamin Meade	Commercial		Conceptual
Crisis Brewing	Fayetteville	Liz and Sean Slape	Commercial	4,950	Done

# New Commercial Projects

## Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Cross Church	Fayetteville	Cross Church	Church	57,500	Done
Crossover Retail Development	Fayetteville	Bob Hopmann	Retail	5,075	2018
Express Tunnel Carwash-Crossover	Fayetteville	Christian Baldwin and Scott McLain	Retail		Done
Flake-Kelley Office Building	Fayetteville	Matt Dearnley	Office	60,000	Conceptual
Fossil Cove Building	Fayetteville	Ben Mills	Commercial	7,500	Conceptual
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
Library Storage Facility	Fayetteville	University of Arkansas	Warehouse	27,000	July 2018
MediServe Walk-In Clinic	Fayetteville	MANA Health	Medical	3,300	Summer 2018
New School Expansion	Fayetteville	New School	School	72,000	2018
Northwest Health Systems ER	Fayetteville	Northwest Health Systems	Medical	10,400	Conceptual
Northwest Health Systems ER Clinic-S.	Fayetteville	Greg Taylor	Medical	10,000	Conceptual
OurPharma	Fayetteville	Dr. Peter Kohler	Manufacturing	10,000	Conceptual
Ozark Electric HQ	Fayetteville	Ozark Electric Coop	Office	38,000	Fall 2018
Pacific Vet Group Industrial	Fayetteville	Pacific Vet Group	Manufacturing		Conceptual
Pinnacle Foods Expansion	Fayetteville	Pinnacle Foods	Warehouse	164,000	Conceptual
Poplar and Leverett Development	Fayetteville	Taite Coates and Tommy Kilbride	Commercial		Conceptual
Presidential Conversions Office	Fayetteville	John Wilson	Office	12,000	Conceptual
Shoppes at the Bluffs	Fayetteville	Mathias Properties	Retail	46,519	Conceptual
Sims-Renner Office-Waterside	Fayetteville	Sims-Renner Insurance	Office		Conceptual
Springhouse Village Retirement Com.	Fayetteville	Elizabeth Link	Medical		Conceptual
The New School Academic Building	Fayetteville	The New School	School	65,000	Summer 2018
TheatreSquared Facility	Fayetteville	TheatreSquared	Commercial	51,500	2019
University of Arkansas Library Storage	Fayetteville	University of Arkansas	Warehouse	27,000	Summer 2018
Vantage Dr. Office Park Buildings II-V	Fayetteville	D Erstine, C Bennett, Kyle Naples	Office	76,000	Conceptual
Vantage Drive Office Park Building I	Fayetteville	D Erstine, C Bennett, Kyle Naples	Office	40,000	Conceptual
Victory Commons	Fayetteville	Tracy Hoskins and Allied Bank	Commercial		Conceptual
Washington Regional Complex-Gregg	Fayetteville	WRMC	Office	30,000	Done
Washington Regional Expansion	Fayetteville	WRMC	Medical Office	40,900	2020
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	Ward Davis, Bob Hill, Morgan H.	Commercial	150,000	Conceptual
KFSM-TV Office	Johnson	Checkk Properties	Office	23,000	February 2019
RMP Building	Johnson	High Street Development	Commercial	21,000	Conceptual
Arkansas State Police Facility	Lowell	Arkansas State Police	Office	46,035	Done
Avad3 and Element Studio	Lowell	Cameron McGee	Commercial	10,300	Summer 2018
Central Research Inc	Lowell	Johnny and Scott Dillard	Office		Conceptual
Firebird III	Lowell	Ivan Crossland and Bill McClard	Warehouse	60,000	Conceptual
Flipside Ninja Park	Lowell	Dawn Benson	Retail	6,134	Done
Grant Place Office Building	Lowell	Oelke Construction	Office	10,760	Fall 2018
Harps Grocery Store	Lowell	Harps Food Stores Inc.	Retail	32,000	Conceptual
IDO Complex, Building I	Lowell	Sage Partners	Retail/Warehouse	85,000	Conceptual
IDO Complex, Building II	Lowell	Sage Partners	Retail/Warehouse	100,000	Conceptual
J.B. Hunt Office Tower III	Lowell	J.B. Hunt	Office	100,000	October 2019
J.B. Hunt Office Tower IV	Lowell	J.B. Hunt	Office	40,000	October 2019
Lowell Historical Museum	Lowell	City of Lowell	Museum	10,000	Conceptual
Regional Sports Complex	Lowell	Life Wellness USA	Recreation	230,000	Conceptual
Source Gas	Lowell	Source Gas	Commercial		Conceptual



# New Commercial Projects

## Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Sunbelt Rentals	Lowell	HGJ Properties	Commercial		Conceptual
TZZ Event Center	Lowell	TZZ Event Center	Commercial		Conceptual
Workman's Travel Center	Lowell	Kathryn Workman-Burger	Retail	18,000	March 2018
Mercy Medical Campus	N Wash. C.	Mercy Health Systems	Medical	25,000	Conceptual
Planetarium	NWA	Katherine Auld	Museum	120,000	2020
Solve For Food Innovation Lab	NWA	Keith Larson, Greg Spragg	Lab	20,000	Conceptual
Arabella of Rogers	Rogers	Abby Development	Medical	295,000	Late 2018
Arkansas Arts Academy Expansion II	Rogers	Arkansas Arts Academy	School	43,000	August 2018
Arvest Bank - District at Pinnacle Hills	Rogers	Arvest Bank	Office	26,238	Summer 2019
Beaty Office Park I	Rogers	Lance Beaty	Medical Office	14,900	August 2018
Beaty Office Park II	Rogers	Lance Beaty	Office	15,000	Conceptual
Beaty Office Park III	Rogers	Lance Beaty	Office	7,500	Conceptual
Beaty Office Park IV	Rogers	Lance Beaty	Office	5,000	Conceptual
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
Country Club Plaza Office	Rogers	LaFrance Family	Office	16,249	Conceptual
CP Enterprise Building	Rogers	John Schmelzle and Kristen B.	Office	18,800	Done
Crye-Leike Office Pleasant Crossing	Rogers	Paul Pursey	Retail	7,000	Done
District at Pinnacle Hills III	Rogers	Whisenvest	Office	42,000	Fall 2018
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
Duluth Trading Co	Rogers	Goldie Russell	Retail		Conceptual
Everest Rehabilitation Hospital	Rogers	Matt Sitton	Medical Office	40,868	Conceptual
Fox Trail Distillery-Promenade	Rogers	James Tinnin Jr.	Commercial	15,000	2018
Gateway Plaza	Rogers	Flake-Kelley	Commercial	39,600	Conceptual
Harbor Frieght Tools	Rogers		Retail		Conceptual
Highland Knolls I	Rogers	John Carney	Office	7,980	Summer 2018
Highland Knolls II	Rogers	John Carney	Office	7,980	Summer 2018
Highland Knolls III	Rogers	John Carney	Office	7,980	Summer 2018
Hull Dermatology	Rogers	Hull Dermatology	Office		Conceptual
Lewis & Clark-Pinnacle	Rogers	Sage Partners	Retail		Conceptual
Magnolia Farms Building I	Rogers	Margaret Molleston and H Haynes	Office	85,000	Conceptual
Magnolia Farms Campus	Rogers	Margaret Molleston and H 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	Done
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
Mill Creek Manor Nursing Home	Rogers		Nursing Home		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
Office/Ware.Complex on Hudson 1	Rogers	Lous and Shannon Froud	Office/Warehouse	9,600	Conceptual
Office/Ware. Complex on Hudson 2	Rogers	Lous and Shannon Froud	Office/Warehouse	9,600	Conceptual
Office/Ware. Complex on Hudson 3	Rogers	Lous and Shannon Froud	Office/Warehouse	11,200	Conceptual
Pinnacle Heights I	Rogers	Hunt Ventures	Office	100,000	Conceptual
Pinnacle Heights II	Rogers	Hunt Ventures	Office	40,000	Conceptual

# New Commercial Projects

## Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
Pinnacle Knoll II	Rogers	Sage Partners	Office	80,000	Conceptual
Pinnacle Place Commercial	Rogers	S.C. Bodner	Commercial	14,000	Conceptual
Pinnacle Point Office Complex	Rogers	Clinton Bennett and David Erstine	Office	40,000	Conceptual
Pinnacle Promenade Out Building	Rogers	David Faulkner	Retail	12,000	Late 2018
Pleasant Crossing Commons, Phase II	Rogers	Matt Sitton	Retail	60,600	Conceptual
Pleasant Crossing Commons, Phase III	Rogers	Matt Sitton	Retail	87,881	Conceptual
Pleasant Crossing Retail Building	Rogers	Whisenvest	Retail	10,000	Conceptual
R Squared Commercial Center	Rogers	Jeff Pederson	Retail	6,000	Conceptual
Redi-Mix Concrete 8th St Plant	Rogers	Redi-Mix Concrete	Industrial		Conceptual
Ryzabuv	Rogers	Case Lawrence	Retail	30,000	Conceptual
Signature Bank Pinnacle Hills	Rogers	Kristen Boozman and John S.	Office	18,000	Summer 2018
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		Done
Stabil-Loc Headquarters	Rogers	Lynn and Steven Patton	Office		Conceptual
Stoney Brook Development	Rogers	Clinton Bennett	Commercial		Conceptual
Take 5 Oil	Rogers	Malek Elkhoury	Retail	1,800	Conceptual
The Fields at Pinnacle I B	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle I C	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle I D	Rogers	Chad and Monika Hatfield	Office		Conceptual
The Fields at Pinnacle II	Rogers	Chad and Monika Hatfield	Commercial		Conceptual
Topgolf	Rogers	Hunt Ventures	Commercial		2019
Trulove Construction Vehicle Storage	Rogers	Trulove Construction	Warehouse		Conceptual
Venture Park	Rogers	Todd Fleeman and David Erstine	Office	20,000 to 60,000	Conceptual
Violin Studio and Repair Shop	Rogers	SMEK LLC	Retail		Conceptual
Wal-Mart Neighborhood Market Down.	Rogers	Wal-Mart Stores Inc	Retail		Conceptual
Walmart Online Grocery Pickup	Rogers	Walmart	Retail		Conceptual
West Village	Rogers	Hunt Vent., Sage Partners, Urban5	Retail	28,600	Conceptual
Weworks	Rogers	Hunter Haynes	Office	50,000	Conceptual
Wilson-Coker Office Building	Rogers	Wilson-Coker Wealth Management	Office		Conceptual
Arkansas Early Learning Center	Sil Springs		School	8,324	Conceptual
Barnett Warehouse	Sil Springs	Jonathan Barnett	Warehouse	67,950	Conceptual
Crye-Leike Office	Sil Springs	Crye-Leike Realtors	Office	6,500	Conceptual
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	Done
Progress Plaza Phase II	Sil Springs	Brown Cow LLC	Medical Office	11,250	Conceptual
Reliable Poultry	Sil Springs	JWT Properties	Retail	15,000	Late 2018
56th Street Office Building	Springdale	C.L. George and Sons	Office	75,000	Conceptual
Acme Brick Showroom and Warehouse	Springdale	Acme Brick Co	Commercial	20,750	Done
Anders Office Building	Springdale	Sterling Park Anders	Office	16,000	2018
Arkansas Children's Hospital	Springdale	Arkansas Children's Hospital	Medical	233,613	Done
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

# New Commercial Projects

## Announcements of New Commercial Projects (Cont.)

Property	City	Owner/Developer/ Property Manager	Use	Square Feet	Expected Completion
First State Bank	Springdale	First State Bank	Bank		Conceptual
Fish and Game Center	Springdale	Arkansas Game & Fish Department	Government	36,000	2020
Freddy's Retail Center	Springdale	Michael O'Shaunessy	Retail		Conceptual
Geels Paint	Springdale	Geels Paint	Commercial		
George's Office Building	Springdale	George's	Office	75,000	Conceptual
Goad Springs Road Retail Develop.	Springdale	DuWayne Eoff	Retail	120,000	Conceptual
H.C. Schmieding Office	Springdale	Chris Cyskiewicz	Office		Conceptual
Hall Crossing Retail Building 2	Springdale	Jason Pullman	Retail	3,000	Conceptual
Health and Speech Clinic	Springdale		Medical		Conceptual
Highlands Oncology-Park Plaza	Springdale	Kathey Rhoads	Medical Office	120,000	2020
Love's Travel Center	Springdale	Love's	Retail		Conceptual
Lynch Prairie Building	Springdale	Flake-Kelley	Office	8,100	Conceptual
Mercy Clinic East	Springdale	Mercy Health Systems	Medical Office		Conceptual
Mercy NWA Campus	Springdale	Mercy Health Systems	Medical Office	63,000	Spring 2019
Mercy NWA Campus, Phase II	Springdale	Mercy Health Systems	Medical Office		Conceptual
Monitor Warehouse	Springdale	RPH	Warehouse		Conceptual
Murphy-Hoffman Dealership	Springdale	MHC	Commercial	65,800	Summer 2018
Northwest Technical Institute-Welding	Springdale	NTI	School	31,000	Conceptual
NWACC-Washington County Campus	Springdale	NWACC	School	38,000	Fall 2019
Owen's Optometry	Springdale		Medical		
Parkway Plaza I	Springdale	Sage Partners and Griffen Con	Office	46,000	Conceptual
Petra Allied Health School	Springdale	Petra Allied Health	School		Conceptual
Piney Ridge Treatment Facility	Springdale	Acadia Health	Medical	110,000	Conceptual
R & R Tire Center	Springdale	R & R Tires	Commercial	15,700	Done
Rexall	Springdale	Mathias Properties	Warehouse	21,000	Fall 2018
Rockline Expansion	Springdale	Rockline Industries	Manufacturing		
Sam's Furniture	Springdale	Mathias Properties	Retail	50,000	Late 2019
Shoppes at Elm Springs	Springdale	JP Companies	Retail	11,000	Conceptual
Speedy Splash Car W-B Coach	Springdale	The McLain Group	Retail		Conceptual
Speedy Splash Car Wash-Elm Springs	Springdale	The McLain Group	Retail		Conceptual
Springdale Municipal Campus	Springdale	City of Springdale	Municipal Building	80,000	
Storm Orthodontics	Springdale	Darrin Storm	Medical Office	5,670	Conceptual
Sunset West Plaza	Springdale	Burke Larkin	Retail	11,300	Spring 2019
Taco's for Life Shopping Center	Springdale	J.R. Nix and Haag Brown	Commercial	6,000	Done
Tyson Tech Center	Springdale	Tyson Foods	Office		2019
Waterstone Counseling Center-48th	Springdale	Sean McDonald	Medical	6,000	Spring 2018
White Cap	Springdale	Bill McClard	Warehouse	40,000	Done
Edward's Properties on Powell	Tontitown	Edwards Properties	Commercial	10,000	Conceptual
West Point Commercial Development	Tontitown	3E Development, Tom Joseph	Warehouse	300,000	Conceptual
4012 Old Wire	W.C.	Patrick Tobin	Commercial		Conceptual
Native Flower Growing Facility	W.C.	Kendra and Tom Smith	Commercial	19,520	Conceptual

# Hotels

## Existing Hotels

Property Name	City	Number of Standard Rooms	Number of Suites
221c 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
Best Western Windsor Suites	Fayetteville	66	0
Candlewood Suites	Fayetteville	0	78
Chief Motel	Fayetteville	31	1
Comfort Inn-Fayetteville	Fayetteville	60	0
Country Inn & Suites By Carlson	Fayetteville	40	25
Courtyard by Marriot	Fayetteville	110	4
Dickson Street Inn	Fayetteville	8	2
Fairfield Inn and Suites	Fayetteville	50	44
Hampton Inn	Fayetteville	87	8
Hilton Garden Inn	Fayetteville	90	25
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 & 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



# Hotels

## Existing Hotels (Cont.)

Property Name	City	Number of Standard Rooms	Number of Suites
Value Place Hotel	Fayetteville	121	0
Inn At the Mill	Johnson	38	8
Marriot Townplace	Johnson	0	94
Ramada Inn Lowell	Lowell	51	0
Colonial Motel	Prairie Grove	8	0
Aloft	Rogers	130	1
Best Value Inn & Suites	Rogers	127	0
Candlewood Suites	Rogers	118	12
Country Inn & Suites	Rogers	68	42
Embassy Suites	Rogers	0	400
Fairfield Inn Rogers	Rogers	99	0
Guest Inn	Rogers	42	0
Hampton Inn	Rogers	122	0
Hartland Lodge	Rogers	28	0
Holiday Inn	Rogers	0	127
Homewood Suites	Rogers	126	83
Hyatt Place	Rogers	104	0
Mainstay Suites	Rogers	0	99
Microtel	Rogers	52	0
Ranch-O-Tel Motel	Rogers	21	0
Regency 7 Motel	Rogers	31	0
Residence Inn by Marriott	Rogers	88	0
Rocky Branch Resort	Rogers	14	0
Simmons Suites	Rogers	0	115
Staybridge Suites	Rogers	83	83
Super 8 Motel	Rogers	34	0
Tanglewood Lodge	Rogers	30	0
Town & Country Inn	Rogers	86	1
Travelers Inn	Rogers	82	0
Best Value	Siloam Springs	19	26
Hampton Inn	Siloam Springs	66	0
Hereford Motel	Siloam Springs	10	0
Holiday Inn Express Hotel & Suites	Siloam Springs	62	18
Stone Inn's	Siloam Springs	43	0
Super 7 Inn	Siloam Springs	46	0
Super 8 Motel	Siloam Springs	30	0
Best Rest	Springdale	100	17
Comfort Suites Springdale	Springdale	0	69
DoubleTree Club Hotel of Springdale	Springdale	74	11
Executive Inn	Springdale	90	0
Extended Stayamerica	Springdale	101	0
Fairfield Inn and Suites	Springdale	40	34
Hampton Inn & Suites	Springdale	67	35
Hartland Lodge	Springdale	29	0
Hartland Motel	Springdale	29	0
Hill Top Inn	Springdale	30	0
Holiday Inn	Springdale	180	26
Home 2 Suites by Hilton	Springdale	0	119
Journey's Inn	Springdale	30	0
Laquinta Inn & Suites	Springdale	88	12
Magnolia Gardens Inn (B&B)	Springdale	10	0
Motel 8	Springdale	30	0

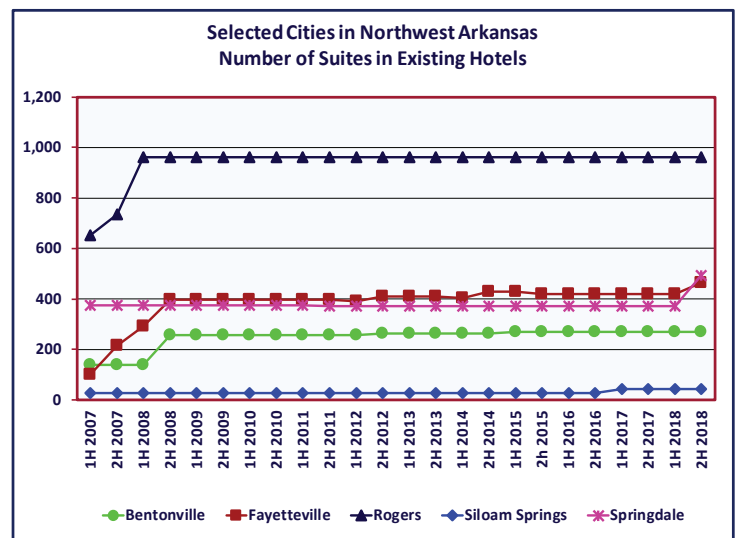
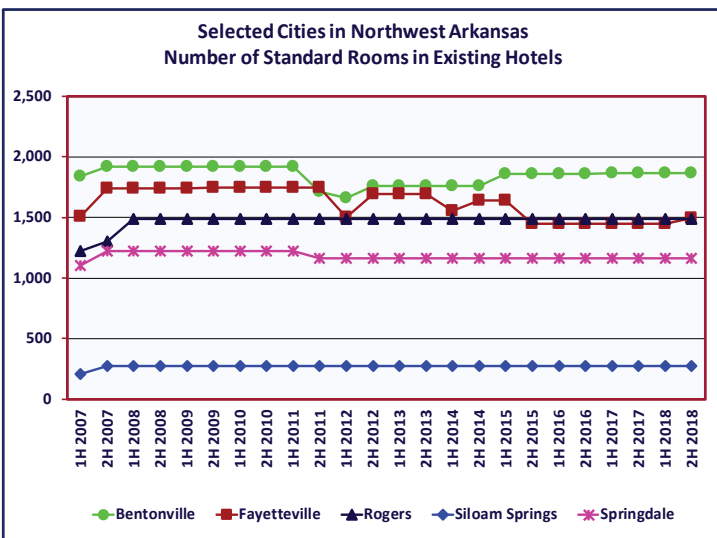
# Hotels

## Existing Hotels Summary (Cont.)

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

## Existing Hotels by City

City	Number of Standard Rooms	Number of Suites
Bentonville	1,865	271
Fayetteville	1,495	463
Johnson	38	102
Lowell	51	0
Prairie Grove	8	0
Rogers	1,485	963
Siloam Springs	276	44
Springdale	1,161	492
<b>Northwest Arkansas</b>	<b>6,379</b>	<b>2,335</b>



# Hotels

## Announced Coming Hotels

Property Name	City	Owner	Number of Rooms	Expected Completion
Sunset Hotel	Bella Vista	Cooper Communities		Conceptual
Avid Hotel	Bentonville	Continental Capital	87	Conceptual
C Street Hotel	Bentonville	North Carolina Hospitality Group		Conceptual
Element Hotel	Bentonville	Shash Goyal	107	Early 2019
Home 2 Suites by Hilton	Bentonville	Narry Krushiker	119	2019
Old Home Office Property	Bentonville	Walmart		Conceptual
Tuckers Corner Hotel	Bentonville	Ropeswing	100-200	2019
Avid Hotel	Fayetteville	IHG	82	Conceptual
Fairfield Inn and Suites	Fayetteville	Shash Goyal	94	Done
Hyatt Place-Steele Crossing	Fayetteville	B&T Hospitality Management		Conceptual
Markham Hill	Fayetteville	SREG	80	Conceptual
Marriot-Residence Inn	Fayetteville	Narry Krushiker	200	Conceptual
Piney Creek Ranch	Fayetteville	Andi and Jeremy Pratt		Conceptual
Inn at the Mill Expansion	Johnson	Jesse Burkes and John Stewart	16	Spring 2019
Creekside Courtyard-Marriot-Pinnacle	Rogers	Narry Krushiker	121	2019
District at Pinnacle	Rogers	Whisenvest		Conceptual
Fields at Pinnacle Hotel	Rogers	Chad and Monika Hatfield		Conceptual
Magnolia Farms Hotel	Rogers	Hunter Haynes		Conceptual
West Village Boutique Hotel	Rogers	Jonelle Hunt, Andrew & David Burnett		Conceptual
Home 2 Suites by Hilton	Springdale	Narry Krushiker	119	Done
Parkway Plaza Hotel	Springdale	Sage Partners and Griffin Co		Conceptual
Springdale Hotels LLC	Springdale	Vipulkumar Patel		Conceptual



# Restaurants

## Announced Coming Restaurants

Property Name	Location (City)	Owner	Expected Completion
Coffee Shop and Ice Cream Parlor	Bella Vista	Roger Gildehaus	--
Angus Jack	Benton County	Ian and Jean Cairns	Conceptual
Jason's Deli	Benton County	Bourke Harvey	--
Unnamed Rest. and Winery in Benton Co.	Benton County	CEI Engineering	Conceptual
Café Louise	Bentonville	Ropeswing Group	Done
Coler Mountain Café	Bentonville	Erin Rushing	2019
Crystal Flats Restaurant	Bentonville	Cindy Springs, LLC	Conceptual
Dickey's Barbecue Pit	Bentonville	Jared Thompson	Delayed
El Vaquero	Bentonville		Done
JJ's Grill Downtown Bentonville	Bentonville	Jody Thornton	Conceptual
Juice Palm	Bentonville	Omar Kasim	Done
Old Home Office Property	Bentonville	Walmart	Conceptual
Raising Cane-Walton	Bentonville		Done
Ramen Bar	Bentonville	Ropeswing Group	Spring 2019
Saltgrass	Bentonville	Eric Boen and Jeff Kemp	Conceptual
Scooter's Coffee	Bentonville	Don and Linda Eckles, Alan Stall	Done
Slim Chickens	Bentonville	Tom Gordon	Done
Spoon Boys	Bentonville		Conceptual
Station Café on SE 6th	Bentonville	Dana and Todd Renfrew	Done
U.S. Pizza	Bentonville	Esther and Hunter McClellan and Don Henderson	Conceptual
Unnamed Restaurant on 3rd and Blake	Bentonville	Ropeswing Group	Conceptual
Urban Edge Development Restaurant	Bentonville	Richard Grubbs	Conceptual
Berriolas	Centerton		Done
MJ Pizzeria	Centerton	Miles James	Done
Pizza Hut	Centerton		Done
Rib Crib	Centerton	Rib Crib	Done
Tropical Smoothie	Centerton		Done
Waffle House	Centerton	Waffle House	Spring 2019
Taco Bell	Farmington	K-Mac	Conceptual
Arsagas in Greenhouse Grille	Fayetteville	Cary Arsaga	Conceptual
Arsagas on MLK	Fayetteville	Cary Arsaga	Delayed
Bolder Coffee College Ave	Fayetteville	Amber Dietrich	Done
Bolder Coffee-Crossover	Fayetteville	Tom Smith	2019
Carrera Coffee Company	Fayetteville	Miles James	2019
Cheers at the OPO	Fayetteville	Curtis Arnold	Spring 2019
Chuy's	Fayetteville	Mike Young and John Zapp	Conceptual
Citizen, The	Fayetteville	Lane Coleman, Knox McCorquodale, Wilson Wood	Delayed
CJ's Butcher Boy Burgers	Fayetteville	CJ's Butcher Boy, Inc	Open
Dairy Queen - MLK	Fayetteville	Dairy Queen	
Dairy Queen-Crossover	Fayetteville	Tom Smith	Spring 2019
Eureka Pizza on Mission relocation	Fayetteville	Rolf Wilkins	Spring 2019
First Watch	Fayetteville	Joseph Hulston and James Tillman	Spring 2019
Flying Burger and Seafood	Fayetteville	Flying Burger and Seafood	Spring 2019
Good Dog Café	Fayetteville	Micah and Tryphina Szabo	Spring 2019
Green Submarine - Crossover	Fayetteville	Nathan Jendeski	2019
Insomnia Cookies	Fayetteville	Insomnia Cookies	Spring 2019
John Daly's	Fayetteville	John Daly	Conceptual
King Burrito-MLK	Fayetteville		Done
MJ's Bistro	Fayetteville	Miles James	Late 2019
Mojo's Pints and Pies	Fayetteville	Cley McCoy	Conceptual
New American, The	Fayetteville	Paul Dunn	Done
PDQ Chicken	Fayetteville		Conceptual



# Restaurants

## Announced Coming Restaurants (cont.)

Property Name	City	Owner	Completion
Pei Wei-Student Union	Fayetteville	Chartwells	Done
Pig & Pickle	Fayetteville		Done
Praire Avenue Bar & Tap	Fayetteville	Dan Daniel	Done
Qdoba-Joyce	Fayetteville	Qdoba	Spring 2019
Roma	Fayetteville	Scott Bowman	Conceptual
Ronda's Roadhouse	Fayetteville	Ronda Tester	Open
Rymolenes Pies	Fayetteville		Done
S College Restaurant	Fayetteville	Greg House	Conceptual
Sauced	Fayetteville	Autumn Slane	Done
Serrano's Mexican Grill	Fayetteville	Rodney Coats and Brian Smith	Done
Seven 7 Brew Coffee	Fayetteville	Monroe Capital	Done
Shipleys MLK	Fayetteville	Shipleys	Conceptual
Slim Chicken - MLK	Fayetteville	Tom Gordon	Done
TacoHolic	Fayetteville		Done
Unnamed Restaurant on Crossover	Fayetteville	The McClain Group	Conceptual
Walk-On's	Fayetteville	Chris McJunkins	Conceptual
Whimsey Cookie	Fayetteville	Whimsey Cookie	Done
Wicked Wood Fired Pizza	Fayetteville	Alexandria and Bryan Brandon	Done
Bloomington Ave Food Truck Court	Lowell	Joe Rheingans	Conceptual
Lowell Historical Museum Café	Lowell	City of Lowell	2019
Taters Fresh Grill	Lowell		Done
Wendy's	Lowell	Wendy's	Conceptual
Yellow Rocket Concepts BBQ	Northwest Arkansas	Scott McGehee	Conceptual
1907-Heirloom	Rogers	Morgan Hooker	Spring 2019
1907-Loblolly Creamery	Rogers	Morgan Hooker	Spring 2019
1907-Onyx Coffee Lab	Rogers	Jon Allen	Spring 2019
1907-Strongboat Provisions	Rogers	Morgan Hooker	Spring 2019
1907-The Foreman Bar	Rogers	Morgan Hooker	Spring 2019
7 Brew Coffee-Walnut	Rogers		Conceptual
Alchemy Macaroons	Rogers	David Faulkner	Done
Andy's Custard	Rogers	Whisenvest	Done
Backyard Burger	Rogers	Josh Powell	Done
Burger King	Rogers	L.W. Clark, Inc	Spring 2019
Curry Restaurant	Rogers		Conceptual
Dairy Queen	Rogers	Aimee and Terry Sims	Conceptual
Domino's Pizza-Pinnacle	Rogers	Brent Medders	Done
Hawk Moth Brewing	Rogers	Bradley Riggs	Done
Italian Garden Restaurant	Rogers		Done
Komodo	Rogers	Charles Phan	Done
Krystal Burger	Rogers	Smitco Eateries	Delayed
Local Lime-Promenade	Rogers	Scott McGehee and Yellow Rockets Concepts	Done
Marco's Pizza	Rogers		Done
Pandijas Southern Indian Cuisine	Rogers		Done
Pho 85 Noodle House	Rogers		Done
Pickleman's Gourmet Cafe	Rogers	David Faulkner	Spring 2019
Rick's Bakery	Rogers	Rick and Sharon Boone	Done
Saltgrass	Rogers	Hunt Ventures and Landry's Inc	Conceptual
Scooter's Coffee	Rogers		Done
Sharkeys	Rogers	Sage Partners	Conceptual
Taco Bueno	Rogers		Done

# Restaurants

## Announced Coming Restaurants (cont.)

Property Name	City	Owner	Completion
Taco Casa	Rogers		Done
Taqueria El Cunado	Rogers		Done
Taqueria Herradura	Rogers		Done
Top Golf	Rogers	Hunt Ventures	2019
U.S. Pizza	Rogers	Esther and Hunter McClellan and Don Henderson	Conceptual
Waffle House	Rogers	Waffle House	Conceptual
Zaxby's	Rogers		Done
Apple Bee's	Siloam Springs	Apple Bee's Inc	Conceptual
Casa Chapini	Siloam Springs		Done
Dairy Queen	Siloam Springs	Aimee and Terry Sims	Conceptual
Jimmy John's	Siloam Springs		Spring 2019
Starbucks	Siloam Springs	Haag Brown	Summer 2019
Taco Jakes	Siloam Springs		Done
The Ivory Bill	Siloam Springs	Dorothy Hall and Casey Letellier	Done
Bike Rack Brewing	Springdale	Jeff Charlson, Paul Esterer, Dan Hintz	Done
Chik-fil-A	Springdale	Chik-fil-A	Done
Dairy Queen	Springdale	Aimee and Terry Sims	Done
King Burrito	Springdale		Done
MJ Pizzeria-Downtown	Springdale	Miles James	Spring 2019
Pizza Hut	Springdale		2019
Seven 7 Brew Coffee - Sunset	Springdale		Done
Shipleys Elm Springs	Springdale	Shipleys	Conceptual
Smudgies Dessert Lab	Springdale	Jonathan Montgomery and Cory Tran	Done
U.S. Pizza	Springdale	Esther and Hunter McClellan and Don Henderson	Spring 2019
Dairy Queen	Tontitown	Aimee and Terry Sims	Conceptual
Feltner Brothers	Tontitown	Travis Feltner	Done
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
Grillehouse Steak and Seafood	Fayetteville	January 2018
Taco Bell	Centerton	January 2018
Social Taco	Rogers	January 2018
Bear's Place	Fayetteville	March 2018
Flying Burrito-Dickson St	Fayetteville	March 2018
Mellow Mushroom	Rogers	March 2018
The Station Café	Bentonville	April 2018
Dunkin' Donuts	Fayetteville	April 2018
Zaxby's	Fayetteville	April 2018
Copelands	Rogers	May 2018
IDK Café	Rogers	May 2018
Subway	Rogers	May 2018
The Grove Pub	Rogers	May 2018
Dunkin' Donuts	Springdale	May 2018
Love's Donuts	Rogers	June 2018
Zoe's Kitchen	Rogers	June 2018
Mi Lupita Bakery	Siloam Springs	June 2018
Great American Taco	Bentonville	September 2018
Applebee's	Fayetteville	October 2018
Deluxe Burger-College	Fayetteville	October 2018
Haug Haus Brewing Co	Fayetteville	October 2018
Burrito Loco-MLK	Fayetteville	November 2018
Burrito Loco-Square	Fayetteville	November 2018
Waffle House-Dickson	Fayetteville	November 2018
Blackboard Grocery	Fayetteville	December 2018
Long John Silvers	Siloam Springs	December 2018

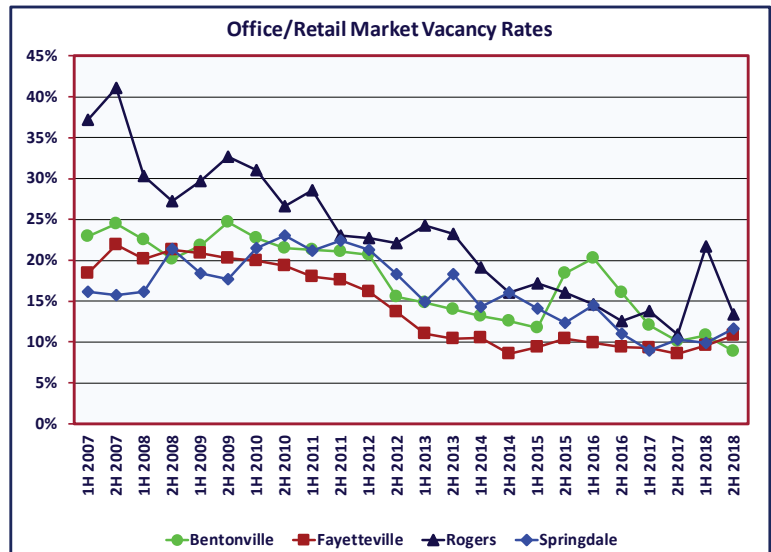
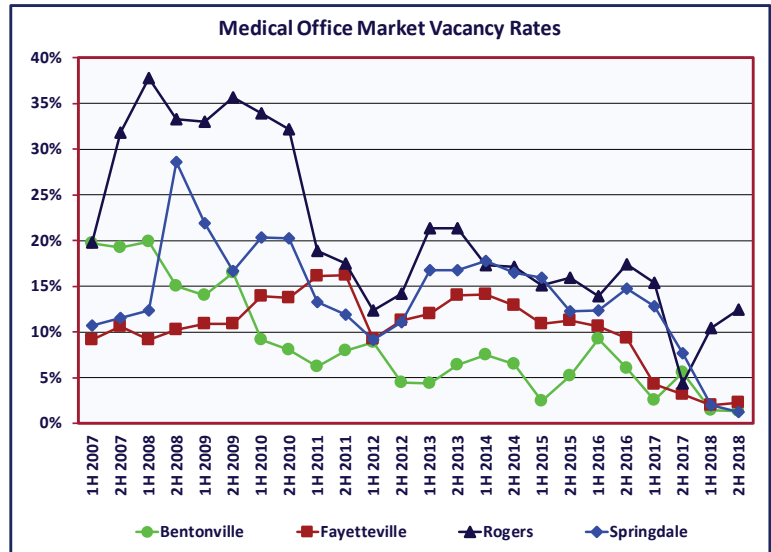
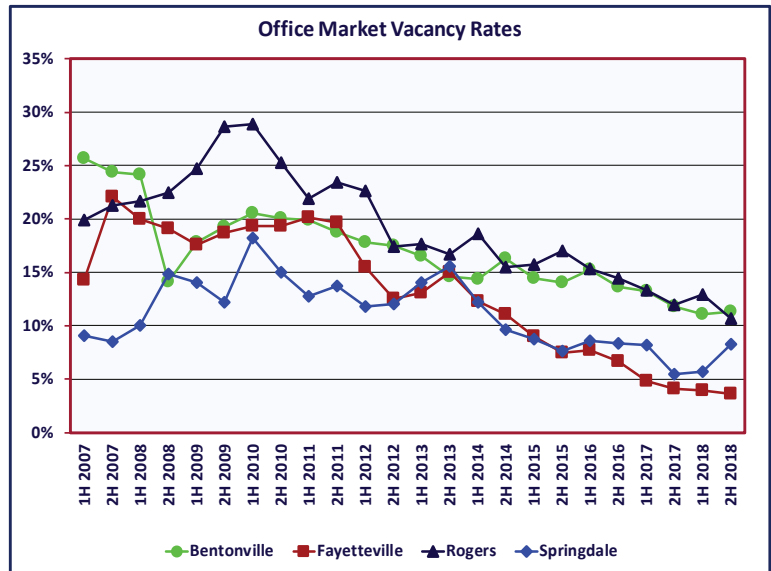
# Commercial Market Trends

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. Additionally, the city of Johnson, and the Tontitown office/warehouse, retail/warehouse, and warehouse were added to the Northwest Arkansas data base.

Available office square footage in Northwest Arkansas decreased from 1,051,781 square feet in the second half of 2017 to 1,040,066 square feet in the second half of 2018. In the past year, 174,212 new square feet of office space were added, with Rogers having the most with 72,662 square feet, Bentonville adding another 58,867 square feet. There was net positive absorption of 83,898 square feet of office space in Northwest Arkansas during the past year. Rogers accounted for the greatest amount of net positive absorption with 32,977 square feet, while Bentonville accounted for another 20,889 square feet. The overall Northwest Arkansas office vacancy rate declined by 0.7 percent from 9.1 percent to 8.4 percent, from the second half of 2017 to the second half of 2018.

In Northwest Arkansas, 469,221 square feet of office/retail space were available in the second half of 2018, up from 388,426 square feet in the second half of 2017. The office/retail market experienced net negative absorption of 120,831 square feet in the past year. Rogers accounted for the most with 104,393 square feet of the negative net absorption over the past year. Fayetteville had and additional 21,178 square feet of negative net absorption. Bentonville had positive net absorption of 16,794 square feet during this period. There was 11,043 new square feet of office/retail space added within the past year, with Rogers accounting for 9,000 square feet, and Fayetteville 2,043 square feet. The overall Northwest Arkansas office/retail vacancy rate increased 2.0 percentage points from 8.9 percent in the second half of 2017 to 10.9 percent in the second half of 2018.

In the second half of 2018, 1,171,517 square feet of retail space were available in Northwest Arkansas, up from 871,707 square feet in the second half of 2017. The retail market had net negative absorption of 169,468 square feet



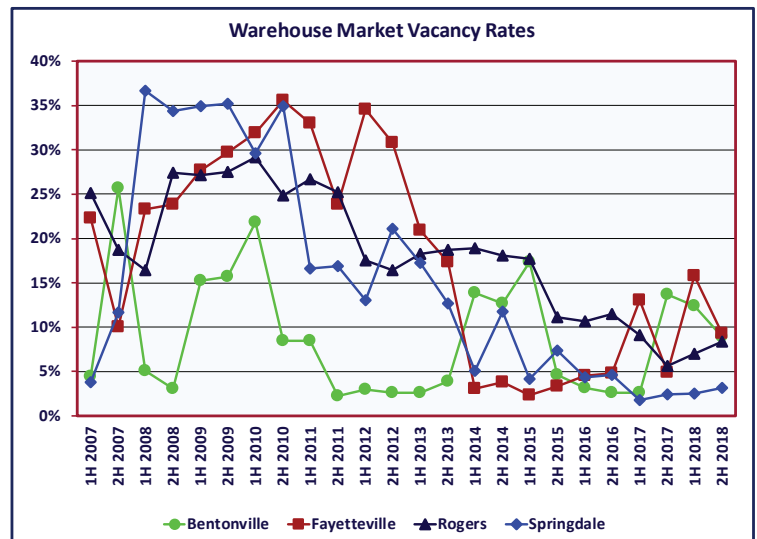
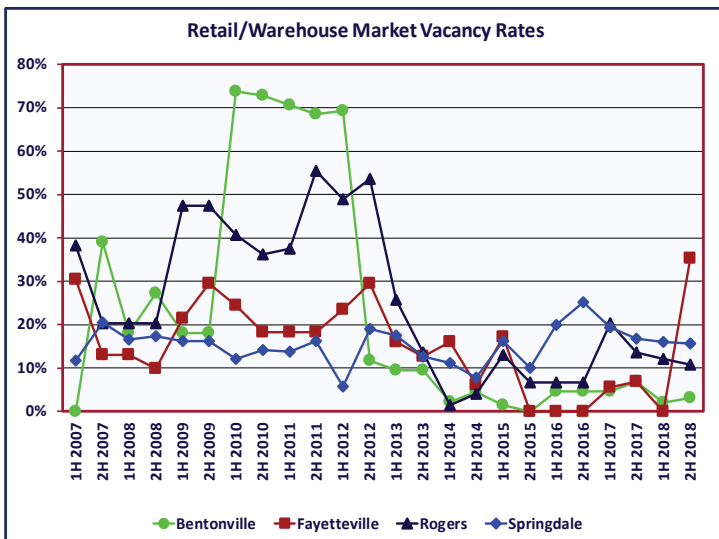
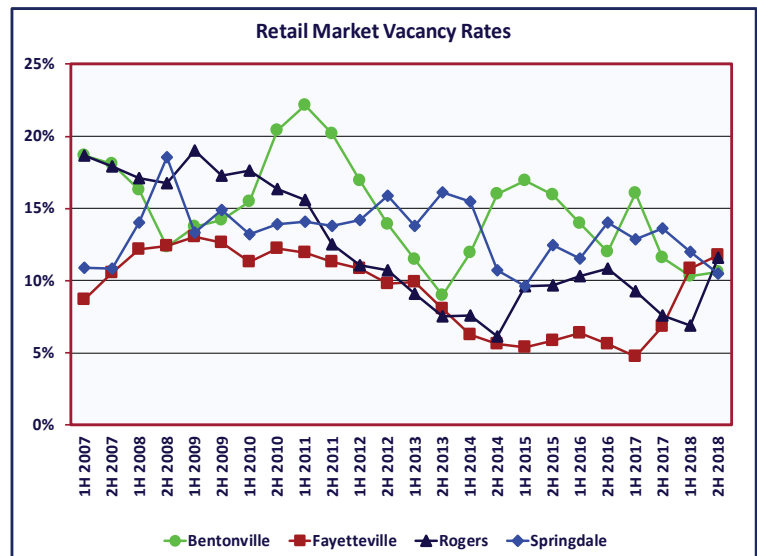
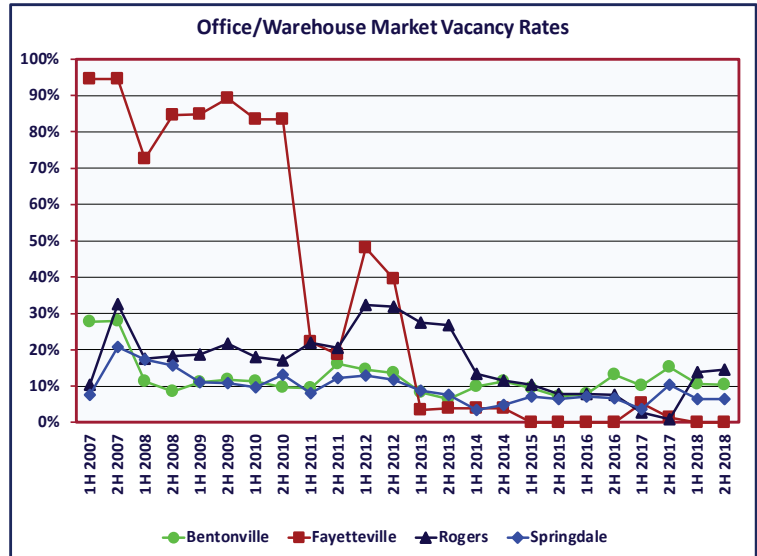


# Commercial Market Trends

in the past twelve months. Fayetteville accounted for 173,828 square feet and Rogers added another 40,179 square feet of negative net absorption. Springdale had 39,237 square feet of positive net absorption during this time period. There were 105,075 new square feet of retail space added to the Northwest Arkansas market during the past year, with Rogers accounting for 28,738 square feet, while Fayetteville and Bentonville accounted for 28,000 square feet and 20,837 square feet, respectively. The overall Northwest Arkansas retail vacancy rate increased 2.6 percentage point from 8.9 percent in the second half of 2017 to 11.5 percent in the second half of 2018.

In the Northwest Arkansas warehouse market, available square footage increased from 534,307 in the second half of 2017 to 1,004,613 in the second half of 2018.<sup>1</sup> The warehouse market experienced negative net absorption of 382,988 square feet during the past year. Lowell accounted for 322,185 square feet of the negative net warehouse absorption, Rogers and Fayetteville had another 79,673 and 54,465 square feet of negative net absorption, respectively, while Bentonville accounted for 41,000 and Springdale 27,435 square feet of positive net absorption in the last year in the warehouse market. 88,265 square feet of new warehouse space were added to the Northwest Arkansas market during the past year, with Bentonville accounting for all the new square feet. Vacancy rates increased by 4.1 percentage points from 5.8 percent to 9.9 percent over the same period.

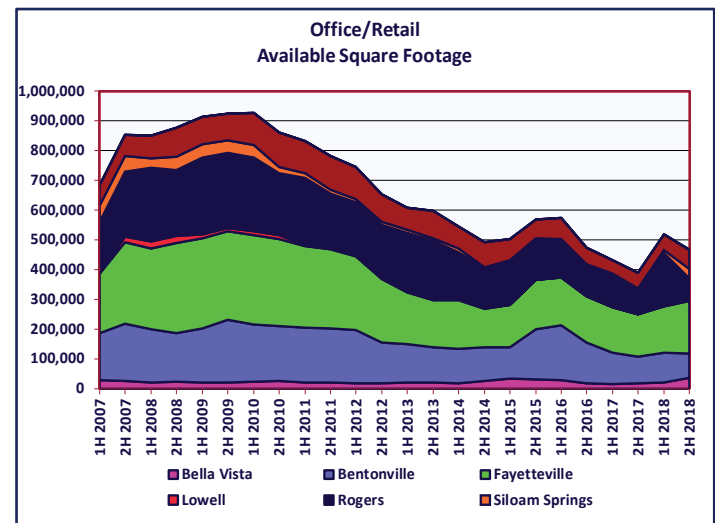
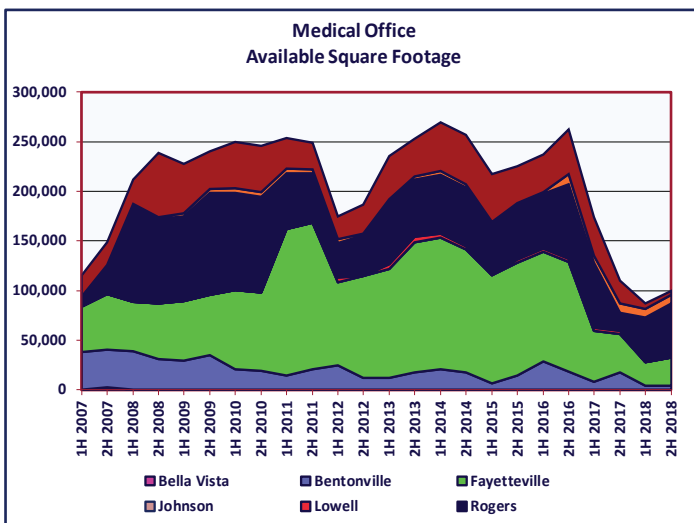
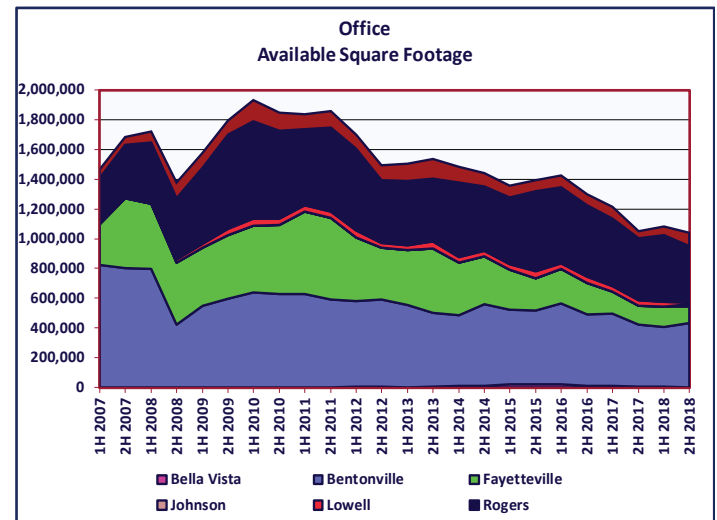
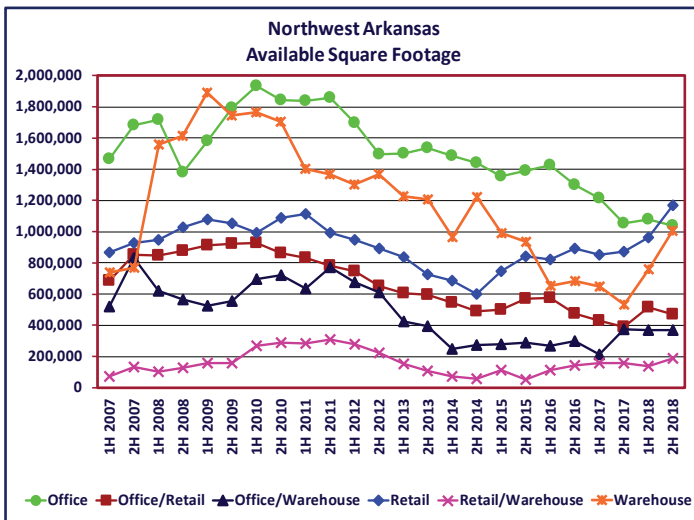
<sup>1</sup> Respondents indicated that the previously mentioned 250,000 square feet of quality, leased warehouse space is no longer available for sublease in Rogers.



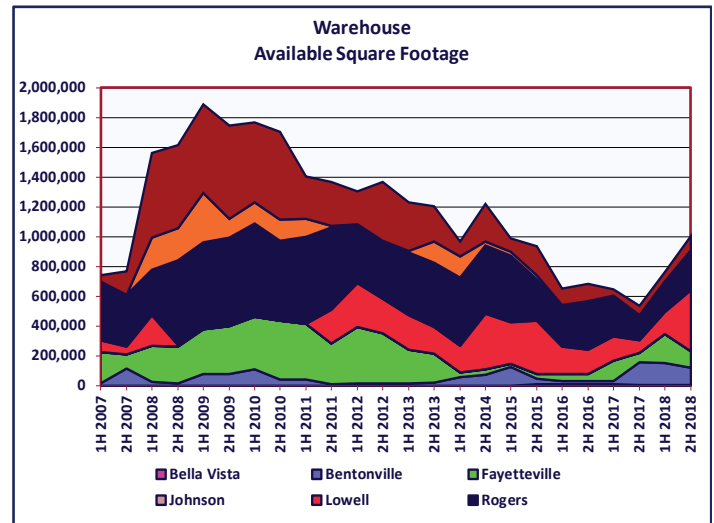
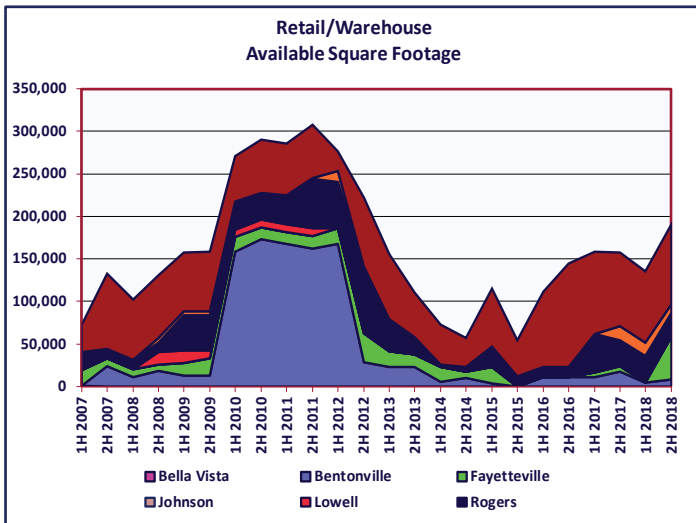
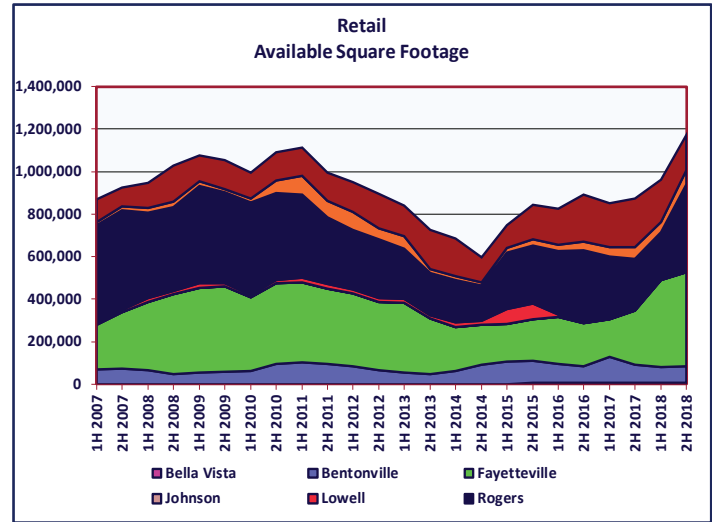
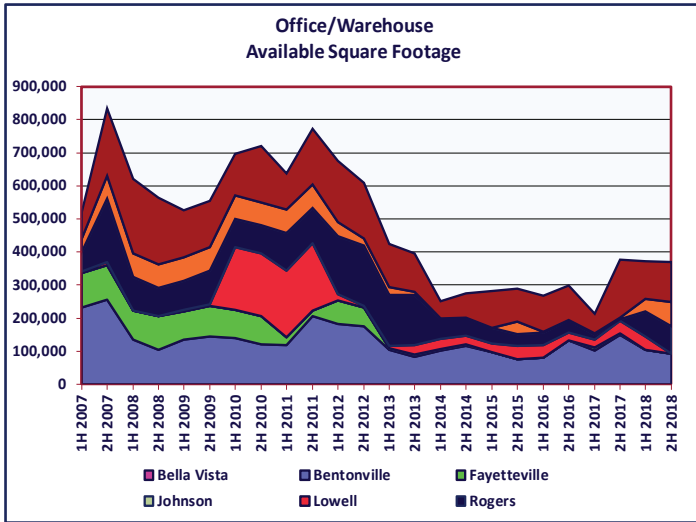
# Commercial Market Trends

## Net Twelve Month Absorption by Submarket 1H 2018 - 2H 2018

City	Office	Office/Retail	Retail	Warehouse
Bella Vista	4,421	-17,497	0	0
Bentonville	20,889	16,794	5,625	41,000
Fayetteville	19,208	-21,178	-173,828	-54,465
Johnson	-5,800	0	0	0
Lowell	16,986	0	1,951	-322,185
Rogers	32,977	-104,393	-40,179	-79,673
Siloam Springs	0	-1,000	-2,274	4,900
Springdale	-4,783	6,443	39,237	27,435
<b>Northwest Arkansas</b>	<b>83,898</b>	<b>-120,831</b>	<b>-169,468</b>	<b>-382,988</b>



# Commercial Market Trends



# Commercial Market Trends

## Vacancy Rates by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2017	10.2%	11.8%	4.1%		10.1%	12.0%	5.9%	5.4%	9.1%
1H 2018	10.2%	11.1%	3.9%		8.9%	12.9%	5.4%	5.7%	9.1%
2H 2018	4.4%	11.3%	3.6%	5.4%	3.5%	10.7%	6.1%	8.3%	8.4%
<b>Medical Office</b>									
2H 2017	0.0%	5.6%	3.2%		3.9%	4.4%	7.9%	7.6%	4.5%
1H 2018	0.0%	1.4%	2.0%		0.0%	10.4%	7.9%	2.0%	3.6%
2H 2018	0.0%	1.3%	2.3%	0.0%	0.0%	12.4%	7.9%	1.3%	3.8%
<b>Office/Retail</b>									
2H 2017	6.5%	10.1%	8.5%		1.5%	10.9%	0.0%	10.3%	8.9%
1H 2018	6.8%	10.8%	9.6%		1.5%	21.7%	7.0%	9.9%	11.7%
2H 2018	12.4%	8.9%	10.9%	5.1%	1.5%	13.4%	15.1%	11.7%	10.9%
<b>Office/Warehouse</b>									
2H 2017		15.2%	1.5%		36.8%	0.9%	3.4%	10.3%	10.5%
1H 2018		10.6%	0.0%		36.8%	13.9%	30.6%	6.4%	10.0%
2H 2018		10.3%	0.0%	0.0%	0.0%	14.4%	60.0%	6.5%	9.7%
<b>Retail</b>									
2H 2017	14.1%	11.6%	6.8%		6.2%	7.6%	13.5%	13.6%	8.9%
1H 2018	14.1%	10.3%	10.8%		9.6%	6.9%	11.1%	12.0%	9.7%
2H 2018	14.1%	10.6%	11.8%	0.0%	12.8%	11.6%	14.3%	10.5%	11.5%
<b>Retail/Warehouse</b>									
2H 2017		6.9%	6.9%		0.0%	13.6%	24.8%	16.8%	13.3%
1H 2018		1.9%	0.0%		0.0%	12.2%	18.1%	16.1%	10.9%
2H 2018		3.2%	35.3%	0.0%	0.0%	10.9%	12.4%	15.7%	14.0%
<b>Warehouse</b>									
2H 2017	19.5%	13.6%	4.9%		7.5%	5.6%	1.6%	2.4%	5.8%
1H 2018	19.5%	12.4%	15.8%		11.9%	7.0%	1.6%	2.5%	8.1%
2H 2018	19.5%	9.0%	9.3%	0.0%	32.0%	8.4%	7.3%	3.2%	9.9%



# Commercial Market Trends

## Net Absorption by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2017	3,260	48,445	28,816		4,800	42,021	-1,000	15,780	142,122
1H 2018	0	36,510	7,276		3,930	-29,811	0	931	18,836
2H 2018	4,421	-15,621	11,932	-5,800	13,056	62,788	0	-5,714	65,062

### Medical Office

2H 2017	0	-9,500	16,660		0	45,639	-2,500	6,100	56,399
1H 2018	0	0	14,592		3,250	-25,890	0	17,170	9,122
2H 2018	0	0	-4,179	0	0	-17,619	0	2,000	-19,798

### Office/Retail

2H 2017	-2,577	9,311	14,841		-1,440	26,074	5,100	-6,853	44,456
1H 2018	-1,100	-6,227	-10,372		0	-83,091	-1,000	3,302	-98,488
2H 2018	-16,397	23,021	-10,806	0	0	-21,302	0	3,141	-22,343

### Office/Warehouse

2H 2017		-47,742	6,400		-15,200	9,522	0	-116,645	-163,665
1H 2018		46,601	2,500		0	-73,237	-32,573	61,920	5,211
2H 2018		11,150	0	0	39,600	-6,100	-35,000	38,519	48,169

### Retail

2H 2017	0	42,422	-78,926		3,750	50,061	-14,456	-15,771	-12,920
1H 2018	0	8,335	-153,777		0	20,595	7,250	27,571	-90,026
2H 2018	0	-2,710	-20,051	0	1,951	-60,774	-9,524	11,666	-79,442

### Retail/Warehouse

2H 2017		6,112	0		0	15,080	-10,360	20,120	30,952
1H 2018		12,647	6,404		0	-400	1,000	2,000	21,651
2H 2018		0	0	0	0	3,200	5,000	-2,100	6,100

### Warehouse

2H 2017	2,880	-133,000	76,730		75,055	99,452	9,375	-17,000	113,492
1H 2018	0	8,000	-134,465		-58,595	-39,775	0	14,500	-210,335
2H 2018	0	33,000	80,000	0	-263,590	-39,898	4,900	12,935	-172,653

# Commercial Market Trends

## Available Square Footage by Submarket

Office	Bella Vista	Bentonville	Fayetteville	Johnson	Lowell	Rogers	Siloam Springs	Springdale	NW Arkansas
2H 2017	7,721	415,409	128,840		34,030	405,425	9,000	51,356	1,051,781
1H 2018	7,721	400,252	135,284		30,100	443,885	9,000	54,593	1,080,835
2H 2018	3,300	427,582	113,552	13,190	11,788	373,847	9,000	87,807	1,040,066
<b>Medical Office</b>									
2H 2017	0	17,500	38,702		3,250	18,489	9,000	22,920	109,861
1H 2018	0	4,000	24,110		0	44,379	9,000	5,750	87,239
2H 2018	0	4,000	28,289	0	0	54,748	9,000	3,750	99,787
<b>Office/Retail</b>									
2H 2017	19,024	89,703	140,382		1,440	86,568	0	51,309	388,426
1H 2018	20,124	100,959	155,762		1,440	177,059	11,478	50,857	517,679
2H 2018	36,521	82,720	175,499	3,332	1,440	76,015	29,478	64,216	469,221
<b>Office/Warehouse</b>									
2H 2017		150,235	2,500		39,600	4,300	4,000	176,220	376,855
1H 2018		103,634	0		39,600	77,537	36,573	114,300	371,644
2H 2018		92,484	0	0	0	83,637	71,573	122,882	370,576
<b>Retail</b>									
2H 2017	5,320	87,593	253,953		7,820	235,581	56,206	225,234	871,707
1H 2018	5,320	75,868	410,130		7,820	214,986	48,956	197,663	960,743
2H 2018	5,320	79,733	441,881	0	11,125	402,581	63,880	166,997	1,171,517
<b>Retail/Warehouse</b>									
2H 2017		17,535	6,404		0	30,200	16,860	86,402	157,401
1H 2018		4,888	0		0	30,600	15,860	84,402	135,750
2H 2018		7,768	51,000	0	0	27,400	10,860	94,002	191,030
<b>Warehouse</b>									
2H 2017	3,600	154,034	60,000		88,175	161,894	4,900	61,704	534,307
1H 2018	3,600	146,034	194,465		146,770	201,669	4,900	63,454	760,892
2H 2018	3,600	113,034	114,465	0	410,360	241,567	24,040	97,547	1,004,613

# Office

In the second half of 2018, the office properties included in the Skyline Report panel had a vacancy rate of 8.4 percent, a decrease from 9.1 percent in the first half of 2018. Of the 12,314,284 square feet of Northwest Arkansas properties examined, 1,040,066 square feet were available. In the second half of 2018, 136,394 square feet of new space entered the market, while 201,456 square feet became occupied, netting positive absorption of 65,062 square feet for the Northwest Arkansas office market.

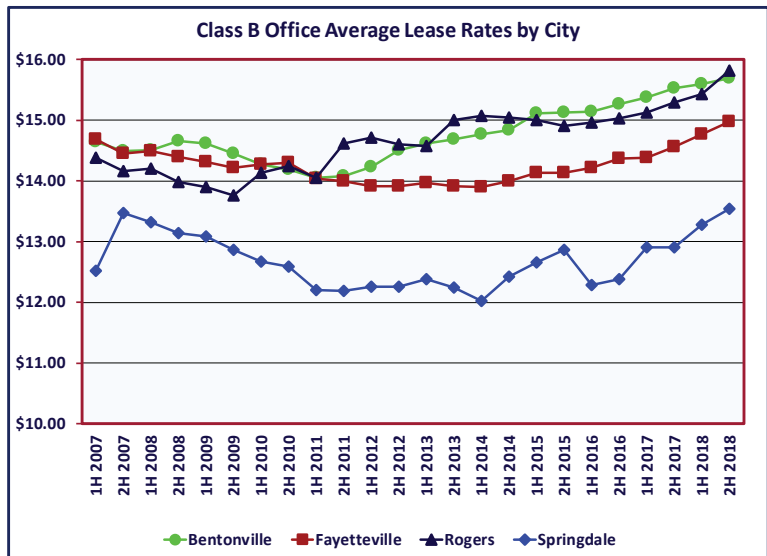
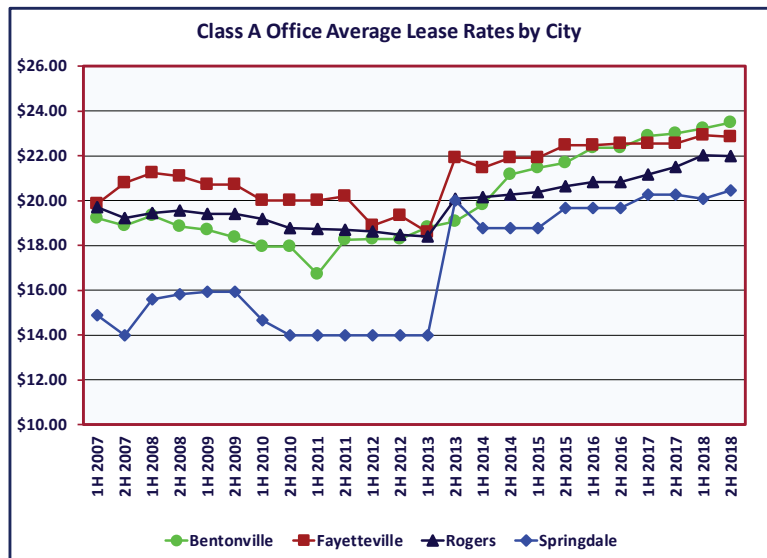
Bentonville had the most available square feet of office space at 427,582, out of its total office space of 3,789,275 square feet in the second half of 2018. 78.6 percent of the available office space was Class B. There were 58,867 new square feet added during this time. The Bentonville office market had net negative absorption of 15,621 square feet with Class B office space contributing 28,814 square feet of negative net absorption. There was also net positive absorption of 7,217 and 5,976 square feet in the Class A and Class C submarkets, respectively.

Rogers had 3,492,840 square feet of total office space, with available square feet at 373,847 in the second half of 2018. 55.6 percent of the available space was in the Class A submarket. 53,862 square feet of new office space were added during this time. The Rogers office market had a net positive absorption of 62,788 square feet in the second half of 2018, with the Class A submarket adding 98,688 square feet of positive net absorption, while the Class B submarket had negative net absorption of 23,307 square feet during the second half of 2018.

Fayetteville had 113,552 square feet of available space, out of its total office space of 3,166,794 square feet in the second half of 2018, 50.8 percent of the available space was in the Class B submarket. There were no new square feet of office space added in the second half of 2018. The Fayetteville office market had net positive absorption of 11,932 square

## Office Lease Rates Average Range by City

	Class A	Class B	Class C	Medical
Bentonville	\$22.68 - \$24.29	\$15.48 - \$15.91	\$11.09 - \$11.22	\$15.51 - \$16.11
Fayetteville	\$20.40 - \$25.29	\$14.59 - \$15.38	\$12.30 - \$13.37	\$16.09 - \$17.97
Rogers	\$21.27 - \$22.70	\$15.52 - \$16.13	\$10.33 - \$10.74	\$14.41 - \$14.69
Springdale	\$19.89 - \$21.01	\$13.03 - \$14.06	\$9.76 - \$10.18	\$14.11 - \$14.52



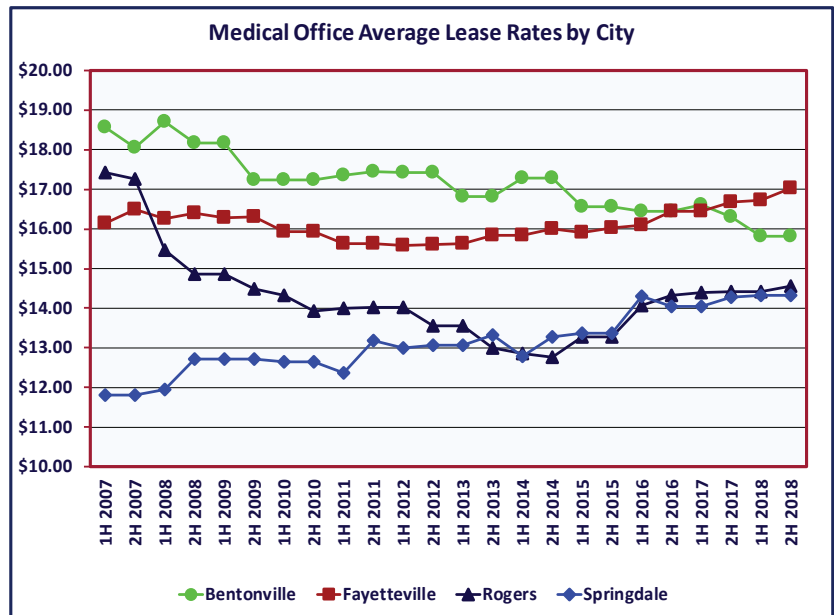
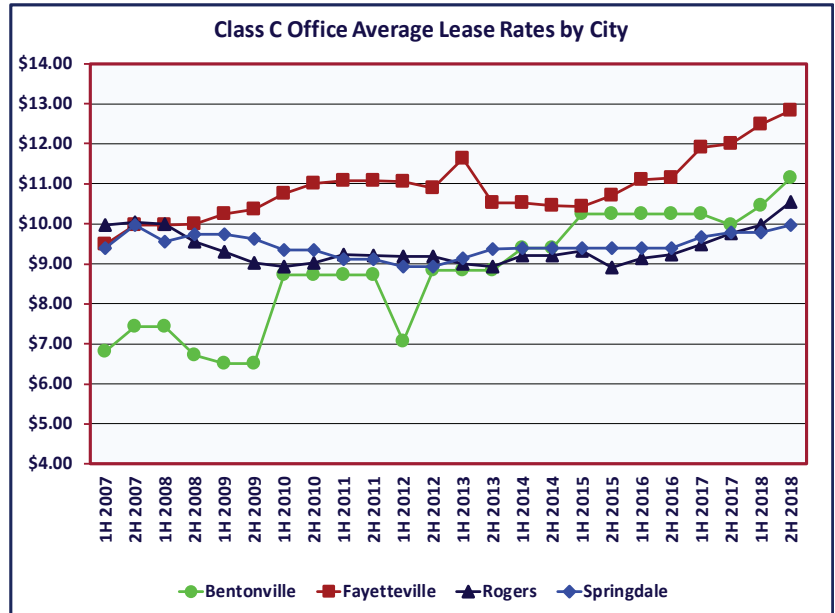
feet, with 19,596 square feet coming in the Class A office submarket, while the Class B office submarket had net negative absorption of 11,659 square feet.

Springdale had 1,061,409 square feet of total office space, with 87,807 square feet of it available in the second half of 2018. 89.1 percent was Class B office space. There were no new square feet of

# Office

office space added during the second half of 2018. There was negative net absorption of 5,714 square feet in the Springdale office market in the second half of 2018.

In the second half of 2018, average reported lease rates for Class A office space was highest in Bentonville increasing \$0.28 to \$23.49, Fayetteville decreased by \$0.09 to \$22.85, Rogers decreased \$0.05 to \$21.99, and Springdale increased \$0.38 to \$20.45. Average reported lease rates for Class B office space, increased in each city, and was highest in Rogers at \$15.83. Bentonville was at \$15.70, Fayetteville was at \$14.99, and Springdale remained with the lowest reported average lease rates at \$13.55. Reported average lease rates for Class C office were highest in Fayetteville at \$12.84. Bentonville increased \$0.70 to \$11.16, Rogers increased to \$10.54, and Springdale increased to \$9.97. Reported average medical office space lease rates were highest in Fayetteville after an increase of \$0.31, at \$17.03. Bentonville remained at \$15.81, Rogers increased to \$14.55 and Springdale, remaining at \$14.32, was the lowest.





# Office

## Office Space Characteristics by Class and City

Class A	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption	Months of Inventory
Bentonville	818,929	64,969	7.9%	27,917	20,700	7,217	54.0
Fayetteville	409,222	2,862	0.7%	19,596	0	19,596	0.9
Rogers	1,844,490	207,699	11.3%	98,688	0	98,688	12.6
Springdale	104,394	4,293	4.1%	-217	0	-217	--
<b>Class B</b>							
Bentonville	2,548,295	336,164	13.2%	-11,117	17,697	-28,814	--
Fayetteville	1,234,992	57,721	4.7%	-11,659	0	-11,659	--
Rogers	837,366	72,136	8.6%	16,073	39,380	-23,307	--
Springdale	511,092	78,264	15.3%	-9,947	0	-9,947	--
<b>Class C</b>							
Bentonville	116,974	22,449	19.2%	5,976	0	5,976	22.5
Fayetteville	282,889	24,680	8.7%	8,174	0	8,174	18.1
Rogers	371,109	39,264	10.6%	5,026	0	5,026	46.9
Springdale	154,941	1,500	1.0%	2,450	0	2,450	3.7
<b>Medical</b>							
Bentonville	305,077	4,000	1.3%	20,470	20,470	0	--
Fayetteville	1,239,691	28,289	2.3%	-4,179	0	-4,179	--
Rogers	439,875	54,748	12.4%	-3,137	14,482	-17,619	--
Springdale	290,982	3,750	1.3%	2,000	0	2,000	11.3

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents



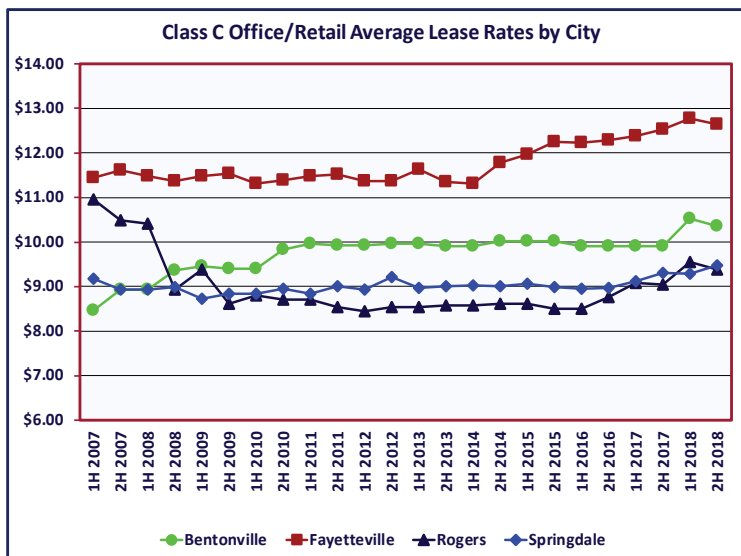
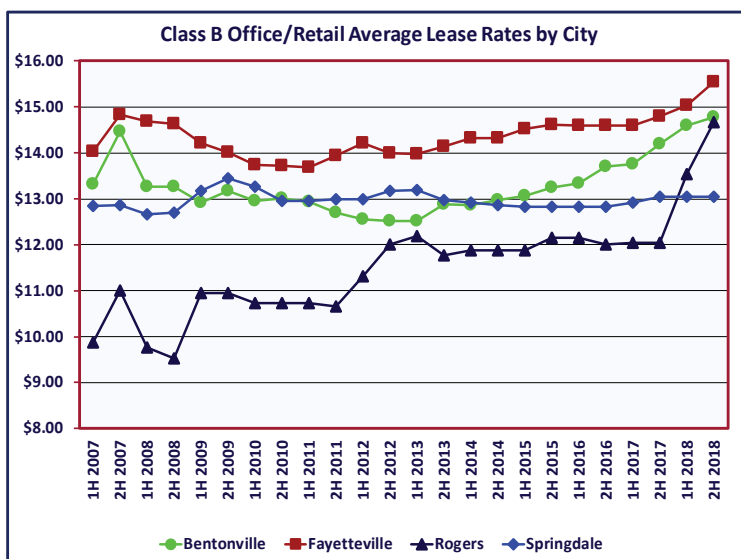
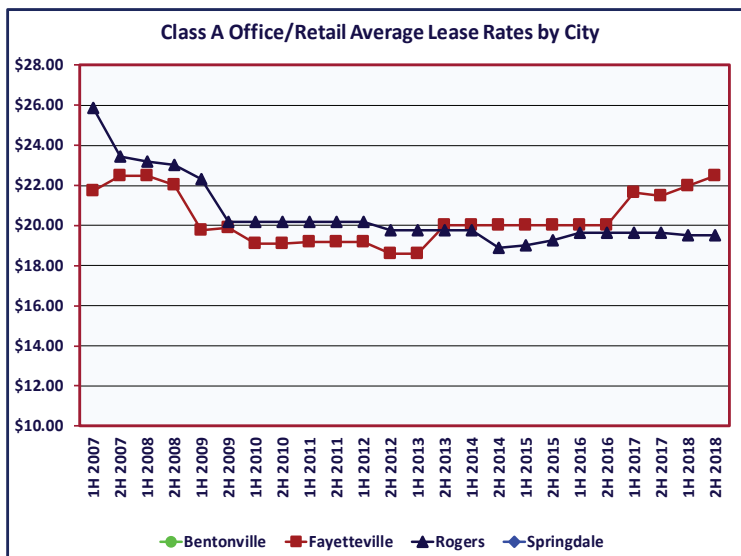
# Office/Retail

In the second half of 2018, the office/retail properties included in the Skyline Report sample had a vacancy rate of 10.9 percent, a decrease from 11.7 percent in the first half of 2018. Of the over 4.3 million square feet of Northwest Arkansas properties examined, 469,221 square feet were available.

From the first half of 2018 to the second half of 2018, no square feet of new office/retail space were added in Northwest Arkansas. There was a negative net absorption of 22,343 square feet in the second half of 2018. Rogers had the most negative net absorption with 21,302 square feet, Bella Vista added negative net absorption of 16,397 square feet, while Bentonville had the most positive net absorption at 23,021 square feet.

Fayetteville had the largest amount of available square feet in the office/retail submarket with 175,499 square feet in the second half of 2018, while Rogers contributed with 76,015 square feet available. The vacancy rate was highest in Siloam Springs at 15.1 percent, while the vacancy rate in Rogers was 13.4 percent.

The office/retail space reported average lease rates in the second half of 2018 were highest in the Fayetteville Class A submarket increasing \$0.50 to \$22.50. The average Class A lease rate in Rogers remained at \$19.51. In the Class B submarket, Fayetteville was still the most expensive at \$15.55 after an increase of \$0.52, followed by Bentonville at \$14.78, after an increase of \$0.19, Rogers at \$14.66 after an increase of \$1.13, and Springdale at \$13.05, was the lowest. In the Class C submarket, the average lease rate was highest in Fayetteville at \$12.64. In Bentonville, the average was \$10.35, in Springdale the rate was \$9.49, and Rogers was the least expensive at \$9.39.



# Office/Retail

## Office/Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$21.00 - \$28.00	\$14.25 - \$15.31	\$9.96 - \$10.74
Fayetteville	\$21.50 - \$23.50	\$14.82 - \$16.27	\$11.62 - \$13.65
Rogers	\$19.13 - \$19.88	\$13.66 - \$15.66	\$8.57 - \$10.21
Springdale	\$16.00 - \$24.00	\$12.53 - \$13.57	\$9.15 - \$9.82



## Office/Retail Space Characteristics by Class and City

Class	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption	Months of Inventory
<b>Class A</b>							
Bentonville	36,864	0	--	5,029	0	5,029	0
Fayetteville	79,450	1,500	1.9%	1,500	0	1,500	6.0
Rogers	133,127	12,860	9.7%	-1,638	0	-1,638	--
Springdale	65,000	20,631	--	3,369	0	3,369	36.7
<b>Class B</b>							
Bentonville	818,230	81,305	0	12,977	0	12,977	37.6
Fayetteville	1,137,232	128,823	0	-19,390	0	-19,390	--
Rogers	138,187	12,760	0	-2,158	0	-2,158	--
Springdale	211,993	31,353	0	-3,958	0	-3,958	--
<b>Class C</b>							
Bentonville	74,254	1,415	1.9%	5,015	0	5,015	1.7
Fayetteville	400,696	45,176	11.3%	7,084	0	7,084	38.3
Rogers	296,690	50,395	17.0%	-17,506	0	-17,506	--
Springdale	274,087	12,232	4.5%	3,730	0	3,730	19.7

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Retail

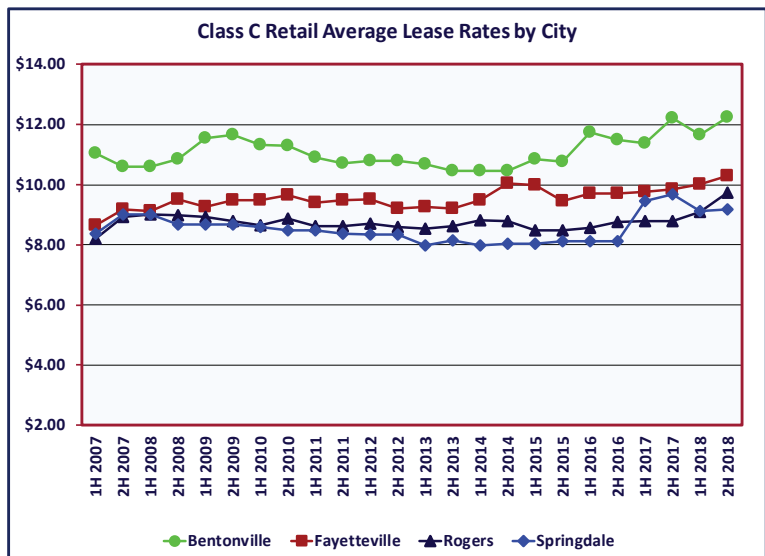
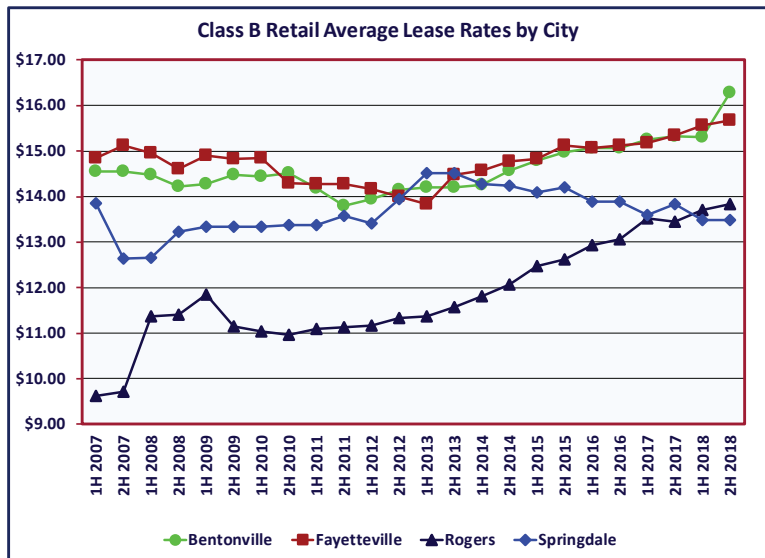
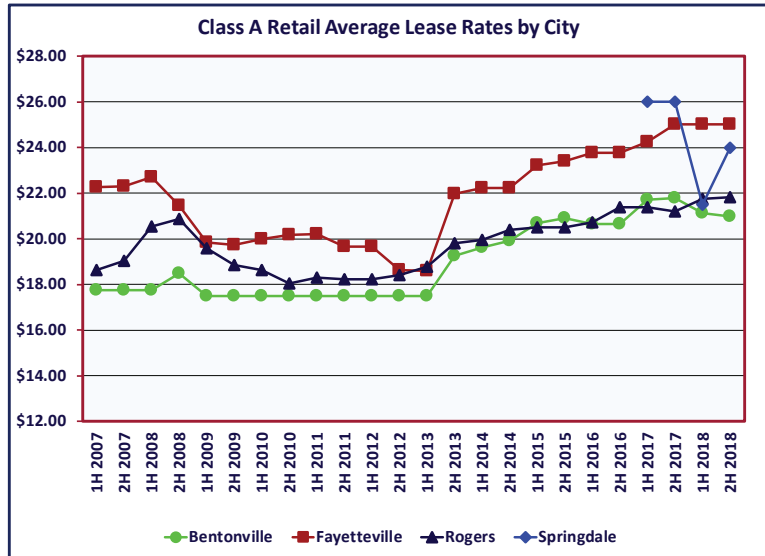
In the second half of 2018, the retail properties included in the Skyline Report panel had a vacancy rate of 11.5 percent, up from 9.7 percent in the first half of 2018. Of the 10,180,033 square feet of Northwest Arkansas retail properties examined, 1,171,517 square feet were available. 28,075 square feet of new retail space were added in Northwest Arkansas. There was negative net absorption of 79,442 square feet in the second half of 2018.

In the second half of 2018, Fayetteville had a retail vacancy rate of 11.8 percent, up from 10.8 percent in the first half of 2018, with 441,881 available square feet out of a total of 3,748,757. No new square feet were added and there was reported negative net absorption of 20,051 square feet in the Fayetteville retail market in the second half of 2018.

The Rogers market had 402,581 square feet of available retail space out of a total of 3,465,927 square feet, for a vacancy rate of 11.6 percent in the second half of 2018. This was an increase from the 6.9 percent rate in the first half of 2018. 12,238 square feet of new retail space were added in Rogers, contributing to a negative net absorption of 60,774 square feet. Reclassification of a significant amount of commercial space into the retail submarket in Rogers contributed to the changes from the first half 2018.

Bentonville had 752,166 total square feet and 79,733 available square feet of retail space in the second half of 2018, resulting in a vacancy rate of 10.6 percent. This represented an increase from the rate of 10.3 percent in the first half of 2018. 15,837 square feet of new retail space were added to the Bentonville market which had negative net absorption of 2,710 square feet.

There were 166,997 square feet of available retail space out of a total of 1,595,370 square feet in Springdale in the second half of 2018. This implied a vacancy rate of 10.5 percent, down from 12.0 percent in the first half of 2018. No new square feet of retail space were added during the second half of 2018, and there was positive net absorption of 11,666 square feet.





# Retail

In the Class A retail submarket Fayetteville had the highest average reported lease rate at \$25.00. Rogers had an average reported lease rate of \$21.83, after an increase of \$0.09. Springdale, with a growing sample size, had an increase of \$2.50 to \$24.00 in the second half of 2018. The average rate in Bentonville decreased slightly to \$20.97. After an increase of \$0.98 Class B retail average lease rates were highest in Bentonville at \$16.29. Fayetteville increased to \$15.67, Rogers increased \$0.14 to \$13.84, and Springdale was the lowest at \$13.49. Class C average reported lease rates remained the highest in Bentonville at \$12.24 after increasing \$0.59. Fayetteville was at \$10.30, Rogers was at \$9.75, leaving Springdale the lowest at \$9.19 in the second half of 2018.

## Retail Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$20.29 - \$21.64	\$15.57 - \$17.00	\$11.78 - \$12.69
Fayetteville	\$24.38 - \$25.62	\$15.23 - \$16.11	\$10.10 - \$10.50
Rogers	\$20.90 - \$22.75	\$13.40 - \$14.27	\$9.61 - \$9.88
Springdale	\$24.00 - \$24.00	\$13.24 - \$13.74	\$8.76 - \$9.61



## Retail Space Characteristics by Class and City

Class A	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption	Months of Inventory
Bentonville	211,009	33,782	16.0%	13,153	5,000	8,153	24.9
Fayetteville	2,007,003	230,680	11.5%	21,066	0	21,066	--
Rogers	1,925,201	126,816	6.6%	-20,952	12,238	-33,190	--
Springdale	--	--	--	--	--	--	--
<b>Class B</b>							
Bentonville	406,013	42,561	10.5%	-5,336	10,837	-16,173	--
Fayetteville	1,290,026	98,654	7.6%	-5,886	0	-5,886	--
Rogers	977,166	226,990	23.2%	-3,184	0	-3,184	--
Springdale	999,502	103,056	10.3%	-12,984	0	-12,984	--
<b>Class C</b>							
Bentonville	135,144	3,390	2.5%	5,310	0	5,310	3.8
Fayetteville	451,728	112,547	24.9%	-35,231	0	-35,231	--
Rogers	563,560	48,775	8.7%	-24,400	0	-24,400	--
Springdale	547,853	57,066	10.4%	22,029	0	22,029	15.5

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Warehouse

## Warehouse

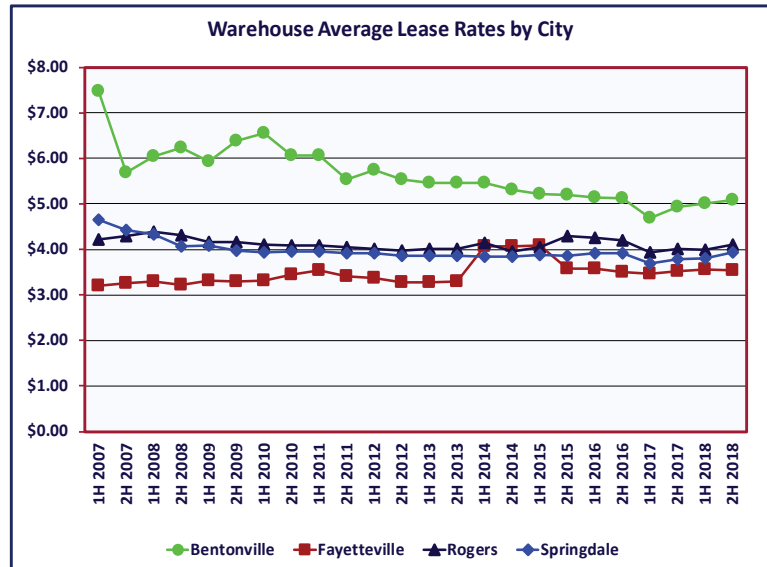
This is the fourth half that CBER staff has classified warehouse space into Class A, B, and C. Local experts were consulted ahead of time as CBER staff developed standards for classification based on height, construction materials, docks, courtyards, sprinklers, and location. During the classification 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 2018, the warehouse properties included in the Skyline Report panel had a vacancy rate of 9.9 percent, up from 8.1 percent in the first half of 2018. Of the 10,155,966 square feet of warehouse space examined, 1,004,613 square feet were available. There was 88,265 new square feet of warehouse space added in the second half of 2018, and there was negative net absorption of 172,653 square feet.

Bentonville had 1,261,937 total square feet of warehouse space and 78.0 percent of it was Class A warehouse space. 113,034 square feet of warehouse space, of which 101,200 square feet was Class A, was available in the second half of 2018. 88,265 new warehouse space was added to the Bentonville warehouse submarket in the second half of 2018, resulting in a vacancy rate of 9.0 percent down from 12.4 in the first half of 2018. There was positive net absorption of 33,000 square feet in this report period.

There was 1,232,499 total square feet of warehouse space in Fayetteville in the second half of 2018 and 52 percent of it was Class B warehouse space. The vacancy rate was 9.3 percent, a decrease from 15.8 percent in the first half of 2018 as 114,465 square feet of warehouse space, all Class A, was available after positive net absorption of 80,000 square feet. The Class A warehouse submarket accounted for all of the positive net absorption.

410,360 square feet of warehouse space was available in Lowell out of 1,283,213 total square feet of warehouse space. 64.9 percent of the



# Warehouse

total warehouse space was Class A. No new square feet of warehouse space were added to the Lowell submarket in the second half of 2018. After negative net absorption of 263,590 square feet, the resulting vacancy rate was 32.0 percent, up from 11.9 percent in the first half of 2018. 169,750 square feet of the negative net absorption was in the Class C warehouse market in the second half of 2018.

Rogers had 2,879,675 square feet of warehouse space<sup>2</sup>, of which 50.8 percent is Class A. 241,5672 square feet was available and a majority of it, 187,563, was Class C space, leading to a vacancy rate of 8.4 percent, up from 7.0 percent in the first half of 2018. There was negative net absorption of 39,898 square feet, 24,498 square feet of it Class C, in the second half of 2018.

Springdale, which included Tontitown warehouse space from the second half of 2018, had 3,070,497 square feet of warehouse space, of which 50.8 percent is Class B. 97,547 square feet was available and over half of it, 75,547 square feet, was Class C space, leading to a vacancy rate of 3.2 percent, up

## Warehouse Lease Rates Average Range by City

	Class A	Class B	Class C
Bentonville	\$4.92 - \$5.51	\$4.68 - \$4.93	--
Fayetteville	\$4.38 - \$4.38	\$3.46 - \$3.71	\$3.14 - \$3.31
Rogers	\$3.60 - \$3.60	\$4.75 - \$4.92	\$3.77 - \$3.98
Springdale	\$3.42 - \$4.25	\$3.56 - \$4.11	\$3.72 - \$4.16

from 2.5 percent in the first half of 2018. There was no new available space added to the Springdale warehouse submarket in the second half of 2018. There was a positive net absorption of 12,935 square feet, 19,204 in Class B, while Class C had negative net absorption of 6,269 in the second half of 2018.

The average reported warehouse lease rates increased by \$0.14 in Springdale, \$0.10 in Rogers and \$0.06 in Rogers. The lease rates decreased in Fayetteville by \$0.02. Bentonville continued to have the highest reported lease rate at \$5.08, in the second half of 2018. 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.

<sup>2</sup> Respondents indicated that the previously mentioned 250,000 square feet of quality, leased warehouse space is no longer available for sublease in Rogers.

## Warehouse Space Characteristics by Class and City

Class A	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption	Months of Inventory
Bentonville	984,548	101,200	10.3%	121,265	88,265	33,000	18.4
Fayetteville	194,465	114,465	58.9%	80,000	0	80,000	8.6
Rogers	1,462,500	0	0.0%	0	0	0	--
Springdale	325,200	0	0.0%	0	0	0	0.0
<b>Class B</b>							
Bentonville	257,430	0	0.0%	0	0	0	--
Fayetteville	640,348	0	0.0%	0	0	0	0.0
Rogers	415,424	54,004	13.0%	-15,400	0	-15,400	--
Springdale	1,559,897	22,000	1.4%	19,204	0	19,204	6.9
<b>Class C</b>							
Bentonville	19,959	11,834	59.3%	0	0	0	--
Fayetteville	397,686	0	0.0%	0	0	0	0.0
Rogers	1,001,751	187,563	18.7%	-24,498	0	-24,498	--
Springdale	1,185,400	75,547	6.4%	-6,269	0	-6,269	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Other Categories

## Office/Warehouse

The Skyline Report panelists reported on 3,817,736 square feet of office/warehouse space 370,576 total square feet available in the second half of 2018. The vacancy rate in the office/warehouse submarket decreased from 10.0 percent in the first half of 2018 to 9.7 percent in the second half of 2018. 58,846 of new square feet of office/warehouse space entered the market in Northwest Arkansas during the second half of 2018.

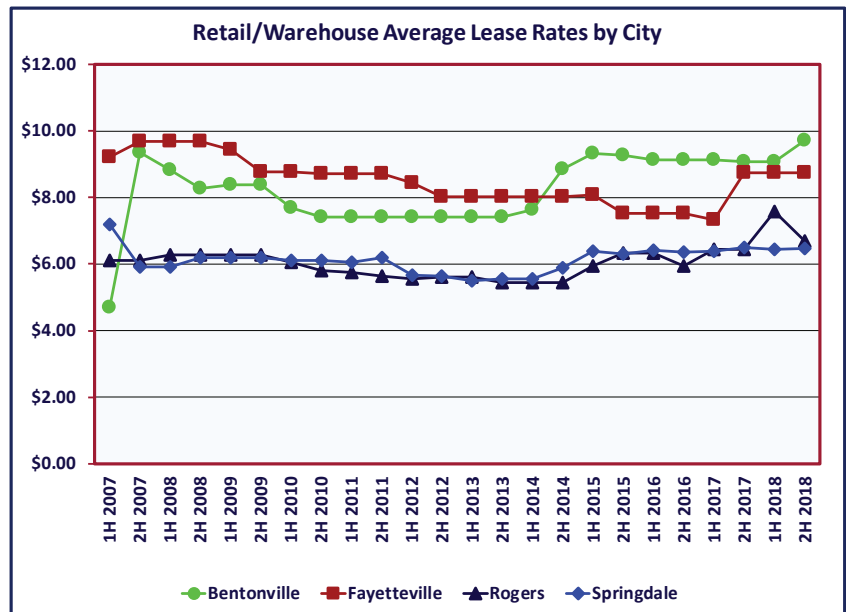
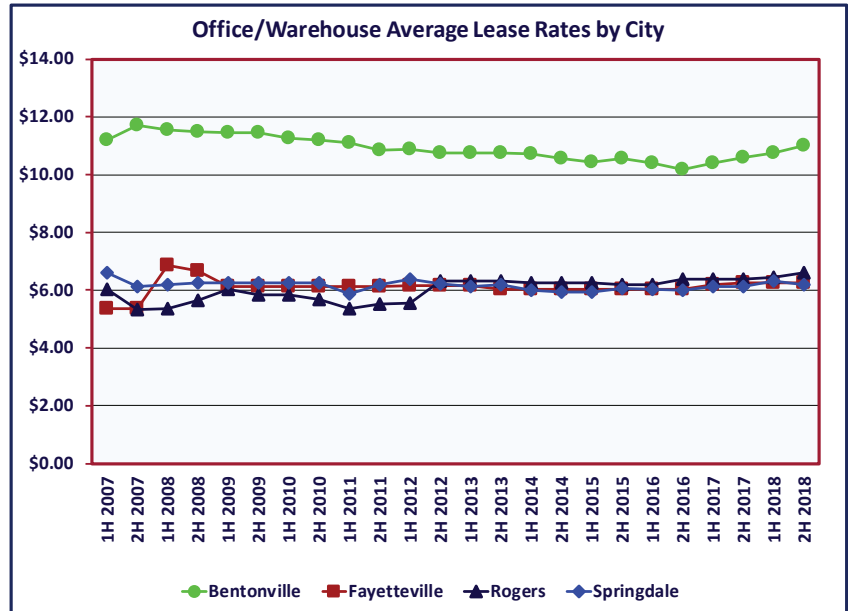
The office/warehouse submarket in Northwest Arkansas experienced positive net absorption of 48,169 square feet during the second half of 2018. Bentonville and Springdale with 92,484 square feet and 122,882 square feet, respectively, had the bulk of the available office/warehouse space in Northwest Arkansas.

In the second half of 2018, Bentonville continued to have the highest reported average lease rate at \$11.00 after an increase of \$0.25. Rogers increased to \$6.62, while average reported lease rates remained at \$6.24 in Fayetteville and decreased modestly by \$0.15 to \$6.18 in Springdale.

## Retail/Warehouse

The Skyline Report panelists reported on 1,367,304 square feet of retail/warehouse space in the second half of 2018. A total of 191,030 square feet was available in Northwest Arkansas, as previously owner occupied space entered the market. Springdale had the most available retail/warehouse space with 94,002 square feet, while Fayetteville added 51,000 square feet to that total.

21,726 new square feet entered the market during this time. The vacancy rate in the re-





# Other Categories

tail/warehouse submarket increased from 10.9 percent in the first half of 2018 to 14.0 percent in the second half of 2018.

From the first half of 2018 to the second half of 2018, there was positive net absorption of 6,100 square feet of retail/warehouse space in Northwest Arkansas, with Siloam Springs accounting for 5,000 square feet of that total.

Bentonville continued to have the highest average lease rate in this market at \$9.73, after an increase of \$0.66. Reported retail/warehouse average lease rates remained the same in Fayetteville at \$8.75, while they decreased in Rogers by \$0.88 to \$6.70 and increased by \$0.04 to \$6.47 in Springdale in the second half of 2018.

## Other Lease Rates Average Range by City

	Office/Warehouse	Retail/Warehouse
Bentonville	\$10.43 - \$11.57	\$9.44 - \$10.01
Fayetteville	\$5.80 - \$6.68	\$8.23 - \$9.26
Rogers	\$6.49 - \$6.74	\$6.54 - \$6.86
Springdale	\$5.66 - \$6.69	\$6.15 - \$6.79

## Other Space Characteristics by Class and City

Warehouse	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption	Months of Inventory
Bentonville	1,261,937	113,034	9.0%	121,265	88,265	33,000	20.6
Fayetteville	1,232,499	114,465	9.3%	80,000	0	80,000	8.6
Rogers	2,879,675	241,567	8.4%	-39,898	0	-39,898	--
Springdale	3,070,497	97,547	3.2%	12,935	0	12,935	45.2

### Office/Warehouse

Bentonville	897,559	92,484	10.3%	11,150	0	11,150	49.8
Fayetteville	177,512	0	0.0%	0	0	0	0.0
Rogers	579,202	83,637	14.4%	14,700	20,800	-6,100	--
Springdale	1,900,850	122,882	6.5%	66,465	27,946	38,519	19.1

### Retail/Warehouse

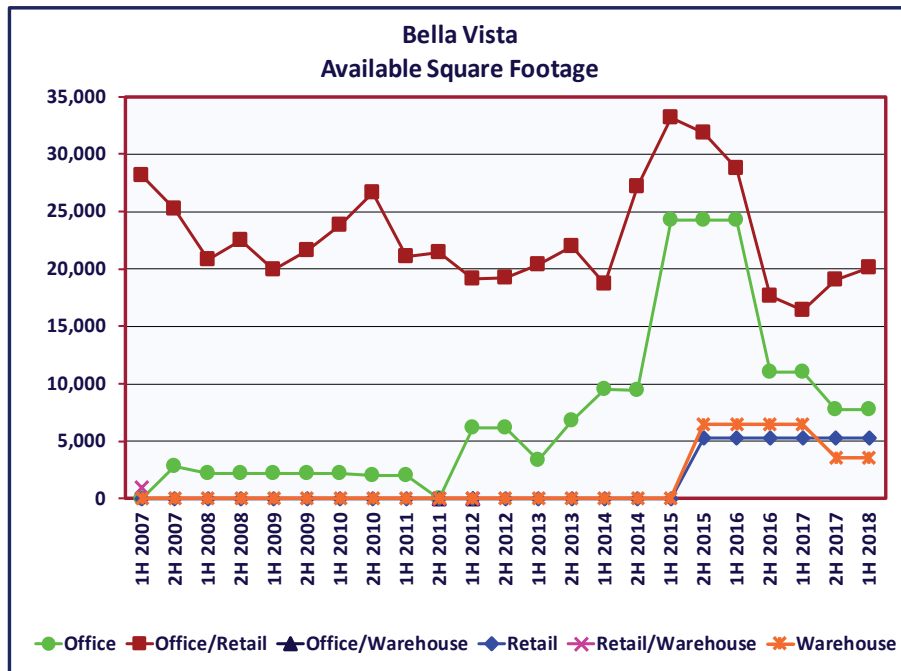
Bentonville	243,606	7,768	3.2%	0	0	0	--
Fayetteville	144,344	51,000	35.3%	0	0	0	--
Rogers	251,834	27,400	10.9%	3,200	0	3,200	51.4
Springdale	598,967	94,002	15.7%	19,626	21,726	-2,100	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Bella Vista

- From July 1 to December 31, 2018, Bella Vista issued \$1,498,000 worth of building permits for new commercial space.
- 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 2018.
- In the second half of 2018, Bella Vista experienced negative net absorption of 11,976 square feet. Class B office/retail had 16,397 square feet of negative net absorption, while Class B office space had positive net absorption of 4,421 square feet.
- There was no space added to the Bella Vista commercial market in the second half of 2018. Reported average lease rates in Bella Vista in the second half of 2018 increased slightly in the office/retail sub-market while all others remained relatively stable.



## Bella Vista Commercial Real Estate Market Summary Statistics

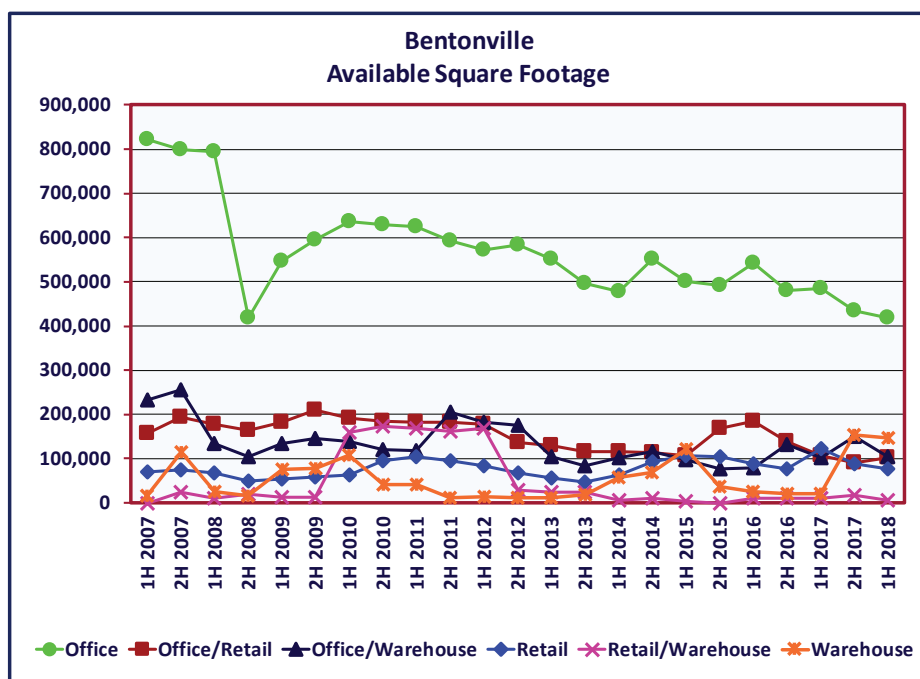
	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Industrial	--	--	--	--	--	--	--	--
Office	\$12.59 - \$13.09	75,389	3,300	4.4%	4,421	0	4,421	4.5
Class A	--	--	--	--	--	--	--	--
Class B	\$13.68 - \$13.68	64,025	3,300	5.2%	4,421	0	4,421	4.5
Class C	\$11.00 - \$11.00	3,260	0	0.0%	0	0	0	0.0
Medical	\$12.00 - \$14.00	8,104	0	0.0%	0	0	0	0.0
Office/Retail	\$10.37 - \$13.41	294,928	36,521	12.4%	-16,397	0	-16,397	--
Class A	--	--	--	--	--	--	--	--
Class B	\$10.37 - \$13.41	284,344	34,651	12.2%	-16,397	0	-16,397	--
Class C	--	10,584	1,870	17.7%	0	0	0	--
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%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	--	--	--	--	--	--	--	--
Class C	\$1.00 - \$2.70	18,486	3,600	19.5%	0	0	0	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Bentonville

- From July 1 to December 31, 2018, Bentonville issued \$55,161,056 worth of building permits for new commercial space. The second half of 2018 value was 60.1 percent lower than the second half of 2017 value of \$138,360,495. Bentonville accounted for 32.5 percent of the commercial permits issued in Northwest Arkansas during the second half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 7,890,231 square feet of commercial space in Bentonville in the second half of 2018.
- In the second half of 2018, Bentonville experienced absorption of 211,809 square feet, while 162,969 new square



## Bentonville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Industrial	\$4.50 - \$4.50	16,340	0	0.0%	0	0	0	0.0
Office	\$16.02 - \$16.56	3,789,275	427,582	11.3%	43,246	58,867	-15,621	--
Class A	\$22.68 - \$24.29	818,929	64,969	7.9%	27,917	20,700	7,217	54.0
Class B	\$15.48 - \$15.91	2,548,295	336,164	13.2%	-11,117	17,697	-28,814	--
Class C	\$11.09 - \$11.22	116,974	22,449	19.2%	5,976	0	5,976	22.5
Medical	\$15.51 - \$16.11	305,077	4,000	1.3%	20,470	20,470	0	--
Office/Retail	\$13.81 - \$15.04	929,348	82,720	8.9%	23,021	0	23,021	21.6
Class A	\$21.00 - \$28.00	36,864	0	--	5,029	0	5,029	0.0
Class B	\$14.25 - \$15.31	818,230	81,305	9.9%	12,977	0	12,977	37.6
Class C	\$9.96 - \$10.74	74,254	1,415	1.9%	5,015	0	5,015	1.7
Office/Warehouse	\$10.43 - \$11.57	897,559	92,484	10.3%	11,150	0	11,150	49.8
Retail	\$15.94 - \$17.24	752,166	79,733	10.6%	13,127	15,837	-2,710	--
Class A	\$20.29 - \$21.64	211,009	33,782	16.0%	13,153	5,000	8,153	24.9
Class B	\$15.57 - \$17.00	406,013	42,561	10.5%	-5,336	10,837	-16,173	--
Class C	\$11.78 - \$12.69	135,144	3,390	2.5%	5,310	0	5,310	3.8
Retail/Warehouse	\$9.44 - \$10.01	243,606	7,768	3.2%	0	0	0	--
Warehouse	\$4.84 - \$5.32	1,261,937	113,034	9.0%	121,265	88,265	33,000	20.6
Class A	\$4.92 - \$5.51	984,548	101,200	10.3%	121,265	88,265	33,000	18.4
Class B	\$4.68 - \$4.93	257,430	0	0.0%	0	0	0	--
Class C	--	19,959	11,834	59.3%	0	0	0	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Bentonville

feet of space, including 58,867 square feet of office space were added, yielding positive net absorption of 48,840 square feet.

- The warehouses market had the greatest amount of positive net absorption with 33,000 square feet, with the office/retail submarket adding an additional 23,021 square feet of positive net absorption. However, the office market had significant negative net absorption of 15,621 square feet in the second half of 2018.
- Reported vacancy rates from the first half of 2018 to the second half of 2018 decreased in the medical office, office/retail, office/warehouse, and warehouse submarkets, and increased in the office, retail, and retail/warehouse submarkets of Bentonville.
- Average reported lease rates increased noticeably in the following submarkets: by \$0.70 in the Class C office, \$0.98 and \$0.59 in the Class B and Class C retail submarkets, respectively, and \$0.66 in the retail/warehouse submarket. Lease rates remained relatively stable in the other submarkets during this period.
- Reported vacancy rates from the first half of 2018 to the second half of 2018 decreased in the office, medical office, office/warehouse, retail, retail/warehouse, and warehouse submarkets, and increased in the office/retail submarket of Bentonville.
- Average reported lease rates increased noticeably in the following submarkets: by \$0.50 in the Class C office and \$0.61

in the Class C office/retail submarkets. Lease rates decreased by \$0.49 in the Medical office and \$0.68 in the Class A retail 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 313,972 square feet of office, office/retail, and retail space in Downtown Bentonville in the second half of 2018.

- There was positive net absorption of 16,871 square feet in Downtown Bentonville during the second half of 2018, while 25,700 square feet of new space was added.

- Office space in Downtown Bentonville had a reported vacancy rate of 9.7 percent in the second half of 2018, down from 12.5 percent in the first half of 2018.
- The office/retail vacancy rate in Downtown Bentonville decreased from 11.0 percent to 4.2 percent in the second half of 2018. There was no reported retail vacancy for Downtown Bentonville properties in the second half of 2018. Average reported office lease rates increased by \$1.48, office/retail increased by \$4.29 as older space continued to be refurbished and leased at significantly higher prices, while the average reported lease rate in the retail submarket decreased by \$1.00 in Downtown Bentonville in the second half of 2018.



## Downtown Bentonville Summary Statistics

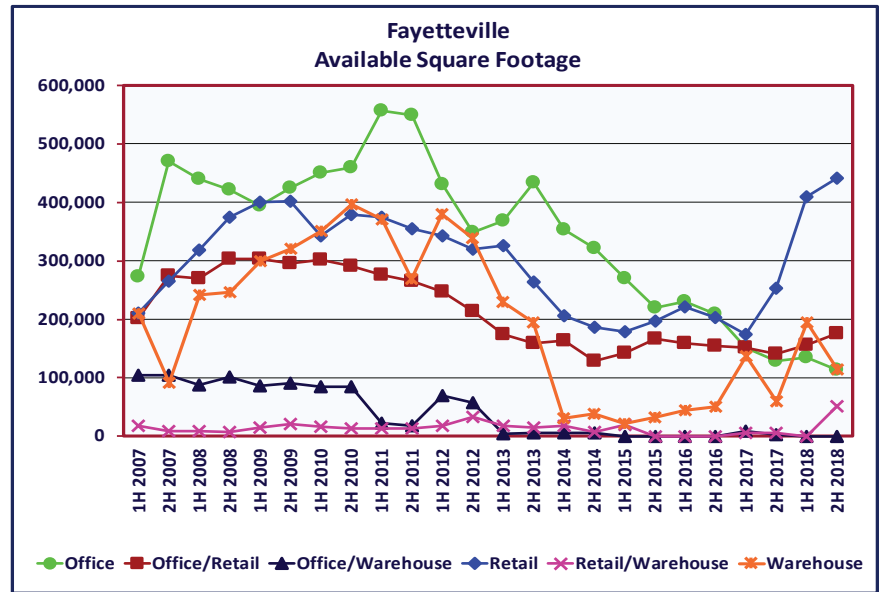
	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Office	\$17.98 - \$19.73	148,082	14,354	9.7%	23,504	20,700	2,804	30.7
Office/Retail	\$16.23 - \$19.95	113,367	4,782	4.2%	12,191	0	12,191	2.4
Retail	\$15.40 - \$17.54	52,523	0	0.0%	6,876	5,000	1,876	0.0

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Fayetteville

- From July 1 to December 31, 2018, Fayetteville issued building permits for \$8,507,982 worth of new commercial space. The second half of 2018 value was 16.8 percent lower than the second half of 2017 value of \$10,228,463. Fayetteville accounted for 5.0 percent of the commercial permits issued in Northwest Arkansas during the second half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,125,387 square feet of commercial space in Fayetteville in the second half of 2018.
- In the second half of 2018, Fayetteville experienced positive net absorption of 68,910 square feet. The warehouse submarket had the greatest amount of positive net absorption with 80,000



square feet, followed by the office submarket at 11,932 square feet. The retail submarket had negative net absorption

of 20,051 square feet.

## Fayetteville Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Lab	\$20.92 - \$22.92	75,603	11,182	14.8%	7,835	0	7,835	8.6
Industrial	\$3.80 - \$3.88	962,500	0	0.0%	0	0	0	0.0
Office	\$14.85 - \$16.17	3,166,794	113,552	3.6%	11,932	0	11,932	57.1
Class A	\$20.40 - \$25.29	409,222	2,862	0.7%	19,596	0	19,596	0.9
Class B	\$14.59 - \$15.38	1,234,992	57,721	4.7%	-11,659	0	-11,659	--
Class C	\$12.30 - \$13.37	282,889	24,680	8.7%	8,174	0	8,174	18.1
Medical	\$16.09 - \$17.97	1,239,691	28,289	2.3%	-4,179	0	-4,179	--
Office/Retail	\$13.91 - \$15.61	1,617,378	175,499	10.9%	-10,806	0	-10,806	--
Class A	\$21.50 - \$23.50	79,450	1,500	1.9%	1,500	0	1,500	6.0
Class B	\$14.82 - \$16.27	1,137,232	128,823	11.3%	-19,390	0	-19,390	--
Class C	\$11.62 - \$13.65	400,696	45,176	11.3%	7,084	0	7,084	38.3
Office/Warehouse	\$5.80 - \$6.68	177,512	0	0.0%	0	0	0	0.0
Retail	\$14.79 - \$15.55	3,748,757	441,881	11.8%	-20,051	0	-20,051	--
Class A	\$24.38 - \$25.62	2,007,003	230,680	11.5%	21,066	0	21,066	65.7
Class B	\$15.23 - \$16.11	1,290,026	98,654	7.6%	-5,886	0	-5,886	--
Class C	\$10.10 - \$10.50	451,728	112,547	24.9%	-35,231	0	-35,231	--
Retail/Warehouse	\$8.23 - \$9.26	144,344	51,000	35.3%	0	0	0	--
Warehouse	\$3.44 - \$3.63	1,232,499	114,465	9.3%	80,000	0	80,000	8.6
Class A	\$4.38 - \$4.38	194,465	114,465	58.9%	80,000	0	80,000	8.6
Class B	\$3.46 - \$3.71	640,348	0	0.0%	0	0	0	0.0
Class C	\$3.14 - \$3.31	397,686	0	0.0%	0	0	0	0.0

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents



# Fayetteville

- No new commercial space was added to the Fayetteville market in the second half of 2018.
- Observed vacancy rates in Fayetteville from the first half of 2018 to the second half of 2018 decreased for office, warehouse, and lab space. Vacancy rates increased for medical office, office/retail, retail, and retail/warehouse space.
- The Fayetteville Class A office/retail and Class B office/retail submarkets had significant average lease rate increases of \$.50 and \$0.52 respectively, while all other lease rates were relatively stable from the first half of 2018 to the second half of 2018.

## ***Downtown Fayetteville/ Dickson Street Area***

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 995,147 square feet of office, office/retail, and retail space in the Downtown Fayetteville/Dickson Street area in the second half of 2018.
- There was positive net absorption of 26,296 square feet in the downtown Fayetteville area in the second half of 2018.
- There was no new space added in downtown Fayetteville during the second half of 2018.
- The office space in downtown Fayetteville had a reported vacancy

rate of 4.6 percent in the second half of 2018, up from 4.3 percent in the first half of 2018 in accordance with negative net absorption of 1,176 square feet. This was higher than the overall Fayetteville office vacancy rate of 3.6 percent.

- The office/retail vacancy rate for downtown Fayetteville properties went down from 8.3 in the first half of 2018 to 4.1 percent in the second half of 2018. This compares to 10.9 percent in the same submarket for all of Fayetteville during the second half of 2018.
- The downtown Fayetteville retail vacancy rate decreased from 7.4 percent to 1.8 percent, with a positive net absorption of 6,661 square feet, and was lower than the overall Fayetteville retail vacancy rate of 11.8 percent in the second half of 2018.
- Average reported lease rates in downtown Fayetteville increased \$1.80 in the retail submarket, increased \$0.53 in the office/retail submarket, and increased \$0.71 the office submarkets during the past six months.

## ***Uptown Fayetteville***

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,161,508 square feet of office, office/retail, and retail space in Uptown Fayetteville in the second half of 2018.
- There was positive net absorption of 47,002 square feet of space during

the second half of 2018 in Uptown Fayetteville with office space accounting for a positive absorption of 28,359 square feet and retail accounting for an additional 18,643 square feet of this total.

- There was no new commercial space added to the Uptown Fayetteville commercial market in the second half of 2018.
- The office space in Uptown Fayetteville had a reported vacancy rate of 1.9 percent in the second half of 2018. This was lower than the first half of 2018 vacancy rate of 3.6 percent and was lower than the 3.6 percent vacancy rate for all of Fayetteville.
- In the second half of 2018, the office/retail vacancy rate in Uptown Fayetteville increased to 4.0 percent from 0.0 percent in the first half of 2018, as some previously owner-occupied space entered the market. The vacancy rate was below the city average office/retail vacancy rate of 10.9 percent.



## **Fayetteville Downtown/Dickson Street Area Summary Statistics**

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Office	\$14.05 - \$17.19	421,048	19,341	4.6%	-1,176	0	-1,176	--
Office/Retail	\$15.40 - \$17.13	455,286	18,799	4.1%	20,811	0	20,811	5.4
Retail	\$15.35 - \$16.30	118,813	2,140	1.8%	6,661	0	6,661	1.9

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Fayetteville

- Retail space in Uptown Fayetteville had a reported vacancy rate of 12.2 percent in the second half of 2018, an decrease from 12.5 percent in the first half of 2018, and lower than the overall Fayetteville rate of 11.8 percent.
  - Average reported lease rates in Uptown Fayetteville increased \$0.45 in the office, \$0.18 in the office/retail and decreased \$0.31 in the retail submarket in the second half of 2018.
- Martin Luther King, Jr. Boulevard Corridor***
- In the second half of 2018, Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 488,833 square feet of office, office/retail, and retail space in the MLK Boulevard Corridor.
  - There was no new commercial space added to southwest Fayetteville in the second six months of 2018.
  - The MLK Boulevard Corridor of Fayetteville experienced a negative net absorption of 29,469 square feet of space, with office/retail space accounting for all of this total, in the second half of 2018.
  - Office space in the MLK Boulevard Corridor of Fayetteville had a reported vacancy rate of 3.6 percent in the second half of 2018. This was the same as the overall office vacancy rate of 3.6 percent for all of Fayetteville.
  - From the first half of 2018 to the second half of 2018, the office/retail vacancy rate increased to 18.0 percent in the MLK Boulevard Corridor of Fayetteville, and was higher than the overall city average rate of 10.9 percent.
  - The vacancy rate for retail space in the MLK Boulevard Corridor was 47.5 percent in the second half of 2018, an increase from the 30.9 percent in the first half of 2018. The retail vacancy rate for all of Fayetteville was much lower at 11.8 percent.
  - Average reported lease rates in the MLK Boulevard Corridor increased \$2.23 in the office, \$0.81 in the office/retail submarkets and remained relatively unchanged in the retail submarkets in the second half of 2018.

## Uptown Fayetteville Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Office	\$16.11 - \$17.21	1,723,713	33,043	1.9%	28,359	0	28,359	7.0
Office/Retail	\$16.68 - \$16.81	81,348	3,261	4.0%	0	0	0	--
Retail	\$18.20 - \$18.82	2,356,447	286,974	12.2%	18,643	0	18,643	92.4

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

## Fayetteville MLK Boulevard Corridor Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Office	\$13.00 - \$13.00	27,993	1,000	3.6%	2,000	0	2,000	3.0
Office/Retail	\$14.65 - \$17.18	243,569	43,799	18.0%	836	0	836	314.3
Retail	\$14.23 - \$15.80	217,271	103,247	47.5%	-32,305	0	-32,305	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Johnson

- From July 1 to December 31, 2018, Johnson issued building permits for \$3,873,492 worth of new commercial space. The second half of 2018 value was 52.0 percent lower than the second half of 2017 value of \$8,073,170. Johnson accounted for 2.3 percent of the building permits issued in Northwest Arkansas in the second half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 470,019 square feet of Johnson commercial space in the second half of 2018.
- In the second half of 2018, Johnson had negative net absorption of 5,800 square feet all in the office market.
- There was 18,560 square feet of new office space added in Johnson in the second half of 2018.
- The office submarket in Johnson had a vacancy rate of 5.4 percent in the second half of 2018.

## Johnson Commercial Real Estate Market Summary Statistics

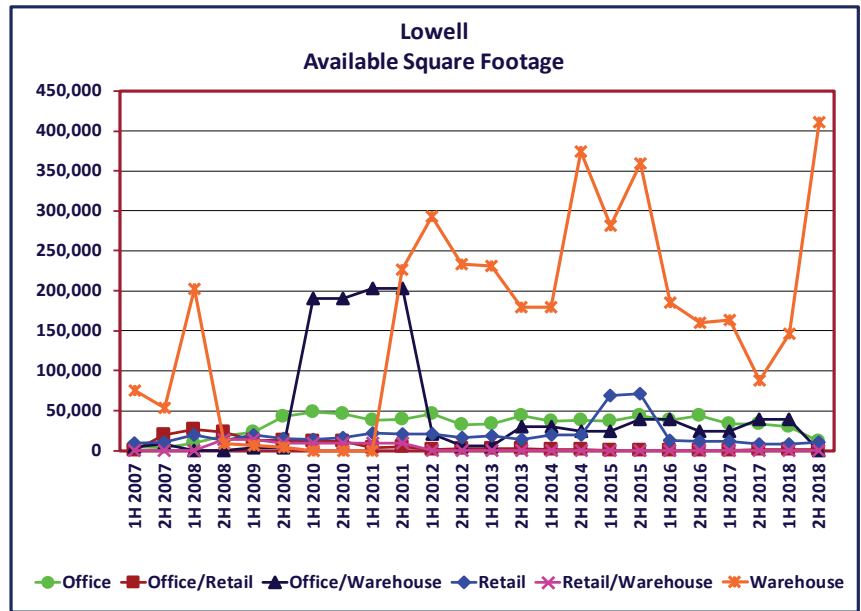
	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Industrial	--	--	--	--	--	--	--	--
Office	\$20.15 - \$20.15	244,755	13,190	5.4%	12,760	18,560	-5,800	--
Class A	\$23.25 - \$23.25	78,560	11,190	14.2%	12,760	18,560	-5,800	--
Class B	\$16.50 - \$16.50	13,200	0	0.0%	0	0	0	0.0
Class C	--	9,056	2,000	22.1%	0	0	0	--
Medical	\$18.88 - \$18.88	143,939	0	0.0%	0	0	0	0.0
Office/Retail	\$13.33 - \$15.00	65,451	3,332	5.1%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$13.33 - \$15.00	65,451	3,332	5.1%	0	0	0	--
Class C	--	--	--	--	--	--	--	--
Office/Warehouse	\$5.50 - \$5.50	25,640	0	0.0%	0	0	0	0.0
Retail	\$11.50 - \$12.50	47,148	0	0.0%	0	0	0	0.0
Class A	--	--	--	--	--	--	--	--
Class B	\$11.25 - \$112.75	44,148	0	0.0%	0	0	0	0.0
Class C	\$12.00 - \$12.00	3,000	0	0.0%	0	0	0	0.0
Retail/Warehouse	--	8,420	0	0.0%	0	0	0	0.0
Warehouse	\$3.89 - \$4.95	78,605	0	0.0%	0	0	0	0.0
Class A	--	--	--	--	--	--	--	--
Class B	\$3.89 - \$4.95	61,870	0	0.0%	0	0	0	0.0
Class C	--	16,735	0	0.0%	0	0	0	0.0

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Lowell

- From July 1 to December 31, 2018, Lowell issued building permits for \$27,580,755 worth of new commercial space. The second half of 2018 value was 1.0 percent lower than the second half of 2017 value of \$27,871,066. Lowell accounted for 16.2 percent of building permits issued in Northwest Arkansas in the second half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 2,026,871 square feet of Lowell commercial space in the second half of 2018.
- In the second half of 2018, Lowell had negative net absorption of 208,983 square feet overall. The warehouse submarket had the greatest amount of negative net absorption with 263,590 square feet, while the office/warehouse submarket had 39,600 square feet of positive net absorption.
- There was 15,205 square feet of new commercial space added in Lowell in the second half of 2018.



- Reported vacancy rates increased in the retail and warehouse submarkets, decreased in the office and office/warehouse submarkets, and remained the same in the other submarkets from the second half of 2017 to the second half of 2018.
- Average reported lease rates in Lowell from the first half of 2018 to the second half of 2018 remained relatively stable in all submarkets.

## Lowell Commercial Real Estate Market Summary Statistics

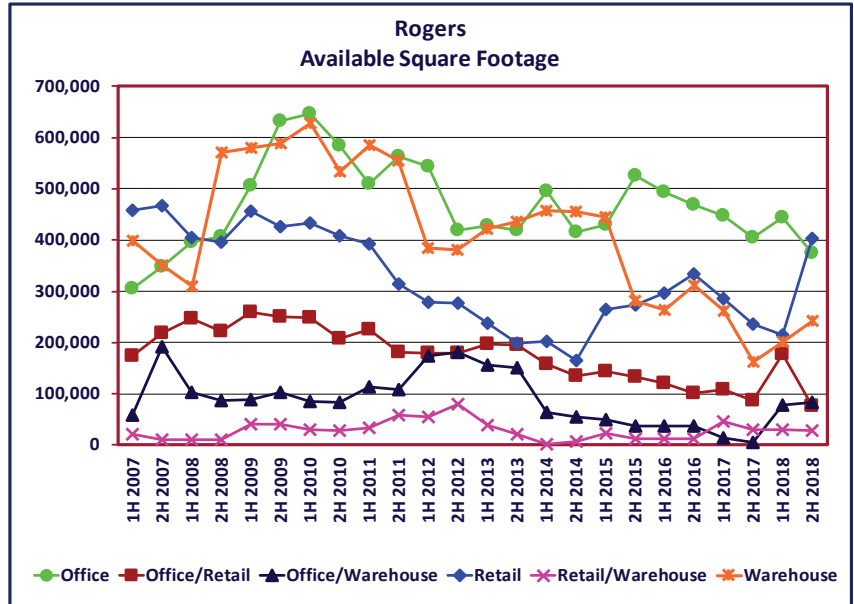
	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Percent Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Industrial	\$6.50 - \$6.50	75,280	18,100	24.0%	0	0	0	--
Office	\$14.45 - \$14.51	336,584	11,788	3.5%	18,161	5,105	13,056	5.4
Class A	\$19.33 - \$19.33	109,330	5,788	5.3%	10,896	0	10,896	3.2
Class B	\$12.25 - \$12.36	132,655	6,000	4.5%	7,265	5,105	2,160	16.7
Class C	\$9.00 - \$9.00	12,000	0	0.0%	0	0	0	--
Medical	\$18.00 - \$18.00	82,599	0	0.0%	0	0	0	--
Office/Retail	\$9.63 - \$10.63	94,446	1,440	1.5%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$11.67 - \$13.00	48,310	1,440	3.0%	0	0	0	--
Class C	\$3.50 - \$3.50	46,136	0	0.0%	0	0	0	--
Office/Warehouse	\$5.52 - \$5.86	117,598	0	0.0%	49,700	10,100	39,600	0.0
Retail	\$12.21 - \$15.88	87,018	11,125	12.8%	1,951	0	1,951	34.2
Class A	--	--	--	--	--	--	--	--
Class B	\$12.21 - \$15.88	81,762	11,125	13.6%	-3,305	0	-3,305	--
Class C	--	5,256	0	0.0%	5,256	0	5,256	0.0
Retail/Warehouse	\$10.19 - \$10.19	32,732	0	0.0%	0	0	0	0.0
Warehouse	\$3.66 - \$3.68	1,283,213	410,360	32.0%	-263,590	0	-263,590	--
Class A	\$3.66 - \$3.66	833,288	182,015	21.8%	-93,840	0	-93,840	--
Class B	\$3.80 - \$3.85	270,925	58,595	21.6%	0	0	0	--
Class C	\$2.95 - \$2.95	179,000	169,750	94.8%	-169,750	0	-169,750	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Rogers

- From July 1 to December 31, 2018, Rogers issued building permits for \$39,814,429 worth of new commercial space. The second half of 2018 value was 412.1 percent higher than the second half of 2017 value of \$7,774,327. Rogers accounted for 23.4 percent of the commercial permits issued in Northwest Arkansas during the second half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 11,946,161 square feet of commercial space in the second half of 2018.
- In the second half of 2018, Rogers had overall negative net absorption of 146,428 square feet. The industrial market had the greatest amount of positive net absorption with 208,514 square feet. The retail market had the most negative net absorption with 60,774 square feet.



- In the second half of 2018, 86,900 square feet of new commercial space were added to the Rogers market. This included 20,800 square feet of office/warehouse space and 53,862 square feet of office space.
- Reported vacancy rates in the second half of 2018 decreased in the office, office/retail, and retail/warehouse submarkets. Vacancy rates increased for medical office, retail, office/warehouse, and warehouse submarkets.

## Rogers Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Percent Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Lab	\$4.00 - \$4.00	9,482	0	0.0%	0	0	0	0.0
Industrial	\$3.71 - \$3.71	699,197	95,304	13.6%	208,514	0	208,514	2.7
Office	\$15.70 - \$16.40	3,492,840	373,847	10.7%	116,650	53,862	62,788	35.7
Class A	\$21.27 - \$22.70	1,844,490	207,699	11.3%	98,688	0	98,688	12.6
Class B	\$15.52 - \$16.13	837,366	72,136	8.6%	16,073	39,380	-23,307	--
Class C	\$10.33 - \$10.74	371,109	39,264	10.6%	5,026	0	5,026	46.9
Medical	\$14.41 - \$14.69	439,875	54,748	12.4%	-3,137	14,482	-17,619	--
Office/Retail	\$11.39 - \$13.03	568,004	76,015	13.4%	-21,302	0	-21,302	--
Class A	\$19.13 - \$19.88	133,127	12,860	9.7%	-1,638	0	-1,638	--
Class B	\$13.66 - \$15.66	138,187	12,760	9.2%	-2,158	0	-2,158	--
Class C	\$8.57 - \$10.21	296,690	50,395	17.0%	-17,506	0	-17,506	--
Office/Warehouse	\$6.49 - \$6.74	579,202	83,637	14.4%	14,700	20,800	-6,100	--
Retail	\$13.66 - \$14.52	3,465,927	402,581	11.6%	-48,536	12,238	-60,774	--
Class A	\$20.90 - \$22.75	1,925,201	126,816	6.6%	-20,952	12,238	-33,190	--
Class B	\$13.40 - \$14.27	977,166	226,990	23.2%	-3,184	0	-3,184	--
Class C	\$9.61 - \$9.88	563,560	48,775	8.7%	-24,400	0	-24,400	--
Retail/Warehouse	\$6.54 - \$6.86	251,834	27,400	10.9%	3,200	0	3,200	51.4
Warehouse	\$4.01 - \$4.19	2,879,675	241,567	8.4%	-39,898	0	-39,898	--
Class A	\$3.60 - \$3.60	1,462,500	0	0.0%	0	0	0	--
Class B	\$4.75 - \$4.92	415,424	54,004	13.0%	-15,400	0	-15,400	--
Class C	\$3.77 - \$3.98	1,001,751	187,563	18.7%	-24,498	0	-24,498	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents



# Rogers

- From the second half of 2018 to the second half of 2018, significant increases of \$1.13 occurred in the Class B office/retail submarket. Modest increases were reported in Class B and C office, and Class C retail submarkets, while modest decreases were reported in the retail/warehouse submarket. All other lease rates remained relatively unchanged.

## Downtown Rogers

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 370,187 square feet of office, office/retail, and retail space in Downtown Rogers in the second half of 2018.
- No new commercial space was added to downtown Rogers in the second six months of 2018.
- The office space in Downtown Rogers had a positive net absorption of 2,454 square feet and had a vacancy rate of 12.8 percent in the second half of 2018. The downtown vacancy rate was higher than the overall average office vacancy rate for Rogers, which was 10.7 percent during the same period.
- The office/retail submarket had a positive net absorption of 3,722 square feet. The vacancy rate decreased to 2.8 percent from the first half of 2018 rate of 6.0 percent in the downtown area. This compares to a vacancy rate of 13.4 percent for all of Rogers.

- Downtown Rogers experienced a negative net absorption of 2,350 square feet of retail space during the second half of 2018. The average retail vacancy rate for downtown Rogers properties for the second half of 2018 increased to 4.9 percent from 1.6 percent in the first half of 2018, and was lower than the 11.6 percent average rate for all of Rogers.

- Average reported lease rates for downtown Rogers increased \$0.30 in the office submarket, \$0.75 in the office/retail, and \$2.58 in the retail submarkets, as space continues to be refurbished, in the second half of 2018.

## Rogers Interstate 49 Corridor

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 4,970,149 square feet of office, office/retail, and retail space along the Rogers I-49 corridor in the second half of 2018.
- 51,618 square feet of new commercial space were added to the Rogers I-49 corridor submarket in the first six months of 2018. This included 39,380 square feet of office space and 12,238 square feet of retail space.
- Office space along the Rogers I-49 corridor experienced positive net ab-

sorption of 38,040 square feet during the second half of 2018. The reported average vacancy rate was 10.8 percent in the second half of 2018, a decrease from the 13.2 percent rate in the first half of 2018. This was higher than the overall office vacancy rate for all of Rogers at 10.7 percent.

- Office/retail space along the Rogers I-49 corridor experienced a negative net absorption of 4,138 in the second half of 2018. The office/retail submarket had a 12.7 percent vacancy rate, an increase from the 10.3 percent reported in the first half of 2018. This compares to a vacancy rate of 13.4 percent for all of Rogers.
- There were 35,624 square feet of negative net absorption in the retail submarket for the Rogers I-49 corridor properties. The average retail vacancy rate for the second half of 2018 was 6.2 percent, an increase from 4.6 percent in the first half of 2018, and higher than the 11.6 percent average rate for all of Rogers.
- Average reported lease rates increased \$0.42 in the office submarket, increased \$0.49 in the office/retail submarket and increased \$0.71 in the retail submarket in the Rogers I-49 area in the second half of 2018.

## Rogers Downtown Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Office	\$11.60 - \$12.31	105,377	13,492	12.8%	2,454	0	2,454	33.0
Office/Retail	\$8.53 - \$12.80	114,005	3,167	2.8%	3,722	0	3,722	5.1
Retail	\$11.56 - \$11.87	150,805	7,459	4.9%	-2,350	0	-2,350	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Rogers

## Rogers I-49 Corridor Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Office	\$19.17 - \$20.13	2,606,894	280,684	10.8%	77,420	39,380	38,040	44.3
Office/Retail	\$19.34 - \$19.84	156,367	19,860	12.7%	-4,138	0	-4,138	--
Retail	\$19.32 - \$20.85	2,206,888	136,101	6.2%	-23,386	12,238	-35,624	--

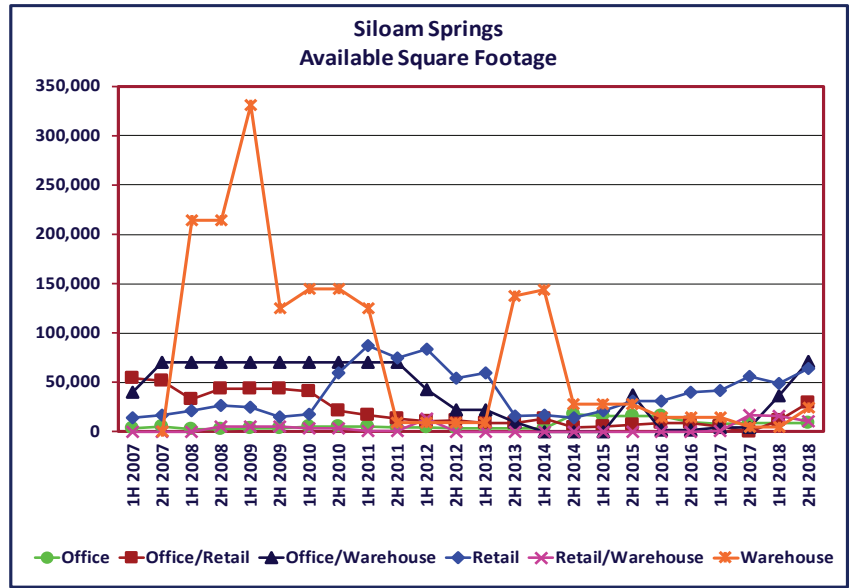
<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents



# Siloam Springs

- From July 1 to December 31, 2018, Siloam Springs issued commercial building permits worth \$39,080. The second half of 2018 value was 98.8 percent lower than the second half of 2017 value of \$3,275,935. Siloam Springs accounted for less than 0.1 percent of the commercial permits issued in Northwest Arkansas during the second half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 1,567,060 square feet of commercial space for Siloam Springs in the second half of 2018.
- No new square feet of commercial space were added to the Siloam Springs market in the second half of 2018.
- In the second half of 2018, Siloam Springs experienced overall negative net absorption of 34,624 square feet. There was positive net absorption of 5,000 and 4,900 square feet in the retail/warehouse and warehouse submarkets, respectively. But there was negative net absorption of 35,000 square feet in the office/warehouse submarket.



- Vacancy rates from the first half of 2018 to the second half of 2018 decreased in the retail/warehouse submarkets. Vacancy rates increased in the office, office/retail, office/warehouse, retail, and warehouse submarkets, and remained the same in the medical office submarket.
- Average lease rates increased significantly by \$4.47 in the Class C office submarket and \$1.24 in the Class C of-

office/retail submarket as properties were added to the data base, increased \$.051 in the office/warehouse submarket, \$1.50 in the Class A retail submarket, and remained relatively stable in the other submarkets in the second half of 2018 in Siloam Springs.

## Siloam Springs Commercial Real Estate Market Summary Statistics

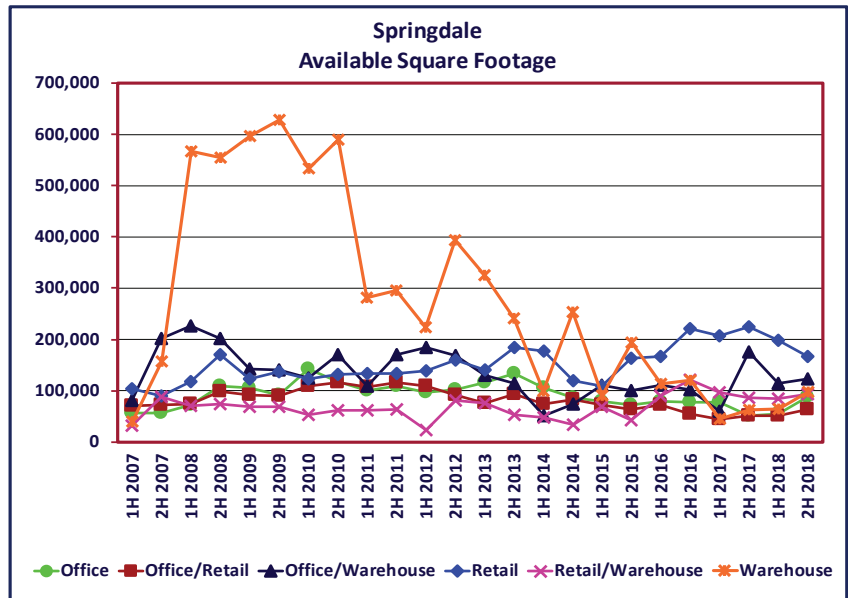
	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Industrial	--	240,589	240,589	100.0%	0	0	0	--
Office	\$12.91 - \$14.06	147,238	9,000	6.1%	0	0	0	--
Class A	--	--	--	--	--	--	--	--
Class B	\$7.39 - \$8.27	22,334	0	0.0%	0	0	0	0.0
Class C	\$10.09 - \$11.44	10,400	0	0.0%	0	0	0	0.0
Medical	\$15.71 - \$16.80	114,504	9,000	7.9%	0	0	0	--
Office/Retail	\$8.28 - \$10.55	195,576	29,478	15.1%	0	0	0	--
Class A	\$12.00 - \$16.00	56,085	0	0.0%	0	0	0	--
Class B	\$9.57 - \$11.70	79,107	5,136	6.5%	0	0	0	--
Class C	\$5.99 - \$8.07	60,384	24,342	40.3%	0	0	0	--
Office/Warehouse	\$3.56 - \$3.81	119,375	71,573	60.0%	-35,000	0	-35,000	--
Retail	\$11.10 - \$11.75	445,827	63,880	14.3%	-9,524	0	-9,524	--
Class A	\$23.50 - \$23.50	30,822	7,700	--	500	0	500	92.4
Class B	\$11.28 - \$11.72	234,453	19,850	8.5%	-12,024	0	-12,024	--
Class C	\$6.77 - \$7.86	180,552	36,330	20.1%	2,000	0	2,000	109.0
Retail/Warehouse	\$5.74 - \$9.42	87,401	10,860	12.4%	5,000	0	5,000	13.0
Warehouse	\$3.36 - \$3.69	331,054	24,040	7.3%	4,900	0	4,900	29.4
Class A	--	--	--	--	--	--	--	--
Class B	\$3.00 - \$4.00	104,624	24,040	23.0%	0	0	0	--
Class C	\$3.43 - \$3.63	226,430	0	0.0%	4,900	0	4,900	0.0

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

# Springdale

- From July 1 to December 31, 2018, Springdale issued \$34,817,865 worth of building permits for new commercial space. This was an increase of 109.7 percent from the \$16,601,415 issued in the second half of 2017. Springdale accounted for 18.1 percent of the commercial permits issued in Northwest Arkansas for the second half of 2018.
- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 9,757,030 square feet of commercial space in Springdale in the second half of 2018.
- In the second half of 2018, there was 49,672 new square feet added to the Springdale market.
- In the second half of 2018, Springdale experienced positive net absorption of 15,171 square feet. The office/warehouse submarket had the most positive net absorption with 38,519 square feet, while the warehouse and retail submarkets contributed 12,935 and 11,666 square feet, respectively. The industrial submarket had the greatest amount of negative net absorption with 48,500 square feet.



- Reported vacancy rates decreased in the medical office, retail, and retail/warehouse submarkets. Vacancy rates increased in office, office/retail, office/warehouse and warehouse submarkets in the second half of 2018.
- Average reported lease rates in Springdale increased by \$0.26 in the Class B office submarket, and by

\$2.50, in the retail Class A submarket, as some space was upgraded and repriced in the second half of 2018, respectively. All other lease rates remained relatively stable from the first half of 2018 to the second half of 2018.

## Springdale Commercial Real Estate Market Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Net Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Lab	--	5,224	0	0.0%	5,224	0	5,224	0.0
Industrial	\$4.83 - \$5.48	973,633	328,336	33.7%	-48,500	0	-48,500	--
Office	\$12.66 - \$13.42	1,061,409	87,807	8.3%	-5,714	0	-5,714	--
Class A	\$19.89 - \$21.01	104,394	4,293	4.1%	-217	0	-217	--
Class B	\$13.03 - \$14.06	511,092	78,264	15.3%	-9,947	0	-9,947	--
Class C	\$9.76 - \$10.18	154,941	1,500	1.0%	2,450	0	2,450	3.7
Medical	\$14.11 - \$14.52	290,982	3,750	1.3%	2,000	0	2,000	11.3
Office/Retail	\$10.63 - \$11.62	551,080	64,216	11.7%	3,141	0	3,141	122.7
Class A	\$16.00 - \$24.00	65,000	20,631	--	3,369	0	3,369	36.7
Class B	\$12.53 - \$13.57	211,993	31,353	14.8%	-3,958	0	-3,958	--
Class C	\$9.15 - \$9.82	274,087	12,232	4.5%	3,730	0	3,730	19.7
Office/Warehouse	\$5.66 - \$6.69	1,900,850	122,882	6.5%	66,465	27,946	38,519	19.1
Retail	\$11.61 - \$12.26	1,595,370	166,997	10.5%	11,666	0	11,666	85.9
Class A	\$24.00 - \$24.00	48,015	6,875	--	2,621	0	2,621	15.7
Class B	\$13.24 - \$13.74	999,502	103,056	10.3%	-12,984	0	-12,984	--
Class C	\$8.76 - \$9.61	547,853	57,066	10.4%	22,029	0	22,029	15.5
Retail/Warehouse	\$6.15 - \$6.79	598,967	94,002	15.7%	19,626	21,726	-2,100	--
Warehouse	\$3.72 - \$4.16	3,070,497	97,547	3.2%	12,935	0	12,935	45.2
Class A	\$3.42 - \$4.25	325,200	0	0.0%	0	0	0	0.0
Class B	\$3.56 - \$4.11	1,559,897	22,000	1.4%	19,204	0	19,204	6.9
Class C	\$3.72 - \$4.16	1,185,400	75,547	6.4%	-6,269	0	-6,269	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents



# Springdale

## Downtown Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 357,024 square feet of office, office/retail, and retail space in downtown Springdale in the second half of 2018. Some retail space was reclassified as office/retail space by respondents.
- There were no new square feet of commercial property added to downtown Springdale in the second half of 2018.
- There was a positive net absorption of 2,640 square feet in the office market in downtown Springdale in the second half of 2018. The office space in downtown Springdale had an average vacancy rate of 3.0 percent, lower than the 3.2 percent in the first half of 2018. The rate was lower than the overall Springdale average office vacancy rate of 5.7 percent.
- There was negative net absorption of 2,640 square feet. 31.2 percent of all reported office/retail space was avail-

able in downtown Springdale, down from the 76.9 in the first half of 2018. This compares to 11.7 percent vacancy rate for all of Springdale.

- Retail space in downtown Springdale had a positive net absorption of 4,140 in the second half of 2018. The vacancy rate decreased from 9.9 percent in the first half of 2018 to 6.6 percent in the second half of 2018, and was lower than the average retail vacancy rate for all of Springdale at 10.5 percent in the second half of 2018.
- Average reported lease rates for downtown Springdale remained relatively unchanged in the second half of 2018.

## West Springdale

- Skyline Report panelists reported vacancy statistics, lease rate ranges, and other characteristics for 861,794 square feet of office, office/retail, and retail space in West Springdale in the second half of 2018. There were no new square feet of commercial space added to West Springdale in the second half of 2018.
- The office space in West Springdale had no net absorption in the second half

of 2018. The vacancy rate remained 10.2 percent, and was higher than the city average office vacancy rate of 5.7 percent.

- The office/retail submarket had a positive net absorption of 3,094 square feet in the second half of 2018. The vacancy rate in West Springdale was 23.4 percent in the second half of 2018, an increase from the 13.1 percent from the first half of 2018, as space was re-developed and reclassified. The rate was above the overall city average office/retail vacancy rate of 11.7 percent.
- The retail vacancy rate for West Springdale properties increased from 4.5 percent in the first half of 2018 to 4.7 percent in the second half of 2018, as there was negative net absorption of 2,163 square feet. The rate was below the city average retail vacancy rate of 10.5 percent.
- Average reported lease rates for West Springdale decreased \$0.39 in the office submarket, increased \$1.20 in the office/retail submarket, and increased \$3.04 in the retail submarket, as some space was upgraded and repriced in the second half of 2018.

## Downtown Springdale Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Office	\$11.34 - \$12.45	257,512	7,600	3.0%	1,000	0	1,000	45.6
Office/Retail	\$10.67 - \$12.00	19,988	6,232	31.2%	-2,500	0	-2,500	--
Retail	\$10.13 - \$12.13	79,524	5,216	6.6%	4,140	0	4,140	7.6

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 respondents

## West Springdale Summary Statistics

	Average Lease Rate Range	Total Square Feet <sup>1</sup>	Available Square Feet <sup>1</sup>	Percent Available <sup>1</sup>	Absorption <sup>2</sup>	New Available Square Feet <sup>1</sup>	Net Absorption <sup>2</sup>	Months of Inventory <sup>2</sup>
Office	\$15.37 - \$15.91	139,219	14,252	10.2%	0	0	0	--
Office/Retail	\$14.40 - \$16.00	120,550	28,186	23.4%	3,094	0	3,094	54.7
Retail	\$16.75 - \$17.00	602,025	28,174	4.7%	-2,163	0	-2,163	--

<sup>1</sup>From all 2H 2018 respondents

<sup>2</sup>From 2H 2018 respondents who were also 1H 2018 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. This report period the city of Johnson

and the three types of warehouse space in Tontitown were added to the data base. 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 2018, 237 panelists provided data on 2,085 competitive properties across Benton and Washington Counties. Data are excluded for owner-occupied and dedicated spaces so that the total square feet, available square feet, and lease rates represent only a sample from properties that are currently or potentially available for lease. Vacancy rates are calculated from the sample of 2,085 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.