

THE SKYLINE REPORT

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Multifamily Highlights First Half 2020

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Real Estate Summary For Benton and Washington Counties

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

Highlights from the First Half of 2020

The vacancy rate for all multifamily properties in Northwest Arkansas decreased to 4.8 percent in the first half of 2020 from 4.9 percent in the second half of 2019. The rate was 3.5 percent in the first half of 2019.

The overall multifamily vacancy rate in Fayetteville increased from 5.6 percent in the second half of 2019 to 5.9 percent in the first half of 2020. More than 4,600 additional rental units (10.6 percent of current inventory) have been announced or are under construction in new multifamily projects in Fayetteville.

In Bentonville, vacancy rates decreased from 8.5 percent in the second half of 2019 to 5.0 percent in the first half of 2020. There are also more than 3,000 rental units (7.1 percent of current inventory) that have been announced or are under construction in new multifamily projects in Bentonville.

Rogers had an increase in vacancy rates from 2.3 percent in the second half of 2019 to 3.7 percent in the first half of 2020. More than 3,300 additional rental units (7.7 percent of current inventory) have been announced or are under construction in the Rogers submarket.

Siloam Springs vacancy rates increased from 1.2 percent vacancy rate in the second half of 2019 to 1.4 percent in the first half of 2020, the lowest in Northwest Arkansas.

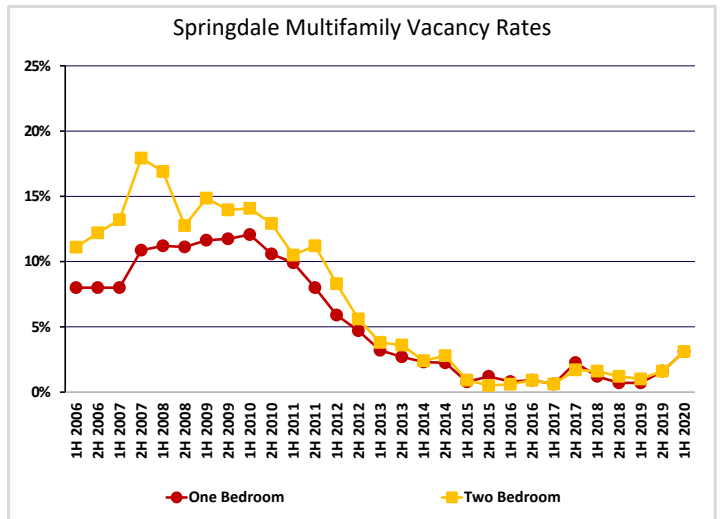
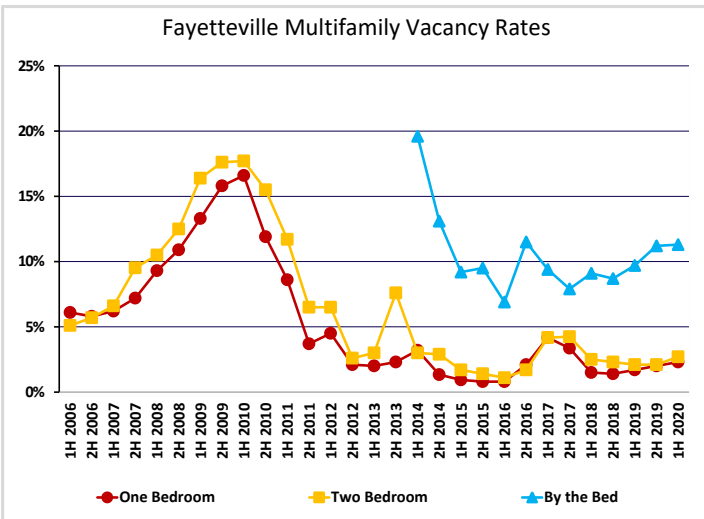
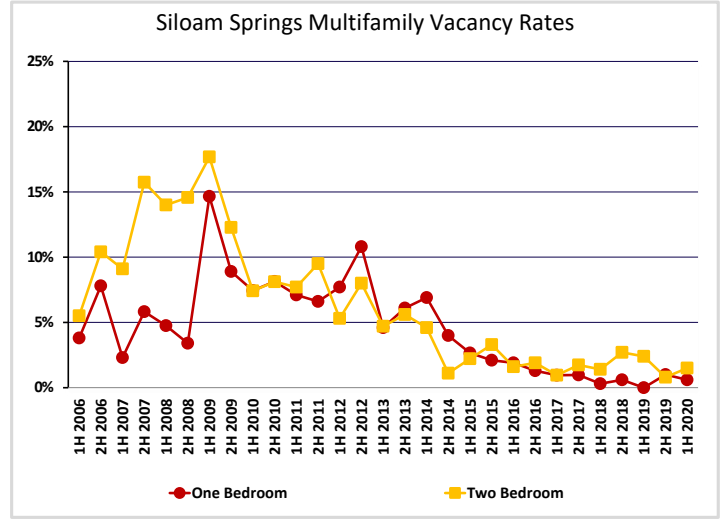
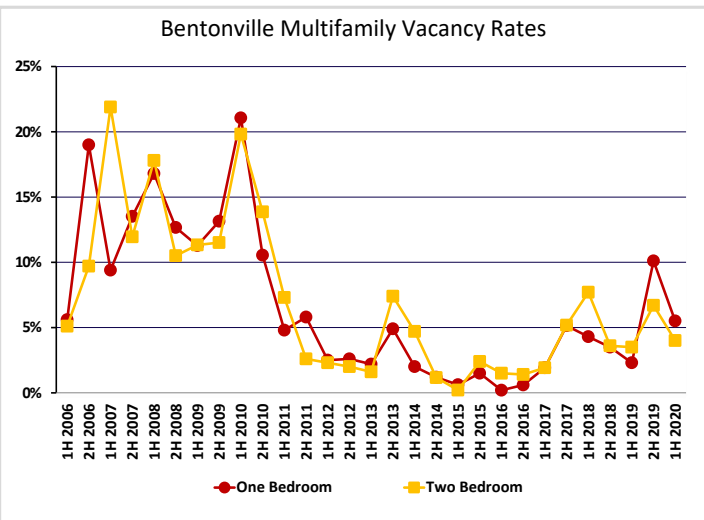
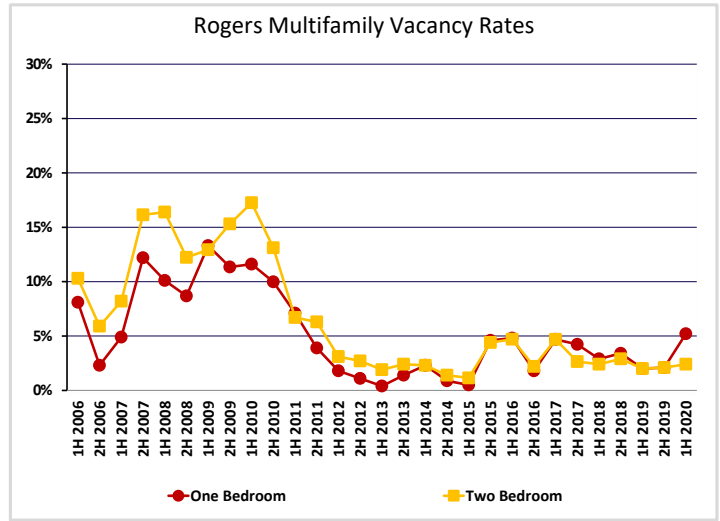
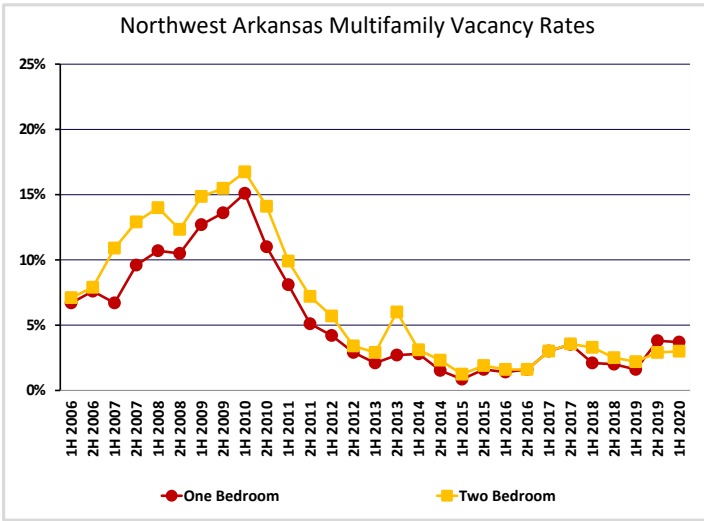
In Springdale, the vacancy rate increased to 2.9 percent in the first half of 2020 from 1.5 percent in the second half of 2019. More than 2,200 new rental units (5.1 percent of current inventory) have been announced or are under construction in multifamily projects in Springdale.

In the first half of 2020, the average lease rate per month for a multifamily property unit in Northwest Arkansas increased to \$729.82, with the median lease also increasing to \$650.00 from \$637.00 in the second half of 2019.

\$481.5 million worth of multifamily building permits were issued in the past year, a record high for the Skyline Report.

Regional Market Trends

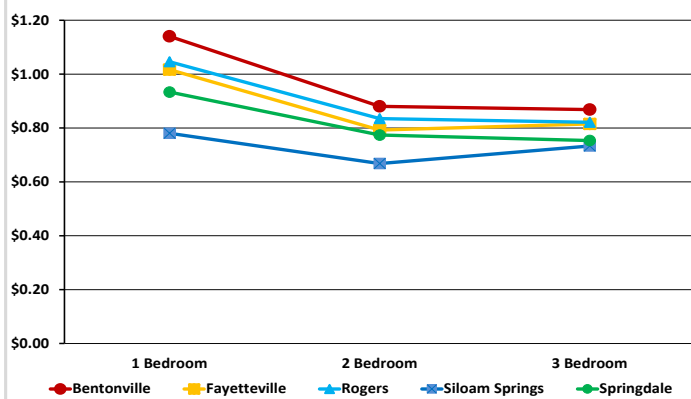
Multifamily Vacancy Rates



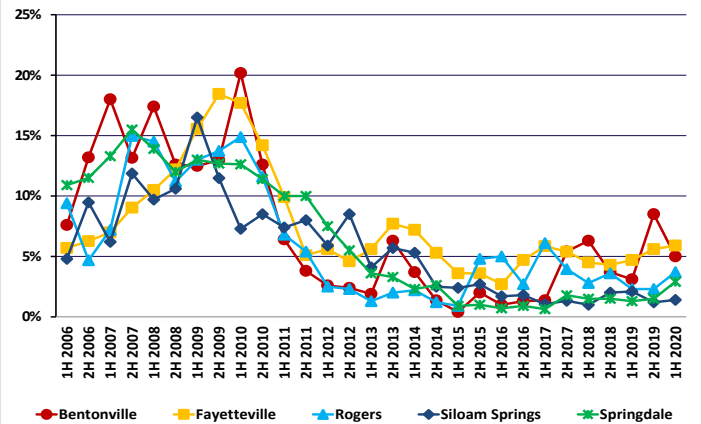
Regional Market Trends

Multifamily Rates and Building Permits

Selected Cities Average Price per Square Foot by Floor Plan and City



Selected Cities Multifamily Average Vacancy Rates by City



The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months. Two of the projects are located in Bentonville, one is in Centerton, five are in Fayetteville, seven are in Rogers, two are in Siloam Springs, three are in Springdale, and four are in Tontitown. These 24 projects had 321 building permits issued worth \$481,461,695. The largest project was in Springdale with Mill Street Mansions which had 13 permits valued at \$76,436,827. Nine other projects were valued at over \$20 million in the cities of Centerton, Fayetteville, Springdale, and Tontitown.

Multifamily Building Permits	Complex or Developer	Number of New Permits	Total Value of Permits	City
3/9/2020	The Pointe, Ph II	5	\$19,392,950	Bentonville
4/23/2020	Skyridge Estates, Ph II	9	\$10,649,582	Bentonville
8/30/2019	Water Colors, Phase II	6	\$21,847,250	Centerton
8/14/2019	The Fairways	12	\$29,328,241	Fayetteville
12/26/2019	The Marshal	1	\$49,560,291	Fayetteville
3/2/2020	Beechwood Apartments	6	\$32,263,868	Fayetteville
3/3/2020	Courtyards Act 1	10	\$1,368,685	Fayetteville
3/27/2020	Rupple Road Multifamily	64	\$9,716,174	Fayetteville
11/14/2019	Olive Park Apartments	3	\$6,596,235	Rogers
2/3/2020	49West	1	\$2,907,272	Rogers
2/26/2020	Promenade Commons	1	\$16,916,283	Rogers
4/8/2020	Fitzroy Rogers	4	\$40,090,223	Rogers
5/19/2020	Shadowbrook, Ph III	54	\$9,341,016	Rogers
6/2/2020	Pinnacle Heights	25	\$23,355,325	Rogers
6/16/2020	Dodson Pointe	1	\$3,515,660	Rogers
7/16/2019	Krein Apartments	1	\$1,380,000	Siloam Springs
5/27/2020	College Multiplex	1	\$533,050	Siloam Springs
7/1/2019	Mill Street Mansions	13	\$76,436,827	Springdale
8/15/2019	Randall Wobbe Apartments	17	\$8,043,583	Springdale
11/1/2019	Trails at the Crossing	24	\$43,055,265	Springdale
7/1/2019	Highland Park	15	\$26,077,795	Tontitown
11/18/2019	The Reserves	11	\$12,738,272	Tontitown
12/4/2019	Ruscelli Villas	5	\$2,813,362	Tontitown
6/23/2020	Aspen Heights	32	\$33,534,486	Tontitown
Northwest Arkansas		321	\$481,461,695	

Regional Market Trends

Multifamily Sample Data

Sample Vacancy Rates	Number of Apartment Complexes	Number of Units	1H 2020 Vacancy Rates	2H 2019 Vacancy Rates	1H 2019 Vacancy Rates
Bentonville	143	7,631	5.0%	8.5%	3.1%
Fayetteville	366	21,781	5.9%	5.6%	4.7%
Rogers	108	5,857	3.7%	2.3%	2.3%
Siloam Springs	54	1,201	1.4%	1.2%	2.1%
Springdale	107	7,129	2.9%	1.5%	1.3%
NWA	778	43,599	4.8%	4.9%	3.5%

Average Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	518	\$647.05	\$1.25
By the Bed	424	\$686.20	\$1.62
1 Bedroom	640	\$659.72	\$1.03
2 Bedroom	935	\$758.58	\$0.81
3 Bedroom	1,251	\$1,000.82	\$0.80
4 Bedroom	1,465	\$1,424.77	\$0.97
NWA	766	\$729.82	\$0.95

Median Size and Price by Floor Plan	Square Feet	Price per Month	Price per Square Foot
Studio	429	\$505.00	\$1.18
By the Bed	414	\$673.50	\$1.63
1 Bedroom	600	\$550.00	\$0.92
2 Bedroom	900	\$650.00	\$0.72
3 Bedroom	1300	\$895.00	\$0.69
4 Bedroom	1317	\$1,200.00	\$0.91
NWA	830	\$650.00	\$0.78

Vacancy Rates by Floor Plan	By the Bedroom	One Bedroom	Two Bedroom	Three Bedroom
Bentonville		5.5%	4.0%	12.3%
Fayetteville	11.3%	2.3%	2.7%	6.1%
Rogers		5.2%	2.4%	5.4%
Siloam Springs		0.6%	1.5%	2.8%
Springdale		3.1%	3.1%	1.7%
NWA	11.3%	3.7%	3.0%	5.4%

