



# THE SKYLINE REPORT

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## February 2012 Highlights

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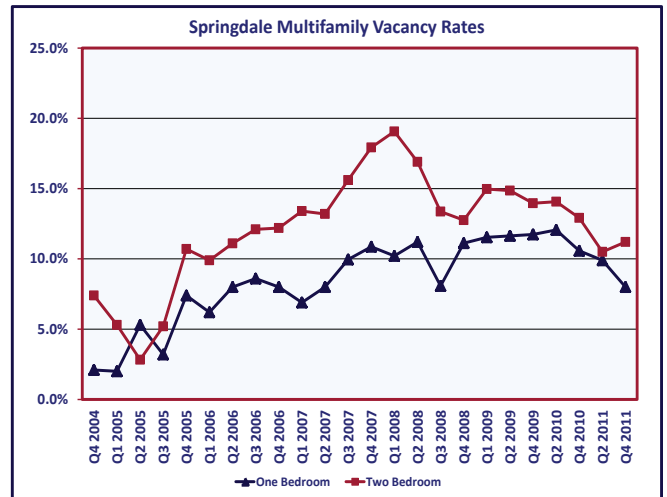
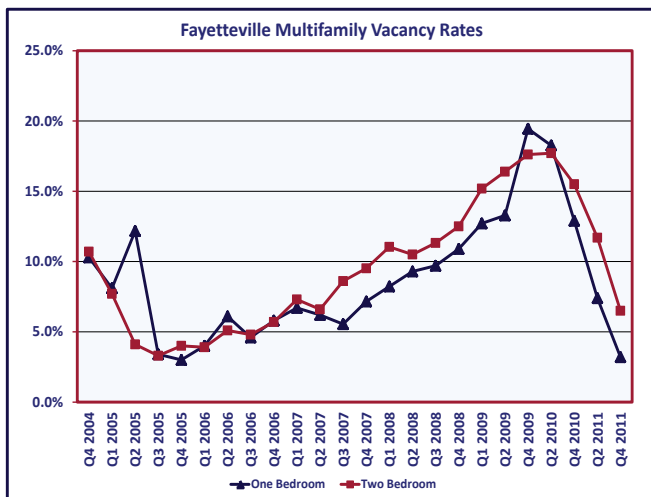
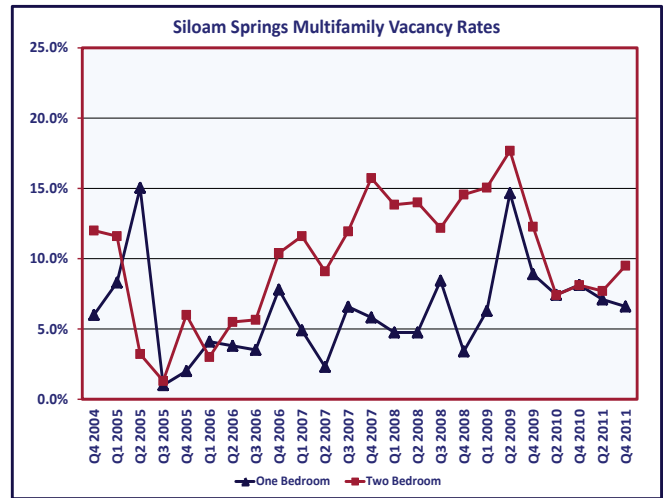
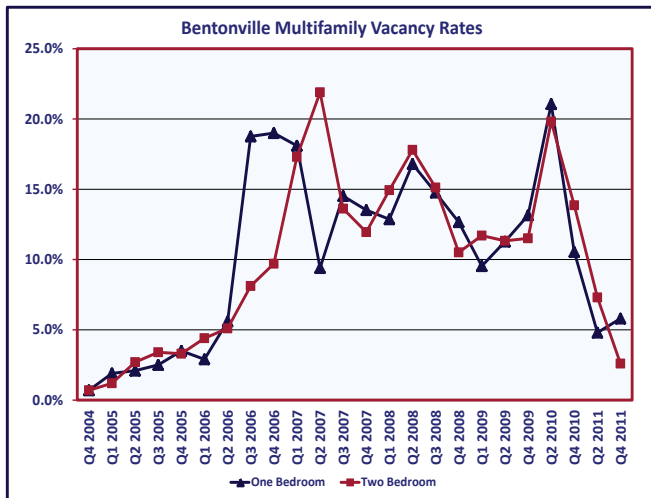
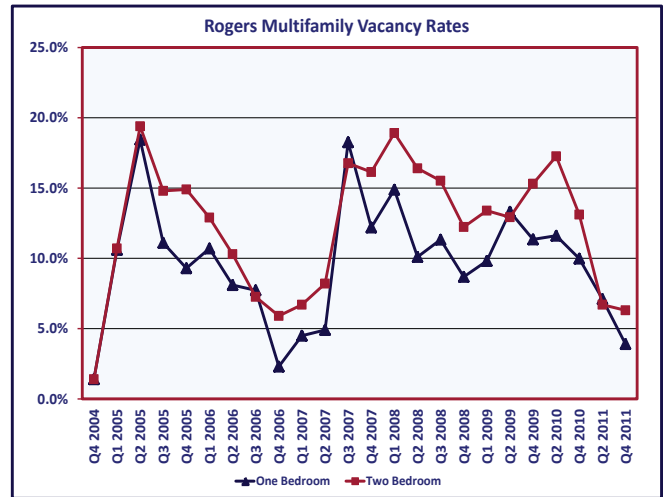
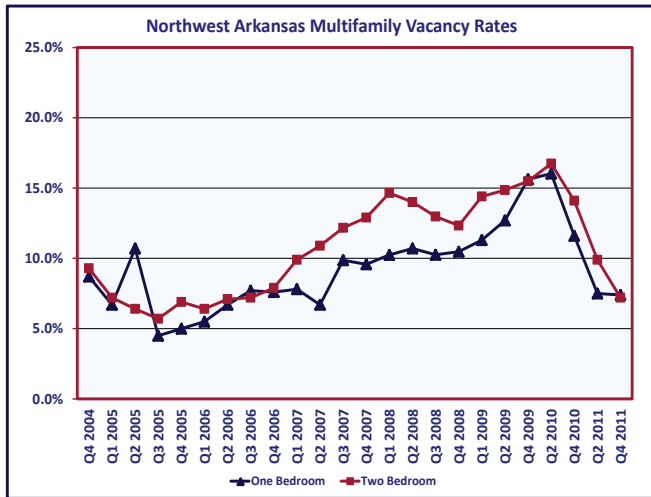
## Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the twenty-fifth 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 quarterly single-family residential and semiannual commercial Skyline Reports. As the population of the region grows, there is increased demand for all types of housing. Understanding the supply of multifamily housing opportunities is critical in order to clearly understand the overall residential market. There is a complex dynamic between multifamily housing, residential rental housing, and residential home ownership that is being influenced by several factors including: quantity of multifamily supply, quantity of rental housing, interest rates, underwriting standards, and unemployment rates, among others. The information contained in the following pages details the current condition of the multifamily market and sets the stage for future comparisons.

### Highlights from the Fourth Quarter of 2011

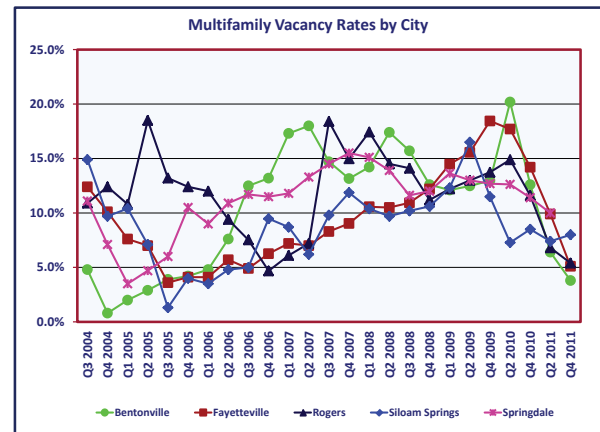
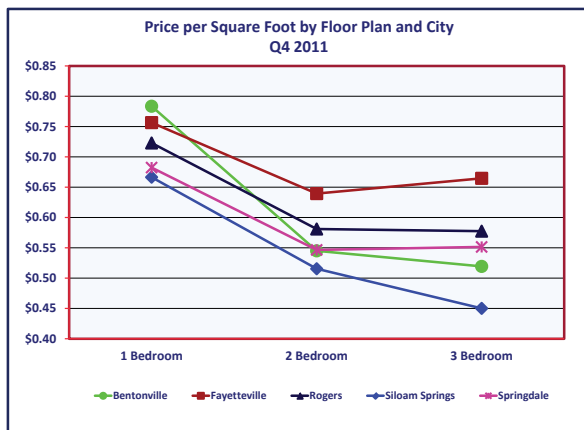
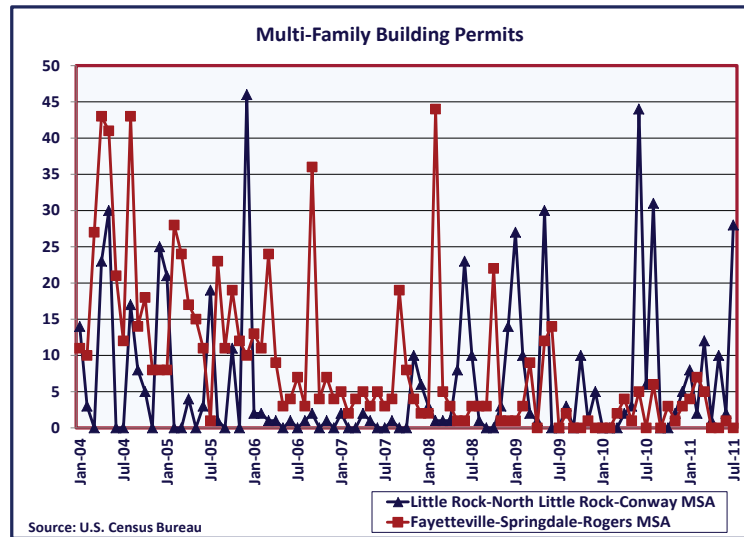
- Vacancy rates for multifamily properties in Northwest Arkansas declined from their second quarter 2011 level of 8.9 percent to 6.1 percent in the fourth quarter of 2011. The fourth quarter 2011 Northwest Arkansas vacancy rate was the lowest since the third quarter of 2005.
- Bentonville now has the lowest aggregate vacancy rate at 3.8 percent this quarter, down from 6.4 percent in the second quarter of 2011.
- The Fayetteville and Rogers vacancy rates declined substantially from 9.9 and 6.8 percent in the second quarter of 2011 to 5.1 and 5.4 percent, respectively. The average lease price per month for a multifamily property unit in Northwest Arkansas increased from \$530.45 in the second quarter of 2011 to \$534.24 in the fourth quarter of 2011.
- The median monthly lease price for a multifamily property increased to \$495.00 in the fourth quarter of 2011 from \$486.00 in the second quarter of 2011.
- New projects announced in Fayetteville approach 3,000 rental units. This would add substantially to the current base of 13,290 units.

# Multifamily Market Trends



# Multifamily Market Trends

The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months. Two of the projects are located in Rogers, and one in Fayetteville. Only one project with a value greater than a million dollars was permitted during this period, The Meadows at Garden Park.



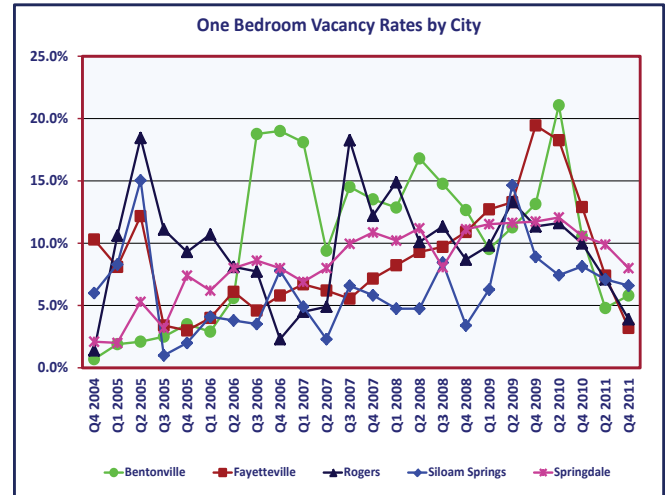
## Multifamily Residence Building Permits December 2010 - November 2011

Date	Complex or Developer	Number of Permits	Total Value of Permits	City
10/20/2011	1241 N Oakland Ave	1	\$225,240	Fayetteville
12/22/2010	The Meadows at Garden Point	13	\$4,364,800	Rogers
1/14/2011	Ridgeview Point	10	\$550,000	Rogers
<b>Total</b>		<b>24</b>	<b>\$4,914,800</b>	

# Multifamily Market Trends

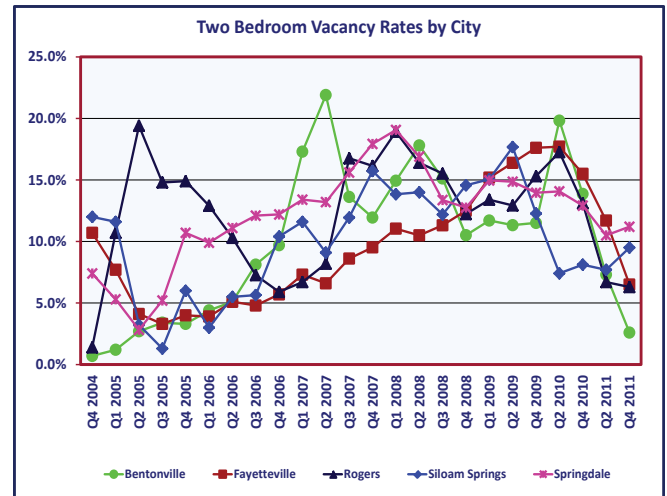
## Sample Vacancy Rates

Market Area	Number of Apartment Complexes	Number of Units	Q4 2011 Vacancy Rate	Q2 2010 Vacancy Rate	Q4 2010 Vacancy Rate
Bentonville	127	4,121	3.8%	6.4%	12.6%
Fayetteville	302	13,290	5.1%	9.9%	14.2%
Rogers	90	4,196	5.4%	6.8%	11.6%
Siloam Springs	47	1,101	8.0%	7.4%	8.5%
Springdale	92	6,096	10.0%	10.0%	11.4%
<b>NWA</b>	<b>658</b>	<b>28,804</b>	<b>6.1%</b>	<b>8.9%</b>	<b>12.8%</b>



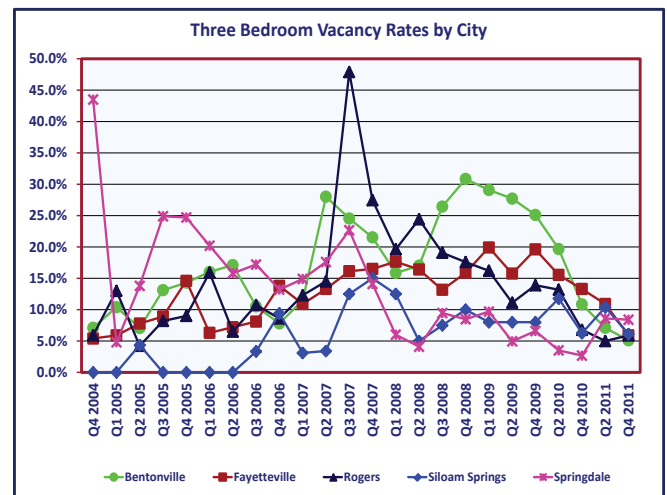
## Average Size and Price by Floor Plan Q4 2011

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	402	\$445.05	\$1.11
1 Bedroom	612	\$451.60	\$0.74
2 Bedroom	915	\$538.53	\$0.59
3 Bedroom	1,245	\$727.50	\$0.58
4 Bedroom	1,500	\$935.00	\$0.62
<b>NWA</b>	<b>839</b>	<b>\$534.24</b>	<b>\$0.64</b>



## Median Size and Price by Floor Plan Q4 2011

Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	402	\$445.05	\$1.11
1 Bedroom	612	\$451.60	\$0.74
2 Bedroom	915	\$538.53	\$0.59
3 Bedroom	1,245	\$727.50	\$0.58
4 Bedroom	1,500	\$935.00	\$0.62
<b>NWA</b>	<b>839</b>	<b>\$534.24</b>	<b>\$0.64</b>



## Vacancy Rates by Floor Plan Q4 2011

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	5.8%	2.6%	5.1%
Fayetteville	3.2%	6.5%	5.9%
Rogers	3.9%	6.3%	5.9%
Siloam Springs	6.6%	9.5%	6.1%
Springdale	8.0%	11.2%	8.4%
<b>NWA</b>	<b>4.7%</b>	<b>6.9%</b>	<b>6.6%</b>