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COLLEGE of BUSINESS

Center for Business and Economic Research

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Multifamily Real Estate Market Summary for Benton and Washington Counties

This report is the nineteenth 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 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 First Quarter of 2009

- Vacancy rates for multifamily properties in Northwest Arkansas increased from their revised fourth quarter level of 12.0 percent to 13.5 percent in the first quarter of 2009. The first quarter 2009 vacancy rate was also higher than the first quarter 2008 rate of 13.1 percent.
- Bentonville had the lowest aggregate vacancy rate at 12.1 percent, down from 12.6 percent in the fourth quarter of 2008. Fayetteville had the highest aggregate vacancy rate at 14.5 percent, up from a revised 12.2 percent in the fourth quarter. The Siloam Springs vacancy rate increased 1.7 percentage points to 12.3 percent in the first quarter of 2009. Springdale had an increase of 1.6 percentage points to a vacancy rate of 13.6 percent and Rogers had an increase of 1.0 percentage points in its vacancy rate to 12.2 percent in the first quarter.
- The average lease price per month for a multifamily property unit in Northwest Arkansas was down about \$1.45 to \$526.30. Meanwhile, the median monthly lease price for a multifamily property continued to be \$485.00.
- On a price per square foot basis, multifamily units continued to be least expensive on average in Siloam Springs at \$0.55 per square foot and most expensive on average in Fayetteville at \$0.67 per square foot.

Report Structure

The results of an in-depth data gathering process are presented and analyzed in this report. Data from three distinct sources were used to examine the characteristics of the Northwest Arkansas multifamily residential housing market. First, building permit data were examined to identify any multifamily units that were new to the market. Then, the databases from the Benton and Washington County Assessors' offices were searched to identify existing multifamily properties. Finally, a survey of the population of multifamily property managers was conducted in order to collect the characteristics of the Northwest Arkansas multifamily housing market.

The Skyline Report is structured in the following way. In the first section, a review of relevant economic statistics is presented to set a context for examining multifamily housing. In the section that follows the economic overview, regional comparisons are detailed. A short discussion about condominium market is shown second, followed by two tables with announcements of coming multifamily projects. A section on multifamily building permits issued in the last twelve months follows. Next, there is an analysis of the data obtained from the Benton and Washington County Assessors' offices. The total number and the square footage of the population multifamily properties in Northwest Arkansas are broken down by major city. Then, the coverage of the sample of Skyline Report survey respondents is discussed in relation to that population. Finally, vacancy rates, average and median unit sizes as well as average and median floor plan prices, all calculated from the survey sample, are presented on a regional basis.

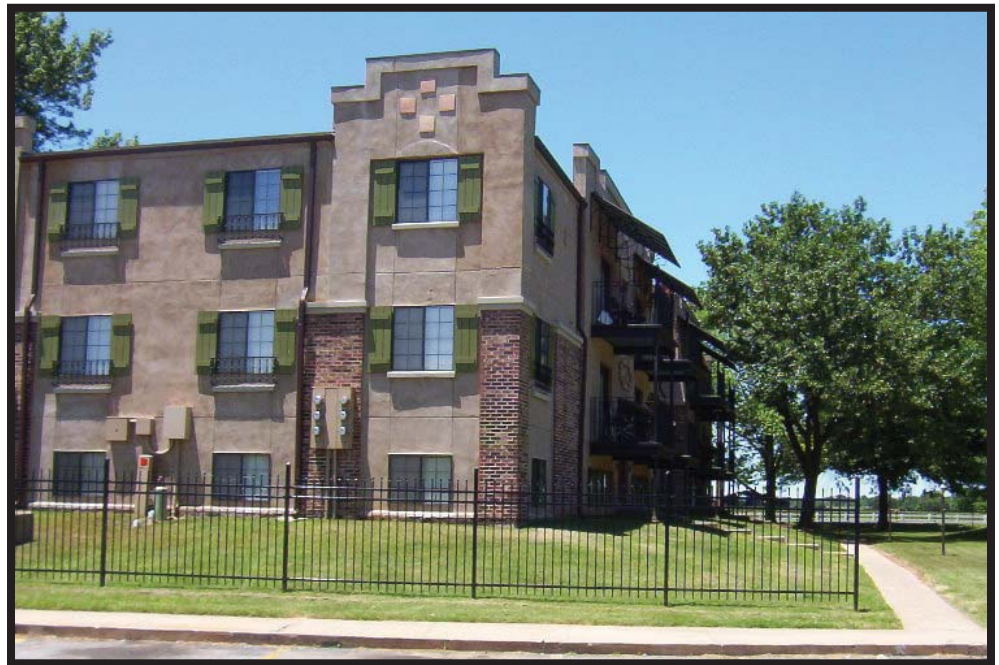
The report then turns to a more detailed city-by-city analysis. For this report, Bentonville, Fayetteville, Rogers, Siloam Springs, and Springdale were examined.

In order to collect this specific information about Northwest Arkansas multifamily

residential properties, Center for Business and Economic Research staff surveyed the population of multifamily property managers. To identify potential respondents, databases from the Washington and Benton County Assessors' offices were searched. Contact information was obtained where available and at least three phone contacts were attempted for each respondent. When

no response was forthcoming, the properties were physically visited by a surveyor.

As the nineteenth edition of the multifamily series of the Skyline Report, this study provides trend comparisons in vacancy rates, prices, unit sizes, and other multifamily property characteristics.



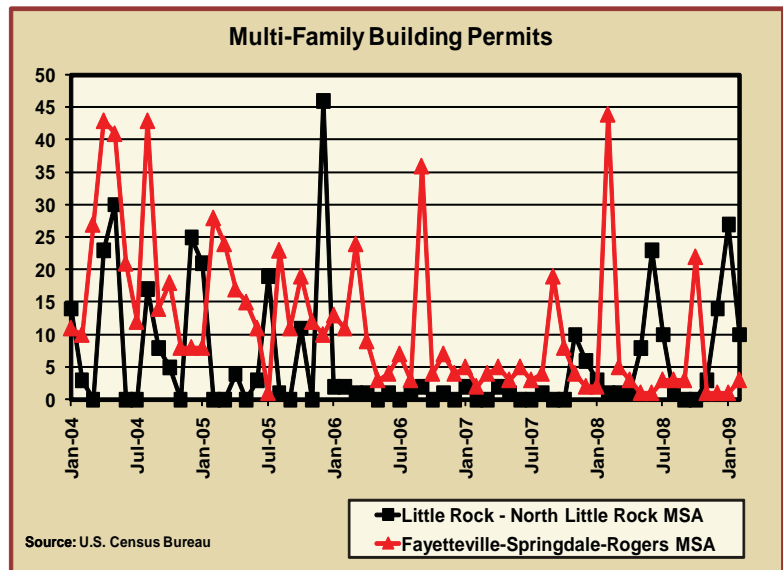
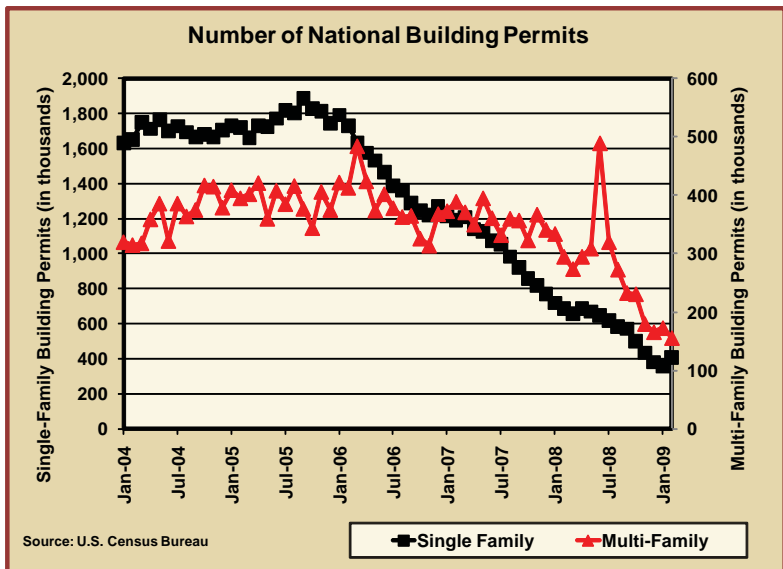
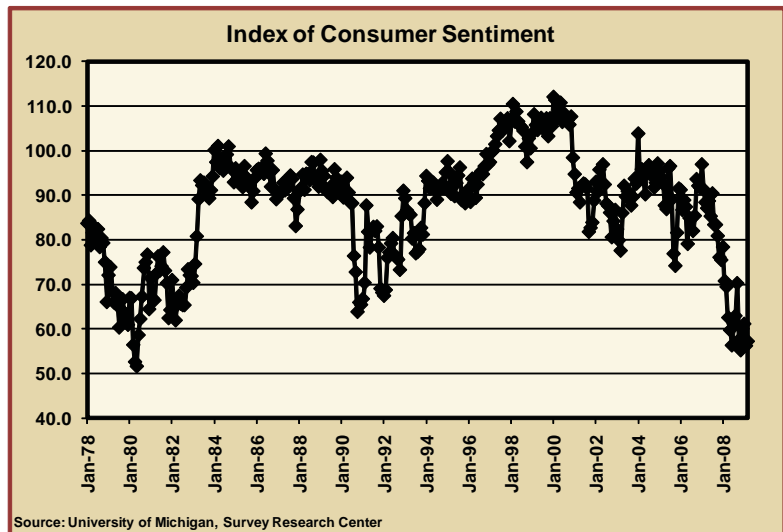
Economic Overview

It is helpful to look at some key macro-economic statistics in order to get a sense of the Northwest Arkansas multifamily housing market. The University of Michigan produces the Consumer Sentiment Index. The Index of Consumer Sentiment was 57.3 in March 2009 survey, slightly above 56.3 in February, but well below last March's 69.5.

“The good news is that the free fall in confidence has ended. The bad news is that consumers expect their financial situation to remain dismal for the rest of 2009,” according to Richard Curtin, the Director of the Reuters/University of Michigan Surveys of Consumers. Consumers reported the largest two-month gain in confidence in the government’s economic policies, although consumers were still slightly more likely to rate economic policies unfavorably than favorably. Importantly, the stimulus package was expected by consumers to be more effective in aiding the general economy than in improving their own financial situation. Overall, consumers remained intent on increasing their saving and reserve funds even at the cost of not taking advantage of the deeply discounted prices that are now available. “Higher savings intentions were reported by four-in-ten consumers, and half of all consumers reported that they intended to reduce their debt during the year ahead,” Curtin added.

The U.S. Census Bureau estimates the issuance of building permits. The national level of multifamily building permits continued to deteriorate in early 2009 from the levels seen in 2007 and even in 2008. The multifamily building permits increased from December of 2008 to January of 2009 and then declined again in February, while the single family building permits slid down in January and then rose during February (after seasonal adjustment).

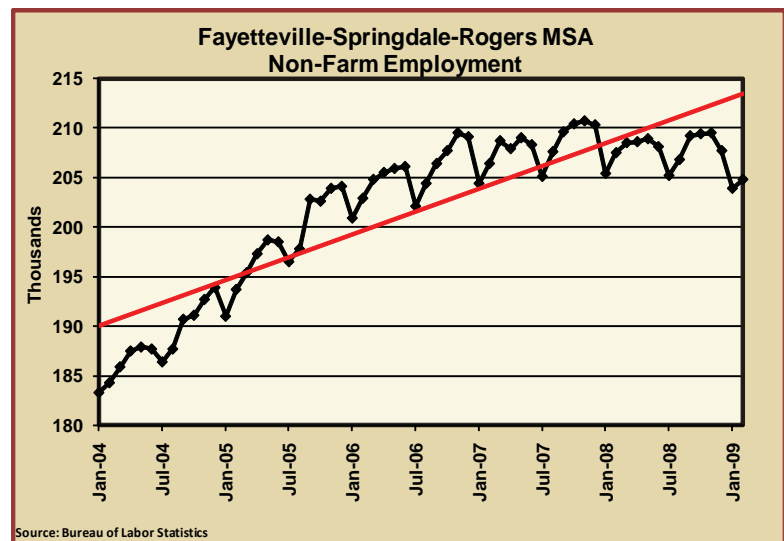
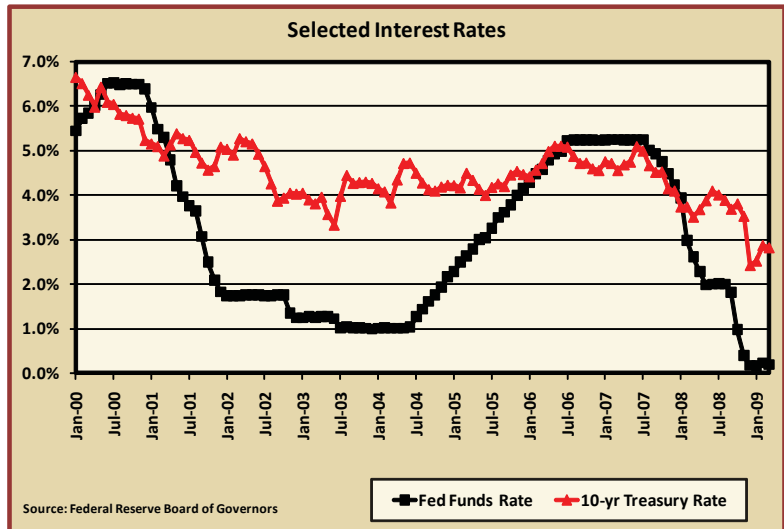
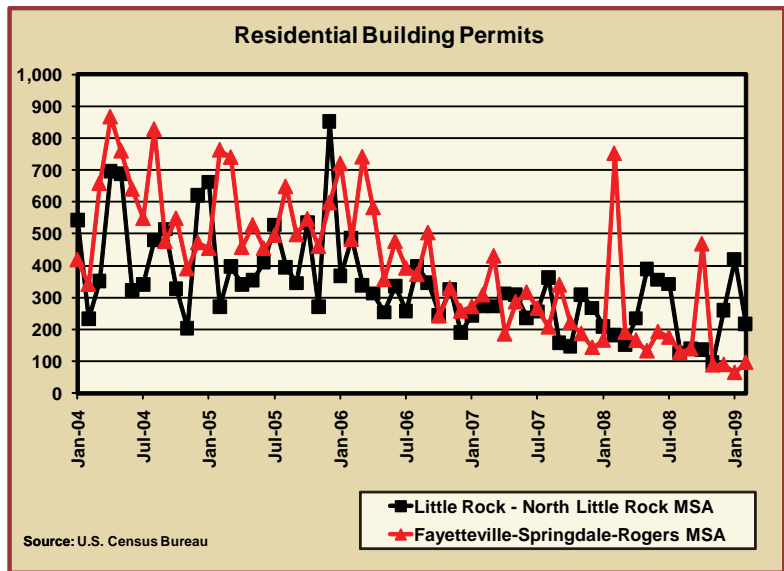
Turning to the two major metropolitan areas in Arkansas, the Fayetteville-



Economic Overview

Springdale-Rogers (FSR) MSA and the Little Rock-North Little Rock (LR) MSA, different patterns on a smaller scale are apparent. The accompanying graphs show the number of multifamily building permits and total number of residential building permits issued in the two metro areas. Despite its much smaller population, the FSR metro area usually has a greater number of multifamily building permits than the LR metro area. This trend, however, reversed in December 2008. With the exception of seasonal variation, the trends of the multifamily building permits and total building permits in FSR metro area have continued to decline. Meanwhile, the levels of building permits in LR metro area improved in early 2009 compared to the early 2008 levels. No significant changes in the pace of growth in the number of residential or multifamily building permits are expected in the short term.

The Federal Funds rates averaged 0.18 percent in March. According to the Fed's Chairman Ben Bernanke, in order to address the current crisis, the Federal Reserve has taken a number of aggressive and creative policy actions, many of which are reflected in the size and composition of the Fed's balance sheet. The Fed formalized the following principles in a joint Federal Reserve-Treasury statement on March 23: (1) that the Fed will cooperate closely with the Treasury and other agencies in addressing the financial crisis; (2) that the Fed in its lending activities should avoid taking credit risk or allocating credit to narrowly defined sectors or classes of borrowers; (3) that the Fed's independent ability to manage monetary policy must not be constrained by its programs to ease credit conditions; and (4) that there is a pressing need for a new resolution regime for nonbanks that, among other things, will better define the Fed's role in preventing the disorderly failure of systemically critical financial institutions.

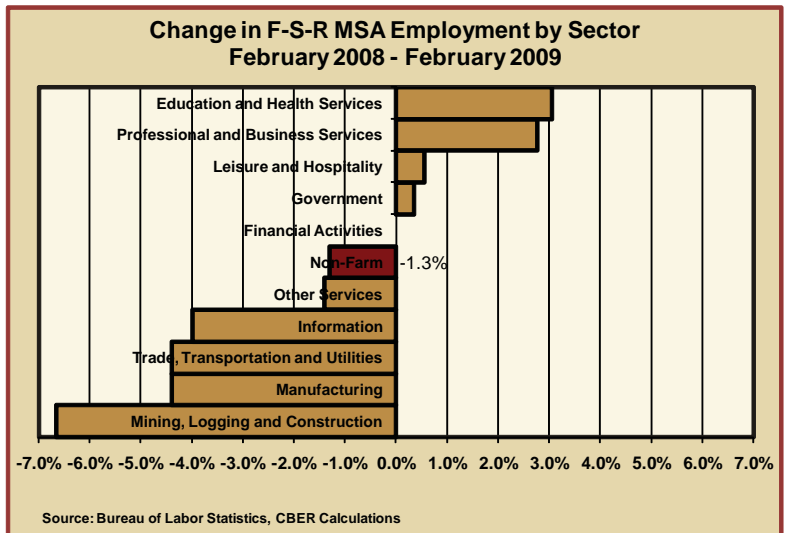
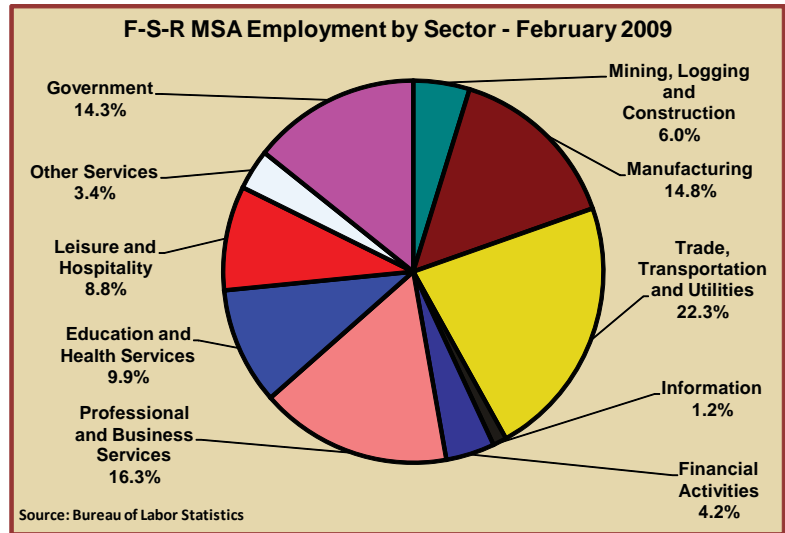


Economic Overview

The ten year constant maturity Treasury bill had an interest rate of 2.82 percent in March of 2009. Low short-term rates continue to cause the positive spread between the two. The figure on the previous page shows the Fed Funds rate and the ten year Treasury bill rate since January 2000.

With the purpose of exploring more closely the composition of the job growth in Northwest Arkansas, two additional figures are provided. The first shows the February 2009 Fayetteville-Springdale-Rogers MSA employment breakdown by sector. As the pie chart shows, trade, transportation and utilities have the largest share of employment (22 percent) in Northwest Arkansas, followed by professional business services (16 percent), manufacturing (15 percent), government (14 percent), education and health services (10 percent), and leisure and hospitality (9 percent). The second figure shows the annual percentage change in the MSA's employment by sector from February 2008 to February 2009. Total nonfarm employment decreased by 1.3 percent during that time. Education and health services, professional and business services, leisure and hospitality, and government sectors have increased, while other services, information, trade, transportation and utilities, manufacturing, and mining, logging and construction sectors have declined.

According to the Bureau of Labor Statistics, the unemployment rate in Northwest Arkansas was at a preliminary seasonally non-adjusted 5.8 percent in February 2009. This is 1.6 percentage points higher than in February of 2008. The unemployment rate in Northwest Arkansas, however, continues to outperform both the state (7.3 percent) and national (8.9 percent) seasonally non-adjusted rates.



Regional Overview

The Northwest Arkansas multifamily housing market is driven by the demands of the populations in its various communities. Multifamily housing serves multiple purposes in Northwest Arkansas. In Fayetteville, home of the University of Arkansas, the state's flagship institution of higher education, much of the supply of multifamily housing is designed to serve the increasing and ever-changing student

population. In addition to providing student housing, multifamily properties also act as low-income housing for those whose financial status and credit ratings are not sufficient to purchase a single-family home. Thus, as areas like South Fayetteville are redeveloped and previously existing affordable single family residences are demolished, the demand for multifamily housing should increase. The affordability of home ownership has, however, increased due to declining housing prices and lower interest rates at the moment. Together with the increase of affordable rental houses, it



Condo Market

should cause a decline in the current demand for multifamily housing. Multifamily properties also serve as transitional housing for those who are between single family residences or for those who are unlikely to remain in a particular location long enough to make the purchase of a house make economic sense. The growth in the number of executive suites in Northwest Arkansas is a testament to demand driven by transitional factors. Additionally, in Rogers and Bentonville, a number of upscale properties with monthly leases comparable to monthly mortgage payments are in the market. These properties are designed to provide easy accessibility to the commercial districts of the cities and are designed to appeal to tenants looking to eliminate property maintenance responsibilities. These upscale properties are pushing up average rents in the cities and are having an impact on vacancy rates.

Condominium Market

The growth in the condominium market in Northwest Arkansas has slowed down recently. But there are still several announced condominium projects in the pipeline. In Fayetteville there are three kinds of condominium projects coming on the market: more luxury high rise buildings located on or just off Dickson Street, although these seem to be seeing significant delays, condominiums that are part of mixed use developments, and condominiums that are part of more affordable complexes being built on the edges of town. In Rogers, there have also been some condominium projects announced in building complexes and mixed use developments as well. The other market trend that is continuing is the conversion of

some high-end apartment complexes into condominiums and their reconversion to apartments. A prime example is the change-over of Bristol Gardens into the Reserve at Steele Crossing. This property and others now have leasable units coexisting with owner-occupied properties.

The associated table gives some information about announced condominium projects. The information gathered shows that the condominiums are selling from between \$102 and \$350 per square foot, with average square footages varying between 560 and 3,500 square feet. In Fayetteville, these properties account for 2,559 units and in Rogers there are about 215 announced coming condominium units in these projects alone.



Condo Market

Announced Condominium Projects

Complex Name	City	Number of Units	Unit Square Footage	Price per Square Foot
932 Garland*	Fayetteville	37		
Champions Club Condos	Fayetteville	143	911-1,750	\$197-\$285
Chestnut Condos	Fayetteville	10		
Frisco Depot Condos*	Fayetteville	200		
Mill at West End*	Fayetteville	17	900-1,200	\$200
Pines at Springwoods*	Fayetteville	92	1,325-1,925	\$138-\$139
Prairie and West Street Condos	Fayetteville	17		
Renaissance Towers	Fayetteville	23	1,250+	
Ruskin Heights	Fayetteville	95		
Skate Place Condominiums	Fayetteville	34	1,250	\$119
Southpass	Fayetteville	630		
St. Charles Plaza*	Fayetteville	70		\$295-\$325
Stonebridge Meadows	Fayetteville	115		
Summit	Fayetteville	298		
Sycamore Condominiums	Fayetteville	10	560-1,100	\$200
The Dickson*	Fayetteville	20		
University Club Tower	Fayetteville	80	1,700-3,500	
Village on Shiloh	Fayetteville	148	1,180-1,337	\$102
Wedington Circle Condominiums*	Fayetteville	296		\$150-\$200
Woodstock Community*	Fayetteville	224		
St. James Place Townhomes	Rogers	33	1,350-1,875	
Stuckey West Condos	Rogers	32	1,500	\$250
Sunset Drive Condos	Rogers	100	1,500	\$350
Walnut Crossing	Rogers	50		
Creekview Flats	Siloam Springs	5	2,400	\$100-\$102
Waterfront at Harber Meadows	Springdale	25	1,100-1,200	\$223

*indicates indefinite hiatus



Other New Projects

Announcements of Other New Projects

Complex	Developer	Construction Costs	Number of Units	City
Chateau on Chardonnay*	Rex Fox and Frank Farrer		22	Bentonville
Elm Tree Place			8-12	Bentonville
Links at Rainbow Curve*	Lindsey Construction Co.	\$30,370,000	492	Bentonville
Main Street Townhomes			6	Bentonville
Riverwalk Farm Estates, Phase I	John Deweese	\$2,800,000	60	Bentonville
Willowbrooke Farms	Willowbrooke Farms LLC			Bentonville
Beacon Flats	Beacon Flats LLC	\$1,500,000	9	Fayetteville
Campus Crest Student Housing	Campus Crest		160	Fayetteville
College Avenue Townhomes	Pierce Properties	\$2,107,471	39	Fayetteville
Forest Hills Development	Forest Hills Development			Fayetteville
Hill Place	BVP Managers LLC	\$32,000,000	288	Fayetteville
Hometown Development	Hometown Development LTD	\$813,168	8	Fayetteville
Huntsville and Goff Farms Rd PZD				Fayetteville
Links at Fayetteville	Jim Lindsey	\$48,900,000	600	Fayetteville
Monterey Condos	AMA		8	Fayetteville
Mountain Ranch Apartments	SC Bodner Co	\$25,850,000	360	Fayetteville
Pebble Creek Flats	Art Scott		66	Fayetteville
Sligo Street Apartments	Jamerson Properties LLC	\$585,000	16	Fayetteville
Southpass, Phase I	Richard Alexander and John Nock		350	Fayetteville
Southpass, Phase II+	Richard Alexander and John Nock		2,450	Fayetteville
Villas at Stonebridge			263	Fayetteville
Winkler Apartments	Steve Winkler		12	Fayetteville
Lowell Station	Hollis Cunningham		488	Lowell
Assisted Living Facility in The Peaks				Rogers
Glendale Lane Apartments	John David Lindsey		172	Rogers
Old Wire and Laurel PUD	Mike Pennington		200	Rogers
Rollers Ridge Apartments	Ronnie Ball	\$848,000		Rogers
Spring Street Apartments	Randall Carney and William Murray		11	Rogers
St. James Place		\$1,830,000	132	Rogers
Valley West Drive Project	Kim Fugitt	\$1,350,000	15	Rogers
Walnut Crossing	Greg House		350	Rogers
Kenwood Development	Bar and Shield Development LLC		160	Sil. Springs
Berryfield Apartments	RB Construction	\$5,694,480	96	Springdale
Dick Smith Duplexes	Moulden Construction	\$3,500,000	30	Springdale

*indicates indefinite hiatus



Building Permits

The business press was examined to formulate the attached table of announced new projects. These projects are in addition to projects with building permits that are mentioned below and should be considered jointly with the building permit information in order to get a firm picture about the supply that is coming onto the market.

The associated table details the building permits that have been issued for multifamily housing purposes over the past twelve months. Ten projects with values greater than a million dollars were permitted during the period. Seven of these were located in Fayetteville, two were located in Rogers, and one in Springdale. The Fayetteville projects involve the construction of the Village on Shiloh apartments, College North Apartments, Mountain Ranch Apartments, Vantage Center, Hill Place, and Huntington



Heights. The Rogers projects are Roller's Ridge Apartments and St. James Place, while the Springdale project is Hidden Lake Townhomes.

Multifamily Residence Building Permits March 2008 - February 2009

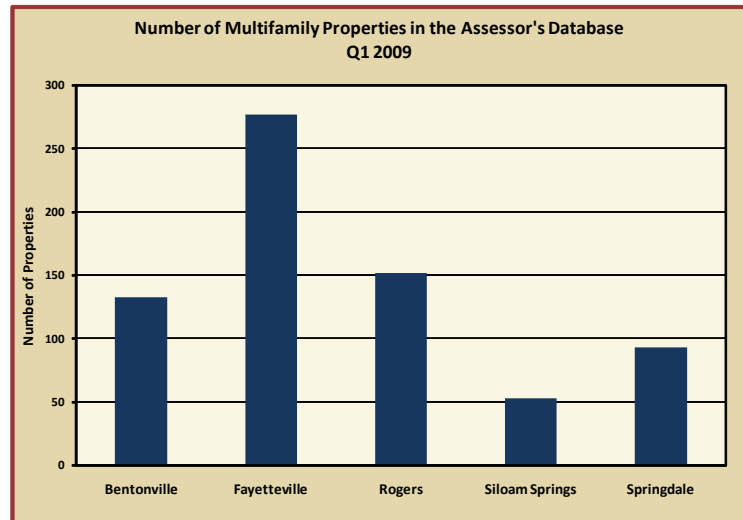
Date	Complex or Developer	Number of Permits	Total Value of Permits	City
3/6/2008	Abshier Heights	1	\$998,400	Fayetteville
3/10/2008	Village on Shiloh	1	\$1,340,309	Fayetteville
4/3/2008	Roller's Ridge Apartments	4	\$1,600,000	Rogers
6/11/2008	St. James Place	33	\$1,830,000	Rogers
6/17/2008	College North Apartments	1	\$2,107,471	Fayetteville
6/18/2008	Village on Shiloh	2	\$1,937,213	Fayetteville
6/24/2008	Mountain Ranch Apartments	4	\$32,206,850	Fayetteville
10/2/2008	Vantage Center	4	\$7,220,960	Fayetteville
10/16/2008	Hill Place	16	\$28,245,040	Fayetteville
11/20/2008	Sunbridge Villas	1	\$406,585	Fayetteville
11/20/2008	Valencia 4-plexes	2	\$803,593	Fayetteville
12/31/2008	Avignon Townhomes	15	\$900,000	Rogers
1/26/2009	Hidden Lake Townhomes	2	\$1,085,701	Springdale
2/6/2009	Leverett Commons, Phase II	1	\$910,997	Fayetteville
2/19/2009	Huntington Heights	3	\$1,019,909	Fayetteville
	Total	90	\$82,613,028	



Multifamily Properties

Building permits give a good indication of the types and amounts of space that will become available on the market in the near future. However, to understand the existing stock of multifamily properties, the Center for Business and Economic Research staff examined the property tax databases from the offices of the Benton and Washington County assessors. From those databases, parcels that were classified as multifamily residential were identified and then results were aggregated by complex to avoid double counting. Unfortunately, the databases do not include any measure of the number of units associated with a particular property, but rather the total square feet of any buildings on the parcels are provided. Therefore, the number of properties by city and the total square feet of multifamily residential space are provided in the accompanying table.

The database search showed that Fayetteville had the most multifamily properties in Northwest Arkansas with 277, totaling more than 4.5 million square feet. Following Fayetteville, in descending order from most multifamily properties to fewest were Rogers, Bentonville, Springdale, and Siloam Springs. The total number of multifamily properties in these cities in the first



quarter of 2009 was 708 with a total size of almost 14.8 million square feet.

The Center for Business and Economic Research staff attempted to obtain additional information about each of the multifamily residential properties in these five cities. A survey instrument was developed to ascertain the number of units in each property, the number of units currently available for lease, the types of different floor plans, the prices of different floor plans, lease durations, and the amenities associated with each property. An online data collection tool was used to streamline

the process and to make responding more convenient for apartment managers. The results from this surveying effort comprise the remainder of this report. In the first quarter of 2009, information was collected on 86.1 percent of the existing square footage of multifamily properties, compared to 84.7 percent in the fourth quarter of 2008.

In the analysis that follows, it is important to remember that the survey sample disproportionately measures large properties with many units, rather than small multifamily properties. In as much as the large properties drive the market for multifamily hous-

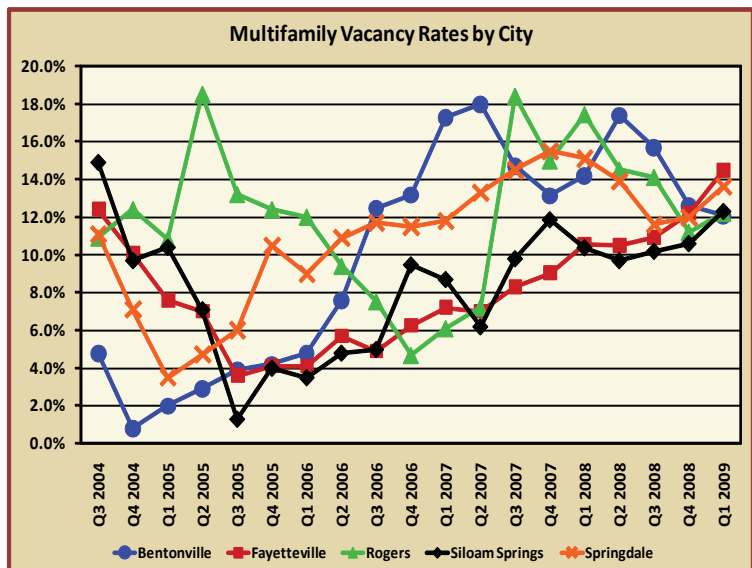
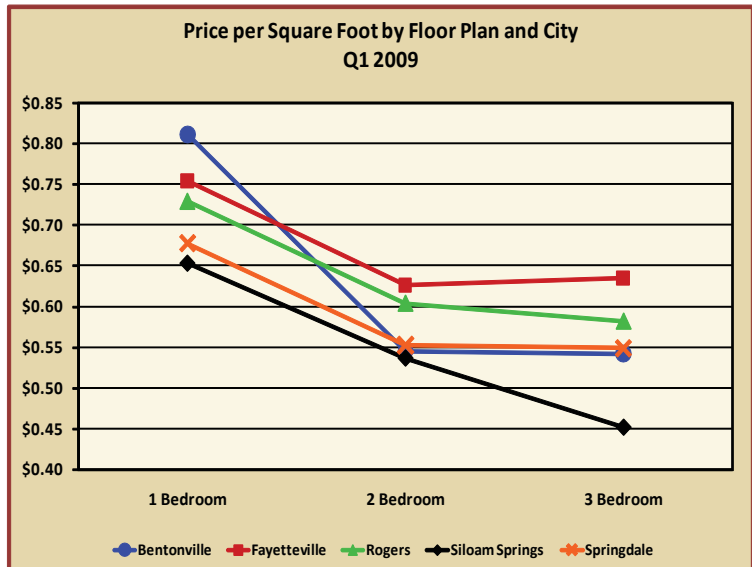
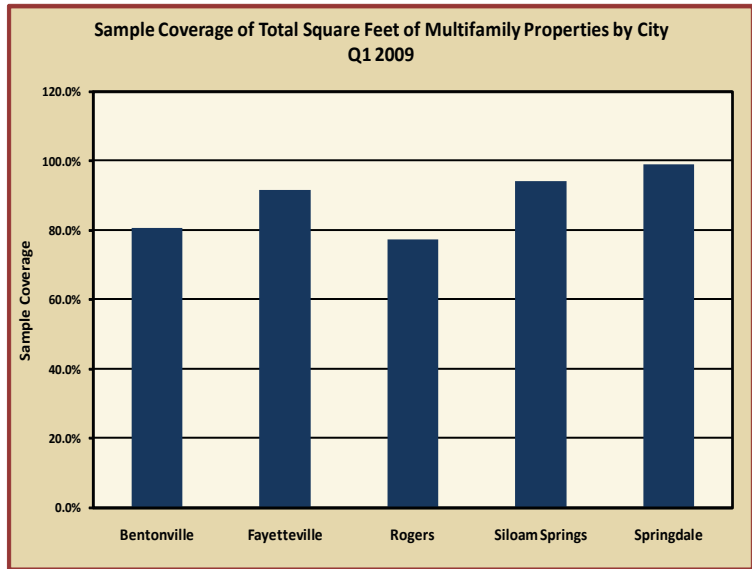
Total Inventory of Multifamily Properties and Sample Coverage Q1 2009

City	Number of Multifamily Properties in County Assessor Databases	Total Square Feet of Multifamily Properties in County Assessor Databases	Number of Multifamily Properties in Sample	Total Square Feet of Multifamily Properties in Sample	Percent Coverage of Total Square Feet
Bentonville	133	3,366,016	114	2,716,986	80.7%
Fayetteville	277	4,527,748	270	4,156,086	91.8%
Rogers	152	4,356,168	77	3,375,645	77.5%
Siloam Springs	53	692,037	43	651,750	94.2%
Springdale	93	1,855,060	85	1,840,860	99.2%
Northwest Arkansas	708	14,797,029	589	12,741,327	86.1%



Multifamily Properties

ing, extrapolating the results to the entire population is entirely reasonable. Within the first quarter 2009 survey sample, there were 25,737 total units in 589 multifamily residential properties. These properties had a combined vacancy rate of 13.5 percent, up from a revised 12.0 percent in the fourth quarter of 2008. The highest vacancy rate was in Fayetteville at 14.5 percent and the lowest vacancy rate was in Bentonville at 12.1 percent. In the first quarter of 2009, Rogers had a vacancy rate of 12.2 percent, Siloam Springs had a vacancy rate of 12.3 percent, and Springdale had a vacancy rate of 13.6 percent. Within the sample, the average lease price per month in Northwest Arkansas was \$526.30, down from \$527.75 in the fourth quarter. The median lease price continued to be \$485.00 in the first quarter. The average size of a unit continued to be 832 square feet and the median size 800 square feet. The average monthly price per square foot of a multifamily property was \$0.63 (the median was \$0.61), the same as in the fourth quarter of 2008. Breaking down the price and square footage by floor plan yields other statistics. On a price per square foot basis, the least expensive floor plans, on average, had four bedrooms at \$0.53. The most expensive floor plans, on average, were studio apartments at \$1.08 per square foot per month.



Multifamily Properties

Sample Vacancy Rates

Market Area	Number of Apartment Complexes	Number of Units	Q1 2009 Vacancy Rate	Q4 2008 Vacancy Rate	Q1 2008 Vacancy Rate
Bentonville	114	3,372	12.1%	12.6%	14.2%
Fayetteville	270	11,440	14.5%	12.2%	10.6%
Rogers	77	4,048	12.2%	11.2%	17.4%
Siloam Springs	43	1,097	12.3%	10.6%	10.4%
Springdale	85	5,780	13.6%	12.0%	15.1%
NWA	589	25,737	13.5%	12.0%	13.1%

Average Size and Price by Floor Plan Q1 2009

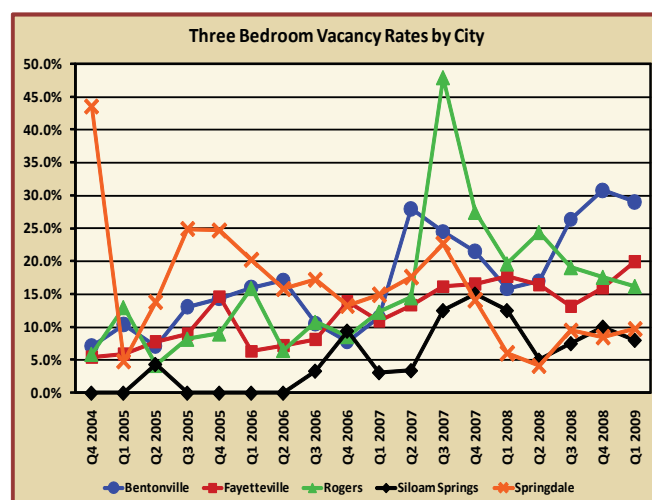
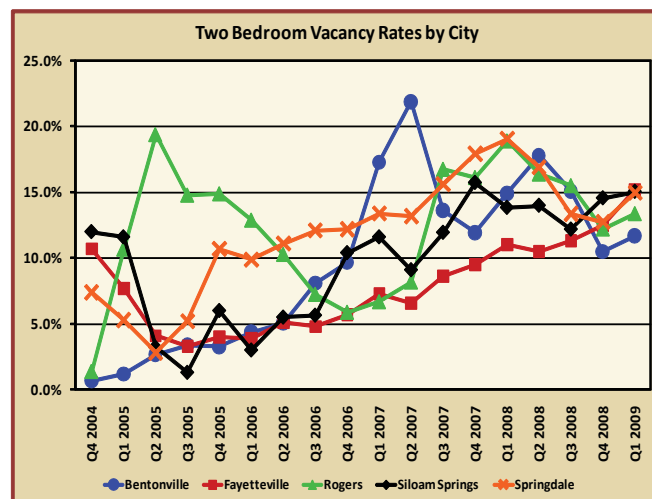
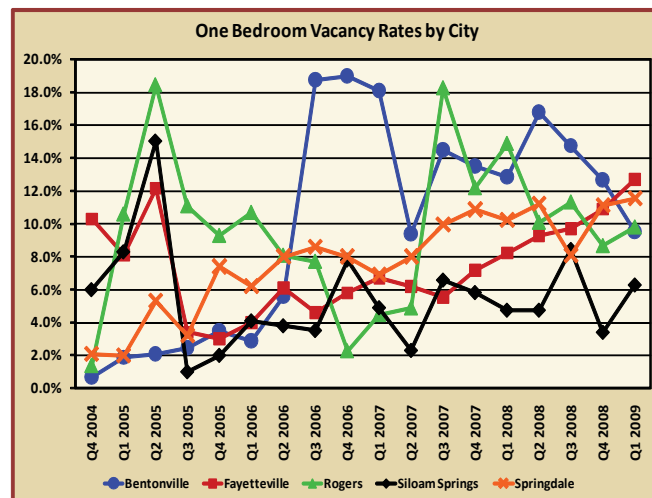
Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	409	\$440.46	\$1.08
1 Bedroom	608	\$448.19	\$0.74
2 Bedroom	906	\$534.91	\$0.59
3 Bedroom	1,235	\$712.92	\$0.58
4 Bedroom	1,477	\$789.60	\$0.53
NWA	832	\$526.30	\$0.63

Median Size and Price by Floor Plan Q1 2009

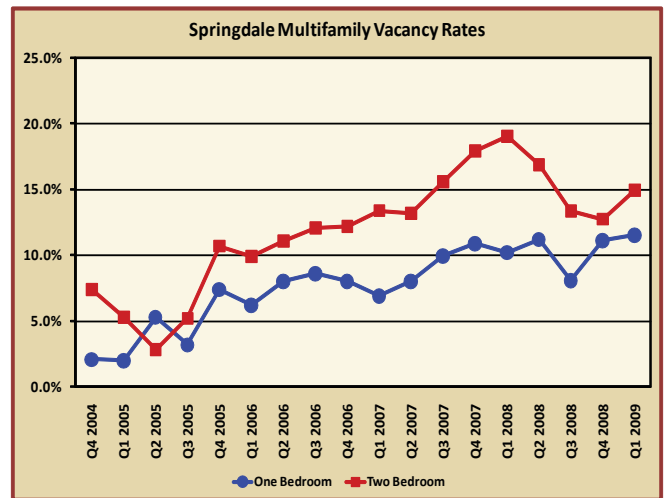
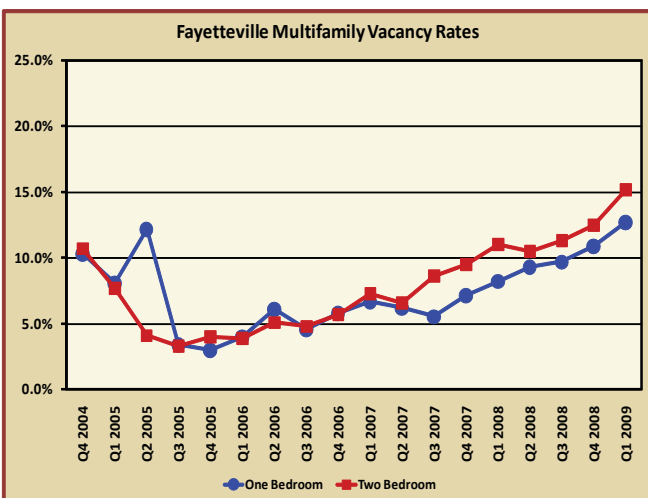
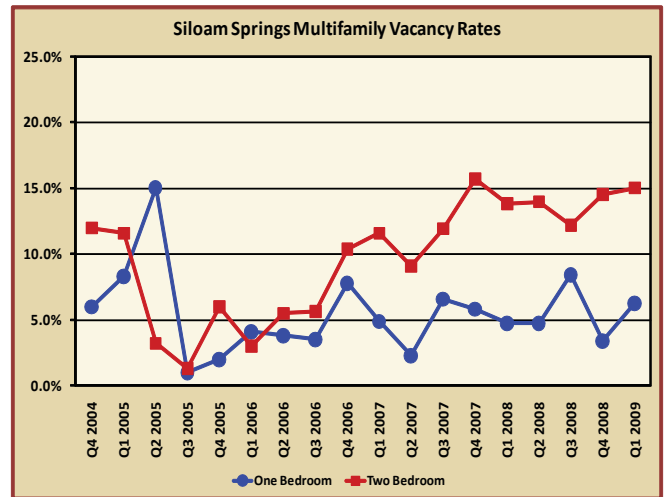
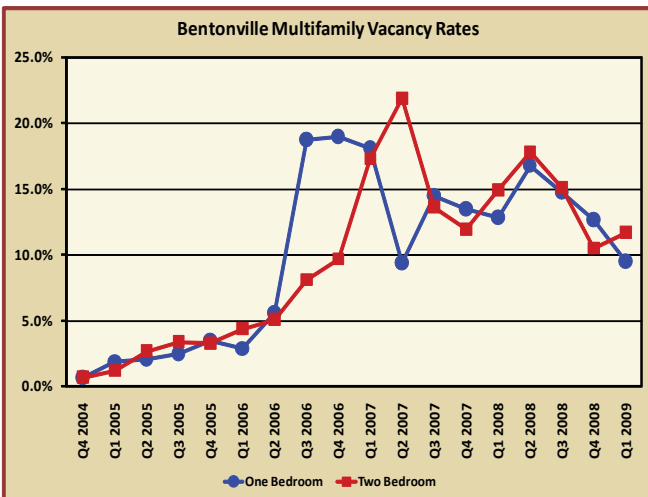
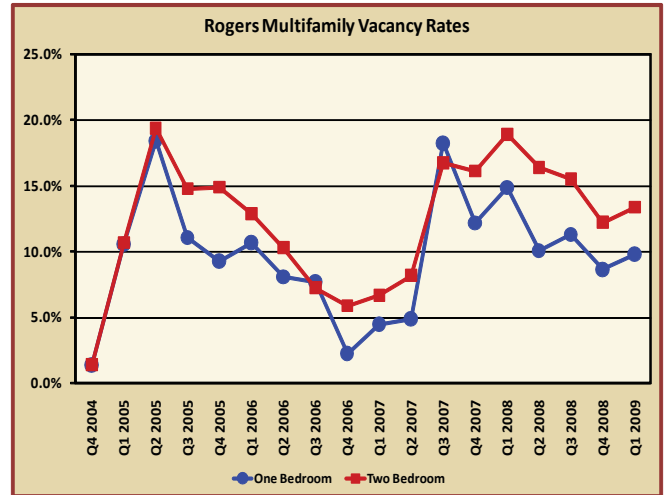
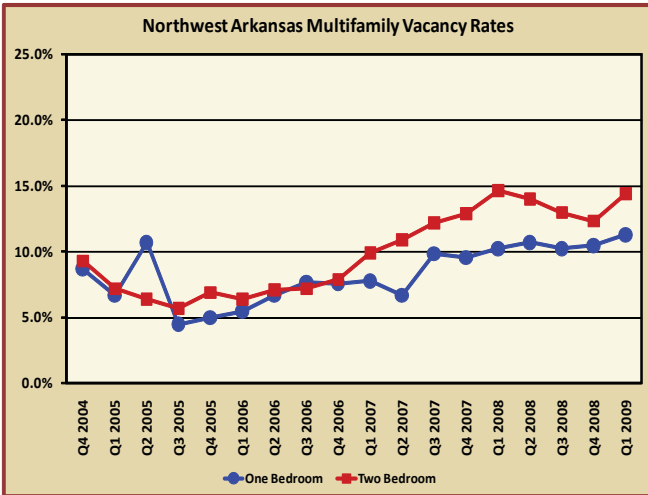
Floor Plan	Median Square Feet	Median Price per Month	Median Price per Square Foot
Studio	403	\$342.50	\$0.85
1 Bedroom	600	\$400.00	\$0.67
2 Bedroom	875	\$500.00	\$0.57
3 Bedroom	1,200	\$650.00	\$0.54
4 Bedroom	1,210	\$685.50	\$0.57
NWA	800	\$485.00	\$0.61

Vacancy Rates by Floor Plan Q1 2009

Market Area	1 Bedroom	2 Bedroom	3 Bedroom
Bentonville	9.5%	11.7%	29.1%
Fayetteville	12.7%	15.2%	19.9%
Rogers	9.8%	13.4%	16.2%
Siloam Springs	6.3%	15.1%	8.0%
Springdale	11.5%	15.0%	9.7%
NWA	11.3%	14.4%	17.0%



Multifamily Properties

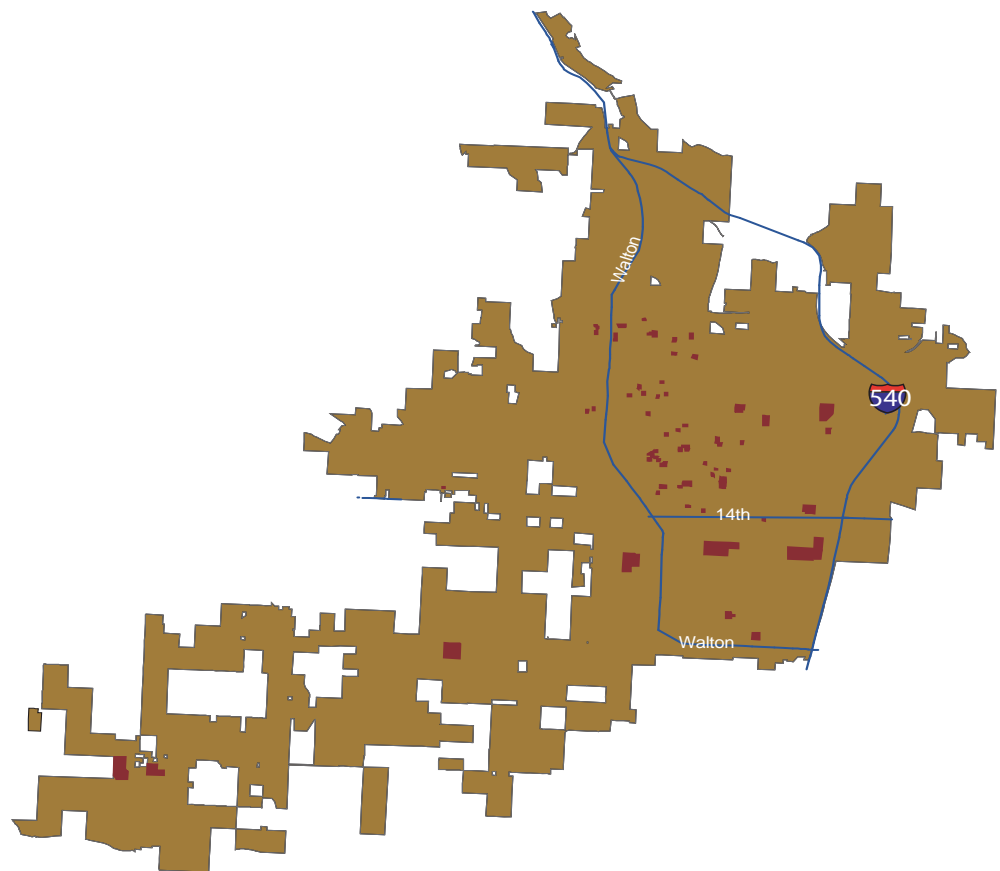


Bentonville

- In the database from the office of the Benton County Assessor, there were 133 multifamily properties in Bentonville in the first quarter of 2009. These properties comprised 3,366,016 square feet.
- The 114 Bentonville Skyline Report survey respondents accounted for 80.7 percent of the square footage of all of the multifamily properties in the city.
- In the 3,372 units that were reported by Skyline Report survey respondents, there was a 12.1 percent vacancy rate, down from 12.6 percent in the fourth quarter of 2008.
- The average lease rate of all units in Bentonville declined to \$520, while the average size of a unit continued to be 869 square feet.
- The monthly leases for Bentonville multifamily properties averaged between \$0.45 per square foot for a four bedroom apartment to \$1.00 per square foot for a studio apartment.
- Most Bentonville multifamily properties required either 6-month or 12-month leases, while month-to-month options were available at some properties.

Average Unit Size and Price by Floor Plan Q1 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	330	\$330.00	\$1.00
1 Bedroom	620	\$503.27	\$0.81
2 Bedroom	921	\$502.68	\$0.55
3 Bedroom	1,211	\$657.06	\$0.54
4 Bedroom	1,200	\$540.00	\$0.45
Bentonville	869	\$520.01	\$0.60

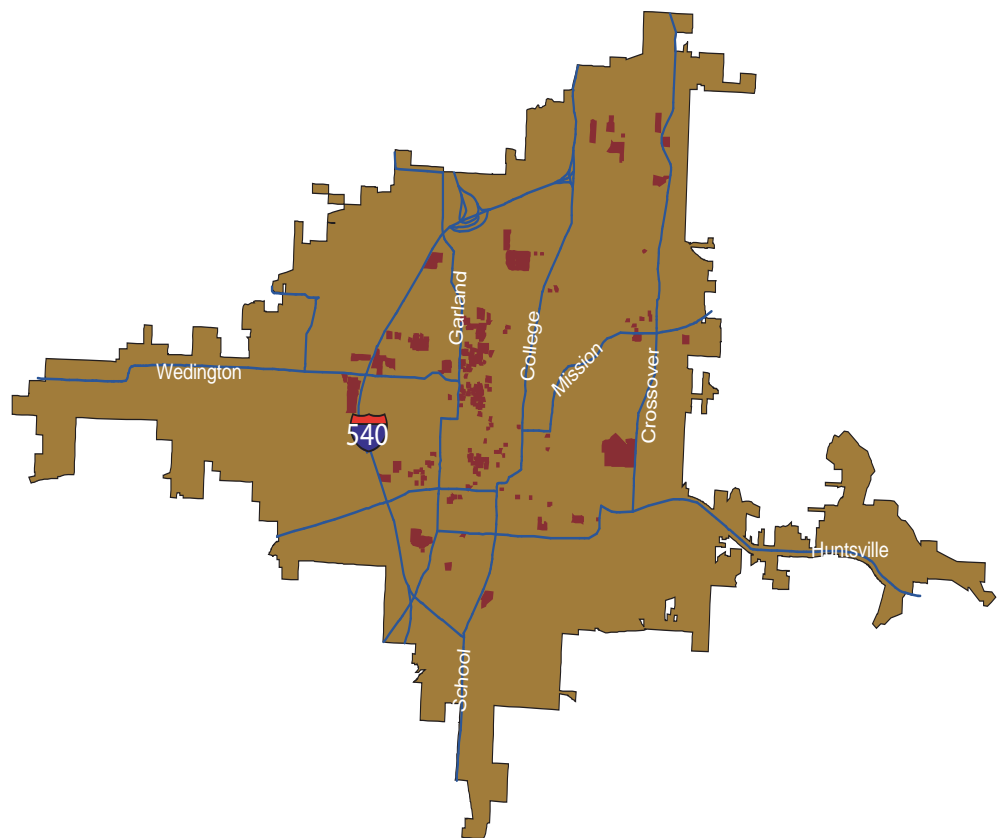


Fayetteville

- In the database from the office of the Washington County Assessor, there were 277 multifamily properties in Fayetteville in the first quarter of 2009. These properties comprised 4,527,748 square feet.
- The 270 Fayetteville Skyline Report survey respondents accounted for about 91.8 percent of the square footage of all of the multifamily properties in the city.
- In the 11,440 units that were reported by Skyline Report survey respondents, there was a 14.5 percent vacancy rate, up from a revised fourth quarter rate of 12.2 percent. The increase in vacancy rate was partly due to new units coming online in the market.
- The average price of all units in Fayetteville was about \$543, while the average size of a unit was 814 square feet.
- The monthly leases for Fayetteville multifamily properties averaged between \$0.62 per square foot for a four bedroom apartment to \$0.89 per square foot for a studio apartment.
- Fayetteville multifamily properties had a wide variety of lease durations from month-to-month all the way through 12-month leases.
- Fayetteville had multifamily properties with many different floor plans, from studio to four bedroom properties with many configurations of baths.

Average Unit Size and Price by Floor Plan Q1 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	408	\$364.43	\$0.89
1 Bedroom	600	\$452.59	\$0.75
2 Bedroom	906	\$567.50	\$0.63
3 Bedroom	1,246	\$791.60	\$0.64
4 Bedroom	1,198	\$744.00	\$0.62
Fayetteville	814	\$543.47	\$0.67

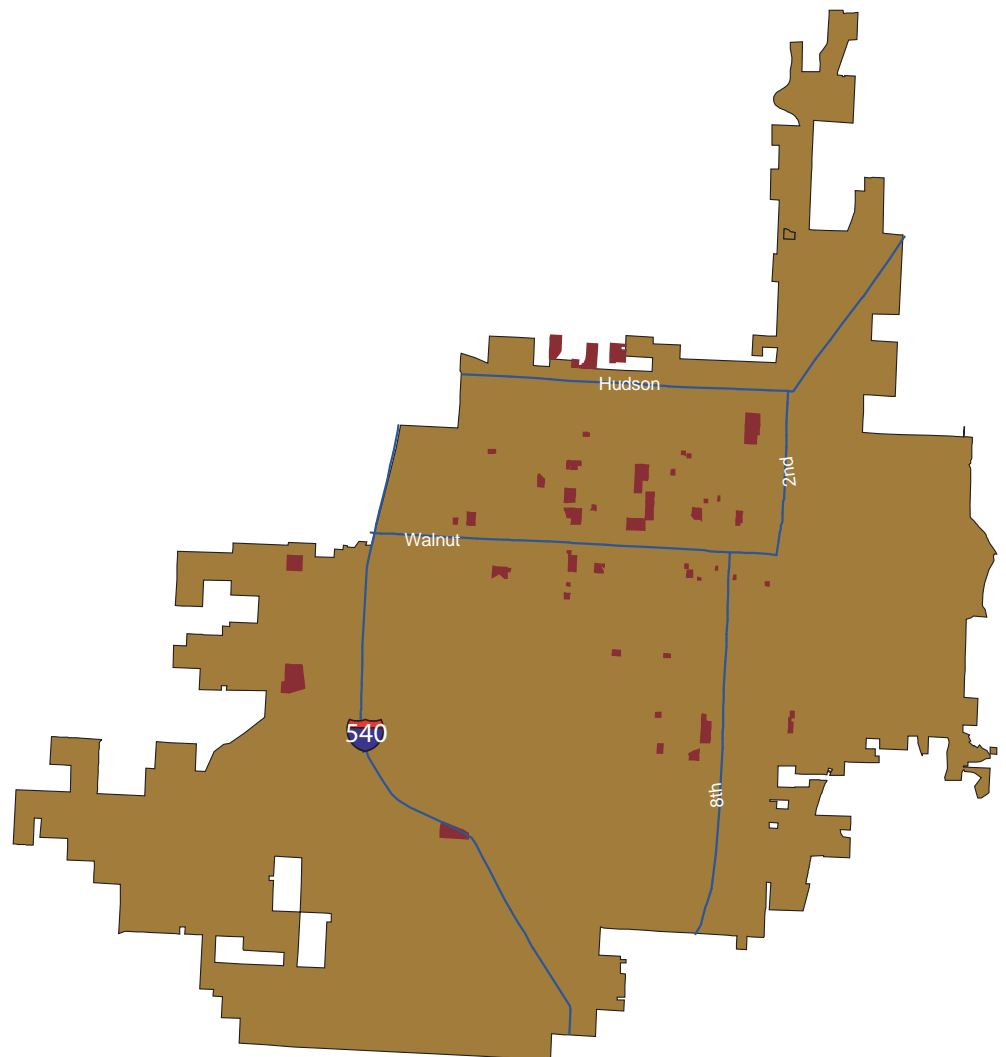


Rogers

- In the database from the office of the Benton County Assessor, there were 152 multifamily properties in Rogers in the first quarter of 2009. These properties comprised 4,356,168 square feet.
- The 77 Rogers Skyline Report survey respondents accounted for 77.5 percent of the square footage of all of the multifamily properties in the city.
- In the 4,048 units that were reported by Skyline Report survey respondents, there was a 12.2 percent vacancy rate in the first quarter of 2009, up from 11.2 percent in the previous quarter.
- The average price of all units in Rogers was almost \$588, while the average size of a unit was 906 square feet.
- The monthly leases for Rogers's multifamily properties averaged between \$0.53 per square foot for a four bedroom apartment to \$5.02 per square foot for a studio. This high price is a result of assisted living services included in the rent of Rogers's studios.
- Most Rogers multifamily properties required either 6-month or 12-month leases, although some month-to-month leases were available.

Average Unit Size and Price by Floor Plan Q1 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	510	\$2,560.00	\$5.02
1 Bedroom	664	\$484.17	\$0.73
2 Bedroom	929	\$561.58	\$0.60
3 Bedroom	1,253	\$730.00	\$0.58
4 Bedroom	3,000	\$1,600.00	\$0.53
Rogers	906	\$587.73	\$0.65

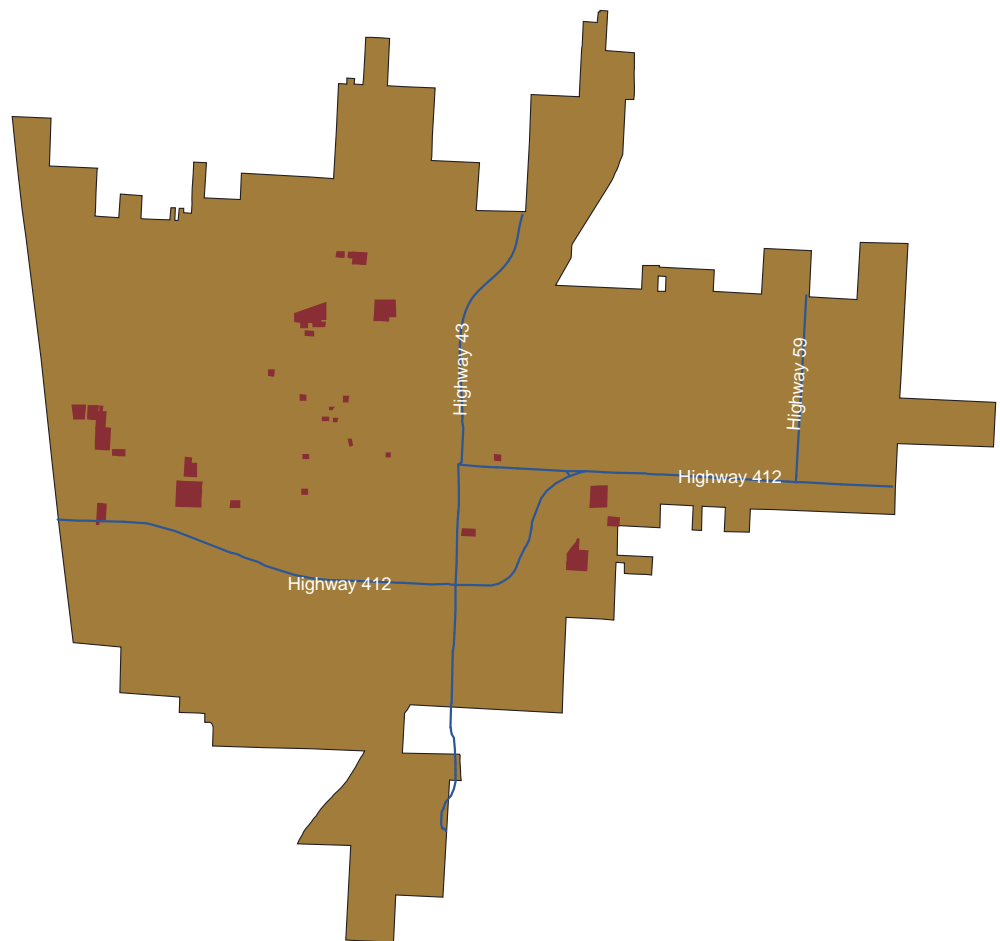


Siloam Springs

- In the database from the office of the Benton County Assessor, there were 53 multifamily properties in Siloam Springs in the first quarter of 2009. These properties comprised 692,037 square feet.
- The 43 Siloam Springs Skyline Report survey respondents accounted for 94.2 percent of the square footage of all of the multifamily properties in the city.
- In the 1,097 units that were reported by Skyline Report survey respondents, there was a 12.3 percent vacancy rate, up from the 10.6 percent vacancy rate in the fourth quarter of 2008.
- The average price of all units in Siloam Springs was \$450, while the average size of a unit was 816 square feet.
- The monthly leases for Siloam Springs multifamily properties averaged between \$0.45 per square foot for a three bedroom apartment to \$0.84 per square foot for a studio apartment.
- Most Siloam Springs multifamily properties required 12-month leases, although some month-to-month leases were available.

Average Unit Size and Price by Floor Plan Q1 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	390	\$326.00	\$0.84
1 Bedroom	591	\$386.15	\$0.65
2 Bedroom	848	\$455.48	\$0.54
3 Bedroom	1,325	\$599.40	\$0.45
4 Bedroom	1,210	\$696.00	\$0.58
Siloam Springs	816	\$450.19	\$0.55



Springdale

- In the database from the office of the Washington County Assessor, there were 93 multifamily properties in Springdale in the first quarter of 2009. These properties comprised 1,855,060 square feet.
- The 85 Springdale Skyline Report survey respondents accounted for 99.2 percent of the square footage of all of the multifamily properties in the city.
- In the 5,780 units that were reported by Skyline Report survey respondents there was a 13.6 percent vacancy rate, up from 12.0 percent in the fourth quarter of 2008.
- The average price of all units in Springdale was almost \$465, while the average size of a unit was 778 square feet.
- The monthly leases for Springdale multifamily properties averaged between \$0.55 per square foot for a two bedroom and a three bedroom apartments to \$0.74 per square foot for a studio apartment.
- Most Springdale multifamily properties required either 6-month or 12-month leases, although some 3-month, 9-month, and month-to-month leases were available.

Average Unit Size and Price by Floor Plan Q1 2009

Floor Plan	Average Square Feet	Average Price per Month	Average Price per Square Foot
Studio	430	\$316.33	\$0.74
1 Bedroom	583	\$395.19	\$0.68
2 Bedroom	889	\$491.58	\$0.55
3 Bedroom	1,101	\$605.07	\$0.55
4 Bedroom	1,333	\$800.00	\$0.60
Springdale	778	\$464.81	\$0.60

